

# HB2414 HD 2

Measure Title: RELATING TO LIQUOR LICENSES.

Report Title: County Liquor Commissions; Temporary Liquor Licenses

Description: Requires the county liquor commissions to streamline procedures to provide for the issuance of temporary licenses for the sale of liquor for a period not to exceed one day for fundraising events by nonprofit organizations. (HB2414 HD2)

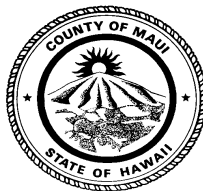
Companion: [SB2549](#)

Package: None

Current Referral: CPH/JDC

Introducer(s): YAMASHITA, AQUINO, BROWER, CULLEN, DECOITE, FUKUMOTO, HASHEM, ICHİYAMA, ITO, KONG, C. LEE, LUKE, MCKELVEY, MIZUNO, MORIKAWA, NISHIMOTO, SAY, TAKAYAMA, TAKUMI, TOKIOKA, WOODSON, YAMANE, San Buenaventura

ALAN M. ARAKAWA  
MAYOR



200 South High Street  
Wailuku, Maui, Hawai'i 96793-2155  
Telephone (808) 270-7855  
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**OFFICE OF THE MAYOR**  
Ke`ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

April 2, 2018

TESTIMONY OF ALAN M ARAKAWA  
MAYOR  
COUNTY OF MAUI

BEFORE THE SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND  
HEALTH AND  
THE SENATE COMMITTEE ON JUDICIARY

Tuesday, April 3, 9:00AM  
Conference Room 016

HB2414 HD2 RELATING TO LIQUOR LICENSES.

Senator Rosalyn H. Baker, Chair  
Senator Jill N. Tokuda, Vice Chair  
Honorable Members of the Senate Committee on Commerce, Consumer Protection, and Health

Senator Brian T. Taniguchi, Chair  
Senator Karl Rhoads, Vice Chair  
Honorable Members of the Senate Committee on Judiciary

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Thank you for this opportunity to testify in **SUPPORT OF HB2414 HD2.**

The purpose of this bill is to require the liquor commission to streamline procedures to provide for the issuance of temporary licenses for the sale of liquor for a period not to exceed one day for fundraising events by nonprofit organizations.

Currently in Maui County, there is a very onerous process for non-profit organizations to get a one day special liquor license for their fundraising events. It has been so difficult that several large events were either cancelled or were unable to serve liquor which cost them 5 digits of income.

*I would also like to suggest that there be language to allow the non-profits to offer at live or silent auction the ability to auction off liquor (closed bottles/cans) or services that provide liquor, i.e. whale watch cruises that provide liquor as part of the tour. Currently several non-profits were denied that option and, again, lost several dollars in income.*

**I strongly urge you to pass HB2414 HD2 and include the proposed amendments.**

Sincerely,

Alan M. Arakawa  
Mayor, County of Maui

**HB-2414-HD-2**

Submitted on: 3/26/2018 7:46:20 PM

Testimony for CPH on 4/3/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Councilmember Yuki Lei Sugimura	Individual	Support	No

Comments:

I am a councilmember from the County of Maui and have asked the Maui Liquor commission to review their rules to process one day liquor licenses for non profits. The cry from the community was to ask the Liquor Department to use "common sense rules" to process one day permits.

They were requiring board members who are volunteers to the boards, to have fingerr prints, backgroun checks. What this was causing, was the organizatioins to not hold the event with liquor, to avoid these stringent rules.

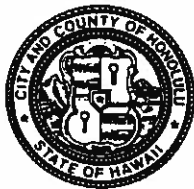
Someting is not working for a liquor department to begin to treat the community like this. I support any improvement to the Liquor laws for one day liquor licenses, and "fair" processing of these requests.

Thank you..

**LIQUOR COMMISSION  
CITY AND COUNTY OF HONOLULU**

711 KAPIOLANI BOULEVARD, SUITE 600, HONOLULU, HAWAII 96813-5249  
PHONE (808) 768-7300 or (808) 768-7333 • FAX (808) 768-7311  
INTERNET ADDRESS: [www.honolulu.gov/liq](http://www.honolulu.gov/liq) • E-MAIL: [liquor@honolulu.gov](mailto:liquor@honolulu.gov)

KIRK CALDWELL  
MAYOR



March 27, 2018

The Honorable Rosalyn H. Baker, Chair  
The Honorable Jill N. Tokuda, Vice Chair  
and Members of the Committee on Commerce,  
Consumer Protection, and Health

The Honorable Brian T. Taniguchi, Chair  
The Honorable Karl Rhoads, Vice Chair  
and Members of the Committee on Judiciary

**Hearing:** Tuesday, April 3, 2018  
9:00 AM; Room 016

**Position:** Comments on HB 2414 HD2, Relating to Liquor Licenses

Dear Chairs Baker and Taniguchi, Vice Chairs Tokuda and Rhoads, and Members:

The Liquor Commission, City and County of Honolulu (Commission), appreciates the opportunity to submit testimony providing comments on House Bill 2414 HD2, Relating to Liquor Licenses.

