

LIQUOR COMMISSION  
**CITY AND COUNTY OF HONOLULU**

711 KAPIOLANI BOULEVARD, SUITE 600 • HONOLULU, HAWAII 96813-5249  
PHONE: (808) 768-7300 or (808) 768-7355 • FAX: (808) 768-7311  
E-mail address: liquor@honolulu.gov • INTERNET: www.honolulu.gov/liq



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March 14, 2014

Representative Angus L.K. McKelvey, Chair  
Representative Derek S.K. Kawakami, Vice Chair  
Committee on Consumer Protection & Commerce

**Hearing:** Monday, March 17, 2014  
2:10 p.m.; Room 325

**Position:** Providing Comments on SB3042 SD2, Relating to Liquor License Classes

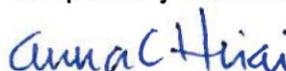
Dear Committee Chair McKelvey, Vice Chair Kawakami, and Members:

The Liquor Commission, City and County of Honolulu, provides comments on Senate Bill 3042 SD2, Relating to Liquor License Classes:

1. The proposed measure would eliminate the 30,000 barrel cap for the Class 14 Brewpub license. As the Brewers Association defines a "small" brewer as one with an annual production of six million barrels or less, it would appear that the existing 30,000 barrel limit was unnecessarily restrictive.
2. The proposed measure would create a new Class 18 liquor license for the "small craft producer pub". We note that there will be a degree of overlap between the new Class 18 license and the existing Class 14 Brewpub and Class 16 Winery licenses. A previous inconsistency for the proposed Class 18 license production limits for wine has been rectified (10,000 barrels for both Class 18 and Class 16 licensees).
3. With respect to the ability of Class 18 licensees to permit the sale of product in kegs, "growlers", or recyclable containers provided by the licensee or the customer for consumption off premises, we wish to point out that Federal labeling and bottling requirements will apply to this activity, which may involve a permitting process in addition to the required Federal basic permit.

The Liquor Commission appreciates the opportunity to provide comments on Senate Bill 3042 SD2, Relating to Liquor License Classes.

Respectfully submitted,

  
ANNA C. HIRAI  
Acting Administrator

ACH:



## MAUI BREWING CO.

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March 14, 2014

State of Hawaii  
Committee on Consumer Protection & Commerce  
Rep. Angus L.K. McKelvey, Chair  
Rep. Derek S.K. Kawakami, Vice Chair

Re: Testimony in SUPPORT of SB 3042

Aloha Ladies and Gentlemen of the Committee:

Mahalo for your time today. I apologize that I cannot personally attend this hearing as I am deep into construction on our new Kihei facility and I need to be on site.

We are in support of SB3042 as it serves to remove unnecessarily restrictive limits on beer production and creates a license class that allows for a producer to craft products of several types.

There has been NO opposition to this bill. All who support this bill support growth of not only small business but specifically strengthening manufacturing in Hawaii.

We agree to the amended version as we have discussed with all interested parties. The amendment only serves to strengthen the intended impact of the bill and facilitates working together at all levels.

Maui Brewing Co. is Hawaii's largest craft brewery, we are also the only brewery canning our beer in the State. We currently employ approximately 67 employees in the State. With the completion of the Kihei facility, we plan to add approximately 100 employees over the next 3 years. These employees live in Hawaii, raise their children here, pay taxes, and contribute to the community. This is directly related to the growth of industry in Hawaii, more beer brewed here means more jobs for the economy.

Specifically, when our new facility is completed in July we will likely surpass the current 30,000 barrel limit in just our second year. This will serve to directly impede the growth of our company and be a severe negative impact to the company and its employees alike.

Additionally as a fervent supporter of local agriculture we plan to offer more locally produced beverages such as distilled spirits and ciders using local fruits and fermentables. Class 18 would serve to free up restrictions on what can be produced and have a very positive impact on local agricultural initiatives. Additionally with no restriction on production, and new products that can be made, there will be an obvious increase in the total taxes paid and employees added.

Thank your for your time, please feel free to call me with any questions.

Mahalo,

Garrett W. Marrero  
808.661.6205 office  
808.280.4687 cell  
[G@MauiBrewingCo.com](mailto:G@MauiBrewingCo.com)

HANDCRAFTED ALES & LAGERS BREWED WITH ALOHA  
910 HONAPIILANI HWY #55, LAHAINA, MAUI, HI 96761  
877.628.4273 • 808.669.0191 FAX

## kawakami3-Benigno

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 14, 2014 11:58 AM  
**To:** CPCtestimony  
**Cc:** g@mauibrewingco.com  
**Subject:** Submitted testimony for SB3042 on Mar 17, 2014 14:10PM

### **SB3042**

Submitted on: 3/14/2014

Testimony for CPC on Mar 17, 2014 14:10PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Garrett W. Marrero	Hawaiian Craft Brewers Guild	Support	No

Comments: Aloha, As Vice President of the Hawaiian Craft Brewers Guild we would like to lodge our SUPPORT for the passage of SB3042. There has been no opposition to this bill. All who support this bill support growth of not only small business but specifically strengthening manufacturing in Hawaii. Mahalo for your time and consideration.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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