

Honolulu, Hawaii

APR 22 2010 , 2010

RE: S.B. No. 2545  
S.D. 2  
H.D. 2  
C.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2545, S.D. 2, H.D. 2, entitled:

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

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to allow class 14 brewpub licensees to:

- (1) Manufacture up to thirty thousand barrels of malt beverages on the licensee's premises during the license year;
- (2) Sell malt beverages manufactured on the licensee's premises in brewery-sealed containers directly to class 14 licensees; and



- (3) Conduct manufacturing activities at one location other than the licensee's premises, so long as the manufacturing takes place in Hawaii and the other location is properly licensed under the same ownership.

Your Committee on Conference believes that reasonable hours of restriction on operations should be enacted for restaurants or other premises where food, beverages, or entertainment are provided.

Your Committee on Conference is cognizant of the recent trend of restaurants to become BYOB ("bring your own bottle") establishments. The simplicity and flexibility of the BYOB format appeals to restaurant operators. Freed of being subject to liquor regulation, BYOBs are popular particularly among quaint restaurants and are growing in numbers on Oahu and beginning to grow on the neighbor islands. However, licensed liquor establishments pay licensing fees while BYOBs do not. The liquor licensing fees are applied to enforcement, which include BYOBs that do not pay licensing fees.

Your Committee has amended this measure by:

- (1) Creating a new class 17 bring-your-own-beverage license which shall be mandatory for counties with a population of over 500,000 and permissive for counties with a population of 500,000 or under, and establishing requirements for a class 17 license;
- (2) Restricting the consumption of liquor in restaurants or other premises where food, beverages, or entertainment are provided to the hours between 6:00 a.m. and 12:00 a.m. and requiring establishments that desire to operate after 12:00 a.m. until 2:00 a.m. to obtain a class 17 license;
- (3) Requiring Class 17 licensees to maintain at all times liquor liability insurance coverage in an amount not less than \$1,000,000, except for class 4 convenience minimarts commonly referred to as neighborhood mom and pop stores;
- (4) Allowing a patron of any class of license premises to remove wine, liquor, or beer that was purchased or brought onto the premises of the licensee engaged in meal service for consumption with a meal; provided that it is recorked or resealed in its original container;



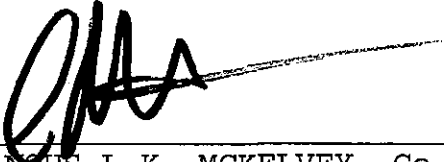
- (5) Clarifying the provision of existing law that prohibits a license to be issued to any person not deemed by the Liquor Commission to be a fit and proper person to have a license;
- (6) Changing the effective date to July 1, 2010; and
- (7) Making technical, nonsubstantive amendments.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2545, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 2, C.D. 1.

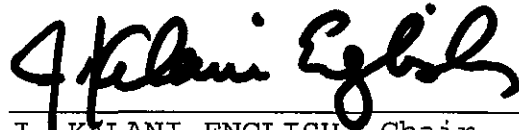
Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

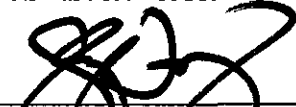
ON THE PART OF THE SENATE



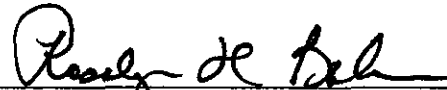
ANGUS L.K. MCKELVEY, Co-Chair



J. KALANI ENGLISH, Chair



GLENN WAKAI, Co-Chair



ROSALYN H. BAKER, Co-Chair



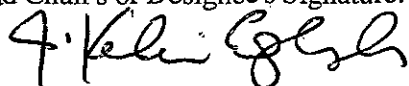
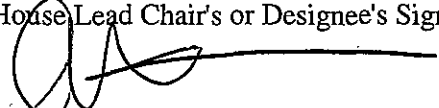
JON RIKI KARAMATSU, Co-Chair



Hawaii State Legislature

Record of Votes of a  
Conference Committee

68-10

|   |  |                                       |    |                      |   |                               |             |                 |    |   |   |
|---|--|---------------------------------------|----|----------------------|---|-------------------------------|-------------|-----------------|----|---|---|
| Bill / Concurrent Resolution No.:<br><b>SB 2545, SD 2, HD 2</b>   |  |                                       |    |                      | Date/Time:<br><i>April 20, 2010 3:40 PM</i>   |                               |             |                 |    |   |   |
| <input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).            |  |                                       |    |                      |   |                               |             |                 |    |   |   |
| <input type="checkbox"/> The Committee is reconsidering its previous decision.  |  |                                       |    |                      |   |                               |             |                 |    |   |   |
| <input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure |  |                                       |    |                      | <input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure. |                               |             |                 |    |   |   |
| Senate Managers   |  | A                                     | WR | N                    | E   | House Managers                |             | A               | WR | N | E |
| ENGLISH, J. Kalani, Chr.  |  | ✓                                     |    |                      |   | MCKELVEY, Angus L.K., Co-Chr. |             | ✓               |    |   |   |
| BAKER, Rosalyn H., Co-Chr.  |  | ✓                                     |    |                      |   | WAKAI, Glenn, Co-Chr.         |             | ✓               |    |   |   |
| HEMMINGS, Fred  |  |                                       |    |                      | ✓   | KARAMATSU, Jon Riki, Co-Chr.  |             | ✓               |    |   |   |
|   |  |                                       |    |                      |   | WARD, Gene                    |             | ✓               |    |   |   |
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| TOTAL   |  | 2                                     | -  | -                    | 1   | TOTAL                         |             | 4               | -  | - | - |
| A = Aye   |  | WR = Aye with Reservations            |    |                      | N = Nay   |                               | E = Excused |                 |    |   |   |
| Senate Recommendation is:   |  |                                       |    |                      | House Recommendation is:  |                               |             |                 |    |   |   |
| <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted  |  |                                       |    |                      | <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted  |                               |             |                 |    |   |   |
| Senate Lead Chair's or Designee's Signature:  |  |                                       |    |                      | House Lead Chair's or Designee's Signature:   |                               |             |                 |    |   |   |
|    |  |                                       |    |                      |   |                               |             |                 |    |   |   |
| Distribution:   |  | Original                              |    | Yellow               |   | Pink                          |             | Goldenrod       |    |   |   |
|   |  | File with Conference Committee Report |    | House Clerk's Office |   | Senate Clerk's Office         |             | Drafting Agency |    |   |   |