

Honolulu, Hawaii

March 19, 2010

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

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

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 2545, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this bill is to address growing community complaints related to liquor consumption at bring-your-own-beverage (BYOB) establishments by:

- (1) Restricting liquor consumption on BYOB premises not licensed by a liquor commission to 6:00 a.m. to 12:00 midnight; and
- (2) Establishing a class 17 liquor license for BYOB establishments that wish to operate between 12:00 midnight and 2:00 a.m.

Your Committee made a proposed S.B. No. 2545, H.D. 1, available to the public. This proposed draft added a provision to the bill increasing the 10,000-barrel limit on class 14 brewpub licensee on-premises liquor manufacturing to 30,000 barrels.

Sierra Nevada Brewing Co., Stone Brewing Co., Maui Brewing Co., Coronado Brewing Company, Oskar Blues Brewery, Hard Rock Café Maui, Surfing Goat Dairy, the Representative from the 28th House

SB2545 HD1 HSCR EBM HMS 2010-2688



District, and numerous concerned individuals supported this bill. The City and County of Honolulu Liquor Commission supported this bill with amendments. Retail Liquor Dealers Association of Hawaii opposed this measure.

Your Committee finds that brewing is a rapidly growing business in Hawaii. There was no opposition to the brewpub liquor manufacturing increase, and numerous individuals, many of whom represent Hawaii brewpub businesses, supported the increase.

Your Committee also finds that the number of BYOB establishments has increased during the recession, and that these unregulated BYOB establishments are creating a public nuisance because of late night noise, illegal liquor sales, and traffic accidents caused by drunk patrons.

Your Committee has amended S.B. No. 2545, S.D. 2, by adopting the increased 30,000-barrel limit on onsite brewpub liquor manufacturing contained in the proposed H.D. 1. In addition, the bill was further amended by:

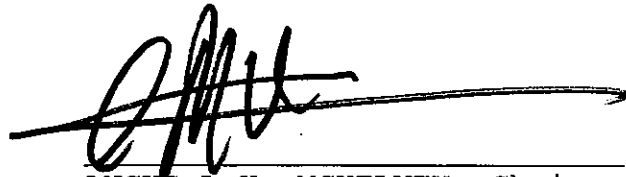
- (1) Reinserting language inadvertently omitted in the S.D. 2, which allows a patron to remove from BYOB premises licensed by the liquor commission, any portion of wine brought onto the premises by the patron; and
- (2) Adopting amendments recommended by the County Departments of Liquor Control and the Honolulu Liquor Commission that among other things:
 - (A) Replace class 17 liquor license for BYOB classes based on the type of liquor to be consumed, with license categories based on whether the premises provides music and live entertainment that includes karaoke only, or karaoke and dancing; and
 - (B) Require BYOB establishments to maintain liquor liability insurance coverage.

Your Committee respectfully requests the Committees on Consumer Protection and Commerce and Judiciary to which this bill is next referred, to consider the Honolulu Liquor Commission's recommendation that retail dealers holding a class 4 liquor license be exempted from the liquor liability insurance requirements contained in sections 281-31, 281-45, and 281-61, Hawaii Revised Statutes.



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 S.B. No. 2545, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

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



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 862-10

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

Bill/Resolution No.: SB 2545 SD2	Committee Referral: EBM	Date: 3/16/10		
<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.	✓			### <i>exc</i>
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. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>Don McKay</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				