



Department of Liquor Control

Fiscal Year 2019 Annual Report

July 1, 2018 – June 30, 2019

Gerald Rapozo
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 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, 2018)

Gerald Rapozo	Director
Cecilio Baliaris, Jr.	Investigator IV
Kenneth Herman	Investigator III
Lawrence Stem	Investigator I
John Berry	Investigator Trainee
Alicia Brown	Investigator Trainee
Cherisse Zaima	Private Secretary
Clarence Sales	Senior Account Clerk

III. PROGRAM DESCRIPTIONS

LIQUOR CONTROL COMMISSION

June 30, 2018

For Term Expiring

Paul Endo

December 31, 2019

Jean Iida

December 31, 2019

Shirley Akita

December 31, 2020

Gerald Matsunaga

December 31, 2020

William Gibson

December 31, 2021

Maryanne Kusaka

December 31, 2022

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 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 213 applications for renewal of licenses for fiscal year 2018 - 2019. During the year, the commission issued 10 new licenses, 40 one-day transient vessel licenses, 45 special licenses, and 2 solicitor's permits. The commission approved 10 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 12,440 inspections during the year.

Program Highlights

There were 70 violation reports filed, 255 field investigations conducted, and 40 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 \$11,000 in fines.

The enforcement branch investigated 7 cases involving illegal liquor sales to minors and adults purchasing for minors. Investigators also conducted surveillances on 520 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 105 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 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>
	<u>E/P</u>	<u>E/P</u>	<u>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	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	--	1.0	1.0
TOTAL	8.0	8.0	8.0

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

PROGRAM RESOURCES (LIQUOR FUND)

Expense Type	FY 2017 Actual	FY 2018 Appropriation	FY 2019		
			Request	Expansion	Total
Equivalent Personnel (E/P)	8.0	8.0	8.0	0.0	8.0
Salaries and Wages	\$ 417,096	\$ 420,297	\$ 504,409	\$ 0	\$ 504,409
Operations	\$ 464,489	\$ 660,193	\$ 622,450	\$ 0	\$ 622,450
Equipment	\$ 0	\$ 35,001	\$ 10,000	\$ 0	\$ 1
Program Total	\$ 881,585	\$ 1,175,491	\$1,136,859	\$ 0	\$1,126,860

APPLICATIONS FOR LIQUOR LICENSES 2018-2019

TYPE	Pending 6/30/18	Filed FY 2018 - 2019	Total Applications	Licenses Issued	Applications Withdrawn	Applications Denied	Applications Pending 6/30/19
RENEWALS		213	213	213			
NEW	7	21	28	10	1	1	14
CHANGE OF LOCATION	1		1	1			
CHANGE OF CATEGORY							
TRANSFER	4	8	12	10			2
TEMPORARY (INCLUDES RENEWAL)		6	6	6			
TRANSIENT VESSEL:							
ANNUAL		1	1	1			
2-DAY							
1-DAY		40	40	40			
SPECIAL:							
3-DAY GENERAL							
2-DAY GENERAL							
1-DAY GENERAL		14	14	14			
3-DAY BEER & WINE							
2-DAY BEER & WINE							
1-DAY BEER & WINE		1	1	1			
1-DAY BEER							
SOLICITOR'S PERMIT:							
GENERAL		2	2	2			
BEER & WINE							
TOTAL	12	306	318	298		1	16

LIQUOR LICENSES ISSUED

CLASS	KIND	As of 06/30/18	As of 06/30/19
WHOLESALE	GENERAL	5	6
	BEER & WINE	0	0
RETAIL DEALER	GENERAL	64	64
	BEER & WINE	13	14
RESTAURANT	GENERAL	80	81
	BEER & WINE	5	4
DISPENSER	GENERAL	17	17
	BEER & WINE	0	0
CABARET	GENERAL	1	1
CLUB	GENERAL	1	1
HOTEL	GENERAL	13	13
TOUR OR CRUISE VESSEL	GENERAL	9	9
TRANSIENT VESSEL (ANNUAL)	GENERAL	1	1
BREW PUB		2	2
MANUFACTURER	BEER	0	0
	WINE	1	1
	LIQUOR	2	3
TOTAL		214	217

V. BUDGET

**STATEMENT OF REVENUES
FISCAL YEAR 2018-2019**

LIQUOR FUND REVENUES:

	<u>License</u>	<u>% Fees</u>	<u>Total</u>
Brewpub:	\$ 1,800.00	\$ 8,501.64	\$ 10,301.64
Cabaret:	\$ 600.00	\$ 2,962.60	\$ 3,562.60
Club:	\$ 240.00	\$ 2,902.56	\$ 3,142.56
Dispenser:			
General	\$ 8,160.00	\$ 41,330.96	\$ 49,490.96
Beer & Wine			
Hotel:	\$ 13,500.00	\$ 152,824.62	\$ 166,324.62
Manufacturer:			
Beer			
Wine	\$ 408.00	\$ 583.94	\$ 991.94
Other Liquors	\$ 1,944.00		\$ 1,944.00
Restaurant:			
General	\$ 38,880.00	\$ 215,905.00	\$ 254,785.00
Beer & Wine	\$ 720.00	\$ 2,501.42	\$ 3,221.42
Retail:			
General	\$ 30,720.00	\$ 322,759.93	\$ 353,479.93
Beer & Wine	\$ 2,520.00	\$ 6,133.56	\$ 8,653.56
Tour or Cruise Vessel:	\$ 2,160.00	\$ 2,659.93	\$ 4,819.93
Transient Vessel:	\$ 900.00	\$ -	\$ 900.00
Wholesale:			
General	\$ 7,200.00		\$ 7,200.00
Beer & Wine			\$ -
Special:			
General	\$ 396.00		\$ 396.00
Beer & Wine			
Temporary:	\$ 180.00		\$ 180.00
Solicitor's Permit:	\$ 360.00		\$ 360.00
Direct Shipment:	\$ 21,420.00		\$ 21,420.00
		LIQUOR FUND REVENUES	<u>\$ 891,174.16</u>

OTHER LIQUOR REVENUES

Filing Fees	\$ 3,480.00	\$ 3,480.00
Fines Imposed	\$ 11,000.00	\$ 11,000.00
Sale of Pamphlets	\$ 20.00	\$ 20.00
Miscellaneous	\$ -	\$ -
	OTHER LIQUOR FUND REVENUES	<u>\$ 14,500.00</u>

GROSS LIQUOR SALES AT CONSUMER LEVEL

