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In SUPPORT of Montana HB 362 regarding micro-distilleries.

February 4, 2019

House Business and Labor Committee

Dear Chair Noland and members of the committee,

My name is Steven Greenhut. I am the Western Region Director for the R Street Institute, which is a Washington, D.C.-based nonprofit, nonpartisan, public policy research organization. I handle our efforts in the Western states, including Montana. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government in many areas, including regulations involving alcoholic beverages, which is why HB 362 is of special interest to us.

Montana has a boisterous and growing micro-distillery industry. This is a wonderful development for a variety of reasons. Similar to microbreweries, these businesses tap into growing regional interest in artisanal and craft beverages. These small distilleries epitomize the spirit of entrepreneurship. They create well-paying and interesting jobs. They promote tourism, as visitors love to go to tasting rooms and compare the creative libations distilled in different cities and regions. They also provide new revenue for state and local governments.

Unfortunately, government regulations are restricting the ability of these distillers to ply their trade. This bill would help these businesses thrive by removing restrictions and allowing them to operate in a way that is similar to microbreweries.

Specifically, HB 362 would increase to four ounces the amount of liquor that these distilleries could provide at their tasting rooms and removes the requirement that on-premises consumption be completed by 8 p.m. It would also allow an increased amount of liquor that it could sell to consumers for off-site consumption. The current sales cap of 1.75 liters is unreasonably low. These changes would help these businesses attract more customers and grow.

Thank you for your time and consideration. Please do not hesitate to contact me if I can ever be of assistance.

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