

LATE TESTIMONY

LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU
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MUFI HANNEMANN
MAYOR



March 30, 2009

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Committee on Consumer Protection & Commerce

Representative Jon Riki Karamatsu, Chair
Representative Ken Ito, Vice Chair
Committee on Judiciary

Hearing: Monday, March 30, 2009
2:00 pm; Room 325

Position: Oppose SB 300 SD2 HD1 Relating to Intoxicating Liquor as Currently Written

The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui and the City and County of Honolulu Liquor Commission oppose SB 300 SD2 HD1 as currently written, and respectfully request that appropriate amendments be made, or in the alternative, that the bill be held in committee.

We have previously commented that it was unfair and unjustified to impose the liability insurance requirement on one type of on-premises consumption licensee, while excusing all other classes of licensees that are authorized to sell liquor to the public. To more equitably distribute the compliance requirement among the different types of licensees, we again suggest that the requirement be imposed on *all* license classes *except* manufacturers (Class 1) and wholesale dealers (Class 3).

Further, we contend that requiring county liquor control departments to set liability insurance minimum limits by rule on a bi-annual basis is burdensome and forces the departments to evaluate a substantive business requirement that is well outside the regulatory focus of Chapter 281, Hawaii Revised Statutes. The Departments are accustomed to enforcing State legal requirements imposed on licensees (e.g., tax clearances), and it is our position that liability insurance minimum limits can be implemented and enforced the same way - by the appropriate State regulatory authority. As we have anecdotal information that many licensees may not be able to obtain or afford liability insurance in any amount, we hope the economic impact represented by the minimum limit will be minimized.

Finally, we note that any non-renewal of a liquor license for failure to comply with this bill's requirements must be done in accordance with the procedural requirements imposed by HRS Section 281-91.

We oppose SB 300 SD2 HD1 in its current form and respectfully request your action on this matter.

Janice Pakele, Director
County of Hawaii

Eric Honma, Director
County of Kauai

Franklyn Silva, Director
County of Maui

Anna Hui

fa Dewey H. Kim, Jr., Administrator
City and County of Honolulu Liquor Commission