

Honolulu, Hawaii

April 28, 2017

RE: H.B. No. 1465
H.D. 2
S.D. 2
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1465, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to update statutory language on liquor license transfer, application, and operating procedures.

More specifically, this measure, among other things:

- (1) Accounts for both member managed and manager managed limited liability companies under liquor licensing statutes;
- (2) Allows liquor license holders that are partnership entities or limited liability companies to avoid license transfer requirements upon admission or withdrawal of



certain members, partners, or managers of the license holding entity or company by notifying the Liquor Commission of the change within thirty days;

- (3) Clarifies liquor license procedures and criminal history record check requirements for publicly-traded companies;
- (4) Provides flexibility to the Liquor Commission to hold a license in safekeeping status as an alternative to license cancellation, due to cessation of a business;
- (5) Clarifies conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure;
- (6) Prohibits a non-primary decision-maker from coercing, pressuring, or unduly influencing a primary decision-maker to engage in any unlawful activity relating to the purchase and sale of liquor; and
- (7) Allows the Liquor Commission to issue a temporary license when an applicant, transferor, or transferee is actively challenging a tax matter that prevents the issuance of the appropriate certificate.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Liquor Commission to issue a temporary license that is valid for the period of time necessary to resolve a valid challenge by an applicant, transferor, or transferee of a tax matter that prevents the issuance of the appropriate certificate;
- (2) Changing its effective date from July 1, 2030, to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1465, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1465, H.D. 2, S.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



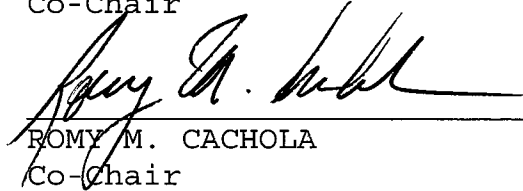
CLARENCE K. NISHIHARA
Chair



ROY M. TAKUMI
Co-Chair



STANLEY CHANG
Co-Chair



ROMY M. CACHOLA
Co-Chair



GILBERT S.C. KEITH-AGARAN
Co-Chair



Hawaii State Legislature

CCR137

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: HB 1465, HD 2, SD 2	Date/Time: 04/27/17 3:03PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

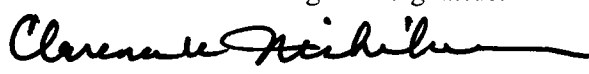
The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

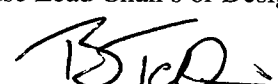
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
NISHIHARA, Clarence K., Chr.	✓				TAKUMI, Roy M., Co-Chr.	✓			
CHANG, Stanley, Co-Chr.	✓				CACHOLA, Romy M., Co-Chr.	✓			
KEITH-AGARAN, Gilbert S.C., Co-Chr.				✓	FUKUMOTO, Beth				✓
					TODD, Chris	✓			
					WARD, Gene				✓
TOTAL	2	-	-	1	TOTAL	3	0	0	2

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


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