

**HB-1458-HD-1**

Submitted on: 3/13/2023 9:30:10 AM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Thomas Kerns	Testifying for Big Island Brewhaus LLC	Support	Written Testimony Only

Comments:

We support the natural growth of any local manufacturer's free enterprise to grow to a sustainable, prosperous economy of scale.

**HB-1458-HD-1**

Submitted on: 3/12/2023 8:53:37 PM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Justin Guerber	Testifying for Kauai Beer Company	Support	Written Testimony Only

Comments:

We support HB 1458, which increases the liquor manufacturing limits for Class 18 small craft producer pub license holders. We believe local manufacturing is beneficial to our state, and allowing licensees to produce more of their products will help provide more benefits to our community. Some benefits might include increased tax revenue from producers, more usage of local ingredients for value added products, and an increased number of local manufacturing jobs available to residents.

**HB-1458-HD-1**

Submitted on: 3/13/2023 3:41:42 PM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jim Guerber	Testifying for Kauai Beer Company	Support	Written Testimony Only

Comments:

this bill encourages small business.

**HB-1458-HD-1**

Submitted on: 3/13/2023 4:39:50 PM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Paula Hegele	Testifying for Maui Wine Ltd	Support	Written Testimony Only

Comments:

**Support!** the growth of local manufacturing and small businesses!

**HB-1458-HD-1**

Submitted on: 3/13/2023 8:07:15 PM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Geoffrey Seideman	Testifying for Honolulu BeerWorks	Support	Written Testimony Only

Comments:

SUPPORT

# CRAFT *Ohana*

March 14, 2023

Senate Committee on Commerce and Consumer Protection  
HB1458 HD1 Relating to Liquor Licenses

Re: **IN SUPPORT OF HB1458 HD1**

Aloha Chair Senator Keohokalole, Vice Chair Senator Fukunaga, and members of the Committee,

My name is Garrett W. Marrero, I live in Kihei, HI. Maui Brewing Co. has locations on Maui in Lahaina and Kihei, and on Oahu in Waikiki and Kailua. We distribute across the Hawaii, 23 other States, and 4 countries. We began in 2005 with 26 team members and have added more than 400 team members across Hawaii. I was selected as the National Small Business-Person of the year in 2017 for my work at Maui Brewing Co.

I am writing on behalf of myself and our local family-operated business in support of **HB1458 HD1** which expands the barrelage limitation on production of beer. In fact, if any amendments would be considered I would recommend that no limits would be placed on the amount a producer could make. Instead of raising the limits, we should **REMOVE the limits!** Why limit what a local producer can produce?

As I write this testimony I continue to ask myself "Why in the world does a limit exist on how much beer a local brewer can brew?". This is a question no legislator, lawmaker, or industry member has ever been able to answer effectively. The one answer I've ever gotten 'because that's the way it's always been that way'. I propose that this is not a good reason.

When I first began fighting for change in beer back in 2005 I spoke about creating an industry here in Hawai'i that had never existed. There we 6 breweries then, 2 failed shortly after and as we were able to amend laws (growlers, barrelage limits, license classes, abilities, etc) breweries began to open. Currently Hawai'i boasts 30 breweries with more in planning, we've collectively been able to put Hawai'i on the map of "craft beer" and a vibrant "beer tourism" exists within our State that supports local agriculture endlessly.

Supporting this bill does nothing more than allows us all to continue to grow, hire, support, and ultimately pay more in taxes as we produce more beverages. Keeping in mind for anyone in opposition that limiting our growth does nothing to limit alcohol sales but instead forces the consumer to pick mainland and foreign produced beverages rather than locally made ones.

Mahalo in advance for passing **HB1458 HD1**.

Sincerely,



Garrett W. Marrero  
CEO/Founder

**MAUI**  
HARD SELTZER

*Modern  
Times*  
BEER

**MAUI**  
BREWING CO

*Modern  
Times*  
COFFEE

**KUPU**  
— SPIRITS —

Cindy Goldstein  
98-814 C Kaonohi Street  
Aiea, HI 96701

HB 1458\_HD1 Liquor Manufacturing Limits Class 18 License  
Senate Committee on Commerce and Consumer Protection  
Weds March 15 at 10 am Conf Room 229

Chair Senator Keohokalole, Vice Chair Fukunaga, and members of the CPN committee,

Position: Support

HB1458\_HD1 allows Hawaii's liquor manufacturers to increase their production. Liquor production ceilings reduce the ability of manufacturers to grow their businesses in our state. Production caps often limit options to modernize equipment and expand product offerings. Supporting and passing this bill will provide an opportunity for liquor manufacturers across the state to expand their existing production and increase sales and revenue. As manufacturing and sales revenue increase, more liquor tax is collected by the state of Hawaii. Hawaii does not have a large manufacturing sector and legislation that broadens the capacity of manufacturing contributes to efforts to diversify our state's economy. Supporting this bill will support further growth and opportunity for beer, wine, and liquor manufacturers across the state.

