Resolution

No. 25-165

URGING THE LIQUOR CONTROL COMMISSION TO REMOVE PERMIT REQUIREMENTS FOR AMUSEMENT GAMING DEVICES IN LIQUOR-LICENSED ESTABLISHMENTS

WHEREAS, Section 08-101-27(a)(4) of the Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui requires a permit for the installation of any game device on the premises of a liquor licensee; and

WHEREAS, under Department of Liquor Control procedure, liquor licensees undergo an extensive permit application process before the installation of any non-gambling game device on the licensed premises, where the following information is required:

- the name, quantity, and dimensions of game devices to be installed;
- copies of any brochures and details as to type, content, model number, serial number, function and size of the device;
- the proposed location of the game devices on the licensee's floor plan;
- name and contact information of the vendor of the game device, if any;
- whether the game device requires periodic updates via the internet;
- an explanation of whether the game device can be modified in any way; and

WHEREAS, under Section 08-101-27(b) of the Rules, the Director of Liquor Control is required to establish conditions for the use of permits; and

WHEREAS, under Section 08-101-3 of the Rules, the purpose of the Rules is to carry out the mandates of Chapter 281, HRS, for the efficient

administration of the manufacture and sale of liquor and to prescribe the proper conduct of business of liquor licenses in the County of Maui; and

WHEREAS, under Section 08-101-4 of the Rules, "the rules of the commission shall be construed to secure a reasonable balance between the protection of the public health, safety, and welfare, and the prudent exercise of liquor licensees' privilege to sell and manufacture liquor in the County of Maui, and to be no less restrictive than chapter 281, HRS, or other applicable statutes"; and

WHEREAS, the Council finds that the current permit application process places an onerous burden on businesses seeking to install legal non-gambling game devices on the licensee's premises and, thus, hinders the ability of businesses to offer a wider array of entertainment options that attract customers; and

WHEREAS, the Council finds that having less regulation on legal gaming devices would likely result in greater entertainment and amusement options for County residents; and

WHEREAS, it is the Council's desire to support local businesses and stimulate economic growth in the County, which in turn promotes a vibrant local economy; and

WHEREAS, Section 08-102-11(a) of the Rules Governing Administrative Practices and Procedures of the Liquor Control Commission and Liquor Control Adjudication Board of the County of Maui allows any interested person to petition the Commission requesting the adoption, amendment, or repeal of any rule of the Commission's rules; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it urges the Maui County Liquor Control Commission to amend Section 08-101-27(a)(4) of the Rules Governing the Manufacture and Sale of Intoxicating Liquor by removing the permit requirement for the installation of any gaming device on the premises of a liquor licensee as described in Exhibit "A" attached;

2. That it authorizes the Council Chair to submit a petition on behalf of the Council, as described in Exhibit "B" attached, seeking to amend Section 08-101-27(a) of the Rules of the Commission and take

other reasonable and appropriate action support the Council's position; and

3. That certified copies of this Resolution be sent to the Director of Liquor Control, the Liquor Control Commission, and the Corporation Counsel.

paf:pah:25-059c

INTRODUCED BY:

Nohelani U'u-Hodgins

NOHELANI U'U-HODGINS

Proposed Amendment to Rule § 08-101-27:

§08-101-27 Permits. (a) Permits are required, but not limited to the following:

(1) Outside warehousing and storage areas;
(2) Individual permit for importation of liquor;
(3) Trade shows;
(4) [Installation of any game device;
(5)] Reduction or increase of licensed premises;
[(6)] (5) Area(s) for music, entertainment, and dancing, provided that no food, beverages, or empty service containers shall be allowed on the approved areas for dancing;
[(7)] (6) Fashion shows or beauty pageants;
[(8)] (7) Catering;
[(9)] (8) Product tasting;
[(10)] (9) Modification to licensed premises other than what was submitted to and approved by the commission at the time of application.

(b) Permit conditions. The director shall establish conditions for the use of permits, copies of which shall be available in the department.

(c) Licensee shall comply with all conditions placed on any permit issued by the department or the commission. Any permit issued shall be subject to immediate modification, suspension, or revocation upon the issuance of a written notification and without hearing, should the licensee violate any permit condition.

