

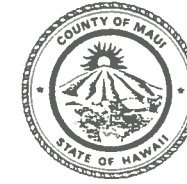
# **2016 Annual Report**

## **Department of Liquor Control**

### **County of Maui**



ALAN M. ARAKAWA  
MAYOR



GLENN MUKAI  
DIRECTOR

DEPARTMENT OF LIQUOR CONTROL  
C O U N T Y O F M A U I

2145 KAOHU STREET, ROOM 105 • WAILUKU, MAUI, HAWAII 96793  
PHONE (808) 243-7753 • FAX (808) 243-7558

September 22, 2016

Honorable Alan Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Maui, Hawaii

Dear Mayor Arakawa:

Pursuant to the provisions of Section 13.7 of the Maui County Charter, I respectfully submit herewith the 2016 Annual Report of the Department of Liquor Control, County of Maui.

The Department's fiscal activities included working in partnership with licensees, associations representing the liquor industry, governmental agencies, and the public to address their concerns on liquor related issues or activities.

Our gratitude is extended to the members of the Liquor Commission, Liquor Control Adjudication Board, Office of the Mayor, Maui Police Department, Department of the Prosecuting Attorney, and the Department of the Corporation Counsel, as well as other governmental agencies supportive of our mission and goals of the Department of Liquor Control, County of Maui.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Glenn Mukai".

Glenn Mukai  
Director

**2016 Annual Report**  
**Department of Liquor Control**  
**County of Maui, State of Hawaii**

**Mayor**

Honorable Alan Arakawa

**County Council**

Mike White, Council Chair

Don S. Guzman, Council Vice-Chair

Michael P. Victorino, Presiding Officer Pro Tempore

Glady C. Baisa, Council Member

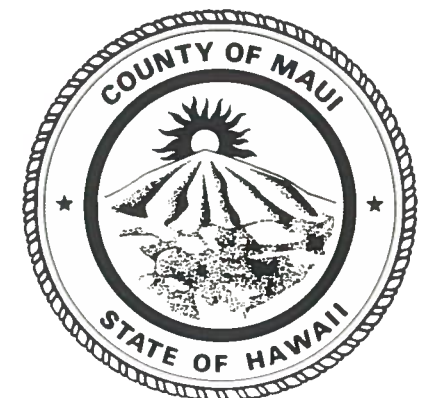
Robert Carroll, Council Member

Elle Cochran, Council Member

Don Couch, Council Member

Stacy Crivello, Council Member

Riki Hokama, Council Member



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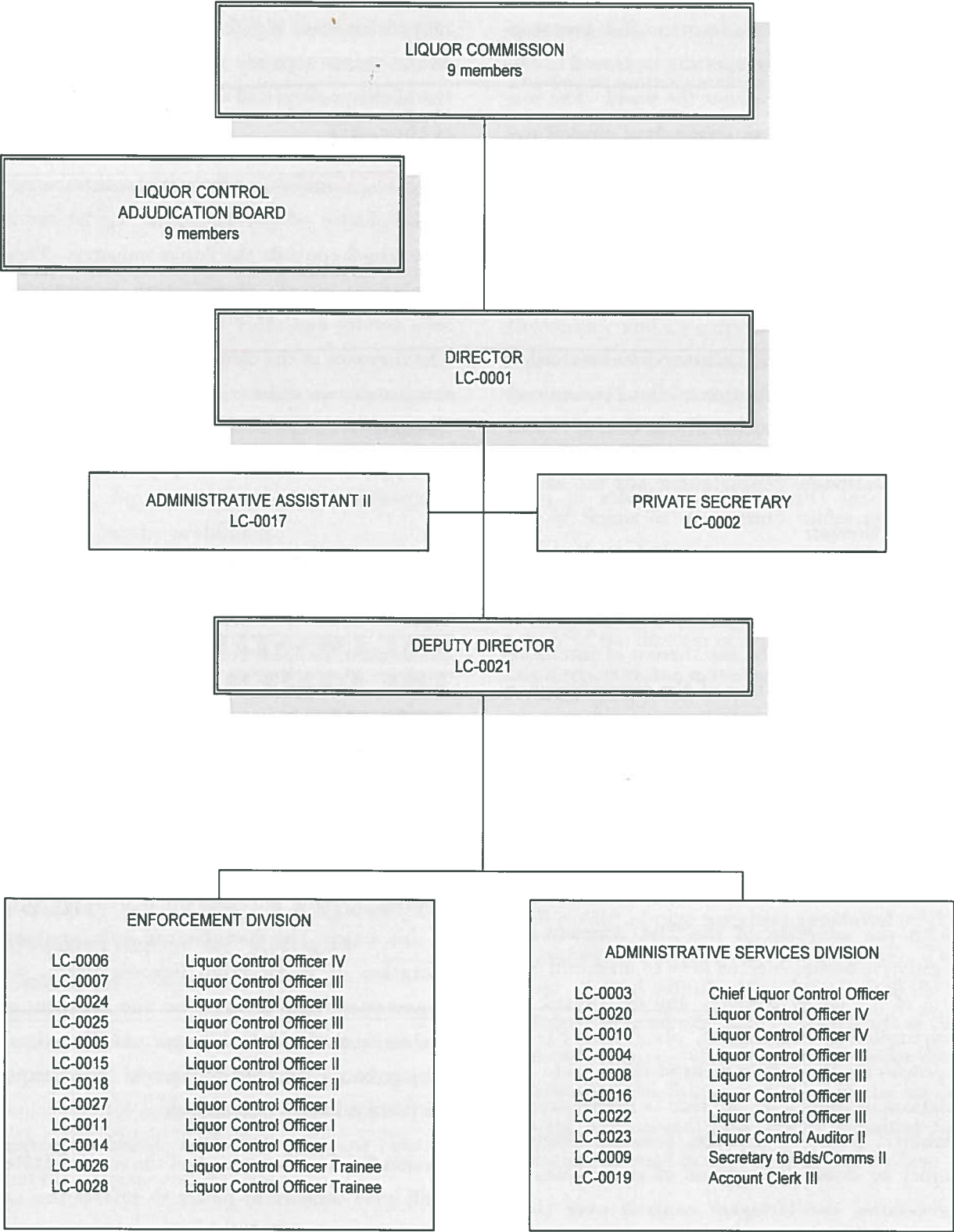
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**DEPARTMENT ORGANIZATIONAL CHART**





