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 [te] 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;
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 ordinances or rules governing class 1 manufacturer licensees and class 3 wholesale dealer licensees;

May conduct the activities under paragraphs (1) to (6) at 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, "growler" means a [glass, ceramic, or
metal] recyclable or reusable container[?] that does
not [te] 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 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.
Report Title:
Liquor Licenses; Brewpubs; Small Craft Producer Pubs; Satellite Locations; Retail Sales; Intoxicating Liquors; Containers; Manufacturers

Description:
Allows a class 18 small craft producer pub licensee to manufacture not more than 70,000 barrels of malt beverages on the licensee's premises during the license year. Clarifies 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. Clarifies the definition of "growler".
(HB546 CD1)

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