

Honolulu, Hawaii

JAN 3 1 2012

RE: S.B. No. 2359

S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Public Safety, Government Operations, and Military Affairs, to which was referred S.B. No. 2359 entitled:

"A BILL FOR AN ACT RELATING TO SMALL BUSINESSES,"

begs leave to report as follows:

The purpose and intent of this measure is to add distilled spirits to the types of intoxicating liquors that the holder of a class 1 liquor license may sell for private use and consumption.

Your Committee received comments on this measure from the Honolulu Liquor Commission.

According to testimony of the Honolulu Liquor Commission, there is no compelling reason to exclude "distilled spirits" from direct consumer sales to individuals for private use and consumption. However, the Honolulu Liquor Commission recommended that the measure be amended to add other specified liquor manufactured from fruits or other products grown in the State. The change would include alcoholic beverages made from products such as locally grown sugar cane.

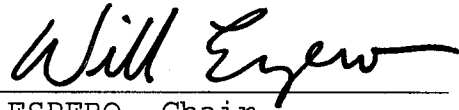
Your Committee finds that expanding class 1 manufacturer license sales to include liquor produced from fruits and products grown in the State supports current efforts to produce more of the liquor manufactured in the State from locally grown crops which would promote the growing of more crops in the State. Also, producing more local liquors from locally grown crops helps liquor sales of small businesses.



Your Committee has amended this measure by specifying that other specified liquor or distilled spirits manufactured from fruits or other products that are grown in the State are liquors or distilled spirits that class 1 manufacturer licensees are also authorized to sell for private use or consumption.

As affirmed by the record of votes of the members of your Committee on Public Safety, Government Operations, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2359, S.D. 1, and be referred to the Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Government Operations, and
Military Affairs,



WILL ESPERO, Chair



