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# 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 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:

11 (1) Clarify that class 10 special licenses may be granted  
12 for a period not to exceed three days per application;  
13 and

14 (2) Streamline the class 10 special license application  
15 process to reduce fundraising costs in a manner that  
16 maintains public safety and the protection of event  
17 participants.

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

20 "(j) Class 10. Special license.



1           (1) A special license may be granted for the sale of  
2           liquor for a period not to exceed three days [~~and~~  
3           ~~pursuant to commission rule may be approved by the~~  
4           ~~administrator for~~] per application. Special licenses  
5           for certain fundraising events by nonprofit  
6           organizations, political candidates, and political  
7           parties[~~+~~], pursuant to commission rule, may be  
8           approved by the administrator; provided that any  
9           registered educational or charitable nonprofit  
10          organization may sell liquors in their original  
11          packages for off-premises consumption; provided  
12          further that any social club granted tax-exempt status  
13          pursuant to section 501(c)(7) of the Internal Revenue  
14          Code of 1986, as amended, may sell wine from the  
15          social club's inventory to the club's members for off-  
16          premises consumption. Of this class, there shall be  
17          the following kinds:  
18          (A) General (includes all liquor except alcohol);  
19          (B) Beer and wine; and  
20          (C) Beer.



1           Liquor sold under a class 10 license shall be consumed  
2           on the premises[-], except as otherwise allowed under  
3           this subsection.

4           (2) Notwithstanding any other section of this chapter to  
5           the contrary, the commission shall waive any hearings,  
6           fees, notarization of documents, submission of floor  
7           plans and other governmental clearances, and other  
8           requirements for the issuance of a class 10 license.  
9           The class 10 license granted under this subsection for  
10          a fundraising event shall include the ability to  
11          auction off, at a live or silent auction, liquor in  
12          sealed or covered glass, ceramic, or metal containers  
13          or services that provide liquor. No criminal history  
14          record check under section 281-53.5 or 846-2.7 or any  
15          other section of this chapter shall be required. The  
16          commission may require proof of liquor liability  
17          insurance for the fundraising event and a current list  
18          of officers and directors if the applicant is a  
19          nonprofit organization.

20          (3) This paragraph shall only apply to a county with a  
21          population of fewer than two hundred thousand



1 residents but more than one hundred thousand  
2 residents. Notwithstanding any other section of this  
3 chapter to the contrary, an application for a class 10  
4 license:

5 (A) May be submitted electronically and, if submitted  
6 electronically, the inclusion of an electronic  
7 signature shall satisfy any requirement for a  
8 physical, handwritten signature or other  
9 signature;

10 (B) May include an applicant's first and last name in  
11 satisfaction of any requirement for the  
12 submission of the applicant's full name;

13 (C) May be applicable to two or more adjacent parcels  
14 of land; provided that all parcels of land are  
15 controlled by the same entity; and

16 (D) Shall not be conditioned upon the submission,  
17 approval, or completion of any visual renderings,  
18 illustrative materials, fire-related clearances,  
19 safety inspections, or miscellaneous inspections  
20 conducted by any other county department or  
21 agency.



1           An application under this paragraph shall be  
2           sufficient if it satisfies all of the requirements of  
3           this subsection. No county or county liquor  
4           commission shall require, request, or condition the  
5           issuance of a class 10 license upon compliance with  
6           any other approval, clearance, inspection,  
7           certification, or condition not expressly required by  
8           this subsection. Nothing in this subsection shall be  
9           construed to limit the authority of a county to  
10          enforce applicable fire or building codes through  
11          independent enforcement actions."

## PART II

13           SECTION 3. The legislature finds that effective  
14           educational and enforcement programs are necessary to mitigate  
15           the significant impact that alcohol consumption has on public  
16           health and safety. The responsible management of alcohol sales  
17           and consumption is essential to fostering a safe and healthy  
18           community for all residents and visitors. Under existing state  
19           law, county liquor commissions are authorized to use a portion  
20           of the fines assessed against liquor licensees to fund public  
21           liquor-related educational or enforcement programs. However,



1 the amount of funds authorized may not be sufficient to support  
2 the educational initiatives and enforcement programs needed to  
3 reduce alcohol-related harm.

4 The legislature further finds that enhancing educational  
5 efforts regarding responsible drinking, the risks associated  
6 with alcohol misuse, and the promotion of healthy lifestyle  
7 choices is vital to ensuring a safer future for our youth and  
8 community.

