

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, 2016)

Gerald Rapozo	Director
Lorenzo Moises	Investigator IV
Cecilio Baliaris, Jr.	Investigator III
Kenneth Herman	Investigator II
Lawrence Stem	Investigator I
Cherisse Zaima	Private Secretary
Clarence Sales	Senior Account Clerk

LIQUOR CONTROL COMMISSION

<u>June 30, 2016</u>	<u>For Term Expiring</u>
Paul Endo	December 31, 2016
Jean Iida	December 31, 2016
Dane Oda	December 31, 2016
Shirley Akita	December 31, 2017
Gerald Matsunaga	December 31, 2017
William Gibson	December 31, 2018
Gary Pacheco	December 31, 2018

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, 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 198 applications for renewal of licenses for fiscal year 2015 - 2016. During the year, the commission issued 11 new licenses, 39 one-day transient vessel licenses, 49 special licenses, and 2 solicitor's permits. The commission approved 8 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 10,829 inspections during the year.

Program Highlights:

There were 27 violation reports filed, 281 field investigations conducted, and 107 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 \$17,950 in fines.

The enforcement branch investigated 1 case involving illegal liquor sales to minors and adults purchasing for minors. Investigators also conducted surveillances on 263 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 2014</u> <u>E/P</u>	<u>FY 2015</u> <u>E/P</u>	<u>FY 2016</u> <u>E/P</u>
Director	1.0	1.0	1.0
Senior Clerk	1.0	--	--
Senior Account Clerk	--	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
Liquor Control Investigator II	1.0	1.0	1.0
Liquor Control Investigator I	1.0	2.0	1.0
Liquor Control Investigator Trainee	1.0	1.0	--
TOTAL	8.0	8.0	7.0

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

PROGRAM RESOURCES (LIQUOR FUND)

Expense Type	FY 2014 Actual	FY 2015 Appropriation	FY 2016		
			Request	Expansion	Total
Equivalent Personnel (E/P)	8.0	8.0	7.0	0.0	7.0
Salaries and Wages	\$ 395,966	\$ 543,886	\$ 496,018	\$0	\$ 496,018
Operations	442,483	697,758	680,387	0	680,387
Equipment	11,166	1	1	0	1
Program Total	\$849,615	\$1,241,645	\$1,176,406	\$0	\$1,176,406

APPLICATIONS FOR LIQUOR LICENSES 2015-2016

TYPE	Pending 6/30/15	Filed FY 2015 - 2016	Total Applications	Licenses Issued	Applications Withdrawn	Applications Denied	Applications Pending 6/30/16
RENEWALS		199	199	196			3
NEW	2	15	14	9			7
CHANGE OF LOCATION							
CHANGE OF CATEGORY							
TRANSFER		9	9	3			6
TEMPORARY (INCLUDES RENEWAL)		7	7	7			
TRANSIENT VESSEL:							
ANNUAL		1	1	1			
2-DAY							
1-DAY		39	39	39			
SPECIAL:							
3-DAY GENERAL							
2-DAY GENERAL							
1-DAY GENERAL		44	44	44			
3-DAY BEER & WINE							
2-DAY BEER & WINE							
1-DAY BEER & WINE		4	4	4			
1-DAY BEER		1	1				
SOLICITOR'S PERMIT:							
GENERAL		2	2	2			
BEER & WINE							
TOTAL	2	322	321	305			116

LIQUOR LICENSES ISSUED

CLASS	KIND	As of 06/30/15	As of 06/30/16
WHOLESALE	GENERAL	6	5
	BEER & WINE	0	0
RETAIL DEALER	GENERAL	66	66
	BEER & WINE	13	13
RESTAURANT	GENERAL	77	73
	BEER & WINE	3	3
DISPENSER	GENERAL	15	15
	BEER & WINE	0	0
CABARET	GENERAL	1	1
CLUB	GENERAL	1	1
HOTEL	GENERAL	12	12
TOUR OR CRUISE VESSEL	GENERAL	8	8
TRANSIENT VESSEL (ANNUAL)	GENERAL	1	1
BREW PUB		2	2
MANUFACTURER	BEER	0	0
	WINE	1	1
	LIQUOR	2	2
TOTAL		208	203

**STATEMENT OF REVENUES
FISCAL YEAR 2015-2016**

LIQUOR FUND REVENUES:

	<u>License</u>	<u>% Fees</u>	<u>Total</u>
Brewpub:	\$ 1,800.00	\$ 6,338.43	\$ 8,138.43
Cabaret:	\$ 600.00	\$ 3,027.83	\$ 3,627.83
Club:	\$ 240.00	\$ 2,096.93	\$ 2,336.93
Dispenser:			
General	\$ 7,200.00	\$ 47,788.26	\$ 54,988.26
Beer & Wine			
Hotel:	\$ 10,800.00	\$ 173,856.54	\$ 184,656.54
Manufacturer:			
Beer			
Wine	\$ 408.00	\$ -	\$ 408.00
Other Liquors	\$ 1,296.00	\$ 401.73	\$ 1,697.73
Restaurant:			
General	\$ 33,600.00	\$ 250,918.50	\$ 284,518.50
Beer & Wine	\$ 540.00	\$ 2,289.72	\$ 2,829.72
Retail:			
General	\$ 31,200.00	\$ 394,105.60	\$ 425,305.60
Beer & Wine	\$ 2,160.00	\$ 8,033.30	\$ 10,193.30
Tour or Cruise Vessel:	\$ 1,920.00	\$ 2,882.08	\$ 4,802.08
Transient Vessel:	\$ 900.00	\$ -	\$ 900.00
Wholesale:			
General	\$ 6,000.00	\$ -	\$ 6,000.00
Beer & Wine	\$ -	\$ -	\$ -
Special:			
General	\$ 2,112.00	\$ -	\$ 2,112.00
Beer & Wine			
Temporary:	\$ 420.00	\$ -	\$ 420.00
Solicitor's Permit:	\$ 730.00	\$ -	\$ 730.00
Direct Shipment:	\$ 18,768.00	\$ -	\$ 18,768.00
		LIQUOR FUND REVENUES	<u>\$ 1,012,432.92</u>

OTHER LIQUOR REVENUES

Filing Fees	\$ 3,587.00	\$ 3,587.00
Fines Imposed	\$ 8,650.00	\$ 8,650.00
Sale of Pamphlets	\$ 425.00	\$ 425.00
Miscellaneous	\$ 88.50	\$ 88.50
	OTHER LIQUOR FUND REVENUES	<u>\$ 12,750.50</u>

**TOTAL 2015-2016 LIQUOR FUND
REVENUES \$ 1,025,183.42**

GROSS LIQUOR SALES AT CONSUMER LEVEL

