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# A BILL FOR AN ACT

RELATING TO LIQUOR.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 281-11, Hawaii Revised Statutes, is  
2 amended as follows:  
3           1. By amending subsection (a) to read:  
4           "(a) [A] There may be created for each of the counties in  
5 the office of the elected executive head, a liquor commission or  
6 liquor control adjudication board, consisting of not less than  
7 five members, no more than the minimum required for a quorum of  
8 whom shall belong to the same political party at the time of  
9 appointment [~~, may be created for each of the counties~~]. The  
10 elected executive head of each county may nominate, and by and  
11 with the advice and consent of the legislative body of the  
12 county, shall appoint the members of the commissions and boards.  
13 The elected executive head of each county, by and with the  
14 advice and consent of the legislative body of the county, may  
15 remove from office any of the members. The commission or board  
16 shall designate one of its members as chairperson. Each member  
17 shall be a citizen of the United States and shall have resided



1 in the county for which appointed for at least three years  
2 immediately preceding the date of the member's appointment."

3 2. By amending subsection (c) to read:

4 "(c) The amount of compensation and reasonable expenses  
5 for travel and other costs necessarily incident to the discharge  
6 of the members' duties shall be established by the elected  
7 executive head of each county."

8 SECTION 2. Section 281-14, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§281-14 Records.** The liquor commission and liquor  
11 control adjudication board shall ensure that complete records  
12 are kept of all commission and board meetings, proceedings, and  
13 acts with reference to all business pertaining to licenses  
14 issued, suspended, and revoked, moneys received as license fees  
15 and otherwise, and disbursements, upon the approval of the  
16 elected executive head, by the commission or board or under  
17 [~~its~~] the authority[-] of the commission or board. Unless  
18 otherwise prohibited by law, these records shall be open for  
19 examination by the public. The records may be destroyed as  
20 provided in section 46-43."

21 SECTION 3. Section 281-15, Hawaii Revised Statutes, is  
22 amended to read as follows:



1           **"§281-15 Reports, accounts, audit.** On or before  
2 September 30 of each year the chairperson of the liquor  
3 commission shall submit to the elected executive head of the  
4 county a full report upon the business and operations of the  
5 commission during the preceding year, which year shall be  
6 coterminous with the fiscal year of the county, with such other  
7 matters of information and comment as the elected executive head  
8 may deem appropriate. The report shall itemize the costs and  
9 expenses of the administration of the commission in its control,  
10 supervision, or regulation of the manufacture, importation, and  
11 sale of liquors, as set forth in this chapter. The elected  
12 executive head shall furnish copies thereof to the legislative  
13 body of the county and to the fiscal officer of the county.

14           The accounts of the commissions for the several counties  
15 shall be regularly examined by the fiscal officer who shall  
16 report thereon in writing to the legislative body of the several  
17 counties."

18           SECTION 4. Section 281-16, Hawaii Revised Statutes, is  
19 amended to read as follows:

20           **"§281-16 County liquor commission and liquor control**  
21 **adjudication board funds; disposition of realization; payment of**  
22 **expenses.** All fees and other moneys collected or received by



1 each liquor commission or liquor control adjudication board  
2 under this chapter shall be paid not less than weekly into the  
3 general fund of the respective county [~~or a special fund as~~  
4 ~~provided by ordinance~~]. All expenses of the commission or  
5 board, including any expenses and compensation of its members  
6 and expenses and salaries of its subordinates, shall be paid [~~in~~  
7 ~~the manner provided by ordinance.~~] out of the general fund of  
8 the respective county and only upon the approval of the elected  
9 executive head of the respective county."

