

SB 437

Report Title:

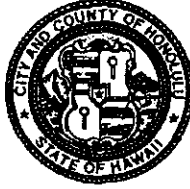
RELATING TO INTOXICATING LIQUOR

Measure Title:

Authorizes the liquor commission to conduct and fund state and county alcohol abuse treatment and prevention activities. Allows liquor license fees to be used for those activities.

LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU
711 KAPIOLANI BOULEVARD, SUITE 600 • HONOLULU, HAWAII 96813-5249
PHONE: (808) 768-7300 or (808) 768-7355 • FAX: (808) 768-7311
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KIRK CALDWELL
MAYOR



February 1, 2013

Senator Will Espero, Chair
Senator Rosalyn H. Baker, Vice Chair
Committee on Public Safety, Intergovernmental and Military Affairs

Hearing: Tuesday, February 5, 2013
2:45 p.m.; Room 224

Position: Opposing SB 437 Relating to Intoxicating Liquor

The Liquor Commission, City and County of Honolulu ("Commission"), **opposes SB 437.**

Currently, there are programs in place in which the Commission participates in to address alcohol abuse treatment and prevention. These programs include but are not limited to the Hawaii Partnership for the Prevention of Underaged Drinking Statewide Coalition. Expense to establish state and county programs will be passed on to licensees in the form of increased licensing fees.

Further, HRS 281-17.5 restricts the use of license fees solely to operational and administrative costs incurred by a liquor commission. We respectfully suggest that the proposed amendment will conflict with the aforementioned section.

Finally, the proposed amendment deletes the statutory authority to expend liquor commission funds to support educational programs for liquor commission staff, liquor commission members, and liquor control adjudication board members. As these type of programs are important to a well-rounded and balanced regulatory perspective, we respectfully suggest that the proposed deletion is ill-advised.

Thank you for the opportunity to testify on this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg I. Nishioka".

Greg I. Nishioka, Administrator
Liquor Commission

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CHAIRMAN

IRIS R. OKAWA
VICE CHAIR

WESLEY F. FONG
COMMISSIONER

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COMMISSIONER

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ADMINISTRATOR

ANNA C. HIRAI
ASST. ADMINISTRATOR

GIN:lt

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Gladys C. Baisa

Vice-Chair
Robert Carroll

Council Members
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Donald G. Couch, Jr.
Stacy Crivello
Don S. Guzman
G. Riki Hokama
Michael P. Victorino
Mike White



Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
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WAILUKU, MAUI, HAWAII 96793
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January 31, 2013

TO: The Honorable Will Espero, Chair
Senate Committee on Public Safety, Intergovernmental and Military Affairs

FROM: Gladys C. Baisa *GB*
Council Chair

SUBJECT: **HEARING OF FEBRUARY 5, 2013; TESTIMONY IN SUPPORT OF SB 437,
RELATING TO INTOXICATING LIQUOR**

Thank you for the opportunity to testify in support of this important measure. The purpose of this measure is to allow each county to utilize liquor-licensee fees and fines to fund alcohol abuse treatment and prevention activities.

This measure is in the Maui County's Legislative Package; therefore, I offer this testimony on behalf of the Maui County Council.

The County Council supports this measure for the following reasons:

1. The prevention of alcohol abuse is a critically important public need. Alcohol abuse is closely associated with other forms of substance abuse. It is appropriate that revenues generated from the liquor licensees, who profit from alcohol use, be allocated to programs designed to prevent and treat alcohol abuse. This proposal is consistent with the view that revenues from liquor license fees should be earmarked for liquor-related purposes. The proposal would merely allow the revenues to be used for prevention and treatment programs, in addition to liquor law enforcement measures. Ultimately, if alcohol-abuse programs are adequately funded, there will be a decreased need for enforcement.
2. Because local government suffers many of the consequences of alcohol abuse, including the need for increased law enforcement, local officials should be provided with the tools to address this serious problem.
3. This is a common sense proposal that promotes government efficiency, fairness, and public health. The Council notes that the Department of Public Safety (DPS) has previously proposed similar legislation, for similar reasons. The Council respectfully encourages the Legislature to pursue and fully consider all reasonable means of addressing alcohol abuse.

For the foregoing reasons, the Maui County Council supports this measure.



HAWAII FOOD INDUSTRY ASSOCIATION (HFIA)
1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

DATE: Tuesday, February 5, 2013 TIME: 2:30 p.m PLACE: CR 224

TO: COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS

Senator Will Espero, Chair; Senator Rosalyn H. Baker, Vice Chair

FROM: Hawaii Food Industry Association - Lauren Zirbel, Executive Director

RE: SB 437 RELATING TO INTOXICATING LIQUOR

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers and distributors of food and beverage related products in the State of Hawaii.

We oppose any approval to use penalties against licensees for any purposes that would relate to social problems unrelated to the violation the licensee is being penalized for.

There is no nexus between violations by a liquor licensee and the intent of this measure.

What we would support is penalties levied against non licensees that violate the law to be used for the purposes proposed by this measure.

What this measure would do is provide a funding mechanism by each County Liquor Commission where penalties would be assessed just to create funding to cover issues not related to the licensee. It would then benefit the Commissions to levy higher fines and more fines just to collect money to fund the projects.

Thank you for the opportunity to provide this testimony.

SB437

Submitted on: 2/4/2013

Testimony for PSM on Feb 5, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Johnson	Hawaii Substance Abuse Coalition	Support	No



HAWAII SUBSTANCE ABUSE COALITION

SB437 Fees from Liquor License to Fund Treatment and Prevention.

Authorizes the liquor commission to conduct and fund state and county alcohol abuse treatment and prevention activities. Allows liquor license fees to be used for those activities..

- ✦ COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL AND MILITARY AFFAIRS: Senator Espero. Chair; Senator Baker, Vice Chair
- ✦ Tuesday, Feb. 5, 2013; 2:45 p.m.
- ✦ Conference Room 224

HAWAII SUBSTANCE ABUSE COALITION Supports SB437

GOOD MORNING CHAIR ESPERO, VICE CHAIR BAKER AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide hui of more than twenty non-profit treatment and prevention agencies.

Many states utilize liquor fees to fund alcohol abuse treatment and prevention. Currently 10% of fees are used to fund education programming. For heavy abuse up to chronic alcoholism, treatment is necessary to effect change. Prevention works more effectively than only education. Evidenced-based practices are available today that promote better outcomes. However, these effective programs need adequate funding. These fees or a portion of them are relevant to address alcohol problems.

Significant funds were reduced for treatment during the last recession. Since there are only about 20 treatment centers left in Hawaii, almost all programs carry extensive waitlists due to limited resources.

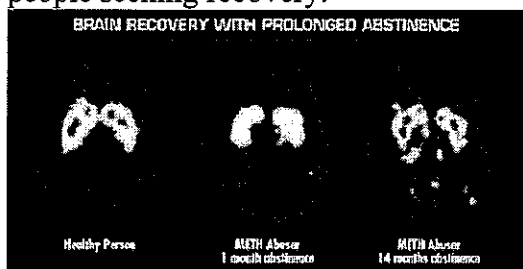
Substance use disorder treatment reduces costs. Extensive studies have proven in recent years that treatment saves \$4 in health costs for every \$1 spent on treatment. When considering other costs, treatment saves \$7 in criminal justice and health costs for every \$1 spent on treatment. Moreover treatment is estimated to save 50 cents on the dollar for the first year of treatment compared to incarceration.

Can addiction be cured?

Not for most people who have chronic dependence. However, addiction need not be a life sentence. Like other chronic diseases, addiction can be managed successfully. Treatment enables people to counteract addiction's powerful disruptive effects on brain and behavior and regain control of their lives.

Can addiction be treated successfully?

Yes. Addiction is a treatable disease. Research shows that behavioral therapy combined with treatment medications, where available, is the best way to ensure success for most people seeking recovery.



Source: *The Journal of Neuroscience*, 21(23):9414-9418. 2001

These images of the dopamine transporter show the brains' remarkable potential to recover, at least partially, after a long abstinence from drugs - in this case, methamphetamine.²⁶

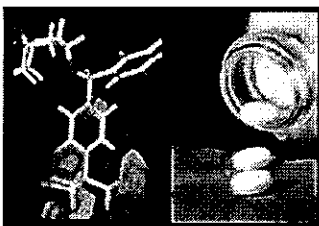
Treatment must address the whole person.

Getting an addicted person to stop abusing drugs is just one part of a long and complex recovery process. When people enter treatment, addiction has often taken over their lives. The compulsion to get drugs, take drugs, and experience the effects of drugs has dominated their every waking moment, and drug abuse has taken the place of all the things they used to enjoy doing. It has disrupted how they function in their family lives, at work, and in the community, and has made them more likely to suffer from other serious illnesses.



Because addiction can affect so many aspects of a person's life, treatment must address the needs of the whole person to be successful. This is why the best programs incorporate a variety of rehabilitative services into their comprehensive treatment regimens. Treatment counselors select from a menu of services for meeting the individual medical, psychological, social, vocational, and legal needs of their patients to foster their recovery from addiction.

NEW DEVELOPMENT: Medications help treat drug addiction



New drugs are now available to help the treatment of addiction.

As a result of scientific research, we know that addiction is a disease that affects both brain and behavior. Addiction is a treatable disease. Discoveries in the science of addiction have led to advances in drug abuse treatment that help people stop abusing drugs and resume their productive lives. We appreciate the opportunity to provide testimony and are available for questions.

Council Chair
Gladys C. Baisa

Vice-Chair
Robert Carroll

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January 31, 2013

TO: The Honorable Will Espero, Chair
Senate Committee on Public Safety, Intergovernmental and Military Affairs

FROM: Don Couch
Council Member, South Maui District

DATE: Tuesday, February 5, 2013

SUBJECT: **SUPPORT OF SB 437, RELATING TO INTOXICATING LIQUOR**

Thank you for the opportunity to testify in support of this measure. I provide this testimony as an individual member of the Maui County Council.

I support **SB 437** for the reasons cited in testimony submitted by the Maui County Council Chair, and urge you to support this measure.

SB437

Submitted on: 2/4/2013

Testimony for PSM on Feb 5, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Cesar Gaxiola	Individual	Support	No

Comments: I am writing in support of SB 437.