

Honolulu, Hawaii

APR 27 2018

RE: S.B. No. 2613
H.D. 1
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2613, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INTOXICATING 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:

- (1) Authorize the county liquor commissions to issue new class 2 restaurant licenses before restaurants commence operation;
- (2) Clarify that class 2 restaurant licenses are transferrable; and
- (3) Require an applicant for a new class 2 restaurant license or a transferee to certify that the applicant or transferee intends to and shall derive no less than thirty



percent of the establishment's gross revenue from the sale of foods.

Your Committee on Conference finds that certain liquor commissions do not permit new licensees to apply directly for a restaurant license. Instead, licensees are first required to apply for a dispenser general license, which can only be upgraded after one year. Your Committee on Conference further finds that certain liquor commissions also do not allow restaurant licensee holders to transfer restaurant liquor licenses, which may have a negative impact on an operator's business, including a significant loss of value to the business. This measure therefore clarifies that a new restaurant liquor license may be issued by a liquor commission prior to the restaurant commencing operation. This measure also clarifies that a class 2 restaurant liquor license is transferrable, but retains the liquor commissions' ability to downgrade a license if the licensee ultimately does not meet the thirty percent food-sales threshold required of restaurant licensees.

Your Committee on Conference has amended this measure by changing its effective date to upon approval.

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 S.B. No. 2613, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2613, H.D. 1, C.D. 1.

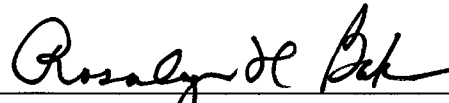
Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SCOTT Y. NISHIMOTO
Co-Chair





ROSALYN H. BAKER
Chair



TY J. K. CULLEN
Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 2613, HD 1					Date/Time: 4-26-2018 1:35 pm						
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).											
<input type="checkbox"/> The Committee is reconsidering its previous decision.											
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> 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
BAKER, Rosalyn H., Chr.		✓				NISHIMOTO, Scott Y., Co-Chr.		✓			
CHANG, Stanley		✓				CULLEN, Ty J.K., Co-Chr.		✓			
IHARA, Les, Jr.		✓				CACHOLA, Romy M.		✓			
						THIELEN, Cynthia					✓
TOTAL		3	-	-	-	TOTAL		3	-	-	-
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused				
Senate Recommendation is:						House Recommendation is:					
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted						<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					
Senate Lead Chair's or Designee's Signature:						House Lead Chair's or Designee's Signature:					
											
Distribution:		Original			Yellow		Pink		Goldenrod		
		File with Conference Committee Report			House Clerk's Office		Senate Clerk's Office		Drafting Agency		