

STAND. COM. REP. NO.

117

Honolulu, Hawaii

FEB 10 2021

RE: S.B. No. 565
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 565 entitled:

"A BILL FOR AN ACT RELATING TO ALCOHOL,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the definition of "beer" to specify an alcohol by volume of no less than 0.5 percent and to include alcoholic seltzer beverages.

Your Committee received testimony in support of this measure from Kauai Beer Co., Maui Brewing Co., Beer Lab Hawaii, Hawaiian Craft Brewers Guild, Hana Koa Brewing Co., Koholā Brewery, Mahalo Aleworks, Big Island Brewhaus, Waikiki Brewing Company, and two individuals. Your Committee received testimony in opposition to this measure from the Wine Institute. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the existing statutory definition of "beer" is limited and does not reflect the public's perception of beer in the current marketplace, or adequately represent the unique aspects of craft beer ingredients that brewers use to develop new products and new offerings, such as gluten-free beer or beer with alternative grain ingredients, which are becoming more popular across the United States. Furthermore, this definition is not the same as the federal definition, which



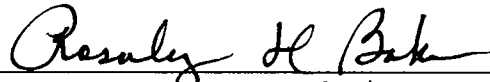
includes a broader range of substitutes or additions to malted barley and fermentable sugars. This measure will help foster the creation of new and unique styles of beer that are well-suited for the inclusion of Hawaii-grown products and will have a significant benefit for local, small, independent craft breweries across the State.

Your Committee has amended this measure by:

- (1) Inserting an effective date of January 1, 2022; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 565, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 565, S.D. 1, and be referred to your Committee on Judiciary.

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



ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 565	Committee Referral: CPN, JDC	Date: 2/4/2021
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)	/			
MISALUCHA, Bennette E.	/			
NISHIHARA, Clarence K.	/			
RIVIERE, Gil	/			
SAN BUENAVENTURA, Joy A.	/			
FEVELLA, Kurt		/		
TOTAL	6	1		

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Clarence K. Nishihara

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*Only one measure per Record of Votes