
A BILL FOR AN ACT

RELATING TO LIQUOR.

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

1 SECTION 1. Section 281-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "retail licensee" to read
3 as follows:

4 "Retail licensee" means any licensee holding a class 2
5 [~~or~~], class 4 through class 16, or a class 18 license."

6 SECTION 2. Section 281-31, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§281-31 Licenses, classes. (a) Licenses may be granted
9 by the liquor commission as provided in this section.

10 (b) Class 1. Manufacturer license. A license for the
11 manufacture of liquor shall authorize the licensee to:

12 (1) Manufacture the liquor therein specified;

13 (2) Sell it in original packages to any wholesaler who
14 holds a license to resell it; and

15 (3) Sell beer, wine, or other specified liquor
16 manufactured or distilled on the licensee's premises
17 from fruits or other products grown in the State, in
18 any quantity:



1 (A) At wholesale in original packages to any person
2 who holds a license to resell it; and

3 (B) To any person for private use and consumption.

4 Under this license, no liquor shall be consumed on the
5 premises, except as authorized by the commission. Of this
6 class, there shall be the following kinds:

7 (1) Beer;

8 (2) Wine;

9 (3) Alcohol; and

10 (4) Other specified liquor.

11 It shall be unlawful for any holder of a manufacturer
12 license to have any interest whatsoever in the license or
13 licensed premises of any other licensee. This subsection shall
14 not prevent the holder of a manufacturer license under this
15 chapter or under the law of another jurisdiction from
16 maintaining any interest in the license or licensed premises of
17 a wholesale dealer licensee under this chapter.

18 (c) Class 2. Restaurant license.

19 (1) A license under this class shall authorize the
20 licensee to sell liquor specified in this subsection
21 for consumption on the premises; provided that a
22 restaurant licensee, with commission approval, may



1 provide off-premises catering of food and liquor;
2 provided further that the catering activity shall be
3 directly related to the licensee's operation as a
4 restaurant. A licensee under this class shall be
5 issued a license according to the category of
6 establishment the licensee owns or operates. The
7 categories of establishment shall be as follows:

8 (A) A standard bar; or

9 (B) Premises in which live entertainment or recorded
10 music is provided. Facilities for dancing by the
11 patrons may be permitted as provided by
12 commission rules~~[-]~~;

13 (2) If a licensee under class 2 desires to change the
14 category of establishment the licensee owns or
15 operates, the licensee shall apply for a new license
16 applicable to the category of the licensee's
17 establishment~~[-]~~; and

18 (3) Of this class, there shall be the following kinds:

19 (A) General (includes all liquor except alcohol);

20 (B) Beer and wine; and

21 (C) Beer.



1 Notwithstanding section 281-57, the commission may approve at
2 one public hearing and without notice the change to a class 2
3 restaurant license of a licensee holding a class 5 dispenser
4 license who meets the requirements of a class 2 license.

5 (d) Class 3. Wholesale dealer license. A license for the
6 sale of liquor at wholesale shall authorize the licensee to
7 import and sell only to licensees or to others who are by law
8 authorized to resell the liquor specified by the license but are
9 not by law required to hold a license; provided that a class 3
10 licensee may sell samples of liquor back to the manufacturer.
11 Under a class 3 license, no liquor shall be consumed on the
12 premises except as authorized by the commission. Of this class,
13 there shall be the following kinds:

14 (1) General (includes all liquor except alcohol);

15 (2) Beer and wine; and

16 (3) Alcohol.

17 If any wholesale dealer solicits or takes any orders in any
18 county other than that where the dealer's place of business is
19 located, the orders may be filled only by shipment direct from
20 the county in which the wholesale dealer holds the dealer
21 license. Nothing in this subsection shall prevent a wholesaler
22 from selling liquor to post exchanges, ships' service stores,



1 army or navy officers' clubs, or similar organizations located
2 on army or navy reservations, or to any vessel other than
3 vessels performing a regular water transportation service
4 between any two or more ports in the State, or to aviation
5 companies who operate an aerial transportation enterprise
6 subject to chapter 269 and engaged in regular flight passenger
7 services between any two or more airports in the State for use
8 on aircraft, or aviation companies engaged in transpacific
9 flight operations for use on aircraft outside the jurisdiction
10 of the State.

