

Good Morning Vice Chairman Kessel and members of the Senate Industry and Business Committee. For the record, I am Senator Doug Larsen of District 34 in Mandan.

Senate Bill 2319 is being brought to you on behalf of Microbrew, and Tap Rooms of North Dakota.

Before I get into bill itself, I would like to a minute or two to explain the difference between a Tap room and a Microbrew Pub

- A “Tap Room” is essentially allowed to make beer and serve/sell only their product. If we went to a place like Black Leg Brewery, located in a barn on the Black Leg Ranch—you would be tap room. The only beer they could offer you would be what they have made on premise. Using 2021 production numbers, the Black Leg Brewery produced about 6,000 gallons—if you traveled east to Fargo and went to the Drekker Brewery you would find a much larger operation that in the same year produced more than a quarter of a million gallons (278,321).
- A “Microbrew” Pub is allowed to function more like a garden variety bar. They are allowed to sell other beer for instance, they are allowed to have a kitchen and sell food. An example of a brewpub would be Laughing Sun in Bismarck or Stonehome Brewing which has sites in both Watford City and Bismarck.

If this bill were brought to us by a department, it might be called a “red tape reduction” bill. It simply removes a list of examples as to what might be considered an event and a matches the verbiage of what an event is considered to be for a winery and distillery. North Dakota currently has 8 registered distilleries and a number of wineries to go along with our 10 brewpubs and 10 taprooms.

Section 1 addresses microbrewers and Section 2 addresses taprooms.

When I am trying to understand something new, I like examples. If you were to asked by someone to give an example of an event that a taproom room or microbrew participates in in the local area I might give an example of the Bismarck street fair or an event call the Buggies and Blues hosted in Mandan. This would not be meant to suggest that these are the only types of

events. Our language in this part of the century code has been interrupted differently by different people and it appears to me that some see it as a list of possibilities and others as exclusive.

If we flip to section 5-01-17.2 of our century code we would see that as it pertains to wineries:

- **The tax commissioner may issue special events permits for not more than forty events per calendar year to a domestic winery allowing the winery, subject to local ordinance, to give free samples of its wine and to sell its wine by the glass or in closed containers, at off-premises events.**

Brewing Beer is not an inexpensive endeavor and competition is high. This bill simply makes it easier for TR and Micros to participate in events that they are invited to by the event's organizer.

I encourage a Do Pass on SB 2319 and will stand for any questions ... though the experts are in the room.