### THE SENATE TWENTY-FIFTH LEGISLATURE, 2009 STATE OF HAWAII

S.B. NO. 374

JAN 2 3 2009

### A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

SECTION 1. Section 281-3, Hawaii Revised Statutes, is
 amended to read as follows:

3 "§281-3 Illegal manufacture, importation, or sale of
4 liquor. (a) It shall be unlawful for any person not having a
5 valid license to manufacture or sell any liquor except as
6 otherwise provided in this chapter; provided that the head of
7 any family may produce for family use and not for sale an amount
8 of wine not exceeding two hundred gallons a year, and an amount
9 of beer not exceeding one hundred gallons a year.

10 It shall [also] be unlawful for any person, not having (b) a valid wholesale license or a valid manufacturer's (including 11 12 rectifier's) license, to import any liquor from without the 13 State, except as otherwise provided in this chapter. Liquor imported into this State shall come to rest at the warehouse of 14 15 the manufacturer (including rectifier) or the wholesaler importing the liquor, shall be unloaded into such warehouse, and 16 17 shall be held in such warehouse for at least forty-eight hours



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before further sale by such manufacturer (including rectifier)
 or wholesaler.

It shall [also] be unlawful for any person to label, 3 (C) designate, or sell any liquor using the word "Hawaii", 4 "Hawaiian", "Aloha State", "50th State", "Kauai", "Maui", 5 "Oahu", or "Honolulu" unless such liquor is wholly [or 6 partially] manufactured in the State, and all of the primary 7 8 ingredients are wholly [rectified or combined] fermented or, for 9 liquor, distilled in the State of Hawaii in compliance with the 10 [Bureau of Alcohol, Tobacco and Firearms] Alcohol and Tobacco 11 Tax and Trade Bureau standards.

A license shall constitute authority for the licensee to sell only the liquor thereby authorized to be sold by the licensee."

15 SECTION 2. Section 281-31, Hawaii Revised Statutes, is16 amended by amending subsection (b) to read as follows:

"(b) Class 1. Manufacturer license. A license for the
manufacture of liquor shall authorize the licensee to
manufacture the liquor therein specified and to sell it at
wholesale in original packages to any person who holds a license
to resell it and to sell <u>the liquor manufactured by the licensee</u>
<u>or</u> draught beer or wine manufactured from grapes or other fruits 2009-0080 SB SMA.doc



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1 grown in the State in any quantity to any person for private use 2 and consumption. [Under this license, no liquor shall be 3 consumed on the premises except as authorized by the 4 commission.] Of this class, there shall be the following kinds: 5 (1)Beer; 6 (2) Wine; 7 (3) Alcohol; and 8 (4) Other specified liquor. 9 It shall be unlawful for any holder of a manufacturer 10 license to have any interest whatsoever in the license or 11 licensed premises of any other licensee. This subsection shall 12 not prevent the holder of a manufacturer license under this 13 chapter or under the law of another jurisdiction from 14 maintaining any interest in the license or licensed premises of 15 a wholesale dealer licensee under this chapter." 16 SECTION 3. Statutory material to be repealed is bracketed 17 and stricken. New statutory material is underscored. 18 SECTION 4. This Act shall take effect upon its approval. 19 5.1

INTRODUCED BY:



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Report Title:

Intoxicating Liquor; Liquor Manufacturers

#### Description:

Clarifies the prohibition on liquor labeling indicating an origin in Hawaii. Clarifies the authority of a licensed liquor manufacturer to sell liquor it manufactured on its premises; removes prohibition against the consumption of liquor on the premises of a licensed liquor manufacturer.