## THE LIQUOR INDUSTRY IN AMERICA

The manufacture, sale, service and consumption of alcoholic beverages can be traced to early civilizations throughout the world. The concerns of the American public over alcohol use, which may be accompanied by severe and extensive liquor related problems, led to "Prohibition" with the ratification of the 18th Amendment to the Constitution of the United States.

The regulated liquor industry was established in 1933 with the adoption of the 21st Amendment to the Constitution of the United States. The 21st Amendment which repealed the 18th Amendment (Prohibition), provides in paragraph 2 thereof:

"The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited."

Under this provision of the 21st Amendment, the states were given broad powers to absolute prohibit, limit, and regulate the traffic of intoxicating liquors within their borders.

With the adoption of the 21st Amendment, legislative bodies enacted laws to maintain control of the liquor industry and designated the responsibilities to federal, state and county agencies for the enforcement of these laws. Violations of these laws can lead to immeasurable liability, property damage, personal tragedy, injury or death. A system of strict licensing procedures and stringent controls over those

licensed to conduct business in the liquor industry were instituted. The public can be assured the highest standard of integrity and responsibility with these legislation and the operations of the liquor industry which are conducive to the health, safety, and welfare of the community they serve.

No other industry conducts its business within a complexity of governmental regulations as that which controls the liquor industry. These regulations govern manufacture, importation, sale, service and other aspects of the industry. The licensees of the alcoholic beverage industry must maintain strict observance of these regulations if they are to fulfill the trust placed in them by the 21st Amendment and the American people.

## THE AMENDMENTS TO THE CONSTITUTION OF THE UNITED STATES OF AMERICA

The 18th Amendment to the Constitution of the United States of America. Ratified in 1919. Repealed in 1933.

"Section 1. After one year from the ratification of this article, the manufacture, sale, or transportation of intoxicating liquors within, the importation thereof into, or the exportation thereof from the United States and all territory subject to the jurisdiction thereof for beverage purposes is hereby prohibited.

Section 2. The Congress and the several States shall have concurrent power to enforce this article by appropriate legislation.

Section 3. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress."

The 21st Amendment to the Constitution of the United States of America, ratified in 1933, provides:

"Section 1. The eighteenth article of amendment to the Constitution of the United States is hereby repealed.

Section 2. The transportation or importation into any State, Territory, or possession of the United States for delivery or use therein of intoxicating liquors, in violation of the laws thereof, is hereby prohibited.

Section 3. The article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by conventions in the several States, as provided in the Constitution, within seven years from the date of the submission hereof to the States by the Congress."

## CHARTER County of Maui, Chapter 13 Department of Liquor Control

Section 8-13.1. **Organization.** There shall be a department of liquor control consisting of a liquor control commission, a liquor control adjudication board, a director of liquor control, and the necessary staff.

Section 8-13.2. **Liquor Control Commission.** The liquor control commission shall consist of nine members appointed by the mayor with the approval of the council.

The liquor control commission shall:

1. Prepare and submit a request for an annual appropriation for the operation of the department.
2. Adopt rules having the force and effect of law for the administration of liquor control in the county and to carry out provisions of the liquor control laws of the State, including, but not limited to, the fixing of liquor license fees.
3. Grant, renew or refuse applications for licenses for the manufacture, importation and sale of liquor in the county under applicable laws and regulations.
4. Annually review and evaluate the performance of the director of liquor control and submit a report to the mayor and the council.
5. Have such other powers and duties as may be provided by law not in conflict with the provisions of this section.

Section 8-13.3. **Liquor Control Adjudication Board.** The liquor control adjudication board shall consist of nine members appointed by the mayor with the approval of the council. The liquor control adjudication board shall hear and determine administrative complaints of the director regarding violations of the liquor control laws of the State or of rules of the liquor control commission, and impose penalties for violations thereof as may be provided by law.

**Section 8-13.4. Director of the Department of Liquor Control.** The director of the department of liquor control shall be appointed and may be removed by the liquor control commission. The director may be removed by the liquor control commission only after being informed in writing of the charges which are resulting in the director's dismissal, and after being given a hearing before the commission. The director of the department of liquor control shall have had a minimum of five years experience in law enforcement, at least three of which shall have been in an administrative capacity.

