

STAND. COM. REP. NO.

2676

Honolulu, Hawaii

MAR - 3 2006

RE: S.B. No. 2109
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Housing,
to which was referred S.B. No. 2109 entitled:

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

begs leave to report as follows:

The purpose of this measure is to permit the direct shipment
of wine into the State by persons with a Hawaii class 1 license or
another state's license to manufacture wine, upon obtaining a wine
direct shipper permit.

Testimony in support of this measure was submitted by the
Department of the Attorney General and the Wine Institute.
Testimony in opposition to this measure was submitted by Hawaii
Liquor Wholesalers Association, Hawaii Food Industry Association,
and Legislative Information Services of Hawaii.

According to the Attorney General, this measure addresses the
recent United States Supreme Court decision in Granholm v. Heald,
125 S. Ct. 1885 (2005), which held that laws allowing in-state
wineries, but not out-of-state wineries, to ship wine directly to
consumers violate the Commerce Clause of the United States
Constitution.

Your Committee finds that there is dispute among the affected
parties as to whether this measure is a proper response to the
United States Supreme Court's holding in Granholm.



Upon further consideration, your Committee has amended this measure by:

- (1) Deleting the specific number of cases allowed to be shipped into the State on an annual basis so that the parties affected can discuss the appropriate number;
- (2) Deleting references to out-of-state permitholders to clarify that provisions of this measure apply to both in-state and out-of-state permitholders as recommended by the Attorney General;
- (3) Providing that the county commissions shall begin issuing permits as provided in this measure on the date that the measure is to take effect as recommended by the Attorney General; and
- (4) Making technical, non-substantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2109, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Housing,

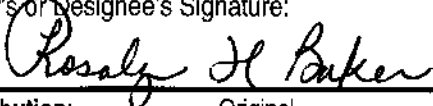


RON MENOR, Chair



The Senate
Twenty-Third Legislature
State of Hawaii

**Record of Votes of the
Committee on Commerce, Consumer Protection and Housing
(Bills and Resolutions)**

Measure:* SB 2109	Committee Referral: CPH	Date: 2-24-06		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is to: <input type="checkbox"/> Pass, unamended (2312) <input checked="" type="checkbox"/> Pass, with amendments (2311) <input type="checkbox"/> Hold (2310) <input type="checkbox"/> Recommit (2313)				
Members	Ayes	Ayes(WR)	Nays	Excused
MENOR, Ron (C)	✓			
BAKER, Rosalyn H. (VC)	✓			
ESPERO, Will C.	✓			
IGE, David Y.				✓
SAKAMOTO, Norman	✓			
HOGUE, Bob				✓
TOTAL	4	-	-	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Do not list more than one measure per Record of Votes.