

STAND. COM. REP. NO.

506

Honolulu, Hawaii

FEB 19

, 2021

RE: H.B. No. 824

H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 824, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to require certain carriers or persons that transport liquor from outside the State for delivery in the State to prepare and file a monthly report with each county liquor commission or county liquor control adjudication board.

Your Committee received testimony in support of this measure from the Hawaii Liquor Wholesalers Association. Your Committee received comments on this measure from the Matson Navigation Company, Inc.

Your Committee finds that the existing law authorizing the direct shipment of wine allows wineries to ship wine directly to consumers. This is especially advantageous for small local wineries that are not able to find wholesalers to distribute the wineries' product outside of their county.

However, your Committee further finds that existing law also authorizes wine producers outside of the State to ship directly to consumers in the State. This is problematic as some wineries or wholesalers ship liquor without a direct shipper permit issued by

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the State and evade the various state liquor tax laws. This measure will enable county liquor commissions and liquor control adjudication boards to monitor the amount of liquor that is shipped into the State and determine whether the shipper has complied with permitting requirements, thereby ensuring that the State can collect necessary tax revenue.

Your Committee has amended this measure by explicitly exempting water carriers as defined and regulated by the Surface Transportation Board of the United States from the monthly reporting requirements.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 824, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 824, H.D. 2.

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



AARON LING JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature **4SCR 506**

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 824 HD 1	Committee Referral: TRN, CPC, FIN	Date: 2/16/2021		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.	✓			
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru	✓			
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee	✓			
9. ONISHI, Richard H.K.	✓			
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	10	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Dee Morikawa</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				