
A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a number of outdoor
2 festivals, parades, and races take place on the streets of
3 neighborhoods each year. These require certain streets to be
4 closed to traffic using permits granted by the department of
5 transportation. In some cases, event organizers are granted
6 special permits by the counties' liquor commissions allowing
7 them to serve alcohol. There is a range of sentiment coming
8 from residents, property owners, business owners, and others
9 regarding the possible impact of the sale of alcohol at some
10 events on crowd behavior, noise, and other types of nuisance.

11 The purpose of this Act is to clarify the setting in which
12 outdoor alcohol special licenses may be issued.

13 SECTION 2. Section 281-17, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) The liquor commission, within its own county, shall
16 have the jurisdiction, power, authority, and discretion, subject
17 only to this chapter:



- 1 (1) To grant, refuse, suspend, and revoke any license for
2 the manufacture, importation, and sale of liquors;
- 3 (2) To take appropriate action against a person who,
4 directly or indirectly, manufactures, sells, or
5 purchases any liquor without being authorized pursuant
6 to this chapter; provided that in counties that have
7 established by charter a liquor control adjudication
8 board, the board shall have the jurisdiction, power,
9 authority, and discretion to hear and determine
10 administrative complaints of the director regarding
11 violations of the liquor laws of the State or of the
12 rules of the liquor commission, and impose penalties
13 for violations thereof as may be provided by law;
- 14 (3) To control, supervise, and regulate the manufacture,
15 importation, and sale of liquors by investigation,
16 enforcement, and education; provided that any
17 educational program shall be limited to the commission
18 staff, commissioners, liquor control adjudication
19 board members, and licensees and their employees, and
20 shall be financed through the money collected from the
21 assessment of fines against licensees; provided that



1 fine moneys, not to exceed ten per cent a year of
2 fines accumulated, may be used to fund public liquor-
3 related educational or enforcement programs;

4 (4) From time to time to make, amend, and repeal rules,
5 not inconsistent with this chapter, as in the judgment
6 of the commission are deemed appropriate for carrying
7 out this chapter and for the efficient administration
8 thereof, and the proper conduct of the business of all
9 licensees, including every matter or thing required to
10 be done or which may be done with the approval or
11 consent, by order, under the direction or supervision
12 of, or as prescribed by the commission; which rules,
13 when adopted as provided in chapter 91 shall have the
14 force and effect of law;

15 (5) Subject to chapter 76, to appoint and remove an
16 administrator, who may also be appointed an
17 investigator and who shall be responsible for the
18 operations and activities of the staff. The
19 administrator may hire and remove hearing officers,
20 investigators, and clerical or other assistants as its
21 business may from time to time require, prescribe



1 their duties and fix their compensation, and engage
2 the services of experts and persons engaged in the
3 practice of a profession, if deemed expedient. Every
4 investigator, within the scope of the investigator's
5 duties, shall have the powers of a police officer;
6 (6) To limit the number of licenses of any class or kind
7 within the county, or the number of licenses of any
8 class or kind to do business in any given locality,
9 when in the judgment of the commission such
10 limitations are in the public interest;
11 (7) To prescribe the nature of the proof to be furnished,
12 the notices to be given, and the conditions to be met
13 or observed in case of the issuance of a duplicate
14 license in place of one alleged to have been lost or
15 destroyed, including a requirement of any indemnity
16 deemed appropriate to the case;
17 (8) To fix the hours between which licensed premises of
18 any class or classes may regularly be open for the
19 transaction of business, which shall be uniform
20 throughout the county as to each class respectively;



- 1 (9) To prescribe all forms to be used for the purposes of
2 this chapter not otherwise provided for in this
3 chapter, and the character and manner of keeping of
4 books, records, and accounts to be kept by licensees
5 in any matter pertaining to their business;
- 6 (10) To investigate violations of this chapter, chapter
7 244D and, notwithstanding any law to the contrary,
8 violations of the applicable department of health's
9 allowable noise levels, through its investigators or
10 otherwise, to include covert operations, and to report
11 violations to the prosecuting officer for prosecution
12 and, where appropriate, the director of taxation to
13 hear and determine complaints against any licensee;
14 provided that the liquor commission shall record all
15 complaints against any licensee, regardless of whether
16 the complaint is filed during or after the occurrence
17 of the violation;
- 18 (11) To prescribe, by rule, the terms, conditions, and
19 circumstances under which persons or any class of
20 persons may be employed by holders of licenses;



- 1 (12) To prescribe, by rule, the term of any license or
- 2 solicitor's and representative's permit authorized by
- 3 this chapter, the annual or prorated amount, the
- 4 manner of payment of fees for the licenses and
- 5 permits, and the amount of filing fees;
- 6 (13) To prescribe, by rule, regulations on dancing in
- 7 licensed premises; and
- 8 (14) To prescribe, by rule, the circumstances and penalty
- 9 for the unauthorized manufacturing or selling of any
- 10 liquor."

