

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 64th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS AND LABOR

Call to Order: Chair Tom Berry, on February 6, 2015 at 8:00 AM, in Room 172 Capitol

ROLL CALL

Members Present:

Rep. Tom Berry, Chair (R)
Rep. Ryan Lynch, Vice Chair (D)
Rep. Daniel R. Salomon, Vice Chair (R)
Rep. Christy Clark (R)
Rep. Willis Curdy (D)
Rep. Steve Fitzpatrick (R)
Rep. Chuck Hunter (D)
Rep. George G. Kipp III (D)
Rep. Mike Lang (R)
Rep. David (Doc) Moore (R)
Rep. Mark Noland (R)
Rep. Andrea Olsen (D)
Rep. Gordon Pierson Jr (D)
Rep. Christopher Pope (D)
Rep. Vince Ricci (R)
Rep. Tom Richmond (R)
Rep. Tom Steenberg (D)
Rep. Jeffrey W. Welborn (R)

Members Excused: Rep. Scott Staffanson (R)

Members Absent: None

Staff Present: Karen Armstrong, Committee Secretary
Pat Murdo, Legislative Branch

Audio Committees: These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

Committee Business Summary:

Hearing & Date Posted: HB 326, 1/30/2015; HB 336, 1/30/2015; HB 350, 2/2/2015;
HB 360, 1/30/2015

00:00:01 Chairman Berry

HEARING ON HB 350

Opening Statement by Sponsor:

00:01:23 Rep. Ray Shaw (R), HD 71, opened the hearing on HB 350, Revise liquor laws pertaining to the number of sales representatives.

Proponents' Testimony:

00:02:49 Jennifer Hensley, Montana Distillers Guild

[EXHIBIT\(buh27a01\)](#)

00:07:25 Robin Blazer, Willie's Distillery, Ennis

[EXHIBIT\(buh27a02\)](#)

00:13:43 Karen Powell, Triple Divide Spirits, Helena

[EXHIBIT\(buh27a03\)](#)

00:15:36 John McKee, President, Montana Distillers Guild; Owner, Headframe Spirits, Butte

00:16:27 John Iverson, Montana Tavern Association (MTA)

00:16:41 Neil Peterson, Gaming Industry Association (GIA)

Opponents' Testimony: None

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

00:17:16 Rep Shaw

HEARING ON HB 360

Opening Statement by Sponsor:

00:17:52 Rep. Daniel Zolnikov (R), HD 45, opened the hearing on HB 360, Repeal statutory presumption of contract between licensed wholesaler and brewer.

Proponents' Testimony:

00:19:07 Tony Herbert, Executive Director, Montana Brewers Association (MBA)

00:22:16 John Iverson, Montana Tavern Association (MTA)

00:22:35 Sam Hoffmann, Red Lodge Ales, Red Lodge

00:23:23 Mike Hope, Montana Tavern Association (MTA)

00:23:51 Neal Peterson, Gaming Industry Association (GIA)

Opponents' Testimony:

00:24:16 Kristi Blazer, Montana Beer and Wine Distributors Association (MBWDA)

Informational Testimony: None

Questions from Committee Members and Responses: None

Closing by Sponsor:

00:26:34 Rep. Zolnikov

HEARING ON HB 326**Opening Statement by Sponsor:**

00:28:04 Rep. Pat Noonan (D), HD 74, opened the hearing on HB 326, Generally revise alcohol laws related to brewers.

Proponents' Testimony:

00:32:53 Tony Herbert, Montana Brewers Association (MBA)

[EXHIBIT\(buh27a04\)](#)[EXHIBIT\(buh27a05\)](#)

00:39:06 John Iverson, Montana Tavern Association (MTA)

[EXHIBIT\(buh27a06\)](#)[EXHIBIT\(buh27a07\)](#)[EXHIBIT\(buh27a08\)](#)[EXHIBIT\(buh27a09\)](#)

00:42:59 Mike Hope, President, Montana Tavern Association (MTA)

00:50:33 Max Pigman, Lewis and Clark Brewery, Helena

00:54:12 Josh Townsley, President, Montana Brewers Association (MBA); Tamarack Alehouse and Grill, Lakeside

00:56:49 Chairman Berry

00:57:38 Neil Peterson, Gaming Industry Association (GIA)

[EXHIBIT\(buh27a10\)](#)

01:01:10 Brad Martens, The Rhinoceros, Missoula

01:06:08 Todd Scott, Bozeman Brewing Company, Bozeman

01:06:17 Sam Hoffman, Red Lodge Ales Brewing Company, Red Lodge

[EXHIBIT\(buh27a11\)](#)

01:06:34 Neal Leathers, Big Sky Brewing Company

01:07:12 Brad Griffin, Montana Restaurant Association

01:07:21 Mark Hastings, board member, Montana Brewers Association, Uberbrew, Billings

01:07:44 Albert McDonald, restaurant owner, Bozeman

01:08:09 Jim Devine, Beaver Creek Brewery, Wibaux

01:08:53 Jeff Grant, Draught Works Brewery, Missoula

01:09:16 Bob Lincoln, Montana Tavern Association, Somers

01:09:28 Jason Palagi, Self

01:09:45 David Breck, Bridger Brewing, Bozeman

[EXHIBIT\(buh27a12\)](#)

