

ACT 115

H.B. NO. 546

A Bill for an Act Relating to Intoxicating Liquor.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that Hawaii's liquor laws contain inconsistencies regarding liquor manufacturing and sales.

Accordingly, the purpose of this Act is to:

- (1) Allow a class 18 small craft producer pub licensee to manufacture not more than seventy thousand barrels of malt beverages on the licensee's premises during the license year;
- (2) Clarify that a class 14 brewpub licensee or class 18 small craft producer pub licensee may conduct certain activities at satellite locations other than the licensee's primary manufacturing premises under certain conditions; and
- (3) Clarify the definition of "growler".

SECTION 2. Section 281-31, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (n) to read:
 "(n) Class 14. Brewpub license. A brewpub licensee:
 - (1) May sell malt beverages manufactured on the licensee's premises for consumption on the premises;
 - (2) May sell malt beverages manufactured by the licensee in brewery-sealed packages to class 3 wholesale dealer licensees pursuant to conditions imposed by the county by ordinance or rule;
 - (3) May sell intoxicating liquor purchased from a class 3 wholesale dealer licensee to consumers for consumption on the licensee's premises. The categories of establishments shall be as follows:
 - (A) A standard bar; or
 - (B) Premises in which live entertainment or recorded music is provided. Facilities for dancing by the patrons may be permitted as provided by commission rules;
 - (4) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises to consumers in brewery-sealed kegs and recyclable or reusable containers and sell malt beverages manufactured on the licensee's premises or purchased from a class 1 manufacturer licensee, a class 3 wholesale dealer licensee, a class 14 brewpub licensee, or a class 18 small craft producer pub licensee to consumers in growlers for off-premises consumption; provided that for purposes of this paragraph, "growler" means a [glass, ceramic, or metal] recyclable or reusable container[-] that does not [to] exceed one [half-gallon, which shall be securely sealed];
 - (5) ~~May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises in recyclable containers provided by the licensee or by the consumer which do not exceed one~~ gallon [per container] and [are] is securely sealed on the licensee's premises ~~[to consumers for off-premises consumption];~~
- [6] (5) Shall comply with all [regulations] requirements pertaining to class 4 retail dealer licensees when engaging in the retail sale of malt beverages;
- [7] (6) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises in brewery-sealed containers directly to class 2 restaurant licensees, class 3 wholesale dealer licensees, class 4 retail dealer licensees, class 5 dispenser licensees, class 6 club licensees, class 8 transient vessel licensees, class 9 tour or cruise vessel licensees, class 10 special licensees, class 11 cabaret licensees, class 12 hotel licensees, class 13 caterer licensees, class 14 brewpub licensees, class 15 condominium hotel licensees, class 18 small craft producer pub licensees, and consumers pursuant to conditions imposed by county [regulations] ordinances

