

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii  
Sir:

Your Committee on Economic Development, to which was referred H.B. No. 593 entitled:

"A BILL FOR AN ACT RELATING TO ALCOHOL,"

begs leave to report as follows:

The purpose of this measure is to expand the definition of "beer" to specify an alcohol by volume of no less than 0.5 percent and to include alcoholic seltzer beverages.

Your Committee received testimony in support of this measure from Maui Brewing Co., Hawaiian Craft Brewers Guild, Lanikai Brewing Company, Honolulu Beerworks, Kauai Beer Company, Kauaï Island Brewing Company, Koholā Brewery, and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the existing statutory definition of "beer" is limited and does not adequately represent the unique aspects of craft beer ingredients that brewers use to develop new products and new offerings. This measure will help foster the creation of new and unique styles of beer that are well-suited for the inclusion of Hawaii-grown agricultural products.

Your Committee notes the request in testimony from the Department of Taxation to postpone the effective date of this measure to January 1, 2022, to provide the Department with time to make the necessary forms, instructions, and computer system changes.

Your Committee has amended this measure by changing the effective date to July 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 593, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 593, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on  
Economic Development,

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SEAN QUINLAN, Chair