The Life Cycle Of A (Slightly Dysfunctional) Licensee

(With Bonus Content!)
Where To Find Presentation Materials (And Us)

- The Lifecycle of a (Slightly Dysfunctional) Licensee slide show
  http://www.honolulu.gov/liq/formsdocuments.html

- General: liquor@honolulu.gov or 768-7333
  http://www.honolulu.gov/liq/contactus.html

- Anna: ahirai@honolulu.gov or 768-7302

- Licensing Support: liq-licensing@honolulu.gov or 768-7367 (Kris) -7323 (Nolan)
  -7359 (Sini)

- Server training: liq-training@honolulu.gov or 768-7334 (Bert) -7331 (Jenn)

- Audit: liq-auditing@honolulu.gov or 768-7360 (Akiko) -7321 (Seng) -7350 (Pandy)
“what days do you have server training how long is server training do I
need to make a reservation what documents do I need where can I
park where is the office located” (server training)

http://www.honolulu.gov/liq/trainingseducation.html
“What’s A Certificate Of Registration?” (AKA “Liquor Card”)

Rule §3-82-38.5 Registration of Employees.

- New non-manager or non-bartender, just need photo ID, $10, and about 10-15 minutes.
- Managers and bartenders must attend server training class and pass a test (good for four (4) years).
- Non-managers and non-bartenders can attend if space available.
- Need a separate card for each place of employment.
"I Don’t Have My SSN Card Or My W-2."

Rule §3-82-38.5 Registration of Employees.

- Must bring the original SSN card or a printed W-2 form (even from a previous job).
- Will not accept a picture of the SSN card or W-2 on a phone, tablet, etc.
- We cannot print out your W-2 form.
- Once you are “in the system”, these documents do not need to be provided again.
- If lacking your SSN card, ask the trainer if you can attend the class; if space is available, you will receive credit for attending the class and can return at a later date with your photo ID, SSN card, manager letter, and $10 to get your liquor card later.
“I’m Having Trouble Getting a Manager Registered or Renewed.”

Rule §3-82-38.9 Licensee and Manager in Charge of Premises.

- For a new manager registration, please use our Manager-Asst. Manager Authorization Letter (LIQ-TRN-501) form; it is in fillable PDF format and ensures all required information will be provided and facilitate staff processing.

- Managers renewing his/her manager card (whether expired or soon to be expired) must bring the Manager-Asst. Manager Authorization Letter.

- We cannot accept Letters emailed or faxed directly to us.
“What’s the Youngest Age Employee I can Hire?”

Rule §3-86-101.53 Minors on Licensed Premises.

- Sixteen (16); approval must be applied for; special documentary requirements will apply (e.g., DLIR card, letter from the minor’s school, etc.).

- Cannot touch or handle liquor, not even bussing empty bottles or glasses.

- Eighteen (18) to 20 can be hired for any position except for manager and dancer.
Certificate Of Registration (Liquor Card)

http://www.honolulu.gov/liq/employeeregistration.html
“Why Is My [Insert] Being Rejected?”
(front counter/intake)

http://www.honolulu.gov/liq/formsdocuments.html
“We Want To Have Casino Games, And/Or Minors Under 18 Years Old Will Be Part of the Entertainment.”

Rule §3-82-47.1 Music, Dancing, Entertainment.
Rule §3-86-101.53 Minors on License Premises.

- Try to file these types of requests three (3) weeks before the event.
- Both request forms are signed by the licensee, not the casino vendor or the supervising adult.
- On the minor entertainment form, do not forget to initial the parental permission block.
- LIQ can only approve craps, black jack, and roulette.
- Do not forget to include the “rules of play.”
“A Non-Profit Organization Will Be Conducting A Fundraiser Event On Our Premises.”

009 One-Day Special Liquor License Application Packet (Non-Profit)

• Try to file all required documents at least three (3) weeks before the event; must be original signatures; political fundraisers are the “worst.”
• NPS applicant and licensee floor plans should “match”, show dimensions, and be accurate (golf courses, non-contiguous spaces, wine auction only are especially challenging).
• Must keep bar area and liquor storage under the existing permanent license.
Licensee contact info withheld by the authorized agent.

Licensee and DBA names not uniform across all documents, or do not match what is on file with DCCA.

Corrections on notarized documents are not initialed by the notary.

Incorrect info given for premises vs. mailing vs. corporate addresses.

Licensees attempt to drop off documents in piecemeal fashion, or fail to identify the application number or licensee name.

(You Would Be Surprised What We Get)
"Am I In Trouble?" (enforcement)

- In response to a complaint.
- Because the particular zone is being monitored by LIQ investigators.
- As follow up to a written warning.
- As part of an underage compliance check.
- For the service of documents that could not be completed during the day.
- Being in close proximity to another licensee who is being visited.
“I Got A Tag/Ticket/Violation!”

- Violation adjudication will proceed, even if the problem has been rectified (although penalty imposed might be reduced).
- The Deputy Corporation Counsel is not the decision maker – be prepared to give your explanation to the Commission at the hearing.
- Only some violations qualify for a written warning.
- After the adjudication hearing, a Decision & Order will be adopted by the Commission – served to the licensee – payment obligation is 15 days after service.
- Administration can extend payment deadline up to 30 days, for amounts no greater than $2,000.
“This Employee Is In Training; Why Does He/She Have To Be Registered?”

