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In SUPPORT of Montana SB 182 regarding micro-distilleries

February 4, 2019

Senate Business, Labor and Economic Affairs Committee

Dear Chair Fitzpatrick 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 SB 182 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, SB 182 changes the definition of a micro-distillery to one that produces 200,000 proof gallons of liquor or less annually. This modest change recognizes the production realities of the micro-distillery industry. It would help these businesses grow by removing unreasonably low production caps.

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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