A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

- 1 SECTION 1. The legislature finds that under state law,
- 2 direct business-to-consumer shipping of alcoholic beverages is
- 3 limited to wineries shipping wine. Thus, non-winery
- 4 manufacturers are prohibited from directly shipping alcoholic
- 5 beverages, including beer and distilled spirits, to consumers.
- 6 Direct business-to-consumer shipping will allow these
- 7 manufacturers to serve existing customers while also pursuing
- 8 additional markets and new customer bases. Direct
- 9 business-to-consumer shipping will also assist smaller
- 10 manufacturers that are struggling to find wholesalers willing to
- 11 sell and represent the manufacturer's small brands by giving
- 12 those manufacturers direct access to customers. In an effort to
- 13 encourage commerce, the legislature has determined that the
- 14 State must allow manufacturers to ship their goods to, from, and
- 15 within the State.
- 16 Accordingly, the purpose of this Act is to allow the direct
- 17 shipment of beer and distilled spirits by certain licensees.

1	SECTION 2. Chapter 281, Hawaii Revised Statutes, is
2	amended by adding a new section to part III to be appropriately
3	designated and to read as follows:
4	"§281- Direct shipment of beer and distilled spirits by
5	manufacturers. (a) Any person holding:
6	(1) A general excise tax license from the department of
7	taxation; and
8	(2) Either:
9	(A) A class 1, class 14, or class 18 license to
10	manufacture beer or distilled spirits under
11	section 281-31; or
12	(B) A license to manufacture beer or distilled
13	spirits issued by another state,
14	may pay any applicable fees and obtain a direct beer and
15	distilled spirits shipper permit from the commission of the
16	county to which the beer or distilled spirits will be shipped
17	authorizing the holder to directly ship beer and distilled
18	spirits to persons in the county pursuant to this section.
19	(b) Beginning July 1, 2025, the holder of the direct beer
20	and distilled spirits shipper permit may sell and ship beer and
21	distilled spirits to any person twenty-one years of age or older

1	in any co	unty of this State for personal use only and not for
2	resale, a	nd shall:
3	(1)	Ship beer and distilled spirits directly to the person
4		only in containers that are conspicuously labeled with
5		the words:
6		"CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS
7		OR OLDER REQUIRED FOR DELIVERY.";
8	(2)	Require that the carrier of the shipment obtain the
9		signature of any person twenty-one years of age or
10		older before delivering the shipment;
11	(3)	Report no later than January 31 of each year, to the
12		commission in each county in which a direct beer and
13		distilled spirits shipment was made, the total amount
14		of beer and distilled spirits shipped to persons in
15		that county during the preceding calendar year;
16	(4)	Pay all applicable general excise and gallonage taxes.
17		For gallonage tax purposes, all beer and distilled
18		spirits sold under a direct beer and distilled spirits
19		shipper permit shall be deemed to be beer and
20		distilled spirits sold in the State; and

1	(5) Be subject to audit by the commission of each county
2	in which a direct beer and distilled spirits shipment
3	has been made.
4	(c) The holder of a license to manufacture beer or
5	distilled spirits issued by another state may annually renew a
6	direct beer and distilled spirits shipper permit by providing to
7	the commission that issued the permit a copy of the license and
8	paying all required fees. The holder of a class 1, class 14, or
9	class 18 license to manufacture beer or distilled spirits under
10	section 281-31 may renew a direct beer and distilled spirits
11	shipper permit concurrently with the applicable license by
12	complying with all applicable laws and paying all required fees.
13	(d) The sale and shipment of beer and distilled spirits
14	directly to a person in the State by a person that does not
15	possess a valid direct beer and distilled spirits shipper permit
16	shall be prohibited. Any person who knowingly violates this
17	section shall be guilty of a misdemeanor.
18	(e) The commission in each county shall adopt rules
19	necessary to carry out the intent and purpose of this section;
20	provided that each commission shall ensure that its respective

- 1 rulemaking actions do not interfere with, or unduly delay, the
- 2 date prescribed in subsection (b).
- 3 (f) For the purposes of this section, "distilled spirits"
- 4 has the same meaning as defined in section 244D-1."
- 5 SECTION 3. New statutory material is underscored.
- 6 SECTION 4. This Act shall take effect on July 1, 2050.

H.B. NO. H.D. 2 S.D. 1

Report Title:

Beer; Distilled Spirits; Direct Shipping; Manufacturers

Description:

Allows direct shipment of beer and distilled spirits by certain licensees. Requires the liquor commissions to adopt rules. Effective 7/1/2050. (SD1)

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