9 Accordingly, the purpose of this part is to increase the  
10 maximum percentage of fines assessed by county liquor  
11 commissions that may be used to fund public liquor-related  
12 educational or enforcement programs.

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

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

18 (1) To grant, refuse, suspend, and revoke any license for  
19 the manufacture, importation, and sale of liquors;

20 (2) To take appropriate action against a person who,  
21 directly or indirectly, manufactures, sells, or



1 purchases any liquor without being authorized pursuant  
2 to this chapter; provided that in counties that have  
3 established by charter a liquor control adjudication  
4 board, the board shall have the jurisdiction, power,  
5 authority, and discretion to hear and determine  
6 administrative complaints of the director regarding  
7 violations of the liquor laws of the State or of the  
8 rules of the liquor commission, and impose penalties  
9 for violations thereof as may be provided by law;

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



- 1           (4) From time to time to make, amend, and repeal rules,  
2           not inconsistent with this chapter, as in the judgment  
3           of the commission are deemed appropriate for carrying  
4           out this chapter and for the efficient administration  
5           thereof, and the proper conduct of the business of all  
6           licensees, including every matter or thing required to  
7           be done or [~~which~~] that may be done with the approval  
8           or consent, by order, under the direction or  
9           supervision of, or as prescribed by the commission;  
10          which rules, when adopted as provided in chapter 91  
11          shall have the force and effect of law;
- 12          (5) Subject to chapter 76, to appoint and remove an  
13          administrator, who may also be appointed an  
14          investigator and who shall be responsible for the  
15          operations and activities of the staff. The  
16          administrator may hire and remove hearing officers,  
17          investigators, and clerical or other assistants as its  
18          business may from time to time require, prescribe  
19          their duties and fix their compensation, and engage  
20          the services of experts and persons engaged in the  
21          practice of a profession, if deemed expedient. Every



1           investigator, within the scope of the investigator's  
2           duties, shall have the powers of a police officer;  
3           (6) To limit the number of licenses of any class or kind  
4           within the county, or the number of licenses of any  
5           class or kind to do business in any given locality,  
6           when in the judgment of the commission [~~such~~] the  
7           limitations are in the public interest;  
8           (7) To prescribe the nature of the proof to be furnished,  
9           the notices to be given, and the conditions to be met  
10           or observed in case of the issuance of a duplicate  
11           license in place of one alleged to have been lost or  
12           destroyed, including a requirement of any indemnity  
13           deemed appropriate to the case;  
14           (8) To fix the hours between which licensed premises of  
15           any class or classes may regularly be open for the  
16           transaction of business, which shall be uniform  
17           throughout the county as to each class respectively;  
18           (9) To prescribe all forms to be used for the purposes of  
19           this chapter not otherwise provided for in this  
20           chapter, and the character and manner of keeping of



1 books, records, and accounts to be kept by licensees  
2 in any matter pertaining to their business;

3 (10) To investigate violations of this chapter and,  
4 notwithstanding any law to the contrary, violations of  
5 the applicable department of health's allowable noise  
6 levels, through its investigators or otherwise, to  
7 include covert operations, and to report violations to  
8 the prosecuting officer for prosecution where  
9 appropriate. Investigations of violations of chapter  
10 244D shall be referred to the director of taxation to  
11 hear and determine complaints against any licensee;

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

15 (12) To prescribe, by rule, the term of any license or  
16 solicitor's and representative's permit authorized by  
17 this chapter, the annual or prorated amount, the  
18 manner of payment of fees for the licenses and  
19 permits, and the amount of filing fees;

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



1 (14) To prescribe, by rule, the circumstances and penalty  
2 for the unauthorized manufacturing or selling of any  
3 liquor."

4 PART III

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

7 SECTION 6. This Act shall take effect on March 22, 2075.



**Report Title:**

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

**Description:**

Part I: Clarifies that class 10 special licenses may be granted for a period not to exceed three days per application. In counties with fewer than two hundred thousand residents but more than one hundred thousand residents, amends application requirements for class 10 special licenses, including requirements related to electronic submission, naming, and single applications for certain adjacent parcels of land, and prohibits the conditional acceptance of applications based on certain factors. Part II: Increases the maximum percentage of fines assessed by county liquor commissions that may be used to fund public liquor-related educational or enforcement programs. Effective 3/22/2075. (HD2)

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

