
A BILL FOR AN ACT

RELATING TO LIQUOR LICENSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 281-31, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§281-31 Licenses, classes.** (a) Licenses may be granted
4 by the liquor commission as provided in this section.

5 (b) Class 1. Manufacturers' license. A license for the
6 manufacture of liquor shall authorize the licensee to
7 manufacture the liquor therein specified and to sell it at
8 wholesale in original packages to any person who holds a license
9 to resell it and to sell draught beer or wine manufactured from
10 grapes or other fruits grown in the State in any quantity to any
11 person for private use and consumption. Under this license, no
12 liquor shall be consumed on the premises except as authorized by
13 the commission. Of this class, there shall be the following
14 kinds:

- 15 (1) Beer;
- 16 (2) Wine;
- 17 (3) Alcohol; and



1 (4) Other specified liquor.

2 It shall be unlawful for any holder of a manufacturer's
3 license to have any interest whatsoever in the license or
4 licensed premises of any other licensee. This subsection shall
5 not prevent the holder of a beer class manufacturer's license
6 under this chapter or under the law of another jurisdiction from
7 maintaining any interest in the license or licensed premises of
8 a beer and wine class wholesale dealer licensee under this
9 chapter whose wholesaling is limited to beer, other than direct
10 ownership of a beer and wine class wholesale dealer's license,
11 or direct ownership of a partnership share, one or more shares
12 of stock, or similar proprietary stake in the holder of a beer
13 and wine class wholesale dealer's license.

14 (c) Class 2. Restaurant license.

15 (1) A license under this class shall authorize the
16 licensee to sell [~~liquors~~] liquor specified in this
17 subsection for consumption on the premises; provided
18 that a restaurant licensee, with commission approval,
19 may provide off-premises catering; provided further
20 that the catering activity shall be directly related
21 to the licensee's operation as a restaurant. A
22 licensee under this class shall be issued a license



1 according to the category of establishment the
2 licensee owns or operates. The categories of
3 establishment shall be as follows:

4 (A) A standard bar; or

5 (B) Premises in which live entertainment or recorded
6 music is provided. Facilities for dancing by the
7 patrons may be permitted as provided by
8 commission rules.

9 (2) If a licensee under class 2 desires to change the
10 category of establishment the licensee owns or
11 operates, the licensee shall apply for a new license
12 applicable to the category of the licensee's
13 establishment[+].[+]

14 (3) For each category of class 2 licenses, there shall be
15 the following kinds:

16 (A) General (includes all [~~liquors~~] liquor except
17 alcohol);

18 (B) Beer and wine; and

19 (C) Beer.

20 Any licensee holding a different class of license on June 19,
21 1990, and who would otherwise come within this class of license
22 shall not be required to apply for a new license.



1 (d) Class 3. Wholesale dealers' license. A license for
2 the sale of [~~liquors~~] liquor at wholesale shall authorize the
3 licensee to import and sell only to licensees, or to others who
4 are by law authorized to resell but are not by law required to
5 hold a license, the [~~liquors~~] liquor therein specified in
6 quantities not less than five gallons at one time if sold from
7 or in bulk containers or not less than one gallon if bottled
8 goods; provided that samples of liquor may be sold back to the
9 manufacturer. The license may authorize the licensee to sell
10 draught beer in quantities not less than five gallons at one
11 time to any person for private use and consumption if the
12 licensee files an affidavit with the commission that there is
13 not a class 4 retail [~~dealers~~] dealer's licensee available to
14 sell the [~~wholesalers~~] wholesaler's brand of draught beer.
15 Under the license, no liquor shall be consumed on the premises
16 except as authorized by the commission. Of this class, there
17 shall be the following kinds:

- 18 (1) General (includes all [~~liquors~~] liquor except
19 alcohol);
20 (2) Beer and wine; and
21 (3) Alcohol.



1 If any wholesale dealer solicits or takes any orders in any
2 county other than that where the dealer's place of business is
3 located, the orders may be filled only by shipment direct from
4 the county in which the wholesale dealer has the dealer's
5 license. Nothing in this subsection shall prevent a wholesaler
6 from selling [~~liquors~~] liquor to post exchanges, [~~ships~~] ships'
7 service stores, army or navy officers' clubs, or similar
8 organizations located on army or navy reservations, or to any
9 vessel other than vessels performing a regular water
10 transportation service between any two or more ports in the
11 State, or to aviation companies who operate an aerial
12 transportation enterprise as a common carrier, under chapter
13 269, engaged in regular flight passenger services between any
14 two or more airports in the State for use on aircraft, or
15 aviation companies engaged in transpacific flight operations for
16 use on aircraft outside the jurisdiction of the State.

