

A BILL FOR AN ACT

RELATING TO LIQUOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 PART I

2 SECTION 1. The legislature finds that some of the
3 requirements for a temporary liquor license in the county of
4 Maui are oppressively burdensome without providing any public
5 benefit. A temporary liquor license, known as a class 10
6 special license, allows a nonprofit group, political candidate,
7 or political party to serve alcohol at a fundraising event
8 lasting no longer than three days. Among the onerous
9 requirements that are only imposed in the county of Maui are the
10 requirements to submit the special license application in person
11 and to provide a handwritten signature on the application. The
12 applicant must also obtain various separate departmental
13 clearances and produce detailed illustrative materials that are
14 duplicative of existing enforcement mechanisms. In addition, if
15 the applicant holds the fundraising event at a location
16 involving multiple parcels with separate tax map key numbers,
17 such as many golf courses, the applicant must submit a separate



1 application for each parcel, despite the event occurring in what
2 is otherwise a single location. Many of these requirements do
3 not apply to comparable temporary liquor licenses in other
4 counties.

5 The legislature believes that these requirements discourage
6 community organizations from hosting fundraisers, are not
7 necessary for the effective regulation of a temporary event, and
8 may encourage community organizations to hold their fundraisers
9 without obtaining a liquor license.

10 Accordingly, the purpose of this part is to streamline the
11 class 10 special license application process to reduce
12 fundraising costs in a manner that maintains public safety and
13 the protection of event participants.

14 SECTION 2. Section 281-31, Hawaii Revised Statutes, is
15 amended by amending subsection (j) to read as follows:

16 "(j) Class 10. Special license.

17 (1) A special license may be granted for the sale of
18 liquor for a period not to exceed three days and
19 pursuant to commission rule may be approved by the
20 administrator for fundraising events by nonprofit
21 organizations, political candidates, and political



1 parties; provided that any registered educational or
2 charitable nonprofit organization may sell liquors in
3 their original packages for off-premises consumption;
4 provided further that any social club granted
5 tax-exempt status pursuant to section 501(c)(7) of the
6 Internal Revenue Code of 1986, as amended, may sell
7 wine from the social club's inventory to the club's
8 members for off-premises consumption. Of this class,
9 there shall be the following kinds:

10 (A) General (includes all liquor except alcohol);
11 (B) Beer and wine; and
12 (C) Beer.

13 Liquor sold under a class 10 license shall be consumed
14 on the premises.

15 (2) Notwithstanding any other section of this chapter to
16 the contrary, the commission shall waive any hearings,
17 fees, notarization of documents, submission of floor
18 plans and other governmental clearances, and other
19 requirements for the issuance of a class 10 license.

20 The class 10 license granted under this subsection for
21 a fundraising event shall include the ability to



1 auction off, at a live or silent auction, liquor in
2 sealed or covered glass, ceramic, or metal containers
3 or services that provide liquor. No criminal history
4 record check under section 281-53.5 or 846-2.7 or any
5 other section of this chapter shall be required. The
6 commission may require proof of liquor liability
7 insurance for the fundraising event and a current list
8 of officers and directors if the applicant is a
9 nonprofit organization.

10 (3) Notwithstanding any other section of this chapter to
11 the contrary, in any county with a population of fewer
12 than two hundred thousand residents but more than one
13 hundred thousand residents, an application for a class
14 10 license:

15 (A) May be submitted electronically and, if submitted
16 electronically, the inclusion of an electronic
17 signature shall satisfy any requirement for a
18 physical, handwritten signature or other
19 signature;



- (B) May include an applicant's first and last name in satisfaction of any requirement for the submission of the applicant's full name;
- (C) May be applicable to two or more adjacent parcels of land; provided that all parcels of land are controlled by the same entity; and
- (D) Shall not be conditioned upon the submission, approval, or completion of any visual renderings, illustrative materials, fire-related clearances, safety inspections, or miscellaneous inspections conducted by any other county department or agency.

An application under this subsection shall be sufficient if it satisfies all of the requirements specified under this subsection. No county or county liquor commission shall require, request, or condition the issuance of a class 10 license upon compliance with any other approval, clearance, inspection, certification, or condition not expressly required by this subsection. Nothing in this subsection shall be construed to limit the authority of a county to



1 enforce applicable fire or building codes through
2 independent enforcement actions."

3 PART II

4 SECTION 3. The legislature finds that effective
5 educational and enforcement programs are necessary to mitigate
6 the significant impact that alcohol consumption has on public
7 health and safety. The legislature also finds that the
8 responsible management of alcohol sales and consumption is
9 essential to fostering a safe and healthy community for all
10 residents and visitors. Under current state law, county liquor
11 commissions are authorized to use a portion of the fines
12 assessed against liquor licensees to fund public liquor-related
13 educational or enforcement programs. However, the amount of
14 funds authorized may not be sufficient to support the
15 educational initiatives and enforcement programs needed to
16 reduce alcohol-related harm. The legislature further finds that
17 enhancing educational efforts regarding responsible drinking,
18 the risks associated with alcohol misuse, and the promotion of
19 healthy lifestyle choices is vital to ensuring a safer future
20 for our youth and community.



