

**LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU**

711 KAPIOLANI BOULEVARD, SUITE 600, HONOLULU, HAWAII 96813-5249
PHONE (808) 768-7300 or (808) 768-7333 • FAX (808) 768-7311
INTERNET ADDRESS: www.honolulu.gov/liq • E-MAIL: liquor@honolulu.gov



KIRK CALDWELL
MAYOR

JOSEPH V. O'DONNELL
CHAIRMAN

NARSI A. GANABAN
CO-VICE CHAIR

MALAMA MINN
CO-VICE CHAIR

DARREN Y.T. LEE
COMMISSIONER

DUANE R. MIYASHIRO
COMMISSIONER

FRANKLIN DON PACARRO, JR.
ADMINISTRATOR

ANNA C. HIRAI
ASSISTANT ADMINISTRATOR

**LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU**

Amendments to Rules of the Liquor Commission

Effective March 24, 2018

1. Rule §3-81-17.51 License Fees is amended to read as follows:

§3-81-17.51 License Fees.

(a) The fees for licenses shall be per annum except where specified. In addition to the basic license fee, an additional license fee will be assessed. This additional license fee will be assessed if the gross liquor sales achieves a certain threshold (hereinafter referred to as 'deductible'). The additional license fee assessment will be calculated on the net of the gross liquor sales less a deductible. The deductible will be prorated for licenses issued during the course of the fiscal year. For licenses that are cancelled or revoked during the course of a fiscal year but prior to the calculation of the deductible for that fiscal year, the prior year's deductible (prorated) will be used.

*The deductible will be calculated through the following formula:

- 1) Calculation of Additional Fees required for the next fiscal year

BFB = Estimated Beginning Fund Balance

LRF = Estimated License Renewals Fees

ALF = CALCULATED Additional License Fee

MR = Estimated Miscellaneous Revenue

BUD = Budget as submitted to Council for the next fiscal year

EFB = Ending Fund Balance (~~[Ten]~~ Twenty percent of BUD)

Basic Formula: $BFB + LRF + ALF + MR - BUD = EFB$

ALF = $EFB + BUD - BFB - LRF - MR$

- 2) Calculation of the DEDUCTIBLE

The prior year's gross liquor sales of each licensee will be entered into a database. The gross liquor sales will be analyzed and based on the assessment rate of the respective class and additional license fees required (ALF), the deductible for the fiscal year will be calculated. The

calculated deductible will be rounded to the nearest thousands of dollars.

A maximum additional assessment fee has been established for each class.

The fees for licenses based on different classes, kinds, and categories shall be as follows:

<u>CLASS</u>	<u>KIND</u>		<u>FEES</u>
1	Manufacturer		
	(a) Beer		[\$1,320] <u>\$1,980</u> , and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$5,000.
	(b) Wine		[\$600] <u>\$900</u> , and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$5,000.
	Wine manufactured from fruits grown in the state		[\$120] <u>\$180</u>
	(c) Alcohol		[\$360] <u>\$540</u>
	(d) Other Liquors		[\$1,320] <u>\$1,980</u> , and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$5,000.
2	Restaurant		
	(a) General (includes all liquor, except alcohol)		
		(1) Category 1 - Standard	[\$1,200] <u>\$1,800</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 – Music/Dancing	[\$1,320] <u>\$1,980</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(b) Beer & Wine		
		(1) Category 1 - Standard	[\$900] <u>\$1,380</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 – Music/Dancing	[\$960] <u>\$1,440</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(c) Beer		
		(1) Category 1 - Standard	[\$360] <u>\$540</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.

		(2) Category 2 – Music/Dancing	[\$420] <u>\$660</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
3	Wholesale		
	(a) General (includes all liquor except alcohol)		[\$2,640] <u>\$3,960</u> , and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$10,000.
	(b) Beer & Wine		[\$840] <u>\$1,260</u> , and one-tenth of one percent (0.001) of the total gross liquor sales less a *deductible, not to exceed \$10,000.
	(c) Alcohol		[\$120] <u>\$180</u>
4	Retail		
	(a) General (includes all liquor except alcohol)		[\$1,200] <u>\$1,800</u> , and one-quarter of one percent (0.0025) of the total gross liquor sales less a *deductible, not to exceed \$15,000.
	(b) Beer & Wine		[\$900] <u>\$1,380</u> , and one-quarter of one percent (0.0025) of the total gross liquor sales less a *deductible, not to exceed \$15,000.
	(c) Alcohol		[\$60] <u>\$96</u>
5	Dispenser		
	(a) General (includes all liquor except alcohol)		
		(1) Category 1 - Standard	[\$1,200] <u>\$1,800</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 2 – Nudity	[\$1,440] <u>\$2,160</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(3) Category 3 – Music/Dancing	[\$1,320] <u>\$1,980</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(4) Category 4 – Hostess	[\$1,440] <u>\$2,160</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.

