



GOV. MSG. NO. 1112

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 22, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 22, 2016, the following bill was signed into law:

HB2422 HD1

RELATING TO LIQUOR
ACT 012 (16)

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO LIQUOR.

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

1 SECTION 1. Section 281-41, Hawaii Revised Statutes, is
2 amended by amending subsection (i) to read as follows:
3 "(i) If the licensee is a corporation, a change in
4 ownership of any outstanding capital stock shall not be deemed a
5 transfer of a license; provided that in the case of a change in
6 ownership of twenty-five per cent or more of the stock or in the
7 case of change in ownership of any number of shares of the stock
8 that results in the transferee thereof becoming the owner of
9 twenty-five per cent or more of the outstanding voting capital
10 stock, the corporate licensee shall, prior to the date of the
11 transfer, apply for and secure the approval of the transfer from
12 the commission in writing. If the commission finds that the
13 proposed transferee is an unfit or improper person to hold a
14 license in the proposed transferee's own right pursuant to
15 section 281-45, it shall not approve the proposed transfer. If
16 any transfer is made without the prior approval of the
17 commission, the commission may in its discretion revoke or



1 suspend the license until it determines that the transferee is a
2 fit and proper person, and if the commission finds that the
3 transferee is not a fit and proper person, until a retransfer or
4 new transfer of the capital stock is made to a fit and proper
5 person pursuant to section 281-45. In addition, the corporate
6 licensee shall, within thirty days from the date of election of
7 any officer or director, notify the commission in writing of the
8 name, age, and place of residence of the officer or director[-];
9 provided that if the licensee is a publicly-traded company, or
10 an entity ultimately solely owned by a publicly-traded company,
11 the licensee shall, within thirty days from the date of election
12 of any replacement of an officer designated as a primary
13 decisionmaker regarding the purchase and sale of liquor, notify
14 the commission in writing of the name, age, and place of
15 residence of the officers. If the commission finds the
16 transferee, officer, or director an unfit or improper person to
17 hold a license in the transferee's, officer's, or director's own
18 right pursuant to section 281-45, it may in its discretion
19 revoke the license or suspend the license until a retransfer or
20 new transfer of the capital stock is effected to a fit or proper
21 person pursuant to section 281-45 or until the unfit or improper



1 transferee, officer, or director is removed or replaced by a fit
2 and proper person pursuant to section 281-45."

3 SECTION 2. Section 281-45, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§281-45 No license issued, when. No license shall be
6 issued under this chapter:

- 7 (1) To any minor or to any person who has been convicted
8 of a felony and not pardoned, or to any other person
9 not deemed by the commission to be a fit and proper
10 person to have a license; provided that the commission
11 may grant a license under this chapter to a
12 corporation that has been convicted of a felony where
13 the commission finds that the corporation's officers
14 and shareholders of twenty-five per cent or more of
15 outstanding stock are fit and proper persons to have a
16 license;
- 17 (2) To a corporation the officers and directors of which,
18 or any of them, would be disqualified under paragraph
19 (1) from obtaining the license individually, or a
20 stockholder of which, owning or controlling twenty-
21 five per cent or more of the outstanding capital



1 stock, or to a general partnership, limited
2 partnership, limited liability partnership, or limited
3 liability company whose partner or member holding
4 twenty-five per cent or more interest of which, or any
5 of them would be disqualified under paragraph (1) from
6 obtaining the license individually;

- 7 (3) Unless the applicant for a license or a renewal of a
8 license, or in the case of a transfer of a license,
9 both the transferor and the transferee, present to the
10 issuing agency a [~~signed~~] tax clearance certificate
11 from the [~~director~~] department of taxation and from
12 the Internal Revenue Service showing that the
13 applicant or the transferor and transferee do not owe
14 the state or federal governments any delinquent taxes,
15 penalties, or interest; or that the applicant, or in
16 the case of a transfer of a license, the transferor or
17 transferee, has entered into an installment plan
18 agreement with the department of taxation and the
19 Internal Revenue Service for the payment of delinquent
20 taxes in installments and that the applicant is or the
21 transferor or transferee is, in the case of a transfer.



- 1 of a license, complying with the installment plan
 2 agreement;
- 3 (4) To an applicant for a class 2, class 4 except for
 4 convenience minimarts, class 5, class 6, class 11,
 5 class 12, class 13, class 14, class 15, class 17, or
 6 class 18 license unless the applicant for issuance of
 7 a license or renewal of a license, or in the case of a
 8 transfer of a license, both the transferor and the
 9 transferee, present to the issuing agency proof of
 10 liquor liability insurance coverage in an amount of
 11 \$1,000,000; or
- 12 (5) To any applicant who has had any liquor license
 13 revoked less than two years previous to the date of
 14 the application for any like or other license under
 15 this chapter."

16 SECTION 3. Section 281-53, Hawaii Revised Statutes, is
 17 amended to read as follows:

18 "§281-53 Application; penalty for false statements. Every
 19 application for a license or for the renewal of a license or for
 20 the transfer of a license shall be in writing, signed and,
 21 except for the renewal of a license, verified by the oath of the



1 applicant, or in the case of a corporation or unincorporated
2 association by the proper officer or officers thereof, or if a
3 partnership by a general partner thereof, or if a limited
4 liability partnership by a partner thereof, or if a limited
5 liability company by a member thereof, made before any official
6 authorized by law to administer oaths, and shall be addressed to
7 the liquor commission, and set forth:

8 (1) The full name, age, and place of residence of the
9 applicant; if a copartnership, the names, ages, and
10 respective places of residence of all the partners; if
11 a limited liability company, its full name and the
12 names of all its members; if a corporation or joint-
13 stock company, its full name and the names of its
14 officers and directors, and the names of all
15 stockholders owning twenty-five per cent or more of
16 the outstanding capital stock; if a publicly-traded
17 company, or an entity ultimately solely owned by a
18 publicly-traded company, the names of the officers
19 designated as the primary decisionmakers regarding the
20 purchase and sale of liquor; and if any other
21 association of individuals, the names, ages, and



1 respective places of residence of its officers and the
2 number of its members;

3 (2) A particular description of the place or premises
4 where the proposed license is to be exercised, so that
5 the exact location and extent thereof may be clearly
6 and definitely determined therefrom;

7 (3) The class and kind of license applied for; and

8 (4) Any other matter or information pertinent to the
9 subject matter which may be required by the rules of
10 the commission.

11 If any false statement is knowingly made in any application
12 which is verified by oath, the applicant, and in the case of the
13 application being made by a corporation, limited liability
14 company, association, or club, the persons signing the
15 application, shall be guilty of perjury, and shall be subject to
16 the penalties prescribed by law for such offense. If any false
17 statement is knowingly made in any application which is not
18 verified by oath, the person or persons signing the application
19 shall be guilty of a misdemeanor and upon conviction thereof
20 shall be punished as in section 281-102 provided."



- 1 SECTION 4. Statutory material to be repealed is bracketed
- 2 and stricken. New statutory material is underscored.
- 3 SECTION 5. This Act shall take effect upon its approval.

APPROVED this 22 day of APR , 2016



GOVERNOR OF THE STATE OF HAWAII

