

STAND. COM. REP. NO.

845

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 1291

S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred
S.B. No. 1291, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose and intent of this measure is to update statutory
language on liquor license application and operating procedures.
Specifically, this measure:

- (1) Includes member managed and manager managed limited
liability companies under liquor licensing statutes;
- (2) Allows liquor license holders to avoid license transfers
upon admission or withdrawal of members or owners of the
license holding entity by notifying the liquor
commission within a set period of time after a change in
membership or ownership of the license holding entity;
and
- (3) Clarifies conditions under which publicly-traded
companies or entities solely owned by a publicly-traded
entity may be disqualified for licensure.

Your Committee received testimony in support of this measure
from the Maui Hotel & Lodging Association.



Your Committee finds that the efficient and equitable treatment of businesses in any licensing process is essential for cultivating a robust economy that benefits the public. Existing statutes relating to liquor licensing are outdated, do not reflect the current state of business practice in the State, including modern forms of business organization such as limited liability companies, make the licensing process inefficient, and serve as an impediment to business.

Your Committee has amended this measure by:

- (1) As recommended by the Maui Hotel & Lodging Association, inserting language that allows the liquor commission to issue a temporary license when an applicant, transferor, or transferee is actively challenging a tax matter that prevents the issuance of the appropriate certificate;
- (2) Inserting an effective date of January 7, 2059, to encourage further discussion; 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 Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1291, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1291, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,


GILBERT S.C. KEITH-AGARAN, Chair



