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# A BILL FOR AN ACT

RELATING TO LIQUOR.

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

1 SECTION 1. Section 91-9.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[~~f~~]**§91-9.5**[~~f~~] **Notification of hearing; service.** (a)  
4 Unless otherwise provided by law, all parties shall be given  
5 written notice of hearing by personal delivery or registered or  
6 certified mail with return receipt requested at least fifteen  
7 days before the hearing.

8 (b) Unless otherwise provided by law, if service by  
9 personal service or registered or certified mail is not made  
10 because of the refusal to accept service or the board or its  
11 agents have been unable to ascertain the address of the party  
12 after reasonable and diligent inquiry, the notice of hearing may  
13 be given to the party by publication at least once in each of  
14 two successive weeks in a newspaper of general circulation. The  
15 last published notice shall appear at least fifteen days prior  
16 to the date of the hearing."

17 SECTION 2. Section 231-28, Hawaii Revised Statutes, is  
18 amended to read as follows:

HB311 HD1 HMS 2009-2813



1           **"§231-28 Tax clearance before procuring liquor licenses.**

2 No liquor licenses shall be issued or renewed unless the  
3 applicant therefor shall present to the issuing agency, a  
4 certificate signed by the director of taxation, showing that the  
5 applicant does not owe the State any delinquent taxes,  
6 penalties, or interest[-]; or that the applicant has entered  
7 into and is complying with an installment plan agreement with  
8 the department of taxation for the payment of delinquent taxes  
9 in installments."

10           SECTION 3. Section 281-1, Hawaii Revised Statutes, is  
11 amended by amending the definition of "retail licensee" to read  
12 as follows:

13           "Retail licensee" means any licensee holding a class 2 or  
14 class 4 through class [14] 16 license."

15           SECTION 4. Section 281-3, Hawaii Revised Statutes, is  
16 amended to read as follows:

17           **"§281-3 Illegal manufacture, importation, or sale of**  
18 **liquor.** It shall be unlawful for any person not having a valid  
19 license to manufacture or sell any liquor except as otherwise  
20 provided in this chapter; provided that the head of any family  
21 may produce for family use and not for sale an amount of wine



1 not exceeding two hundred gallons a year, and an amount of beer  
2 not exceeding one hundred gallons a year.

3 It shall also be unlawful for any person, not having a  
4 valid wholesale license or a valid manufacturer's (including  
5 rectifier's) license, to import any liquor from without the  
6 State, except as otherwise provided in this chapter. Liquor  
7 imported into this [~~State~~] state shall come to rest at the  
8 warehouse of the manufacturer (including rectifier) or the  
9 wholesaler importing the liquor, shall be unloaded into [~~such~~]  
10 the warehouse, and shall be held in [~~such~~] the warehouse for at  
11 least forty-eight hours before further sale by [~~such~~] the  
12 manufacturer (including rectifier) or wholesaler.

13 It shall also be unlawful for any person to label,  
14 designate, or sell any liquor using the word "Hawaii," [✓]  
15 "Hawaiian," [✓] "Aloha State," [✓] "50th State," [✓] "Kauai," [✓]  
16 "Maui," [✓] "Oahu," [✓] or "Honolulu" unless [~~such~~] the liquor is  
17 wholly or partially manufactured in the [~~State,~~] state and all  
18 of the primary ingredients are wholly rectified or combined in  
19 the State of Hawaii in compliance with the [~~Bureau of Alcohol,~~  
20 ~~Tobacco and Firearms~~] Alcohol and Tobacco Tax and Trade Bureau  
21 standards.



1 A license shall constitute authority for the licensee to  
2 sell only the liquor thereby authorized to be sold by the  
3 licensee."

