

## **DEPARTMENT OF LIQUOR CONTROL**

### **Mission Statement:**

To protect the health, safety and welfare of the residents of Kauai County by effectively and fairly enforcing Federal and State laws and County liquor rules as they apply to the manufacture, sale and distribution of alcoholic beverages.

### **Program Description:**

The Department of Liquor Control, as authorized by State statute, is responsible for enforcement of Section 281 of the Hawaii Revised Statutes and the rules of the liquor commission. The department also serves as the staff for the seven-member commission that has the sole jurisdiction to approve or renew liquor license applications, and also suspend or revoke a license once it has been issued. Currently, the commission meets twice monthly and performs both regulatory and adjudication functions.

The liquor department is divided into three distinctive branches with specific functions and responsibilities, all working toward the same mission.

### **Department Goals:**

The goals of the Department of Liquor Control are:

1. To meet the public's expectations by monitoring the manufacture, distribution, and sale of alcoholic beverages in the County of Kauai.
2. To provide the highest level of service to the licensees in the County of Kauai and assist them in conducting a lawful and profitable business.

### **Duties, Powers, and Functions of the Department:**

The department provides the administrative services for the commission. It investigates all applications for liquor licenses and compiles all the facts and statistics on all matters before the commission.

The department has police powers to enforce the liquor laws. It inspects all liquor licensed premises to insure compliance with the liquor laws and the commission's rules and regulations. It investigates all alleged violations and complaints of alleged violations and reports all violations to the commission.

The department, upon request, provides instructions on the liquor laws and the commission's rules and regulations to the Police Department, to servers' classes, and to employees in liquor licensed premises.

Staff (as of June 30, 2013)

Gerald Rapozo	Acting Director
Lorenzo Moises	Investigator III
Cecilio Baliaris, Jr.	Investigator II
Jonathan Hoomanawanui	Investigator I
Kenneth Herman	Investigator Trainee
Christine Nakaahiki	Commission Secretary
Thomas Teragawa	Senior Clerk

LIQUOR CONTROL COMMISSION

June 30, 2013

For Term Expiring:

William Gibson, Chair	December 31, 2013
Gary Pacheco, Vice Chair	December 31, 2014
Shirley Akita	December 31, 2013
Dane Oda	December 31, 2013
Clifford Nakea	December 31, 2014
Josephine Sokei	December 31, 2015
Pauline Ventura	December 31, 2015

Liquor Control Commission Goals:

The goal of the Liquor Control Commission is to fairly enforce all provisions of Section 281 of the Hawaii Revised Statutes and the Rules and Regulations of the Liquor Control Commission of the County of Kauai.

Duties, Powers, and Functions of the Commission:

The basic function of the commission is to control, supervise, and regulate the manufacture, importation, and sale of liquor within the county.

Article XVI of the Charter of the County of Kauai states in part:

"Section 16.04. Powers and Duties of Commission. The liquor control commission shall:

A. Adopt rules and regulations having the force and effect of law for the administration of liquor control in the county and to enforce the liquor control laws.

B. Grant, refuse, suspend and revoke any license for the manufacture, importation and sale of liquors.

C. Investigate violations of liquor control laws through its inspectors, hear and determine all complaints and citations regarding violations of liquor control laws and impose such fines or penalties as may be provided by law upon conviction thereof."

The commission meets on the first and third Thursdays of each month to carry out its duties and responsibilities. Special meetings are scheduled as needed.

### ADMINISTRATION

#### Program Description:

The administrative branch consists of the director, commission/department secretary and senior clerk. This branch provides services to the regulatory and enforcement branches, the liquor commission, as well as licensees and the general public.

#### Program Highlights:

The department received 192 applications for renewal of licenses for fiscal year 2012 - 2013. During the year, the commission issued 14 new licenses, 60 one-day transient vessel licenses, 18 special licenses, and 3 solicitor's permits. The commission approved 4 transfer of license applications.

### ENFORCEMENT BRANCH

#### Program Description:

The enforcement branch is comprised of a senior investigator who serves as the immediate supervisor, and field investigators who are responsible for conducting daily inspections and investigations on possible liquor law violations. They also assist the licensees to interpret and understand the liquor laws that regulate their particular operation.

Training sessions and workshops for servers of alcoholic beverages are being offered to all licensees. Public information sessions and presentations will be made available to the general public.

Inspections of liquor licensed premises are conducted daily by the liquor control investigators. Inspections are conducted to insure compliance with the laws and to assist licensees in preventing violations from occurring. The investigators made a total of 10,425 inspections during the year.

Program Highlights:

There were 48 violation reports filed, 159 field investigations conducted, and 48 warnings given to licensees by the investigators. Investigations include, but are not limited to license applications, special requests by licensees, and complaints. As a result of violation hearings, the commission collected a total of \$39,900 in fines.

The enforcement branch investigated 30 cases involving illegal liquor sales to minors and adults purchasing for minors. Investigators also conducted surveillances on 225 occasions.

REGULATORY BRANCH

Program Description:

The regulatory branch is primarily responsible for the licensing process, which involves applications for the fifteen classes of liquor licenses and collecting all mandatory information as required by State law and the liquor commission rules. The regulatory branch investigates all license applications before they are submitted to the commission for disposition. A total of 171 investigations on applications for liquor licenses were conducted during this fiscal year. The regulatory branch, in coordination with the enforcement branch, also processes citations for hearings before the commission.

