



# JoCasta Zamarripa

## STATE REPRESENTATIVE

### Testimony on Assembly Bill 344

I am Rep. JoCasta Zamarripa and I am the co-author of AB 344, the distilled spirits tasting bill.

I first became aware of this bill last session as a freshman legislator. Guy Rehorst, the owner of Great Lakes Distillery, came to testify in support of the legislation and I immediately recognized him as a business owner in my district. Great Lakes Distillery makes its home in my 8<sup>th</sup> Assembly District, on the near south side of Milwaukee, and I cannot tell you how proud I am of that. Guy has grown his small business from the ground up. I remember when I first visited Great Lakes Distillery there was just a small bar in the warehouse part of the distillery. Guy has now invested in an outdoor patio area and a beautiful brand new bar upstairs from the warehouse.

Guy is a perfect example of the entrepreneurial spirit we must cultivate in Wisconsin. In the 21<sup>st</sup> century, it is the small business owner that truly grows good jobs and the strong economy that our state so desperately needs. Guy began his business by himself. He now employs six full-time employees and eight part-time employees with good paying middle-class jobs.

This bill would allow Guy to have his spirits sampled at grocery stores and liquor retailers by customers who are of legal drinking age. Wine and beer can already be sampled at these locations. This bill levels the playing field so that distilled spirits can be sampled, too, and in a much smaller amount. No more than three, 1/2 oz. pours may be given to a customer. That's the equivalent of one shot and the likelihood that they would be given all three, 1/2 oz. pours is slim. These may be "free" samples for the customer, but the producer, Guy, has to pay a licensed representative to dole out these samples in a professional and responsible manner in order to continue to grow the credibility of his business, grow jobs, and strengthen our economy.

This bill, AB 344, is an economic development bill that promotes commerce in our great state. If you believe in free market economics, and I know so many of my colleagues on the other side of the aisle do – you should support this bill. Distillers like Guy Rehorst are at a competitive disadvantage in comparison to beer and wine producers, who have been able to offer samples since 2001 and 2007 respectively.

Since AB 104 passed in 2001 & AB 122 passed in 2007, which allow the sampling of wine and beer in our state, we have seen an explosion in the number of wineries and craft breweries throughout Wisconsin. These small businesses are thriving, they're growing jobs, and they're growing our economy.

It is time for Wisconsin to support distillers like Guy Rehorst and Great Lakes Distillery, by simply leveling the playing field. Our U.S. Senator, Tammy Baldwin so often says this about Wisconsinites:

"We work hard, and we want a fair shot. That is all." I bet we hear something very similar from Guy and the other small business owners here today.

They work hard. And they want a fair shot. Nothing more, nothing less. Thank you for your time.

### 8TH ASSEMBLY DISTRICT

State Capitol: P.O. Box 8953, Madison, WI 53708-8953 • (608) 267-7669 • Toll-free: (888) 534-0008 • Fax: (608) 282-3608  
Email: [rep.zama@legis.wi.gov](mailto:rep.zama@legis.wi.gov) • Web: <http://zamarripa.assembly.wi.gov>





TO: Members, Assembly Committee on State Affairs  
FROM: Maureen Busalacchi, Health First Wisconsin  
RE: Assembly Bill 344  
DATE: October 3, 2013

This bill moves Wisconsin in the completely wrong direction. Wisconsin is plagued by binge drinking, underage drinking, and drunk driving that is costing businesses and families billions of dollars a year. The last thing our state needs is to give out free mini-shots at our gas stations and grocery stores, which would put more alcohol in our bloodstreams and could put more impaired drivers on our roads.

It is well-known that increasing alcohol access and availability are two primary factors leading to risky and problem drinking, including binge and underage drinking. Wisconsin ranks worst in the nation in binge drinking and worst in the nation in drinks per binge drinking episode. Our state also consistently ranks near the top in drunk driving arrests and drunk driving fatalities.

For a state with a serious binge drinking problem, this bill does nothing but add fuel to the fire.

