

JAN 18 2019

A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

1 SECTION 1. Section 281-31, Hawaii Revised Statutes, is
2 amended as follows:

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

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

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

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

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

15 (A) A standard bar; or

16 (B) Premises in which live entertainment or recorded
17 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 metal~~
14 ~~container,~~] recyclable or reusable container not to
15 exceed one [~~half-gallon,~~] 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 securely sealed on~~



1 ~~the licensee's premises to consumers for off premises~~
2 ~~consumption;~~

3 ~~(6)]~~ (5) Shall comply with all ~~[regulations]~~ requirements
4 pertaining to class 4 retail dealer licenses 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;



S.B. NO. 775

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 other satellite locations operate under the
7 same trade name within the State;
8 ~~[(B)]~~ (C) The other ~~[location is]~~ satellite locations
9 are properly licensed ~~[under the same ownership;]~~
10 as a class 1 manufacturer licensee, class 2
11 restaurant licensee, class 4 retail dealer
12 licensee, class 5 dispenser licensee, class 12
13 hotel licensee, class 14 brewpub licensee, or
14 class 18 small craft producer pub licensee within
15 the county of operation; and
16 (D) The county liquor department of the county in
17 which the licensee satellite is located shall
18 have jurisdiction of the satellite. All
19 requirements of the license class of the location
20 shall be in effect as required by the county



1 liquor commission for the satellite licensed
2 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,
14 on 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



S.B. NO. 775

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 metal~~
4 ~~container,~~] recyclable or reusable container not to
5 exceed one [~~half-gallon,~~] gallon, which shall be
6 securely sealed;

7 (6) May, subject to federal labeling and bottling
8 requirements, sell [~~malt beverages,~~] wine~~[,~~] 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 primary manufacturing premises; provided that:
- 20 (A) The manufacturing takes place in Hawaii; [~~and~~]



- 1 (B) The other satellite locations operate under the
2 same trade name within the State;
- 3 ~~[(B)]~~ (C) The other [location is] satellite locations
4 are properly licensed [under the same ownership,]
5 as a class 1 manufacturer licensee, class 2
6 restaurant licensee, class 4 retail dealer
7 licensee, class 5 dispenser licensee, class 12
8 hotel licensee, class 14 brewpub licensee, or
9 class 18 small craft producer pub licensee within
10 the county of operation; and
- 11 (D) The county liquor department of the county in
12 which the licensee satellite is located shall
13 have jurisdiction of the satellite. All
14 requirements of the license class of the location
15 shall be in effect as required by the county
16 liquor commission for the satellite licensed
17 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 2. Section 281-33.6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§281-33.6 Direct shipment of [~~wine~~] liquor by [~~wineries~~.]
4 producers. (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 14, class 16, or class 18
9 license to manufacture [~~wine~~] liquor under
10 section 281-31; or

11 (B) A license to manufacture [~~wine~~] liquor issued by
12 another state,

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

18 (b) The holder of a direct [~~wine~~] liquor shipper permit
19 may sell and annually ship to any person twenty-one years of age
20 or older in the county that issued the permit, no more than six
21 nine-liter cases of wine, no more than forty-two gallons of



1 beer, and no more than two nine-liter cases of spirits per
2 household for personal use only and not for resale, and shall:

3 (1) Ship [~~wine~~] liquor directly to the person only in
4 containers that are conspicuously labeled with the
5 words:

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

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

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

16 (4) Pay all applicable general excise and gallonage taxes.
17 For gallonage tax purposes, all [~~wine~~] liquor sold
18 under a direct [~~wine~~] liquor shipper permit shall be
19 deemed to be [~~wine~~] liquor sold in the State; and

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



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

10 (d) The sale and shipment of [~~wine~~] liquor directly to a
 11 person in this State by a person that does not possess a valid
 12 direct [~~wine~~] liquor shipper permit is prohibited. Knowingly
 13 violating this law is a misdemeanor.

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

17 SECTION 3. Statutory material to be repealed is bracketed
 18 and stricken. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2019.

20

INTRODUCED BY:

Rosaly H. Bala

[Signature]
Kurt Fovell



S.B. NO. 775

A handwritten signature in black ink, appearing to be "S.B. 775" with a horizontal line underneath.

S.B. NO. 775

Report Title:

Liquor Licenses; Brewpubs; Small Craft Producer Pubs; Satellite Locations; Retail Sales; Intoxicating Liquors; Containers; Direct Shipping; Manufacturers

Description:

Clarifies the definition of growler. Permits a class 18 small craft producer pub licensee to manufacture not more than one hundred twenty-five thousand barrels of malt beverages on the licensee's premises during the license year. Clarifies that a class 14 brewpub licensee or class 18 small craft producer pub licensee may conduct certain activities at satellite locations other than the licensee's primary manufacturing premises under certain conditions. Allows direct shipment of all forms of liquor, rather than just wine, by certain licensees.

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

