

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1465  
H.D. 1

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1465 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to assist businesses selling or serving liquor by clarifying liquor license application process requirements and making the process more efficient.

Among other things, this measure:

- (1) Clarifies that changes in the principals of an entity holding a liquor license would not be considered a transfer of a license if timely notification of the change is provided to the Liquor Commission;
- (2) Allows corporations to notify the Liquor Commission of any change in ownership of twenty-five percent or more within thirty days of the change rather than prior to the change;
- (3) Clarifies liquor license procedures and criminal history record check requirements for publicly-traded companies; and



- (4) Provides flexibility to the Liquor Commission to hold a license in safekeeping status as an alternative to license cancellation.

The Liquor Commission of the City and County of Honolulu, Department of Liquor Control of the County of Kauai, Ocean Tourism Coalition, and several concerned individuals testified in support of this measure.

Your Committee has amended this measure by:

- (1) Clarifying that the term "safekeeping" means a situation where a liquor license is held at a Liquor Commission office while the licensee is not operating;
- (2) Prohibiting an officer or director not designated as a primary decision-maker from coercing, pressuring, or otherwise influencing the decision of a designated primary decision-maker in the purchase and sale of liquor; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1465, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1465, H.D. 1, and be referred to your Committee on Finance.

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



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ANGUS L.K. MCKELVEY, Chair