Mahalo for the opportunity to provide testimony in support of HB1458\_HD1 before this Senate committee.

**HB-1458-HD-1**

Submitted on: 3/14/2023 9:05:34 AM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Steve Haumschild	Testifying for Lanikai brewing Company	Support	Written Testimony Only

Comments:

This bill supports local manufacturing in Class 18 licenses to be able to produce more in Hawaii, hire more community members and pay more taxes. Its a win across the board



**HB-1458-HD-1**

Submitted on: 3/14/2023 9:22:55 AM

Testimony for CPN on 3/15/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
S Perry - concerned citizen	Individual	Oppose	Written Testimony Only

Comments:

One hundred fifty thousand barrels of malt beverages.

There are 31 gallons or wine gallons of liquor in a barrel.

It takes 7 to 10 gallons of fresh water to make 1 gallon of beer.

150,000 barrels times 31 gallons = 4,650,000 gallons of beer times 7 = 32,550,000 gallons of fresh water.

Does Maui County have enough fresh water to sustain this level of manufacturing when Maui County is regularly under a drought condition?

Just something to think about before approving a bill that would increase the limits of production.

Thank you

**HAWAII LIQUOR WHOLESALERS ASSOCIATION  
FIVE WATERFRONT PLAZA  
500 ALA MOANA BLVD STE 400  
HONOLULU, Hawaii 96813**

March 14, 2023

Senate Committee on Commerce and Consumer Protection  
Senator Jarrett Keohokalole, Chair  
Senator Carol Fukunaga, Vice Chair  
State Capitol, Conference Room 229  
415 S. Beretania St.  
Honolulu, Hi 96813

Re: HB 1458, HD 1 Relating to Liquor Licenses  
Hearing Date: March 15, 2023, 10:00 AM

Dear Chair Keohokalole, Vice Chair Fukunaga, and Committee Members:

The Hawaii Liquor Wholesalers Association respectfully submits the following written testimony in **opposition** to HB 1458, HD 1 Relating to Liquor Licenses.

This bill would amend Chapter 281-31 (r) to substantially increase the amount of malt beverages, wine and alcohol that a Small Craft Producer Pub Licensee (“pubs”) can manufacture by 114% for malt beverages, 50% for wine and 1900% for alcohol. Such significant increases are not justified.

The Small Craft Producer Pub License was created to help support small local producers by extending special allowances that are not permitted with a Class 1 manufacturers license, like the ability to sell direct to the consumer and retailers and to have a bar or premises with entertainment for public consumption. The substantial increases proposed in this bill would allow pubs to manufacture amounts of liquor disproportionate to the scale of the marketplace and contrary to the intent of the class of license. For example, one hundred fifty thousand barrels of malt beverages is the equivalent of 4,650,000 gallons, which is more than 2 million cases, or more than one case for every resident, adult or child, of Hawaii. Such quantities are more appropriate in Hawaii for a Class 1 manufacturers license.

In alignment with the intent of the pub license, any increases to the current quantity limitations should be coupled with an appropriate repeal of special allowances, possibly in tiers, toward Class 1 license.

Hawaii pubs already have been given special allowances which favor them over other manufacturers, in state and out of state. This bill increases the special allowances and make it more susceptible to constitutional challenges under the dormant commerce clause. Accordingly,

language should be added to provide that if any special allowance provision is determined by a court or other authority of competent jurisdiction to be invalid or unconstitutional, such provision shall be stricken and the remaining provisions shall be construed to further limit rather than expand commerce in alcoholic beverages through the three-tier regulatory system.

Also please consider the environmental impacts relative to the scale of our islands' ability to sustainably support the resources and ingredients needed to manufacture the products in determining appropriate quantity limits. The water alone to make the proposed increase in malt beverages would strain each county's natural resources as it takes an estimated seven (7) gallons of water to make one gallon of malt beverage.

Based on the above, we respectfully oppose HB 1458 H.D.1. Thank you for your consideration of the foregoing.

Very truly yours,

HAWAII LIQUOR WHOLESALERS ASSOCIATION

By:   
\_\_\_\_\_  
Kenneth G. K. Hoo  
Its Secretary