

JAN 23 2014

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# A BILL FOR AN ACT

RELATING TO LIQUOR LICENSE CLASSES.

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

1 SECTION 1. The purpose of this Act is to:

2 (1) Remove the requirement that a class 14 brewpub  
3 licensee manufacture not more than thirty thousand  
4 barrels of malt beverages on the licensee's premises  
5 during the license year;

6 (2) Establish a new class 18 liquor license class for  
7 small craft producer pubs; and

8 (3) Make conforming amendments relating to liquor license  
9 classes.

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

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

15 SECTION 3. Section 281-31, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "**§281-31 Licenses, classes.** (a) Licenses may be granted  
18 by the liquor commission as provided in this section.



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

- 3 (1) Manufacture the liquor therein specified;
- 4 (2) Sell it in original packages to any wholesaler who  
5 holds a license to resell it; and
- 6 (3) Sell beer, wine, or other specified liquor  
7 manufactured or distilled on the licensee's premises  
8 from fruits or other products grown in the State, in  
9 any quantity:

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

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

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

- 16 (1) Beer;
- 17 (2) Wine;
- 18 (3) Alcohol; and
- 19 (4) Other specified liquor.

20 It shall be unlawful for any holder of a manufacturer  
21 license to have any interest whatsoever in the license or  
22 licensed premises of any other licensee. This subsection shall



1 not prevent the holder of a manufacturer license under this  
2 chapter or under the law of another jurisdiction from  
3 maintaining any interest in the license or licensed premises of  
4 a wholesale dealer licensee under this chapter.

5 (c) Class 2. Restaurant license.

6 (1) A license under this class shall authorize the  
7 licensee to sell liquor specified in this subsection  
8 for consumption on the premises; provided that a  
9 restaurant licensee, with commission approval, may  
10 provide off-premises catering of food and liquor;  
11 provided further that the catering activity shall be  
12 directly related to the licensee's operation as a  
13 restaurant. A licensee under this class shall be  
14 issued a license according to the category of  
15 establishment the licensee owns or operates. The  
16 categories of establishment shall be as follows:  
17 (A) A standard bar; or  
18 (B) Premises in which live entertainment or recorded  
19 music is provided. Facilities for dancing by the  
20 patrons may be permitted as provided by  
21 commission rules.



1 (2) If a licensee under class 2 desires to change the  
2 category of establishment the licensee owns or  
3 operates, the licensee shall apply for a new license  
4 applicable to the category of the licensee's  
5 establishment.

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

- 7 (A) General (includes all liquor except alcohol);
- 8 (B) Beer and wine; and
- 9 (C) Beer.

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

14 (d) Class 3. Wholesale dealer license. A license for the  
15 sale of liquor at wholesale shall authorize the licensee to  
16 import and sell only to licensees or to others who are by law  
17 authorized to resell the liquor specified by the license but are  
18 not by law required to hold a license; provided that a class 3  
19 licensee may sell samples of liquor back to the manufacturer.  
20 Under a class 3 license, no liquor shall be consumed on the  
21 premises except as authorized by the commission. Of this class,  
22 there shall be the following kinds:



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

2 (2) Beer and wine; and

3 (3) Alcohol.

4 If any wholesale dealer solicits or takes any orders in any  
5 county other than that where the dealer's place of business is  
6 located, the orders may be filled only by shipment direct from  
7 the county in which the wholesale dealer holds the dealer  
8 license. Nothing in this subsection shall prevent a wholesaler  
9 from selling liquor to post exchanges, ships' service stores,  
10 army or navy officers' clubs, or similar organizations located  
11 on army or navy reservations, or to any vessel other than  
12 vessels performing a regular water transportation service  
13 between any two or more ports in the State, or to aviation  
14 companies who operate an aerial transportation enterprise  
15 subject to chapter 269 and engaged in regular flight passenger  
16 services between any two or more airports in the State for use  
17 on aircraft, or aviation companies engaged in transpacific  
18 flight operations for use on aircraft outside the jurisdiction  
19 of the State.

20 (e) Class 4. Retail dealer license. A license to sell  
21 liquor at retail or to class 10 licensees shall authorize the  
22 licensee to sell the liquor therein specified in their original



1 packages. Under a class 4 license, no liquor shall be consumed  
2 on the premises except as authorized by the commission. Of this  
3 class, there shall be the following kinds:

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

5 (2) Beer and wine; and

6 (3) Alcohol.

7 (f) Class 5. Dispenser license.