11 (e) Class 4. Retail dealer license. A license to sell
12 liquor at retail or to class 10 licensees shall authorize the
13 licensee to sell the liquor therein specified in their original
14 packages. Under a class 4 license, no liquor shall be consumed
15 on the premises except as authorized by the commission. Of this
16 class, there shall be the following kinds:

- 17 (1) General (includes all liquor except alcohol);
18 (2) Beer and wine; and
19 (3) Alcohol.

20 (f) Class 5. Dispenser license.

21 (1) A license under this class shall authorize the
22 licensee to sell liquor specified in this subsection



1 for consumption on the premises. A licensee under
2 this class shall be issued a license according to the
3 category of establishment the licensee owns or
4 operates. The categories of establishments shall be
5 as follows:

- 6 (A) A standard bar;
- 7 (B) Premises in which a person performs or entertains
8 unclothed or in attire restricted to use by
9 entertainers pursuant to commission rules;
- 10 (C) Premises in which live entertainment or recorded
11 music is provided; provided that facilities for
12 dancing by the patrons may be permitted as
13 provided by commission rules; or
- 14 (D) Premises in which employees or entertainers are
15 compensated to sit with patrons, regardless of
16 whether the employees or entertainers are
17 consuming nonalcoholic beverages while in the
18 company of the patrons pursuant to commission
19 rules[---];

20 (2) If a licensee under class 5 desires to change the
21 category of establishment the licensee owns or
22 operates, the licensee shall apply for a new license



1 applicable to the category of the licensee's
2 establishment[-]; and

3 (3) Of this class, there shall be the following kinds:

4 (A) General (includes all liquor except alcohol);

5 (B) Beer and wine; and

6 (C) Beer.

7 (g) Class 6. Club license. A club license shall be
8 general only but shall exclude alcohol and shall authorize the
9 licensee to sell liquor to members of the club and to guests of
10 the club enjoying the privileges of membership for consumption
11 only on the premises kept and operated by the club; provided
12 that the license shall also authorize any club member to keep in
13 the member's private locker on the premises a reasonable
14 quantity of liquor owned by the member for the member's own
15 personal use and not to be sold that may be consumed only on the
16 premises. A club licensee shall be authorized to host
17 charitable functions that are open to the general public only
18 pursuant to commission rules.

19 The categories of establishment shall be as follows:

20 (1) A standard bar; or



1 (2) Premises in which live entertainment or recorded music
2 is provided. Facilities for dancing by the patrons
3 may be permitted as provided by commission rules.

4 (h) Class 8. Transient vessel license. A general license
5 may be granted to the owner of any vessel for the sale of liquor
6 other than alcohol on board the vessel while en route within the
7 jurisdictional limits of the State and within any port of the
8 State. Sales shall be made only for consumption by passengers
9 and their guests on board the vessel. The license shall be
10 issuable in each county where the sales are to be made; provided
11 that the application for the license may be made by any agent
12 representing the owner.

13 (i) Class 9. Tour or cruise vessel license. A general
14 license may be granted to the owner of any tour or cruise vessel
15 for the sale of liquor other than alcohol on board the vessel
16 while in the waters of the State; provided that sales be made
17 only for consumption by passengers on board while the vessel is
18 in operation outside the port or dock of any island of the
19 State, unless otherwise approved by the county where the license
20 has been issued. The license shall be issuable in the county
21 where the home port of the vessel is situated. If, on any
22 vessel for which no license has been obtained under this



1 chapter, any liquor is sold or served within three miles of the
2 shore of any island of the State, it shall constitute a
3 violation of this chapter.

