

SB2612

Measure Title: RELATING TO LIQUOR LICENSES.

Report Title: Liquor License; Class 10 Special License; Fundraising Events; Fee Waiver

Description: Waives fees and other requirements for applicants for a class 10 liquor license.

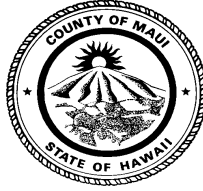
Companion: [HB2292](#)

Package: None

Current Referral: CPH

Introducer(s): KEITH-AGARAN, BAKER, ENGLISH, GALUTERIA, INOUYE, Kim

ALAN M. ARAKAWA
MAYOR



200 South High Street
Wailuku, Maui, Hawai'i 96793-2155
Telephone (808) 270-7855
Fax (808) 270-7870
E-mail: mayors.office@mauicounty.gov

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

Thursday, February 22, 2018, 9:30 AM
Conference Room 229

SB2612 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

Thank you for this opportunity to testify in SUPPORT of SB2612.

The purpose of this bill is to waive fees and other requirements for applicants for a class 10 liquor license.

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.

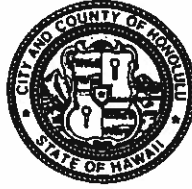
I strongly urge you to pass SB2612.

Sincerely,

Alan M. Arakawa
Mayor, County of Maui

**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 • E-MAIL: liquor@honolulu.gov



KIRK CALDWELL
MAYOR

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

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

Hearing: Thursday, February 22, 2018
9:30 AM; Room 229

Position: Comments on SB 2612, Relating to Liquor Licenses

Dear Chair Baker, Vice Chair Tokuda, and Members:

The Liquor Commission, City and County of Honolulu (Commission), appreciates the opportunity to submit testimony providing comments on Senate Bill 2612, 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.

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.

The Liquor Commission appreciates the opportunity to provide testimony on Senate Bill 2612, Relating to Liquor Licenses.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Franklin Don Pacarro, Jr.", is written over the typed name.

FRANKLIN DON PACARRO, JR.
Administrator

FDP:ACH



**CLUB
MANAGERS
ASSOCIATION
OF AMERICA**

Date: February 20, 2018

To: Senate Committee on Commerce, Consumer Protection, and Health

From: Amy Dempsey, President,
Club Managers Association of America, Paradise of the Pacific Chapter

Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is Amy Dempsey and I am the President of the Paradise of the Pacific Chapter of the Club Managers Association of America. I am also the Assistant General Manager and Food & Beverage Director at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words "nonprofit organization" include the words: "or social club (501(c)(7))"

The Club Managers Association of America is the professional association for managers of Membership clubs. The Paradise of the Pacific Chapter membership consists of 29 country, city, golf and yacht clubs from the State of Hawaii.

The amendment is important to allow Clubs to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

Amy Dempsey
President, Paradise of the Pacific Chapter

Merchant ♦ Horowitz

A LIMITED LIABILITY LAW COMPANY

David B. Merchant
Peter A. Horowitz
Kristine N.Y.K. Tsukiyama
Jason A. Economou

Tel: 808.242.5700
Email: pah@mhmaui.com

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

Re: In Support of SB 2612

Senators Baker and Tokuda:

I am writing in support of SB 2612. 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

February 19, 2018

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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



Date: February 20, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Russell Goshi, General Manager, Maui Country Club
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is Russell Goshi and I am the General Manager at the Maui Country Club. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words “nonprofit organization” include the words: “or social club (501(c)(7))”

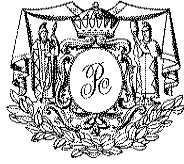
The Maui Country Club was founded in 1925 and has a rich history with its roots in Maui’s sugar industry. The mission of the Club is to provide a gathering place where our members and guests enjoy recreation, relaxation, dining and community while sharing this beautiful place we call home.