Researchers from the University of Wisconsin Population Health Institute recently estimated that excessive drinking costs Wisconsin \$6.8 billion dollars per year. "The Burden of Excessive Alcohol Use in Wisconsin" report, released in March 2013, revealed that many of those costs are borne by taxpayers.

Making alcohol more accessible and available through free liquor sampling would add costs and exacerbate the rampant practice of binge drinking among youth and residents across the state.

With these serious drinking problems in mind, the state does not need to encourage alcohol consumption by allowing grocery stores, gas stations and other retailers with a "Class A" license to give away free samples of distilled spirits. Unfortunately, existing state law already allows these retailers to provide free beer samples to individuals. Given that distilled spirits have significantly higher alcohol content than beer, extending this sampling practice to distilled spirits defies common sense and could compromise public safety.

In addition, nothing in this bill prevents people from going store to store, or from one gas station to another, to get free shots of distilled spirits. More often than not, individuals who would take free liquor samples would then get into their car and drive away from the store. The last thing Wisconsin needs is more alcohol-impaired drivers on our roads.

Wisconsin needs to take our alcohol culture and alcohol-related problems seriously. We need our legislators to start addressing these alcohol issues and help us find solutions to improve the health and safety of our families, businesses, and neighborhoods. The simple fact is that AB 344 creates more alcohol-related problems for this state – not more solutions.

We ask this committee to oppose this legislation.

**DIAGEO**

Toby J. Spangler  
Senior Director, State Government Relations

9101 Silverstone Lane  
Madison, WI 53593

Tel 608-497-0744  
Fax 608-497-0233  
toby.spangler@diageo.com

TESTIMONY

Of

Toby J. Spangler  
Senior Director, Diageo State Government Relations  
Madison, WI  
On

AB 344 - Spirits Tastings

Assembly Committee on State Affairs  
October 3, 2013

Chairman Kuglitsch, Members of the Committee:

I am here today on behalf of Diageo, the world's leading supplier of premium spirits, beer and wine. You may recognize some of our brands; Smirnoff, Captain Morgan, Johnnie Walker, Crown Royal and Baileys Irish Cream. We also have a large portfolio of beer and wine products; Guinness, Harp and Red Stripe as well as wine labels BV and Sterling to name a few.

I want to thank Representative Kleefisch for his leadership on this issue as well as Chairman Kuglitsch and the members of the Assembly Committee on State Affairs for the opportunity to offer our support for Assembly Bill 344. This legislation would allow adult consumers to taste up to: three 0.5 ounces of a particular brand of distilled spirits to determine whether that product suits their palate before having to pay for a full-sized premium product.

However, before I proceed any further on the current legislation. I think it is important to step back in time for some history on the issue. Six years ago, similar legislation was amended into the 2007-2009 biannual budget and passed by the Assembly and Senate. Governor Doyle decided to veto that provision. There were misconceptions about how tastings would take place. Others felt the bill should have gone through the normal committee process. During the 2011-2012 session; Representative Kleefisch introduced AB 480. The legislation was granted a hearing, but did not become law.

I and others hope today's hearing will address both of those concerns. . There seems to be a fair amount of misunderstanding about how spirits tasting are conducted. I have asked Liesl Nelson, Diageo Division Marketing Manager, Wisconsin to help demonstrate for the committee, how we conduct our tasting events in a very responsible manner.

I would also like to bring to your attention that since 2007, seventeen states have passed spirits tasting legislation or made changes to their existing laws. This brings the total number of states to forty four that allow some form of tastings of distilled spirits.

**I would now like to share with the committee some key points about responsible drinking and Diageo's commitment to Social Responsibility.**

