

STAND. COM. REP. NO.

258

Honolulu, Hawaii

, 2021

FEB 12

RE: H.B. No. 771

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 771 entitled:

"A BILL FOR AN ACT RELATING TO LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to establish a three-year surcharge on liquors.

Your Committee received testimony in support of this measure from Hawaii Substance Abuse Coalition, Hawaii Fetal Alcohol Spectrum Disorder Action Group, Mothers Against Drunk Driving Hawaii, SparksInitiatives, Hawai'i Alcohol Policy Alliance, A Family Tree, Hawaii State Teachers Association, and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Bar Owners Association; Anheuser Busch Companies; Kauai Beer Company; Distilled Spirits Council of the United States; Honolulu Beerworks; Lanikai Brewing Company; Wine Institute; Beer Lab HI; Big Island Brewhaus; Hawaiian Craft Brewers Guild; Maui Wine, Ltd.; Hana Koa Brewing Co.; Retail Merchants of Hawaii; Kaua'i Island Brewing Co., LLC.; The Odom Corporation; Maui Brewing Co.; Hawaii Food Industry Association; Maui Chamber of Commerce; Waikiki Brewing Company; and two individuals. Your Committee received comments on this measure from the Department of Taxation, Department of Health, Tax Foundation of Hawaii, and Grassroot Institute of Hawaii.

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Your Committee finds that the State's fiscal condition necessitates considering alternative or temporary forms of revenue. Your Committee further finds that irresponsible alcohol consumption leads to various health and social problems. However, your Committee also finds that the State already has the third highest excise tax on alcohol in the nation, and a further surcharge may detrimentally harm local businesses during a time of extreme financial hardship. Your Committee notes that further discussion should continue to determine whether this is the most appropriate manner for raising revenues. Your Committee also notes that testimony requested that the surcharge be 10 cents, if established.

Your Committee has amended this measure by changing the effective date to January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 771, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 771, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,


AARON LING JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

HSCR 258

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 771	Committee Referral: CPC, JHA, FIN	Date: 2/10/2021
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru			✓	
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.		✓		
10. TARNAS, David A.		✓		
11. MATSUMOTO, Lauren		✓		
TOTAL (11)	7	3	1	0

The recommendation is: Adopted Not Adopted
If joint referral, _____ did not support recommendation.
 committee acronym(s)

Vice Chair's or designee's signature: *Lisa Kitagawa*

Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO