

Honolulu, Hawaii

February 8, 2019

RE: H.B. No. 546

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 546 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Permit a small craft producer pub licensee to manufacture not more than 125,000 barrels of malt beverages on the licensee's premises per year;
- (2) Clarify that a brewpub licensee or small craft producer pub licensee may conduct certain activities at satellite locations other than the licensee's primary manufacturing premises under certain conditions;
- (3) Clarify the definition of "growler"; and
- (4) Allow direct shipment of all forms of liquor, rather than only wine, by certain licensees.

The Hawaiian Craft Brewers Guild, Kauai Beer Company, Waikiki Brewing Company, Maui Brewing Company, Big Island Brewhaus, Lanikai Brewing Company, REAL a gastropub/Bent Tail Brewing Company, and INU ISLAND ALES testified in support of this measure.



The Hawaii Liquor Wholesalers Association testified in opposition to this measure. The Liquor Commission of the City and County of Honolulu, Department of Liquor Control of the County of Kaua'i, and Hawaii Food Industry Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Limiting direct shipment of liquor to only wine by wineries, and beer manufactured solely in the State by brewpub licensees or small craft producer pub licensees;
- (2) Inserting a preamble which explains the intent of the provisions of this measure;
- (3) Changing its effective date to July 1, 2112; and
- (4) 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 H.B. No. 546, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 546, 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,



ANGUS L.K. MCKELVEY, Chair