10 SECTION 5. Section 281-17.5, Hawaii Revised Statutes, is  
11 amended by amending subsection (b) to read as follows:

12 "(b) Any such liquor license fees or any moneys collected  
13 or received by any liquor commission under this chapter shall be  
14 deposited into the general fund of the respective county and may  
15 [~~only~~] be used for costs and expenses directly relating to  
16 operational and administrative costs actually incurred by the  
17 liquor commission collecting or receiving such liquor license  
18 fees or moneys. [~~Such fees or moneys shall not be used for any~~  
19 ~~costs or expenses other than those directly relating to its~~  
20 ~~operation and administration, except as otherwise provided by~~  
21 ~~law.~~]"



1 SECTION 6. All rights, powers, functions, and duties of  
2 the liquor commissions and liquor control adjudication boards  
3 relating to the liquor commissions' and liquor control  
4 adjudication boards' administrative authority, but not these  
5 entities' adjudication authority, are transferred to the  
6 respective offices of the mayors of each county.

7 All employees who occupy civil service positions and whose  
8 functions are transferred to the offices of the mayors of each  
9 county by this Act shall retain their civil service status,  
10 whether permanent or temporary. Employees shall be transferred  
11 without loss of salary, seniority (except as prescribed by  
12 applicable collective bargaining agreements), retention points,  
13 prior service credit, any vacation and sick leave credits  
14 previously earned, and other rights, benefits, and privileges,  
15 in accordance with state personnel laws and this Act; provided  
16 that the employees possess the minimum qualifications and public  
17 employment requirements for the class or position to which  
18 transferred or appointed, as applicable; provided further that  
19 subsequent changes in status may be made pursuant to applicable  
20 civil service and compensation laws.

21 Any employee who, prior to this Act, is exempt from civil  
22 service and is transferred as a consequence of this Act may



1 retain the employee's exempt status, but shall not be appointed  
2 to a civil service position as a consequence of this Act. An  
3 exempt employee who is transferred by this Act shall not suffer  
4 any loss of prior service credit, vacation or sick leave credits  
5 previously earned, or other employee benefits or privileges as a  
6 consequence of this Act; provided that the employees possess  
7 legal and public employment requirements for the position to  
8 which transferred or appointed, as applicable; provided further  
9 that subsequent changes in status may be made pursuant to  
10 applicable employment and compensation laws. The mayor of the  
11 respective county may prescribe the duties and qualifications of  
12 these employees and fix their salaries without regard to chapter  
13 76, Hawaii Revised Statutes.

14 SECTION 7. All appropriations, records, equipment,  
15 machines, files, supplies, contracts, books, papers, documents,  
16 maps, and other personal property heretofore made, used,  
17 acquired, or held by a liquor commission or liquor control  
18 adjudication board of a county relating to the functions  
19 transferred to the respective office of the mayor shall be  
20 transferred with the functions to which they relate.

21 SECTION 8. All rules, policies, procedures, guidelines,  
22 and other material adopted or developed by a liquor commission



1 or liquor control adjudication board relating to the  
2 administrative authority, but not the adjudicatory authority of  
3 the liquor commission or liquor control adjudication board, to  
4 implement provisions of the Hawaii Revised Statutes that are  
5 reenacted or made applicable to the office of the mayor by this  
6 Act shall remain in full force and effect until amended or  
7 repealed by the office of the mayor pursuant to chapter 91,  
8 Hawaii Revised Statutes. In the interim, every reference to the  
9 liquor commission or liquor control adjudication board or  
10 chairperson of the liquor commission or liquor control  
11 adjudication board in those rules, policies, procedures,  
12 guidelines, and other material relating to the administrative  
13 authority, but not the adjudicatory authority of the liquor  
14 commission or liquor control adjudication board, is amended to  
15 refer to the office of the mayor or the mayor as appropriate.

16 SECTION 9. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 10. This Act shall take effect on July 1, 2016.



**Report Title:**

Liquor Commission; Liquor Control Adjudication Board; Mayor

**Description:**

Places the county liquor commissions and county liquor control adjudication boards under the offices of the respective mayors of the counties. Deposits revenues into county general funds. Requires approval from the mayors for expenditures. Requires itemization of costs and expenditures in reports to the mayor. Effective July 1, 2016. (Proposed HD1)

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

