

STAND. COM. REP. NO.

1141

Honolulu, Hawaii

MAR 25 2021

RE: H.B. No. 824
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 824, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR,"

begs leave to report as follows:

The purpose and intent of this measure is to require any express carrier company, common or contract carrier, except water carriers as defined and regulated by the Surface Transportation Board of the United States, or other person that transports liquor from outside the State for delivery in the State to prepare and file a monthly report with the liquor commission or liquor control adjudication board of each county.

Your Committee received testimony in support of this measure from the Hawaii Liquor Wholesalers Association.

Your Committee finds that direct shipment of wine is allowed under existing law, as small local wineries are not regularly able to find licensed wholesalers to distribute their wine to consumers outside their county. Other states that also allow direct shipment have found, through carrier reporting, that large amounts of liquor have been shipped into their states without payment of liquor, excise, and income tax, resulting in a loss of tax revenue to the states. Likewise, in Hawaii, illegal shipments of liquor hurt the State's economy, can result in loss of income and jobs to

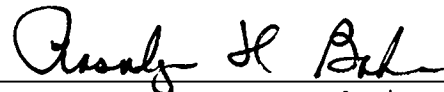


local residents, and constitutes unlawful and unfair competition. Accordingly, this measure requires the carriers of liquor to report the amount of statewide liquor being shipped and shipper information to the liquor commissions or liquor control adjudication boards, to determine and analyze the shipments made to each county and confirm whether the shipper has complied with the requirements to obtain permits and pay all applicable taxes.

Your Committee has amended this measure by inserting an effective date of July 1, 2021.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 824, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 824, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

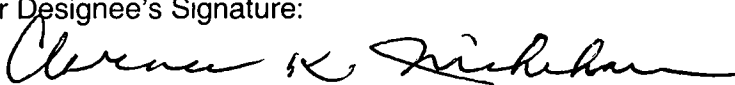


ROSALYN H. BAKER, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 824 HD2	CPN, WAM	03.23.2021
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
BAKER, Rosalyn H. (C)	/	
CHANG, Stanley (VC)	/	
MISALUCHA, Bennette E.	/	
NISHIHARA, Clarence K.	/	
RIVIERE, Gil	/	
SAN BUENAVENTURA, Joy A.	/	
FEVELLA, Kurt	/	
TOTAL	7	—
	—	—
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original	Yellow	Pink
File with Committee Report	Clerk's Office	Drafting Agency
		Goldenrod
		Committee File Copy

*Only one measure per Record of Votes