

**LIQUOR COMMISSION
CITY AND COUNTY OF HONOLULU**

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March 25, 2019

The Honorable Chris Lee, Chair
The Honorable Joy A. San Buenaventura, Vice Chair
and Members of the Committee on Judiciary

House of Representatives
State Capitol, Room 325
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Lee, Vice Chair San Buenaventura, and Members of the Committee:

**SUBJECT: Senate Bill No. 772 HD1
Relating to Liquor Laws**

The Liquor Commission, City and County of Honolulu (Commission), appreciates the opportunity to submit testimony providing **comments** on the above-referenced measure. As a matter of principle, the Commission fully supports legislation that enables licensees to more efficiently operate their businesses but also gives reasonable oversight to regulators in addressing the changing nature of the liquor industry.

The Commission does not believe the proposed elimination of the tap handle requirement in this measure will negatively impact consumer confidence or safety in the draught beer they purchase. The Commission's licensees have found creative and accessible ways of providing product selection information to their customers, and the incidence of customer complaints about being served a draught product they did not buy has been virtually zero in the past 20+ years.

As the Commission repealed its stacking rule in 2017, the proposed definitional requirement in Section 3 of the proposed measure will have no impact on our licensees.

Thank you for the opportunity to testify.

Sincerely,


Franklin Don Pacarro, Jr.
Administrator

FDPjr:ACH



LATE

Cindy Goldstein, PhD
Executive Director
Hawaiian Craft Brewers Guild
98-814 C Kaonohi Street
Aiea, HI 96701

SB 772 H.D.1 Relating to Liquor Laws: Tap Handle Labels and Stacking
House Committee on Judiciary
Wednesday March 27, 2019 at 2:05 p.m. in Conference Room 325

Position: **Support**

Chair Representative Chris Lee, Vice Chair Representative Joy San Buenaventura, and members of the House Committee on Judiciary,

The Hawaiian Craft Brewers Guild is a nonprofit trade organization representing the interests of small craft breweries across the State of Hawaii. Our members are independent craft breweries producing 100% of their beer in Hawaii and represent the majority of craft beer producers in Hawaii. Our members are united in our pursuit to promote economic activity for Hawaii's beer manufacturers and enhance opportunities in our communities.

The Hawaiian Craft Brewers Guild and our member breweries embrace the responsible consumption of alcohol and are proactive in having patrons use ride services such as LYFT, Uber and taxis. Brewery employees are trained to not overserve customers.

Tap Handles

The Hawaiian Craft Brewers Guild supports SB772 H.D.1 revising HRS 281 -78 (b)(7) related to tap handles. The requirement for tap handle labeling is meant to allow consumers to see and identify which beer is poured. The Liquor Commission of the City and County of Honolulu has noted that the incidence of customer complaints about being served a draught product they did not buy has been virtually zero over the past 20 plus years.

We support SB772 H.D.1 because it allows beer taps to be identified through other means and is less burdensome for business owners of brewpubs, taprooms, and other establishments that serve craft beer.

Small craft breweries and taprooms commonly provide information about the beer they are pouring using new technology of display screens and old technology with blackboards. Display screens and boards are placed in close proximity to tap faucets and spigots, visible at the distances called for in current rules for tap handles.

Our Hawaiian Craft Brewers Guild member breweries share additional details with consumers about each beer using boards, screens and beer menus. Consumers are provided with detailed information that allows them to make better choices including percent alcohol in each beer, special ingredients, and style of beer. The extent of information that is provided goes well beyond the name of the brand adopted by the beer manufacturer, which is called for in the requirement for labeling of a tap handle.

Customers are often seated in a section of an establishment where they are unable to see the area where beer is being poured. Placing a label on a tap faucet or spigot does not provide a customer with additional knowledge that the beer they ordered is the one they received if they are not within view of the properly labeled tap handle.

SB772 H.D. 1 removes burdensome tap handle labeling requirements. Hawaii's small craft breweries, tap rooms and brewpubs have a more rapid rotation of products compared with large national brands that rarely change what is offered. Hawaii's small craft beer producers offer seasonal brews that are on tap for a few weeks a year. Breweries make one-time unique specialty brews. As a matter of practicality, brewery brand names and craft beer names are often longer than what can be easily printed on a tap handle.

We support the change to statute proposed in SB772 H.D. 1 by removing the requirement for labeling of tap handles placed on spigots and faucets with the name or brand of the beer. SB772 H.D. 1 would not require the use of tap handles, and at the same time, does not prevent continued use by brands wanting to continue their use.

