

SB-2613

Submitted on: 3/19/2018 2:41:51 PM

Testimony for JUD on 3/21/2018 2:15:00 PM

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

Comments:

SB-2613

Submitted on: 3/20/2018 12:14:23 PM

Testimony for JUD on 3/21/2018 2:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David M Jorgensen	Takitani Agaran & Jorgensen and various clients	Support	No

Comments:

As an attorney who works with many clients buying or selling restaurants, it has always been possible for a liquor licensee to (and the rules of the Maui Liquor Commission permitted them to) transfer a "restaurant" license to a buyer of the business. Recently a new interpretation of the rule has caused the Liquor Department to require that the transferee have operated the business for one year in the licensed premises and derived 30 percent of their revenue from the sales of food before they could apply for the transfer. This is a factual impossibility. This amendment would solve this problem and at the same time address the concerns of the Department by requiring the certification by the transferee that they will derive no less than 30% of their gross revenues from the sale of food. This amendment would also make it possible for the applicant for a new (not a transferred) license to obtain a restaurant license by providing the same certification, an option that would be very good for business with little downside to the public or the Department. Thank you for your support of this bill.

Merchant Horovitz & TILLEY

David B. Merchant
Peter A. Horovitz
Loren K. Tilley
Kristine N.Y.K. Tsukiyama
Jason A. Economou

Tel: 808.242.5700
Email: pah@mhmaui.com

March 20, 2018

VIA Electronic Submission

House Committee on Judiciary

Representative Scott Y. Nishimoto, Chair
House District 21
Hawaii State Capitol, Room 421

Representative Joy A. San Buenaventura, Vice Chair
House District 4
Hawaii State Capitol, Room 302

Re: In Support of SB 2613

Representatives Nishimoto and San Buenaventura:

I am writing in support of SB 2613. In my practice I represent numerous licensees ranging from hotel/resort operators, restaurants, bars, and retail stores. While the bulk of my licensees are within Maui County, we do represent licensees on all islands.

Certain departments do not allow new licensees to apply directly for a restaurant license, and also do not allow holders of restaurant licenses to transfer those licenses. Rather, they require an application for a dispenser general license that can only be upgraded after one year. We believe this is a misreading of current law, but nonetheless it causes significant practical challenges that have severe financial impacts. As such, the law merits clarification.

A restaurant license requires that the operator generate 30% of its revenues from food service. It also allows, among other things, for an operator to offer catering service and to allow minors on premises who are not accompanied by a parent or guardian. The latter is a significant benefit for establishments located in malls, near beaches, or practically anywhere minors might be without a parent. By denying the ability to transfer a restaurant license, long-established operators who may wish to sell their business will lose significant value – it would be as if the pizza place next to the movie theater could no longer sell kids a slice of pizza before they went to the movies. Further, a new applicant should be allowed to directly

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apply for a restaurant license if their business plan indicates that the requisite portion of their sales will be from food service. In both instances, the County departments retain the ability to downgrade a license if the licensee ultimately does not meet the food-sales threshold.

I urge you to approve SB 2613.

Very truly yours,

Peter A. Horovitz



LATE TESTIMONY

March 20, 2018

Scott Y. Nishimoto
Chair – House Committee on Judiciary
House District 21
Hawaii State Capitol, Room 421

Representative Joy S San Buenaventura
Vice Chair House Committee on Judiciary
House District 4
Hawaii State Capitol, Room 302

Re: Support of SB 2613 Relating to Intoxicating Liquor – Transfer of Restaurant License

Dear Representative Scott Nishimoto Chair, Representative Joy San Buenaventura and Committee Members,

The Maui Arts & Cultural Center is one of the many institutions in Maui County that is directly and negatively affected by the local interpretation that does not allow holders of restaurant licenses to transfer a restaurant license to another entity. In our example, the operation would be on the exact same property, operating the exact same business. Under the current interpretation, The MACC would need to apply for a dispenser general license for one year and then be eligible for a restaurant license should we continue to meet the standard requirement that 30% of our food and beverage revenue be from the sale of food. We have met this requirement for each of the 24 years the MACC has been in operation. In the meantime, the Maui Arts & Cultural Center would not be permitted to allow minors on the premises for the one year we would be forced to become a dispenser general license holder, while not be able to transfer our restaurant license. A full year of no children's programming and no keiki allowed on premises is a price too high to pay for the community of Maui. SB2613 would clarify what other jurisdictions in Hawaii are already doing and therefore eliminate this obstruction, thus allowing business to continue as usual at the Maui Arts & Cultural Center where children and adults totaled 250,000 people last year at over 1700 events. We urge your support of SB 2613. It will also help the MACC continue to be the economic engine that it has become, infusing 7.55 million dollars last year into the Hawaii economy.

Mahalo,

Art Vento



Art Vento *President & CEO*
t. 808-243-4264



One Cameron Way, Kahului, Maui, Hawai'i 96732
808-242-ARTS (2787) MauiArts.org

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The MACC is a 501(c)3 nonprofit organization, and Hawai'i's most comprehensive performing & visual arts center

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