A BILL FOR AN ACT

RELATING TO DIRECT SHIPPING OF LIQUOR.

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

- SECTION 1. The legislature finds that under existing
 Hawaii law, direct-to-consumer shipping of liquor is limited to
- 3 only wineries shipping wine; other liquor manufacturers do not
- 4 have the option to directly ship liquor, including beer, to
- 5 consumers. Direct-to-consumer shipping allows liquor
- 6 manufacturers to serve their existing customers, while also
- 7 allowing the manufacturers to pursue additional markets and tap
- 8 into a broader customer base. A larger customer base has the
- $oldsymbol{9}$ potential to result in more local jobs and an increase in
- 10 overall revenue for local businesses. Direct-to-consumer
- 11 shipping further assists smaller manufacturers that struggle to
- 12 find wholesalers that are willing to sell and represent their
- 13 small brands by giving those manufacturers direct access to
- 14 their customers. In an effort to encourage commerce, the
- 15 legislature also finds that the State must support reciprocity
- 16 with all states for manufacturers to ship their goods to, from,
- 17 and within Hawaii.

1	The purpose of this Act is to allow direct shipment of all
2	forms of liquor, rather than just wine, by certain licensees.
3	SECTION 2. Section 281-33.6, Hawaii Revised Statutes, is
4	amended to read as follows:
5	"§281-33.6 Direct shipment of [wine] liquor by [wineries.]
6	manufacturers. (a) Any person holding:
7	(1) A general excise tax license from the department of
8	taxation; and
9	(2) Either:
10	(A) A class 1, <u>class 14,</u> class 16, or class 18
11	license to manufacture [wine] liquor under
12	section 281-31; or
13	(B) A license to manufacture [wine] <u>liquor</u> issued by
14	another state,
15	may pay any applicable fees and obtain a direct [wine] liquor
16	shipper permit from the liquor commission of the county to which
17	the [wine] liquor will be shipped authorizing the holder to
18	directly ship [wine] liquor to persons in the county pursuant to
19	this section.
20	(b) The holder of a direct $[wine]$ \underline{liquor} shipper permit
21	may sell and annually ship liquor to any person twenty-one years

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

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- (5) Be subject to audit by the liquor commission of each
 county in which a permit is held.
- 3 (c) The holder of a license to manufacture [wine] liquor
- 4 issued by another state may annually renew a direct [wine]
- 5 liquor shipper permit by providing the liquor commission that
- 6 issued the permit with a copy of the license and paying all
- 7 required fees. The holder of a class 1, class 14, class 16, or
- 8 class 18 license to manufacture [wine] liquor under section
- 9 281-31 may renew a direct [wine] liquor shipper permit
- 10 concurrently with the class 1, class 14, class 16, or class 18
- 11 license by complying with all applicable laws and paying all
- 12 required fees.
- (d) The sale and shipment of [wine] liquor directly to a
- 14 person in this State by a person that does not possess a valid
- 15 direct [wine] liquor shipper permit is prohibited. Knowingly
- 16 violating this law is a misdemeanor.
- 17 (e) The liquor [+] commission[+] in each county [may] shall
- 18 adopt rules and regulations necessary to carry out the intent
- 19 and purpose of this section[-]; provided that any rulemaking
- 20 shall not delay the commencement of the direct shipment of
- 21 liquor on the effective date of this Act.

- 1 (f) The holder of a direct liquor shipper permit may ship
- 2 to and from any county or state where properly licensed and
- 3 shall ensure that all reciprocal shipping license requirements
- 4 are met in the receiving county or state."
- 5 SECTION 3. Statutory material to be repealed is bracketed
- 6 and stricken. New statutory material is underscored.
- 7 SECTION 4. This Act shall take effect on June 30, 3000.

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. Effective 6/30/3000. (HD1)

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