01:10:06 Patrick Offen, Lolo Peak Brewing Company, Lolo

01:10:25 Charles Schnabel, Quarry Brewing, Butte

01:10:35 Jon Berens, Neptune's Brewery, Livingston

01:10:56 John Hayes, Cascade County Tavern Association

01:11:14 Nolan Smith, Board Member, Montana Brewers Association; Philipsburg Brewing Company

[EXHIBIT\(buh27a13\)](#)

01:11:47 Ben Johnson, Phillipsburg Brewing Company, Phillipsburg

01:12:09 Christa Heisler, Black Eagle Brewery

01:12:17 Tom Heisler, License Holder, Great Falls

Opponents' Testimony:

01:12:46 Kristi Blazer, Montana Wine and Beer Distributors Association

01:12:56 Matt Muth, 406 Brewing Company, Bozeman

EXHIBIT(buh27a14)

01:17:59 Brad Simshaw, Blackfoot River Brewing, Helena

EXHIBIT(buh27a15)

01:21:49 Tracy Prescott, President, Liquor Store Owners Association of Montana

01:23:07 Erik Somerfeld, malt barley grower, Power

01:25:14 J. P. Crowley, Triple Divide Spirits

01:26:11 Sarah Dinning, Cabinet Mountain Brewing Company, Libby

01:28:06 Juergen Knoeller, Bayern Brewery, Missoula

01:30:52 Jeff Carter, General Manager, Flathead Beverage Company

01:32:59 Michael Uhrich, Carter's Brewing, Billings

01:33:39 Pat Hunter, Izaak's Restaurant, Craig

01:36:12 Brent Mead, Executive Director, Montana Policy Institute (MPI)

01:36:54 Dennis Himmelberger, small brewery owner, Billings

EXHIBIT(buh27a16)

01:45:27 Kristin Smith, Cabinet Mountain Brewery, Libby

EXHIBIT(buh27a17)

01:45:51 Ron Kalvig, Self

01:46:39 Bill Watkins, President, Zip Beverage

01:46:49 Mike Markovich, Board member, Montana Beer and Wine Distributors Association; Summit Beverage

01:47:34 Trevor MacDonald, Sandy Mac's Distributing, Helena

01:47:47 Bethany Flint, Blackfoot River Brewing Company, Helena

01:48:03 Brian Clark, President, Fun Beverage, Kalispell

01:48:38 Tim Chisman, Head Brewer, Blackfoot River Brewing Company, Helena

01:48:59 Carter Mollgaard, M and C Beverage, Miles City

01:49:22 Dale Markovich, Owner, Summit Beverage, Butte and Missoula

01:49:36 Ardelle Watkins, President, Gusto Distributing, Great Falls

01:49:53 Mark Johnston, Sandy Mac's Distributing, Helena

01:50:08 Adam Decker, Briggs Distributing, Billings

01:50:21 John Decker, Briggs Distributing, Billings

01:50:43 John Swanson, Glasgow Distributors

01:51:02 Dave Irvin, Eagle Beverage, Great Falls

01:51:20 Tim Brocopp, President, Intermountain Distributing, Billings

01:51:34 Carl Lehrkind, Mountain Country Distributing, Bozeman and Helena

01:51:57 Jim George, George's Distributing, Helena

Informational Testimony:

01:52:23 Shauna Helfert, Administrator, Liquor Control Division, Montana Department of Revenue (DOR)

Questions from Committee Members and Responses:

01:52:45 Rep. Fitzpatrick

01:53:28 John Iverson, MTA

01:53:49 Rep. Fitzpatrick

01:54:08 John Iverson, MTA

01:54:29 Rep. Fitzpatrick

01:54:46 John Iverson, MTA
01:55:50 Rep. Ricci
01:56:14 Tony Herbert, Montana Brewers Association
01:56:20 Rep. Ricci
01:56:29 Tony Herbert, Montana Brewers Association
01:57:57 Rep. Pope
01:59:01 Josh Townsley, Montana Brewers Association
01:59:13 Rep. Pope
01:59:46 Josh Townsley, Montana Brewers Association
02:00:59 Rep. Pope
02:01:32 Josh Townsley, Montana Brewers Association
02:02:25 Rep. Lynch
02:02:50 Josh Townsley, Montana Brewers Association
02:03:28 Rep. Lynch
02:03:40 Josh Townsley, Montana Brewers Association
02:04:07 Rep. Lynch
02:04:19 Josh Townsley, Montana Brewers Association
02:04:56 Rep. Lynch
02:05:40 Brent Mead, Montana Policy Institute
02:06:42 Rep. Moore
02:07:11 Shauna Helfert, DOR
02:07:30 Rep. Salomon
02:08:31 Kristi Blazer, Montana Wine and Beer Distributors Association
02:10:13 Rep. Welborn
02:10:31 Shauna Helfert, DOR
02:10:36 Rep. Welborn
02:10:43 Shauna Helfert, DOR
02:10:48 Rep. Pierson
02:11:14 Matt Muth, 406 Brewing Company
02:11:20 Rep. Pierson
02:11:43 Matt Muth, 406 Brewing Company
02:12:10 Rep. Pierson
02:12:17 Matt Muth, 406 Brewing Company
02:12:39 Rep. Hunter
02:13:08 Tony Herbert, Montana Brewers Association
02:14:15 Rep. Hunter
02:14:20 Tony Herbert, Montana Brewers Association
02:14:26 Rep. Hunter
02:15:10 Mr. Himmelberger, Self
02:16:27 Rep. Curdy
02:17:04 Shauna Helfert, DOR
02:17:25 Rep. Curdy
02:17:39 Shauna Helfert, DOR
02:17:46 Rep. Clark
02:18:26 Tony Herbert, Montana Brewers Association
02:19:20 Rep. Clark
02:19:30 Tony Herbert, Montana Brewers Association
02:19:50 Rep. Pierson
02:20:11 Dale Markovich, Summit Beverage
02:21:00 Rep. Pierson