Rule §3-82-38.5 Registration of Employees.

- Must be registered prior to the start of employment.
- Registration must be readily available for inspection while “on duty” at the licensed premises.
- Both “employee” and “on duty” are broadly construed (Rule §3-84-78.01).
“I’m a Salaried Employee; I don’t Need to Clock in.”

Rule §3-82-38.4 Employee Records.

- Only exemptions recognized by the rule are entertainers and kitchen staff who do not handle, serve, or sell liquor.
- Requirement applies to managers.
- Both “employee” and “on duty” are broadly construed (Rule §3-84-78.01).
“The Primary Entrances Are Locked; Why Do Employees Need To Be Clocked In?”

Rule §3-84-72.2 Premises Lighting; Doors.

- If “customers” are in the licensed premises, street or primary entrances must be kept unlocked.
- If a manager or employee is not clocked in, he/she is considered a “customer,” making the locked door a violation of the rule.
"July 31 ... Why Does That Date Ring A Bell?" (audit)

Rule §3-81-17.54 Gross Sales Reports.

- The MOST common and recurring mistake licensees make is filing the annual gross liquor sales report late!
- In FY18, total of 59 late filers:
  - 37 – 1-15 days
  - 2 – 16-30 days
  - 3 – 46-60 days
  - 17 – 60+ days
- Not like the IRS – no extensions.
- Can file online, in person, or by mail.
“What’s Wrong With My Gross Liquor Sales Report?”

Rule §3-81-17.54 Gross Sales Reports.

- Not signed by owner, partner, officer, member, authorized agent registered with LIQ.
- Failing to include all items passed on to the customer as part of its gross liquor sales (e.g., general excise tax; bottle fee; complimentary drinks).
- IN JULY ALL LICENSEES ARE INVITED TO ATTEND AUDITOR-LED GLS WORKSHOPS WITH HANDS-ON ASSISTANCE TO COMPLETE YOUR GLS FILING!
“I Use A Cash Register System ...”

- Fail to include general excise tax that is assessed to customers in its GLS.
- Fail to retain cash register closing tapes (Z-tapes) to verify the accuracy of the reported GLS, or fail to retain for four (4) years.
- Fail to properly set up sales department keys (e.g., Food; Liquor; Non-Liquor; etc.).
- Fail to record or include complimentary drinks in reported GLS.
- Fail to record credit card sales.
“I Use A Point Of Sale (POS) System …”

- Fail to include general excise tax that is assessed to customers in its GLS.
- Fail to report correct sales totals from the POS summary report (gross sales vs. net sales).
- Fail to record comps and discounts under separate categories, or fail to record food and liquor comps under separate categories.
“How Can I Get Some Help With My GLS?”

- Gross Liquor Sales Workshops are scheduled for July 12, 19, and 26, from 9:00 am to 11:30 am, at the LIQ offices.
- RSVP by July 5, 2019 to ensure a seat (attendance limited to 60 each session).
- 9:00 – 10:15: Learn how to file an accurate GLS report; if you bring all required sales documents to the workshop, get help filing your GLS report that day!
- 10:30 – 11:30: Learn how to file an on-line GLS report using the new Liquor Commission Information System (LCIS)!
2019 Rule Amendments

(Must happen before FY20 roll out as the new numbering system has already been given to the vendor building new LCIS!)
Brief Chronology Of LIQ’s “Modern” Rule Amendments

- January 1993 – Repealed in entirety and restated
- July 1995 – License fee increase
- July 1998 - Major rule amendment effort
- June 2005 – Major rule amendment effort; renumbering
- July 2005 – License fee increase
- January 2007 – Added direct wine shipper capability
- June 2008 – Added condominium hotels; major rule amendment effort
- August 2014 – Major rule amendment effort
- December 2015 – Added dancing definition
- March 2017 – Major rule amendment effort
- March 2018 – License fee increase
Brief Synopsis Of The Process

- LIQ staff prepares first draft of rule amendment package.
- Commission, at hearing, provides their input and approves going forward.
- LIQ conducts stakeholder meetings with representatives from all license classes.
- If SBRRB approves to go forward to public hearing, LIQ publishes notice of public hearing.
- Public hearing conducted.
- At a second hearing, Commission approves rule amendment package with any modifications.
- Rule amendment package is forwarded to the Mayor for approval.
- Rule amendment package is filed with the City Clerk’s office; effective 10 days later.
A Slight Bump In The Road …

- Process will begin July 1, 2018. *We did that, but …*
- Proposing repeal (!) of all existing rules. *Still the plan.*
- Top to bottom review of existing rules to determine which rules will be carried over - with necessary revisions - to new rules. *Ditto.*
- Formatting, numbering, etc. to be in compliance with the Hawaii Administrative Rules Drafting Manuel (3rd edition). *Ditto.*
- Will be PLENTY of opportunities for stakeholder input! *Some content submission suggestions!*
What The New Numbering Will Look Like

§3-80-1.1 Definitions will become §3-80-1.01.

§3-81-11.51 Question of Law will become §3-81-11.501.
Thank You for Listening! Questions?