



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 16, 2009

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Re: Senate Bill No. 300 SD2 HD2 CD1

On July 15, 2009, Senate Bill No. 300, entitled "A Bill for an Act Relating to Intoxicating Liquor" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

The purpose of this bill is to require restaurants, retailers, dispensers, clubs, cabarets, hotels, caterers, brewpubs, and condominium hotels to maintain liquor liability coverage in an amount of \$1,000,000. In addition, this bill prohibits the county liquor commissions from issuing, renewing, or transferring a liquor license unless the applicant can show proof of the mandated insurance coverage.

I understand the intent of this legislation and support efforts to encourage responsible business practices. When tragedy occurs, those who have taken proactive measures to protect themselves should not be burdened disproportionately because others were less responsible.

This bill raises concerns because it has the potential to put some small establishments out of business. There is reason to believe that smaller liquor establishments are either unaware of the requirements of this legislation or unable to afford the mandated coverage. Many of the businesses in this situation are owned and operated by immigrants who are non-native English speakers.

In addition, I am concerned about the immediacy of the bill's July 1, 2009 effective date. This effective date provides no grace period for businesses to learn about the bill, contact an insurance company, negotiate a quote, secure a policy, and generate the necessary funds that would be needed to comply. My office has been working with the Executive Directors of the Liquor Commissions of the four counties to allow for a reasonable period of time for liquor establishments to comply before instituting punitive actions against these businesses.

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Page 2

Finally, it should be noted that insurance mandates do not address the root of the problem. Until people take personal responsibility for their actions and change their behavior, we will continue to see deaths on our roads as a result of drinking and driving. Unfortunately, no amount of money can bring back a loved one lost because of another person's irresponsible behavior. We must all work hard to address this issue in our communities and among our family and friends if we want to affect real change.

For the foregoing reasons, I allowed Senate Bill No. 300 to become law as Act 177, effective July 15, 2009, without my signature.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle", with a stylized flourish at the end.

LINDA LINGLE