

STAND. COM. REP. NO. 380

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 638
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 638 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Add the unlicensed sale of liquor as an offense for which property is subject to forfeiture and increase the grade of the offense to a class C felony;
- (2) Provide an affirmative defense; and
- (3) Amend definitions of "organized crime" and "racketeering activity" to include the unlicensed sale of liquor.

Your Committee received testimony in support of this measure from the Department of the Prosecuting Attorney, City and County of Honolulu; Honolulu Police Department; Department of Liquor Control, County of Kaua'i; Liquor Commission, City and County of Honolulu; and one member of the City Council, City and County of Honolulu.

Your Committee finds that unlicensed liquor sales encourage under-aged consumption of liquor and provide an attractive venue for the distribution of other illegal substances and engagement in



other illegal activity. Further negative impacts to communities include the accompanying noise, disruptive behavior, nuisance complaints, and other acts of violence and destruction resulting from unlicensed liquor sales. Considering the many dangers associated with liquor consumption, all liquor sales and manufacturing should be licensed and carefully monitored.

Your Committee additionally finds that the current classification of unlicensed manufacture or sale of liquor as a misdemeanor does little to deter this activity and provides little in the way of investigative tools available to police to combat this activity. This measure raises the offense of unlicensed sale of liquor from a misdemeanor to a class C felony to better reflect the seriousness of the offense and significantly strengthen the manner in which these offenses are addressed by law enforcement and in the courts.

Your Committee has amended this measure by:

- (1) Removing as unnecessary the affirmative defense for the unlicensed sale of liquor;
- (2) Adding the unlicensed manufacture of liquor to the list of offenses eligible for civil asset forfeiture; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 638, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 638, S.D. 1, and be referred to your Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,

Rosalyn H Baker

ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:* SB 638	Committee Referral: CPH, JDC	Date: 2/8/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> ²⁴ Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
KEOHOKALOLE, Jarrett	✓			
NISHIHARA, Clarence K.				✓
RUDERMAN, Russell E.				✓
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

*Only one measure per Record of Votes