Stacking rules

The Hawaiian Craft Brewers Guild fully embraces the responsible serving of alcohol. We honor and acknowledge the concerns raised about over consumption of alcohol. Our member breweries are proactive in addressing drinking and driving by encouraging patrons to use ride services such as LYFT, Uber and taxis and by partnering with these services, so patrons are not driving.

We support basing the maximum amount of alcohol that can be served on a total volume of 32 rather than number of glasses served at one time. SB772 H.D. 1 calls for a limit to the total volume of beer that can be served rather than the number of glasses served, which allows craft breweries to continue to be mindful of not over serving alcohol.

Craft breweries often produce several styles. The trend for craft beer consumers is to sample different styles and new offerings. Some customers prefer smaller servings and like the option of a smaller tasting size. Breweries typically serve flight sized glasses of 4 to 5 ounces per glass. Serving flights of smaller volume provides an opportunity for brewery businesses to expand their offerings for customers with new releases, specialty brews, and seasonal beer choices. Visitors often want to sample a variety of craft brews offered, especially unique beer styles with Hawaii grown ingredients.

We support defining stacking of beer based on total volume before a customer at any one time, rather than by number of glasses.

We urge the House Committee on Judiciary to pass this bill. Mahalo for considering our Hawaiian Craft Brewers Guild testimony in support of SB772 H.D.1.

LATE

Kauai Beer Company

James Guerber
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Lihue, HI 96766
98080 639 7821
jim@kauaibeer.com



SB 772 H.D.1 Relating to Liquor Laws: Tap Handle Labels and Stacking
House Committee on Judiciary
Wednesday March 27, 2019 at 2:05 p.m. in Conference Room 325

Position: **Support**

Chair Representative Chris Lee, Vice Chair Representative Joy San Buenaventura, and members of the House Committee on Judiciary,

My name is Jim Guerber and I am the President of the Kauai Beer Company, located in downtown Lihue, Kauai on Rice Street. We have been in business here since 2006 and began formally serving beer since September 2013. We have been instrumental in the effort to revitalize our downtown and are widely recognized for our contribution in that regard. We are in the process of renovating an adjacent space, which will dramatically enhance our ability to serve a larger customer base, increase production and increase our personnel, which is presently ~60 full and part-time personnel.

Kauai Beer Company embraces the responsible consumption of alcohol. We train our employees to not over-serve alcohol to patrons. We are proactive so customers are not drinking and driving, encouraging the use of ride services such as LYFT, Uber and taxis.

Tap Handles

Our brewpub provides information to our customers about the beer we have on tap using (blackboard, video display screen, beer menu). We are able to provide more detailed information that allows consumers to make better choices including percent alcohol, information about special ingredients, and style of beer. Use of new technology such as video display boards allows us to easily change and frequently update our menu. This legislation allows brewpubs and taprooms to keep their list current to show what is on each tap in a manner that is visible to customers.

As a matter of practicality, the names for some of our craft brews are longer than what can be easily printed on a tap handle. We brew seasonal and sometimes one-time specialty craft beer, making it very costly to design and acquire unique tap handles for

each beer that we make. For small craft breweries like ours, we have a more rapid rotation compared with establishments that keep the same beer selection on tap. Current tap handle rules are burdensome for businesses like ours that serve beer from our smaller independent craft brewery.

We support the change to statute proposed in SB772 by removing the requirement for labeling of tap handles placed on spigots and faucets. SB772 would not require the use of tap handles, and at the same time does not prevent continued use by brands wanting to continue their use.

We support providing consumers with detailed information through the use of visual displays and menus and find tap handle labels are not needed and convey less information.

Stacking

The Kauai Beer Company embraces the responsible consumption of alcohol. We support basing the maximum amount of alcohol that can be served on total volume rather than number of glasses served at one time. SB772 calls for a limit to the total volume that can be served which allows us to continue to be mindful of not over serving alcohol.

Current stacking law if interpreted to the letter defeats its own goals. The scenario goes something like this....

A customer orders a pint of Lager for example. After a while, he decides he would like to try the IPA. He tells the server and she brings him a pint of IPA. Unfortunately he still has 8 ounces of lager in the original glass and the server is prevented from serving him the new glass until he finishes the previous one. What does he do? Well, like any red blooded American, He chugs what is left in his glass in order to try the new one. So the current law encourages guzzling!

New customers, visitors, and our regular patrons want to try new selections. Craft breweries often produce several styles. The trend for craft beer consumers is to sample different styles and new offerings. Some customers prefer smaller servings and like the option of a smaller tasting size. We serve sampler flight sized glasses that are typically 4 ounces per glass. Even though we have 8 beers on tap, we can only serve 6 samples per customer. It would be better to be able to serve 8.