		(5) Categories 3 & 4	[\$1,500] <u>\$2,280</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(6) Categories 2 & 3	[\$1,620] <u>\$2,460</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(7) Categories 2 & 4	[\$1,620] <u>\$2,460</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(8) Categories 2, 3 & 4	[\$1,740] <u>\$2,640</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(b) Beer & Wine		
		(1) Category 1 - Standard	[\$900] <u>\$1,380</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 3 – Music/Dancing	[\$960] <u>\$1,440</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(3) All other combinations	[\$1,020] <u>\$1,560</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
	(c) Beer		
		(1) Category 1 - Standard	[\$360] <u>\$540</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(2) Category 3 – Music/Dancing	[\$420] <u>\$660</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
		(3) All other combinations	[\$540] <u>\$840</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
6	Club		
		<u>(1) Category 1 - Standard</u>	[\$660] <u>\$1,020</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$15,000.

		<u>(2) Category 2 – Music/Dancing</u>	<u>\$1,080, and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$15,000.</u>
8	Transient Vessel		
	(a) Per day		[\$60] <u>\$90</u>
	(b) Per year		[\$1,320] <u>\$1,980</u>
9	Tour/Cruise Vessel		
		<u>(1) Category 1 - Standard</u>	[\$900] <u>\$1,380</u> , and one-half of one percent (0.005) of four (4) times the amount of liquor purchased less a *deductible, not to exceed \$10,000.
		<u>(2) Category 2 – Music/Dancing</u>	<u>\$1,440, and one-half of one percent (0.005) of four (4) times the amount of liquor purchased less a *deductible, not to exceed \$10,000.</u>
10	Special, per day		
	(a) General (includes all liquor, except alcohol)		[\$60] <u>\$90</u>
	(b) Beer & Wine		[\$40] <u>\$60</u>
	(c) Beer		[\$30] <u>\$45</u>
11	Cabaret, General		
		(1) Category 1 - Standard	[\$1,980] <u>\$3,000</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$30,000.
		(2) Category 2 - Nudity	[\$2,400] <u>\$3,600</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$30,000.
12	Hotel, General		[\$3,960] <u>\$5,940</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$45,000.
13	(a) Caterer, General (Class 2, Class 12, Class 15 only)		[\$30] <u>\$45</u> per day
	(b) Caterer, General (Food Service Business Type)		
		(1) Category 1 – Standard	[\$600] <u>\$900</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000, plus [\$30] <u>\$45</u> per day.

		(2) Category 2 – Music/Dancing	[\$720] <u>\$1,080</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000, plus [\$30] <u>\$45</u> per day.
14	Brewpub		
		(1) Category 1 – Standard	[\$1,680] <u>\$2,520</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.
		(2) Category 2 – Music/Dancing	[\$1,800] <u>\$2,700</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.
15	Condominium Hotel, General		[\$3,000] <u>\$4,500</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$45,000.
16	Winery		[\$1,200] <u>\$1,800</u> , and one-half of one percent (0.005) of the total gross liquor sales less a *deductible, not to exceed \$25,000.
17	BYOB		
		(1) Category 1 – Music only	[\$360] <u>\$540</u>
		(2) Category 2 – Music/Dancing	[\$420] <u>\$660</u>
18	Small Craft Producer Pub		
		(1) Category 1 - Standard	[\$1,680] <u>\$2,520</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.
		(2) Category 2 – Music/Dancing	[\$1,800] <u>\$2,700</u> , and three-fourths of one percent (0.0075) of the total gross liquor sales less a *deductible, not to exceed \$40,000.
n/a	Temporary		[\$275] <u>\$420</u> for an initial period of one hundred twenty (120) days or any part of the period the license was in use, and the current rate of assessment of the respective license class of the license applied to the total gross liquor sales. The fee for renewal of such license shall be [\$275] <u>\$420</u> for the renewal period or any part of the period the license is in use, and the current rate

			of assessment of the respective license class of the license applied to the total gross liquor sales.
--	--	--	---

(b) Solicitors' and Representatives' Permits. The fees for solicitors' and representatives' permits shall be for each license year (commencing on July 1 and ending on the succeeding June 30) and shall be in the following amounts: General, [~~\$140~~] \$210; Beer and Wine, [~~\$85~~] \$130; Alcohol, [~~\$6~~] \$9.

2. Rule §3-81-17.58 Trade Name; Change; Fee is amended to read as follows:

§3-81-17.58. Trade Name; Change; Fee.