8 (1) A license under this class shall authorize the  
9 licensee to sell liquor specified in this subsection  
10 for consumption on the premises. A licensee under  
11 this class shall be issued a license according to the  
12 category of establishment the licensee owns or  
13 operates. The categories of establishments shall be  
14 as follows:

15 (A) A standard bar;

16 (B) Premises in which a person performs or entertains  
17 unclothed or in attire restricted to use by  
18 entertainers pursuant to commission rules;

19 (C) Premises in which live entertainment or recorded  
20 music is provided; provided that facilities for  
21 dancing by the patrons may be permitted as  
22 provided by commission rules; or



1 (D) Premises in which employees or entertainers are  
2 compensated to sit with patrons, regardless of  
3 whether the employees or entertainers are  
4 consuming nonalcoholic beverages while in the  
5 company of the patrons pursuant to commission  
6 rules.

7 (2) If a licensee under class 5 desires to change the  
8 category of establishment the licensee owns or  
9 operates, the licensee shall apply for a new license  
10 applicable to the category of the licensee's  
11 establishment.

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

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

14 (B) Beer and wine; and

15 (C) Beer.

16 (g) Class 6. Club license. A club license shall be  
17 general only but shall exclude alcohol and shall authorize the  
18 licensee to sell liquor to members of the club and to guests of  
19 the club enjoying the privileges of membership for consumption  
20 only on the premises kept and operated by the club; provided  
21 that the license shall also authorize any club member to keep in  
22 the member's private locker on the premises a reasonable



1 quantity of liquor owned by the member for the member's own  
2 personal use and not to be sold that may be consumed only on the  
3 premises. A club licensee shall be authorized to host  
4 charitable functions that are open to the general public only  
5 pursuant to commission rules.

6 The categories of establishment shall be as follows:

7 (1) A standard bar; or

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

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

20 (i) Class 9. Tour or cruise vessel license. A general  
21 license may be granted to the owner of any tour or cruise vessel  
22 for the sale of liquor other than alcohol on board the vessel





1 while in the waters of the State; provided that sales be made  
2 only for consumption by passengers on board while the vessel is  
3 in operation outside the port or dock of any island of the  
4 State, unless otherwise approved by the county where the license  
5 has been issued. The license shall be issuable in the county  
6 where the home port of the vessel is situated. If, on any  
7 vessel for which no license has been obtained under this  
8 chapter, any liquor is sold or served within three miles of the  
9 shore of any island of the State, it shall constitute a  
10 violation of this chapter.

11 The categories of establishment shall be as follows:

- 12 (1) A standard bar; or  
13 (2) Premises in which live entertainment or recorded music  
14 is provided. Facilities for dancing by the patrons  
15 may be permitted as provided by commission rules.

16 (j) Class 10. Special license. A special license may be  
17 granted for the sale of liquor for a period not to exceed three  
18 days and pursuant to commission rule may be approved by the  
19 administrator for fundraising events by nonprofit organizations,  
20 political candidates, and political parties; provided that any  
21 registered educational or charitable nonprofit organization may



1 sell liquors in their original packages for off-premises  
2 consumption. Of this class, there shall be the following kinds:

- 3 (1) General (includes all liquor except alcohol);
- 4 (2) Beer and wine; and
- 5 (3) Beer.

6 Liquor sold under a class 10 license shall be consumed on the  
7 premises.

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

- 18 (1) A cabaret license for premises where professional  
19 entertainment by persons who perform or entertain  
20 unclothed was presented on a regular and consistent  
21 basis immediately prior to June 15, 1990; or



1           (2) A cabaret license that, pursuant to rules adopted by  
2           the liquor commission, permits professional  
3           entertainment by persons who perform or entertain  
4           unclothed.

5           A cabaret license under paragraph (1) or (2) authorizing  
6           professional entertainment by persons who perform or entertain  
7           unclothed shall be transferable through June 30, 2000. A  
8           cabaret license under paragraph (1) or (2) authorizing  
9           professional entertainment by persons who perform or entertain  
10          unclothed shall not be transferable after June 30, 2000, except  
11          upon approval by the liquor commission and pursuant to rules  
12          adopted by the commission. Notwithstanding any rule of the  
13          liquor commission to the contrary, cabarets in resort areas may  
14          be opened for the transaction of business until 4 a.m.  
15          throughout the entire week.

