



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-3533/1
ARG:emw&wlj

2023 ASSEMBLY BILL 304

June 8, 2023 - Introduced by Representatives VOS, AUGUST, SWEARINGEN and ZIMMERMAN, cosponsored by Senators LEMAHIEU, FEYEN and TESTIN. Referred to Committee on State Affairs.

AN ACT *to repeal* 125.06 (13), 125.28 (2) (e), 125.29 (2) (b) 1. and 2., 125.29 (3) (g), 125.51 (3) (am), 125.51 (3m) (a), 125.52 (7) and 125.68 (4) (c) 3m.; ***to renumber*** 125.02 (16), 125.04 (8), 125.29 (2) (b) 3. and 125.58 (2); ***to renumber and amend*** 125.02 (6), 125.045 (2), 125.045 (3), 125.09 (1), 125.29 (3) (h), 125.30 (3), 125.33 (9), 125.52 (1) (b) 1., 125.52 (1) (b) 2. and 125.53 (1); ***to amend*** 125.02 (12), 125.02 (13), 125.02 (14m), 125.02 (23), 125.03 (title), 125.03 (1) (a), 125.03 (1) (b), 125.03 (2), 125.04 (3) (a) (intro.), 125.04 (3) (a) 1., 125.04 (3) (b), 125.04 (3) (bm) (intro.), 125.04 (3) (c), 125.04 (3) (d) 1., 125.04 (3) (d) 2., 125.04 (3) (e) 2., 125.04 (3) (h), 125.04 (3) (j), 125.04 (4), 125.04 (5) (a) 5., 125.04 (5) (d) 1., 125.04 (5) (d) 2., 125.04 (5) (d) 3. a., 125.04 (6) (g), 125.04 (8) (title), 125.04 (8) (b), 125.04 (12) (a), 125.045 (title), 125.045 (1), 125.06 (1), 125.06 (3g), 125.06 (11m), 125.07 (1) (b) 4., 125.07 (3) (a) 3., 125.07 (3) (a) 10., 125.07 (3) (a) 16., 125.07 (4) (f) 3., 125.105 (1), 125.12 (1) (a), 125.12 (1) (c),

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125.12 (4) (title), 125.12 (4) (ag) (intro.), 125.12 (5) (title), 125.12 (5) (a), 125.12 (5) (b), 125.12 (5) (c), 125.12 (6) (a), 125.12 (6) (b), 125.12 (6) (c), 125.12 (6) (cm), 125.12 (6) (d), 125.12 (6) (dm), 125.12 (6) (e), 125.13, 125.14 (2) (c), 125.14 (2) (d), 125.14 (2) (e), 125.14 (2) (f), 125.14 (3) (b), 125.145, 125.15 (1), 125.17 (6) (a) (intro.), 125.19 (1), 125.20 (5) (c) and (d), 125.26 (2m), 125.26 (2s) (b), 125.27 (1) (a), 125.27 (2) (a) 1. (intro.), 125.27 (2) (a) 2., 125.27 (3) (b), 125.27 (5) (b) and (f), 125.275 (1), 125.275 (2) (b), 125.275 (3), 125.28 (1) (a), 125.28 (1) (b), 125.28 (2) (b) (intro.), 125.28 (2) (b) 1. a., 125.28 (2) (b) 1. b., 125.28 (2) (b) 1. c., 125.28 (2) (b) 2., 125.28 (4), 125.28 (5) (b), 125.28 (5) (d) 3., 125.28 (5) (e), 125.29 (1), 125.29 (3) (intro.), 125.29 (3) (c), 125.29 (3) (e), 125.29 (3) (f), 125.29 (3) (i), 125.29 (6), 125.295 (1) (intro.), 125.295 (1) (a), 125.295 (1) (g), 125.295 (2) (a) 1., 125.295 (2) (a) 2., 125.295 (2) (a) 4., 125.295 (2) (a) 6. (intro.), 125.295 (2) (a) 6. a., 125.295 (2) (a) 6. b., 125.295 (2) (a) 6. c., 125.295 (2) (b), 125.295 (2) (c), 125.295 (4), 125.295 (5), 125.30 (1), 125.30 (2), 125.30 (4), 125.30 (5), 125.32 (2), 125.32 (6) (a), 125.33 (2) (a), 125.33 (2) (d), 125.33 (12), 125.34 (6), 125.51 (1) (a), 125.51 (2) (am), 125.51 (2) (e) 3., 125.51 (3) (a), 125.51 (3) (b), 125.51 (3) (bm), 125.51 (3) (bs) 2., 125.51 (3) (f), 125.51 (3m) (c), 125.51 (3r) (a) 3., 125.51 (3r) (b), 125.51 (4) (a) 1., 125.51 (4) (e) 1., 125.51 (5) (a) 1., 125.51 (5) (a) 4., 125.51 (5) (b) 2., 125.51 (5) (b) 4., 125.51 (5) (c) 1., 125.51 (5) (d) 2., 125.51 (5) (f) 2. and 5., 125.52 (1) (a), 125.52 (2), 125.535 (1), 125.535 (2), 125.535 (3) (b) 2., 125.535 (3) (c), 125.54 (1), 125.54 (3), 125.54 (5), 125.54 (6), 125.54 (7) (a) 2., 125.54 (7) (c) 3., 125.54 (7) (d), 125.545 (title), 125.545 (1) (a), 125.545 (1) (d), 125.545 (1) (e), 125.545 (2) (a) 1., 125.545 (2) (a) 3. b., 125.545

