STAND. COM. REP. NO. <u>2105</u> Honolulu, Hawaii

RE: S.B. No. 2125

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2022 State of Hawaii Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2125 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 increase the maximum allowable fine for violation of liquor control laws by a licensee from \$2,000 to \$5,000.

Your Committee received testimony in support of this measure from the County of Hawã€⁻i Department of Liquor Control, County of Kauaâ€⁻i Department of Liquor Control, Free Access Coalition, and four individuals. Your Committee received testimony in opposition to this measure from the Hawaii Food Industry Association and ABC Stores. Your Committee received comments on this measure from the City and County of Honolulu Liquor Commission.

Your Committee finds that existing fine amounts for violations of liquor control laws have been in effect since 1987. As the liquor industry has continued to evolve, certain licensees can reach the existing \$2,000 maximum fine rather quickly, leaving suspension or revocation of the license as the only remaining option. This measure provides a balanced approach by increasing the maximum penalties to provide additional fining power and allow a greater fine range to grant more leeway before a liquor adjudication board or liquor commission is required to impose the severe penalties of license suspension or revocation.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2125 and recommends that it pass Second Reading and be referred to your Committee on Judiciary.

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

ROSALYN H. BAKER, Chair