16          (1) Class 12. Hotel license. A license to sell liquor in  
17          a hotel shall authorize the licensee to provide entertainment  
18          and dancing on the hotel premises and to sell all liquor except  
19          alcohol for consumption on the premises; provided that a hotel  
20          licensee, with commission approval, may provide off-premises  
21          catering of food and liquor if the catering activity is directly  
22          related to the licensee's food service.



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

5 Any licensee who would otherwise fall within the hotel  
6 license class but holds a different class of license may be  
7 required to apply for a hotel license.

8 If the licensee applies for a change of classification  
9 prior to July 30, 1992, the licensee shall not be subject to the  
10 requirements of sections 281-52, 281-54, and 281-57 through 281-  
11 59.

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

18 If a licensee holding a class 12 license on May 1, 2007  
19 applies for a change to a class 15 license, the respective  
20 liquor commission shall hold a public hearing upon notice. On  
21 the day of hearing or any adjournment thereof, the liquor  
22 commission shall consider the application, accept all written or



1 oral testimony for or against the application, and render its  
2 decision granting or refusing the application. If the  
3 application is denied, the class 12 license shall continue in  
4 effect in accordance with law.

5 (m) Class 13. Caterer license. A general license may be  
6 granted to any applicant who serves food as part of their  
7 operation for the sale of liquor other than alcohol while  
8 performing food catering functions off the premises.

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

17 (n) Class 14. Brewpub license. A brewpub licensee:  
18 [~~(1)~~ ~~Shall manufacture not more than thirty thousand~~  
19 ~~barrels of malt beverages on the licensee's premises~~  
20 ~~during the license year;~~  
21 ~~(2)~~ (1) May sell malt beverages manufactured on the  
22 licensee's premises for consumption on the premises;



1        [~~3~~] (2)    May sell malt beverages manufactured by the  
2                    licensee in brewery-sealed packages to class 3  
3                    wholesale dealer licensees pursuant to conditions  
4                    imposed by the county by ordinance or rule;

5        [~~4~~] (3)    May sell intoxicating liquor purchased from a  
6                    class 1 manufacturer licensee or a class 3 wholesale  
7                    dealer licensee to consumers for consumption on the  
8                    licensee's premises.    The categories of establishments  
9                    shall be as follows:

10                    (A)    A standard bar; or

11                    (B)    Premises in which live entertainment or recorded  
12                    music is provided.    Facilities for dancing by the  
13                    patrons may be permitted as provided by  
14                    commission rules;

15        [~~5~~] (4)    May sell malt beverages manufactured on the  
16                    licensee's premises to consumers in brewery-sealed  
17                    kegs and growlers for off-premises consumption;  
18                    provided that for purposes of this paragraph,  
19                    "growler" means a glass or metal container, not to  
20                    exceed one half-gallon, which shall be securely  
21                    sealed;



- 1        [~~(6)~~] (5) May sell malt beverages manufactured on the  
2                    licensee's premises in recyclable containers provided  
3                    by the licensee or by the consumer which do not exceed  
4                    one gallon per container and are securely sealed on  
5                    the licensee's premises to consumers for off-premises  
6                    consumption;
- 7        [~~(7)~~] (6) Shall comply with all regulations pertaining to  
8                    class 4 retail dealer licensees when engaging in the  
9                    retail sale of malt beverages;
- 10       [~~(8)~~] (7) May sell malt beverages manufactured on the  
11                   licensee's premises in brewery-sealed containers  
12                   directly to class 2 restaurant licensees, class 3  
13                   wholesale dealer licensees, class 4 retail dealer  
14                   licensees, class 5 dispenser licensees, class 6 club  
15                   licensees, class 8 transient vessel licensees, class 9  
16                   tour or cruise vessel licensees, class 10 special  
17                   licensees, class 11 cabaret licensees, class 12 hotel  
18                   licensees, class 13 caterer licensees, class 14  
19                   brewpub licensees, class 15 condominium hotel  
20                   licensees, class 18 small craft producer pub  
21                   licensees, and consumers pursuant to conditions  
22                   imposed by county regulations governing class 1



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

3 ~~[(9)]~~ (8) May conduct the activities under paragraphs (1)  
4 to ~~[(8)]~~ (7) at one location other than the licensee's  
5 premises; provided that:

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

7 (B) The other location is properly licensed under the  
8 same ownership.

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

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

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





1 Any licensee who would otherwise meet the criteria for the  
2 condominium hotel license class but holds a different class of  
3 license may be required to apply for a condominium hotel  
4 license.

