

Honolulu, Hawaii
March 4, 2016

RE: H.B. No. 2422
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 2422 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to amend the laws relating to intoxicating liquor licensing to simplify procedures for corporate licensees and applicants for licenses without impeding or decreasing the quality of the county liquor commissions' oversight.

More specifically, this measure:

- (1) Provides that licensees and applicants for licenses that are publicly-traded companies, or entities ultimately solely owned by a publicly-traded company, are required to provide identifying information regarding only those officers designated as primary decisionmakers regarding the purchase and sale of liquor; and
- (2) Clarifies that the requirement of prior approval from a county liquor commission regarding a change in ownership of at least twenty-five percent of a corporation's outstanding capital stock applies only to voting stock.

The Hawaii Food Industry Association, Kona Brewing Company, and a concerned individual testified in support of this measure. The County of Hawaii Department of Liquor Control, County of Kauai



Department of Liquor Control, and the City and County of Honolulu
Department of Liquor Control provided comments.

Your Committee has amended this measure by allowing the applicant for a liquor license or renewal, or both the transferor and transferee in the case of a liquor license transfer, to present a tax clearance certificate from the Department of Taxation and the Internal Revenue Service evidencing that the applicant, transferor, and transferee do not owe the State or federal government any delinquent taxes, penalties, or interest.

Allowing county liquor commissions to accept an alternative compliance certificate would assure the commissions that the parties meet the tax clearance requirement, while making for a more efficient license renewal process for all licensees, particularly for Neighbor Island licensees who do not have access to a local tax office.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2422, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2422, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



