

A Bill for an Act Relating to Liquor.

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

SECTION 1. The legislature finds that local brewpubs find themselves stifled by unreasonably low limits on beer production. Although brewpub owners seek to improve the State's faltering economy by employing local people and using local products, they are prevented from expanding their businesses because existing law prohibits them from increasing production beyond 5,000 barrels per year. This is especially a problem for a company that manufactures bottled beer that wishes to open a brewpub as well.

The purpose of this Act is to remove regulatory barriers adversely impacting local brewpubs and to allow for increased economic development in our State by raising the production limit for brewpubs from 5,000 to 10,000 barrels annually.

SECTION 2. Section 281-31, Hawaii Revised Statutes, is amended by amending subsection (o) to read as follows:

“(o) Class 14. Brewpub licenses. A brewpub licensee:

- (1) Shall manufacture not more than [five] ten thousand barrels of malt beverages on the licensee's premises during the license year;
- (2) May sell malt beverages manufactured on the licensee's premises for consumption on the premises;
- (3) May sell malt beverages manufactured by the licensee in brewery-sealed packages to class 3, wholesale dealer licensees pursuant to conditions imposed by county planning and public works departments;
- (4) May sell intoxicating liquor, purchased from a class 1, manufacturer licensee, or a class 3, wholesale dealer's licensee, to consumers for consumption on the licensee's premises; provided that the premises is owned and operated by the licensee.

The categories of establishments shall be as follows:

- (A) A standard bar; or
- (B) Premises in which live entertainment or recorded music is provided. Facilities for dancing by the patrons may be permitted as provided by commission rules.”

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

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

(Approved April 29, 1998.)