The amendment is important to allow Clubs to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

Russell Goshi
General Manager



The Pacific Club

Date: February 18, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Carleton L. Williams, CPA, Treasurer, Board of Governors, The Pacific Club
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is Carl Williams and I am a member and serve on the Board of Governor at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words “nonprofit organization” include the words: “or social club (501(c)(7))”

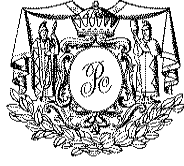
The Pacific Club is the oldest private club of its kind west of the Mississippi and was established in 1851. The Pacific Club is a business club, a family club, a social club, an athletic club, and a dining club. Its membership is more diverse today than at any time in its history. The Club’s members enjoy a commonality in friendship and belonging. The Pacific Club provides its members, their families and guests, a unique opportunity to dine, relax, play and meet in a facility with a comfortable and distinguished ambiance.

The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

Carleton L. Williams, CPA
Treasurer, Board of Governors
The Pacific Club



The Pacific Club

Date: February 20, 2018

To: Committee on Commerce, Consumer Protection, and Health
Hawaii State Senate

From: Christopher Abbott
Board of Governors
The Pacific Club

Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is Christopher Abbott and I am a member and serve on the Board of Governor at The Pacific Club. I **support** SB2612 and urge you to add an **amendment** to include social clubs: on page 1 Line 10 after the words “nonprofit organization” include the words: **“or social club (501(c)(7))”**

The Pacific Club is the oldest private club of its kind west of the Mississippi and was established in 1851. The Pacific Club is a business club, a family club, a social club, an athletic club, and a dining club. Its membership is more diverse today than at any time in its history. The Club’s members enjoy a commonality in friendship and belonging. The Pacific Club provides its members, their families and guests, a unique opportunity to dine, relax, play and meet in a facility with a comfortable and distinguished ambiance.

The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) **generate revenues** which are subject to **GET**, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to **GET**, and 3) provide an **educational** and **gathering** experience.

Thank you for this opportunity to testify.

Sincerely,

/s/ Christopher Abbott

Christopher Abbott
Member, Board of Governors
The Pacific Club



The Pacific Club

Date: February 20, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: John Bethe, General Manager
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is John Bethe and I am the General Manager at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs on page 1 Line 10 after the words "nonprofit organization", please include the words: "or social club (501(c)(7))"

The Pacific Club is the oldest private club of its kind west of the Mississippi and was established in 1851. The Pacific Club is a business club, a family club, a social club, an athletic club, and a dining club. Its membership is more diverse today than at any time in its history. The Club's members enjoy a commonality in friendship and belonging. The Pacific Club provides its members, their families and guests, a unique opportunity to dine, relax, play and meet in a facility with a comfortable and distinguished ambiance.

The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

John Bethe
General Manager
The Pacific Club



The Pacific Club

Date: February 17, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Robin Martin, Board of Governors, The Pacific Club
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is [name] and I am a member and serve on the Board of Governor at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words “nonprofit organization” include the words: “or social club (501(c)(7))”

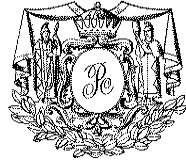
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The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

Robin B. Martin
1st Vice President
Board of Governors
The Pacific Club



The Pacific Club

Date: February 17, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Bonnie-Lee S.L. Pang, Board of Governors, The Pacific Club
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is Bonnie Pang and I am a member and serve on the Board of Governor at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words “nonprofit organization” include the words: “or social club (501(c)(7))”

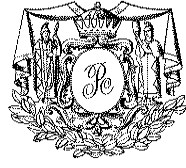
The Pacific Club is the oldest private club of its kind west of the Mississippi and was established in 1851. The Pacific Club is a business club, a family club, a social club, an athletic club, and a dining club. Its membership is more diverse today than at any time in its history. The Club’s members enjoy a commonality in friendship and belonging. The Pacific Club provides its members, their families and guests, a unique opportunity to dine, relax, play and meet in a facility with a comfortable and distinguished ambiance.

The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

Bonnie-Lee S.L. Pang
Board of Governors
The Pacific Club



The Pacific Club

Date: February 21, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Mike Durant, Member, Board of Governors, The Pacific Club
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

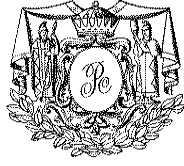
My name is Mike Durant and I am a member and serve on the Board of Governors at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs.

