A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

| 1 | SECTI | ON 1. Section 281-31, Hawaii Revised Statutes, is |
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| 2 | amended as | follows: |
| 3 | 1. B | y amending subsection (n) to read: |
| 4 | "(n) | Class 14. Brewpub license. A brewpub licensee: |
| 5 | (1) | May sell malt beverages manufactured on the licensee's |
| 6 | | premises for consumption on the premises; |
| 7 | (2) | May sell malt beverages manufactured by the licensee |
| 8 . | | in brewery-sealed packages to class 3 wholesale dealer |
| 9 | | licensees pursuant to conditions imposed by the county |
| 10 | | by ordinance or rule; |
| 11 | (3) | May sell intoxicating liquor purchased from a class 3 |
| 12 | | wholesale dealer licensee to consumers for consumption |
| 13 | | on the licensee's premises. The categories of |
| . 14 | | establishments shall be as follows: |
| 15 | | (A) A standard bar; or |
| 16 | | (B) Premises in which live entertainment or recorded |
| 17 | | music is provided. Facilities for dancing by the |

| 1 | | patrons may be permitted as provided by |
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| 2 | | commission rules; |
| 3 | (4) | May, subject to federal labeling and bottling |
| 4 | | requirements, sell malt beverages manufactured on the |
| 5 | | licensee's premises to consumers in brewery-sealed |
| 6 | | kegs and recyclable and reusable containers and sell |
| 7 | | malt beverages manufactured on the licensee's premises |
| 8 | | or purchased from a class 1 manufacturer licensee, a |
| 9 | | class 3 wholesale dealer licensee, a class 14 brewpub |
| 10 | | licensee, or a class 18 small craft producer pub |
| 11 | | licensee to consumers in growlers for off-premises |
| 12 | | consumption; provided that for purposes of this |
| 13 | | paragraph, "growler" means a [glass, ceramic, or metal |
| 14 | | container, recyclable or reusable container not to |
| 15 | | exceed one [half-gallon] gallon, which shall be |
| 16 | | securely sealed; |
| 17 | [(5) | May, subject to federal labeling and bottling |
| 18 | | requirements, sell malt beverages manufactured on the |
| 19 | | licensee's premises in recyclable containers provided |
| 20 | | by the licensee or by the consumer which do not exceed |
| 21 | | one gallon per container and are securely sealed on |

| 1 | | the licensee's premises to consumers for off premises | |
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| 2 | | consumption; | |
| 3 | (6)] | (5) Shall comply with all [regulations] requirements | |
| 4 | | pertaining to class 4 retail dealer licensees when | |
| 5 | | engaging in the retail sale of malt beverages; | |
| 6 | [-(7)-] | (6) May, subject to federal labeling and bottling | |
| 7 | | requirements, sell malt beverages manufactured on the | |
| 8 | | licensee's premises in brewery-sealed containers | |
| 9 | | directly to class 2 restaurant licensees, class 3 | |
| 10 | | wholesale dealer licensees, class 4 retail dealer | |
| 11 | | licensees, class 5 dispenser licensees, class 6 club | |
| 12 | | licensees, class 8 transient vessel licensees, class 9 | |
| 13 | | tour or cruise vessel licensees, class 10 special | |
| 14 | | licensees, class 11 cabaret licensees, class 12 hotel | |
| 15 | | licensees, class 13 caterer licensees, class 14 | |
| 16 | | brewpub licensees, class 15 condominium hotel | |
| 17 | | licensees, class 18 small craft producer pub | |
| 18 | | licensees, and consumers pursuant to conditions | |
| 19 | | imposed by county [regulations] ordinances or rules | |
| 20 | | governing class 1 manufacturer licensees and class 3 | |
| 21 | | wholesale dealer licensees; and | |

| 1 | $\left[\frac{(8)}{(7)}\right]$ May conduct the activities under paragraphs (1) |
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| 2 | to $[\frac{(7)}{(6)}]$ at $[\frac{1}{(6)}]$ at $[\frac{1}{(6)}]$ docations other than |
| 3 | the licensee's primary manufacturing premises; |
| 4 | provided that: |
| 5 | (A) The manufacturing takes place in Hawaii; [and] |
| 6 | (B) The other locations operate under the same trade |
| 7 | name within the State; and |
| 8 | $[\frac{B}{C}]$ (C) The other [location is] locations are |
| 9 | properly licensed [under the same ownership.] as |
| 10 | a class 1 manufacturer licensee, class 2 |
| 11 | restaurant licensee, class 4 retail dealer |
| 12 | licensee, class 5 dispenser licensee, class 12 |
| 13 | hotel licensee, class 14 brewpub licensee, or |
| 14 | class 18 small craft producer pub licensee within |
| 15 | the county of operation." |
| 16 | 2. By amending subsection (r) to read: |
| 17 | "(r) Class 18. Small craft producer pub license. A small |
| 18 | craft producer pub licensee: |
| 19 | (1) Shall manufacture not more than: |
| 20 | (A) [Sixty] One-hundred thousand barrels of malt |
| 21 | beverages; |

