

STAND. COM. REP. NO.

2585

Honolulu, Hawaii

MAR 0 1 2018

RE: S.B. No. 2612
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2612 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR LICENSES,"

begs leave to report as follows:

The purpose and intent of this measure is to waive fees and other requirements for applicants for a class 10 liquor license.

Your Committee received testimony in support of this measure from the Office of the Mayor, County of Maui; Club Managers Association of Hawaii, Paradise of the Pacific Chapter; Merchant Horovitz, LLC; Maui Country Club; The Pacific Club; and nine individuals. Your Committee received comments on this measure from the Liquor Commission of the City and County of Honolulu.

Your Committee finds that some nonprofit organizations have faced an extremely onerous process when attempting to obtain a special liquor license for a fundraising event. Your Committee further finds that applying the same liquor license procedures that are required of a commercial business to nonprofit organizations is unduly burdensome in time and money to the nonprofit organizations, many of whom operate on small budgets.

Accordingly, this measure waives fees and other requirements for applicants for a class 10 special liquor license required for



fundraising events, which will streamline the special license process and reduce the burden on nonprofit organizations.

Your Committee has amended this measure by:

- (1) Clarifying that the class 10 special liquor license authorizes a social club granted tax exempt status pursuant to section 501(c)(7) of the Internal Revenue Code to sell wine from the social club's inventory to the club's members for off-premises consumption; and
- (2) Specifying that the class 10 special liquor license includes the ability to auction off, at a live or silent auction, liquor in sealed or covered containers or services that provide liquor.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2612, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2612, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



