

STAND. COM. REP. NO. **328**

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 175
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment, to which was referred S.B. No. 175 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to exempt certain liquor license applications from the automatic refusal provision that may be invoked by a majority of nearby voters or real estate owners; specifically, applications for a class 1 license on land designated as agricultural by state or county zoning laws and for which the majority of the agricultural commodities used in the manufacturing of the liquor are grown and produced in the State by the license holder.

Your Committees received testimony in support of this measure from LBD Coffee, LLC and Lanikai Brewing Company.

Your Committees find that there is a desire to grow and produce agricultural products for the manufacturing of liquor. However, your Committees further find that under existing law, a person may be denied a class 1 liquor license if a majority of neighbors protest or object to the application. Your Committees believe that there is merit in diversifying the agricultural industry in the State by exempting agricultural producers who wish to use their own agricultural products to produce liquor from



being disqualified by a majority protest of their neighbors when seeking a class 1 liquor license.

Your Committees have amended this measure by:

- (1) Exempting applications for a class 18 license, in addition to class 1 licenses, on land designated as agricultural by state or county zoning laws and for which the majority of the agricultural commodities used in the manufacturing of the liquor are grown and produced in the State by the license holder; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 175, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 175, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committees on Public Safety, Intergovernmental, and Military Affairs and Agriculture and Environment,


MIKE GABBARD, Chair


CLARENCE K. NISHIHARA, Chair