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

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

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



- 1           (3) To control, supervise, and regulate the manufacture,  
2           importation, and sale of liquors by investigation,  
3           enforcement, and education; provided that any  
4           educational program shall be limited to the commission  
5           staff, commissioners, or liquor control adjudication  
6           board members, licensees, and their employees, and  
7           shall be financed through the money collected from the  
8           assessment of fines against licensees; provided that  
9           fine moneys, not to exceed ten per cent a year of  
10           fines accumulated, may be used to fund public liquor-  
11           related educational or enforcement programs;
- 12           (4) From time to time to make, amend, and repeal [~~such~~]  
13           rules, not inconsistent with this chapter, as in the  
14           judgment of the commission seem appropriate for  
15           carrying out this chapter and for the efficient  
16           administration thereof, and the proper conduct of the  
17           business of all licensees, including every matter or  
18           thing required to be done or which may be done with  
19           the approval or consent or by order or under the  
20           direction or supervision of or as prescribed by the  
21           commission; which rules, when adopted as provided in  
22           chapter 91 shall have the force and effect of law;



- 1 (5) Subject to chapter 76, to appoint and remove an  
2 administrator, who may also be appointed an  
3 investigator and who shall be responsible for the  
4 operations and activities of the staff. The  
5 administrator may hire and remove hearing officers,  
6 investigators, and clerical or other assistants as  
7 [~~its~~] the commission's business may from time to time  
8 require, to prescribe their duties, and fix their  
9 compensation; to engage the services of experts and  
10 persons engaged in the practice of a profession, if  
11 deemed expedient. Every investigator, within the  
12 scope of the investigator's duties, shall have the  
13 powers of a police officer;
- 14 (6) To limit the number of licenses of any class or kind  
15 within the county, or the number of licenses of any  
16 class or kind to do business in any given locality,  
17 when in the judgment of the commission [~~such~~] the  
18 limitations are in the public interest;
- 19 (7) To prescribe the nature of the proof to be furnished,  
20 the notices to be given, and the conditions to be met  
21 or observed in case of the issuance of a duplicate  
22 license in place of one alleged to have been lost or



- 1 destroyed, including a requirement of any indemnity  
2 deemed appropriate to the case;
- 3 (8) To fix the hours between which licensed premises of  
4 any class or classes may regularly be open for the  
5 transaction of business, which shall be uniform  
6 throughout the county as to each class respectively;
- 7 (9) To prescribe all forms to be used for the purposes of  
8 this chapter not otherwise provided for in this  
9 chapter, and the character and manner of keeping of  
10 books, records, and accounts to be kept by licensees  
11 in any matter pertaining to their business;
- 12 (10) To investigate violations of this chapter, chapter  
13 244D and, notwithstanding any law to the contrary,  
14 violations of the applicable department of health's  
15 allowable noise levels, through its investigators or  
16 otherwise, to include covert operations, and to report  
17 violations to the prosecuting officer for prosecution  
18 and, where appropriate, the director of taxation to  
19 hear and determine complaints against any licensee;
- 20 (11) To prescribe, by rule, the terms, conditions, and  
21 circumstances under which persons or any class of  
22 persons may be employed by holders of licenses;



- 1           (12) To prescribe, by rule, the term of any license or  
2           solicitor's and representative's permit authorized by  
3           this chapter, the annual or prorated amount, the  
4           manner of payment of fees for the licenses and  
5           permits, and the amount of filing fees; and  
6           (13) To prescribe, by rule, the circumstances and penalty  
7           for the unauthorized manufacturing or selling of any  
8           liquor."

9           SECTION 6. Section 281-22, Hawaii Revised Statutes, is  
10          amended by amending subsection (a) to read as follows:

11          "(a) A commission employee may support, advocate, or aid  
12          in the election or defeat of any candidate for public office, or  
13          run for public office; provided the employee:

14           (1) Notifies the commission in writing of the employee's  
15           intent to support, advocate, or aid in the election or  
16           defeat of a candidate for public office; and

17           (2) If a candidate for public office, takes a leave of  
18           absence in accordance with [~~chapter 79~~] section 78-23  
19           for a period beginning prior to the initiation of  
20           political activities related to the candidacy and  
21           ending the day following the general election for the  
22           office."