4 The categories of establishment shall be as follows:

5 (1) A standard bar; or

6 (2) Premises in which live entertainment or recorded music
7 is provided. Facilities for dancing by the patrons
8 may be permitted as provided by commission rules.

9 (j) Class 10. Special license. A special license may be
10 granted for the sale of liquor for a period not to exceed three
11 days and pursuant to commission rule may be approved by the
12 administrator for fundraising events by nonprofit organizations,
13 political candidates, and political parties; provided that any
14 registered educational or charitable nonprofit organization may
15 sell liquors in their original packages for off-premises
16 consumption. Of this class, there shall be the following kinds:

17 (1) General (includes all liquor except alcohol);

18 (2) Beer and wine; and

19 (3) Beer.

20 Liquor sold under a class 10 license shall be consumed on the
21 premises.



1 (k) Class 11. Cabaret license. A cabaret license shall
2 be general only but shall exclude alcohol and shall authorize
3 the sale of liquor for consumption on the premises. This
4 license shall be issued only for premises where food is served,
5 facilities for dancing by the patrons including a dance floor
6 are provided, and live or amplified recorded music or
7 professional entertainment except professional entertainment by
8 a person who performs or entertains unclothed is provided for
9 the patrons; provided that professional entertainment by persons
10 who perform or entertain unclothed shall be authorized by:

11 (1) A cabaret license for premises where professional
12 entertainment by persons who perform or entertain
13 unclothed was presented on a regular and consistent
14 basis immediately prior to June 15, 1990; or

15 (2) A cabaret license that, pursuant to rules adopted by
16 the liquor commission, permits professional
17 entertainment by persons who perform or entertain
18 unclothed.

19 A cabaret license under paragraph (1) or (2) authorizing
20 professional entertainment by persons who perform or entertain
21 unclothed shall be transferable through June 30, 2000. A
22 cabaret license under paragraph (1) or (2) authorizing



1 professional entertainment by persons who perform or entertain
2 unclothed shall not be transferable after June 30, 2000, except
3 upon approval by the liquor commission and pursuant to rules
4 adopted by the commission. Notwithstanding any rule of the
5 liquor commission to the contrary, cabarets in resort areas may
6 be opened for the transaction of business until [4] 4:00 a.m.
7 throughout the entire week.

8 (1) Class 12. Hotel license. A license to sell liquor in
9 a hotel shall authorize the licensee to provide entertainment
10 and dancing on the hotel premises and to sell all liquor except
11 alcohol for consumption on the premises; provided that a hotel
12 licensee, with commission approval, may provide off-premises
13 catering of food and liquor if the catering activity is directly
14 related to the licensee's food service.

15 Procedures such as room service, self-service no-host
16 minibars or similar service in guest rooms, and service at
17 parties in areas that are the property of and contiguous to the
18 hotel are permitted with commission approval.

19 Any licensee who would otherwise fall within the hotel
20 license class but holds a different class of license may be
21 required to apply for a hotel license.



1 If the licensee applies for a change of classification
2 prior to July 30, 1992, the licensee shall not be subject to the
3 requirements of sections 281-52, 281-54, and 281-57 through 281-
4 59.

5 Any licensee holding a class 12 license on May 1, 2007, who
6 would otherwise qualify for a class 15 license may apply to the
7 liquor commission of the county in which the licensee is seeking
8 a change in liquor license for a change to a class 15 license;
9 provided that the licensee shall not be subject to the
10 requirements of section 281-54 and sections 281-57 to 281-60.

11 If a licensee holding a class 12 license on May 1, 2007,
12 applies for a change to a class 15 license, the respective
13 liquor commission shall hold a public hearing upon notice. On
14 the day of hearing or any adjournment thereof, the liquor
15 commission shall consider the application, accept all written or
16 oral testimony for or against the application, and render its
17 decision granting or refusing the application. If the
18 application is denied, the class 12 license shall continue in
19 effect in accordance with law.

