



# **Department of Liquor Control**

**Fiscal Year 2021 Annual Report**

**July 1, 2020 – June 30, 2021**

**Leo Sandoval  
Director**

**DEPARTMENT OF LIQUOR CONTROL**

**I. MISSION STATEMENT**

To protect the health, safety, and welfare of the residents of Kaua'i 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.

**II. DEPARTMENT GOALS**

The goals of the Department of Liquor Control are:

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

**Powers, Duties, 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 ensure 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, 2021)**

Leo Sandoval	Director
Cecilio Baliaris, Jr. (Retired)	Investigator IV
Kenneth Herman	Investigator III
Lawrence Stem	Investigator II
John Berry	Investigator I
Reid Yoshida	Investigator Trainee/I
Vacant	Private Secretary
Clarence Sales	Senior Account Clerk
Malialani Kelekoma	Liquor Clerical Assistant

**III. PROGRAM DESCRIPTIONS**

**LIQUOR CONTROL COMMISSION**

<u>June 30, 2021</u>	<u>For Term Expiring</u>
William Gibson	December 31, 2021
Gary Pacheco	December 31, 2021
Randall Nishimura	December 31, 2022
Dee Crowell	December 31, 2022
Leland Kahawai	December 31, 2022
Lorna Nishimitsu	December 31, 2023
Tess Shimabukuro	December 31, 2023

Liquor Control Commission Goals:

The goal of the Liquor Control Commission is to fairly enforce all provisions of Section 281 of the Hawai'i Revised Statutes and the Rules and Regulations of the Liquor Control Commission of the County of Kaua'i.

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 Kaua'i 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 second and fourth 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, Private Secretary and Senior Account 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 211 applications for renewal of licenses for fiscal year 2020 - 2021. During the year, the commission issued 4 new licenses, 0 one-day transient vessel licenses, 3 special licenses, and 2 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 ensure compliance with the laws and to assist licensees in preventing violations from occurring. The investigators made a total of 14,064 inspections during the year.

#### Program Highlights:

There were 10 violation reports filed, 86 field investigations conducted, and 15 warnings given to licensees by the investigators. Investigations include, but are not limited to license applications, alcohol related fatality investigations, special requests by licensees, and complaints. As a result of violation hearings, the commission collected a total of \$2,750 in fines.

The enforcement branch investigated 3 cases involving illegal liquor sales to minors and adults purchasing for minors. Investigators also conducted surveillances on 1,738 occasions.

### **REGULATORY BRANCH**

#### Program Description:

The regulatory branch is primarily responsible for the licensing process, which involves applications for the eighteen 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 238 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.

Program Highlights:

PERSONNEL POSITION SUMMARY

<u>Position Title</u>	<u>FY 2019 E/P</u>	<u>FY 2020 E/P</u>	<u>FY 2021 E/P</u>
Director	1.0	1.0	1.0
Senior Clerk	--	--	--
Senior Account Clerk	1.0	1.0	1.0
Secretary	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/I	1.0	1.0	1.0
<b>TOTAL</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>

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

PROGRAM RESOURCES (LIQUOR FUND)

Expense Type	FY 2019 Actual	FY 2020 Appropriation	FY 2021		
			Request	Expansion	Total
Equivalent Personnel (E/P)	8.0	8.0	8.0	0.0	8.0
Salaries and Wages	\$ 435,163	\$ 528,276	\$ 578,443	\$ 0	\$ 578,443
Operations	\$ 486,375	\$ 709,827	\$ 735,997	\$ 0	\$ 735,997
Equipment	\$ 9,010	\$ 1	\$ 1	\$ 0	\$ 1
Program Total	\$ 930,548	\$ 1,238,104	\$1,314,441	\$ 0	\$1,314,441

APPLICATIONS FOR LIQUOR LICENSES 2019-2020

TYPE	Pending 6/30/21	Filed FY 2020 - 2021	Total Applications	Licenses Issued	Applications Withdrawn	Applications Denied	Applications Pending 6/30/21
RENEWALS		211	211	211			1
NEW	4	9	13	4	1		4
CHANGE OF LOCATION							
CHANGE OF CATEGORY							
TRANSFER	4	4	4	4			
TEMPORARY (INCLUDES RENEWAL)		4	4	4			
TRANSIENT VESSEL:							
ANNUAL		1	1	1			
2-DAY							
1-DAY							
SPECIAL:							
3-DAY GENERAL							
2-DAY GENERAL							
1-DAY GENERAL		3	3	3			
3-DAY BEER & WINE							
2-DAY BEER & WINE							
1-DAY BEER & WINE							
1-DAY BEER							
SOLICITOR'S PERMIT:							
GENERAL		2	2	2			
BEER & WINE							
TOTAL	8	261	238	229			5

**IV. BUDGET**

**STATEMENT OF REVENUES**

**FISCAL YEAR 2019-2020**

**LIQUOR FUND REVENUES:**

	<u>License</u>	<u>% Fees</u>	<u>Total</u>
Brewpub:	\$ 900.00	\$ 5,364.41	\$ 6,264.41
Small Craft	\$ 900.00	\$ 8,040.47	\$
Cabaret:	\$ 600.00	\$ 4,142.37	\$ 4,742.37
Club:	\$ 240.00	\$ 5,623.82	\$ 5,863.82
Dispenser:			
General	\$ 8,160.00	\$ 71,046.43	\$ 79,206.43
Beer & Wine			
Hotel:	\$ 10,800.00	\$ 203,352.60	\$ 214,152.60
Manufacturer:			
Beer			
Wine	\$ 408.00	\$ 1,028.61	\$ 1,436.61
Other Liquors	\$ 1,944.00	\$ 68.71	\$ 2,012.71
Restaurant:			
General	\$ 39,960.00	\$ 330,432.21	\$ 367,392.21
Beer & Wine	\$ 900.00	\$ 4,134.34	\$ 5,034.34
Retail:			
General	\$ 31,200.00	\$ 591,436.94	\$ 622,636.94
Beer & Wine	\$ 1,800.00	\$ 33,185.42	\$ 34,985.42
Tour or Cruise Vessel:	\$ -	\$ -	\$ -
Transient Vessel:	\$ 900.00	\$ -	\$ 900.00
Wholesale:			
General	\$ 9,600.00	\$ -	\$ 9,600.00
Beer & Wine	\$ 105,312.00		\$ -
Special:			
General	\$ 33.00	\$ -	\$ 33.00
Beer & Wine			
Temporary:	\$ 240.00	\$ -	\$ 240.00
Solicitor's Permit:	\$ 360.00	\$ -	\$ 360.00
Direct Shipment:	\$ 22,320.00	\$ -	\$ 22,320.00
		<b>LIQUOR FUND REVENUES</b>	<b>\$ 1,377,180.86</b>

**OTHER LIQUOR REVENUES**

Filing Fees	\$ 700.00	\$ 700.00
Fines Imposed	\$ 2,750.00	\$ 2,750.00
Sale of Pamphlets	\$ -	\$ -
Miscellaneous	\$ 35.00	\$ 35.00
		<b>OTHER LIQUOR FUND REVENUES</b>
		<b>\$ 3,485.00</b>

TOTAL 2019-2020 LIQUOR FUND REVENUES \$ 1,380,665.85

GROSS LIQUOR SALES AT CONSUMER LEVEL

