

Honolulu, Hawaii

MAR 03 2006

RE: S.B. No. 2551
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Judiciary and Hawaiian Affairs, to which was referred S.B. No. 2551, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to authorize the liquor commission to take thirty, rather than fifteen, days to make a decision on an application, and to give it the discretion to extend this time from thirty days to forty-five days.

In addition, this measure:

- (1) Allows the commission to remove names from its copy of the registered voters list for lack of residency;
- (2) Deems an application denied if the commission does not make a decision granting or refusing an application; and
- (3) Determines that a hearing or a rehearing on an application is not a contested case, and exempts those hearings from chapter 91.

Your Committee received testimony in support of this measure from Stahl, Inc., the Waikiki Neighborhood Board, and twelve individuals. E&J Lounge Company testified in opposition to this measure. Three individuals submitted comments on this measure.



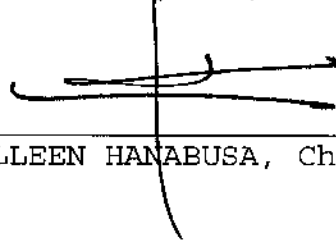
Your Committee finds that the automatic permit denial provision of this measure requires a longer time period for the liquor commission to act, to avoid automatic denials due to scheduling problems.

Your Committee further finds that it is important for the liquor commission to use current residency information when determining whether a majority of the registered voters in a community have duly filed a protest against the granting of a liquor license. However, your Committee notes that the amendment to allow the liquor commission to remove names from the register voters list for lack of residency is not binding on the Office of Elections.

Your Committee also notes that in response to a concern raised by the Committee on Intergovernmental Affairs regarding the automatic denial of an application, the Attorney General stated that the automatic denial of an application is a policy issue that should withstand any due process challenge.

As affirmed by the record of votes of the members of your Committee on Judiciary and Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2551, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Hawaiian Affairs,



COLLEEN HANABUSA, Chair



