Promoting and Protecting the Interests of the North Dakota Craft Brewing Community since 2013

March 22, 2023

Testimony in SUPPORT of Senate Bill 2319

Chairman Louser and Members of the Committee:

I'm Scott Meske, representing the North Dakota Brewers Guild and on behalf of the membership we respectfully ask for your support for Senate Bill 2319. The Code language we are requesting is a simple fix regarding event permitting for the brewpubs and taprooms who wish to participate in off-site events in their communities.

Century Code Chapter 5-01-14 relating to Microbrew Pub Licenses and Chapter 5-01-21 relating to Brewer Taproom License allows the tax commissioner to approve up to 40 event permits per year at which licensed craft brewers may provide samples or sell their beer. The Code then goes on to define some of what those events may be. This has caused some confusion amongst producers, and sometimes the tax commissioner's office. This should not be a difficult process.

Whereas, in the Century Code relating to craft wineries and distilleries in North Dakota, it merely states "up to 40 off premise events." Period. No other definitions required.

To clear up the Code, and hopefully to smooth the approval process, we are asking that the Code language in the brewpub and taproom Chapters mirror that of our fellow craft beverages in North Dakota. We are not asking for more permits, or special exemptions. This language does not permit any "work around" of the three tier system, and still requires producers to work with a local retailer and the local distributor to legally move the beer from taproom to the event.

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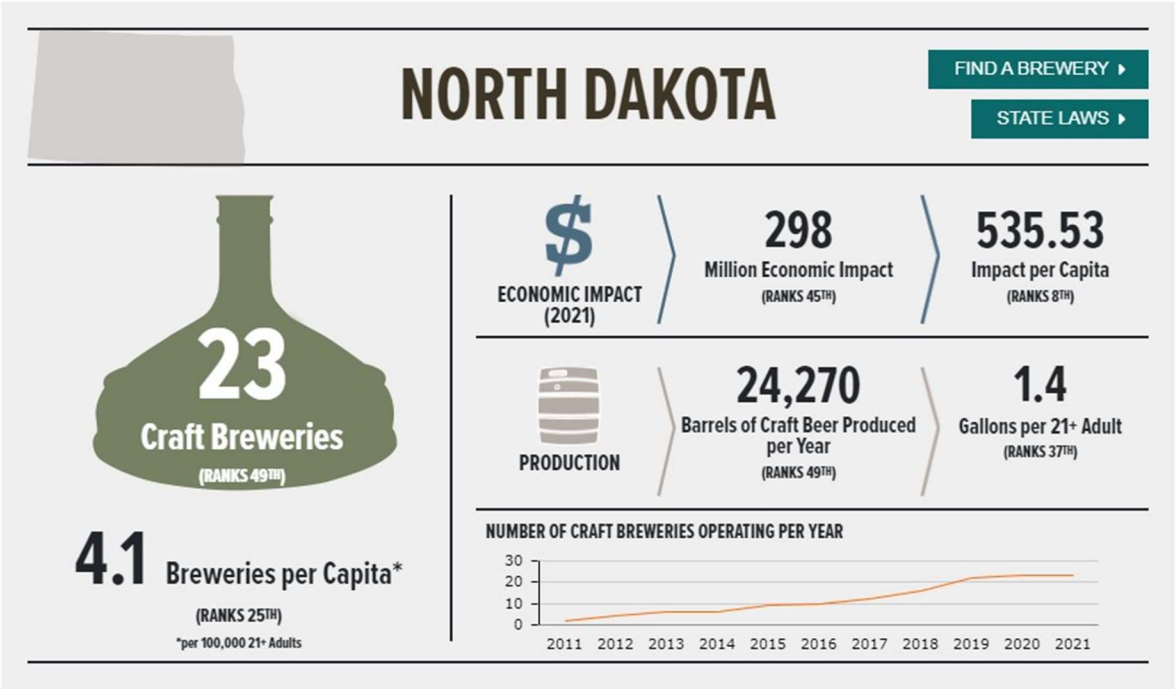
I would like to point out to the Committee that with 23 licensed brewpubs and taprooms in North Dakota, we rank 49th in the nation in terms of craft beer production, despite growing the best barley and grains in the country. The craft beverage industry requires a hefty investment, strong marketing, and a commitment to producing quality products. In the past several years, we have lost a few producers, and have gained a couple new ones as well. These small businesses are a true value-added agriculture product, bringing economic development, tourism and tax revenue to the communities in which they reside.

Cleaning up the regulatory environment, without circumventing the three-tiered regulatory system, is one way the State can support these small businesses.

The North Dakota Brewers Guild requests a DO PASS on SB 2319.