

STAND. COM. REP. NO. 83

Honolulu, Hawaii
Feb 9, 2009

RE: H.B. No. 651
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 651 entitled:

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

begs leave to report as follows:

The purpose of this bill is to give persons who are delinquent in paying state taxes, a three-year window of opportunity to obtain, renew, or transfer a liquor license if they have entered into a payment plan with the Director of Taxation and are current in payments and not in default.

The Department of Taxation and Honolulu Liquor Commission commented on this measure.

Under current liquor law, a tax clearance must be obtained before a person may obtain, renew, or transfer a liquor license. This bill gives liquor licensees who have become delinquent in tax payments during the economic downturn, an opportunity to continue doing business so long as they pay their back-taxes.

Your Committee has concerns that this measure may reduce incentives for liquor licensees to remain current in their tax payments, and believes that there must be further discussion on this issue. In addition, to avoid constitutional due process issues and litigation, your Committee recognizes that a license should not be summarily revoked. Accordingly, your Committee has amended this bill by:

HB651 HD1 HSCR EBM HMS 2009-1739



- (1) Providing that a licensee is entitled to notice and a hearing pursuant to section 281-91, Hawaii Revised Statutes, before a license is revoked for a default under a payment plan; and
- (2) Changing the effective date of the bill to July 1, 2112.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization, Business, &
Military Affairs,



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: HB 651	Committee Referral: EBM	Date: 2/3/2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) / <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.	✓			
4. EVANS, Cindy	✓			
5. MANAHAN, Joey	✓			
6. TAKAI, K. Mark				✓
7. TOKIOKA, James Kunane				✓
8. TSUJI, Clift	✓			
9. WAKAI, Glenn				✓
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
TOTAL (11)	8			3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Isaac W. Choy</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				