

JAN 21 2021

A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

1 SECTION 1. The legislature finds that the COVID-19
2 pandemic and the governmental responses to contain the spread of
3 COVID-19 have disproportionately affected certain local liquor
4 producers. With the frequent closure of bars, clubs, and
5 in-person dining, local liquor producers have struggled to find
6 alternative methods of serving their customers, resulting in
7 drastic revenue losses.

8 The legislature further finds that under existing Hawaii
9 law, direct-to-consumer shipping of liquor is limited to only
10 wineries shipping wine; other liquor manufacturers do not have
11 the option to directly ship liquor to consumers. Direct-to-
12 consumer shipping allows liquor manufacturers to serve their
13 existing customers, while also allowing the manufacturers to
14 pursue additional markets and tap into a broader customer base.
15 Direct-to-consumer shipping further assists smaller
16 manufacturers that struggle to find wholesalers that are willing
17 to sell and represent their small brands by giving those



S.B. NO. 65

1 manufacturers direct access to their customers. In an effort to
2 encourage commerce, the legislature has determined that the
3 State must support reciprocity with all states for producers to
4 ship their goods to, from, and within Hawaii.

5 The purpose of this Act is to allow direct shipment of all
6 forms of liquor, rather than just wine, by certain licensees.

7 SECTION 2. Section 281-33.6, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§281-33.6 Direct shipment of [wine] liquor by [wineries.]**
10 **producers.** (a) Any person holding:

11 (1) A general excise tax license from the department of
12 taxation; and

13 (2) Either:

14 (A) A class 1, class 14, class 16, or class 18
15 license to manufacture [wine] liquor under
16 section 281-31; or

17 (B) A license to manufacture [wine] liquor issued by
18 another state,

19 may pay any applicable fees and obtain a direct [wine] liquor
20 shipper permit from the liquor commission of the county to which
21 the [wine] liquor will be shipped authorizing the holder to



1 directly ship [~~wine~~] liquor to persons in the county pursuant to
2 this section.

3 (b) The holder of a direct [~~wine~~] liquor shipper permit
4 may sell and annually ship liquor to any person twenty-one years
5 of age or older in the county that issued the permit, [~~no more~~
6 ~~than six nine-liter cases of wine per household~~] for personal
7 use only and not for resale, and shall:

8 (1) Ship [~~wine~~] liquor directly to the person only in
9 containers that are conspicuously labeled with the
10 words:

11 "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS
12 OR OLDER REQUIRED FOR DELIVERY.";

13 (2) Require that the carrier of the shipment obtain the
14 signature of any person twenty-one years of age or
15 older before delivering the shipment;

16 (3) Report no later than January 31 of each year to the
17 liquor commission in each county where a direct [~~wine~~]
18 liquor shipper permit is held, the total amount of
19 [~~wine~~] liquor shipped to persons in the county during
20 the preceding calendar year;



S.B. NO. 65

1 (4) Pay all applicable general excise and gallonage taxes.

2 For gallonage tax purposes, all [~~wine~~] liquor sold
3 under a direct [~~wine~~] liquor shipper permit shall be
4 deemed to be [~~wine~~] liquor sold in the State; and

5 (5) Be subject to audit by the liquor commission of each
6 county in which a permit is held.

7 (c) The holder of a license to manufacture [~~wine~~] liquor
8 issued by another state may annually renew a direct [~~wine~~]
9 liquor shipper permit by providing the liquor commission that
10 issued the permit with a copy of the license and paying all
11 required fees. The holder of a class 1, class 14, class 16, or
12 class 18 license to manufacture [~~wine~~] liquor under section
13 281-31 may renew a direct [~~wine~~] liquor shipper permit
14 concurrently with the class 1, class 14, class 16, or class 18
15 license by complying with all applicable laws and paying all
16 required fees.

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



S.B. NO. 65

1 (e) The liquor [~~+~~]commission[~~+~~] in each county [~~may~~] shall
2 adopt rules and regulations necessary to carry out the intent
3 and purpose of this section[~~+~~]; provided that any rulemaking
4 shall not delay the commencement of the direct shipment of
5 liquor on the effective date of this Act.

6 (f) The holder of a direct liquor shipper permit may ship
7 to and from any county or state where properly licensed and
8 shall ensure that all reciprocal shipping license requirements
9 are met in the receiving county or state."

10 SECTION 3. The revisor of statutes shall insert the
11 appropriate effective date of this Act in section 2 of this Act.

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 2021.

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INTRODUCED BY: *Randy H. Beck*



S.B. NO. 65

Report Title:

Intoxicating Liquors; Direct Shipping; Liquor Manufacturers;
Brewpubs; Small Craft Producer Pubs

Description:

Allows direct shipment of all forms of liquor, rather than just wine, by certain licensees. Requires the county liquor commissions to adopt rules and regulations.

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

