

# The Maui News

---

## Nonprofits hit snag with new liquor dept. rule

Obtaining a permit to serve alcohol at a one-day fundraiser just got a lot more difficult

A procedural change in the way the county Department of Liquor Control processes permits to sell alcohol for one-day events is jeopardizing Maui nonprofit organizations' fundraising efforts, according to a petition circulated via email this week by the Maui Non-Profit Directors Association.

Until recently, requests for what's known as Class 10 "*Special Licenses*" were obtained administratively with a basic permit application that disclosed the type of event being held and identified the primary people within the organizations, such as executive directors and board members, according to the petition.

The new application requires a review by other departments, including the county Department of Planning's Zoning Administration and Enforcement Division, the Department of Environmental Management's Wastewater Division, the Fire Department and the state Department of Health.

Now, all board members of nonprofit organizations seeking a one-day permit must complete a detailed application, listing all employment since age 18 and any traffic tickets of more than \$25. They also must submit to a complete background check and be fingerprinted.

A board member of one of the nonprofits, who declined to be identified, said that the department's enforcement of the new rules is based on an "*overly strict interpretation*" of liquor permit rules.

Liquor department Deputy Director Mark Honda reviewed the petition forwarded to him by The Maui News on Thursday afternoon and said that the department would have no immediate comment.

*“It’s undated, unsigned and addressed to the chairman,”* he said.

Robert Tanaka is chairman of the Liquor Control Commission.

The petition was disseminated to nonprofit directors via email by association President Debbie Cabebe, who also is the chief executive officer of Maui Economic Opportunity Inc.

Cabebe said that the new permit rules probably would not affect large nonprofits, such as MEO, which hold their fundraising events at venues that already hold licenses to serve and sell alcohol.

But permit application requirements affect many smaller nonprofits that hold their events at private homes or on their properties for budget reasons, she said.

The matter came to her attention via Nancy La Joy, the executive director of the Pacific Cancer Foundation.

Full background checks of nonprofit board members are not required by liquor control departments in Hawaii’s three other counties, according to the petition.

*“We do not know why this change was instituted, but it threatens our very existence,”* the petition says.

For already busy board members, it *“would be next to impossible to coordinate gathering and filling out of all of the information and fingerprinting required by the department,”* it says.

The difficulty in obtaining a liquor permit would force nonprofit organizations to devote large amounts of staff time to handle the matter or hire an attorney to do so, at a cost that’s *“simply prohibitive,”* especially for nonprofits operating on *“shoestring budgets,”* the petition says. *“We are told that given how difficult it is to obtain a license, we can expect the*

*costs to be well into the thousands, if not tens of thousands of dollars. Even if we attempt to process the licenses on our own, the lost staff time will cost us the same, if not more.”*

Fundraising events often are held at private homes, which are not commercial spaces, for budget reasons, the petition points out. *“The permits/permissions that would normally accompany a commercial space application do not apply and cannot reasonably be obtained.”*

The nonprofit directors’ petition says members don’t know why the liquor department *“has reversed decades of practice, but we do know that it will severely hamper our ability to hold annual events that allow us to operate and provide vital services to our island neighbors.”*

*“We feel that the recent changes are unwarranted and harmful,”* the petition says.

It seeks the commission’s help in returning the department to its former practice of processing liquor permits for single-day nonprofit fundraising events.

*“If this is something that can be done internally, we would welcome that; otherwise we would request that it be put on the next agenda so that our concerns can be heard,”* the petition says.

The nonprofits’ pushback over one-day-event permit processing comes after the Maui County Liquor Control Commission recently came under fire for deciding to allow 24-hour retail sales of alcohol and to remove the cap on the number of hostess bars in the county with little public comment.

Opposition included public sign-waving rallies and emotional testimony before the commission from people affected by drunken driving and alcohol abuse. At its May meeting, the commission began the process to roll back some of its decisions.

The department enforces liquor laws and rules, and its mission is 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,”* according to its website.

\* Brian Perry can be reached at [bperry@mauinews.com](mailto:bperry@mauinews.com).

---