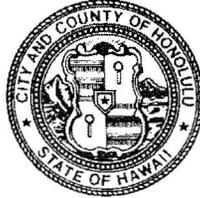


LIQUOR COMMISSION

CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



February 4, 2009

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Rep. Angus L.K. McKelvey, Chair
Rep. Isaac W. Choy, Vice Chair
Committee on Economic Revitalization, Business & Military Affairs

Hearing: Tuesday, February 3, 2009
8:30 am; Room 312

Position: Comments on HB651 Relating to Intoxicating Liquor
(submitted post-hearing)

The Departments of Liquor Control for the Counties of Hawaii, Kauai, and Maui, and the City and County of Honolulu Liquor Commission appreciate the opportunity to provide comments on HB651.

The proposed bill seeks to amend provisions of Chapter 281, Hawaii Revised Statutes, that prohibit the issuance, transfer, or renewal of a liquor license unless the applicant or licensee produces a certificate from the director of taxation showing that the applicant or licensee does not owe the state or federal governments any delinquent taxes, penalties, or interest. However, the proposed bill also provides that upon notice from the director of taxation that the temporary certificate issued to an applicant or licensee under a payment plan has been revoked, that the related liquor license also "shall be revoked." This summary revocation of a liquor license is contrary to the provisions of HRS 281-91, which requires that:

In every case where it is proposed to revoke or suspend the exercise of any license or assess and collect a penalty for any cause other than a conviction at law of the licensee as above specified, the licensee shall be entitled to notice and hearing in conformity with chapter 91, the notice to be given at least five days before the hearing, except that any special license shall be subject to summary revocation for any violation of or evidence of intent to violate the proper exercise thereof, without hearing before the commission or board.

As requested by the Committee on EDB, the City and County of Honolulu Liquor Commission will report that for the 2009 license year, eight (8) licensees (out of approximately 1,400 licenses) were unable to renew because of inability to obtain tax clearances prior to the July 31, 2008 license pick-up deadline. Of those eight (8), two (2) subsequently were able to resolve their tax problems and successfully petitioned the Commission to renew their liquor

licenses.

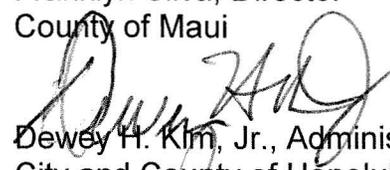
We respectfully request that should HB651 be passed out of this Committee, amendments are made to conform any license revocation action with the procedural requirements of HRS Chapter 91 and HRS 281-91.

Respectfully submitted,

Janice Pakele, Director
County of Hawaii

Eric Honma, Director
County of Kauai

Franklyn Silva, Director
County of Maui



Dewey H. Kim, Jr., Administrator
City and County of Honolulu Liquor Commission