

STAND. COM. REP. NO. 3326

Honolulu, Hawaii

APR 05 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 Commerce, Consumer Protection, and Health,
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) 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 capital stock;
- (2) 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; 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 County of Kauai, Department of Liquor Control; Hawaii

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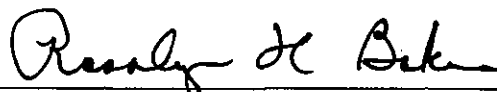


Food Industry Association; and Kona Brewing Company. Your Committee received comments on this measure from the Liquor Commission, City and County of Honolulu.

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 prior approval for a license transfer and make the transfer process more efficient for transferors, transferees, and the county liquor commissions, without impeding or decreasing the quality of the liquor commissions' regulatory oversight.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health 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 Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