17 (e) Class 4. Retail dealers' license. A license to sell
18 [~~liquors~~] liquor at retail or to class 10 licenses shall
19 authorize the licensee to sell the [~~liquors~~] liquor therein
20 specified in their original packages. Under the license, no
21 liquor shall be consumed on the premises except as authorized by



1 the commission. Of this class, there shall be the following
2 kinds:

3 (1) General (includes all [~~liquors~~] liquor except
4 alcohol);

5 (2) Beer and wine; and

6 (3) Alcohol.

7 (f) Class 5. Dispensers' license.

8 (1) A license under this class shall authorize the
9 licensee to sell [~~liquors~~] liquor specified in this
10 subsection for consumption on the premises. A
11 licensee under this class shall be issued a license
12 according to the category of establishment the
13 licensee owns or operates. The categories of
14 establishments shall be as follows:

15 (A) A standard bar;

16 (B) Premises in which a person performs or entertains
17 unclothed or in attire restricted to use by
18 entertainers pursuant to commission rules;

19 (C) Premises in which live entertainment or recorded
20 music is provided; provided that facilities for
21 dancing by the patrons may be permitted as
22 provided by commission rules; or



1 (D) Premises in which employees or entertainers are
2 compensated to sit with patrons, regardless of
3 whether the employees or entertainers are
4 consuming nonalcoholic beverages while in the
5 company of the patrons pursuant to commission
6 rules.

7 (2) If a licensee under class 5 desires to change the
8 category of establishment the licensee owns or
9 operates, the licensee shall apply for a new license
10 applicable to the category of the licensee's
11 establishment.

12 (3) For each category of class 5 licenses, there shall be
13 the following kinds:

14 (A) General (includes all [~~liquors~~] liquor except
15 alcohol);

16 (B) Beer and wine; and

17 (C) Beer.

18 (g) Class 6. Club license. A club license shall be
19 general only (but excluding alcohol) and shall authorize the
20 licensee to sell [~~liquors~~] liquor to members of the club and to
21 guests of the club enjoying the privileges of membership, for
22 consumption only on the premises kept and operated by the club;



1 provided that the license shall also authorize any club member
2 to keep in the member's private locker on the premises a
3 reasonable quantity of liquor, if owned by the member, for the
4 member's own personal use and not to be sold and that may be
5 consumed only on the premises.

6 (h) Class 7. Vessel license. A general license may be
7 granted to the owner of any vessel performing a regular water
8 transportation passenger service between any two or more ports
9 in the State for the sale of liquor (other than alcohol) on
10 board the vessel while in the waters of the State; provided the
11 sales are made only while the vessel is en route and only for
12 consumption by passengers on board. If the vessel has a home
13 port in the State, the license shall be issuable in the county
14 in which the home port is situated; provided that if the
15 licensee's home port is not situated in this State, the license
16 shall be issuable in the city and county of Honolulu. If, on
17 any vessel for which no license has been obtained under this
18 chapter, any liquor is sold or served within three miles of the
19 shore of any island of the State, it shall constitute a
20 violation of this chapter.

21 (i) Class 8. Transient vessel license. A general license
22 may be granted to the owner of any vessel that does not fall



1 within class 7 for the sale of liquor (other than alcohol) on
2 board the vessel while in any port of the State. Sales shall be
3 made only for consumption by passengers and their guests on
4 board the vessel. The license shall be issuable in each county
5 where the sales are to be made; provided that the application
6 for the license may be made by any agent representing the owner.

7 (j) Class 9. Tour or cruise vessel license. A general
8 license may be granted to the owner of any tour or cruise vessel
9 for the sale of liquor (other than alcohol) on board the vessel
10 while in the waters of the State; provided that sales be made
11 only for consumption by passengers on board while the vessel is
12 in operation outside the port or dock of any island of the
13 State, unless otherwise approved by the county where the license
14 has been issued. If the vessel has a home port in the State,
15 the license shall be issuable in the county wherein the home
16 port is situated; provided that if the licensee's home port is
17 not situated in this State, the license shall be issuable in the
18 city and county of Honolulu. If, on any vessel for which no
19 license has been obtained under this chapter, any liquor is sold
20 or served within three miles of the shore of any island of the
21 State, it shall constitute a violation of this chapter.