- 1 SECTION 7. Section 281-31, Hawaii Revised Statutes, is  
2 amended as follows:
- 3 1. By amending subsection (n) to read:
- 4 "(n) Class 14. Brewpub license. A brewpub licensee:
- 5 (1) Shall manufacture not more than ten thousand barrels  
6 of malt beverages on the licensee's premises during  
7 the license year;
- 8 (2) May sell malt beverages manufactured on the licensee's  
9 premises for consumption on the premises;
- 10 (3) May sell malt beverages manufactured by the licensee  
11 in brewery-sealed packages to class 3 wholesale dealer  
12 licensees pursuant to conditions imposed by the county  
13 [~~planning and public works departments;~~] by ordinance  
14 or rules;
- 15 (4) May sell intoxicating liquor, purchased from a class 1  
16 manufacturer licensee, or a class 3 wholesale dealer  
17 licensee, to consumers for consumption on the  
18 licensee's premises. The categories of establishments  
19 shall be as follows:
- 20 (A) A standard bar; or
- 21 (B) Premises in which live entertainment or recorded  
22 music is provided. Facilities for dancing by the



- 1 patrons may be permitted as provided by  
2 commission rules;
- 3 (5) May sell malt beverages manufactured on the licensee's  
4 premises to consumers in brewery-sealed kegs and  
5 growlers for off-premises consumption; provided that  
6 for purposes of this paragraph, "growler" means a  
7 glass container, not to exceed one half-gallon, which  
8 shall be securely sealed;
- 9 (6) May sell malt beverages manufactured on the licensee's  
10 premises to consumers, in recyclable containers that  
11 may be provided by the licensee or by the consumer,  
12 not to exceed one gallon per container, which are  
13 securely sealed on the licensee's premises, for off-  
14 premises consumption;
- 15 (7) Shall comply with all regulations pertaining to class  
16 4 retail dealer licensees when engaging in the retail  
17 sale of malt beverages; and
- 18 (8) May sell malt beverages manufactured on the licensee's  
19 premises in brewery-sealed containers directly to  
20 class 2 restaurant licensees, class 3 wholesale dealer  
21 licensees, class 4 retail dealer licensees, class 5  
22 dispenser licensees, class 6 club licensees, class 8



1 transient vessel licensees, class 9 tour or cruise  
2 vessel licensees, class 10 special licensees, class 11  
3 cabaret licensees, class 12 hotel licensees, class 13  
4 caterer licensees, and class 15 condominium hotel  
5 licensees, pursuant to conditions imposed by county  
6 regulations governing class 1 [†]manufacturer[†]  
7 licensees and class 3 wholesale dealer licensees."

8 2. By amending subsection (p) to read:

9 "[†](p)[†] Class 16. Winery license. A winery licensee:

10 (1) Shall manufacture not more than ten thousand barrels  
11 of wine on the licensee's premises during the license  
12 year;

13 (2) May sell wine manufactured on the licensee's premises  
14 for consumption on the premises;

15 (3) May sell wine manufactured by the licensee in winery-  
16 sealed packages to class 3 wholesale dealer licensees  
17 pursuant to conditions imposed by the county [~~planning~~  
18 ~~and public works departments,~~] by ordinance or rules;

19 (4) May sell wine manufactured on the licensee's premises  
20 to consumers in winery-sealed kegs and magnums for  
21 off-premises consumption; provided that for purposes  
22 of this paragraph, "magnum" means a glass container,



- 1 not to exceed one half-gallon, which may be securely  
2 sealed;
- 3 (5) May sell wine manufactured on the licensee's premises  
4 to consumers, in recyclable containers that may be  
5 provided by the licensee or by the consumer, not to  
6 exceed one gallon per container, which are securely  
7 sealed on the licensee's premises, for off-premises  
8 consumption;
- 9 (6) Shall comply with all rules pertaining to class 4  
10 retail dealer licensees when engaging in the retail  
11 sale of wine; and
- 12 (7) May sell wine manufactured on the licensee's premises  
13 in winery-sealed containers directly to class 2  
14 restaurant licensees, class 3 wholesale dealer  
15 licensees, class 4 retail dealer licensees, class 5  
16 dispenser licensees, class 6 club licensees, [~~class 7~~  
17 ~~vessel licensees,~~] class 8 transient vessel licensees,  
18 class 9 tour or cruise vessel licensees, class 10  
19 special licensees, class 11 cabaret licensees, class  
20 12 hotel licensees, class 13 caterer licensees, class  
21 14 brewpub licensees, and class 15 condominium hotel  
22 licensees, pursuant to conditions imposed by the



