

SB2549

Measure Title: RELATING TO LIQUOR LICENSES.

Report Title: Liquor Commission; Temporary Liquor Licenses; Liquor License Application

Description: Requires 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. Removes language that allows any other considerations deemed by the liquor commission to affect the matter of the application, the issuance, or the exercise of the license applied for, on reconsideration of a previously denied, refused, or withdrawn liquor license application.

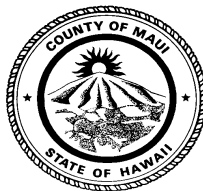
Companion: [HB2414](#)

Package: None

Current Referral: CPH/JDC

Introducer(s): KEITH-AGARAN, DELA CRUZ, ENGLISH

ALAN M. ARAKAWA
MAYOR



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OFFICE OF THE MAYOR
Ke`ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

February 20, 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

Thursday, February 22, 2018, 9:00 AM
Conference Room 229

SB2549 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

Thank you for this opportunity to testify in SUPPORT of SB2549.

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 SB2549.

Sincerely,

Alan M. Arakawa
Mayor, County of Maui

**LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU**

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ASSISTANT ADMINISTRATOR

February 20, 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: Thursday, February 22, 2018
9:00 AM; Room 229

Position: Comments on SB 2549, 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 Senate Bill 2549, Relating to Liquor Licenses.

The Commission fully supports legislation that legitimately reduces the application burden for certain types of licensees but also gives reasonable flexibility to regulators in addressing oversight and compliance requirements. That said, we submit comments on Sections 1 and 2 of Senate Bill 2549 for the purpose of clarifying the desired impact of the proposed measure.

1. 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

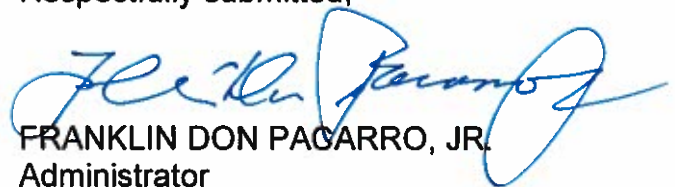
refer back to the Commission at a public hearing. Therefore, the proposed measure would not impact City and County of Honolulu applicants for Nonprofit Special Licenses, as the Commission does not subject the application process to increased requirements.

2. Elimination of Commission Discretion for Certain Applications.

In this section, the proposed measure would eliminate the Commission's discretion in instances where an applicant is applying for a license for a premises or building location that had previously been denied, refused, or withdrawn. The Commission is given broad discretion at the initial application stage. Therefore, it is unclear why said discretion would be eliminated when reviewing a subsequent application for a premises or building location already unsuccessful in becoming a licensed premises. If the purpose of this proposed elimination is to efficiently evaluate a "second chance" application, Commission discretion in this area should be retained.

The Liquor Commission appreciates the opportunity to provide testimony on Senate Bill 2549, Relating to Liquor Licenses.

Respectfully submitted,


FRANKLIN DON PACARRO, JR.
Administrator

FDP:ACH

SB-2549

Submitted on: 2/21/2018 9:00:14 AM

Testimony for CPH on 2/22/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Councilmember Yuki Lei Sugimura	Individual	Support	No

Comments:

I submit testimony in support of this bill which requires 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. It also removes language that allows any other considerations deemed by the liquor commission to affect the matter of the application, the issuance, or the exercise of the license applied for, on reconsideration of a previously denied, refused, or withdrawn liquor license application. Mahalo.

Merchant ♦ Horowitz

A LIMITED LIABILITY LAW COMPANY

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February 19, 2018

VIA Electronic Submission

Senate Committee on Commerce, Consumer Protection, and Health

Senator Rosalyn H. Baker, Chair
Senate District 6
Hawaii State Capitol, Room 230

Senator Jill N. Tokuda, Vice Chair
Senate District 24
Hawaii State Capitol, Room 202

Senate Committee on Judiciary

Senator Brian T. Taniguchi, Chair
Senate District 11
Hawaii State Capitol, Room 219

Karl Rhoads, Vice Chair
Senate District 13
Hawaii State Capitol, Room 204

Re: In Support of SB 2549

Senators Baker and Tokuda:

I am writing in support of SB 2549. In my practice I assist numerous non-profits. I also currently or in the past have served on the boards of the following community and non-profit organizations:

1. Kula Community Association
2. Haleakala Waldorf School, past president
3. Pacific Cancer Foundation, past president
4. Nā Keiki o Emalia
5. Maui Economic Opportunity, Inc., vice president

With the exception of the Kula Community Association, each of the above organizations has held events where liquor is served. Most of the above entities, like nearly all non-profits, operate on shoe-string budgets. One-day fundraising events are not the same as a commercial business that operates 365 days per year, and the licensing requirements should reflect this. Applying commercial requirements to such organizations and events is unreasonably burdensome both in time and money. That time and money comes out of, and detracts from the vital mission of the organization. The executive director of one organization I serve recently spent upwards of 80 hours, including six (6) separate meetings with liquor department personnel in order to obtain a license for an event that has occurred at the same location for the past decade. Staff time alone cost the organization thousands of dollars.

Furthermore, many fundraisers are held in private homes where clearances that might be applicable to commercial venues are not relevant. It can and has led to confusion, delay, and increased expense in attempting to "prove" to a liquor department that other departments/agencies simply do not regulate a place or activity.

The one-day licenses for non-profit organizations must be streamlined to reflect the value of the missions of non-profits, the fact that these are not commercial operations that will sell liquor on an ongoing basis, and that both the time and expense of obtaining a license should be minimized or eliminated.

Very truly yours,

Peter A. Horovitz

SB-2549

Submitted on: 2/16/2018 3:27:36 PM

Testimony for CPH on 2/22/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments: