

STAND. COM. REP. NO.

672

Honolulu, Hawaii

, 2021

FEB 19

RE: H.B. No. 137
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 137 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Remove the authority of the county liquor commissions to enforce the liquor tax law and require violations of the liquor tax law to be referred to the Director of Taxation for investigation;
- (2) Repeal the discretionary power of the county liquor commissions to deny a license to any person the county liquor commissions find is not fit and proper to hold a license;
- (3) Require applications for liquor licenses to be notarized;
- (4) Provide the administrators of the county liquor commissions discretion over whether to refer applications for investigation; and

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- (5) Repeal the requirement that investigative reports to the county liquor commissions include whether an applicant is a fit and proper person for licensure and any and all matters that are relevant to the application or license in the judgment of the investigator.

Your Committee received testimony in support of this measure from the Liquor Commission of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the liquor laws are administered and enforced by the county liquor commissions. Your Committee further finds that the county liquor commissions jointly enforce the liquor tax laws. Your Committee notes that this measure is intended to streamline the licensing process and remove unnecessary or undefined statutory language.

Your Committee has amended this measure by:

- (1) Making conforming amendments to the liquor tax law to remove the authority of the county liquor commissions to investigate liquor tax law violations;
- (2) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 137, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 137, H.D. 1, and be referred to your Committee on Finance.



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



AARON LING JOHANSON, Chair



