

STAND. COM. REP. NO.

447

Honolulu, Hawaii

FEB 17 2017

RE: S.B. No. 1291  
S.D. 1

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

Sir:

Your Committees on Public Safety, Intergovernmental, and Military Affairs and Government Operations, to which was referred S.B. No. 1291 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

beg leave to report as follows:

The purpose and intent of this measure is to update statutory language on liquor license application and operating procedures to improve consistency and efficiency in liquor licensing and to reflect modern business practices and organizational structures.

Your Committees received testimony in support of this measure from the Department of Liquor Control, County of Kauai; Liquor Commission, City and County of Honolulu; and one individual.

Your Committees find that the efficient and equitable treatment of businesses, particularly in any licensing process, is essential for cultivating a robust economy that benefits the public welfare. Existing statutes relating to liquor licensing are outdated and do not reflect the current state of business practice in the State, including modern forms of business organization such as limited liability companies. Further, these outdated licensing laws make the licensing process inefficient and serve as an impediment to business, preventing potential economic growth. Accordingly, this measure updates existing liquor licensing statutes to:



- (1) Include member and member managed limited liability companies;
- (2) Allow liquor license holders to notify the liquor commission within a set period of time after a change in membership or ownership of the license holding entity instead of before the change; and
- (3) Clarify conditions under which publicly-traded companies or entities solely owned by a publicly-traded entity may be disqualified for licensure.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1291, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1291, S.D. 1, and be referred to your Committee on Judiciary and Labor.

Respectfully submitted on  
behalf of the members of the  
Committees on Public Safety,  
Intergovernmental, and Military  
Affairs and Government  
Operations,



DONNA MERCADO KIM, Chair



CLARENCE K. NISHIHARA, Chair