The Commission fully supports legislation that both legitimately reduces the application burden for certain types of licensees but also gives reasonable flexibility to regulators in addressing oversight and compliance requirements. We submit comments on Section 1 of House Bill 2414 HD2 for the purpose of clarifying the desired impact of the proposed measure.

**Creating a New Type of Temporary License for Nonprofit Fundraising Events.**

Prior to the 2008 repeal of Section 281-32.3, Hawaii Revised Statutes, as amended, it was the Commission's practice to administratively approve applications for nonprofit fundraising events (Nonprofit Special License), with the reduced submission requirements dictated by HRS Section 28-32.3. Following the inclusion of the Nonprofit Special License into the "standard" Class 10 Special license section, the Commission continued its practice of administrative approvals and reduced submission requirements for Nonprofit Special License applications, with the rare exception of applications with the potential for heightened public impact, which Commission administration would refer back to the Commission at a public hearing.

JOSEPH V. O'DONNELL  
CHAIRMAN

NARSI A. GANABAN  
CO-VICE CHAIR

MALAMA MINN  
CO-VICE CHAIR

DARREN Y.T. LEE  
COMMISSIONER

DUANE R. MIYASHIRO  
COMMISSIONER

FRANKLIN DON PACARRO, JR.  
ADMINISTRATOR

ANNA C. HIRAI  
ASSISTANT ADMINISTRATOR

Committee on Commerce, Consumer Protection, and Health  
Committee on Judiciary  
Tuesday, April 3, 2018  
9:00 AM; Room 016  
Page 2

Therefore, the proposed measure would not impact City and County of Honolulu applicants for Nonprofit Special Licenses, as the Commission does not subject that application process to increased requirements. However, inserting the streamlined procedures applicable to nonprofits into HRS Section 281-32 is confusing, insofar as all other Temporary licenses are required to be "paired" with a permanent license application. As Class 10 Special license capability for nonprofit organizations already exists in HRS Section 281-31(j), we suggest the streamlined procedures be included in that section, or that the language of repealed HRS Section 281-32.3 be reinstated in a new stand-alone section. For your convenience, a copy of said repealed section is attached.

The Liquor Commission appreciates the opportunity to provide testimony on House Bill 2414 HD2, Relating to Liquor Licenses.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Franklin Don Pacarro, Jr.", written over a rectangular stamp area.

FRANKLIN DON PACARRO, JR.  
Administrator

FDP:ACH  
Attachment

1 hearings pursuant to sections 281-39.5 and 281-57 to 281-60.

2 Whenever any reduction or increase is permitted, the same shall  
3 be endorsed in some appropriate manner upon the license."

4 SECTION 18. Section 281-32.3, Hawaii Revised Statutes, is  
5 repealed.

6 [~~"§281-32.3 One-day special licenses for fundraising  
7 events. Notwithstanding any other section of this chapter to  
8 the contrary, the commission shall adopt rules to streamline  
9 procedures including the waiving of hearings, fees, notarization  
10 of documents, submission of floor plans, and other requirements,  
11 to provide for the issuance of special licenses for the sale of  
12 liquor for a period not to exceed one day, for classes of  
13 fundraising events by nonprofit organizations established by the  
14 commission. The commission shall also adopt rules to facilitate  
15 the issuance of such licenses through the mail.~~

16 Any registered educational or charitable nonprofit  
17 organization may sell liquors in their original packages for  
18 off-premises consumption for fundraising events allowed in this  
19 section, in accordance with rules adopted by the commission  
20 pursuant to chapter 91." ]

21 SECTION 19. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.



Council Chair  
Mike White

Vice-Chair  
Robert Carroll

Presiding Officer Pro Tempore  
Stacy Crivello


Councilmembers  
Alika Atay  
Elle Cochran  
Don S. Guzman  
Riki Hokama  
Kelly T. King  
Yuki Lei K. Sugimura



**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

April 2, 2018

TO: The Honorable Rosalyn H. Baker, Chair  
Senate Committee on Commerce, Consumer Protection, and Health  
  