**Section 8-13.5. Powers, Duties and Functions.** The director of liquor control shall:

- 1. Be the administrative head of the department of liquor control.
- 2. Investigate violations of the liquor control laws of the State and of rules established by the liquor control commission.
- 3. Investigate applications for liquor licenses.
- 4. Have such other powers and duties as may be assigned by the mayor or as may be provided by law.

**DEPARTMENT MISSION STATEMENT**

To protect the health, safety and welfare of the general public by regulating and controlling the liquor industry in the importation, manufacture, sale and service of alcoholic beverages to provide a safe and healthy environment for the people of Maui County.

**DEPARTMENT GOALS**

- 1. To enforce the Hawaii Revised Statutes and the rules established by the Liquor Commission, County of Maui.
- 2. To promote liquor control through alcohol education and to achieve voluntary compliance with liquor laws and rules by licensees.
- 3. To control the conditions associated with the importation, manufacture, sale and service of alcoholic beverages through a fair and efficient licensing and permit process.
- 4. To provide the necessary staff and services to the Liquor Commission and Liquor Control Adjudication Board to carry out their responsibilities as set forth within the Hawaii Revised Statutes and the Charter of the County of Maui.

**PROGRAM DESCRIPTION**

The Department of Liquor Control is responsible for the regulation and control of the importation, manufacture, sale, and service of alcoholic beverages by providing services in liquor license and permit applications, licensees' education, site inspections, and enforcement of liquor laws and rules. All funding for the Department is derived solely from liquor license fees.

**PROGRAM OBJECTIVE**

To carry out effective enforcement of liquor laws and rules, to offer ongoing education for licensees and their employees, and to provide fair and efficient licensing and permit processes

as directed by the Liquor Commission.

**PROGRAM HIGHLIGHTS**

The Department actively participated in the legislative process and provided testimony on several liquor related bills.

Department personnel assisted licensees with their needs and conducted certification examinations and training on Lanai, Molokai, Hana, and other locations.

The Department continued to monitor noise emanating from several liquor licensed premises due to complaints registered by the public.

**GOALS AND EXPECTATIONS**

The Department will meet and work in partnership with liquor licensees, associations representing licensees, neighborhood boards, governmental agencies and the public to address and resolve the various concerns while protecting the health, safety, and welfare of the public.

The Department will continue to enforce the Hawaii Revised Statutes and the rules established by the Liquor Commission, County of Maui; to promote liquor control through alcohol education; and to control the conditions associated with the importation, manufacture, sale and service of alcoholic beverages through a fair and efficient licensing and permit process. This will be and has been accomplished by inspecting liquor licensed premises, conducting minor decoy operations, responding to concerns

of the general public and other law enforcement agencies, conducting educational and certification classes, and providing services for licensing and permits.

**PERFORMANCE MEASURES FY 2016**

	Projection	Actual
Premises inspected	10,000	12,066
Case reports (on-premises)	240	188
Case reports (off-premises)	600	394
Total Case Reports	840	582
Certification/Educational classes conducted	165	171
License applications processed	650	664
Permits issued	600	805
Percentage of administrative actions per total violations	70%	83%
Percentage of violations adjudicated per total violations	30%	17%



LIQUOR COMMISSION

The Liquor Commission, County of Maui, consists of nine members appointed by the Mayor and confirmed by the County Council. The Commission has the authority to grant, refuse, suspend, and revoke any license for the manufacture, importation, and sale of liquors in the County of Maui. The Commission also has the responsibility of requesting annual appropriations for the operation of the department; promulgating rules and regulations for the administration of liquor control in the County of Maui; and appointing a Director.

The Liquor Commission held eighteen meetings during Fiscal Year 2016.

New members Brenda Lee and Nane Aluli replaced Frank Sylva and Zachary Paz whose terms expired on March 31, 2016.

MEMBERS OF THE LIQUOR COMMISSION



Robert Tanaka  
Chairperson



Darren Lopez  
Vice Chairperson



Nane Aluli  
Commissioner



Dawn Bicoy  
Commissioner



William Kennison  
Commissioner



Brenda Lee  
Commissioner



Zachary Paz  
Commissioner  
(Term expired March 31, 2016)



Dana Souza  
Commissioner



Frank Sylva  
Commissioner  
(Term expired March 31, 2016)



Roy Umeno  
Commissioner



Stephen West  
Commissioner

HRS, §281-17, Jurisdiction and powers.

(a) The liquor commission, within its own county, shall have the sole jurisdiction, power, authority, and discretion, subject only to this chapter:

(1) To grant, refuse, suspend, and revoke any licenses for the manufacture, importation, and sale of liquors;

(2) To take appropriate action against a person who, directly or indirectly, manufactures, sells, or purchases any liquor without being authorized pursuant to this chapter; provided that in counties which have established by charter a liquor control adjudication board, the board shall have the jurisdiction, power, authority, and discretion to hear and determine administrative complaints of the director regarding violations of the liquor laws of the State or of the rules of the liquor commission, and impose penalties for violations thereof as may be provided by law;

