

Honolulu, Hawaii

, 2018

MAR 16

RE: S.B. No. 2711
S.D. 1
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred S.B. No. 2711, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to stimulate and diversify Hawaii's economy by:

- (1) Authorizing brewpub and small craft producer pub licensees to conduct liquor sales at multiple, appropriately licensed premises;
- (2) Increasing the maximum amount that a small craft producer pub licensee can manufacture from 60,000 barrels to 100,000 barrels of malt beverages;
- (3) Specifying that brewpubs and small craft producer pubs may sell malt beverages in growlers that may be recyclable containers of up to one gallon; and
- (4) Permitting direct shipping of malt beverages and spirits under the same conditions as are currently permitted for direct shipment of wine.



The Hawaiian Craft Brewers Guild, Maui Brewing Company, Kauai Beer Company, Taps and Apps LLC., Honolulu BeerWorks, REAL a gastropub, Bent Tail Brewing Company, Lanikai Brewing Company, Kaua'i Island Brewing Company, LLC., Beer Lab HI, Big Island Brewhaus, Homebrew in Paradise, Broken Boundary Brewery, LLC, Waikiki Brewing Company, and Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i testified in support of this measure. Kona Brewing Company testified in support of the intent of this measure. The Liquor Commission of the City and County of Honolulu provided comments.

Your Committee has amended this measure by:

- (1) Deleting provisions exempting the opening of additional locations by brewpub and small craft producer pub licensees from liquor commission public hearing requirements;
- (2) Limiting the number of additional locations where a small craft producer pub licensee may conduct manufacturing and liquor sales to five appropriately licensed premises statewide, in addition to the licensee's primary manufacturing premises;
- (3) Increasing the maximum amount of malt beverage that a small craft producer pub licensee is allowed to manufacture to 350,000 barrels statewide and limiting the maximum amount of malt beverage that may be manufactured at a single location to 125,000 barrels;
- (4) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2711, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2711, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



CINDY EVANS, Chair