11 SECTION 3. Section 281-31, Hawaii Revised Statutes, is
 12 amended as follows:

13 1. By amending subsection (j) to read:

14 "(j) Class 10. Special license.

15 (1) A special license may be granted for the sale of
 16 liquor for a period not to exceed three days and
 17 pursuant to commission rule may be approved by the
 18 administrator for fundraising events by nonprofit
 19 organizations, political candidates, and political
 20 parties; provided that if the event is out-of-doors,
 21 at least one officer from the liquor commission who



1 has investigative capabilities shall be present at
2 each point of sale within the area for which the
3 permit was granted; provided further that if the event
4 takes place on the premises of a temporary public
5 street closure in any county having a population in
6 excess of 500,000, a special license shall be granted
7 only for the temporary extension of an existing valid
8 license; provided further that any registered
9 educational or charitable nonprofit organization may
10 sell liquors in their original packages for off-
11 premises consumption; provided further that any social
12 club granted tax-exempt status pursuant to section
13 501(c)(7) of the Internal Revenue Code of 1986, as
14 amended, may sell wine from the social club's
15 inventory to the club's members for off-premises
16 consumption. Of this class, there shall be the
17 following kinds:
18 (A) General (includes all liquor except alcohol);
19 (B) Beer and wine; and
20 (C) Beer.



1 Liquor sold under a class 10 license shall be consumed
2 on the premises.

3 (2) Notwithstanding any other section of this chapter to
4 the contrary, the commission shall waive any hearings,
5 fees, notarization of documents, submission of floor
6 plans and other governmental clearances, and other
7 requirements for the issuance of a class 10 license.
8 The class 10 license granted under this subsection for
9 a fundraising event shall include the ability to
10 auction off, at a live or silent auction, liquor in
11 sealed or covered glass, ceramic, or metal containers
12 or services that provide liquor. No criminal history
13 record check under section 281-53.5 or 846-2.7 or any
14 other section of this chapter shall be required. The
15 commission may require proof of liquor liability
16 insurance for the fundraising event and a current list
17 of officers and directors if the applicant is a
18 nonprofit organization."

19 2. By amending subsection (q) to read:

20 "(q) Class 17. Bring-your-own-beverage license. In
21 counties having a population in excess of 500,000, there is



1 established a class 17 license[+] that shall only apply to
2 permanent establishments; provided that in a county having a
3 population of 500,000 or less, the respective commission may
4 establish a class 17 license to which this subsection shall
5 apply.

6 (1) A general license of this class shall authorize the
7 licensee to permit patrons to bring their own liquors
8 for consumption on the premises between the hours of
9 6:00 a.m. to 2:00 a.m. the following day. A licensee
10 under this class shall be issued a license according
11 to the category of establishment the licensee owns or
12 operates. The categories of establishments shall be
13 as follows:

14 (A) Premises in which recorded music and live
15 entertainment, including karaoke, are provided;
16 or

17 (B) Premises in which recorded music and live
18 entertainment, including karaoke and dancing, are
19 provided.

20 (2) If a licensee under this class desires to change the
21 category of establishment the licensee owns or



1 operates, the licensee shall apply for a new license
2 applicable to the category of the licensee's
3 establishment.

4 (3) A licensee under this class shall not be subject to
5 liquor commission rules relating to percentage fees."

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect upon its approval.



S.B. NO. 2241
S.D. 1
Proposed

Report Title:

Class 10 Special License; Class 17 Liquor License; Intoxicating Liquor

Description:

Requires that a class 10 special license be issued for the sale and consumption of liquor in an outdoor premise under certain restrictions. Specifies that Class 17 liquor licenses apply only to permanent establishments. (Proposed SD1)

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