(3) To control, supervise, and regulate the manufacture, importation, and sale of liquors by investigation, enforcement, and education; provided that any educational program shall be limited to the commission staff, commissioners, liquor control adjudication board members, licensees and their employees and shall be financed through the money collected from the assessment of fines against licensees; provided that fine moneys, not to exceed ten per cent a year of fines accumulated, may be used to fund public liquor related educational or enforcement programs;

(4) From time to time to make, amend, and repeal such rules, not inconsistent with this

chapter, as in the judgment of the commission seem appropriate for carrying out this chapter and for the efficient administration thereof, and the proper conduct of the business of all licensees, including every matter or thing required to be done or which may be done with the approval or consent or by order or under the direction or supervision of or as prescribed by the commission; which rules, when adopted as provided in chapter 91 shall have the force and effect of law;

(5) Subject to chapter 76, to appoint and remove an administrator, who may also be appointed an investigator and who shall be responsible for the operations and activities of the staff. The administrator may hire and remove hearing officers, investigators, and clerical or other assistants as its business may from time to time require, to prescribe their duties, and fix their compensation; to engage the services of experts and persons engaged in the practice of a profession, if deemed expedient. Every investigator, within the scope of the investigator's duties, shall have the powers of a police officer;

(6) To limit the number of licenses of any class or kind within the county, or the number of licenses of any class or kind to do business in any given locality, when in the judgment of the commission such limitations are in the public interest;

(7) To prescribe the nature of the proof to be furnished, the notices to be given, and the conditions to be met or observed in case of the issuance of a duplicate license in place of one alleged to have been lost or destroyed, including a requirement of any indemnity deemed

appropriate to the case;

(8) To fix the hours between which licensed premises of any class or classes may regularly be open for the transaction of business, which shall be uniform throughout the county as to each class respectively;

(9) To prescribe all forms to be used for the purposes of this chapter not otherwise provided for in this chapter, and the character and manner of keeping of books, records, and accounts to be kept by licensees in any matter pertaining to their business;

(10) To investigate violations of this chapter, chapter 244D and, notwithstanding any law to the contrary, violations of the applicable department of health's allowable noise levels, through its investigators or otherwise, to include covert operations, and to report violations to the prosecuting officer for prosecution and, where appropriate, the director of taxation to hear and determine complaints against any licensee;

(11) To prescribe, by rule, the terms, conditions, and circumstances under which persons or any class of persons may be employed by holders of licenses;

(12) To prescribe, by rule, the term of any license or solicitor's and representative's permit authorized by this chapter, the annual or prorated amount, the manner of payment of fees for the licenses and permits, and the amount of filing fees; and

(13) To prescribe, by rule, the circumstances and penalty for the unauthorized manufacturing or selling of any liquor.

(b) Subject only to this chapter, the commission or board and each member thereof shall have the same powers respecting the administering of oaths, compelling the attendance of witnesses and the production of documentary evidence, and examining the witnesses as are possessed by a circuit court, except that the commission or board and each member thereof shall not be bound by the strict legal rules of evidence. In addition, the commission or board shall have the power to require the production of, and to examine any books, papers, and records of any licensee which may pertain to the licensee's business under the license or which may pertain to a matter at a hearing before the commission or board or to an investigation by the commission or board.

The exercise by the commission or board of the power, authority, and discretion vested in it pursuant to this chapter shall be final and shall not be reviewable by or appealable to any court or tribunal, except as otherwise provided in this chapter or chapter 91.

**LIQUOR CONTROL  
ADJUDICATION BOARD**

The Liquor Control Adjudication Board consists of nine members appointed by the Mayor and confirmed by the County Council. The Board functions as a quasi-judicial body whose primary responsibility is to hear administrative complaints of the director regarding violations of the liquor control laws of the state and the rules of the Liquor Commission, and to impose penalties for violations thereof as may be provided by law.

The Liquor Control Adjudication Board conducted nine hearings to adjudicate complaints and accusations.

Administrative hearings on complaints and accusations issued to licensees for violations of the Rules of the Liquor Commission, County of Maui, and Chapter 281, Hawaii Revised Statutes, resulted in the assessment of fines and suspension of licenses. The imposed penalties are indicative of the Board's attention to deal severely with licensees who are found guilty of violations. The Board was presented with 13 complaint and accusation cases comprising of 32 charges during the fiscal year.

New member Zachary Helm filled a vacant position effective December 2015, and new member Gwen Ueoka replaced Kaulana Mossman whose term expired on March 31, 2016.

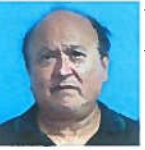
**COMPARATIVE SUMMARY OF  
ADJUDICATION ACTIONS TAKEN**

	FY 2014	FY 2015	FY 2016
Dismissed	0	0	0
Found "not guilty"	5	0	5
Fines assessed	58	33	26
License suspended	4	5	0
License revoked	0	1	0
Order of reprimand	4	1	1
<b>TOTAL</b>	<b>71</b>	<b>40</b>	<b>32</b>

**MEMBERS OF THE LIQUOR CONTROL  
ADJUDICATION BOARD**



Donald Fujii  
Chairperson



Wayne Pagan  
Vice Chairperson



Bernard Despins  
Member



Zachary Helm  
Member



Kaulana Mossman  
Member  
(Term expired March 31, 2016)



Doris Tanaka  
Member



Jerrybeth DeMello  
Member



Gwen Ueoka  
Member



Bruce U'u  
Member



Candace Ariaga  
Member



DIRECTOR OF THE DEPARTMENT OF LIQUOR CONTROL

The Commission appoints the Director of the Department of Liquor Control, County of Maui. Franklyn L. Silva was appointed as Director on July 1, 1993 and was the third Director and fourth Administrator appointed by the Commission since 1933. He retired on November 1, 2015 serving as Director for 22 years. Glenn Mukai was appointed as the new Director effective June 1, 2016, making him the fourth Director and fifth Administrator.