| 1 | | (B) Twenty thousand barrels of wine; or |
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| 2 | | (C) Seven thousand five hundred barrels of alcohol on |
| 3 | | the licensee's premises during the license year; |
| 4 | | provided that for purposes of this paragraph, "barrel" |
| 5 | | means a container not exceeding thirty-one gallons or |
| 6 | | wine gallons of liquor; |
| 7 | (2) | May sell malt beverages, wine, or alcohol manufactured |
| 8 | | on the licensee's premises for consumption on the |
| 9 | | premises; |
| 10 | (3) | May sell malt beverages, wine, or alcohol manufactured |
| 11 | | by the licensee in producer-sealed packages to class 3 |
| 12 | | wholesale dealer licensees pursuant to conditions |
| 13 | | imposed by the county by ordinance or rule; |
| 14 | (4) | May sell intoxicating liquor purchased from a class 3 |
| 15 | | wholesale dealer licensee to consumers for consumption |
| 16 | | on the licensee's premises. The categories of |
| 17 | | establishments shall be as follows: |
| 18 | | (A) A standard bar; or |
| 19 | | (B) Premises in which live entertainment or recorded |
| 20 | | music is provided. Facilities for dancing by the |

| 1 | patrons | may | be | permitted | as | provided | by |
|---|----------|------|-----|-----------|----|----------|----|
| 2 | commissi | on r | ule | es; | | | |

- 3 May, subject to federal labeling and bottling (5) 4 requirements, sell malt beverages manufactured on the 5 licensee's premises to consumers in producer-sealed 6 kegs and recyclable or reusable containers and sell 7 malt beverages manufactured on the licensee's premises 8 or purchased from a class 1 manufacturer licensee, a 9 class 3 wholesale dealer licensee, a class 14 brewpub 10 licensee, or a class 18 small craft producer pub 11 licensee to consumers in growlers for off-premises 12 consumption; provided that for purposes of this paragraph, "growler" means a [glass, ceramic, or metal 13 container,] recyclable or reusable container not to 14 exceed one [half-gallon] gallon, which shall be 15 16 securely sealed;
 - (6) May, subject to federal labeling and bottling requirements, sell [malt beverages,] wine[7] or alcohol manufactured on the licensee's premises in recyclable containers provided by the licensee or by the consumer which do not exceed:

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| 1 | | (A) One garron per concarner for [mare beverages and |
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| 2 | | wine; and |
| 3 | | (B) One liter for alcohol; and |
| 4 | | are securely sealed on the licensee's premises to |
| 5 | | consumers for off-premises consumption; |
| 6 | (7) | Shall comply with all [regulations] requirements |
| 7 | | pertaining to class 4 retail dealer licensees when |
| 8 | | engaging in the retail sale of malt beverages, wine, |
| 9 | | and alcohol; |
| 10 | (8) | May, subject to federal labeling and bottling |
| 11 | | requirements, sell malt beverages, wine, and alcohol |
| 12 | | manufactured on the licensee's premises in producer- |
| 13 | | sealed containers directly to class 2 restaurant |
| 14 | | licensees, class 3 wholesale dealer licensees, class 4 |
| 15 | | retail dealer licensees, class 5 dispenser licensees, |
| 16 | | class 6 club licensees, class 8 transient vessel |
| 17 | | licensees, class 9 tour or cruise vessel licensees, |
| 18 | | class 10 special licensees, class 11 cabaret |
| 19 | | licensees, class 12 hotel licensees, class 13 caterer |
| 20 | | licensees, class 14 brewpub licensees, class 15 |
| 21 | | condominium hotel licensees, class 18 small craft |

| 1 | produ | acer pub licensees, and consumers pursuant to |
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| 2 | cond: | itions imposed by county [regulations] ordinances |
| 3 | or ru | ules governing class 1 manufacturer licensees and |
| 4 | class | s 3 wholesale dealer licensees; and |
| 5 | (9) May | conduct the activities under paragraphs (1) to (8) |
| 6 | at [€ | one location locations other than the licensee's |
| 7 | prima | ary manufacturing premises; provided that: |
| 8 | (A) | The manufacturing takes place in Hawaii; [and] |
| 9 | <u>(B)</u> | The other locations operate under the same trade |
| 10 | | name within the State; and |
| 11 | [(B)] | (C) The other [location is] <u>locations are</u> |
| 12 | | properly licensed [under the same ownership.] as |
| 13 | | a class 1 manufacturer licensee, class 2 |
| 14 | | restaurant licensee, class 4 retail dealer |
| 15 | | licensee, class 5 dispenser licensee, class 12 |
| 16 | | hotel licensee, class 14 brewpub licensee, or |
| 17 | | class 18 small craft producer pub licensee within |
| 18 | · | the county of operation." |
| 19 | SECTION 2. | Section 281-33.6, Hawaii Revised Statutes, is |
| 20 | amended to read | as follows: |