PERSONNEL POSITION SUMMARY

<u>Position Title</u>	<u>FY 2011 E/P</u>	<u>FY 2012 E/P</u>	<u>FY 2013 E/P</u>
Director	1.0	1.0	--
Senior Clerk	1.0	1.0	1.0
Secretary	1.0	1.0	1.0
Liquor Control Investigator IV	1.0	1.0	1.0
Liquor Control Investigator III	1.0	1.0	1.0
Liquor Control Investigator II	1.0	1.0	1.0
Liquor Control Investigator I	1.0	1.0	1.0
Liquor Control Investigator Trainee	<u>1.0</u>	<u>--</u>	<u>1.0</u>
TOTAL	<u>8.0</u>	<u>7.0</u>	<u>7.0</u>

Equivalent Personnel (E/P) = Full-time equivalents of full- and part-time personnel.

Program Resources (Liquor Fund)

Expense Type	FY 2011 Actual	FY 2012 Appropriation	FY 2013		
			Request	Expansion	Total
Equivalent Personnel (E/P)	7.0	8.0	8.0	0.0	8.0
Salaries and Wages	\$ 388,433	\$ 428,213	\$ 520,650	\$0	\$ 520,650
Operations	895,750	627,239	599,071	0	599,071
Equipment	2,933	14,031	4,410	0	4,410
Program Total	\$1,287,116	\$1,069,483	\$1,124,131	\$0	\$1,124,131

APPLICATIONS FOR LIQUOR LICENSES 2012-2013

TYPE	Pending 6/30/12	Filed FY 2012 - 2013	Total Applications	Licenses Issued	Applications Withdrawn	Applications Denied	Applications Pending 6/30/13
RENEWALS	12	192	204	197			7
NEW	4	14	18	14			4
CHANGE OF LOCATION							
CHANGE OF CATEGORY							
TRANSFER		4	4	4			
TEMPORARY (INCLUDES RENEWAL)		9	9	9			
TRANSIENT VESSEL:							
ANNUAL		1	1	1			
2-DAY							
1-DAY		60	60	60			
SPECIAL:							
3-DAY GENERAL							
2-DAY GENERAL							
1-DAY GENERAL		18	18	18			
3-DAY BEER & WINE							
2-DAY BEER & WINE							
1-DAY BEER & WINE		4	4	4			
1-DAY BEER							
SOLICITOR'S PERMIT:							
GENERAL		3	3	3			
BEER & WINE							
TOTAL	16	305	321	310			11

LIQUOR LICENSES ISSUED

CLASS	KIND	07/01/12	06/30/13
WHOLESALE	GENERAL	7	7
	BEER & WINE	0	0
RETAIL DEALER	GENERAL	64	63
	BEER & WINE	13	12
RESTAURANT	GENERAL	65	66
	BEER & WINE	4	3
DISPENSER	GENERAL	19	19
	BEER & WINE	2	1
CABARET	GENERAL	1	1
HOTEL	GENERAL	12	12
TOUR OR CRUISE VESSEL	GENERAL	9	9
TRANSIENT VESSEL (ANNUAL)	GENERAL	1	1
BREW PUB		0	1
MANUFACTURER	BEER	0	0
	WINE	1	1
	LIQUOR	2	2
TOTAL		200	198

STATEMENT OF REVENUES  
FISCAL YEAR 20121 – 2013

LIQUOR FUND REVENUES:

Manufacturer:	Beer	\$	--	
	Percentage Fee		--	
	Wine		408.00	
	Percentage Fee		436.61	
	Other Liquors		1,296.00	
	Percentage Fee		--	
			<u>          </u>	\$ 2,140.61
Wholesale:	General	\$	8,400.00	
	Beer & Wine		--	
			<u>          </u>	8,400.00
Retail:	General	\$	30,740.00	
	Percentage Fee		381,585.46	
	Beer & Wine		2,160.00	
	Percentage Fee		7,043.75	
			<u>          </u>	421,529.21
Dispenser:	General	\$	9,120.00	
	Percentage Fee		52,877.37	
	Beer & Wine		180.00	
	Percentage Fee		58.30	
			<u>          </u>	62,235.67
Restaurant:	General	\$	32,080.00	
	Percentage Fee		207,576.78	
	Beer & Wine		540.00	
	Percentage Fee		4,041.20	
			<u>          </u>	244,237.98
Cabaret:		\$	600.00	
	Percentage Fee		3,866.43	
			<u>          </u>	4,466.43
Club:		\$	240.00	
	Percentage Fee		935.19	
			<u>          </u>	1,175.19
Hotel:		\$	10,800.00	
	Percentage Fee		159,515.12	
			<u>          </u>	170,315.12
Brewpub:		\$	900.00	
	Percentage Fee		--	
			<u>          </u>	900.00
Tour or Cruise Vessel:		\$	2,160.00	
	Percentage Fee		1,785.95	
			<u>          </u>	3,945.95
Transient Vessel		\$	2,880.00	2,880.00

STATEMENT OF REVENUES  
FISCAL YEAR 2012 – 2013

LIQUOR FUND REVENUES: (Cont'd.)

Special:	General	\$	594.00	
	Beer & Wine		96.00	
	Beer		<u>    --</u>	690.00
Temporary		\$	540.00	540.00
Solicitor's Permit		\$	480.00	480.00
Direct Shipper Permit		\$	15,652.00	<u>15,652.00</u>
TOTAL LIQUOR FUND REVENUES				\$ 939,588.16

OTHER LIQUOR REVENUES:

Filing Fees		\$	--	
Fines Imposed			39,900.00	
Sale of Pamphlets			270.00	
Miscellaneous			<u>    41.50</u>	
TOTAL OTHER LIQUOR REVENUES				\$ <u>40,211.50</u>
TOTAL REVENUES				\$ <u>979,799.66</u>

GROSS LIQUOR SALES AT CONSUMER LEVEL