1 county [~~planning and public works departments and~~] by  
2 ordinance or rules governing class 3 wholesale dealer  
3 licensees [~~;~~ and  
4 ~~(8) May conduct the activities described in paragraphs (1)~~  
5 ~~through (7) at locations other than the licensee's~~  
6 ~~premises; provided that the manufacturing takes place~~  
7 ~~in Hawaii; and provided further that the other~~  
8 ~~locations are properly licensed by the same~~  
9 ~~ownership]."~~

10 SECTION 8. Section 281-41, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 **"§281-41 Transfer of licenses; notice of change in**  
13 **officers, directors, and stockholders of corporate licenses,**  
14 **partners of a partnership license, and members of a limited**  
15 **liability company license; penalty. (a) No license issued**  
16 **under this chapter to an original applicant or to any transferee**  
17 **shall be transferable or be transferred within one year of the**  
18 **issuance or transfer, except for good cause shown to the**  
19 **satisfaction of the liquor commission. A transfer of license**  
20 **shall be for the same class, kind, and category of license. No**  
21 **license issued under this chapter shall be transferable or be**  
22 **transferred except upon written application to the commission by**



1 the proposed transferee, and after prior inspection of the  
2 premises, reference to, and report by an inspector, and a public  
3 hearing held by the commission not less than fourteen days after  
4 one publication of notice thereof, but without sending notice of  
5 the hearing by mail to persons being the owners or lessees of  
6 real estate situated within the vicinity of the premises and  
7 without the right to the owners or lessees to protest the  
8 transfer of a license. Exceptions are class 5 and 11 licensees  
9 who must comply with the [~~notice~~] requirements as set forth in  
10 [~~section 281-57.~~] sections 281-57 to 281-60.

11 [~~(b) No class 5 or 12 license issued to a standard bar, as~~  
12 ~~defined in section 281-1, shall be transferable to other than a~~  
13 ~~standard bar and that such license shall be subject to~~  
14 ~~revocation if the licensed premises is not retained as a~~  
15 ~~standard bar except upon written application to the commission~~  
16 ~~by the licensee or the proposed transferee, subject to sections~~  
17 ~~281-51 to 281-60.~~

18 ~~(e)]~~ (b) A county may increase the requirements for  
19 transfers of class 5, category [~~+~~](1)[~~+~~] (B) and (D), and class  
20 11 licenses by ordinance designating one or more areas within  
21 the county as special liquor districts and specifying the



1 requirements applicable to transfers of any of these licenses  
2 within each district.

3       ~~[(d)]~~ (c) For the purpose of this section, "special liquor  
4 district" means an area designated by a county for restoration,  
5 reservation, historic preservation, redevelopment, rejuvenation,  
6 or residential protection, in which development is guided to  
7 protect or enhance the physical and visual aspects of the area  
8 for the benefit of the community as a whole.

9       ~~[(e)]~~ (d) Where a license is held by a partnership, the  
10 commission may, notwithstanding this section, approve the  
11 transfer of the [license] partnership interest upon the death or  
12 withdrawal of a member of the partnership to any remaining  
13 partner or partners without publication of notice ~~[and without]~~  
14 at a public hearing.

15       ~~[(f)]~~ (e) Where a license is held by a partnership,  
16 limited partnership, limited liability partnership, or a limited  
17 liability company, the admission or withdrawal of a limited  
18 partner, partner of a limited liability partnership, or a member  
19 of the limited liability company shall not be deemed a transfer  
20 of the license held by the partnership or limited liability  
21 company, but the licensee shall, prior to ~~[such]~~ any admission  
22 or withdrawal, so notify the commission in writing, stating the



1 name of the partner, partners, member, or members who have  
2 withdrawn, if [~~such~~] that be the case, and the name, age, and  
3 place of residence of the partner, partners, member, or members  
4 who have been admitted, if that be the case. If the commission  
5 finds a [~~limited~~] partner or a member to be an unfit or improper  
6 person to hold a license in the [~~limited~~] partner's or member's  
7 own right pursuant to section 281-45, it may revoke the license  
8 or suspend the license of the partnership or the limited  
9 liability company until the unfit or improper partner or member  
10 is removed or replaced.

