

Honolulu, Hawaii

FEB 10 2025RE: S.B. No. 976
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Commerce and Consumer Protection and
Energy and Intergovernmental Affairs, to which was referred S.B.
No. 976 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Allow direct shipment of beer and distilled spirits by
certain licensees; and
- (2) Require the Liquor Commission or Liquor Control
Adjudication Board of each county to adopt rules and
regulations.

Your Committees received testimony in support of this measure
from the Brewers Association, Hana Koa Brewing Co., Kauai Beer
Company, Kaua'i Island Brewing Co., Kōloa Rum Co., Ko'olau
Distillery, Kuleana Rum Works, Maui Brewing Co., Maui Wine, and
Napali Brewing Company.

Your Committees received testimony in opposition to this
measure from the Hawai'i Alcohol Policy Alliance, Hawaii Liquor
Wholesalers Association, and one individual.




Your Committees find that, for years, wine makers have had the ability to ship direct-to-consumer. In doing so, they have responsively addressed concerns about safety, and have shown that direct shipping of alcohol can be done responsibly for producers and consumers alike. Local brewers and distillers, however, are not afforded the same option to direct-ship to consumers under existing law, creating an economic disadvantage despite consumer demands for online sales. Because many local small craft manufacturers do not produce the volume necessary to contract with a distributor compared to other major producers, this measure will strengthen economic competition and opportunities for local producers and enable them to ship their products to consumers across the State and on the continental United States, thereby building exposure to the State's craft brewery and distillery tourism sector.

Your Committees have amended this measure by:


- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Energy and Intergovernmental Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 976, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 976, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Energy
and Intergovernmental Affairs,



GLENN WAKAI, Chair



JANELLE REOHOKALOOLE, Chair



Record of Votes
Committee on Commerce and Consumer Protection
CPN

*Only one measure per Record of Votes

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

*Only one Governor's Message per Record of Votes