Serving flights of smaller volume allows our patrons to sample a greater variety of what our brewery has to offer. This helps grow our business as craft beer consumers try new releases, specialty and seasonal beer choices.

We support SB772 defining stacking of beer based on a standard serving size of total volume of 32 ounces before a customer at any one time.

The Hawaiian Craft Brewers Guild is a craft brewing trade organization that seeks to promote production of craft beer in Hawaii as independent craft breweries. We are united in our pursuit to promote economic activity for Hawaii's beer manufacturers and

enhance opportunities in our communities. Our members represent the majority of craft beer producers in Hawaii, with members producing 100% of their beer in Hawaii.

Mahalo for your consideration. We urge you to pass this bill.

Sincerely,

Jim Guerber



March 26, 2019

House Committee on Judiciary
SB772 HD1 Relating to Liquor Laws: Taphandles and Stacking
Wednesday, March 27th at 2:05pm in Conference Room 325

Re: **IN SUPPORT OF SB772 HD1**

Aloha Chair Representative Chris Lee, Vice Chair Representative Joy San Buenaventura, and members of the House Committee on Judiciary,

My name is Garrett W. Marrero, I live in Kula, HI. We have locations on Maui in Lahaina and Kihei, and on Oahu in Waikiki and Kailua. We distribute across the Hawaii, 23 States, and 13 countries. We began in 2005 with 26 team members and have added more than 500 to our team. My wife and I were selected as the National Small Business Persons of the year in 2017 for our work at Maui Brewing Co. I'm writing on behalf of myself and our local family-operated business in support of **SB772 HD1** which modernizes two critical points in current liquor laws; namely Taphandles and "Stacking". The rules are both archaic and over-reaching and need to be brought into line with commonly accepted practices across the United States.

Tap Handles

Maui Brewing locations each have their own identity and the layout and design restrictions dictate different methods to mark taps with the brand name. We either have printed menus listing all beer styles available, or blackboards corresponding to a faucet number and or individually taphandles. Keep in mind that since we brew our own beer, in most of our locations the ONLY beer you can buy is Maui Brewing Co. beer. Therefore, the requirement to physically attached a marker indicating the "brand" of beer would be irrelevant. We are able to provide more detailed information that allows consumers to make better choices including percent alcohol, information about special ingredients, and style of beer. We have also been reviewing new technology such as video display boards which would allow us to easily change and frequently update our menu.

Current tap handle rules are burdensome for businesses like ours that serve beer from our smaller independent craft brewery. There are substantial costs to order taphandles, our last order was more than \$40,000, this is an enormous strain on resources for an item that often goes missing or is damaged in use. Additionally, more and more on-premise accounts are declining to use taphandles in favor of small generic or artful handles and/or video boards such as untapped or taphunter due to the constant rotation of various beers being served.

I would like to also point out that other beverages such as wine and cider that are now commonly served on draft are not required to have taphandles. Beer is the only beverage alcohol subjected to this requirement by Hawaii rules.

Handcrafted Ales & Lagers Brewed with Aloha
605 Lipoa Parkway, Kihei, HI 96753
808.213.3002

“Stacking”

Having been cited for “practice to promote excessive consumption” due to this rule I have some interesting perspective. On Maui we are limited to 32oz of beer, or 2 standard servings of alcohol. For the record we believe the standard measure of beer to be 16oz as that is the size of the standard American pint glass. We were cited for promoting excessive consumption because we served four 4oz glasses, a total of 16oz. Due to the fact that there were 4 glasses this is viewed as “excessive consumption” however had we served 2 glasses with 32oz of beer that would be acceptable. So just to be clear twice the amount of beer is okay but HALF that amount in taster glasses is a practice to promote overdrinking. The math just doesn’t add up.

I would like to point out that we have been serving samplers for 14 years on Maui and prior administrations including some in the current office have all been well aware of this.

SB772 HD1 calls for a limit to the total volume that can be served but not limiting the number of glasses. This is more in line with current market needs and commonly accepted practices across the country.

New customers, visitors, and our regular patrons want to try new selections. Craft breweries often produce several styles. The trend for craft beer consumers is to sample different styles and new offerings. Some customers prefer smaller servings and like the option of a smaller tasting size. We serve sampler sized glasses that are four 4 ounces per glass; our standard beer flight contains 4 glasses or a total of 16oz.

