

**ACT 293**

**H.B. NO. 1587**

**A Bill for an Act Relating to Intoxicating Liquor.**

***Be It Enacted by the Legislature of the State of Hawaii:***

**SECTION 1.** Part III of Chapter 281, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§281- Purchasing from other than primary source of supply; penalty.**

(a) No licensee authorized to import liquor into this State shall order, purchase, or receive liquor for resale unless the licensee orders, purchases or receives it from the primary source of supply for the brand of liquor sought to be sold. No licensee authorized to import liquor into this State may sell liquor purchased or received by the licensee to any person if the liquor has not been purchased or received by the licensee from the primary source of supply.

(b) No supplier shall solicit, accept or fill any order for any liquor from any licensee authorized to import liquor into this State unless the supplier is the primary source of supply for the brand of liquor sold or sought to be sold.

(c) The commission shall revoke for a period of not less than six months the license of any manufacturer, rectifier, wholesaler, retailer or other licensee who violates, directly or indirectly, the provisions of this section. The penalty prescribed in this section is cumulative and in addition to any other penalties prescribed in this chapter.

(d) For purposes of this section, “primary source of supply” means:

- (1) The manufacturer of the liquor, if the liquor can be secured directly from the manufacturer by United States wholesalers, or
- (2) The rectifier, the owner of the liquor at the time it becomes a marketable produce, the bottler, the importer, or the exclusive agent of any such person, who, if the liquor cannot be secured from the manufacturer by United States wholesalers, is the source closest to the manufacturer in the chain of distribution from whom the product can be secured by the United States wholesalers.”

SECTION 2. Notwithstanding anything herein to the contrary, this Act shall not affect any wholesale liquor dealer duly licensed under this chapter or any person who has applied for a license by April 1, 1983, and such licensee shall be entitled to continue to carry on such business in accordance with and shall continue to be governed by the terms and provisions of this chapter, as those terms and provisions existed prior to the approval of this Act. The exemption granted by this section shall terminate upon any change in ownership of the licensee entitled to such exemption. If the licensee is a corporation a change in ownership means the change in ownership of twenty-five per cent or more of the capital stock or a change in ownership of any number of shares of stock which results in the transferee thereof becoming the owner of twenty-five per cent or more of the outstanding capital stock. A sale or transfer of ownership of a licensee, including transfers of stock if the licensee is a corporation, to a spouse, the children or grandchildren, the parents or grandparents, a brother, a sister or other relative of the present owner shall not be deemed to be a change in ownership within the meaning of this section.

SECTION 3. New material is underscored.<sup>1</sup>

SECTION 4. This Act shall take effect upon its approval.

(Approved June 14, 1983.)

**Note**

1. Edited pursuant to HRS §23G-16.5.