



# North Dakota House of Representatives

#22419



STATE CAPITOL  
600 EAST BOULEVARD  
BISMARCK, ND 58505-0360

## **Representative Corey Mock**

District 18  
P.O. Box 12542  
Grand Forks, ND 58208-2542  
C: 701-732-0085  
[crmock@ndlegis.gov](mailto:crmock@ndlegis.gov)

**COMMITTEES:**  
Appropriations

March 7, 2023

Chairman Jordan Kannianen and Senate Finance & Taxation Committee

North Dakota State Capitol – Fort Totten Room

Testimony in Support of HB 1449 – Craft Beverage Policy Standardization

Chair Kannianen and Committee Members,

Since 1991, policy makers in North Dakota have created and amended provisions related to craft beverages in all but 3 legislative sessions (1993, 1997, and 1999.)

- Domestic wineries were created in 2001, with the law honed via 12 bills over 7 different sessions
- Domestic distilleries joined the scene in 2009 and were featured in 7 bills over 4 sessions
- Microbrew pubs are our oldest domestic craft beverage – August 1, 1991 is the born on date stamped on their label – and modified 5 times over as many sessions
- The cousin of microbrew pubs – brewer taprooms – was conceived a decade ago and tweaked 4 times since 2013

Our craft beverage manufacturers, despite the individuality of their products, share much in common. They source local ingredients when possible; benefit from the success of industry businesses, such as other manufacturers, wholesalers, and retailers; are destination businesses who depend on new and returning customers alike; are carefully regulated at the local, state, and federal level.

Despite those similarities (and our best efforts), we have created several legal inconsistencies that have codified confusion and barriers for some of our more personable small businesses.

House Bill 1449 seeks to standardize some of the more renowned and resolvable regulatory differences.

Below is a rudimentary chart intended to illustrate major distinctions between the four craft beverage license types. Standardization of domestic farm product, special events, and special event definitions (all highlighted in red) are inconsistencies that would be resolved in HB 1449:

	<b>Winery</b>	<b>Distillery</b>	<b>Microbrew Pubs</b>	<b>Brewer Taprooms</b>
<b>License Fee</b>	\$100	\$100	\$100	\$500
<b>Annual Production Limit</b>	25,000 gallons	25,000 gallons	10,000 barrels	25,000 barrels
<b>On Sale</b>	Y	Y	Y	Y
<b>Off Sale</b>	Y	Y	5.16 gal / day	5.16 gal / day
<b>Percent of ND Farm Product Required</b>	n/a	51%	n/a	n/a
<b>Special Events</b>	40 special events	40 event days	40 days	40 days
<b>Event Definition</b>	Any offsite	Any offsite	show, convention, festival, fundraiser or other nonprofit event...	show, convention, festival, fundraiser or other nonprofit event...

Each change in HB 1449 seeks to modify at least one license type and make it consistent with the others. Domestic wineries have become the standard-bearer in every category. For this reason, no changes to domestic wineries are included in this bill.

For your convenience I will walk through the language in engrossed version of HB 1449:

### **Section 1 – Microbrew pubs**

- Changes “days” to “events”
- Moves existing “subject to local ordinance” from the end of the subsection to the sentence related to special event permits
- Removes ambiguous event types and replaces with “off-premises events”

### **Section 2 – Domestic distillery**

- Removes domestic ingredient requirement (consistent with wineries and breweries)
- Adds “special” to event permit language
- Changes “event days” to “events”.

### **Section 3 – Brewer taproom**

- Changes “days” to “events”
- Removes ambiguous event types and replaces with “off-premises events”