

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1289
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1289, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the health of Hawaii residents and encourage persons to make healthy decisions relating to the consumption of alcohol by increasing the liquor tax.

Comments in support of this measure were submitted by Loretta J. Fuddy, A.C.S.W., M.P.H., Acting Director Department of Health; Jackie Berry, Executive Director, Healthy Mothers Healthy Babies Coalition of Hawaii; Carol McNamee, Public Policy Chairman, Mothers Against Drunk Driving; and two individuals.

Comments in opposition to this measure were submitted by Mihoko E. Ito, Distilled Spirits Council of the United States; Lauren Zirbel, Government Relations, Hawaii Food Industry Association; David Lewin, General Manager Hyatt Resorts; Michael Jokovich, General Manager Hyatt Regency Maui Resort and Spa; Lance Hastings, Director of State Government Affairs, MillerCoors; Mattson C. Davis, President Kona Brewing Company; Carol Reimann, Executive Director Maui Hotel and Lodging Association; Warren Shon, Vice President, Hawaii Liquor Wholesalers Association; Paula Hegele, President Tedeschi Vineyards, Ltd.; Bonny Amemiya, Employees of Anheuser-Busch Sales of Hawaii, Inc.; Steve Perry, Vice President Operations, Southern Wine and Spirits of Hawaii;



Jerry Gibson, Area Vice President - Hawaii Hilton Worldwide; Chris Colgate, Oahu Regional Manager Duke's Waikiki; Alan Wong, Chef/Owner Alan Wong; Craig Nakatsukasa, Paradise Beverages, Inc.; Mark T. Matsuda, Paradise Beverages; Amy Bender, Business Relations Manager, Kai Vodka, LLC; Joseph J. Franzia, Bronco Wine Company; Robert Johnson, Johnson Bros. of Hawaii; Richard Moon, Vice President, TS Restaurants of Hawaii; Lane Muraoka, Big City Diner; and three hundred seventeen individuals.

Comments on this measure were submitted by George S. Massengale, J.D., Director of Government Relations, American Cancer Society; Phyllis Horner Nishimoto, CSW, Kobrand Hawaii State Manager; Wes Zane, Formaggio Wine Bar and Grill; and one individual.

Your Committee finds that an increase in the liquor tax would promote the health and safety of Hawaii residents by reducing alcohol consumption, which in turn, would reduce alcohol-related health conditions and accidents. Your Committee further finds that an additional benefit would be the generation of additional tax revenue from liquor sales in the State.

Your Committee has amended this measure by:

- (1) Clarifying in section 1 that the intent of the measure is to curb the consumption of alcohol in order to reduce incidences of alcohol-related morbidity and mortality by increasing the liquor tax;
- (2) Deleting outdated tax rates from section 244D-4(a), Hawaii Revised Statutes;
- (3) Changing the amounts of the proposed tax rates that will take effect on July 1, 2011, to unspecified amounts;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on this issue; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1289, S.D. 1, as amended herein, and recommends that it pass



Third Reading in the form attached hereto as S.B. No. 1289,
S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


David Y. Ige

DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 1289 SD1	HTH, WAM	2/24/11
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
	Nay	Excused
IGE, David Y. (C)	✓	
KIDANI, Michelle N. (VC)		✓
CHUN OAKLAND, Suzanne	✓	
DELA CRUZ, Donovan M.		✓
ENGLISH, J. Kalani	✓	
ESPERO, Will		✓
FUKUNAGA, Carol		✓
KIM, Donna Mercado		✓
KAHELE, Gilbert		✓
KOUCHI, Ronald D.	✓	
RYAN, Pohai		✓
TOKUDA, Jill N.		✓
WAKAI, Glenn		✓
SLOM, Sam		✓
TOTAL	4	8
	1	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Only one measure per Record of Votes