
A BILL FOR AN ACT

RELATING TO LIQUOR.

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

1 SECTION 1. Section 281-41, Hawaii Revised Statutes, is
2 amended by amending subsection (i) to read as follows:
3 "(i) If the licensee is a corporation, a change in
4 ownership of any outstanding capital stock shall not be deemed a
5 transfer of a license; provided that in the case of a change in
6 ownership of twenty-five per cent or more of the stock or in the
7 case of change in ownership of any number of shares of the stock
8 that results in the transferee thereof becoming the owner of
9 twenty-five per cent or more of the outstanding voting capital
10 stock, the corporate licensee shall, prior to the date of the
11 transfer, apply for and secure the approval of the transfer from
12 the commission in writing. If the commission finds that the
13 proposed transferee is an unfit or improper person to hold a
14 license in the proposed transferee's own right pursuant to
15 section 281-45, it shall not approve the proposed transfer. If
16 any transfer is made without the prior approval of the
17 commission, the commission may in its discretion revoke or



1 suspend the license until it determines that the transferee is a
2 fit and proper person, and if the commission finds that the
3 transferee is not a fit and proper person, until a retransfer or
4 new transfer of the capital stock is made to a fit and proper
5 person pursuant to section 281-45. In addition, the corporate
6 licensee shall, within thirty days from the date of election of
7 any officer or director, notify the commission in writing of the
8 name, age, and place of residence of the officer or director[-];
9 provided that if the licensee is a publicly-traded company, or
10 an entity ultimately solely owned by a publicly-traded company,
11 the licensee shall, within thirty days from the date of election
12 of any replacement of an officer designated as a primary
13 decisionmaker regarding the purchase and sale of liquor, notify
14 the commission in writing of the name, age, and place of
15 residence of the officers. If the commission finds the
16 transferee, officer, or director an unfit or improper person to
17 hold a license in the transferee's, officer's, or director's own
18 right pursuant to section 281-45, it may in its discretion
19 revoke the license or suspend the license until a retransfer or
20 new transfer of the capital stock is effected to a fit or proper
21 person pursuant to section 281-45 or until the unfit or improper



1 transferee, officer, or director is removed or replaced by a fit
2 and proper person pursuant to section 281-45."

3 SECTION 2. Section 281-53, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§281-53 Application; penalty for false statements. Every
6 application for a license or for the renewal of a license or for
7 the transfer of a license shall be in writing, signed and,
8 except for the renewal of a license, verified by the oath of the
9 applicant, or in the case of a corporation or unincorporated
10 association by the proper officer or officers thereof, or if a
11 partnership by a general partner thereof, or if a limited
12 liability partnership by a partner thereof, or if a limited
13 liability company by a member thereof, made before any official
14 authorized by law to administer oaths, and shall be addressed to
15 the liquor commission, and set forth:

16 (1) The full name, age, and place of residence of the
17 applicant; if a copartnership, the names, ages, and
18 respective places of residence of all the partners; if
19 a limited liability company, its full name and the
20 names of all its members; if a corporation or joint-
21 stock company, its full name and the names of its



1 officers and directors, and the names of all
2 stockholders owning twenty-five per cent or more of
3 the outstanding capital stock; if a publicly traded
4 company, or an entity ultimately solely owned by a
5 publicly-traded company, the names of the officers
6 designated as the primary decisionmakers regarding the
7 purchase and sale of liquor; and if any other
8 association of individuals, the names, ages, and
9 respective places of residence of its officers and the
10 number of its members;

11 (2) A particular description of the place or premises
12 where the proposed license is to be exercised, so that
13 the exact location and extent thereof may be clearly
14 and definitely determined therefrom;

15 (3) The class and kind of license applied for; and

16 (4) Any other matter or information pertinent to the
17 subject matter which may be required by the rules of
18 the commission.

19 If any false statement is knowingly made in any application
20 which is verified by oath, the applicant, and in the case of the
21 application being made by a corporation, limited liability



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1 company, association, or club, the persons signing the
 2 application, shall be guilty of perjury, and shall be subject to
 3 the penalties prescribed by law for such offense. If any false
 4 statement is knowingly made in any application which is not
 5 verified by oath, the person or persons signing the application
 6 shall be guilty of a misdemeanor and upon conviction thereof
 7 shall be punished as in section 281-102 provided."

8 SECTION 3. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

JAN 25 2016



H.B. NO. 2422

Report Title:

Liquor License; Liquor Commission

Description:

Amends liquor license application and operating procedures to allow publicly-owned companies, and entities they solely own, to provide information for only those officers designated as primary decisionmakers regarding the purchase and sale of liquor and specifies that only a transfer of twenty-five per cent or more of outstanding voting capital stock requires a corporation to secure the approval of the transfer from the commission.

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