

STAND. COM. REP. NO. **2752**

Honolulu, Hawaii

FEB 29 2024

RE: S.B. No. 2354

S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 2354 entitled:

"A BILL FOR AN ACT RELATING TO ALCOHOL,"

begs leave to report as follows:

The purpose and intent of this measure is to, beginning January 1, 2025:

- (1) Expand the definition of "beer" under the intoxicating liquor law to mean any alcoholic beverage containing not less than 0.5 percent alcohol by volume obtained by fermentation of any infusion or decoction of malt or any substitute, including alcohol seltzer beverages, and excluding sake, cooler beverages, and other distilled products; and
- (2) Authorize brewpubs to sell beer they manufacture, or beer manufactured on their premises, subject to certain conditions.

Your Committee received testimony in support of this measure from the Lanikai Brewing Company, Mahalo Aleworks, Kauai Beer Company, Hana Koa Brewing Co., and Brewers Association.

Your Committee received comments on this measure from Anheuser-Busch.



Your Committee finds that with the growing popularity of craft beers, brewers have begun experimenting with innovative and flavor-forward beers, using fermented fruits, sugars, honey, spices and other foods to produce their beers. Your Committee finds, however, that the existing definition of "beer" recognizes only fermented barley or other grain, malt, and hops in water, and that the definition needs to be modernized to match the current beverage styles and manufacturing processes. Therefore, this measure updates the definition of "beer" to mirror federal guidelines and clarify for alcohol producers what products qualify under certain classes.

Your Committee has amended this measure by 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. 2354, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2354, S.D. 1, and be placed on the calendar for Third Reading.

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



JARRETT KEOHOKALOLE, Chair