The Honorable Brian T. Taniguchi, Chair  
Senate Committee on Judiciary

FROM: Mike White  
Council Chair 

SUBJECT: **HEARING OF APRIL 3, 2018; TESTIMONY IN SUPPORT OF HB 2414,  
HD2, RELATING TO LIQUOR LICENSES**

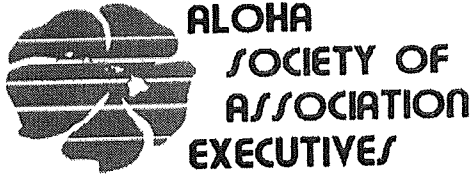
Thank you for the opportunity to testify in **support** of this important measure. The purpose of this bill is to require county liquor commissions to streamline procedures to provide for the issuance of temporary licenses for the sale of liquor for a period not to exceed one day for fundraising events by nonprofit organizations.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. Fundraisers play a critical role in allowing nonprofits to generate enough revenue to operate on an annual basis. Many high-end fundraisers include the serving of alcohol. Unfortunately, on Maui, the permitting process for a one day liquor license has become unnecessarily complicated and time consuming.
2. A more streamlined process is necessary for one-day events. The process should not take months and overload applicants with paperwork. This proposed measure is the most effective way to address the necessary changes. In fact, the process to obtain a one-day liquor license should be uniform statewide and not vary by each county.

For the foregoing reasons, I **support** this measure.



ALOHA SOCIETY OF ASSOCIATION EXECUTIVES  
ASAE-Hawaii  
P.O. Box 282  
Honolulu, Hawaii 96809-0282

April 3, 2018

Testimony To: Senate Committee on Consumer Protection, and Health  
Senator Rosalyn H. Baker, Chair

Senate Committee on Judiciary  
Senator Brian T. Taniguchi, Chair

Presented By: Tim Lyons, Legislative Chairman  
Aloha Society of Association Executives

Subject: HB 2414, HD 2 – RELATING TO LIQUOR LICENSES.

Chair Baker, Chair Taniguchi and Members of the Joint Committee:

I am Tim Lyons, Legislative Chair of the Aloha Society of Association Executives and we support this bill.

We have had reports from members on the difficulties encountered when applying for a special one-day license typically for a special event and usually for fundraising for the non-profit group. We see no reason for that other than the vary requirements and usually varying interpretation of the requirements for what should be a fairly straight forward application and simple process.

Non-profit groups typically rely on volunteers to help coordinate these events and the person in charge often changes from year to year so that they are not familiar with the process.



Therefore, the easier and more streamlined we can make it, the more likely they will fulfill the requirements and comply with the law.

Based on the above, we recommend passage of this bill.

Thank you.



**CGPTA**  
**Chinatown Gateway Plaza Tenant Association**  
**Since 2006**

**To: Committees on Commerce, Consumer Protection, & Health (CPH) and Judiciary (JDC)**  
**From: Chinatown Gateway Plaza Tenant Association (CGPTA)**  
Date: Tuesday, April 3, 2018  
Time: 9:00 AM  
Place: Conference Room 016, State Capitol, 415 South Beretania Street

**Re: Strong Opposition to HB2414 HD2, Relating to Liquor Licenses.**

Aloha e Chairs Baker and Taniguchi; Vice Chairs Tokuda and Rhoads; and Members of the Committees on Commerce, Consumer Protection, & Health and Judiciary:

My name is Steve Lohse, I'm a founding member and chair of the Chinatown Gateway Plaza Tenant Association (CGPTA). Chinatown Gateway Plaza (CGP) is a 27-story, 200-unit resident tower built in 1990 at Nuuana and Hotel in Chinatown. CGP residents organized the CGPTA in 2006 to represent our resident voice in matters of concern to our Chinatown community. On behalf of the CGPTA, thank you for this opportunity to submit testimony in **Strong Opposition to HB2414 HD2** for the following reasons:

(1) Chinatown is a small, surprisingly densely-populated, very historically unique community in Hawaii. Many "fundraisers" in this small area are actually block parties that are too large, too loud, too late, and too drunk with a vague purpose to "revitalize" this small area with liquor sales. The primary nonprofit doing block parties in Chinatown is a 501(c)(4), chartered for the private benefit of its commercial membership, and it has *never* been transparently accountable for "fundraising."

(2) HB2414 HD2 makes it easier to get temporary liquor licenses for Chinatown "nonprofit" liquor-fueled events that disturb and divide our Chinatown community. These events close public streets and sidewalks, block access to our homes and businesses, reroute hundreds of city buses per event, disrupt our peace and health with extremely loud street noise, and sell liquor in our public streets with no accountability for "nonprofit," "fundraiser," or any clear "art and culture" public purpose.