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

6 (1) Shall manufacture not more than ten thousand barrels  
7 of wine on the licensee's premises during the license  
8 year;

9 (2) May sell wine manufactured on the licensee's premises  
10 for consumption on the premises;

11 (3) May sell wine manufactured by the licensee in winery-  
12 sealed packages to class 3 wholesale dealer licensees  
13 pursuant to conditions imposed by the county by  
14 ordinance or rule;

15 (4) May sell wine manufactured on the licensee's premises  
16 in winery-sealed kegs and magnums to consumers for  
17 off-premises consumption; provided that for purposes  
18 of this paragraph, "magnum" means a glass container  
19 not to exceed one half-gallon, which may be securely  
20 sealed;

21 (5) May sell wine manufactured on the licensee's premises  
22 in recyclable containers provided by the licensee or



1 by the consumer which do not exceed one gallon per  
2 container and are securely sealed on the licensee's  
3 premises to consumers for off-premises consumption;

4 (6) Shall comply with all rules pertaining to class 4  
5 retail dealer licensees when engaging in the retail  
6 sale of wine; and

7 (7) May sell wine manufactured on the licensee's premises  
8 in winery-sealed containers directly to class 2  
9 restaurant licensees, class 3 wholesale dealer  
10 licensees, class 4 retail dealer licensees, class 5  
11 dispenser licensees, class 6 club licensees, class 8  
12 transient vessel licensees, class 9 tour or cruise  
13 vessel licensees, class 10 special licensees, class 11  
14 cabaret licensees, class 12 hotel licensees, class 13  
15 caterer licensees, class 14 brewpub licensees, [and]  
16 class 15 condominium hotel licensees, and class 18  
17 small craft producer pub licensees pursuant to  
18 conditions imposed by county planning and public works  
19 departments and rules governing class 3 wholesale  
20 dealer licensees.

21 (q) Class 17. Bring-your-own-beverage license. In  
22 counties having a population in excess of 500,000, there is



1 established a class 17 license; provided that in a county having  
2 a population of 500,000 or less, the respective commission may  
3 establish a class 17 license to which this subsection shall  
4 apply.

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

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

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

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



1 applicable to the category of the licensee's  
2 establishment.

3 (3) A licensee under this class shall not be subject to  
4 liquor commission rules relating to percentage fees.

5 (r) Class 18. Small craft producer pub license. A small  
6 craft producer pub licensee:

7 (1) Shall manufacture not more than:

8 (A) Sixty thousand barrels of malt beverages;

9 (B) Twenty thousand barrels of wine; or

10 (C) Seven thousand five hundred barrels of alcohol on  
11 the licensee's premises during the license year;  
12 provided that for purposes of this paragraph,  
13 "barrel" means a container not exceeding thirty-  
14 one gallons or wine gallons of liquor;

15 (2) May sell malt beverages, wine, or alcohol manufactured  
16 on the licensee's premises for consumption on the  
17 premises;

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



1       (4) May sell intoxicating liquor purchased from a class 1  
2       manufacturer licensee or a class 3 wholesale dealer  
3       licensee to consumers for consumption on the  
4       licensee's premises. The categories of establishments  
5       shall be as follows:

6       (A) A standard bar; or

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

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

17       (6) May sell malt beverages, wine, or alcohol manufactured  
18       on the licensee's premises in recyclable containers  
19       provided by the licensee or by the consumer which do  
20       not exceed:

21       (A) One gallon per container for malt beverages and  
22       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 regulations pertaining to class  
5           4 retail dealer licensees when engaging in the retail  
6           sale of malt beverages, wine, and alcohol;  
7           (8) May sell malt beverages, wine, and alcohol  
8           manufactured on the licensee's premises in producer-  
9           sealed containers directly to class 2 restaurant  
10           licensees, class 3 wholesale dealer licensees, class 4  
11           retail dealer licensees, class 5 dispenser licensees,  
12           class 6 club licensees, class 8 transient vessel  
13           licensees, class 9 tour or cruise vessel licensees,  
14           class 10 special licensees, class 11 cabaret  
15           licensees, class 12 hotel licensees, class 13 caterer  
16           licensees, class 14 brewpub licensees, class 15  
17           condominium hotel licensees, class 18 small craft  
18           producer pub licensees, and consumers pursuant to  
19           conditions imposed by county regulations governing  
20           class 1 manufacturer licensees and class 3 wholesale  
21           dealer licensees; and



