

Honolulu, Hawaii MAR 11 , 2021

RE: S.B. No. 65 S.D. 1 H.D. 1

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

Sir:

Your Committee on Economic Development, to which was referred S.B. No. 65, S.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:

- Allow direct shipment of all forms of liquor, rather than just wine, by certain licensees; and
- (2) Require the county liquor commissions to adopt rules and regulations.

Your Committee received testimony in support of this measure from the Distilled Spirits Council of the United States, Hawai'i Farm Bureau, Lanikai Brewing Company, Maui Brewing Co., Hawaiian Craft Brewers Guild, Kauai Beer Company, Honolulu Beerworks, Kilohana, Kaua'i Chamber, and Kōloa Rum Company. Your Committee received testimony in opposition to this measure from the Republic National Distributing Company; Wine Institute; Hawaii Food Industry Association; Tamura Enterprises, Inc.; Paradise Beverages, Inc.; Johnson Brothers of Hawaii, Inc.; Hawaii Liquor Wholesalers Association; and numerous individuals.



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Your Committee finds that under existing state law, directto-consumer shipping of liquor is limited to only wineries shipping wine, leaving other liquor manufacturers without an option to directly ship liquor, including beer and distilled spirits, to consumers. This measure allows other liquor manufacturers direct access to their customers and provides opportunities to pursue additional markets.

Your Committee has amended this measure by:

- Deleting language that would have allowed direct shipment of all forms of liquor by certain licensees;
- (2) Inserting language that:

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- (A) Allows direct shipment of beer and distilled spirits by certain licensees within the State; and
- (B) Requires the county liquor commissions to adopt rules and regulations for the direct shipment of beer and distilled spirits; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 65, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 65, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

> Respectfully submitted on behalf of the members of the Committee on Economic Development,

SEAN QUINLAN, Chair

State of Hawaii House of Representatives The Thirty-first Legislature #SCR 961

Record of Votes of the Committee on Economic Development

	ee Referral: D, CPC, F	Date:	31512	-1
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) 				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)				
2. HOLT, Daniel (VC)				
3. BELATTI, Della Au		a dan sana arawa arawa kata arawa na arawa a		
4. KOBAYASHI, Dale T.		<u>and an an examination of a second seco</u>	a an ann an a	and the second
	a ann ann an Arraige an Arraige ann			
5. ONISHI, Richard H.K.				
C SAVAMA Lockson D				
6. SAYAMA, Jackson D.				
7. TAKAYAMA, Gregg		a the annual construction of the state of the second second second second second second second second second s		
8. OKIMOTO, Val				
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TOTAL (8)	ß	D	0	0
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				