STAND. COM. REP. NO. 61

Honolulu, Hawaii

MAR 0 4 2021

S.B. No. 565 RE: 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 Judiciary, to which was referred S.B. No. 565, S.D. 1, 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 Maui Brewing Co., Kauai Beer Co., Hawaiian Craft Brewers Guild, Lanikai Brewing Company, Kaua'i Island Brewing Co., Honolulu Beerworks, Waikiki Brewing Company, Big Island Brewhaus, and one Your Committee received comments on this measure from individual. 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, the State's 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

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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.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 565, S.D. 1, and recommends that it pass Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 565 501	CAN, JOC			02/24/2021		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	R) N	ay	Excused
RHOADS, Karl (C)		√				
KEOHOKALOLE, Jarrett (VC)		V				
ACASIO, Laura		V				
GABBARD, Mike		V				
KIM, Donna Mercado		~				
LEE, Chris		J				
FEVELLA, Kurt						
TOTAL		6	1	C	,	0
Recommendation: Adopted Not Adopted						
Chair's or Designee's Signature: Kal Mhoart						
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy						

*Only one measure per Record of Votes