

Honolulu, Hawaii

MAR 21 2016

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Public Safety, Intergovernmental, and
Military Affairs, to which was referred H.B. No. 2422, H.D. 1,
entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require publicly-traded companies or entities ultimately solely owned by publicly-traded companies to provide information for officers designated as primary decisionmakers regarding the purchase and sale of liquor;
- (2) Clarify 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; and
- (3) Allow applicants for a liquor license or license renewal, or transferor and transferee in the case of a license transfer, to present a tax clearance certificate from the Department of Taxation and Internal Revenue Service evidencing that they do not owe delinquent taxes, penalties, or interest.



Your Committee received testimony in support of this measure from the Department of Liquor Control, County of Kauai; Hawaii Food Industry Association; Times Supermarket; Kona Brewing Company; and two individuals. Your Committee received comments on this measure from the Liquor Commission, City and County of Honolulu; and Department of Liquor Control, County of Maui.

Your Committee finds that the existing process to transfer liquor licenses is cumbersome. Many companies that produce, purchase, or sell liquor in Hawaii and throughout the nation have multiple owners and officers, and numerous locations. This measure will clarify certain circumstances that warrant a license transfer and make the transfer process more efficient for transferors, transferees, and the liquor commissions.

As affirmed by the record of votes of the members of your Committee on Public Safety, Intergovernmental, and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2422, H.D. 1, and recommends that it pass Second Reading and be referred to your Committee on Commerce, Consumer Protection, and Health.

Respectfully submitted on
behalf of the members of the
Committee on Public Safety,
Intergovernmental, and Military
Affairs,

Clarence K. Nishihara

CLARENCE K. NISHIHARA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Intergovernmental and Military Affairs
PSM

Bill / Resolution No.:* HB 2422, HDI	Committee Referral: PSM, CPH	Date: 3/15/16
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
NISHIHARA, Clarence K. (C)	/			
ESPERO, Will (VC)	/			
BAKER, Rosalyn H.	/			
INOUYE, Lorraine R.	/			
SLOM, Sam	/			
TOTAL	5			

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature: *Will Espero*

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*Only one measure per Record of Votes