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# A BILL FOR AN ACT

RELATING TO INTOXICATING LIQUOR.

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

1           SECTION 1. The legislature finds that the coronavirus  
2 disease 2019 (COVID-19) pandemic and the governmental responses  
3 to contain the spread of COVID-19 have disproportionately  
4 affected certain local liquor producers. With the frequent  
5 closure of bars, clubs, and in-person dining, local liquor  
6 producers have struggled to find alternative methods of serving  
7 their customers, resulting in drastic revenue losses.

8           The legislature further finds that under existing state  
9 law, direct-to-consumer shipping of liquor is limited to only  
10 wineries shipping wine; other liquor manufacturers do not have  
11 the option to directly ship liquor, including beer and distilled  
12 spirits, to consumers. Direct-to-consumer shipping allows  
13 liquor manufacturers to serve their existing customers, while  
14 also allowing the manufacturers to pursue additional markets and  
15 tap into a broader customer base. Direct-to-consumer shipping  
16 further assists smaller manufacturers that struggle to find  
17 wholesalers that are willing to sell and represent their small



1 brands by giving those manufacturers direct access to their  
2 customers. In an effort to encourage commerce, the legislature  
3 has determined that the State must support reciprocity among  
4 counties for producers to ship their goods to, from, and within  
5 Hawaii.

6 The purpose of this Act is to allow direct shipment of beer  
7 and distilled spirits by certain licensees.

8 SECTION 2. Chapter 281, Hawaii Revised Statutes, is  
9 amended by adding a new section to be appropriately designated  
10 and to read as follows:

11 "§281- Direct shipment of beer and distilled spirits by  
12 manufacturers. (a) Any person holding:

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

15 (2) Either:

16 (A) A class 1, class 14, or class 18 license to  
17 manufacture beer or distilled spirits under  
18 section 281-31; or

19 (B) A license to manufacture beer or distilled  
20 spirits issued by another state,



1 may pay any applicable fees and obtain a direct beer and  
2 distilled spirits shipper permit from the liquor commission of  
3 the county in which the beer or distilled spirits is  
4 manufactured authorizing the holder to directly ship beer and  
5 distilled spirits to persons in any county pursuant to this  
6 section; provided that any person who holds a license to  
7 manufacture beer or distilled spirits issued by another state  
8 may obtain a direct beer and distilled spirits shipper permit  
9 from the liquor commission of any county of the State.

10 (b) The holder of the direct beer and distilled spirits  
11 shipper permit may sell and ship beer and distilled spirits to  
12 any person twenty-one years of age or older in any county for  
13 personal use only and not for resale, and shall:

14 (1) Ship beer and distilled spirits directly to the person  
15 only in containers that are conspicuously labeled with  
16 the words:

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

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



1       (3) Report no later than January 31 of each year, to the  
2       liquor commission in each county where a direct beer  
3       and distilled spirits shipment was made, the total  
4       amount of beer and distilled spirits shipped to  
5       persons in the county during the preceding calendar  
6       year;

7       (4) Pay all applicable general excise and gallonage taxes.  
8       For gallonage tax purposes, all beer and distilled  
9       spirits sold under a direct beer and distilled spirits  
10       shipper permit shall be deemed to be beer and  
11       distilled spirits sold in the State; and

12       (5) Be subject to audit by the liquor commission of each  
13       county where a direct beer and distilled spirits  
14       shipment has been made.

15       (c) The holder of a license to manufacture beer or  
16       distilled spirits issued by another state may annually renew a  
17       direct beer and distilled spirits shipper permit by providing  
18       the liquor commission that issued the permit with a copy of the  
19       license and paying all required fees. The holder of a class 1,  
20       class 14, or class 18 license to manufacture beer or distilled  
21       spirits under section 281-31 may renew a direct beer and



1 distilled spirits shipper permit concurrently with the class 1,  
2 class 14, or class 18 license by complying with all applicable  
3 laws and paying all required fees.

4 (d) The sale and shipment of beer and distilled spirits  
5 directly to a person in the State by a person that does not  
6 possess a valid direct beer and distilled spirits shipper permit  
7 is prohibited. Knowingly violating this section is a  
8 misdemeanor.

9 (e) The liquor commission in each county shall adopt rules  
10 and regulations necessary to carry out the intent and purpose of  
11 this section; provided that any rulemaking shall not delay the  
12 commencement of the direct shipment of beer and distilled  
13 spirits on the effective date of this Act.

14 (f) For the purposes of this section, "distilled spirits"  
15 shall have the same meaning as set forth in section 244D-1."

16 SECTION 3. The revisor of statutes shall insert the  
17 appropriate effective date of this Act in section 2 of this Act.

18 SECTION 4. New statutory material is underscored.

19 SECTION 5. This Act shall take effect on July 1, 2021.



**Report Title:**

Beer; Distilled Spirits; Direct Shipping; Manufacturers

**Description:**

Allows direct shipment of beer and distilled spirits by certain licensees. Requires the county liquor commissions to adopt rules and regulations. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