1        (9) May conduct the activities under paragraphs (1) to (8)  
2        at one location other than the licensee's 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 small craft producer  
10 pubs 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 4. Section 281-33.6, Hawaii Revised Statutes, is  
16 amended as follows:

17 1. By amending subsection (a) to read:

18 "(a) Any person holding:

19 (1) A general excise tax license from the department of  
20 taxation; and

21 (2) Either:





1 (A) A class 1 [~~0~~], class 16, or class 18 license to  
2 manufacture wine under section 281-31; or

3 (B) A license to manufacture wine issued by another  
4 state,

5 may pay any applicable fees and obtain a direct wine shipper  
6 permit from the liquor commission of the county to which the  
7 wine will be shipped authorizing the holder to directly ship  
8 wine to persons in the county pursuant to this section."

9 2. By amending subsection (c) to read:

10 "(c) The holder of a license to manufacture wine issued by  
11 another state may annually renew a direct wine shipper permit by  
12 providing the liquor commission that issued the permit with a  
13 copy of the license and paying all required fees. The holder of  
14 a class 1 [~~0~~], class 16, or class 18 license to manufacture  
15 wine under section 281-31 may renew a direct wine shipper permit  
16 concurrently with the class 1 license by complying with all  
17 applicable laws and paying all required fees."

18 SECTION 5. Section 281-45, Hawaii Revised Statutes, is  
19 amended to read as follows:

20 "**§281-45 No license issued, when.** No license shall be  
21 issued under this chapter:



- 1           (1) To any minor or to any person who has been convicted  
2           of a felony and not pardoned, or to any other person  
3           not deemed by the commission to be a fit and proper  
4           person to have a license; provided that the commission  
5           may grant a license under this chapter to a  
6           corporation that has been convicted of a felony where  
7           the commission finds that the corporation's officers  
8           and shareholders of twenty-five per cent or more of  
9           outstanding stock are fit and proper persons to have a  
10          license;
- 11          (2) To a corporation the officers and directors of which,  
12          or any of them, would be disqualified under paragraph  
13          (1) from obtaining the license individually, or a  
14          stockholder of which, owning or controlling twenty-  
15          five per cent or more of the outstanding capital  
16          stock, or to a general partnership, limited  
17          partnership, limited liability partnership, or limited  
18          liability company whose partner or member holding  
19          twenty-five per cent or more interest of which, or any  
20          of them would be disqualified under paragraph (1) from  
21          obtaining the license individually;



- 1           (3) Unless the applicant for a license or a renewal of a  
2           license, or in the case of a transfer of a license,  
3           both the transferor and the transferee, present to the  
4           issuing agency a signed certificate from the director  
5           of taxation and from the Internal Revenue Service  
6           showing that the applicant or the transferor and  
7           transferee do not owe the state or federal governments  
8           any delinquent taxes, penalties, or interest; or that  
9           the applicant, or in the case of a transfer of a  
10          license, the transferor or transferee, has entered  
11          into an installment plan agreement with the department  
12          of taxation and the Internal Revenue Service for the  
13          payment of delinquent taxes in installments and that  
14          the applicant is or the transferor or transferee is,  
15          in the case of a transfer of a license, complying with  
16          the installment plan agreement; or
- 17          (4) To an applicant for a class 2, class 4 except for  
18          convenience minimarts, class 5, class 6, class 11,  
19          class 12, class 13, class 14, class 15, [~~or~~] class 17,  
20          or class 18 license unless the applicant for issuance  
21          of a license or renewal of a license, or in the case  
22          of a transfer of a license, both the transferor and



1 the transferee, present to the issuing agency proof of  
2 liquor liability insurance coverage in an amount of  
3 \$1,000,000; or

4 (5) To any applicant who has had any liquor license  
5 revoked less than two years previous to the date of  
6 the application for any like or other license under  
7 this chapter."

8 SECTION 6. Section 281-61, Hawaii Revised Statutes, is  
9 amended by amending subsection (c) to read as follows:


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

15 SECTION 7. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect upon its approval.

18

INTRODUCED BY: Russell H. Baker



# S.B. NO. 3042

**Report Title:**

Liquor; Liquor License Classes; Brewpubs; Small Craft Producer Pubs

**Description:**

Removes requirement that a class 14 brewpub licensee manufacture not more than thirty thousand barrels of malt beverages on the licensee's premises during the license year. Establishes a new class 18 liquor license class for small craft producer pubs. Makes conforming amendments relating to liquor license classes.

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

