
A BILL FOR AN ACT

RELATING TO LIQUOR LIABILITY INSURANCE.

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 (r) to read as follows:
3 "(r) Restaurants, [~~retailers,~~] dispensers, clubs,
4 cabarets, hotels, caterers, brewpubs, condominium hotels, and
5 bring-your-own-beverage establishments licensed under class 2,
6 [~~class 4,~~] class 5, class 6, class 11, class 12, class 13, class
7 14, class 15, and class 17 shall maintain at all times liquor
8 liability insurance coverage in an amount not less than
9 \$1,000,000 [~~, provided that convenience minimarts holding a class
10 4 license shall not be required to maintain liquor liability
11 insurance coverage in that amount]~~. Proof of coverage shall be
12 kept on the premises and shall be made available for inspection
13 by the commission at any time during the licensee's regular
14 business hours. In the event of a licensee's failure to obtain
15 or maintain the required coverage, the commission shall refuse
16 to issue or renew a license or shall suspend or terminate the
17 license as appropriate. No license shall be granted,



1 reinstated, or renewed until after the required insurance
2 coverage is obtained.

3 ~~[For purposes of this subsection:~~

4 ~~"Convenience minimarts" commonly refer to a neighborhood~~
5 ~~"mom and pop store".]~~ "

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

8 "§281-45 No license issued, when. No license shall be
9 issued under this chapter:

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

20 (2) To a corporation the officers and directors of which,
21 or any of them, would be disqualified under paragraph

22 (1) from obtaining the license individually, or a



1 stockholder of which, owning or controlling twenty-
2 five per cent or more of the outstanding capital
3 stock, or to a general partnership, limited
4 partnership, limited liability partnership, or limited
5 liability company whose partner or member holding
6 twenty-five per cent or more interest of which, or any
7 of them would be disqualified under paragraph (1) from
8 obtaining the license individually;

- 9 (3) Unless the applicant for a license or a renewal of a
10 license, or in the case of a transfer of a license,
11 both the transferor and the transferee, present to the
12 issuing agency a signed certificate from the director
13 of taxation and from the Internal Revenue Service
14 showing that the applicant or the transferor and
15 transferee do not owe the state or federal governments
16 any delinquent taxes, penalties, or interest; or that
17 the applicant, or in the case of a transfer of a
18 license, the transferor or transferee, has entered
19 into an installment plan agreement with the department
20 of taxation and the Internal Revenue Service for the
21 payment of delinquent taxes in installments and that
22 the applicant is or the transferor or transferee is,



1 in the case of a transfer of a license, complying with
2 the installment plan agreement; or

3 (4) To an applicant for a class 2, [~~class 4 except for~~
4 ~~convenience minimarts,~~] class 5, class 6, class 11,
5 class 12, class 13, class 14, class 15, or class 17
6 license unless the applicant for issuance of a license
7 or renewal of a license, or in the case of a transfer
8 of a license, both the transferor and the transferee,
9 present to the issuing agency proof of liquor
10 liability insurance coverage in an amount of
11 \$1,000,000; or

12 (5) To any applicant who has had any liquor license
13 revoked less than two years previous to the date of
14 the application for any like or other license under
15 this chapter."

16 SECTION 3. Section 281-61, Hawaii Revised Statutes, is
17 amended by amending subsection (c) to read as follows:

18 "(c) The commission or board shall deny renewal of a class
19 2, [~~class 4,~~] class 5, class 6, class 11, class 12, class 13,
20 class 14, class 15, or class 17 license if the applicant for
21 renewal fails to present proof of the liquor liability insurance
22 required by section 281-31(r)."



H.B. NO. 747

1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

4

INTRODUCED BY:

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JAN 21 2011



Report Title:

Intoxicating Liquor; Retail Dealers; Liability Insurance

Description:

Removes requirement that a retail dealer shall carry liquor liability insurance in order to obtain or maintain a class 4 liquor license. Repeals insurance coverage exemption for convenience minimarts.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

