

# **HB 286 HD1**

## **RELATING TO TOURISM**

Deletes the requirement that a condominium hotel or hotel have a commercial kitchen and dining room for liquor licensing purposes. (HB286 HD1)



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-SEVENTH LEGISLATURE, 2014**

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**ON THE FOLLOWING MEASURE:**  
H.B. NO. 286, H.D. 1, RELATING TO TOURISM.

**BEFORE THE:**  
SENATE COMMITTEES ON PUBLIC SAFETY, INTERGOVERNMENTAL AND  
MILITARY AFFAIRS AND ON TOURISM

**DATE:** Wednesday, March 19, 2014                      **TIME:** 2:50 p.m.  
**LOCATION:** State Capitol, Room 229  
**TESTIFIER(S):** David M. Louie, Attorney General, or  
Gregg J. Kinkley, Deputy Attorney General

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Chairs Espero and Kahele and Members of the Committees:

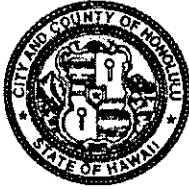
The Department of the Attorney General provides the following comments regarding a constitutional issue in this bill.

The title of this bill is "A BILL FOR AN ACT RELATING TO TOURISM." The main purpose of this bill is to amend chapter 281 of the Hawaii Revised Statutes dealing with "Intoxicating Liquors" by deleting the requirement that condominium hotels and hotels have a commercial kitchen and dining room for liquor licensing purposes.

Article III, section 14, of the Constitution of the State of Hawaii, provides in part that "[e]ach law shall embrace but one subject, which shall be expressed in its title." Although changing the definition of condominium hotels and hotels may impact or relate to some tourism issues, that relation is not direct, and in any case not clear enough to give notice to the public that the subject matter of this bill concerns changes to the liquor licensing chapter. Thus it appears that this bill in its current form contains subject matter beyond the scope of the bill's title and may be subject to challenge as a violation of article III, section 14, of the State Constitution. We suggest that a bill with a more directly relevant title be used for the contents of this bill.

LIQUOR COMMISSION  
**CITY AND COUNTY OF HONOLULU**  
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KIRK CALDWELL  
MAYOR



March 14, 2014

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

Senator Gilbert Kahele, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Committee on Tourism

**Hearing:** Wednesday, March 19, 2014  
2:50 p.m.; Room 229

**Position:** Support HB286 HD1, Relating to Tourism

Dear Committee Chairs, Vice Chairs, and Members:

The Liquor Commission, City and County of Honolulu, supports House Bill 286 HD1, Relating to Tourism.

We have been advised by representatives of the hospitality industry that the trend in modern hospitality practice is for certain properties to forego maintaining a commercial kitchen and dining room unless necessitated by an established banquet business, and instead to rely on separately licensed restaurants to provide meal service for guests. The proposed measure will amend Section 281-1, Hawaii Revised Statutes, to make the condominium hotel and hotel kitchen and dining room an optional feature, rather than a mandatory requirement. As such, the proposed measure will conform legal requirements to modern business practice and hospitality trends and should be an encouragement, rather than an impediment, to new and existing condominium hotel and hotel licensees. The Commission will not experience regulatory difficulties from the eliminated requirement.

The Liquor Commission urges your support of House Bill 286 HD1, Relating to Tourism. Thank you for the opportunity to testify.

Respectfully submitted,

  
ANNA C. HIRAI  
Acting Administrator

ACH:

MICHAEL S. YAMAGUCHI  
CHAIRMAN  
IRIS R. OKAWA  
VICE CHAIR  
WESLEY F. FONG  
COMMISSIONER  
JOSEPH V. O'DONNELL  
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ACTING ADMINISTRATOR



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THE SENATE  
THE TWENTY-SEVENTH LEGISLATURE  
REGULAR SESSION OF 2014

COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL  
& MILITARY AFFAIRS  
Senator Will Espero, Chair

COMMITTEE ON TOURISM  
Senator Gilbert Kahele, Chair

3/19/2014  
Rm. 229, 2:50 PM

HB 286 HD 1  
Relating to Tourism

Chair Espero, Chair Kahele and Members of both Committee, my name is Max Sword, here on behalf of Outrigger Hotels Hawaii, in support of HB 286, HD 1.

The current statutes on Hotel & Hotel-Condo Class Liquor Licenses allows the serving of liquor for room service, mini bars in rooms, serving of liquor at weddings and other events on the property and the catering of liquor for off premises events such as weddings, luaus, company receptions, conventions and other off-site events.

The statutes also requires that a hotel or hotel-condo includes a restaurant with a kitchen and dining room as currently defined in Hawaii Revised Statutes Section 281-1.

However, the hotel industry has changed. Most of the new transient accommodations now being built, timeshares & condo-tels usually do not have a restaurant, full kitchens or dining rooms to serve meals as required by law, they primarily have meeting rooms. The removal of the kitchen requirement would allow these type of timeshares and condo-tels to offer additional services, such as liquor room service.

Removing the requirement for a kitchen for a hotel or condo-tel license in this bill, would also help smaller hotel operations who do not have the resources or the space available to maintain a restaurant with a kitchen and dining room on the hotel property.

Mahalo for allowing use to testify and urge your passage of this bill.



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the Senate Committee on Public Safety, Intergovernmental and  
Military Affairs and Committee on Tourism  
Wednesday, March 19, 2014 at 2:50 P.M.  
Conference Room 229, State Capitol**

**RE: HOUSE BILL 286 HD1 RELATING TO TOURISM**

Chairs Espero and Kahele, Vice Chairs Baker and Keith-Agaran, and Members of the Committees:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HB 286 HD1, which deletes the requirement that a condominium hotel or hotel have a commercial kitchen and dining room for liquor licensing purposes.

The Chamber is the largest business organization in Hawaii, representing over 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

We support this measure as it amends Section 281-1, Hawaii Revised Statutes, making it an optional provision rather than mandatory, in order for condominium hotels or hotels to obtain a liquor license. We have noticed a recent trend in the hospitality industry where new transient accommodation properties are waiving the inclusion of restaurants and space for a commercial kitchen and dining room. Instead, these properties partner with separately licensed restaurants to handle meal service for guests.

Making this provision voluntary rather than mandatory would benefit the hospitality industry as it would simplify liquor licensing regulations and encourage partnerships with local restaurants. Additionally, this would alleviate smaller hotel operations – many of which may lack resources and space – from conforming to this requirement.

Thank you for the opportunity to testify.