

STAND. COM. REP. NO. 1458

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 741
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 741, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill as received by your Committee is to authorize county liquor commissions to adopt rules to develop and offer a certification program to provide training for individuals who work as servers or sellers at licensed premises. This measure also permits the liquor commission of each county to prohibit any person from working as a server or seller without certification.

For the purposes of a public hearing, your Committee circulated a proposed draft that deletes the bill contents and inserts provisions that:

- (1) Increases liquor tax rates beginning July 1, 2011;
- (2) Reduces the liquor tax rate on the first 60,000 barrels produced in a small brewery or brewpub; and
- (3) Permits the provision of a discount through coupons or mail-in rebates for liquor purchases when made in combination with other merchandise.

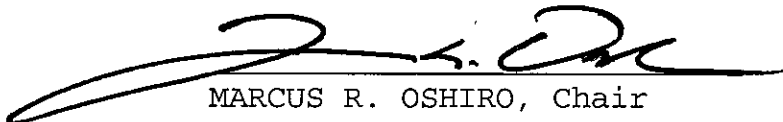


The Department of Budget and Finance supported this proposed draft. Anheuser Busch Companies, the Distilled Spirits Council of the United States, Hawaii Food Industry Association, Southern Wine & Spirits of Hawaii, Roy's Restaurants, Kolani Distillers, Maui Hotel & Lodging Association, Wine Institute, Gytaku Japanese Restaurants, Alan Wong's Restaurants, Murphy's Bar and Grill, Hilton Worldwide, Kai Vodka LLC, Crown Imports, Minit Stop, and numerous concerned individuals opposed this proposed draft. The Department of Taxation, Department of the Attorney General, Department of Health, Tax Foundation of Hawaii, Anheuser-Busch Sales of Hawaii, Kona Brewing Company, Maui Brewing Co., MillerCoors, Big Island Brewhaus, Hawaii Liquor Wholesalers Association, and several concerned individuals provided comments.

Your Committee has amended this bill by adopting the proposed draft. Your Committee has further amended this bill by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 741, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 741, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



