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# A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

1           SECTION 1. The legislature finds that Hawaii's liquor laws  
2 contain inconsistencies regarding liquor manufacturing and  
3 sales. Furthermore, it is necessary to allow brewpubs and small  
4 craft producer pubs that manufacture beer solely in the State to  
5 obtain a direct shipper permit because such businesses usually  
6 do not have access to distributors that can export their beer  
7 out of state.

8           Accordingly, the purpose of this Act is to:

- 9           (1) Permit small craft producer pub licensees to  
10           manufacture not more than 125,000 barrels of malt  
11           beverages on the licensee's premises per year;
- 12           (2) Allow brewpub licensees and small craft producer pub  
13           licensees to conduct certain activities at satellite  
14           locations;
- 15           (3) Clarify the definition of "growler"; and



1 (4) Allow brewpub licensees and small craft producer pub  
 2 licensees that manufacture beer solely in the State to  
 3 obtain a direct shipper permit.

4 SECTION 2. Section 281-31, Hawaii Revised Statutes, is  
 5 amended as follows:

6 1. By amending subsection (n) to read:

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

8 (1) May sell malt beverages manufactured on the licensee's  
 9 premises for consumption on the premises;

10 (2) May sell malt beverages manufactured by the licensee  
 11 in brewery-sealed packages to class 3 wholesale dealer  
 12 licensees pursuant to conditions imposed by the county  
 13 by ordinance or rule;

14 (3) May sell intoxicating liquor purchased from a class 3  
 15 wholesale dealer licensee to consumers for consumption  
 16 on the licensee's premises. The categories of  
 17 establishments shall be as follows:

18 (A) A standard bar; or

19 (B) Premises in which live entertainment or recorded  
 20 music is provided. Facilities for dancing by the



1 patrons may be permitted as provided by  
2 commission rules;

3 (4) May, subject to federal labeling and bottling  
4 requirements, sell malt beverages manufactured on the  
5 licensee's premises to consumers in brewery-sealed  
6 kegs and recyclable or reusable containers and sell  
7 malt beverages manufactured on the licensee's premises  
8 or purchased from a class 1 manufacturer licensee, a  
9 class 3 wholesale dealer licensee, a class 14 brewpub  
10 licensee, or a class 18 small craft producer pub  
11 licensee to consumers in growlers for off-premises  
12 consumption; provided that for purposes of this  
13 paragraph, "growler" means a [~~glass, ceramic, or~~  
14 ~~metal~~] recyclable or reusable container[~~7~~] that does  
15 not [~~to~~] exceed one [~~half-gallon, which shall be~~  
16 ~~securely sealed~~;

17 ~~(5) May, subject to federal labeling and bottling~~  
18 ~~requirements, sell malt beverages manufactured on the~~  
19 ~~licensee's premises in recyclable containers provided~~  
20 ~~by the licensee or by the consumer which do not exceed~~  
21 ~~one] gallon [~~per container~~] and [~~are~~] is securely~~



1 sealed on the licensee's premises [~~to consumers for~~  
2 ~~off-premises consumption~~];

3 [~~(6)~~] (5) Shall comply with all [~~regulations~~] requirements  
4 pertaining to class 4 retail dealer licensees when  
5 engaging in the retail sale of malt beverages;

6 [~~(7)~~] (6) May, subject to federal labeling and bottling  
7 requirements, sell malt beverages manufactured on the  
8 licensee's premises in brewery-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 small craft producer pub  
18 licensees, and consumers pursuant to conditions  
19 imposed by county [~~regulations~~] ordinances or rules  
20 governing class 1 manufacturer licensees and class 3  
21 wholesale dealer licensees;



- 1       ~~[(8)]~~ (7) May conduct the activities under paragraphs (1)  
2       to ~~[(7)]~~ (6) at ~~[one location]~~ locations other than  
3       the licensee's primary manufacturing premises;  
4       provided that:
- 5       (A) The manufacturing takes place in Hawaii; ~~[and]~~
- 6       (B) ~~[The]~~ Each of the other [location is] locations:
- 7           (i) Operates within the State under the same  
8           trade name for the premises; and
- 9           (ii) Is properly licensed [under the same  
10          ~~ownership,]~~ within the county of its  
11          operation as a class 1 manufacturer  
12          licensee, class 2 restaurant licensee, class  
13          4 retail dealer licensee, class 5 dispenser  
14          licensee, class 12 hotel licensee, class 14  
15          brewpub licensee, or class 18 small craft  
16          producer pub licensee;
- 17       (C) The county liquor department of the county in  
18       which the licensee satellite is located shall  
19       have jurisdiction of the satellite; and
- 20       (D) All requirements of the license class of the  
21       location shall be in effect as required by the