1 Accordingly, the purpose of this part is to increase the
2 percentage of fines assessed by county liquor commissions that
3 may be used to fund public liquor-related educational or
4 enforcement programs.

5 SECTION 4. Section 281-17, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) The liquor commission, within its own county, shall
8 have the jurisdiction, power, authority, and discretion, subject
9 only to this chapter:

10 (1) To grant, refuse, suspend, and revoke any license for
11 the manufacture, importation, and sale of liquors;
12 (2) To take appropriate action against a person who,
13 directly or indirectly, manufactures, sells, or
14 purchases any liquor without being authorized pursuant
15 to this chapter; provided that in counties that have
16 established by charter a liquor control adjudication
17 board, the board shall have the jurisdiction, power,
18 authority, and discretion to hear and determine
19 administrative complaints of the director regarding
20 violations of the liquor laws of the State or of the



1 rules of the liquor commission, and impose penalties
2 for violations thereof as may be provided by law;

3 (3) To control, supervise, and regulate the manufacture,
4 importation, and sale of liquors by investigation,
5 enforcement, and education; provided that any
6 educational program shall be limited to the commission
7 staff, commissioners, liquor control adjudication
8 board members, and licensees and their employees, and
9 shall be financed through the money collected from the
10 assessment of fines against licensees; provided that
11 fine moneys, not to exceed [~~ten~~] twenty per cent a
12 year of fines accumulated, may be used to fund public
13 liquor-related educational or enforcement programs;

14 (4) From time to time to make, amend, and repeal rules,
15 not inconsistent with this chapter, as in the judgment
16 of the commission are deemed appropriate for carrying
17 out this chapter and for the efficient administration
18 thereof, and the proper conduct of the business of all
19 licensees, including every matter or thing required to
20 be done or [~~which~~] that may be done with the approval
21 or consent, by order, under the direction or



1 supervision of, or as prescribed by the commission;
2 which rules, when adopted as provided in chapter 91
3 shall have the force and effect of law;
4 (5) Subject to chapter 76, to appoint and remove an
5 administrator, who may also be appointed an
6 investigator and who shall be responsible for the
7 operations and activities of the staff. The
8 administrator may hire and remove hearing officers,
9 investigators, and clerical or other assistants as its
10 business may from time to time require, prescribe
11 their duties and fix their compensation, and engage
12 the services of experts and persons engaged in the
13 practice of a profession, if deemed expedient. Every
14 investigator, within the scope of the investigator's
15 duties, shall have the powers of a police officer;
16 (6) To limit the number of licenses of any class or kind
17 within the county, or the number of licenses of any
18 class or kind to do business in any given locality,
19 when in the judgment of the commission [such] the
20 limitations are in the public interest;



- 1 (7) To prescribe the nature of the proof to be furnished,
2 the notices to be given, and the conditions to be met
3 or observed in case of the issuance of a duplicate
4 license in place of one alleged to have been lost or
5 destroyed, including a requirement of any indemnity
6 deemed appropriate to the case;
- 7 (8) To fix the hours between which licensed premises of
8 any class or classes may regularly be open for the
9 transaction of business, which shall be uniform
10 throughout the county as to each class respectively;
- 11 (9) To prescribe all forms to be used for the purposes of
12 this chapter not otherwise provided for in this
13 chapter, and the character and manner of keeping of
14 books, records, and accounts to be kept by licensees
15 in any matter pertaining to their business;
- 16 (10) To investigate violations of this chapter and,
17 notwithstanding any law to the contrary, violations of
18 the applicable department of health's allowable noise
19 levels, through its investigators or otherwise, to
20 include covert operations, and to report violations to
21 the prosecuting officer for prosecution where

1 appropriate. Investigations of violations of
2 chapter 244D shall be referred to the director of
3 taxation to hear and determine complaints against any
4 licensee;

5 (11) To prescribe, by rule, the terms, conditions, and
6 circumstances under which persons or any class of
7 persons may be employed by holders of licenses;

8 (12) To prescribe, by rule, the term of any license or
9 solicitor's and representative's permit authorized by
10 this chapter, the annual or prorated amount, the
11 manner of payment of fees for the licenses and
12 permits, and the amount of filing fees;

13 (13) To prescribe, by rule, regulations on dancing in
14 licensed premises; and

15 (14) To prescribe, by rule, the circumstances and penalty
16 for the unauthorized manufacturing or selling of any
17 liquor."

18 PART III

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY: M. A. Atch



S.B. NO. 2835

Report Title:

Intoxicating Liquor; Liquor License; Class 10 Special License; Liquor Commission; Fines; Educational and Enforcement Programs

Description:

In counties of fewer than 200,000 residents, but more than 100,000 residents, exempts the 3-day temporary liquor licenses for fundraising events, known as class 10 special licenses, from any requirement to obtain fire-related clearances. Allows applications for class 10 special licenses to be submitted electronically and for a single application to apply any fundraising event that spans multiple parcels of land owned by the same entity. Increases the percentage of fines assessed by all county liquor commissions that may be used to fund public liquor-related educational or enforcement programs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