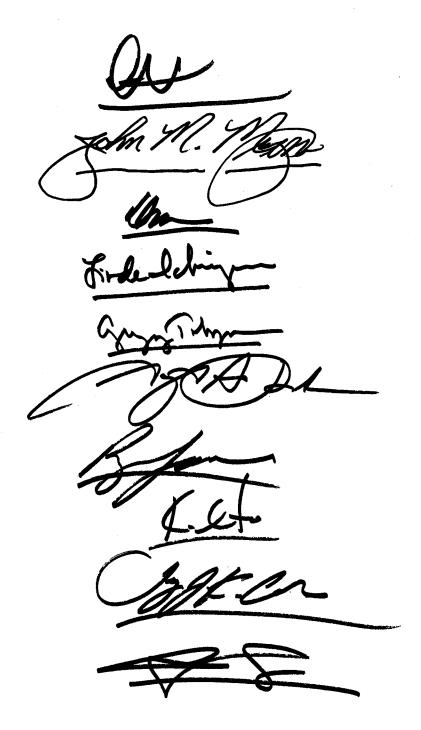
| 1 | "§281-33.6 Direct shipment of [wine] <u>liquor</u> by [wineries.] |
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| 2 | producers. (a) Any person holding: |
| 3 | (1) A general excise tax license from the department of |
| 4 | taxation; and |
| 5 | (2) Either: |
| 6 | (A) A class 1, class 14, class 16, or class 18 |
| 7 | license to manufacture [wine] liquor under |
| 8 | section 281-31; or |
| 9 | (B) A license to manufacture [wine] <u>liquor</u> issued by |
| 10 | another state, |
| 11 | may pay any applicable fees and obtain a direct [wine] liquor |
| 12 | shipper permit from the liquor commission of the county to which |
| 13 | the [wine] <u>liquor</u> will be shipped authorizing the holder to |
| 14 | directly ship [wine] liquor to persons in the county pursuant to |
| 15 | this section. |
| 16 | (b) The holder of a direct [wine] liquor shipper permit |
| 17 | may sell and annually ship to any person twenty-one years of age |
| 18 | or older in the county that issued the permit, no more than six |
| 19 | nine-liter cases of wine, no more than forty-two gallons of |
| 20 | beer, and no more than two nine-liter cases of spirits per |
| 21 | household for personal use only and not for resale, and shall: |

| 1 | (1) | Ship [wine] <u>liquor</u> directly to the person only in |
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| 2 | | containers that are conspicuously labeled with the |
| 3 | | words: |
| 4 | | "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS |
| 5 | | OR OLDER REQUIRED FOR DELIVERY."; |
| 6 | (2) | Require that the carrier of the shipment obtain the |
| 7 | | signature of any person twenty-one years of age or |
| 8 | | older before delivering the shipment; |
| 9 | (3) | Report no later than January 31 of each year to the |
| 10 | | liquor commission in each county where a direct [wine] |
| 11 | | <u>liquor</u> shipper permit is held, the total amount of |
| 12 | | [wine] <u>liquor</u> shipped to persons in the county during |
| 13 | | the preceding calendar year; |
| 14 | (4) | Pay all applicable general excise and gallonage taxes |
| 15 | | For gallonage tax purposes, all [wine] liquor sold |
| 16 | | under a direct [wine] <u>liquor</u> shipper permit shall be |
| 17 | | deemed to be [wine] liquor sold in the State; and |
| 18 | (5) | Be subject to audit by the liquor commission of each |
| 19 | | county in which a permit is held. |
| 20 | (a) | The holder of a license to manufacture [wine] liquor |
| 21 | issued by | another state may annually renew a direct [wine] |

- 1 liquor shipper permit by providing the liquor commission that
- 2 issued the permit with a copy of the license and paying all
- 3 required fees. The holder of a class 1, class 14, class 16, or
- 4 class 18 license to manufacture [wine] liquor under section 281-
- 5 31 may renew a direct [wine] liquor shipper permit concurrently
- 6 with the class 1 license by complying with all applicable laws
- 7 and paying all required fees.
- **8** (d) The sale and shipment of [wine] liquor directly to a
- 9 person in this State by a person that does not possess a valid
- 10 direct [wine] liquor shipper permit is prohibited. Knowingly
- 11 violating this law is a misdemeanor.
- (e) The liquor [+] commission[+] in each county may adopt
- 13 rules and regulations necessary to carry out the intent and
- 14 purpose of this section."
- 15 SECTION 3. Statutory material to be repealed is bracketed
- 16 and stricken. New statutory material is underscored.
- 17 SECTION 4. This Act shall take effect on July 1, 2018.

INTRODUCED BY:

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Report Title:

Liquor License; Brewpub License; Small Craft Producer Pub License; Retail Locations; Intoxicating Liquors; Growler Law; Recyclable Containers; Direct Shipping; Manufacturers; Wineries

Description:

Clarifies that a class 14 brewpub licensee or class 18 small craft producer pub licensee may conduct certain activities at locations other than the licensee's primary manufacturing premises under certain conditions. Specifies that brewpubs and small craft producer pubs may sell malt beverages in growlers that may be recyclable containers and clarifies that growlers shall not exceed one gallon. Expands the law allowing direct shipping of wine by wineries to allow direct shipping of all forms of liquor by certain licensees.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.