



Testimony to the Senate Commerce & Energy Committee re: SB 169

February 6, 2018

Chairman Jensen, Members of the Commerce & Energy Committee-

Thank you for the opportunity to speak to you today. My name is Andrew Curley and I am the Deputy State Director for Americans for Prosperity, the largest free market, grassroots organization in South Dakota.

On behalf of Americans for Prosperity and our over 7,500 activists across the state, I come before you today in support of Senate Bill 169, which would allow small businesses to grow and thrive in South Dakota.

One of the fastest growing industries in the country is craft brewing. Between 2008 and 2016, the number of brewery establishments expanded by a factor of six, and the number of brewery workers grew by 120 percent to nearly 70,000 across the nation.

South Dakota has seen some of this success story with 15 craft breweries in the state. These businesses have a yearly economic impact of \$209 million, according to the Craft Brewers Association. Even more excitingly, the number of craft breweries has tripled since 2011.

But the growth of this industry in South Dakota is sadly capped to due arbitrary and nonsensical post-prohibition regulations. Currently these craft breweries are capped at 5,000 barrels per year if they want to be able to hold a retail license, i.e. have a taproom. They also are not able to sell their product directly to a retailer.

Raising the cap from 5,000 to 30,000 would bring our state more in line with our neighbors who are seeing their craft brewery business boom even more than ours. As you've heard, the lowest level of our surrounding states is 20,000, with Montana at 60,000 and Iowa having no limit. This is an area where we have the most restrictive regulations of all our neighbors, which is a distinction I believe most of you would agree is not a badge of honor.

At the end of the day, this legislation and the motivation behind it is about free enterprise. The ability for an entrepreneur to grow their small business free from the constraints of government regulations. In what other industry do we tell a manufacturer how much they are able to produce and who they're allowed to contract with for placement and distribution of their product?

It's time that South Dakota updated their laws and brought brewing in the state into the 21st century. We need to get government out of the way and let the entrepreneurs of this state thrive so they can create jobs and delicious beverages.

I urge you to support Senate Bill 169.

Thank you for your time.

Andrew Curley
Deputy State Director
Americans for Prosperity.