- 2011 was a milestone year for progress in the reduction of drunk driving and underage drinking. Recent reports released this month by highly respected independent and government organizations demonstrate the serious progress that can be made when public and private stakeholders work together for a common cause, the type of work that Diageo supports across the country with a number of programs.
- In addition, the National Highway Traffic Safety Administration recently announced alcohol-impaired driving fatalities are at an historic low, despite the increase in miles driven. Since 1982 when recordkeeping began, the number of deaths has been cut by more than half and by nearly five percent in the last year alone.
- Over the last several years, Diageo's iconic brands including Johnnie Walker, Captain Morgan and Ciroc have partnered with the Department of Transportation (DOT) in a number of states including New York, Florida, Illinois and Nevada to ensure people get home safely, providing free debit cards and single ride Metro Cards for New Yorkers to use in taxis, trains and subways. The Safe Rides Home program enlists revelers, their friends and family members, as well as the city's transportation professionals: cab, livery and bus drivers and subway operators to make sure everyone gets home safely.
- In addition to the Safe Rides Program, Diageo supports the federal government's "We Don't Serve Teens Campaign" aimed at preventing adults from providing alcohol to underage persons.

- To address responsible drinking in retail establishments, bars and communities, Diageo supports the Responsible Retailing Forum and the Responsible Hospitality Institute. Both groups have been awarded government grants for their evidence-based approaches.

Diageo is a founding member of The Century Council and supports its award-winning programs to reduce drunk driving and underage drinking in states across the country.

I would now like my colleague Liesl Nelson to demonstrate how a spirits tasting would work in Wisconsin.

As you can see, competition is the name of the game. There is thousands of brands of distilled spirits in the market place, with many new brands being introduced each year. Innovation has led to strong growth in the spirits category as well as an explosion in the Craft Beer segment.

Consumers expect variety and companies are working hard to meet that demand. This trend is helping both on-premise and off-premise businesses as consumers move up to premium brands that increase their profit margins.

Tastings are a customary, longstanding, effective and responsible way to both introduce customers to new brands and to acquaint them with the wide variety of distilled spirits products that are available for purchase. This allows the large suppliers as well as the specialty producers an opportunity to compete in the market place. Assembly Bill 344 is a positive step forward in the highly competitive beverage alcohol marketplace.

This legislation also creates a leveling of the marketplace with respect to wine and malt beverage tastings, which are currently allowed under state statute.

Retail sales of beverage alcohol products, enhanced by effective marketing tools like tastings, contribute to jobs, tax revenues and the economy of Wisconsin as a whole. Tastings, conducted in a professional and responsible manner, are currently permitted in some form in 44 states.

We thank you for the opportunity to express our views on this issue and we urge your positive support of Assembly Bill 344. I would be happy to answer any questions from the Chairman or members of the committee.



## Wisconsin Troopers' Association

Executive Director – Ryan Zukowski

Glen Jones – President

4230 East Towne Blvd. #322

Madison, WI 53704

<http://www.wi-troopers.org/>

To: Chairman Mike Kuglitsch and Members of Assembly Committee on State Affairs  
From: Ryan Zukowski, Executive Director  
Date: October 3, 2013  
RE: Opposition to Assembly Bill 344 – expanding liquor sampling to certain retail licensees

Thank you for the opportunity to submit comments regarding Assembly Bill 344. I write on behalf of the 350 members of the Wisconsin Troopers' Association to express our opposition to the bill.

As Troopers, our main concern is and always will be public safety. Our duties relating to highway safety are far-reaching and include OWI and speed enforcement, as well as technical crash reconstruction, which far too often can be the after effects of drunk driving.

We believe that this bill runs counter to the public's growing concern and perception about drunk driving and our ability to prevent traffic crashes and fatalities.

- Assembly Bill 344 fails to identify the major differences between sampling beer or wine and sampling shots of liquor. By attempting to create a level playing field for the three separate industries, the serious public safety difference between them goes unnoted.
- Distilled spirits generally contain significantly more alcohol than beer or wine, this poses a threat to safety of the customer and all others they may encounter on the drive home. This bill would allow for three, ½ ounce samples of liquor, and assuming the liquor sampled is 80 proof, it is the equivalent in alcohol content of consuming more than 12 ounces of beer.
- It is important to note it's already legal to sample liquor in a controlled setting of a Class B licensed establishment. Expanding this to allow liquor sampling in other establishments is not necessary and runs counter to the growing concerns of drunk driving and highway safety.

Thank you for the opportunity to submit this letter. We hope that you take into account our reasoning behind opposing this bill.