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(2) (b), 125.545 (2) (c), 125.545 (3) (a) 1., 125.545 (3) (a) 2., 125.545 (3) (b), 125.545 (3) (c), 125.545 (4), 125.545 (5), 125.545 (6) (title) and (a) 1. and 2., 125.545 (6) (a) 3., 125.545 (6) (a) 4., 125.545 (6) (b), 125.545 (7), 125.55 (1), 125.56 (2) (a), 125.56 (2) (c), 125.56 (2) (d), 125.58 (1), 125.60 (1), 125.61 (1), 125.61 (3), 125.61 (4), 125.62 (1), 125.62 (3), 125.63 (1), 125.63 (3), 125.65 (1), 125.65 (4) (intro.), 125.65 (4) (e), 125.65 (6), 125.65 (10), 125.68 (2), 125.68 (4) (c) 1., 125.68 (4) (c) 3., 125.68 (9) (f), 125.68 (10) (a) and (b), 125.69 (4) (e), 125.69 (7), 139.01 (4), 139.01 (6), 139.03 (5) (a), 139.04 (4), 139.06 (3), 139.08 (3), 139.08 (4), 139.11 (1), 139.11 (4) (a) 2., 139.11 (4) (b) 2., 139.22, 139.25 (9), 185.043 (2), 227.52 (1), 230.08 (2) (e) 11. and 346.657 (1); ***to repeal and recreate*** 125.25 (2) (b), 125.26 (2) (b), 125.29 (2) (a) and 125.69 (1); and ***to create*** 15.433 (2), 19.42 (13) (q), 20.923 (4) (c) 7., 125.02 (1g), 125.02 (5g), 125.02 (6) (b), 125.02 (6d), 125.02 (6g), 125.02 (16) (bm), 125.025, 125.04 (3) (k), 125.04 (8) (b), 125.045 (2) (b), 125.045 (3) (b), 125.09 (1) (b) and (c), 125.11 (3), 125.12 (4) (ag) 9., 125.12 (5) (bm), 125.175, 125.20, 125.21, 125.22, 125.23, 125.24, 125.27 (7), 125.28 (2) (b) 1. g., h. and i., 125.28 (2) (b) 1. j., 125.29 (2) (a) 6., 125.29 (3) (dm), 125.29 (3) (h) 3., 125.29 (7) and (8), 125.295 (1) (fm), 125.295 (2) (a) 6. g., 125.30 (2) (d), 125.30 (3) (b), 125.30 (3) (c), 125.30 (3) (c) 5., 125.32 (3m) (L), 125.33 (2) (hr), 125.33 (9) (c), 125.51 (3) (bg), 125.51 (4) (v) 5., 125.52 (1) (b) 3., 4. and 5., 125.52 (4) and (5), 125.53 (1) (a) 3., 4., 5. and 6., 125.53 (3) and (4), 125.535 (3) (b) 3., 125.535 (3) (d) and (e), 125.535 (7), 125.545 (1) (ar), 125.545 (1) (cm), 125.545 (1) (em), 125.545 (2) (a) 4., 125.545 (3) (a) 2m., 125.545 (6) (a) 2m., 125.545 (6) (a) 3m., 125.58 (2) (b) and (c),