11 [~~(g)~~] (f) Except as otherwise provided in this section,  
12 the same procedure shall be followed in regard to the transfer  
13 of a license as is prescribed by this chapter for obtaining a  
14 license. Sections 281-51 to 281-60, except where inconsistent  
15 with any provision hereof, are hereby made applicable to [~~such~~]  
16 any transfers. The word "applicant," [~~7~~] as used in [~~such~~] those  
17 sections, shall include each [~~such~~] proposed transferee, and the  
18 words, "application for a license or for the renewal of a  
19 license," [~~7~~] as used in [~~such~~] those sections, shall include an  
20 application for the transfer of a license.

21 [~~(h)~~] (g) Upon the hearing, the commission shall consider  
22 the application and any objections to the granting thereof and





1 hear the parties in interest. It shall inquire into the  
 2 propriety of each transfer and determine whether the proposed  
 3 transferee is a fit person to hold the license. It may approve  
 4 a transfer or refuse to approve a transfer and the refusal by  
 5 the commission to approve a transfer shall be final and  
 6 conclusive, unless an appeal is taken as provided in chapter 91.

7 ~~[(i)]~~ (h) If any licensee without ~~[such]~~ approval  
 8 transfers to any other person the licensee's business for which  
 9 the licensee's license was issued, either openly or under any  
 10 undisclosed arrangement, whereby any person, other than the  
 11 licensee, comes into possession or control of the business or  
 12 takes in any partner or associate, the commission may in its  
 13 discretion suspend or cancel the license.

14 ~~[(j)]~~ (i) If the licensee is a corporation, a change in  
 15 ownership of any outstanding capital stock shall not be deemed a  
 16 transfer of a license; provided that in the case of a change in  
 17 ownership of twenty-five per cent or more of the stock or in the  
 18 case of change in ownership of any number of shares of the stock  
 19 that results in the transferee thereof becoming the owner of  
 20 twenty-five per cent or more of the outstanding capital stock,  
 21 the corporate licensee shall, prior to the date of the transfer,  
 22 apply for and secure the approval of the transfer from the



1 commission in writing. If the commission finds that the  
2 proposed transferee is an unfit or improper person to hold a  
3 license in the proposed transferee's own right pursuant to  
4 section 281-45, it shall not approve the proposed transfer. If  
5 any transfer of the capital stock is made without the prior  
6 approval of the commission, the commission may in its discretion  
7 revoke or suspend the license until it determines that the  
8 transferee is a fit and proper person, and if the commission  
9 finds that the transferee is not a fit and proper person, until  
10 a retransfer or new transfer of the capital stock is made to a  
11 fit and proper person pursuant to section 281-45. In addition,  
12 the corporate licensee shall, within thirty days from the date  
13 of election of any officer or director, notify the commission in  
14 writing of the name, age, and place of residence of the officer  
15 or director. If the commission finds the capital stock  
16 transferee, officer, or director an unfit or improper person to  
17 hold a license in the transferee's, officer's, or director's own  
18 right pursuant to section 281-45, it may in its discretion  
19 revoke the license or suspend the license until a retransfer or  
20 new transfer of the capital stock is effected to a fit or proper  
21 person pursuant to section 281-45 or until the unfit or improper



1 capital stock transferee, officer, or director is removed or  
2 replaced by a fit and proper person pursuant to section 281-45.

3 ~~[(k)]~~ (j) If a licensee closes out the business for which  
4 the license is held, during the term for which the license was  
5 issued, the licensee shall, within five days from the date of  
6 closing the same, give the commission written notice thereof and  
7 surrender the licensee's license for cancellation.

8 (k) The conversion of an entity into any other form of  
9 entity or the merger of any entity with any other entity shall  
10 not be deemed a transfer of the license; provided that the  
11 licensee, prior to the date of the conversion or merger, shall  
12 apply for and secure the approval of the commission without any  
13 requirement for publication of notice. The foregoing shall not  
14 preclude compliance with subsection (d) upon a change in any of  
15 the partners or members, or with subsection (i) upon change of  
16 any shareholders, officers, or directors of any entity occurring  
17 concurrently with a conversion or merger.