- 1                   county liquor commission for the satellite  
2                   licensed premises; and
- 3       ~~[(9)]~~ (8) May allow minors, who are accompanied by a parent  
4                   or legal guardian of legal drinking age, on the  
5                   licensee's premises."
- 6       2. By amending subsection (r) to read:
- 7       "(r) Class 18. Small craft producer pub license. A small  
8 craft producer pub licensee:
- 9       (1) Shall manufacture not more than:
- 10           (A) ~~[Sixty]~~ One hundred twenty-five thousand barrels  
11                   of malt beverages;
- 12           (B) Twenty thousand barrels of wine; or
- 13           (C) Seven thousand five hundred barrels of alcohol on  
14                   the licensee's premises during the license year;  
15                   provided that for purposes of this paragraph, "barrel"  
16                   means a container not exceeding thirty-one gallons or  
17                   wine gallons of liquor;
- 18       (2) May sell malt beverages, wine, or alcohol manufactured  
19                   on the licensee's premises for consumption on the  
20                   premises;



- 1 (3) May sell malt beverages, wine, or alcohol manufactured  
2 by the licensee in producer-sealed packages to class 3  
3 wholesale dealer licensees pursuant to conditions  
4 imposed by the county by ordinance or rule;
- 5 (4) May sell intoxicating liquor purchased from a class 3  
6 wholesale dealer licensee to consumers for consumption  
7 on the licensee's premises. The categories of  
8 establishments shall be as follows:
- 9 (A) A standard bar; or
- 10 (B) Premises in which live entertainment or recorded  
11 music is provided. Facilities for dancing by the  
12 patrons may be permitted as provided by  
13 commission rules;
- 14 (5) May, subject to federal labeling and bottling  
15 requirements, sell malt beverages manufactured on the  
16 licensee's premises to consumers in producer-sealed  
17 kegs and recyclable or reusable containers and sell  
18 malt beverages manufactured on the licensee's premises  
19 or purchased from a class 1 manufacturer licensee, a  
20 class 3 wholesale dealer licensee, a class 14 brewpub  
21 licensee, or a class 18 small craft producer pub



1 licensee to consumers in growlers for off-premises  
2 consumption; provided that for purposes of this  
3 paragraph, "growler" means a [~~glass, ceramic, or~~  
4 ~~metal~~] recyclable or reusable container[~~7~~] that does  
5 not [~~to~~] exceed one [~~half-gallon,~~] gallon, which shall  
6 be securely sealed;

7 (6) May, subject to federal labeling and bottling  
8 requirements, sell [~~malt beverages,~~] wine[~~7~~] or  
9 alcohol manufactured on the licensee's premises in  
10 recyclable containers provided by the licensee or by  
11 the consumer which do not exceed:

12 (A) One gallon per container for [~~malt beverages and~~]  
13 wine; and

14 (B) One liter for alcohol; and

15 are securely sealed on the licensee's premises to  
16 consumers for off-premises consumption;

17 (7) Shall comply with all [~~regulations~~] requirements  
18 pertaining to class 4 retail dealer licensees when  
19 engaging in the retail sale of malt beverages, wine,  
20 and alcohol;





- 1 (8) May, subject to federal labeling and bottling  
2 requirements, sell malt beverages, wine, and alcohol  
3 manufactured on the licensee's premises in producer-  
4 sealed containers directly to class 2 restaurant  
5 licensees, class 3 wholesale dealer licensees, class 4  
6 retail dealer licensees, class 5 dispenser licensees,  
7 class 6 club licensees, class 8 transient vessel  
8 licensees, class 9 tour or cruise vessel licensees,  
9 class 10 special licensees, class 11 cabaret  
10 licensees, class 12 hotel licensees, class 13 caterer  
11 licensees, class 14 brewpub licensees, class 15  
12 condominium hotel licensees, class 18 small craft  
13 producer pub licensees, and consumers pursuant to  
14 conditions imposed by county [~~regulations~~] ordinances  
15 or rules governing class 1 manufacturer licensees and  
16 class 3 wholesale dealer licensees;
- 17 (9) May conduct the activities under paragraphs (1) to (8)  
18 at [~~one location~~] locations other than the licensee's  
19 premises; provided that:
- 20 (A) The manufacturing takes place in Hawaii; [~~and~~]  
21 (B) [~~The~~] Each of the other [~~location is~~] locations:



- 1            (i) Operates within the State under the same
- 2            trade name for the premises; and
- 3            (ii) Is properly licensed [~~under the same~~
- 4            ownership,] within the county of its
- 5            operation as a class 1 manufacturer
- 6            licensee, class 2 restaurant licensee, class
- 7            4 retail dealer licensee, class 5 dispenser
- 8            licensee, class 12 hotel licensee, class 14
- 9            brewpub licensee, or class 18 small craft
- 10           producer pub licensee;
- 11           (C) The county liquor department of the county in
- 12           which the licensee satellite is located shall
- 13           have jurisdiction of the satellite; and
- 14           (D) All requirements of the license class of the
- 15           location shall be in effect as required by the
- 16           county liquor commission for the satellite
- 17           licensed premises; and
- 18           (10) May allow minors, who are accompanied by a parent or
- 19           legal guardian of legal drinking age, on the
- 20           licensee's premises."



1 SECTION 3. Section 281-33.6, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§281-33.6 Direct shipment of beer manufactured solely in  
4 the State and wine by wineries. (a) Any person holding:

5 (1) A general excise tax license from the department of  
6 taxation; and

7 (2) Either:

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

10 (B) A license to manufacture wine issued by another  
11 state, or

12 (C) A class 14 or class 18 license to manufacture  
13 beer; provided that the licensee manufactures  
14 beer solely in the State,

15 may pay any applicable fees and obtain a direct wine shipper or  
16 beer shipper permit from the liquor commission of the county to  
17 which the wine or beer will be shipped authorizing the holder to  
18 directly ship wine or beer to persons in the county pursuant to  
19 this section.

20 (b) The holder of a direct wine or beer shipper permit may  
21 sell and annually ship to any person twenty-one years of age or



1 older in the county that issued the permit, no more than six  
2 nine-liter cases of wine, and no more than forty-two gallons of  
3 beer if the beer was manufactured solely in the State per  
4 household for personal use only and not for resale, and shall:

5 (1) Ship wine or beer directly to the person only in  
6 containers that are conspicuously labeled with the  
7 words:

8 "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS  
9 OR OLDER REQUIRED FOR DELIVERY.";

10 (2) Require that the carrier of the shipment obtain the  
11 signature of any person twenty-one years of age or  
12 older before delivering the shipment;

13 (3) Report no later than January 31 of each year to the  
14 liquor commission in each county where a direct wine  
15 or beer shipper permit is held, the total amount of  
16 wine or beer shipped to persons in the county during  
17 the preceding calendar year;

18 (4) Pay all applicable general excise and gallonage taxes.  
19 For gallonage tax purposes, all wine or beer sold  
20 under a direct wine or beer shipper permit shall be  
21 deemed to be wine or beer sold in the State; and



1 (5) Be subject to audit by the liquor commission of each  
2 county in which a permit is held.

3 (c) The holder of a license to manufacture wine or beer  
4 issued by another state may annually renew a direct wine or beer  
5 shipper permit by providing the liquor commission that issued  
6 the permit with a copy of the license and paying all required  
7 fees. The holder of a class 1, class 14, class 16, or class 18  
8 license to manufacture wine or beer under section 281-31 may  
9 renew a direct wine or beer shipper permit concurrently with the  
10 [~~class 1~~] applicable license by complying with all applicable  
11 laws and paying all required fees.

12 (d) The sale and shipment of wine or beer directly to a  
13 person in this State by a person that does not possess a valid  
14 direct wine or beer shipper permit is prohibited. Knowingly  
15 violating this law is a misdemeanor.

16 (e) The liquor [+]commission[+] in each county may adopt  
17 rules and regulations necessary to carry out the intent and  
18 purpose of this section."

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

21 SECTION 5. This Act shall take effect on July 1, 2112.



**Report Title:**

Liquor Licenses; Brewpubs; Small Craft Producer Pubs

**Description:**

Permits a small craft producer pub licensee to manufacture not more than 125,000 barrels of malt beverages on the licensee's premises per year. Allows brewpub licensees and small craft producer pub licensees to conduct certain activities at satellite locations. Clarifies the definition of "growler". Allows brewpub licensees and small craft producer pub licensees who manufacture beer solely in the State to obtain a direct shipper permit. (HB546 HD1)

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