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125.58 (5), 125.69 (1) (a) 5., (b) 5., (c) 9. and (d) 5., 125.69 (9), 139.01 (2p) and 139.08 (5) of the statutes; **relating to:** creating the Division of Alcohol Beverages attached to the Department of Revenue; the regulation of alcohol beverages and enforcement of alcohol beverage laws; interest restrictions relating to, and authorized activities of, brewers, brewpubs, wineries, manufacturers, rectifiers, wholesalers, and retailers; shipping alcohol beverages by means of fulfillment houses and common carriers; the consumption of alcohol beverages in a public place; creating a no-sale event venue permit; creating an operator's permit; liquor licenses transferred from one municipality to another; retailers' authorized activities; liquor license quotas; the safe ride program; the presence of underage persons and conduct of other business on licensed premises; the occupational tax on alcohol beverages; repealing a rule promulgated by the Department of Revenue; granting rule-making authority; and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill does all of the following:

1. Creates the Division of Alcohol Beverages (division) attached to the Department of Revenue and transfers DOR's alcohol beverage regulation and enforcement functions to the division.
2. Makes changes relating to the retail sales authority of brewers, wineries, manufacturers, and rectifiers, as well as changes relating to other authorized activities of brewers, wineries, manufacturers, and rectifiers.
3. Expands or modifies the authority of brewers, wineries, manufacturers, and rectifiers to provide free taste samples on retail premises.
4. Increases the limits on the amount of fermented malt beverages (beer) a brewpub may manufacture and self-distribute.
5. Makes changes relating to restrictions on holding certain common interests applicable to manufacturers, rectifiers, wineries, brewers, brewpubs, wholesalers, and retailers.

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6. Specifies requirements for certain production arrangements between alcohol beverage producers.

7. Creates permits issued to, and imposes requirements and restrictions on, fulfillment houses and common carriers.

8. Makes changes relating to the state's jurisdiction over out-of-state persons holding Wisconsin alcohol beverage permits and persons who unlawfully ship alcohol beverages into another state.

9. Modifies provisions relating to the consumption of alcohol beverages in a public place and creates a no-sale event venue permit issued by the division to property owners authorizing the permittee to rent real property for use as an event venue at which beer and wine are consumed, on no more than six days per year, if certain requirements are met. The bill also creates a liquor license quota exception for qualifying persons who opt to obtain a retail license instead of a no-sale event venue permit.

10. Allows "Class C" retail licenses to be issued to establishments other than restaurants.

11. Modifies the applicable penalty when a beer retailer purchases beer from a source other than a wholesaler.

12. Broadens membership eligibility and operational authority of cooperative wholesalers and allows new cooperative wholesalers to be formed for a limited period.

13. Eliminates the limit on the number of manufacturers', rectifiers', or liquor wholesalers' permits one person may hold and allows a beer wholesaler to transfer its wholesaler's permit to a different location within the state.

14. Increases the amount of the safe ride program surcharge and requires municipalities to provide information to retailers about the safe ride program.

15. Makes changes relating to the occupational tax liability of producers of alcohol beverages.

16. Changes the definition of "fermented malt beverages."

17. Establishes a \$500 fee for permits issued by the division if no fee is currently charged for the permit.

18. Creates an operator's permit issued by the division that is similar to an operator's license (commonly referred to as a bartender's license) issued by a municipality.

19. Allows a municipality to transfer a retail liquor license that is subject to the quota system to another municipality in the same county.

20. Creates a closing hour exception for certain retailers in southeast Wisconsin during a 2024 national political convention.

21. Modifies a licensing exception applicable to beer provided on brewery premises.

22. Allows a retail license to be issued for an axe throwing facility and allows an underage person, without a parent or guardian, to be on these licensed premises.

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23. Specifies that, subject to certain conditions, a “Class B” retailer may prepare and store mixed drinks up to 48 hours prior to sale to consumers.

Background

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the producer sells to a wholesaler, the wholesaler sells to a retailer, and the retailer sells to a consumer. With specific exceptions, no person may sell outside the three-tier system and no person may sell alcohol beverages to a consumer unless the seller possesses a license or permit authorizing the sale. Also under current law, DOR issues permits to alcohol beverage producers that authorize specified activities, while municipalities issue retail licenses to alcohol beverage retailers. With limited exceptions, a retail licensee may not purchase alcohol beverages from, or possess alcohol beverages purchased from, any person other than a wholesaler.

Under current law, Class “A” and “Class A” licenses authorize the retail sale of, respectively, beer and intoxicating liquor in original packages for consumption off the licensed premises. Intoxicating liquor includes wine and distilled spirits. Class “A” and “Class A” licenses are often issued together for grocery stores or liquor stores. A Class “B” license authorizes the retail sale of beer for consumption on or off the premises. Except when issued to a winery, a “Class B” license authorizes the retail sale of intoxicating liquor for consumption on the licensed premises and, subject to restrictions, the retail sale of intoxicating liquor for consumption off the licensed premises. Class “B” and “Class B” licenses are often issued together for restaurants or taverns. A “Class C” license, which may be issued only for a restaurant, authorizes the retail sale of wine for consumption on the premises.

