

STAND. COM. REP. NO. 671

Honolulu, Hawaii

MAR 04 2021

RE: S.B. No. 565
S.D. 1

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

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 565, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ALCOHOL,"

begs leave to report as follows:

The purpose and intent of this measure is to expand the definition of "beer" to specify an alcohol by volume of no less than 0.5 percent and to include alcoholic seltzer beverages.

Your Committee received testimony in support of this measure from Maui Brewing Co., Kauai Beer Co., Hawaiian Craft Brewers Guild, Lanikai Brewing Company, Kaua'i Island Brewing Co., Honolulu Beerworks, Waikiki Brewing Company, Big Island Brewhaus, and one individual. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the existing statutory definition of "beer" is limited and does not reflect the public's perception of beer in the current marketplace, or adequately represent the unique aspects of craft beer ingredients that brewers use to develop new products and new offerings, such as gluten-free beer or beer with alternative grain ingredients, which are becoming more popular across the United States. Furthermore, the State's definition is not the same as the federal definition, which includes a broader range of substitutes or additions to malted barley and fermentable sugars. This measure will help foster the



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creation of new and unique styles of beer that are well-suited for the inclusion of Hawaii-grown products and will have a significant benefit for local, small, independent craft breweries across the State.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 565, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



KARL RHOADS, Chair