1 (k) Class 10. Special license. A special license may be
2 granted for the sale of liquor for a period not to exceed three
3 days on any occasion and under any conditions as may be approved
4 by the commission. Of this class, there shall be the following
5 kinds:

- 6 (1) General (includes all [~~liquors~~] liquor except
7 alcohol);
8 (2) Beer and wine; and
9 (3) Beer.

10 Under this license, the [~~liquors~~] liquor therein specified shall
11 be consumed on the premises.

12 (1) Class 11. Cabaret license. A cabaret license shall
13 be general only (but excluding alcohol) and shall authorize the
14 sale of [~~liquors~~] liquor for consumption on the premises. This
15 license shall be issued only for premises where food is served,
16 facilities for dancing by the patrons are provided, including a
17 dance floor, and live or amplified recorded music or
18 professional entertainment, except professional entertainment by
19 a person who performs or entertains unclothed, is provided for
20 the patrons; provided that professional entertainment by persons
21 who perform or entertain unclothed shall be authorized by:



1 (1) A cabaret license for premises where professional
2 entertainment by persons who perform or entertain
3 unclothed was presented on a regular and consistent
4 basis immediately prior to June 15, 1990; or

5 (2) A cabaret license that, pursuant to rules adopted by
6 the liquor commission, permits professional
7 entertainment by persons who perform or entertain
8 unclothed.

9 A cabaret license under paragraph (1) or (2) authorizing
10 professional entertainment by persons who perform or entertain
11 unclothed shall be transferable through June 30, 2000. A
12 cabaret license under paragraph (1) or (2) authorizing
13 professional entertainment by persons who perform or entertain
14 unclothed shall not be transferable after June 30, 2000, except
15 when the transferee obtains approval from the liquor commission,
16 and pursuant to rules adopted by the commission.

17 Notwithstanding any rule of the liquor commission to the
18 contrary, cabarets in resort areas may be opened for the
19 transaction of business until 4 a.m. throughout the entire week.

20 (m) Class 12. Hotel license. A license to sell liquor in
21 a hotel shall authorize the licensee to provide entertainment
22 and dancing on the hotel premises and to sell all [~~liquors~~]



1 liquor, except alcohol, for consumption on the premises;
2 provided that a hotel licensee, with commission approval, may
3 provide off-premises catering, if the catering activity is
4 directly related to the licensee's operation as a hotel.

5 Procedures such as room service, self-service (no-host),
6 minibars or similar service in guest rooms, and service at
7 private parties in areas that are the property of and contiguous
8 to the hotel, are permitted with commission approval.

9 Any licensee who would otherwise fall within the hotel
10 license class but holds a different class of license may be
11 required to apply for a hotel license.

12 If the licensee applies for a change of classification
13 prior to July 30, 1992, the licensee shall not be subject to the
14 requirements of sections 281-52, 281-54, and 281-57 through
15 281-59.

16 Any licensee holding a class 12 license on [+]May 1,
17 2007, [+] and who would otherwise come within this class of
18 license may apply to the liquor commission in which the licensee
19 is seeking a change in liquor license for a change to a class 15
20 license; provided that the licensee shall not be subject to the
21 requirements of section 281-54 and sections 281-57 to 281-60.



1 If a licensee holding a class 12 license on [+]May 1,
2 2007, [+] applies for a change to a class 15 license, the
3 respective liquor commission shall hold a public hearing upon
4 notice, and upon the day of hearing, or any adjournment thereof,
5 the liquor commission shall consider the application, accept all
6 written or oral testimony for or against the application, and
7 render its decision granting or refusing the application. If
8 the application is denied, the class 12 license shall continue
9 in effect in accordance with law.

10 (n) Class 13. Caterer license. A general license may be
11 granted to any licensee who serves food as part of their
12 operation for the sale of liquor (other than alcohol) while
13 performing food catering functions.

