

STAND. COM. REP. NO.

813

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 717
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 717 entitled:

"A BILL FOR AN ACT RELATING TO ALCOHOL,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Expand the definition of "beer" under the liquor regulatory laws to mean any alcoholic beverage containing no less than 0.5 percent alcohol by volume obtained by fermentation of any infusion or decoction of malt or any substitute, including alcohol seltzer beverages and excluding sake, cooler beverages, and other distilled products; and
- (2) Authorize brewpubs to sell beer they manufacture, or beer manufactured on their premises, subject to certain conditions.

Your Committee received testimony in support of this measure from Maui Brewing Co., Lanikai Brewing Co., Big Island Brewhaus, and Kauai Beer Company.

Your Committee finds that under existing law, the term "beer" is defined as any beverage obtained by the alcoholic fermentation of barley or other grain, malt, and hops. However, craft beer



brewers across the country have created a wider range of beer styles with a variety of additional ingredients in their recipes including other types of grains as base ingredients, other fermentable sugar sources, and brewed hard seltzers. Under federal Alcohol and Tobacco Tax and Trade Bureau regulations, both malt-based and sugar-based hard seltzers are considered "beer". This measure aligns the term "beer" to more closely follow the definition used for "beer" under the Internal Revenue Code, federal regulations, and standards in the craft beer brewing industry to promote expanded local production opportunities.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 717, S.D. 1, and be placed on the calendar for Third Reading.

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



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB 717	Committee Referral: CPN	Date: 2/14/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes