

STAND. COM. REP. NO.

1009

Honolulu, Hawaii

March 3, 2017

RE: H.B. No. 1465
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 1465, H.D. 1, 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 and transfer 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 is not 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 25 percent or more within 30 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;



- (4) Provides flexibility to the Liquor Commission to hold a license in safekeeping status as an alternative to license cancellation upon cessation of operations by a licensee; and
- (5) Prohibits 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.

The County of Kauai Department of Liquor Control, Maui Hotel & Lodging Association, and one individual testified in support of this measure. The City and County of Honolulu Liquor Commission provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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

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



SYLVIA LUKE, Chair



