

Honolulu, Hawaii

FEB 28 2019

RE: S.B. No. 772

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 772 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Repeal the requirement that a clear and legible notice, placecard, or marker be attached to a faucet, spigot, or outlet from which draft beer is drawn; and
- (2) Require definitions adopted by the counties related to stacking of beer to refer to a standard serving of total volume and beer standard size servings to be limited to forty-four ounces of total volume before a customer at any one time.

Your Committee received testimony in support of this measure from the Hawaiian Craft Brewers Guild, Maui Brewing Company, Honolulu Beerworks, Lanikai Brewing Company, Beer Lab HI, INU Island Ales, Big Island Brewhaus, REAL gastropub/Bent Tail Brewing Company, and Waikiki Brewing Company. Your Committee received testimony in opposition to this measure from the Hawai'i Alcohol Policy Alliance, Hawaii Partnership to Prevent Underage Drinking, and eight individuals. Your Committee received comments on this measure from the City and County of Honolulu Liquor Commission.



Your Committee finds that existing law prohibits licensees or employees from selling draft beer unless it is dispensed from a spigot with an individual tap handle showing the manufacturer's name or brand that is visible within ten feet of the spigot. This requirement is antiquated and not up to date with digital technology or simpler display methods that allow small craft breweries and tap rooms to provide significantly more information to consumers than what is on a tap handle. Furthermore, tap handles are costly and burdensome, especially for small, independent craft breweries that only sell their own beer or provide seasonal brews or specialty offerings that are only on tap for a few days or weeks of the year. Therefore, this measure allows beer taps to be identified via other means and reduces the burden on owners of businesses serving craft beer.

Your Committee further finds that stacking rules, which limit the number of alcoholic beverages that can be in front of a single consumer at any one time, are not uniform amongst the counties. These rules also prohibit smaller craft breweries from serving smaller samples, typically four to six ounces per glass, of a variety of their offerings to a consumer at a single time. Serving flights of smaller volume helps breweries to grow their businesses as craft beer consumers try new, specialty, and seasonal beer choices. This measure defines and standardizes stacking based on a total volume of forty-four ounces, rather than the number of glasses, that can be served at one time.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 772 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