14 No catering service for the sale of liquor shall be
15 performed off the licensee's premises, unless prior written
16 notice of the service has been delivered to the office of the
17 liquor commission of the county concerned. The notice shall
18 state the date, time, and location of the proposed event and
19 shall include a written statement signed by the owner or
20 representative of the property that the function will be subject
21 to the liquor laws and to inspection by investigators.

22 (o) Class 14. Brewpub license. A brewpub licensee:



- 1 (1) Shall manufacture not more than ten thousand barrels
2 of malt beverages on the licensee's premises during
3 the license year;
- 4 (2) May sell malt beverages manufactured on the licensee's
5 premises for consumption on the premises;
- 6 (3) May sell malt beverages manufactured by the licensee
7 in brewery-sealed packages to class 3[7] wholesale
8 dealer licensees pursuant to conditions imposed by
9 county planning and public works departments;
- 10 (4) May sell intoxicating liquor, purchased from a
11 class 1[7] manufacturer licensee, or a class 3[7]
12 wholesale dealer's licensee, to consumers for
13 consumption on the licensee's premises; provided that
14 the premises is owned and operated by the licensee.
15 The categories of establishments shall be as follows:
- 16 (A) A standard bar; or
- 17 (B) Premises in which live entertainment or recorded
18 music is provided. Facilities for dancing by the
19 patrons may be permitted as provided by
20 commission rules;
- 21 (5) May sell malt beverages manufactured on the licensee's
22 premises to consumers in brewery-sealed kegs and



1 growlers for off-premises consumption; provided that
2 for purposes of this paragraph, "growler" means a
3 glass container, not to exceed one half-gallon, which
4 may be securely sealed;

5 (6) May sell malt beverages manufactured on the licensee's
6 premises to consumers, in recyclable containers that
7 may be provided by the licensee or by the consumer,
8 not to exceed one gallon per container, which are
9 securely sealed on the licensee's premises, for off-
10 premises consumption;

11 (7) Shall comply with all regulations pertaining to
12 class 4 retail dealer licensees when engaging in the
13 retail sale of malt beverages;

14 (8) May sell malt beverages manufactured on the licensee's
15 premises in brewery-sealed containers directly to
16 class 2 restaurant licensees, class 3 wholesale dealer
17 licensees, class 4 retail dealer licensees, class 5
18 dispensers' licensees, class 6 club licensees, class
19 7[~~7, 8, and 9~~] vessel licensees, class 8 transient
20 vessel licensees, class 9 tour or cruise vessel
21 licensees, class 10 special licensees, class 11
22 cabaret licensees, class 12 hotel licensees, class 13



1 caterer licensees, and class 15 condominium hotel
2 [~~license,~~] licensees, pursuant to conditions imposed
3 by county planning and public works departments and
4 regulations governing class 3 wholesale dealers
5 licensees; and

6 (9) May conduct the activities described in paragraphs (1)
7 through (8) at one location other than the licensee's
8 premises; provided that the manufacturing takes place
9 in Hawaii; and provided further the other location is
10 properly licensed by the same ownership.

11 (p) Class 15. Condominium hotel license. A license to
12 sell liquor in a condominium hotel shall authorize the licensee
13 to provide entertainment and dancing on the condominium hotel
14 premises and to sell all [~~liquors,~~] liquor, except alcohol, for
15 consumption on the premises; provided that a condominium hotel
16 licensee, with commission approval, may provide off-premises
17 catering; provided further that the catering activity is
18 directly related to the licensee's operation as a condominium
19 hotel.

20 Procedures such as room service, self-service (no-host),
21 minibars or similar service in apartments, and service at
22 private parties in areas that are the property of and contiguous



1 to the condominium hotel, are permitted with commission
2 approval.

