



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 23, 2019

GOV. MSG. NO. 1116

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

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

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

This is to inform you that on April 23, 2019, the following bill was signed into law:

SB638 SD1

RELATING TO LIQUOR.
ACT 015 (19)

Sincerely,

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. The legislature finds that an ongoing problem
2 in several communities across the State is the sale of liquor by
3 unlicensed operators or entities that are not under the
4 jurisdiction of the liquor control agencies. Liquor control
5 agencies are restricted from executing compliance checks on
6 establishments without liquor licenses. The reportedly
7 widespread unlicensed sale of liquor on private properties
8 within the State, if true, undermines the mission of liquor
9 control agencies to control the sale of liquor.

10 The legislature also finds that on November 1, 2017, the
11 Honolulu city council expressed the will of the people through
12 the unanimous adoption of Resolution 17-280, CD1, entitled
13 "Requesting the Hawaii State Legislature to increase the penalty
14 for the unlicensed manufacture or sale of liquor to a felony and
15 to add the crime to the class of organized criminal activities
16 under Hawaii Revised Statutes Chapter 842."



1 The resolution states, "because these unlicensed operators
2 and establishments are operating without regulation, they draw
3 crowds and attract other illegal activity that poses health,
4 safety, and community concerns, as evidenced by the recent fatal
5 shooting at a well-known, but unlicensed, bar establishment that
6 has been in operation for a number of years . . . "

7 Under existing law, the penalty for the misdemeanor offense
8 of unlicensed manufacture or sale of liquor is a fine of not
9 more than \$2,000, imprisonment for not more than one year, or
10 both. The intent of this Act is to deter future illegal liquor
11 sales, not occurring under the oversight of liquor control
12 agencies, by increasing the consequences of subsequent
13 conviction and allow greater latitude to judges in their
14 sentencing options.

15 The purpose of this Act is to:

- 16 (1) Increase the penalty for the unlicensed sale of
17 liquor;
- 18 (2) Add unlicensed sale and unlicensed manufacture of
19 liquor to the list of offenses eligible for civil
20 asset forfeiture; and



1 (3) Amend the definitions of "organized crime" and
2 "racketeering activity" to include the unlicensed sale
3 of liquor.

4 SECTION 2. Section 281-101, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "~~§281-101 [Manufacture or sale without license,]~~
7 Unlicensed manufacture or sale of liquor; penalty. (a) If any
8 person, acting in person or by or through any agent, servant, or
9 employee, manufactures [~~or sells~~] any liquor, either directly or
10 indirectly, or upon any pretense or by any subterfuge, except as
11 authorized pursuant to this chapter, the person shall be fined
12 not more than \$2,000 or imprisoned not more than one year, or
13 both.

14 (b) If any person, acting in person or by or through any
15 agent, servant, or employee, sells any liquor, either directly
16 or indirectly, or upon any pretense or by any subterfuge, except
17 as authorized pursuant to this chapter, the person shall be
18 guilty of a class C felony."

19 SECTION 3. Section 712A-4, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "§712A-4 Covered offenses. Offenses for which property is
2 subject to forfeiture under this chapter are:

3 (a) All offenses that specifically authorize forfeiture;

4 (b) Murder, kidnapping, labor trafficking, unlicensed sale
5 of liquor, unlicensed manufacture of liquor, gambling,
6 criminal property damage, robbery, bribery, extortion,
7 theft, unauthorized entry into motor vehicle,
8 burglary, money laundering, trademark counterfeiting,
9 insurance fraud, promoting a dangerous, harmful, or
10 detrimental drug, commercial promotion of marijuana,
11 methamphetamine trafficking, manufacturing of a
12 controlled substance with a child present, promoting
13 child abuse, promoting prostitution, sex trafficking,
14 solicitation of a minor for prostitution, habitual
15 solicitation of prostitution, or electronic enticement
16 of a child that is chargeable as a felony offense
17 under state law;

18 (c) The manufacture, sale, or distribution of a controlled
19 substance in violation of chapter 329, promoting
20 detrimental drugs or intoxicating compounds, promoting
21 pornography, promoting pornography for minors, or



1 solicitation of prostitution near schools or public
2 parks, which is chargeable as a felony or misdemeanor
3 offense, but not as a petty misdemeanor, under state
4 law; and

5 (d) The attempt, conspiracy, solicitation, coercion, or
6 intimidation of another to commit any offense for
7 which property is subject to forfeiture."

8 SECTION 4. Section 842-1, Hawaii Revised Statutes, is
9 amended as follows:

10 1. By amending the definition of "organized crime" to
11 read:

12 "Organized crime" means any combination or conspiracy to
13 engage in criminal activity as a significant source of income or
14 livelihood, or to violate, aid, or abet the violation of
15 criminal laws relating to prostitution, gambling, loan sharking,
16 drug abuse, illegal drug distribution, counterfeiting,
17 extortion, labor trafficking, unlicensed sale of liquor, or
18 corruption of law enforcement officers or other public officers
19 or employers."

20 2. By amending the definition of "racketeering activity"
21 to read:



1 "Racketeering activity" means any act or threat involving
2 but not limited to murder, kidnapping, gambling, criminal
3 property damage, robbery, bribery, extortion, labor trafficking,
4 unlicensed sale of liquor, theft, or prostitution, or any
5 dealing in narcotic or other dangerous drugs that is chargeable
6 as a crime under state law and punishable by imprisonment for
7 more than one year."

8 SECTION 5. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect upon its approval.

APPROVED this 23 day of APR, 2019



GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI'I

Date: March 5, 2019
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.


President of the Senate

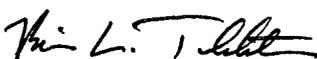

Clerk of the Senate

**THE HOUSE OF REPRESENTATIVES
OF THE STATE OF HAWAI'I**

Date: April 3, 2019
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.


Speaker, House of Representatives


Clerk, House of Representatives