Under current law, DOR issues permits to manufacturers (commonly referred to as distillers), rectifiers, wineries, brewers, and brewpubs. DOR also issues permits to beer wholesalers, intoxicating liquor wholesalers, out-of-state beer shippers, and out-of-state intoxicating liquor shippers. Out-of-state shippers are suppliers located outside this state that ship alcohol into this state. DOR also issues direct wine shippers’ permits to in-state and out-of-state wineries that authorize the permittee to ship wine directly to individuals in this state. In addition, DOR issues Class “B” and “Class B” retail permits under limited circumstances.

Division of Alcohol Beverages

The bill creates the division, attached to DOR, and transfers DOR’s alcohol beverage regulation and enforcement functions, including issuance of alcohol beverage permits, to the division. The bill also creates within the division separate bureaus dedicated to enforcement, legal services, and education and community outreach. The administrator of the division may appoint special agents and other employees necessary to carry out the permitting, audit, education, legal, and enforcement functions of the division. The administrator and employees of the division may not be employed by or have a financial interest in the alcohol beverage

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industry and are subject to the standards of conduct and conflict of interest prohibitions for state public officials.

Retail sales by brewers, wineries, manufacturers, and rectifiers

Under current law, a brewer's permit issued by DOR authorizes the brewer to, among other activities, manufacture beer and, if the brewer manufactures 300,000 or fewer barrels of beer per year, self-distribute its beer directly to retailers. A brewer's permit also authorizes the brewer to sell at retail, without a retail license, at the brewery premises and at one off-site retail outlet 1) the brewer's own beer, for consumption on or off the premises; 2) certain other Wisconsin-made beer, for consumption on or off the premises, if the brewer purchases the beer from a wholesaler or another brewer; and 3) intoxicating liquor, for consumption on the premises, if the brewer held a retail intoxicating liquor license on June 1, 2011, and if the brewer purchases the intoxicating liquor from a wholesaler. The brewer may also provide free taste samples at the brewery premises and the brewer's off-site retail outlet. A brewer may not hold a retail beer license. A brewer may not operate a restaurant except at the brewery premises and the brewer's off-site retail outlet.

Under current law, a winery permit issued by DOR authorizes the winery to, among other activities, manufacture wine and provide taste samples of its wine on the winery premises. A winery may also hold one retail license—either a “Class A” or “Class B” license—which may be issued for the winery premises or another location, but the winery may not hold other specified retail interests. A “Class B” license issued to a winery is limited compared to other “Class B” licenses because it authorizes the retail sale of wine for consumption on or off the premises but does not authorize the retail sale of distilled spirits. A “Class B” license may be issued to a winery only if the winery is capable of producing at least 5,000 gallons of wine per year in no more than two locations. If a retail license is issued to a winery, the winery may provide wine made by the winery directly to its own retail premises, without the wine first passing through a wholesaler.

Under current law, a manufacturer's permit or rectifier's permit issued by DOR authorizes the permittee to, respectively, manufacture or rectify intoxicating liquor. Current law prohibits a manufacturer or rectifier from holding an interest in a retail liquor license, but a manufacturer's permit or rectifier's permit authorizes the manufacturer or rectifier to make retail sales, without a retail license, of intoxicating liquor manufactured or rectified on the manufacturer's or rectifier's premises, for consumption on or off the premises. Subject to limitations, a manufacturer or rectifier may also provide free taste samples of intoxicating liquor manufactured or rectified on the premises, for consumption on the premises.

The bill eliminates most current law provisions relating to retail sales authority for brewers, wineries, manufacturers, and rectifiers and replaces them with provisions creating a more uniform standard of retail sales authority for these producers. Under the bill, a brewer, winery, manufacturer, or rectifier (producer) may, under its division-issued permit, make retail sales on the production premises and establish full-service retail outlets depending on the producer's production

