

JAN 21 2022

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# A BILL FOR AN ACT

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RELATING TO INTOXICATING LIQUOR.

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

1       SECTION 1. The legislature finds that the coronavirus  
2 disease 2019 (COVID-19) pandemic and the governmental responses  
3 to contain the spread of COVID-19 have disproportionately  
4 affected certain manufacturers of alcoholic beverages in the  
5 State. The frequent closure of bars and clubs and prohibition  
6 of in-person dining has caused these manufacturers to struggle  
7 to find alternative methods of serving their customers,  
8 resulting in drastic revenue losses.

9       The legislature further finds that under state law, direct  
10 business-to-consumer shipping of alcoholic beverages is limited  
11 to wineries shipping wine. Thus, non-winery manufacturers are  
12 prohibited from directly shipping alcoholic beverages, including  
13 beer and distilled spirits, to consumers. Direct business-to-  
14 consumer shipping will allow these manufacturers to serve  
15 existing customers while also pursuing additional markets and  
16 new customer bases. Direct business-to-consumer shipping will  
17 also assist smaller manufacturers that are struggling to find



1 wholesalers willing to sell and represent the manufacturer's  
2 small brands by giving those manufacturers direct access to  
3 customers. In an effort to encourage commerce, the legislature  
4 has determined that the State must allow manufacturers to ship  
5 their goods to, from, and within Hawaii.

6 Accordingly, the purpose of this Act is to allow the direct  
7 shipment of beer and distilled spirits by certain licensees.

8 SECTION 2. Chapter 281, Hawaii Revised Statutes, is  
9 amended by adding a new section to part III to be appropriately  
10 designated and to read as follows:

11 "§281- Direct shipment of beer and distilled spirits by  
12 manufacturers. (a) Any person holding:

13 (1) A general excise tax license from the department of  
14 taxation; and

15 (2) Either:

16 (A) A class 1, class 14, or class 18 license to  
17 manufacture beer or distilled spirits under  
18 section 281-31; or

19 (B) A license to manufacture beer or distilled  
20 spirits issued by another state,



1 may pay any applicable fees and obtain a direct beer and  
2 distilled spirits shipper permit from the liquor commission of  
3 the county in which the beer or distilled spirits is  
4 manufactured that authorizes the holder to directly ship beer  
5 and distilled spirits to persons in any county of this State;  
6 provided that any person who holds a license to manufacture beer  
7 or distilled spirits pursuant to paragraph 2(B) may obtain a  
8 direct beer and distilled spirits shipper permit from the liquor  
9 commission of the county in this State to which the person will  
10 be shipping beer or distilled spirits.

11 (b) Beginning July 1, 2022, the holder of the direct beer  
12 and distilled spirits shipper permit may sell and ship beer and  
13 distilled spirits to any person twenty-one years of age or older  
14 in any county of the State for personal use only and not for  
15 resale, and shall:

16 (1) Ship beer and distilled spirits directly to the person  
17 only in containers that are conspicuously labeled with  
18 the words:  
19 "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS  
20 OR OLDER REQUIRED FOR DELIVERY.";



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

4        (3) Report no later than January 31 of each year, to the  
5        liquor commission in each county in which a direct  
6        beer and distilled spirits shipment was made, the  
7        total amount of beer and distilled spirits shipped to  
8        persons in that county during the preceding calendar  
9        year;

10       (4) Pay all applicable general excise and gallonage taxes.  
11       For gallonage tax purposes, all beer and distilled  
12       spirits sold under a direct beer and distilled spirits  
13       shipper permit shall be deemed to be beer and  
14       distilled spirits sold in the State; and

15       (5) Be subject to audit by the liquor commission of each  
16       county in which a direct beer and distilled spirits  
17       shipment has been made.

18       (c) The holder of a license to manufacture beer or  
19       distilled spirits issued by another state may annually renew a  
20       direct beer and distilled spirits shipper permit by providing to  
21       the liquor commission that issued the permit a copy of the



1 license and paying all required fees. The holder of a class 1,  
2 class 14, or class 18 license to manufacture beer or distilled  
3 spirits under section 281-31 may renew a direct beer and  
4 distilled spirits shipper permit concurrently with the  
5 applicable license by complying with all applicable laws and  
6 paying all required fees.

7 (d) The sale and shipment of beer and distilled spirits  
8 directly to a person in the State by a person that does not  
9 possess a valid direct beer and distilled spirits shipper permit  
10 is prohibited. Knowingly violating this section is a  
11 misdemeanor.


12 (e) The liquor commission in each county shall adopt rules  
13 necessary to carry out the intent and purpose of this section;  
14 provided that the liquor commission in each county shall ensure  
15 that that liquor commission's respective rulemaking actions do  
16 not interfere with, or unduly delay, the date prescribed in  
17 subsection (b).

18 (f) For the purposes of this section, "distilled spirits"  
19 shall have the same meaning as in section 244D-1."

20 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on June 1, 2022.

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INTRODUCED BY: 

By Request



# S.B. NO. 2289

**Report Title:**

Beer; Distilled Spirits; Direct Shipping; Manufacturers

**Description:**

Allows direct shipment of beer and distilled spirits by certain licensees. Requires the liquor commission of each county to adopt rules and regulations.

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

