

---

---

# A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

1           SECTION 1. Section 281-31, Hawaii Revised Statutes, is  
2 amended by amending subsection (f) to read as follows:

3           "(f) Class 5. Dispenser license.

4           (1) A license under this class shall authorize the  
5 licensee to sell liquor specified in this subsection  
6 for consumption on the premises. A licensee under  
7 this class shall be issued a license according to the  
8 category of establishment the licensee owns or  
9 operates. The categories of establishments shall be  
10 as follows:

11           (A) A standard bar;

12           (B) Premises in which a person performs or entertains  
13 unclothed or in attire restricted to use by  
14 entertainers pursuant to commission rules;

15           (C) Premises in which live entertainment or recorded  
16 music is provided; provided that facilities for



1 dancing by the patrons may be permitted as  
2 provided by commission rules; or

3 (D) Premises in which employees or entertainers are  
4 compensated to sit with patrons, regardless of  
5 whether the employees or entertainers are  
6 consuming nonalcoholic beverages while in the  
7 company of the patrons pursuant to commission  
8 rules.

9 (2) If a licensee under class 5 desires to change the  
10 category of establishment the licensee owns or  
11 operates, the licensee shall apply for a new license  
12 applicable to the category of the licensee's  
13 establishment.

14 (3) Of this class, there shall be the following kinds:

15 (A) General (includes all liquor except alcohol);

16 (B) Beer and wine; and

17 (C) Beer.

18 (4) A class 5 licensee shall at all times maintain liquor  
19 liability insurance coverage in an amount to be  
20 determined every two years pursuant to commission  
21 rules; provided that the commission shall not set the  
22 amount at less than \$1,000,000."



1 SECTION 2. Section 281-45, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "**§281-45 No license issued, when.** No license shall be  
4 issued under this chapter:

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

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



1 twenty-five per cent or more interest of which, or any  
2 of them would be disqualified under paragraph (1) from  
3 obtaining the license individually;

4 (3) Unless the applicant for a license or a renewal of a  
5 license, or in the case of a transfer of a license,  
6 both the transferor and the transferee, present to the  
7 issuing agency a signed certificate from the director  
8 of taxation and from the Internal Revenue Service  
9 showing that the applicant or the transferor and  
10 transferee do not owe the state or federal governments  
11 any delinquent taxes, penalties, or interest; [~~or~~]

12 (4) To an applicant for a class 5 dispenser license,  
13 unless the applicant for a license or a renewal of a  
14 license, or in the case of a transfer of a license,  
15 both the transferor and the transferee, present to the  
16 issuing agency proof of the liquor liability insurance  
17 required by section 281-31(f); or

18 [~~4~~] (5) To any applicant who has had any liquor license  
19 revoked less than two years previous to the date of  
20 the application for any like or other license under  
21 this chapter."



1 SECTION 3. Section 281-61, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§281-61 Renewals.** (a) Other than for good cause, the  
4 renewal of an existing license shall be granted upon the filing  
5 of an application; provided that if:

- 6 (1) Complaints from the public;
- 7 (2) Reports from the commission's investigators; or
- 8 (3) Adjudications of the commission or the liquor control  
9 adjudication board,

10 indicate that noise created by patrons departing from the  
11 premises disturbs residents on the street or of the neighborhood  
12 in which the premises are located, or that noise from the  
13 premises or adjacent related outdoor areas such as parking lots  
14 or lanais exceed standards contained in state or county noise  
15 codes or intrudes into nearby residential units, the commission  
16 may deny the renewal application or withhold the issuance of a  
17 renewed license until corrective measures meeting the  
18 commission's approval are taken.

19 (b) The commission or board, pursuant to section 281-17,  
20 at the time of renewal or at any time, may revoke, suspend, or  
21 place conditions or restrictions on any license issued under  
22 this chapter for the purpose of preventing activities within the



1 licensed premises or adjacent areas that are potentially  
2 injurious to the health, safety, and welfare of the public and  
3 neighborhood including but not limited to criminal activity,  
4 including assault, drug dealing, drug use, or prostitution, upon  
5 proper notice to the licensee, and a hearing before the  
6 commission pursuant to chapter 91.

7 (c) The commission or board shall deny renewal of a class  
8 5 dispenser license if the applicant for renewal fails to  
9 present proof of the liquor liability insurance required by  
10 section 281-31(f)."

11 SECTION 4. This Act does not affect rights and duties that  
12 matured, penalties that were incurred, and proceedings that were  
13 begun, before its effective date.

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

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



S.B. NO. 300  
S.D. 2  
H.D. 1

**Report Title:**

Intoxicating Liquor; Liquor Licenses

**Description:**

Requires class 5 dispenser liquor licensees to carry liability insurance as a condition of acquiring, transferring, and renewing a license. (SB300 HD1)

SB300 HD1 HMS 2009-3119

