THE SENATE TWENTY-NINTH LEGISLATURE, 2018 STATE OF HAWAII **S.B. NO.** ²⁷¹¹ S.D. 1 H.D. 1

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
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



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1		patrons may be permitted as provided by
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



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



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[(8)] <u>(7)</u>	May conduct the activities under paragraphs (1)
to [-	(7)] (6) at [one location] <u>locations</u> other than
the 1	licensee's primary manufacturing premises;
prov	ided that:
(A)	The manufacturing takes place in Hawaii; [and]
<u>(B)</u>	The other locations operate under the same trade
	name within the State; and
[-(B)]	(C) The other [location is] <u>locations are</u>
	properly licensed [under the same ownership.] as
·	a class 1 manufacturer licensee, class 2
	restaurant licensee, class 4 retail dealer
	licensee, class 5 dispenser licensee, class 12
	hotel licensee, class 14 brewpub licensee, or
	class 18 small craft producer pub licensee within
	any county of the State."
2. By am	ending subsection (r) to read:
"(r) Cla	ss 18. Small craft producer pub license. A small
craft producer	pub licensee:
(1) Shal	l manufacture not more than:
(A)	[Sixty] Three hundred fifty thousand barrels of
	malt beverages statewide provided that not more
	to [- the : prov: (A) (B) [-(B)-] [-(B)-] (-(B)-] (-(B)-] (-(B)-] (-(B)-) (-(B





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



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



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1		recyclable containers provided by the licensee or by
2	t.	the consumer which do not exceed:
3		(A) One gallon per container for [malt-beverages and]
4		wine; and
5		(B) One liter for alcohol; and
6		are securely sealed on the licensee's premises to
7		consumers for off-premises consumption;
8	(7)	Shall comply with all [regulations] requirements
9		pertaining to class 4 retail dealer licensees when
10		engaging in the retail sale of malt beverages, wine,
11		and alcohol;
12	(8)	May, subject to federal labeling and bottling
13		requirements, sell malt beverages, wine, and alcohol
14		manufactured on the licensee's premises in producer-
15		sealed containers directly to class 2 restaurant
16		licensees, class 3 wholesale dealer licensees, class 4
17		retail dealer licensees, class 5 dispenser licensees,
18		class 6 club licensees, class 8 transient vessel
19		licensees, class 9 tour or cruise vessel licensees,
20		class 10 special licensees, class 11 cabaret
21		licensees, class 12 hotel licensees, class 13 caterer



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1		licensees, class 14 brewpub licensees, class 15
2		condominium hotel licensees, class 18 small craft
3		producer pub licensees, and consumers pursuant to
4		conditions imposed by county [regulations] ordinances
5		or rules governing class 1 manufacturer licensees and
6		class 3 wholesale dealer licensees; and
7	(9)	May conduct the activities under paragraphs (1) to (8)
8		at [one location] <u>five locations</u> other than the
9		licensee's primary manufacturing premises; provided
10		that:
11		(A) The manufacturing takes place in Hawaii; [and]
12		(B) The other locations operate under the same trade
13		name within the State; and
14		[(B)] <u>(C)</u> The other [location is] <u>locations are</u>
15		properly licensed [under the same ownership.] <u>as</u>
16		a class 1 manufacturer licensee, class 2
17		restaurant licensee, class 4 retail dealer
18		licensee, class 5 dispenser licensee, class 12
19		hotel licensee, class 14 brewpub licensee, or
20		class 18 small craft producer pub licensee within
21		any county of the State."



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1	SECTION 2. Section 281-33.6, Hawaii Revised Statutes, is
2	amended to read as follows:
3	"§281-33.6 Direct shipment of [wine] <u>liquor</u> by [wineries.]
4	producers. (a) Any person holding:
5	(1) A general excise tax license from the department of
6	taxation; and
7	(2) Either:
8	(A) A class 1, <u>class 14,</u> class 16, or class 18
9	license to manufacture [wine] <u>liquor</u> under
10	section 281-31; or
11	(B) A license to manufacture [wine] <u>liquor</u> issued by
12	another state,
13	may pay any applicable fees and obtain a direct [wine] <u>liquor</u>
14	shipper permit from the liquor commission of the county to which
15	the [wine] <u>liquor</u> will be shipped authorizing the holder to
16	directly ship [wine] <u>liquor</u> to persons in the county pursuant to
17	this section.
18	(b) The holder of a direct [wine] <u>liquor</u> shipper permit
19	may sell and annually ship to any person twenty-one years of age
20	or older in the county that issued the permit, no more than six
21	nine-liter cases of wine, no more than forty-two gallons of



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1	beer, and	no more than two nine-liter cases of spirits per
2	household	for personal use only and not for resale, and shall:
3	(1)	Ship [wine] <u>liquor</u> directly to the person only in
4		containers that are conspicuously labeled with the
5		words:
6		"CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS
7		OR OLDER REQUIRED FOR DELIVERY.";
8	(2)	Require that the carrier of the shipment obtain the
9		signature of any person twenty-one years of age or
10		older before delivering the shipment;
11	(3)	Report no later than January 31 of each year to the
12		liquor commission in each county where a direct [wine]
13		liquor shipper permit is held, the total amount of
14		[wine] <u>liquor</u> shipped to persons in the county during
15		the preceding calendar year;
16	(4)	Pay all applicable general excise and gallonage taxes.
17		For gallonage tax purposes, all [wine] <u>liquor</u> sold
18		under a direct [wine] <u>liquor</u> shipper permit shall be
19		deemed to be [wine] <u>liquor</u> sold in the State; and
20	(5)	Be subject to audit by the liquor commission of each
21		county in which a permit is held.



The holder of a license to manufacture [wine] liquor 1 (C)issued by another state may annually renew a direct [wine] 2 liquor shipper permit by providing the liquor commission that 3 issued the permit with a copy of the license and paying all 4 required fees. The holder of a class 1, class 14, class 16, or 5 class 18 license to manufacture [wine] liquor under section 281-6 31 may renew a direct [wine] liquor shipper permit concurrently 7 with the class 1 license by complying with all applicable laws 8 and paying all required fees. 9

(d) The sale and shipment of [wine] liquor directly to a
person in this State by a person that does not possess a valid
direct [wine] liquor shipper permit is prohibited. Knowingly
violating this law is a misdemeanor.

14 (e) The liquor [+] commission [+] in each county may adopt 15 rules and regulations necessary to carry out the intent and 16 purpose of this section."

SECTION 3. Statutory material to be repealed is bracketedand stricken. New statutory material is underscored.

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SECTION 4. This Act shall take effect on July 1, 2112.



Report Title: Brewpubs; Small Craft Producer Pubs; Direct Shipping; Manufacturers

Description:

Amends conditions and requirements for sale of liquor by class 14 brewpub and class 18 small craft producer pub licensees. Permits sale at multiple locations statewide. Increases maximum production ceiling for class 18 licensees. Allows direct shipping of all forms of liquor, rather than just wine, by certain licensees. (SB2711 HD1)

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

