

Sponsor Statement

HB 152

“An Act relating to Brewpub Licenses.”

Alaska is currently enjoying the proliferation of new industries that help to diversify and augment the economies of communities throughout the state. One such industry that has enjoyed newfound widespread success in Alaska is the brewing industry.

The majority of brewpubs in Alaska were created during a window in state law that allowed an individual to hold both a brewer's license and a restaurant license. This is no longer allowed, as restaurant owners must now purchase a full liquor license in order to serve their in-house beer. Also instituted at this time were draconian requirements that put a cap on the amount of house beer those brewpubs are allowed to sell in their own restaurants. State law limits the amount of beer a brewpub can sell in-house to 75,000 gallons, regardless of consumer demand. For a successful, growing enterprise, this amount is not sufficient. As establishments enjoy success and foster growth in their communities, this production cap is limiting their operation. HB 152 looks to raise this limit to 150,000 gallons on an annual basis.

The creation of this arbitrary ceiling was set during the 19th Legislature in which the cap was deemed as “a popular area in terms of annual production”. There was no substantive basis for setting the cap at this level, and history has proved to us that it now needs to be revised.

These small businesses, located in most every region of the state, create very positive effects for their local economies. They generate increased employment, property tax revenue, and community involvement that were not present in Alaska just a few years ago. The growth of this industry has already transformed abandoned properties from blights in a city to viable operations that now contribute to the tax rolls.

To limit the growth and success of these entities would be irresponsible as we strive for diversity in our state's economy. Raising the production cap on these enterprises is key to continuing this source of new employment and development that otherwise would not exist.

Your positive consideration of this legislation would be appreciated.