#### HOUSE OF REPRESENTATIVES THIRTY-SECOND LEGISLATURE, 2023 STATE OF HAWAII

# H.B. NO. 1259

### A BILL FOR AN ACT

RELATING TO DIRECT SHIPPING OF LIQUOR.

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

1 SECTION 1. The legislature finds that under existing 2 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 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.

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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 [ <del>wine</del> ] <u>liquor</u> by [ <del>wineries.</del> ]
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] <u>liquor</u> under
12	section 281-31; or
13	(B) A license to manufacture [ $\frac{wine}{wine}$ ] liquor issued by
14	another state,
15	may pay any applicable fees and obtain a direct [ <del>wine</del> ] <u>liquor</u>
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 [ <del>wine</del> ] <u>liquor</u> to persons in the county pursuant to
19	this section.
20	(b) The holder of a direct [ <del>wine</del> ] <u>liquor</u> shipper permit
21	may sell and annually ship <u>liquor</u> to any person twenty-one years

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1	of age or	older in the county that issued the permit, [ <del>no more</del>
2	than six	nine-liter cases of wine per household] for personal
3	use only	and not for resale, and shall:
4	(1)	Ship [ <del>wine</del> ] <u>liquor</u> 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 [ <del>wine</del> ]
14		liquor shipper permit is held, the total amount of
15		[ <del>wine</del> ] <u>liquor</u> 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 [ <del>wine</del> ] <u>liquor</u> sold
19		under a direct [ <del>wine</del> ] <u>liquor</u> shipper permit shall be
20		deemed to be [ <del>wine</del> ] <u>liquor</u> sold in the State; and

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1	(5) Be subject to audit by the liquor commission of each
2	county in which a permit is held.
3	(c) The holder of a license to manufacture [ <del>wine</del> ] <u>liquor</u>
4	issued by another state may annually renew a direct [ <del>wine</del> ]
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, <u>class 14,</u> class 16, or
8	class 18 license to manufacture [ <del>wine</del> ] <u>liquor</u> under section
9	281-31 may renew a direct [ <del>wine</del> ] <u>liquor</u> shipper permit
10	concurrently with the class 1, <u>class 14, class 16, or class 18</u>
11	license by complying with all applicable laws and paying all
12	required fees.
13	(d) The sale and shipment of [ <del>wine</del> ] <u>liquor</u> directly to a
14	person in this State by a person that does not possess a valid
15	direct [ <del>wine</del> ] <u>liquor</u> 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.

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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 July 1, 2023.
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	INTRODUCED BY: JAN 2 4 2023

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#### 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.

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

