A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. 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 [†e] 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 
each gallon [per container] and [are] is securely
sealed on the licensee's premises [for off-premises consumption];

[46+] (5) Shall comply with all [regulations] requirements pertaining to class 4 retail dealer licensees when engaging in the retail sale of malt beverages;

[47+] (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;
May conduct the activities under paragraphs (1) to (7) 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 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 department 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] One hundred twenty-five 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[τ] that does not [τε] exceed one [half-gallon] gallon, which shall be securely sealed;

(6) May, subject to federal labeling and bottling requirements, sell [malt beverages] wine[τ] 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 department 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 2. Section 281-33.6, Hawaii Revised Statutes, is amended to read as follows:

"§281-33.6 Direct shipment of [wine] liquor by [wineries,]

producers. (a) Any person holding:

(1) A general excise tax license from the department of taxation; and

(2) Either:

(A) A class 1, class 14, class 16, or class 18 license to manufacture [wine] liquor under section 281-31; or

(B) A license to manufacture [wine] liquor issued by another state,

may pay any applicable fees and obtain a direct [wine] liquor shipper permit from the liquor commission of the county to which the [wine] liquor will be shipped authorizing the holder to directly ship [wine] liquor to persons in the county pursuant to this section.

(b) The holder of a direct [wine] liquor shipper permit may sell and annually ship to any person twenty-one years of age or older in the county that issued the permit, no more than six nine-liter cases of wine, no more than forty-two gallons of
beer, and no more than two nine-liter cases of spirits per household for personal use only and not for resale, and shall:

(1) Ship [wine] liquor directly to the person only in containers that are conspicuously labeled with the words:

"CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 YEARS OR OLDER REQUIRED FOR DELIVERY."

(2) Require that the carrier of the shipment obtain the signature of any person twenty-one years of age or older before delivering the shipment;

(3) Report no later than January 31 of each year to the liquor commission in each county where a direct [wine] liquor shipper permit is held, the total amount of [wine] liquor shipped to persons in the county during the preceding calendar year;

(4) Pay all applicable general excise and gallonage taxes. For gallonage tax purposes, all [wine] liquor sold under a direct [wine] liquor shipper permit shall be deemed to be [wine] liquor sold in the State; and

(5) Be subject to audit by the liquor commission of each county in which a permit is held.
(c) The holder of a license to manufacture [wine] liquor issued by another state may annually renew a direct [wine] liquor shipper permit by providing the liquor commission that issued the permit with a copy of the license and paying all required fees. The holder of a class 1, class 14, class 16, or class 18 license to manufacture [wine] liquor under section 281-31 may renew a direct [wine] liquor shipper permit concurrently with the [class-1] applicable license by complying with all applicable laws and paying all required fees.

(d) The sale and shipment of [wine] liquor directly to a person in this State by a person that does not possess a valid direct [wine] liquor shipper permit is prohibited. Knowingly violating this law is a misdemeanor.

(e) The liquor commission[+] in each county may adopt rules and regulations necessary to carry out the intent and purpose of this section."

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.

INTRODUCED BY:  [Signature]

[Signature]
Report Title:
Liquor Licenses; Brewpubs; Small Craft Producer Pubs; Satellite Locations; Retail Sales; Intoxicating Liquors; Containers; Direct Shipping; Manufacturers

Description:
Permits a class 18 small craft producer pub licensee to manufacture not more than 125,000 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". Allows direct shipment of all forms of liquor, rather than just wine, by certain licensees.

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