18 As used in this subsection, "entity" means a corporation,  
19 partnership, limited partnership, limited liability partnership,  
20 or limited liability company."

21 SECTION 9. Section 281-45, Hawaii Revised Statutes, is  
22 amended to read as follows:



1           "**§281-45 No license issued, when.** No license shall be  
2 issued under this chapter:

3           (1) To any minor or to any person who has been convicted  
4 of a felony and not pardoned (except that the  
5 commission may grant a license under this chapter to a  
6 corporation that has been convicted of a felony where  
7 the commission finds that the organization's officers  
8 and shareholders of twenty-five per cent or more of  
9 outstanding stock are fit and proper persons to have a  
10 license), or to any other person not deemed by the  
11 commission to be a fit and proper person to have a  
12 license;

13           (2) To a corporation the officers and directors of which,  
14 or any of them, would be disqualified under paragraph  
15 (1) from obtaining the license individually, or a  
16 stockholder of which, owning or controlling twenty-  
17 five per cent or more of the outstanding capital  
18 stock, or to a general partnership, limited  
19 partnership, limited liability partnership, or limited  
20 liability company whose partner or member holding  
21 twenty-five per cent or more interest of which, or any



1 of them would be disqualified under paragraph (1) from  
2 obtaining the license individually;

3 (3) Unless the applicant for a license or a renewal of a  
4 license, or in the case of a transfer of a license,  
5 both the transferor and the transferee, present to the  
6 issuing agency a signed certificate from the director  
7 of taxation and from the Internal Revenue Service  
8 showing that the applicant or the transferor and  
9 transferee do not owe the state or federal governments  
10 any delinquent taxes, penalties, or interest; or that  
11 the applicant, or in the case of a transfer of a  
12 license, the transferor or transferee, has entered  
13 into an installment plan agreement with the department  
14 of taxation and the Internal Revenue Service for the  
15 payment of delinquent taxes in installments and that  
16 the applicant is or the transferor or transferee is,  
17 in the case of a transfer of a license, complying with  
18 the installment plan agreement; or

19 (4) To any applicant who has had any liquor license  
20 revoked less than two years previous to the date of  
21 the application for any like or other license under  
22 this chapter."



1 SECTION 10. Section 281-57, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:

3 "(c) Immediately upon the commission's fixing a day for  
4 the public hearing of the application, the applicant shall mail  
5 a notice setting forth the time and place of the hearing on the  
6 application to each of the following:

7 (1) Not less than two-thirds of the owners and lessees of  
8 record of real estate and owners of record of shares  
9 in a cooperative apartment or to those individuals on  
10 the list of owners as provided by the managing agent  
11 or governing body of the shareholders association  
12 situated within a distance of five hundred feet from  
13 the nearest point of the premises for which the  
14 license is asked to the nearest point of such real  
15 estate or cooperative apartment; provided that in  
16 meeting this requirement, the applicant shall mail a  
17 notice to not less than three-fourths of the owners  
18 and lessees of record of real estate and owners of  
19 record of shares in a cooperative apartment situated  
20 within a distance of one hundred feet from the nearest  
21 point of the premises for which the license is asked.  
22 Notice by mail may be addressed to the last known



1 address of the person concerned or to the address as  
2 shown in the [~~last tax return filed by~~] current real  
3 property tax record of the person or the person's  
4 agent or representative;

5 (2) In counties with a population of five hundred thousand  
6 or more, not less than two-thirds of the registered  
7 voters residing within, and small businesses situated  
8 within, a distance of five hundred feet from the  
9 nearest point of the premises for which the license is  
10 asked; provided that in meeting this requirement, the  
11 applicant shall mail notices to not less than three-  
12 fourths of the registered voters residing within, and  
13 small businesses situated within, a distance of one  
14 hundred feet from the nearest point of the premises  
15 for which the license is asked. This paragraph shall  
16 not apply to applications for class 2, class 4, class  
17 12, and class 15 licenses. A notice sent pursuant to  
18 this paragraph shall be addressed to the "occupant" of  
19 the residential unit or small business; and

20 (3) For each condominium project and cooperative apartment  
21 within the five hundred-foot area, one notice of the  
22 hearing shall be sent by mail addressed "To the



1 Residents, Care of the Manager" [7] followed by the  
2 name and address of the condominium or cooperative  
3 apartment involved.

