

STAND. COM. REP. NO. 1099

Honolulu, Hawaii

MAR 21 2007

RE: H.B. No. 1018  
H.D. 2  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Madam:

Your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs, to which was referred H.B. No. 1018, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

beg leave to report as follows:

The purpose of this measure is to create a new category of liquor license for condominium hotels.

Your Committees received testimony in support of this measure from the Hawaii County Department of Liquor Control; Hawai'i Hotel & Lodging Association, and Outrigger Enterprises, Inc.

Your Committees find that the advent of the condominium hotel ownership and operating structure is a relatively new concept that has recently been gaining in popularity in the State. While many former hotel operations have converted to a condominium hotel ownership and operating structure, this new structure has created an interpretation and application problem with respect to liquor licensing laws. Specifically, the restrictive nature of the definition of "premises" contained in the existing Class 12 hotel liquor licensing requirements would require that a licensed liquor establishment be situated and operated on the hotel portion, not the condominium portion, of the condominium hotel. Such a restrictive interpretation could lead to the inconsistent application and enforcement of liquor licensing laws when trying



to fit condominium hotels into the existing liquor licensing framework for hotels.

Your Committees believe that creating a new liquor licensing category to specifically address the unique ownership and operational structure of condominium hotels would promote the consistent interpretation and application of liquor licensing laws. Your Committees also believe that the establishment of a separate category for condominium hotel liquor licenses is necessary to provide adequate guidance to county liquor commissioners to ensure that the liquor licensing laws that govern the sale of liquor on such premises are uniformly interpreted and applied throughout a respective county's jurisdiction.

Your Committees have amended this measure on recommendation of the four county liquor commissions and the hotel stakeholders, as presented in testimony by Outrigger Enterprises, Inc., that:

- (1) Clarifies the liquor license application process;
- (2) Clarifies the definition of "condominium hotel" by replacing the term "apartment" with "unit" and by stating that condominium hotels are hotels that may be a part of a condominium property regime established under chapter 514B, Hawaii Revised Statutes, that does not have guest rooms that are separate units, as defined in section 514B-3, Hawaii Revised Statutes;
- (3) Establishes a definition of "condominium hotel operator" as a person who operates a condominium hotel and is registered as such under section 467-30(b), Hawaii Revised Statutes;
- (4) Requires a condominium hotel operator to submit quarterly lists to the respective liquor commission on the units being utilized as part of the condominium hotel operation, maintain a current list of such units at the condominium hotel for inspection by liquor commission employees, and provide flexibility to the condominium hotel operator to substitute units within the condominium hotel for transient accommodation uses;
- (5) Adds a section to the measure that if a hotel liquor license holder applies to a liquor commission to change



their license to a condominium hotel liquor license, the requested change shall require a public hearing; and

- (6) Makes technical, nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Government Operations and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1018, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1018, H.D. 2, S.D. 1, and be referred to the Committee on Commerce, Consumer Protection, and Affordable Housing.

Respectfully submitted on  
behalf of the members of the  
Committees on Tourism and  
Government Operations and  
Intergovernmental and Military  
Affairs,

  
LORRAINE R. INOUE, Chair


  
CLARENCE K. NISHIHARA, Chair





The Senate  
Twenty-Fourth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Intergovernmental and Military Affairs**  
**IGM**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1018 HD 2	TSG/IGM, CPH	3/15/07
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
INOUE, Lorraine R. (C)	/	
TSUTSUI, Shan S. (VC)	/	
HEMMINGS, Fred		/
<b>TOTAL</b>	2	0
Nay	0	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency

\*Only one measure per Record of Votes