

SB-2457

Submitted on: 2/9/2024 3:00:32 PM

Testimony for GVO on 2/13/2024 4:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Steve Haumschild	Testifying for Lanikai Brewing Company LLC	Oppose	Written Testimony Only

Comments:

Aloha Chair McKelvey, Vice Chari Gabbard and members of the Senate committee on GO,

SB 2457 is anti-business at its core. Businesses who are able to secure liquor licenses have gone through a rigorous process that takes months and includes fingerprinting, multiple public hearings, submission of business plans, high costs of insurance, high costs of building, long process of permitting from building and various departments which all account for a significant investment of capital and risk.

A business that goes through this minefield of regulation must continue to be compliant with all rules and laws of the City and State throughout its time and is under consistent oversight more so than nearly any other business sector.

If a business is in violation of laws and regulations, it can lose its license. However, allowing a business to have year after year uncertainty of renewal exposes that business to undue risk. A protest is not a violation of law or rule. A protest is a complaint. These protests can be anonymous even. They could technically come from bad actors, as well as dirty competition.

Denying a business, that is duly licensed and compliant with rules and regulations, who has invested significantly to be part of the business community of Hawaii is onerous and overreaching.

SB-2457

Submitted on: 2/11/2024 3:57:58 PM

Testimony for GVO on 2/13/2024 4:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Garrett W. Marrero	Testifying for Craft 'Ohana/Maui Brewing Co.	Oppose	Written Testimony Only

Comments:

Aloha members of the committee. We cannot allow this bill to pass. We **STRONGLY OPPOSE** any bill that gives further unnecessary powers to the Dept of Liquor Control. This bill would allow LC the ability to deny renewal of liquor license simply for complaints or protests **WITHOUT** a hearing for either, without even a violation being issued. During covid we saw many abuses of powers when competitors would file complaints that were wholly untrue and unfounded. There is already a process by which LC can deny licensing due to violations that have been adjudicated if a license is found guilty.

Please vote no on this bill.



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Nicolas Wong

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SB 2457– RELATING TO LIQUOR LICENSES. Provides that the Liquor Commission or other licensing agency of each county shall deny the renewal of certain current liquor licenses upon receipt of sufficient protests.

Feb 13, 2024 4:00 PM Conference room 225

COMMITTEE ON GOVERNMENT OPERATIONS

Senator Angus L.K. McKelvey, Chair

Senator Mike Gabbard, Vice Chair

STRONGLY OPPOSE

My name is Nicolas Wong and I am the owner of Beer Lab HI. We are an independent craft brewery producing 100% of our beer in Hawaii. We are united with other members of the Hawaiian Craft Brewers Guild in our pursuit to promote economic activity and growth for Hawaii's beer manufacturers and enhance opportunities in our communities.

I am a board member of the HCBG. Our brewery along with the other member breweries of the Hawaiian Craft Brewers Guild embrace the responsible consumption of alcohol.

I am also a board member of the Hawaii Restaurant Association and the Honolulu Japanese Chamber of Commerce.

Ability to deny liquor licenses based on protests

This bill hits very close to home for us at Beer Lab HI. We opened our Waipio brewery with all required licenses and permits (building, health, fire etc.). This area is zoned I-2 heavy industrial and a brewery and taproom are allowed per the Land use Ordinances. While applying for our liquor license the Industrial Condo HOA of which we were a part of decided they "did not like our type of business" in the area and decided they wanted us out.



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They proceeded to coerce and threaten the other neighbors and HOA members around us to sign to protest against our license.

At our final liquor license hearing they were able to convince 80% of the neighboring businesses to protest against our license (since it is an industrial area there were only 22 total people around our business, 18 of which were in the HOA). Luckily the liquor commission found no true reason to actually deny our license and approved our license.

Due to this HOA and these terrible board members we almost went bankrupt for the sole fact that they "did not like our type of business".

Till this day we have received zero noise complaints, zero nuisance complaints and zero liquor commission violations.

I strongly urge you to consider opposing this bill as our business Beer Lab HI would have been no more if this bill were passed into law.

Nicolas Wong
Founder/Owner
Beer Lab HI
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SB-2457

Submitted on: 2/12/2024 10:34:51 AM

Testimony for GVO on 2/13/2024 4:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Benjamin Kopf	Testifying for Mahalo Brewing Co LLC DBA Mahalo Aleworks	Oppose	Written Testimony Only

Comments:

Testimony for SB2457

STRONGLY OPPOSE

This Bill, SB2457, poses a significant risk to owners, employees and investors of liquor licensed establishments who provide significant amounts of tax revenue and employ many thousands of people in the state of Hawaii. Great risk and investment is taken in opening a new food or alcohol establishment, usually taking many years of planning and in many instances many hundreds of thousands or millions of dollars. Part of this process is obtaining a liquor license, and upon doing so, having a sense of security in your ability to renew that license if your establishment plays by the rules and follows the laws established. Licenses are renewed annually, and this proposed bill, SB2457 would give unscrupulous competitors, bad actors or other unrelated parties the ability to torpedo a business that has followed all of the rules under which it was allowed to open. This would cause a catastrophic loss to the owners and investors of all monies invested, and the loss of jobs for everyone employed at the establishment.

Imagine spending your entire life savings and then taking multiple mortgages out on your home in order to open your business (like I did), following all the rules and not violating any laws (like we do), only to be told that you could not continue operating next year because someone didn't like you being there after all, AND after they agreed to allowing you to open in the first place. It is not fair to apply this rule to liquor establishments while no other service business carries this risk, to my knowledge. For instance, a small take-out noodle or sandwich shop that becomes so popular it has loads of noisy patrons out front at all hours of the day, every day (of which I can think of several) would only be subject to the same noise and hazard obligations we as liquor license holders are already held to as well, but they would not be in fear of being required to go out of business the following year if a neighbor did not like the lines on the sidewalk. There are mechanisms in place to control and limit noise, extraneous activities etc., that ALL businesses must comply with and utilize. To have the ability to revoke a liquor license renewal, (with NO laws having been broken) thus guaranteeing the shuttering of a business is not a fair or practical solution.

It is likely this bill was created in response to feedback from people upset by activities occurring at or nearby liquor establishments. Other mechanisms exist for dealing with those issues without having every law abiding liquor license holder living in constant fear of being able to lose their entire livelihood each year based on the preferences or whims of an anonymous disgruntled citizen, or as mentioned earlier, a bad actor or unscrupulous competitor.

Thank you,

Benjamin Kopf

Mahalo Brewing Co LLC DBA Mahalo Aleworks

SB-2457

Submitted on: 2/9/2024 2:51:11 PM

Testimony for GVO on 2/13/2024 4:00:00 PM

Submitted By	Organization	Testifier Position	Testify
lynne matusow	Individual	Support	Written Testimony Only

Comments:

As a longtime resident of a high rise in urban Honolulu, I can attest to noise emanating from liquor establishments. When they apply for a license, they present only the good side, and offer to control noise. When they apply, registered voters who live within 500 feet can protest the granting of the license, but have no recourse when a license is renewed. Often the noise occurs when the inebriated are outside, in the street. We who live nearby are awakened in the early morning hours, deprived of getting a full night of uninterrupted sleep. This can lead to health issues. Also, once the establishment is in operation, other problems can arise and currently we have no recourse. In years past, the liquor commission has deferred to the businesses, ignoring the complaints of residents. This bill will help.

I applaud Senator Rhoads for introducing this bill and urge you to move it forward.