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OPINION

Beer law taps sentiment for reducing regulations

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We all know California has one of the toughest regulatory climates for businesses in the nation, and the Legislature often proposes new rules and taxes that restrict private industry. So it's worth celebrating the few times that lawmakers actually roll back regulations. That's especially so when it comes to an industry we find as enjoyable as craft brewing.

Gov. Gavin Newsom last week signed into law Assembly Bill 205, authored by Assemblyman Tom Daly, D-Anaheim. It rewrites an outdated state definition of beer by allowing it to be produced "using honey, fruit juice, fruit concentrate, herbs, spices and other food materials, as adjuncts in fermentation."

That brings the definition in line with federal regulations and will help this growing industry avoid excessive taxation and expand its interesting, fruit-based offerings. California has one of the nation's most vibrant craft-beer industries. "This measure modifies the definition of beer in a way that will allow California breweries to expand their market, satisfying the consumer's demand for more varied and unique styles of beer," said Assemblyman Daly's office. Under the law, these brewers no longer need a wine license.

The measure passed the Assembly and Senate floors without any "no" votes, which is amazing for a bill that reduces regulations and tax burdens. California lawmakers may understand the importance of good beer more than they understand the value of freer markets, but perhaps this will be a teachable moment. The government shouldn't micromanage microbreweries — or any other business, for that matter.

There was official opposition to the bill, however. Alcohol Justice argued that "redefining beer will allow more products to take advantage of the benefits that beer receives over other beverage types." The group also wrote it will give beer a "lower tax rate and a greater number of locations where it can be sold."

Lower taxes and broader sales? That strikes us as an argument in favor of the bill. But we agree brewers shouldn't get special advantages. The Legislature should revisit the state's entire outmoded liquor code and reduce regulations and taxes for distillers, too.