02:21:04 Dale Markovich, Summit Beverage
02:21:16 Rep. Pierson
02:21:29 Dale Markovich, Summit Beverage

Closing by Sponsor:

02:21:45 Rep. Noonan
02:25:26 Chairman Berry

02:25:47 Recessed.
02:41:12 Reconvened.

HEARING ON HB 336

Opening Statement by Sponsor:

02:41:59 Rep. David (Doc) Moore (R), HD 92, opened the hearing on HB 336, Amend laws governing small breweries to increase barrel production.

[EXHIBIT\(buh27a18\)](#)

[EXHIBIT\(buh27a19\)](#)

Proponents' Testimony:

02:43:32 Kristi Blazer, Montana Beer and Wine Distributors Association
02:50:06 Juergen Knoeller, Bayern Brewery, Missoula
02:56:05 Sarah Dinning, Cabinet Mountain Brewing Company, Libby
02:56:32 Erik Somerfeld, malt barley grower, Power
02:58:01 Brad Simshaw, Blackfoot River Brewing Company, Helena

[EXHIBIT\(buh27a20\)](#)

02:58:25 Brian Clark, Fun Beverage, Kalispell
03:04:01 Karen Powell, Triple Divide Spirits, Helena
03:04:42 Matt Muth, 406 Brewing Company
03:05:02 Michael More, consumer, home brewer

Opponents' Testimony:

03:05:42 John Iverson, Montana Tavern Association (MTA)

[EXHIBIT\(buh27a21\)](#)

03:08:49 Sam Hoffman, Red Lodge Ales, Red Lodge
03:09:57 Charles Schnabel, Quarry Brewing, Butte
03:10:34 Jim Devine, Beaver Creek Brewery, Wibaux
03:10:49 Tony Herbert, Montana Brewers Association

[EXHIBIT\(buh27a22\)](#)

03:14:32 Todd Scott, Bozeman Brewing Company, Bozeman
03:15:04 Mark Hastings, Uber Brew, Billings
03:15:39 Neal Leathers, President, Big Sky Brewing Company, Missoula
03:17:33 Josh Townsley, Tamarack Brewing, Lakeside
03:18:52 Mike Hope, Montana Tavern Association
03:20:42 Jeff Grant, Draught Works Brewery, Missoula; Board member, Montana Brewers Association
03:21:27 Jason Palagi, Self, Billings
03:21:45 Shawn Tobin, Lewis and Clark Brewery, Helena
03:22:01 Robert Lincoln, Vice President, Montana Tavern Association

03:22:11 Brad Martens, The Rhinoceros, Missoula
03:22:25 Dax Cetraro, Rialto
03:22:35 Ralph Ferraro, Rocking R Bar, Bozeman; Montana Tavern Association
03:23:02 Neil Peterson, Gaming Industry Association (GIA)
03:23:20 Brad Griffin, Montana Restaurant Association (MRA)

Informational Testimony:

03:23:49 Shawna Helfert, DOR

Questions from Committee Members and Responses:

03:24:03 Rep. Clark
03:24:34 Brian Clark, Fun Beverage
03:27:25 Rep. Pope
03:28:30 Shauna Helfert, DOR
03:29:05 Rep. Pope
03:29:22 Shauna Helfert, DOR
03:29:28 Rep. Olsen
03:30:13 Tony Herbert, Montana Brewers Association
03:30:35 Rep. Olsen
03:30:40 Tony Herbert, Montana Brewers Association
03:30:44 Rep. Fitzpatrick
03:31:13 John Iverson, Montana Tavern Association
03:32:46 Rep. Kipp
03:33:52 Todd Scott, Bozeman Brewing
03:34:08 Rep. Kipp

Closing by Sponsor:

03:34:48 Rep. Moore

03:35:41 Chairman Berry

ADJOURNMENT

Adjournment: 03:36:13

Karen Armstrong, Secretary

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Additional Documents:

EXHIBIT([buh27aad.pdf](#))