

LIQUOR COMMISSION  
**CITY AND COUNTY OF HONOLULU**

711 KAPIOLANI BOULEVARD, SUITE 600 • HONOLULU, HAWAII 96813-5249  
PHONE: (808) 768-7300 or (808) 768-7355 • FAX: (808) 591-2700  
E-mail address: liquor@honolulu.gov • INTERNET: www.honolulu.gov/liq

MUFU HANNEMANN  
MAYOR



March 16, 2009

DENNIS ENOMOTO  
CHAIRMAN

IRIS R. OKAWA  
CO-VICE CHAIR

GREGG HAMMER  
CO-VICE CHAIR

JON F. YAMAGUCHI  
COMMISSIONER

DEWEY H. KIM, JR.  
ADMINISTRATOR

Representative Angus L.K. McKelvey, Chair  
Representative Isaac W. Choy, Vice Chair  
Committee on Economic Revitalization, Business & Military Affairs

**Hearing:** Tuesday, March 17, 2009  
7:30 am; Room 312

**Position:** Oppose SB 300 SD2 Relating to Intoxicating Liquor as Currently Written

The Departments of Liquor Control of the Counties of Hawaii, Kauai, and Maui and the City and County of Honolulu Liquor Commission oppose SB 300 SD2 as currently written, and respectfully request that appropriate amendments be made, or in the alternative, that the bill be held in committee.

We note that although the SD2 was intended to extend the requirements of the proposed bill to all licensees who serve liquor for consumption on the premises, the SD2 language included off-premises consumption licensees (Class 4 Retail Dealers) but failed to include the Class 16 Winery license, an on-premises consumption license. To more equitably distribute the compliance requirement among the different types of licensees, we would suggest that the requirement be imposed on *all* license classes *except* manufacturers (Class 1) and wholesale dealers (Class 3).

Further, we contend that requiring county liquor control departments to set liability insurance minimum limits by rule on a bi-annual basis is burdensome and forces the departments to evaluate a substantive business requirement that is well outside the regulatory focus of Chapter 281, Hawaii Revised Statutes. The Departments are accustomed to enforcing State legal requirements imposed on licensees (e.g., tax clearances), and it is our position that liability insurance minimum limits can be implemented and enforced the same way - by the appropriate State regulatory authority. As we have anecdotal information that many licensees may not be able to obtain or afford liability insurance in any amount, we hope the economic impact represented by the minimum limit will be minimized.

Finally, we note that any suspension or termination of a liquor license for failure to comply with this bill's requirements must be done in accordance with the procedural requirements

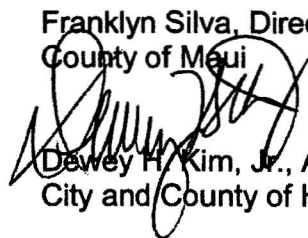
imposed by HRS Section 281-91.

We oppose SB 300 SD2 in its current form and respectfully request your action on this matter.

Janice Pakele, Director  
County of Hawaii

Eric Honma, Director  
County of Kauai

Franklyn Silva, Director  
County of Maui



Dewey H. Kim, Jr., Administrator  
City and County of Honolulu Liquor Commission