A new licensee or transferee shall have a choice of trade name, however, any trade name must be registered with the State Department of Commerce and Consumer Affairs. Any current or pending licensee desiring to change an existing or previous trade name shall submit to the Commission a Certificate of Registration of Trade Name issued by the State Department of Commerce and Consumer Affairs, showing approval of that registration. A processing fee of [~~\$30.00~~] \$45.00 shall be assessed by the Commission for any change of existing trade name to include a license transfer.

3. Rule §3-82-33.1 is amended to read as follows:

§3-82-33.1. INDIVIDUAL PERMITS TO RECEIVE SHIPMENTS OF LIQUOR.

§3-82-33.11. Applications for Individual Permits to Receive Shipments of Liquor.

(a) Any person twenty-one (21) years of age or older may apply to the Commission, on the form prescribed by the Commission and upon payment of a permit fee of [~~\$12.00~~] \$18.00, for a permit to receive a shipment of liquor from outside the State, within the limits allowed by Chapter 281, Hawaii Revised Statutes.

(b) The application form shall include the following information:

(1) A description of the liquor as to type, brand or trade name, domestic or imported and quantity.

(2) Whether the liquor is an unsolicited gift unavailable in the State, or part of the applicant's household goods.

4. Rule §3-82-33.6 is amended to read as follows:

§3-82-33.6. Direct Shipment of Wine by Wineries.

(a) Any manufacturer of wine who desires to ship wines to residents of the County of Honolulu shall obtain a Direct Wine Shipper Permit from the Liquor Commission, City and County of Honolulu. The permit may be granted by the Administrator to any person holding:

1. A general excise tax license from the State of Hawaii Department of Taxation; and

2. Either:

A. A Class 1 license to manufacturer wine under Section 281-31, HRS; or

B. A license to manufacture wine issued by another state.

(b) The term of the permit shall be for one calendar year. The applicant for a permit shall submit:

1. An application form;

2. Copy of the State of Hawaii Department of Taxation general excise tax license;

3. Copy of the Class 1 license to manufacture wine under Section 281-31, HRS, or

the license to manufacture wine issued by another state; and

4. Payment of an annual permit fee of [~~\$120.00~~] \$180.00; provided, that the annual permit fee for a manufacturer of wine licensed under Section 281-31, HRS, shall be inclusive and part of its annual license fee. For purposes of this rule, permit fees shall be prorated.

No permit shall be issued unless the applicant has met the foregoing requirements.

(c) The holder of a Direct Wine Shipper Permit may sell and annually ship to any person twenty-one years of age or older in this county no more than six nine-liter cases of wine per household for personal use only and not for resale, and shall:

1. Ship wine directly to the person only in containers that are conspicuously labeled with the words containing or similar to:

“CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY.”

2. Require that the carrier of the shipment obtain the signature of any person twenty-one years of age or older before delivering the shipment;

3. Report no later than January 31 of each year to the Liquor Commission the total amount of wine shipped to persons in this county during the preceding calendar year;

4. Pay all applicable general excise and gallonage taxes. For gallonage tax purposes, all wine sold under a Direct Wine Shipper Permit shall be deemed to be wine sold in the state; and

5. Be subject to audit by the Liquor Commission.

(d) The holder of a license to manufacture wine issued by another state shall annually renew a Direct Wine Shipper Permit by providing the Liquor Commission with a renewal application, a copy of the current license to manufacture wine, and payment of the annual fee.

(e) The sale and shipment of wine directly to a person in this state by a person that does not possess a valid Direct Wine Shipper Permit is prohibited. Knowingly violating this law is a misdemeanor.

5. Rule §3-83-54.1 is amended to read as follows:

§3-83-54.1. Filing Fees.

A filing fee of [~~\$250~~] \$375 shall be paid with an application for a new license or the transfer of an existing license, as required by Section 281-54, Hawaii Revised Statutes. The filing fee shall be applied to the payment of the license fee required by §3-81-17.52 where the license is granted and shall become a realization of the City where the license is denied or the application is withdrawn.

6. Material repealed is bracketed and stricken. New material is underscored.

7. Formatting changes which do not repeal material or add new material are not bracketed, stricken, or underscored.

8. These amendments to the Rules of the Liquor Commission of the City and County of Honolulu took effect ten days after filing with the Office of the City Clerk on March 24, 2018. The implementation dates for each rule are as follows:

Rule §3-81-17.58	April 16, 2018	Rule §3-81-17.51	July 1, 2018
Rule §3-82-33.1	April 16, 2018		
Rule §3-82-33.6	April 16, 2018		
Rule §3-83-54.1	April 16, 2018		