20 (m) Class 13. Caterer license. A general license may be
21 granted to any applicant who serves food as part of their



1 operation for the sale of liquor other than alcohol while
2 performing food catering functions off the premises.

3 No catering service for the sale of liquor shall be
4 performed off the licensee's premises unless prior written
5 notice of the service has been delivered to the office of the
6 liquor commission of the county concerned. The notice shall
7 state the date, time, and location of the proposed event and
8 shall include a written statement signed by the owner or
9 representative of the property that the function will be subject
10 to the liquor laws and to inspection by investigators.

11 (n) Class 14. Brewpub license. A brewpub licensee:

12 (1) Shall manufacture not more than thirty thousand
13 barrels of malt beverages on the licensee's premises
14 during the license year;

15 (2) May sell malt beverages manufactured on the licensee's
16 premises for consumption on the premises;

17 (3) May sell malt beverages manufactured by the licensee
18 in brewery-sealed packages to class 3 wholesale dealer
19 licensees pursuant to conditions imposed by the county
20 by ordinance or rule;

21 (4) May sell intoxicating liquor purchased from a class 1
22 manufacturer licensee or a class 3 wholesale dealer



1 licensee to consumers for consumption on the
2 licensee's premises. The categories of establishments
3 shall be as follows:

4 (A) A standard bar; or

5 (B) Premises in which live entertainment or recorded
6 music is provided. Facilities for dancing by the
7 patrons may be permitted as provided by
8 commission rules;

9 (5) May sell malt beverages manufactured on the licensee's
10 premises to consumers in brewery-sealed kegs and
11 growlers for off-premises consumption; provided that
12 for purposes of this paragraph, "growler" means a
13 glass container, not to exceed one half-gallon, which
14 shall be securely sealed;

15 (6) May sell malt beverages manufactured on the licensee's
16 premises in recyclable containers provided by the
17 licensee or by the consumer which do not exceed one
18 gallon per container and are securely sealed on the
19 licensee's premises to consumers for off-premises
20 consumption;



- 1 (7) Shall comply with all regulations pertaining to class
2 4 retail dealer licensees when engaging in the retail
3 sale of malt beverages;
- 4 (8) May sell malt beverages manufactured on the licensee's
5 premises in brewery-sealed containers directly to
6 class 2 restaurant licensees, class 3 wholesale dealer
7 licensees, class 4 retail dealer licensees, class 5
8 dispenser licensees, class 6 club licensees, class 8
9 transient vessel licensees, class 9 tour or cruise
10 vessel licensees, class 10 special licensees, class 11
11 cabaret licensees, class 12 hotel licensees, class 13
12 caterer licensees, class 14 brewpub licensees, class
13 15 condominium hotel licensees, class 18 distillery
14 pub licensees, and consumers pursuant to conditions
15 imposed by county regulations governing class 1
16 manufacturer licensees and class 3 wholesale dealer
17 licensees; and
- 18 (9) May conduct the activities under paragraphs (1) to (8)
19 at one location other than the licensee's premises;
20 provided that:
- 21 (A) The manufacturing takes place in Hawaii; and



1 (B) The other location is properly licensed under the
2 same ownership.

3 (o) Class 15. Condominium hotel license. A license to
4 sell liquor in a condominium hotel shall authorize the licensee
5 to provide entertainment and dancing on the condominium hotel
6 premises and to sell all liquor except alcohol for consumption
7 on the premises; provided that a condominium hotel licensee,
8 with commission approval, may provide off-premises catering;
9 provided further that the catering activity is directly related
10 to the licensee's operation as a condominium hotel.

11 Procedures such as room service, self-service no-host
12 minibars or similar service in apartments, and service at
13 private parties in areas that are the property of and contiguous
14 to the condominium hotel are permitted with commission approval.

