

STAND. COM. REP. NO.

160

Honolulu, Hawaii

FEB 05 , 2025

RE: H.B. No. 108
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 108 entitled:

"A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR,"

begs leave to report as follows:

The purpose of this measure is to allow the direct shipment of beer and distilled spirits by certain liquor licensees.

Your Committee received testimony in support of this measure from the Kōloa Rum Company; Maui Brewing Co.; Lanikai Brewing Company; Beer Lab HI; Maui Wine; Ola Brew; Kuleana Rum Works; Brewers Association; Napali Brewing Company; Koolau Distillery; Kaua'i Island Brewing Co.; Hana Hou Brewing Co.; Kauai Beer Company; and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Liquor Wholesalers Association and Hawai'i Alcohol Policy Alliance.

Your Committee finds that existing law imposes differential treatment among liquor licensees by authorizing direct business-to-consumer shipping of alcoholic beverages for wineries shipping wine, but not for other licensees or other types of alcohol. This differential treatment impedes the growth of small licensees that struggle to secure relationships with wholesalers to distribute the small licensees' products across the State. This measure provides another avenue for small business licensees to reach

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consumers by allowing the direct shipment of beer and distilled spirits by certain licensees.

Your Committee has amended this measure by:

- (1) Clarifying that the authority for an out-of-state manufacturer to ship directly to consumers is contingent upon the manufacturer being licensed in a jurisdiction that affords licensees in Hawaii shipping privileges for the shipment of beer and distilled spirits direct to consumers in that jurisdiction;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Judiciary & Hawaiian Affairs, should it deliberate on this measure, to consider whether reciprocity provisions relating to the interstate shipment of intoxicating liquor are constitutional.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 108, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 108, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



SCOT Z. MATUYOSHI, Chair