(d) The director shall grant or deny any permit application within sixty calendar days upon the applicant filing a complete application with all required documents, governmental clearances, and fees for a permit and the acceptance of the application by the director, or the application shall be deemed approved. The maximum period of time of sixty calendar days established for the approval or denial of the permit application shall be extended in the event of a national disaster, State emergency, or union strike, which would prevent the applicant, the department, or the director from fulfilling the application or review requirements, or may be extended at the request of the applicant with the approval of the director.

(e) Notwithstanding any provision to the contrary herein, a licensee may permit, by special permit, liquor purchased by a guest to be removed by such guest from its licensed premises to the licensed premises of another licensee if such licensees:

(1) Hold in good standing either a class 2 restaurant license, class 5 dispenser license, class 12 hotel license, or a class 15 condominium hotel license;

(2) Are on the same parcel of real property; and

(3) Submit a written agreement, signed by both licensees, consenting to the movement of liquor by guests between their licensed premises. Such agreement shall contain a statement that any violation of any liquor regulation shall be issued to the licensee where the violation occurred regardless of where the liquor was purchased. [Eff 7/1/00; am and comp 4/22/12] (Auth: HRS §§91-2, 281- 17) (Imp: HRS §281-17)

paf:pah:25-059d

LIQUOR CONTROL COMMISSION
COUNTY OF MAUI, STATE OF HAWAII

IN THE MATTER OF: PETITION TO AMEND CHAPTER 101, RULES GOVERNING THE MANUFACTURE AND SALE OF INTOXICATING LIQUOR IN THE COUNTY OF MAUI	)	PETITION TO AMEND CHAPTER 101, RULES GOVERNING THE MANUFACTURE AND SALE OF INTOXICATING LIQUOR IN THE COUNTY OF MAUI; APPENDIX "A"

PETITION TO AMEND CHAPTER 101,
RULES GOVERNING THE MANUFACTURE AND
SALE OF INTOXICATING LIQUOR IN THE COUNTY OF MAUI

Comes now Petitioner Maui County Council, through its Chair, Alice L. Lee, hereby submits this Petition to Amend Chapter 101, Rules Governing the Manufacture and Sale of Intoxicating Liquor in the County of Maui, pursuant to Section 08-102-11 of the Rules Governing Administrative Practices and Procedures of the Liquor Commission and Liquor Control Adjudication Board of the County of Maui.

A. **Statement of the Nature of Petitioner's Interest**

Under Section 3-9(1), revised charter of the County of Maui (1983), as amended, it is the policy of the County to promote economy, climate change adaptation, efficiency, and improved service in the transaction of the public business in the legislative and executive branches of the County by, among other things, limiting expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions.

The Maui County Council is the legislative body of the County. The Council consists of nine members elected-at-large. Under Section 3-6(3) of the Charter, the Council has the power to conduct investigations of the operation of any department or function of the County and any subject upon which the Council may legislate.

The Council's interest in this matter is to promote efficient and improved service in the Department of Liquor Control's application process for liquor licenses by eliminating the permit requirement for legal gaming devices installed in liquor licensed premises.

B. **Draft of the Proposed Rule Amendment**

By Resolution 25-____, Petitioner urges the Maui Liquor Commission to amend Section 08-101-27(a)(4) of the Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui by deleting the permit requirement for the installation of any gaming device on a liquor licensed premises. See attached Appendix "A." A draft of the proposed rule change in Ramseyer format is included in Resolution 25-____.

C. **Statement of the Reasons in Support of the Proposed Rule Change**

By granting this Petition, the Council hopes to achieve the objectives as stated in Resolution 25-___, which includes:

- efficient administration of the manufacture and sale of liquor in the County;
- securing a reasonable balance between the protection of the public health, safety, and welfare, and the prudent exercise of liquor licensees' privilege to sell and manufacture liquor in the County;

- promoting and supporting further economic growth in the County; and

- providing County residents with greater choices for entertainment and amusement.

D. **Conclusion**

Based on the above, Petitioner respectfully requests that the Maui County Liquor Commission grant the instant Petition and initiate proceedings in accordance with Haw. Rev. Stat. § 91-3 to amend Section 08-101-27(a) of the Rules Governing the Manufacture and Sale of Intoxicating Liquor of the County of Maui by deleting the permit requirement for the installation of any game device on a liquor licensed premises.

Dated this ___ day of _____, 2025, at Wailuku, Maui, Hawaii.

_____
Alice L. Lee
Chair
Maui County Council

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EXHIBIT "B"