The Pacific Club is the oldest private club of its kind west of the Mississippi and was established in 1851. The Pacific Club is a business club, a family club, a social club, an athletic club, and a dining club. Its membership is more diverse today than at any time in its history. The Club's members enjoy a commonality in friendship and belonging. The Pacific Club provides its members, their families and guests, a unique opportunity to dine, relax, play and meet in a facility with a comfortable and distinguished ambiance.

The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,
Mike Durant
Member, Board of Governors
The Pacific Club



The Pacific Club

Date: February 17, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Robin Stueber, Board of Governors, The Pacific Club
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

My name is Robin Stueber. I am a member and serve on the Board of Governor at The Pacific Club. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words “nonprofit organization” include the words: “or social club (501(c)(7))”

The Pacific Club is the oldest private club of its kind west of the Mississippi and was established in 1851. The Pacific Club is a business club, a family club, a social club, an athletic club, and a dining club. Its membership is more diverse today than at any time in its history. The Club’s members enjoy a commonality in friendship and belonging. The Pacific Club provides its members, their families and guests, a unique opportunity to dine, relax, play and meet in a facility with a comfortable and distinguished ambiance.

The amendment is important to allow the Club to conduct occasional sales of wines from inventory to the members. This will allow for sales to: 1) generate revenues which are subject to GET, 2) reduce the inventory at the Club which will create space and allow for purchases from local vendors and distributors, also subject to GET, 3) provide an educational and gathering experience.

Thank you for this opportunity to testify.

Yours Truly,

Robin Stueber
Governor, Board of Governors
The Pacific Club

Phone: 808-722-5843
eMail: robin.tsuyako@gmail.com

ANDREW R. BUNN
3683 WOODLAWN DRIVE
HONOLULU, HI 96822
(808) 265-7474

Date: February 20, 2018
To: Senate Committee on Commerce, Consumer Protection, and Health
From: Andrew R. Bunn, Pacific Club House Chair & Executive Committee Member
Subject: Testimony in support of an amendment to SB2612

Dear Chair Baker and members of the CPH Committee:

I am member of the Pacific Club, and serve as the Chair of the House Committee and as a member of the Club's Executive Committee. I support SB2612 and urge you to add an amendment to include social clubs. On page 1 Line 10 after the words "nonprofit organization" include the words: "or social club (501(c)(7))"

The amendment is important to allow the Club to conduct periodic sales of wines from inventory to its members on an occasional basis. This will allow for sales to generate revenues and reduce the inventory at the Club. This will also increase business opportunities for local vendors and distributors providing product to the Club and will increase general excise tax revenues in the process. Most importantly, for our members, this will create opportunities to have access to some fine wines that might not otherwise be available through ordinary retail channels and to create educational and social events around fine wines.

There is very little if any down side to this amendment to the law, and social clubs in general would benefit from the suggested change in the law by being able to diversify their events and provide unique opportunities to their members.

Thank you for this opportunity to testify.

Very truly yours,



Andrew R. Bunn

SB-2612

Submitted on: 2/21/2018 9:30:02 AM

Testimony for CPH on 2/22/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Individual	Support	No

Comments:

I support this Bill.

SB-2612

Submitted on: 2/21/2018 10:25:50 PM

Testimony for CPH on 2/22/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jodi Chang	Individual	Support	No

Comments:

Dear Chair Baker and members of the committee,

I am a member of The Pacific Club and serve as the Executive secretary and Board of governor. I would like to voice my support SB2612 to amend the current liquor statute that applies to social club wine auctions. This special license is a positive for the member to be able to purchase wine at a once a year event that is a tradition at the club. This benefit has been available for members in the past and would like to continue this through this amendment. Thank you.

Sincerely,

Jodi Nozoe Chang



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE
ON COMMERCE, CONSUMER PROTECTION, AND HEALTH
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 229
THURSDAY, FEBRUARY 22, 2018 AT 9:30 A.M.**

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

TESTIMONY IN SUPPORT OF SB 2612 RELATING TO LIQUOR LICENSES

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce. I am writing share our support of SB 2612.

This has been a challenging issue on Maui as the Liquor Commission has changed practices and has different interpretations which has caused difficulties for nonprofits in our community. We appreciate the legislature taking the time to review this matter and believe this bill is needed and helpful. Therefore, we strongly support this bill.

We appreciate the opportunity to testify on this matter and ask that this bill be passed.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.