The Director is the Administrative Head of the Department and is responsible for administering the day-to-day operations of the Department, providing the necessary administrative support services to the Commission and Board throughout the year; providing necessary education, licensing and permit services; and enforcing the liquor laws of the state and the Rules of the Liquor Commission, County of Maui.

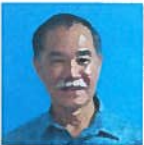
The Commission is responsible for the granting, renewing, or denying of any application for a liquor license. The Director is empowered to act upon all applications for renewals, special licenses, temporary licenses, transient vessel licenses, and other matters that do not require a public hearing.

DEPUTY DIRECTOR OF THE DEPARTMENT OF LIQUOR CONTROL

The Director appoints the Deputy Director of the Department of Liquor Control. The Deputy Director serves as the Administrative Head whenever the Director is not available, ensuring services are provided in a timely manner, and the continuity in the Department's mission, goals and objectives are achieved.

Traci Fujita Villarosa, Esq. served as Deputy Director from December 31, 2010 to May 31, 2016.

OFFICE OF THE DIRECTOR



Glenn Mukai  
Director  
(Appointed June 1, 2016)



Franklyn L. Silva  
Director  
(Retired November 1, 2015)



Traci Fujita Villarosa, Esq.  
Deputy Director  
(Appointment ended May 31, 2016)



Sharon Ito  
Private Secretary



Georgette Tyau  
Administrative Assistant II

ENFORCEMENT DIVISION

The Enforcement Division provides inspectional and investigative services on a daily basis to ensure the health, safety, and welfare of the public.



Bill Pacheco  
Liquor Control Officer IV



Pedro Gapero  
Liquor Control Officer III  
(Retired December 31, 2015)



Jarrett Kahooohanohano  
Liquor Control Officer III



Amy Martin  
Liquor Control Officer II



Marc Weisenfeld  
Liquor Control Officer II



Julie Earl  
Liquor Control Officer I



Robert Shiigi  
Liquor Control Officer I



Cielo Molina  
Liquor Control Officer I



Jon Jacobson  
Liquor Control Officer Trainee  
(Resigned September 26, 2015)

CASES BY DISTRICT FY 2016

	Off Premises	On Premises	Total
District 1: Wailuku, Kahului, Paia, Kuau, Haiku, Hana, Haliimaile, Makawao, Pukalani, Ulupala-kua, and Kula	185	75	260
District 2: Kihei, Wailea, Makena, Maalaea, Waikapu, and Waihee	120	69	189
District 3: Lahaina, Honokowai, Kaanapali, Kahana, Napili, Olowalu, and Kapalua	81	34	115
District 4: Lanai	5	7	12
District 5: Molokai	3	3	6
Total	394	188	582

DISPOSITION OF VIOLATIONS INVESTIGATED FY 2016

Violations Adjudicated	32
Administrative Actions	158
Total	190

CLASSIFICATION OF CASES INVESTIGATED FY 2016

Advertisements and signs upon licensed premises	0	Modification or extension of licensed premises	4
		Noise levels	0
		Non-consumption areas	3
Approved employee designated to maintain order	2	Outdated product	0
Condition of license	4	Partitions	1
Condition of premises	0	Permits	7
Conduct of employees	1	Posters, signs, displays, and advertisements	0
Deliveries by manufacturers, wholesalers, retailers; peddling prohibited; exception	0	Posting of license	6
Drugs	0	Practice to promote excessive consumption of liquor; prohibited	0
Employee approved by the director	37	Preparation of drinks; clearing of tables	9
Employment and registration of minors	1	Price list posted	1
Entrances, aisles, or walkways	5	Prizes, gifts, premiums, and other inducements	3
Entry for examination/obstructing liquor commission operations; penalty	0	Prohibitions-minor	27
Exclusive control	0	Prohibitions-other	5
Failure to notify	0	Prohibitions-under the influence	15
		Refilling	0
		Refusal or tampering with evidence	0
Fees for liquor license, temporary license, duplicate license; solicitors' and representatives' permits; certificate for registration of employee approved by the director, minor, employee of class 5, category D, or any duplicate thereof; & others & General rights of inspection	0	Registration of employees of class 5, category D, licensees	3
	1	Restrictions or conditions on licenses	1
		Rules available at all times	1
Hours for the sale, service, and consumption of liquor in licensed premises	1	Sanitation	1
		Special conditions	3
		Special conditions for class 4, retail dealers licenses	0
Illegal liquor on licensed premises	2	Temporary or permanent closing of licensed premises	5
Illegal manufacture, importation, or sale of liquor	1	Unauthorized access	0
Interior Rooms	0	Unauthorized use of trade name	0
Knowledge of rules presumed	3		
Labeling	0	<b>VIOLATION TOTAL</b>	<b>166</b>
Licensee purchases from manufacturers and wholesalers only	0	Activity report	8
Licenses, classes	0	Complaints (general)	19
Lighting	1	Complaints (noise)	16
Liquor consumption on unlicensed premises prohibited, when	1	Manner of operations / final inspection	45
Liquor dispensing system	0	Other reports	76
Manufacture or sale without license	3	Police source-disorderly conduct / assault	13
Manufacturer, brewpub, and wholesale dealers' licensees; special restrictions	1	Police source-minor	38
		Police source-other	9
		Police source-OUI (off premises)	144
		Police source-OUI (on premises)	31
Minors-checking of personal identification	7	Sound study	0
		Surveillance	17
Minors-other	0	<b>NON-VIOLATION TOTAL</b>	<b>416</b>

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides the staff needed to service the Office of the Director, Liquor Commission, and Liquor Control Adjudication Board. In addition, services in licensing, permits, audit, education, registration and certification are provided to licensees and the public.



Paul Akiona  
Liquor Control Officer IV



Karilee Yoshizawa  
Liquor Control Officer IV



Kayle Matsushima  
Liquor Control Officer III



Gene Silva  
Liquor Control Officer III



Layne Silva  
Liquor Control Officer III



Sandra Kobayashi  
Liquor Control Auditor II



Tyron Della  
Account Clerk III



Sarah Cordeiro  
Secretary to Boards/Commissions II

PERMITS

The Director is empowered to act on any matter that does not require a public hearing, which includes, but is not limited to applications for permits for the various privileges to be exercised within the liquor licensed premises. The permit system is utilized as a vehicle for control purposes. Permits may be subject to conditions necessary to protect the health, safety, and welfare of the public. Conditions are placed after careful consideration of each application.

A total of 805 permits were issued during Fiscal Year 2016.

PERMITS ISSUED FY 2016

Licensed premises	388
Importation of liquor	0
Alcohol purchase permits	1
Direct shipment of wine	413
Solicitor's permit	3
<b>TOTAL</b>	<b>805</b>



APPLICATIONS RECEIVED AND DISPOSITION THEREOF  
FISCAL YEAR 2016

New Licenses	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Dispenser Beer/Wine	2	2					
Dispenser General	19	5	14				
Retail Beer/Wine	1		1				
Retail General	5	2	3				
Hotel	1		1				
Tour or Cruise Vessel	2		2				
TOTAL	30	9	21	0	0	0	0
Transfers	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Brewpub	1	1					
Restaurant General	5	2	2	1			
Retail General	1	1					
TOTAL	7	4	2	1	0	0	0
Temporary	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Dispenser General	9	9					
Restaurant General	10	10					
Retail Beer/Wine	2	2					
Retail General	2	2					
TOTAL	23	23	0	0	0	0	0
Transient Vessels	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
TOTAL	55	55	0	0	0	0	0
Special Licenses	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Dispenser Beer	3	3					
Dispenser Beer/Wine	43	43					
Dispenser General	28	28					
TOTAL	74	74	0	0	0	0	0
Other Licenses Issued	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Change in Category/Class & Kind	4	4					
Change in Trade Name	8	8					
Change in Licensee Name	2	2					
TOTAL	14	14	0	0	0	0	0

Licenses applied in FY 2015: Disposition - FY 2016	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Dispenser Beer/Wine		2					
Dispenser General		2	3				
Manufacturer Other Liquors			1				
Retail General		3					
Restaurant General		1					
TOTAL	0	8	4	0	0	0	0
Transfers applied in FY 2015: Disposition - FY 2016	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Restaurant General		2					
Retail General		3					
TOTAL	0	5	0	0	0	0	0
Licenses applied in FY 2014: Disposition - FY 2016	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Dispenser General			1				
TOTAL	0	0	1	0	0	0	0
Licenses applied in FY 2012: Disposition - FY 2016	Applied	Issued	Pending	Withdrew	Denied	Revoked	Void
Dispenser General			1				
Retail Beer/Wine		1					
TOTAL	0	1	1	0	0	0	0
GRAND TOTAL	203	193	29	1	0	0	0



DEPARTMENT OPERATIONS & ACTIVITIES

I.D. CHECKING GUIDE

The Department purchased and distributed the 2016 I.D. Checking Guide to all licensees. Material in the Guide helps licensees detect fraudulent identifications quickly by simply matching the questioned I.D. against the actual-sized, full-colored license in the Guide, and by looking for the physical characteristics of the license described in the Guide, including the issuing agency’s policy on laminations, specific state seals and identifying techniques.

CERTIFICATION

On every licensed premises, an on-duty managerial or supervisory employee (who has successfully completed a certification examination on liquor laws and rules of the commission and attended a server training program) must be in active charge of each premises during all times that such premises is open for business.

A total of 2,394 persons took the certification examination in Fiscal Year 2016 and those who passed were required to attend the server training program immediately following the exam. The effectiveness of this program is reflected in the relatively high rate of compliance with managerial requirements imposed by the Rules of the Liquor Commission, County of Maui.

For the fiscal year ending June 30, 2016, there were 2,080 applicants who successfully passed the examination and were duly certified.

REGISTRATION

Minors are persons under 21 years of age.

Effective April 2012, licensees must only register minors under the age of 18 prior to the employment of, or the entertainment by, such minor.

A total of 208 minors were registered in Fiscal Year 2016.

In a premises in which employees or entertainers are compensated to sit with patrons (Class 5, Category D, licenses) whether or not the employees or entertainers are consuming nonalcoholic beverages while in the company of such patrons, the licensee shall cause all employees to be registered with the department at the time of employment.

A total of 141 employees were registered in Fiscal Year 2016.

DEPARTMENT OPERATIONS & ACTIVITIES

STATE LEGISLATURE

There were several liquor-related bills, introduced this legislative session. HB2422 HD1 made it through the entire legislative process and was signed into law by the Governor. Here is a brief summary of the bill:

Act 012 (16) states in part, provided that if the licensee is a publicly-traded company, or an entity ultimately solely owned by a publicly-traded company, the licensee shall, within thirty days from the date of election of any replacement of an officer designated as a primary decisionmaker regarding the purchase and sale of liquor, notify the commission in writing of the name, age, and place of residence of the officers.

Act 012 (16) was signed by the Governor on April 22, 2016 and took effect upon its approval.

STATISTICAL  
INFORMATION

Statistical information consisting of “Exhibits” covering an account of our receipts and disbursements in accordance with law, as well as comparative statistical studies related to liquor licenses in the County of Maui, are hereby presented.

APPENDIX

EXHIBIT “A”  
STATEMENT OF APPROPRIATIONS  
AND EXPENDITURES

EXHIBIT “B”  
STATEMENT OF REVENUES

EXHIBIT “C”  
COMPARATIVE SUMMARY OF  
LICENSES

EXHIBIT “D”  
LICENSES BY DISTRICT

EXHIBIT “E”  
GROSS LIQUOR SALES

EXHIBIT “A”  
STATEMENT OF APPROPRIATIONS  
AND EXPENDITURES

APPROPRIATIONS	FY 2015	FY 2016
Salaries & Wages	1,520,121.00	1,486,785.00
Operations	450,134.30	422,872.00
Equipment	6,000.00	6,000.00
Liquor Overhead Charges	1,064,084.70	1,052,627.00
Capital Improvement	0.00	0.00
APPROPRIATIONS	3,040,340.00	2,968,284.00
Prior Year Encumbrance	42,892.73	33,532.20
Total Appropriations	3,083,232.73	3,001,816.20
EXPENDITURES		
Salaries & Wages	1,047,436.98	1,077,619.76
Operations	361,451.41	379,519.75
Equipment	49,633.13	4,366.32
Liquor Overhead Charges	733,205.89	754,333.84
Capital Improvement	68,416.92	234.35
Total Expenditures	2,260,144.33	2,216,074.02
Prior Year Encumbrance	(33,532.20)	(33,532.20)
Expenditures for FY	2,226,612.13	2,182,541.82
Balance as of June 30	823,088.40	785,742.18

EXHIBIT “B”  
STATEMENT OF REVENUES FISCAL YEAR 2016

1. LICENSE FEES:			TOTAL		TOTAL
Manufacturer:			Special:		
Other Liquor	\$2,560.00		General	\$975.00	
Wine (from fruits grown in the State)	\$300.00		Beer & Wine	\$600.00	
Beer	\$0.00	\$2,860.00	Beer	\$30.00	\$1,605.00
			Transient Vessel:		\$3,100.00
Wholesale:			Temporary:		\$4,800.00
General	\$14,400.00		Assessment Fees:		\$1,640,960.03
Beer & Wine	\$1,800.00	\$16,200.00	2. SOLICITOR'S PERMIT:		\$4,800.00
Brewpub:		\$3,533.33	3. PERMIT FOR IMPORTATION OF LIQUOR:		\$0.00
Retail:			4. ALCOHOL PURCHASE PERMIT:		\$50.00
General	\$81,216.66		5. DIRECT SHIPMENTS OF WINE:		\$19,968.00
Beer & Wine	\$6,500.00	\$87,716.66	6. OTHER REVENUES:		
Dispenser:					
General	\$69,150.00		Filing Fees	\$1,890.00	
Beer & Wine	\$2,150.00		Fines	\$19,225.00	
Beer	\$0.00	\$71,300.00	Sale of rules, certification, cards, exams, etc.	\$50,269.00	
Restaurant:			Miscellaneous	\$0.00	\$71,384.00
General	\$46,300.00		Total Receipts Fiscal Year 2016 \$2,021,737.02		
Beer & Wine	\$1,200.00	\$47,500.00			
Club:		\$960.00	Carry-over savings from Fiscal Year 2015 \$1,704,033.68		
Tour or Cruise:		\$10,200.00	GRAND TOTAL JUNE 30, 2016 \$3,725,770.70		
Hotel:		\$34,800.00			
Caterer:		\$0.00			