Serving flights of smaller volume allows our patrons to sample a greater variety of what our brewery has to offer as well as select a beer to purchase in a growler or crowler to take home and enjoy safely. This helps grow our business as craft beer consumers try new releases, specialty and seasonal beer choices.

We support **SB772 HD1** defining stacking of beer based on a total volume of 32 ounces in front of a customer at any one time.

Thank you for the opportunity to offer these comments in support of the passage of **SB772 HD1**.

Sincerely,



Garrett W. Marrero
CEO/Founder

Kauai Beer Company
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LATE



**SB 772 H.D.1 Relating to Liquor Laws: Tap Handle Labels and Stacking
House Committee on Judiciary
Wednesday March 27, 2019 at 2:05 p.m. in Conference Room 325**

Position: **Support**

Chair Senator Nishihara, Vice Chair Senator Wakai and members of the Committee,,

The Hawaiian Craft Brewers Guild is a craft brewing trade organization that seeks to promote production of craft beer in Hawaii as independent craft breweries. We are united in our pursuit to promote economic activity for Hawaii's beer manufacturers and enhance opportunities in our communities. Our members represent the majority of craft beer producers in Hawaii, with members producing 100% of their beer in Hawaii.

My name is Justin Guerber and I have been the head brewer at Kauai Beer Company since 2012. I support **SB772 H.D.1** because we will be able to better serve our customers. Our customers rarely rely on tap handles to indicate which beers are on draught, as they prefer more information than tap handles contain. Our staff also has to be extremely careful, often to the disappointment of customers, to avoid stacking laws that appear to be out of date with the original intent. We have 8 taps and provide 4 ounce samples, meaning a single customer cannot sample all 8 of our flavors at once without stacking. While we take our responsibility to prevent over intoxication very seriously, often these customers are only there for our samples and are not a significant risk.

Tap Handles

Our brewpub provides information to our customers about the beer we have on tap using a blackboard plaque for each beer, hung behind our taps, in easy view of

customers. We are able to provide more detailed information that allows consumers to make better choices including percent alcohol, IBUs (International Bitterness Units), information about special ingredients, and style of beer. Use of chalkboards allows us to easily change and frequently update our menu. This legislation allows brewpubs and taprooms to keep their list current to show what is on each tap in a manner that is visible to customers.

As a matter of practicality, the names for some of our craft brews are longer than what can be easily printed on a tap handle. We also brew mostly seasonal and one-time specialty craft beer, making it very costly to design and acquire unique tap handles for each beer that we make. For small craft breweries like ours, we have a more rapid rotation compared with establishments that keep the same beer selection on tap. Current tap handle rules are burdensome for businesses like ours that serve beer from our smaller independent craft brewery.

We support the change to statute proposed in **SB772 H.D.1** by removing the requirement for labeling of tap handles placed on spigots and faucets. **SB772 H.D.1** would not require the use of tap handles, and at the same time does not prevent continued use by brands wanting to continue their use.

We support providing consumers with detailed information through the use of visual displays and menus and find tap handle labels are not needed and convey less information.

Stacking

Kauai Beer Company embraces the responsible consumption of alcohol. We support basing the maximum amount of alcohol that can be served on total volume rather than number of glasses served at one time. **SB772 H.D.1** calls for a limit to the total volume that can be served which allows us to continue to be mindful of not over serving alcohol.

New customers, visitors, and our regular patrons want to try new selections. Craft breweries often produce several styles. The trend for craft beer consumers is to sample different styles and new offerings. Some customers prefer smaller servings and like the option of a smaller tasting size. We serve sampler flight sized glasses that are typically 4 to 6 ounces per glass.

Serving flights of smaller volume allows our patrons to sample a greater variety of what

our brewery has to offer. This helps grow our business as craft beer consumers try new releases, specialty and seasonal beer choices.

We support **SB772 H.D.1** defining stacking of beer based on a standard serving size of total volume of 44 ounces before a customer at any one time.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of **SB772 H.D.1**.



Mothers Against Drunk Driving HAWAII
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Fax (808) 532-6004
hi.state@madd.org

LATE

March 27, 2019

To: Representative Chris Lee, Chair, House Committee on Judiciary;
Representative Joy A. San Buenaventura, Vice Chair; and members of the
Committee

From: Carol McNamee and Arkie Koehl, Public Policy Committee - MADD Hawaii

Re: Senate Bill 772, HD1 – Relating to Liquor Laws

I am Carol McNamee, testifying on behalf of MADD Hawaii (Mothers Against Drunk Driving) in opposition to Senate Bill 772, HD1, Relating to Liquor Laws.