3 A condominium hotel licensee shall not sell liquor in the
4 manner authorized by a class 4 retail dealer's license.

5 (g) Class 16. Winery license. A winery licensee:

6 (1) Shall manufacture not more than ten thousand barrels
7 of wine on the licensee's premises during the license
8 year;

9 (2) May sell wine manufactured on the licensee's premises
10 for consumption on the premises;

11 (3) May sell wine manufactured by the licensee in winery-
12 sealed packages to class 3 wholesale dealer licensees
13 pursuant to conditions imposed by county planning and
14 public works departments;

15 (4) May sell intoxicating liquor, purchased from a class 1
16 manufacturer licensee, or a class 3 wholesale dealer's
17 licensee, to consumers for consumption on the
18 licensee's premises; provided that the premises is
19 owned and operated by the licensee. The categories of
20 establishments shall be as follows:

21 (A) A standard bar; or



- 1 (B) Premises in which live entertainment or recorded
2 music is provided. Facilities for dancing by the
3 patrons may be permitted as provided by
4 commission rules;
- 5 (5) May sell wine manufactured on the licensee's premises
6 to consumers in winery-sealed kegs and magnums for
7 off-premises consumption; provided that for purposes
8 of this paragraph, "magnum" means a glass container,
9 not to exceed one half-gallon, which may be securely
10 sealed;
- 11 (6) May sell wine manufactured on the licensee's premises
12 to consumers, in recyclable containers that may be
13 provided by the licensee or by the consumer, not to
14 exceed one gallon per container, which are securely
15 sealed on the licensee's premises, for off-premises
16 consumption;
- 17 (7) Shall comply with all rules pertaining to class 4
18 retail dealer licensees when engaging in the retail
19 sale of wine;
- 20 (8) May sell wine manufactured on the licensee's premises
21 in winery-sealed containers directly to class 2
22 restaurant licensees, class 3 wholesale dealer



1 licensees, class 4 retail dealer licensees, class 5
2 dispensers' licensees, class 6 club licensees, class 7
3 vessel licensees, class 8 transient vessel licensees,
4 class 9 tour or cruise vessel licensees, class 10
5 special licensees, class 11 cabaret licensees, class
6 12 hotel licensees, class 13 caterer licensees, class
7 14 brewpub licensees, and class 15 condominium hotel
8 licensees, pursuant to conditions imposed by county
9 planning and public works departments and rules
10 governing class 3 wholesale dealers licensees; and
11 (9) May conduct the activities described in paragraphs (1)
12 through (8) at locations other than the licensee's
13 premises; provided that the manufacturing takes place
14 in Hawaii; and provided further that the other
15 locations are properly licensed by the same ownership.

16 [~~(g)~~] (r) It shall be unlawful for any retail licensee,
17 except a class 10 licensee, to purchase, acquire, or sell liquor
18 from any person other than a wholesaler licensed pursuant to
19 this chapter, except as otherwise provided in this section.

20 [~~(r)~~] (s) Any provision to the contrary notwithstanding,
21 at the discretion of the county liquor commission, permission
22 may be granted to a bona fide hotel, restaurant, or club



1 licensed under class 2, class 6, class 11, class 12, class 14,
2 [~~e~~] class 15, or class 16 to allow a patron to remove from the
3 licensed premises any portion of wine that was purchased for
4 consumption with a meal; provided that it is recorked or
5 resealed in its original container. This subsection applies
6 only to a valid holder of a class 2, class 6, class 11, class
7 12, class 14, [~~e~~] class 15, or class 16 license engaged in meal
8 service.

9 [~~s~~] (t) Sections 281-57 to 281-60 shall not apply to
10 classes 7 through 10 and 13."

11 SECTION 2. Section 281-33.6, Hawaii Revised Statutes, is
12 amended as follows:

13 1. By amending subsection (a) to read:

14 "(a) Any person holding:

15 (1) A general excise tax license from the department of
16 taxation; and

17 (2) Either:

18 (A) A class 1 or class 16 license to manufacture wine
19 under section 281-31; or

20 (B) A license to manufacture wine issued by another
21 state,



1 may pay any applicable fees and obtain a direct wine shipper
2 permit from the liquor commission of the county to which the
3 wine will be shipped authorizing the holder to directly ship
4 wine to persons in the county pursuant to this section."

5 2. By amending subsection (c) to read:

6 "(c) The holder of a license to manufacture wine issued by
7 another state may annually renew a direct wine shipper permit by
8 providing the liquor commission that issued the permit with a
9 copy of the license and paying all required fees. The holder of
10 a class 1 or class 16 license to manufacture wine under section
11 281-31 may renew a direct wine shipper permit concurrently with
12 the class 1 license by complying with all applicable laws and
13 paying all required fees."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Liquor Licenses; Winery

Description:

Establishes winery class of liquor license. Authorizes wineries to sell wine for consumption off-premises. (SD1)