15 A condominium hotel licensee shall not sell liquor in the
16 manner authorized by a class 4 retail dealer license.

17 Any licensee who would otherwise meet the criteria for the
18 condominium hotel license class but holds a different class of
19 license may be required to apply for a condominium hotel
20 license.

21 (p) Class 16. Winery license. A winery licensee:



- 1 (1) Shall manufacture not more than ten thousand barrels
2 of wine on the licensee's premises during the license
3 year;
- 4 (2) May sell wine manufactured on the licensee's premises
5 for consumption on the premises;
- 6 (3) May sell wine manufactured by the licensee in winery-
7 sealed packages to class 3 wholesale dealer licensees
8 pursuant to conditions imposed by the county by
9 ordinance or rule;
- 10 (4) May sell wine manufactured on the licensee's premises
11 in winery-sealed kegs and magnums to consumers for
12 off-premises consumption; provided that for purposes
13 of this paragraph, "magnum" means a glass container
14 not to exceed one half-gallon, which may be securely
15 sealed;
- 16 (5) May sell wine manufactured on the licensee's premises
17 in recyclable containers provided by the licensee or
18 by the consumer which do not exceed one gallon per
19 container and are securely sealed on the licensee's
20 premises to consumers for off-premises consumption;



- 1 (6) Shall comply with all rules pertaining to class 4
2 retail dealer licensees when engaging in the retail
3 sale of wine; and
- 4 (7) May sell wine manufactured on the licensee's premises
5 in winery-sealed containers directly to class 2
6 restaurant licensees, class 3 wholesale dealer
7 licensees, class 4 retail dealer licensees, class 5
8 dispenser licensees, class 6 club licensees, class 8
9 transient vessel licensees, class 9 tour or cruise
10 vessel licensees, class 10 special licensees, class 11
11 cabaret licensees, class 12 hotel licensees, class 13
12 caterer licensees, class 14 brewpub licensees, [~~and~~]
13 class 15 condominium hotel licensees, and class 18
14 distillery pub licensees pursuant to conditions
15 imposed by county planning and public works
16 departments and rules governing class 3 wholesale
17 dealer licensees.
- 18 (q) Class 17. Bring-your-own-beverage license. In
19 counties having a population in excess of [~~500,000,~~] five
20 hundred thousand there is established a class 17 license;
21 provided that in a county having a population of [~~500,000~~] five
22 hundred thousand or less, the respective commission may



1 establish a class 17 license to which this subsection shall
2 apply.

3 (1) A general license of this class shall authorize the
4 licensee to permit patrons to bring their own liquors
5 for consumption on the premises between the hours of
6 6:00 a.m. to 2:00 a.m. the following day. A licensee
7 under this class shall be issued a license according
8 to the category of establishment the licensee owns or
9 operates. The categories of establishments shall be
10 as follows:

11 (A) Premises in which recorded music and live
12 entertainment, including karaoke, are provided;
13 or

14 (B) Premises in which recorded music and live
15 entertainment, including karaoke and dancing, are
16 provided.

17 (2) If a licensee under this class desires to change the
18 category of establishment the licensee owns or
19 operates, the licensee shall apply for a new license
20 applicable to the category of the licensee's
21 establishment.



- 1 (3) A licensee under this class shall not be subject to
2 liquor commission rules relating to percentage fees.
- 3 (r) Class 18. Distillery pub licenses. A distillery pub
4 licensee:
- 5 (1) Shall manufacture not more than seventy-seven thousand
6 gallons of distilled beverages on the licensee's
7 premises during the license year;
- 8 (2) May sell distilled beverages manufactured on the
9 licensee's premises from fruits or other products
10 grown in the State for consumption on the premises;
- 11 (3) May sell intoxicating liquor purchased from a class 1
12 manufacturer licensee or a class 3 wholesale dealer
13 licensee to consumers for consumption on the
14 licensee's premises. The categories of establishments
15 shall be as follows:
- 16 (A) A standard bar; or
- 17 (B) Premises in which live entertainment or recorded
18 music is provided. Facilities for dancing by the
19 patrons may be permitted as provided by
20 commission rules;
- 21 (4) May sell distilled beverages manufactured on the
22 licensee's premises from fruits or other products