- or rules governing class 1 manufacturer licensees and class 3 wholesale dealer licensees;
- [(8)] (7) May conduct the activities under paragraphs (1) to [(7)] (6) at [one location] locations other than the licensee's primary manufacturing premises; provided that:
- (A) The manufacturing takes place in Hawaii; ~~and~~
- (B) ~~[The] Each of the other [location is] locations:~~
- (i) Operates within the State under the same trade name for the premises; and
- (ii) Is properly licensed [under the same ownership:] within the county of its operation as a class 1 manufacturer licensee, class 2 restaurant licensee, class 4 retail dealer licensee, class 5 dispenser licensee, class 12 hotel licensee, class 14 brewpub licensee, or class 18 small craft producer pub licensee;
- (C) The county liquor commission of the county in which the licensee satellite is located shall have jurisdiction of the satellite; and
- (D) All requirements of the license class of the location shall be in effect as required by the county liquor commission for the satellite licensed premises; and
- [(9)] (8) May allow minors, who are accompanied by a parent or legal guardian of legal drinking age, on the licensee's premises."
2. By amending subsection (r) to read:
- "(r) Class 18. Small craft producer pub license. A small craft producer pub licensee:
- (1) Shall manufacture not more than:
- (A) ~~[Sixty] Seventy~~ thousand barrels of malt beverages;
- (B) Twenty thousand barrels of wine; or
- (C) Seven thousand five hundred barrels of alcohol on the licensee's premises during the license year;
- provided that for purposes of this paragraph, "barrel" means a container not exceeding thirty-one gallons or wine gallons of liquor;
- (2) May sell malt beverages, wine, or alcohol manufactured on the licensee's premises for consumption on the premises;
- (3) May sell malt beverages, wine, or alcohol manufactured by the licensee in producer-sealed packages to class 3 wholesale dealer licensees pursuant to conditions imposed by the county by ordinance or rule;
- (4) May sell intoxicating liquor purchased from a class 3 wholesale dealer licensee to consumers for consumption on the licensee's premises. The categories of establishments shall be as follows:
- (A) A standard bar; or
- (B) Premises in which live entertainment or recorded music is provided. Facilities for dancing by the patrons may be permitted as provided by commission rules;
- (5) May, subject to federal labeling and bottling requirements, sell malt beverages manufactured on the licensee's premises to consumers in producer-sealed kegs and recyclable or reusable containers and sell malt beverages manufactured on the licensee's premises or purchased from a class 1 manufacturer licensee, a class 3 wholesale dealer licensee, a class 14 brewpub licensee, or a class 18 small craft producer pub licensee to consumers in growlers for off-premises consumption; provided that for purposes of this paragraph, "growl-

- er” means a ~~[glass, ceramic, or metal]~~ recyclable or reusable container~~[-]~~ that does not ~~[to]~~ exceed one ~~[half-gallon,]~~ gallon, which shall be securely sealed;
- (6) May, subject to federal labeling and bottling requirements, sell ~~[malt beverages,]~~ wine~~[-]~~ or alcohol manufactured on the licensee’s premises in recyclable containers provided by the licensee or by the consumer which do not exceed:
 - (A) One gallon per container for ~~[malt beverages and]~~ wine; and
 - (B) One liter for alcohol; and
 are securely sealed on the licensee’s premises to consumers for off-premises consumption;
 - (7) Shall comply with all ~~[regulations]~~ requirements pertaining to class 4 retail dealer licensees when engaging in the retail sale of malt beverages, wine, and alcohol;
 - (8) May, subject to federal labeling and bottling requirements, sell malt beverages, wine, and alcohol manufactured on the licensee’s premises in producer-sealed containers directly to class 2 restaurant licensees, class 3 wholesale dealer licensees, class 4 retail dealer licensees, class 5 dispenser licensees, class 6 club licensees, class 8 transient vessel licensees, class 9 tour or cruise vessel licensees, class 10 special licensees, class 11 cabaret licensees, class 12 hotel licensees, class 13 caterer licensees, class 14 brewpub licensees, class 15 condominium hotel licensees, class 18 small craft producer pub licensees, and consumers pursuant to conditions imposed by county ~~[regulations]~~ ordinances or rules governing class 1 manufacturer licensees and class 3 wholesale dealer licensees;
 - (9) May conduct the activities under paragraphs (1) to (8) at ~~[one location]~~ locations other than the licensee’s premises; provided that:
 - (A) The manufacturing takes place in Hawaii; ~~[and]~~
 - (B) ~~[The]~~ Each of the other ~~[location is]~~ locations:
 - (i) Operates within the State under the same trade name for the premises; and
 - (ii) Is properly licensed [under the same ownership:] within the county of its operation as a class 1 manufacturer licensee, class 2 restaurant licensee, class 4 retail dealer licensee, class 5 dispenser licensee, class 12 hotel licensee, class 14 brewpub licensee, or class 18 small craft producer pub licensee;
 - (C) The county liquor commission of the county in which the licensee satellite is located shall have jurisdiction of the satellite; and
 - (D) All requirements of the license class of the location shall be in effect as required by the county liquor commission for the satellite licensed premises; and
 - (10) May allow minors, who are accompanied by a parent or legal guardian of legal drinking age, on the licensee’s premises.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.

(Approved June 21, 2019.)