EXHIBIT “C”  
COMPARATIVE SUMMARY OF LICENSES FISCAL YEAR 2016

<u>ANNUAL LICENSES RENEWED</u>	FY 2015	FY 2016	<u>OTHER LICENSES ISSUED</u>	FY 2015	FY 2016
Brewpub	2	3	Change in Category/Class & Kind	9	4
Cabaret	0	0	Change in Licensee Name	0	2
Club	3	3	Change in Trade Name	10	8
Dispenser Beer	0	0	Change in Vessel Location	0	0
Dispenser Beer & Wine	7	6	Change in Location Address	3	0
Dispenser General	118	111	New License	25	18
Hotel	28	29	Special	85	74
Manufacturer (other specified liquor)	5	4	Temporary	22	23
Manufacturer (from fruits grown in the State)	1	1	Transfer	14	9
Restaurant Beer & Wine	3	4	Transient Vessel	55	55
Restaurant General	71	75			
Retail Beer & Wine	25	25	<b>TOTAL</b>	<b>223</b>	<b>193</b>
Retail General	138	140			
Tour or Cruise Vessel	35	34			
Wholesale Beer & Wine	1	1			
Wholesale General	5	6			
<b>TOTAL</b>	<b>442</b>	<b>442</b>			

EXHIBIT “D”  
LICENSES BY DISTRICT FISCAL YEAR 2016

<b>DISTRICTS</b>	BREW PUB	DISPENSER GENERAL	DISPENSER BEER & WINE	DISPENSER BEER	HOTEL	CLUB	TOUR OR CRUISE VESSEL	RESTAURANT GENERAL	RESTAURANT BEER & WINE	RETAIL GENERAL	RETAIL BEER & WINE	WHOLESALE GENERAL	WHOLESALE BEER & WINE	MFG LIQUORS	MFG WINE	TOTAL
HANA-KAUPO					1			1		2	2					6
HAIKU-KAUPAKALUA		2						1		3						6
MAKAWAO-PUKALANI-KULA-HALIIMAILE-ULUPALAKUA		6	1					2		7	6			3	1	26
PAIA-KUAU-SPRECKELSVILLE		5	1			1		4		3	3			1		18
MAKENA-WAILEA		9			7		1	9		11						37
KIHEI	1	25	1		1		1	10	2	15	2					58
KAHULUI-NASKA		11	2		2			7	2	20	5	5	1			55
MAALAEA-WAIKAPU		3					14	3		5						25
WAILUKU-WAIHEE		20						2		13	5	1				41
OLOWALU-LAHAINA-MALA	1	18	1		1	1	12	21		23	2					80
KAANAPALI-NAPILI-KAPALUA	1	10			14	1	5	12		25						68
MOLOKAI		1			1					7						9
LANAI		1			2		1	3		6						13
<b>TOTAL</b>	<b>3</b>	<b>111</b>	<b>6</b>	<b>0</b>	<b>29</b>	<b>3</b>	<b>34</b>	<b>75</b>	<b>4</b>	<b>140</b>	<b>25</b>	<b>6</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>442</b>

**EXHIBIT “E”**  
**GROSS LIQUOR SALES**

<b>FY</b>	<b>RETAIL</b>	<b>DISPENSER</b>	<b>TOTAL</b>
2000	\$58,418,380.36	\$110,127,406.26	\$168,545,786.62
2001	\$61,113,595.19	\$113,625,162.95	\$174,738,758.14
2002	\$63,056,747.53	\$109,788,485.58	\$172,845,233.11
2003	\$67,221,748.08	\$114,473,457.00	\$181,695,205.08
2004	\$73,987,589.38	\$128,948,222.74	\$202,935,812.12
2005	\$79,370,515.33	\$137,857,594.41	\$217,228,109.74
2006	\$86,211,849.97	\$154,035,253.84	\$240,247,103.81
2007	\$94,328,681.11	\$155,364,175.70	\$249,692,856.81
2008	\$102,050,627.47	\$158,608,115.44	\$260,658,742.91
2009	\$100,880,126.32	\$135,713,905.76	\$236,594,032.08
2010	\$100,263,374.53	\$136,472,709.37	\$236,736,083.90
2011	\$105,437,770.90	\$152,187,789.41	\$257,625,560.31
2012	\$110,579,027.56	\$169,683,747.52	\$280,262,775.08
2013	\$114,773,679.95	\$183,322,077.71	\$298,095,757.66
2014	\$121,650,579.26	\$192,985,189.88	\$314,635,769.14
2015	\$127,965,737.36	\$213,281,785.15	\$341,247,522.51
<b>2016</b>	<b>\$131,167,297.00</b>	<b>\$222,041,199.88</b>	<b>\$353,208,496.88</b>



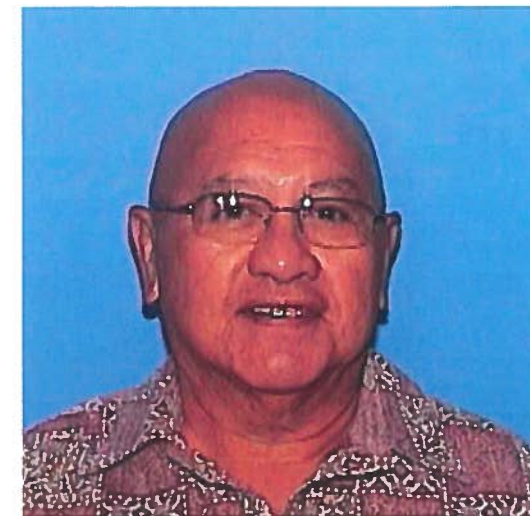
# In Memoriam

**Liquor Commission**

April 2007 - March 2013

**Liquor Control Adjudication Board**

July 2014 - August 2015



**Henry Kauka, Jr.**

**November 29, 1936 - August 21, 2015**