This bill addresses the definition of stacking of beer and the definition of a standard serving size of beer. In this draft the suggested definition of standard serving size has been reduced to 32 ounces from the originally proposed 40 ounces.

MADD Hawaii questions the basic need for “stacking” of any alcoholic drinks, including beer. The practice would seem to make it possible for the drinker to have no lapse in his or her consumption of alcohol during the time they are in an establishment. Especially considering the community’s current interest in having stronger laws to prevent impaired driving, it would seem reasonable to end the practice of stacking all together.

The definition of a “standard serving size” of beer as 32 ounces is very troublesome to MADD. When we discuss servings of various types of alcoholic beverages, our definition of beer for calculating a blood alcohol level is 12 ounces which is equivalent to a 5 ounce glass of wine and a standard mixed drink. A standard of 32 ounces would mean getting close to 3 standard beers in the way that most scientific studies and journals would use the term. For many people this amount could cause significant impairment for operating a vehicle. Two “standard beers” using the definition in this bill would certainly put a large percentage of our Hawaii population over the illegal limit of a .08 BAC.

There has been much recent discussion in our community about the necessity of reducing the crime of drinking and driving. Establishments serving alcohol need to be part of the solution and not adopt practices or “definitions” that could increase the number of impaired drivers on Hawaii roads.

Thank you for the opportunity to testify in opposition to SB772,HD1.



March 26, 2019

SB 772 H.D.1 Relating to Liquor Laws: Tap Handle Labels and Stacking
House Committee on Judiciary
Wednesday March 27, 2019 at 2:05 p.m. in Conference Room 325

Position: **Support**

Chair Representative Chris Lee, Vice Chair Representative Joy San Buenaventura, and members of the House Committee on Judiciary,

Honolulu Beerworks embrace the responsible consumption of alcohol. We train our employees to not overserve alcohol to patrons. Honolulu Beerworks is proactive so customers are not drinking and driving, encouraging the use of ride services such as LYFT, Uber and taxis.

The Hawaiian Craft Brewers Guild is a craft brewing trade organization that seeks to promote production of craft beer in Hawaii as independent craft breweries. We are united in our pursuit to promote economic activity for Hawaii's beer manufacturers and enhance opportunities in our communities. Our members represent the majority of craft beer producers in Hawaii, with members producing 100% of their beer in Hawaii.

Tap Handles

Our brewpub provides information to our customers about the beer we have on tap using blackboard and beer menu. We are able to provide more detailed information that allows consumers to make better choices including percent alcohol, information about special ingredients, and style of beer. Use of the black board allows us to change out beers quickly. This legislation allows brewpubs and taprooms to keep their list current to show what is on each tap in a manner that is visible to customers.

As a matter of practicality, the names for some of our craft brews are longer than what can be easily printed on a tap handle. We brew seasonal and sometimes one-time specialty craft beer, making it very costly to design and acquire unique tap handles for

Honolulu Beerworks
328 Cooke St, Honolulu HI. 93813
808-589-2337

each beer that we make. For small craft breweries like ours, we have a more rapid rotation compared with establishments that keep the same beer selection on tap. Current tap handle rules are burdensome for businesses like ours that serve beer from our smaller independent craft brewery.

We support the change to statute proposed in SB 772 H.D.1 by removing the requirement for labeling of tap handles placed on spigots and faucets. SB 772 H.D.1 would not require the use of tap handles, and at the same time does not prevent continued use by brands wanting to continue their use. We support providing consumers with detailed information through the use of visual displays and menus and find tap handle labels are not needed and convey less information.

Stacking

Honolulu Beerworks embrace the responsible consumption of alcohol. We support basing the maximum amount of alcohol that can be served on total volume rather than number of glasses served at one time. SB 772 H.D.1 calls for a limit to the total volume that can be served which allows us to continue to be mindful of not over serving alcohol.

New customers, visitors, and our regular patrons want to try new selections. Craft breweries often produce several styles. The trend for craft beer consumers is to sample different styles and new offerings. Some customers prefer smaller servings and like the option of a smaller tasting size. We serve sampler flight sized glasses that are typically ounces per glass.

Serving flights of smaller volume allows our patrons to sample a greater variety of what our brewery has to offer. This helps grow our business as craft beer consumers try new releases, specialty and seasonal beer choices.

We support SB 772 H.D.1 defining stacking of beer based on a standard serving size of total volume of 44 ounces before a customer at any one time.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of SB 772 H.D.1

Sincerely,

Geoffrey Seideman Owner/Brewer

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