
A BILL FOR AN ACT

RELATING TO ALCOHOL.

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

1 SECTION 1. Section 244D-1, Hawaii Revised Statutes, is
2 amended by adding a new definition to be appropriately inserted
3 and to read as follows:

4 ""Low alcohol by volume spirits beverage" means any
5 alcoholic beverage containing no more than seven per cent
6 alcohol by volume. "Low alcohol by volume spirits beverage"
7 includes distilled spirits mixed with other ingredients,
8 including both nonalcohol and alcohol components."

9 SECTION 2. Section 244D-4, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) Every person who sells or uses any liquor in the
12 State not taxable under this chapter, in respect of the
13 transaction by which the person or the person's vendor acquired
14 the liquor, shall pay a gallonage tax that is hereby imposed at
15 the following rates for the various liquor categories defined in
16 section 244D-1:



1 On [~~July 1, 1998,~~] July 1, 2025, and thereafter, the tax
2 rate shall be:

3 (1) \$5.98 per wine gallon on distilled spirits;

4 (2) \$2.12 per wine gallon on sparkling wine;

5 (3) \$1.38 per wine gallon on still wine;

6 (4) \$0.85 per wine gallon on cooler beverages;

7 (5) \$0.93 per wine gallon on beer other than draft beer;

8 [~~and~~]

9 (6) \$0.54 per wine gallon on draft beer; and

10 (7) \$0.93 per wine gallon on low alcohol by volume spirits
11 beverages;

12 and at a proportionate rate for any other quantity so sold or
13 used."

14 SECTION 3. Section 281-31, Hawaii Revised Statutes, is
15 amended by amending subsection (r) to read as follows:

16 "(r) Class 18. Small craft producer pub license. A small
17 craft producer pub licensee:

18 (1) Shall manufacture not more than:

19 (A) [~~Seventy~~] Two hundred fifty thousand barrels of
20 malt beverages;

21 (B) [~~Twenty~~] One hundred thousand barrels of wine; or



1 (C) [~~Seven~~] Seventy-five thousand [~~five hundred~~]

2 barrels of alcohol on the licensee's premises

3 during the license year;

4 provided that for purposes of this paragraph, "barrel"

5 means a container not exceeding thirty-one gallons or

6 wine gallons of liquor;

7 (2) May sell malt beverages, wine, or alcohol manufactured

8 on the licensee's premises for consumption on the

9 premises;

10 (3) May sell malt beverages, wine, or alcohol manufactured

11 by the licensee in producer-sealed packages to class 3

12 wholesale dealer licensees pursuant to conditions

13 imposed by the county by ordinance or rule;

14 (4) May sell intoxicating liquor purchased from a class 3

15 wholesale dealer licensee to consumers for consumption

16 on the licensee's premises. The categories of

17 establishments shall be as follows:

18 (A) A standard bar; or

19 (B) Premises in which live entertainment or recorded

20 music is provided. Facilities for dancing by the



1 patrons may be permitted as provided by

2 commission rules;

3 (5) May, subject to federal labeling and bottling
4 requirements, sell malt beverages manufactured on the
5 licensee's premises to consumers in producer-sealed
6 kegs and recyclable or reusable containers and sell
7 malt beverages manufactured on the licensee's premises
8 or purchased from a class 1 manufacturer licensee, a
9 class 3 wholesale dealer licensee, a class 14 brewpub
10 licensee, or a class 18 small craft producer pub
11 licensee to consumers in growlers for off-premises
12 consumption; provided that for purposes of this
13 paragraph, "growler" means a recyclable or reusable
14 container that does not exceed one gallon, which shall
15 be securely sealed;

16 (6) May, subject to federal labeling and bottling
17 requirements, sell wine or alcohol manufactured on the
18 licensee's premises in recyclable containers provided
19 by the licensee or by the consumer which do not
20 exceed:

21 (A) One gallon per container for wine; and



1 (B) One liter for alcohol; and

2 are securely sealed on the licensee's premises to
3 consumers for off-premises consumption;

4 (7) Shall comply with all requirements pertaining to class
5 4 retail dealer licensees when engaging in the retail
6 sale of malt beverages, wine, and alcohol;

7 (8) May, subject to federal labeling and bottling
8 requirements, sell malt beverages, wine, and alcohol
9 manufactured on the licensee's premises in
10 producer-sealed containers directly to class 2
11 restaurant licensees, class 3 wholesale dealer
12 licensees, class 4 retail dealer licensees, class 5
13 dispenser licensees, class 6 club licensees, class 8
14 transient vessel licensees, class 9 tour or cruise
15 vessel licensees, class 10 special licensees, class 11
16 cabaret licensees, class 12 hotel licensees, class 13
17 caterer licensees, class 14 brewpub licensees, class
18 15 condominium hotel licensees, class 18 small craft
19 producer pub licensees, and consumers pursuant to
20 conditions imposed by county ordinances or rules



governing class 1 manufacturer licensees and class 3
wholesale dealer licensees;

(9) May conduct the activities under paragraphs (1) to (8)
at locations other than the licensee's premises;
provided that:

(A) The manufacturing takes place in Hawaii;

(B) Each of the other locations:

(i) Operates within the State under the same
trade name for the premises; and

(ii) Is properly licensed within the county of
its operation as a class 1 manufacturer
licensee, class 2 restaurant licensee, class
4 retail dealer licensee, class 5 dispenser
licensee, class 12 hotel licensee, class 14
brewpub licensee, or class 18 small craft
producer pub licensee;

(C) The county liquor commission of the county in
which the licensee satellite is located shall
have jurisdiction of the satellite; and

(D) All requirements of the license class of the
location shall be in effect as required by the



1 county liquor commission for the satellite
2 licensed premises; and
3 (10) May allow minors, who are accompanied by a parent or
4 legal guardian of legal drinking age, on the
5 licensee's premises."

6 SECTION 4. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 3000;
9 provided that this Act shall be repealed on December 31, 2028,
10 and sections 244D-4(a) and 281-31(r), Hawaii Revised Statutes,
11 shall be reenacted in the form in which they read on the day
12 prior to the effective date of this Act.



Report Title:

Alcohol; Liquor Tax Law; Low Alcohol by Volume Spirits Beverage;
Definition; Rate

Description:

Defines "low alcohol by volume spirits beverage". Establishes a tax on low alcohol by volume spirits beverages at a rate of \$0.93 per wine gallon. Increases small craft producer production limits. Sunsets 12/31/2028. Effective 7/1/3000.
(SD2)

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