4 The notices required under this subsection shall be mailed at  
5 least forty-five days prior to the date set for the hearing. No  
6 promotional information shall be allowed on, or accompany the  
7 notice. Before the hearing, and within seven business days of  
8 having mailed the notices, the applicant shall file with the  
9 commission an affidavit that the notices have been mailed in  
10 compliance with this subsection. In addition to the affidavit  
11 (which shall be made available within the same seven-business-  
12 day period with proof of having mailed the notices), the  
13 applicant shall include both a master list of one hundred per  
14 cent of addressees and addresses required by paragraphs (1),  
15 (2), and (3), and another mailing list consisting of the portion  
16 of addressees and their respective addresses who were mailed the  
17 notice purposely needed to meet the requirements of paragraphs  
18 (1), (2), and (3). The affidavit, master list, and mailing list  
19 shall be made available within seven business days (of the  
20 mailing of the notice by the applicant) by the commission for  
21 public review upon request. For purposes of this section,  
22 "master list" means every owner and lessee or registered voter





1 who would otherwise be required to receive notice of the public  
2 hearing according to the requirement of paragraphs (1), (2), and  
3 (3), even if they were not actually included in the two-third or  
4 three-fourths requirement (as the case may be) of paragraph (1)  
5 or (2), and every condominium project and cooperative apartment  
6 qualifying in paragraph (3). When the requirements of this  
7 section have not been met, the commission may cancel the hearing  
8 or continue the public hearing subject to the provisions of  
9 [+]this section[+]."

10 SECTION 11. Section 281-59, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12 "(a) Upon the day of hearing, or any adjournment thereof,  
13 the liquor commission shall consider the application and any  
14 protests and objections to the granting thereof, and hear the  
15 parties in interest. The liquor commission shall accept all  
16 written or oral testimony for or against the application whether  
17 the application is denied, refused, or withdrawn. Within  
18 [~~fifteen~~] ninety days after the hearing, or within [~~thirty~~] one  
19 hundred twenty days thereafter if in its discretion the  
20 commission extends the [~~fifteen~~] ninety days to [~~thirty~~] one  
21 hundred twenty days, and gives public notice of same, the



1 commission shall give its decision granting or refusing the  
2 application; provided that if a majority of the:

3 (1) Registered voters for the area within five hundred  
4 feet of the nearest point of the premises for which  
5 the license is asked; or

6 (2) Owners and lessees of record of real estate and owners  
7 of record of shares in a cooperative apartment within  
8 five hundred feet of the nearest point of the premises  
9 for which the license is asked,

10 have duly filed or caused to be filed their protests against the  
11 granting of the license, or if there appears any other  
12 disqualification under this chapter, the application shall be  
13 refused. Otherwise, the commission may in its discretion grant  
14 or refuse the same.

15 For purposes of defining "a majority of the owners and  
16 lessees of record of real estate and owners of record of shares  
17 in a cooperative apartment," [7] each property counts only once;  
18 provided that roadways shall not be included. A protest  
19 submitted by the majority of the co-owners or the majority of  
20 the co-lessees of a property shall constitute a protest by all  
21 the owners or lessees of record of that property. A protest



1 filed by owners or lessees who own more than one property shall  
2 be counted for each property."

3 SECTION 12. Section 281-85, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) It shall be unlawful for any person acting as agent  
6 or representative of a nonresident principal or for any licensee  
7 directly or indirectly, or through any subsidiary or affiliate,  
8 to give any premium or free goods of intoxicating liquor or  
9 other merchandise in connection with the sale of any  
10 intoxicating liquor; or to [~~give~~] offer or to provide any  
11 premium or free goods of intoxicating liquor in connection with  
12 the sale of other merchandise."

13 SECTION 13. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 14. This Act shall take effect on July 1, 2020.



**Report Title:**

Liquor Licenses

**Description:**

Makes various administrative, technical amendments to the liquor license and liquor tax laws. Effective July 1, 2020. (HB311 HD1)