(3) Waiving public hearings eliminates transparent accountability from public decision making regarding using public streets in Chinatown for private liquor sales. These decisions directly impact our health and safety, and we do NOT want them made behind closed doors and out of public view! The CGPTA supports healthy business and honest fundraising, but large, loud, late, drunk block parties are extremely unfriendly and unnecessary for healthy business or honest fundraising in Chinatown.

(4) IN FACT, there is a good model for Chinatown fundraisers that the CGPTA supports. Murphy's block parties are well attended, appropriately scaled for this small area, do not disturb residents with excessive noise, end promptly at 10:00p, do not reroute buses, and DO account honestly for hundreds of thousands of dollars in community and fundraising benefits as genuine Public Purposes for using public streets!

**PLEASE, defer HB2414 HD2** to support community-based decision making, nonprofit accountability for honest fundraising, and community health and safety in Chinatown! Thank you.

Aloha no,  
The Chinatown Gateway Plaza Tenant Association (CGPTA)  
Steve Lohse, CGPTA Chair, [CGP.Tenant.Association@gmail.com](mailto:CGP.Tenant.Association@gmail.com)

**HB-2414-HD-2**

Submitted on: 3/23/2018 9:00:04 PM

Testimony for CPH on 4/3/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
lynne matusow	Individual	Oppose	No

Comments:

This bill is not clear as to whether it is for inside premises or the noisy, crime laden street parties which take place. I live in Downtown/Chinatown. We are assaulted by street closures for Mardi Gras, Halloween, Cinco de Mayo, and any other event a liquor establishment can create. As a result we have noisy crowds on the streets, vomiting, trash buildup, residents being told they cannot access their apartment houses, buses being rerouted, traffic being rerouted, etc. for irresponsible actors (Facebook refers to them as bad actors) can invade our communities. How would you like this outside your homes. This bill should be defeated. Now. The residents have a right to a decent night's sleep instead of suffering from disorderly conduct. These establishments can conduct events in their own premises, They don't need fundraising events on the streets. If anything, the Liquor Commissions should tighten the rules, require an accurate floor plan of where sound stages will be, where vendors will be, etc. and the police departments authorized to shut down any event that does not comply with regulations.

In Chinatown we are now faced with a group that wants these raucous affairs to go on until midnight, in an area where many residents do not have air conditioners, where noise rises. This is not pono.

Lynne Matusow

**HB-2414-HD-2**

Submitted on: 3/29/2018 2:24:26 PM

Testimony for CPH on 4/3/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lee Stack	Individual	Oppose	Yes

Comments:

- > Bill 2414 - HD2 Strong Opposition
- >
- > Dear Chairs and Members of the Committees:
- >
- > I write as a stakeholder in Chinatown where one-day non profit events with alcohol have caused documented impacts, dissension and marked increases in neighborhood tensions over the past several years. I urge you to defer this Bill for the following reasons:
- >
- > 1. Not all nonprofits are charitable 501(c)3 organizations working for the greater good. Many nonprofits (such as (c)4s) are formed and driven by narrow and/or private membership interests. These private organizations pursue primarily private interests, with practically no oversight, transparency or accountability for how their funds are spent. Many of them are allowed to actively lobby for more considerations for their members at the expense of the greater community.
- >
- > 2. Grantmaking organizations do not normally give funds for salaries, operating expenses and one time events (festivals). They give funds for programs and projects which they have scrutinized as of public benefit to the greater community; proposals, budgets, reports and assessments are required (e.g, safeguards and procedures).
- >
- > Since State law allows any three people to easily form a nonprofit, it is possible that monies raised from one-day non profit alcohol events will be used to fund primarily private goals for three people: salaries, expenses, travel, entertainment, lobbying, etc. Bill 2414 would circumvent important and necessary checks and balances.
- >
- > 3. Streamlining procedures that give County Liquor Commissions the option to eliminate important safeguards, such as foregoing public hearings (which would shut out community feedback and participation) and background checks, will harm the public interest. Government should

be encouraging public participation in decision-making processes affecting their communities rather than by-passing participation. Neighborhood Boards are no substitute for voicing concerns directly to government bodies with legal rule-making, decision-making and enforcement authority - as is being done here.

>

> In Chinatown, these one-day alcohol fundraising events are held on public streets (our streets) and the impacts are huge: loss of public transport through a neighborhood dense with low-income affordable housing and vulnerable residents, excessive and prolonged noise, trash, public drunkenness and urination, and increased safety and liability issues with people spilling in to streets. Relaxation of rules and procedures will have direct negative impact on the larger community (in more ways than noise).

>

> A one day non profit fundraiser with alcohol is a special event and should be treated as such under the liquor laws to help protect the public's safety and well-being. Please defer this Bill.

Lee Stack

3 N Pauahi St

Honolulu, HI. 96817

> Typos by iPhone