1 grown in the State in distillery-sealed containers to
2 any person for private, off-premises consumption;

3 (5) Shall comply with all regulations pertaining to class
4 4 retail licensees when engaging in the retail sale of
5 distilled beverages;

6 (6) May sell distilled beverages manufactured on the
7 licensee's premises from fruits or other products
8 grown in the State in distillery-sealed containers
9 directly to class 2 restaurant licensees, class 3
10 wholesale dealer licensees, class 4 retail dealer
11 licensees, class 5 dispenser licensees, class 6 club
12 licensees, class 8 transient vessel licensees, class 9
13 tour or cruise vessel licensees, class 10 special
14 licensees, class 11 cabaret licensees, class 12 hotel
15 licensees, class 13 caterer licensees, class 14
16 brewpub licensees, class 15 condominium hotel
17 licensees, class 18 distillery pub licensees, and
18 consumers pursuant to conditions imposed by county
19 regulations governing class 1 manufacturer licensees
20 and class 3 wholesale dealer licensees; and



1 (7) May conduct the activities under paragraphs (1) to (6)
2 at one location other than the licensed premises;
3 provided that:

4 (A) The manufacturing takes place in Hawaii; and

5 (B) The other location is properly licensed under the
6 same ownership.

7 [~~(s)~~] (s) Restaurants, retail dealers, dispensers, clubs,
8 cabarets, hotels, caterers, brewpubs, condominium hotels, [~~and~~]
9 bring-your-own-beverage establishments, and distillery pubs
10 licensed under class 2, class 4, class 5, class 6, class 11,
11 class 12, class 13, class 14, class 15, [~~and~~] class 17, and
12 class 18 shall maintain at all times liquor liability insurance
13 coverage in an amount not less than \$1,000,000; provided that
14 convenience minimarts holding a class 4 license shall not be
15 required to maintain liquor liability insurance coverage in that
16 amount. Proof of coverage shall be kept on the premises and
17 shall be made available for inspection by the commission at any
18 time during the licensee's regular business hours. In the event
19 of a licensee's failure to obtain or maintain the required
20 coverage, the commission shall refuse to issue or renew a
21 license or shall suspend or terminate the license as



1 appropriate. No license shall be granted, reinstated, or
2 renewed until after the required insurance coverage is obtained.

3 ~~[(s)]~~ (t) It shall be unlawful for any retail licensee
4 except a class 10 licensee to purchase or acquire liquor from
5 any person other than a wholesaler licensed pursuant to this
6 chapter, except as otherwise provided in this section.

7 ~~[(t)]~~ (u) Any provision to the contrary notwithstanding, a
8 patron may remove from any class of licensed premises any
9 portion of wine, liquor, or beer that was purchased on or
10 brought onto the premises of the licensee engaged in meal
11 service for consumption with a meal; provided that it is
12 recorked or resealed in its original container.

13 ~~[(u)]~~ (v) Sections 281-57 to 281-60 shall not apply to
14 classes 8, 9, 10, and 13."

15 SECTION 3. Section 281-61, Hawaii Revised Statutes, is
16 amended by amending subsection (c) to read as follows:

17 "(c) The commission or board shall deny renewal of a class
18 2, class 4, class 5, class 6, class 11, class 12, class 13,
19 class 14, class 15, ~~[(e)]~~ class 17, or class 18 license if the
20 applicant for renewal fails to present proof of the liquor
21 liability insurance required by section ~~[281-31(r)]~~ 281-31(s)."



1 SECTION 4. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 5. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval.
7

~~Tom Brown~~ INTRODUCED BY: Tom Brown

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Report Title:

Intoxicating Liquor; Distillery Pub; Licenses

Description:

Establishes new class of Liquor Commission licensees for distillery pubs.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