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volume. The bill authorizes a producer to make retail sales of its own products on the production premises, for on-premises or off-premises consumption. If the producer meets specified production thresholds, the bill also allows the producer to engage in full-service retail sales on the production premises and to establish from one to three full-service retail outlets away from the production premises at which full-service retail sales may be made. “Full-service retail sales” are sales of beer and intoxicating liquor, for on-premises or off-premises consumption, and the provision of taste samples. Alcohol beverages not produced by the producer must be purchased from a wholesaler or other person authorized to distribute the alcohol beverages under current law. To operate a full-service retail outlet, a producer must obtain approval from the division, which the division must grant unless the producer has violated a provision of law related to full-service retail outlets. In addition, a producer may not commence sales of alcohol beverages at a full-service retail outlet unless, prior to commencing such sales, the producer receives approval from the municipality in which the retail outlet is located. Applications for a municipality’s approval must be made on a form prescribed by the division. A municipality’s approval must be based on the same standards and criteria that the municipality has established by ordinance for the evaluation and approval of retail license applications. A municipality may limit the scope of alcohol beverages offered for sale at a full-service retail outlet only with respect to alcohol beverages that are not of the same type as those produced by the producer. Retail sales on the production premises and at full-service retail outlets must be supervised by the permit holder or a person holding an operator’s license or operator’s permit (discussed further below). A producer may operate a restaurant at any full-service retail outlet and on the production premises.

Under the bill, if a brewer is not eligible to establish a full-service retail outlet, the brewer maintains the current-law authorization to establish an off-site retail outlet at which it may sell its own beer for on-premises or off-premises consumption. In addition, if the brewer held a retail intoxicating liquor license on June 1, 2011, for its brewery premises or an off-site retail outlet, the brewer may make retail sales of intoxicating liquor for on-premises consumption at this formerly licensed location.

The bill eliminates the authorization for a winery to hold a retail license, which authorization is replaced with the retail sales authority described above. The bill also eliminates the prohibition against a brewer operating a restaurant in a location other than the brewery premises and the brewer’s off-site retail outlet.

Closing hours for retail sales by brewers, wineries, manufacturers, and rectifiers

Under current law, with limited exceptions, a retailer operating under a Class “B” or “Class B” license may not remain open between the hours of 2 a.m. and 6 a.m. on weekdays or between 2:30 a.m. and 6 a.m. on Saturday and Sunday, and a municipality may not impose different closing hours by ordinance. The hours during which a Class “B” licensed retailer may make sales for off-premises

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consumption are more limited, with these sales prohibited from midnight to 6 a.m., although a municipality may, by ordinance, impose more restrictive hours for these sales. Current law does not specify closing hours or permissible hours of sale for retail sales by brewers, manufacturers, or rectifiers.

Under the bill, a full-service retail outlet of a producer is subject to the same closing hours, and restrictions on the hours in which sales for off-premises consumption may be made, that are applicable to a Class “B” licensee in the same municipality with respect to all alcohol beverages sold at the retail outlet. These limitations also apply to the producer’s production premises, except that the production premises are not required to be closed for nonretail activities. The bill also specifies that no member of the public or invited guests may be present on the production premises during the closing hours applicable to a Class “B” licensee.

Under current law, a winery operating under a “Class B” license may not remain open for retail sales of wine between the hours of 9 p.m. and 8 a.m.

The bill eliminates this earlier closing hour for a winery.

Other authorized activities of brewers, wineries, manufacturers, and rectifiers

Under the bill, the permit of a brewer, winery, manufacturer, or rectifier also authorizes the following activities:

1. The transportation by the producer of its alcohol beverages between the production premises and any depot, warehouse, or full-service retail outlet maintained by the producer or other premises for which the producer holds a permit.

2. The sale, shipment, transportation, and delivery, or the sale or transfer, of the producer’s alcohol beverages, in bulk or in any state of packaging, to another producer holding a permit that allows production of the same type of alcohol beverages.

Producers providing taste samples on retail premises

Current law allows Class “A” and “Class A” licensees to provide free taste samples to customers for consumption on the licensed premises, subject to various restrictions such as the size and number of taste samples and hours during which they may be provided. As part of their retail sales authority, Class “B,” “Class B,” and “Class C” licensees may also provide taste samples for consumption on the premises.

Under current law, a brewer may provide free taste samples on Class “A” licensed premises for consumption on the premises, subject to the same limitations applicable to the Class “A” licensee in providing taste samples, including hours and size and number of samples. In addition, the brewer must purchase from the Class “A” licensee the beer that the brewer provides as taste samples.

The bill creates additional authority, and modifies existing authority, for a brewer, winery, manufacturer, or rectifier to provide taste samples on retail licensed premises with the consent of the retail licensee. Under the bill, a winery,

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manufacturer, or rectifier may provide free taste samples of intoxicating liquor on “Class A,” “Class B,” or “Class C” premises, not exceeding two 3-ounce samples of wine per day per person and one 0.5-ounce sample of distilled spirits per day per person. A brewer may provide free taste samples of beer on Class “A” or Class “B” premises, not exceeding two 3-ounce samples of beer per day per person. A brewer, winery, manufacturer, or rectifier may provide the taste samples to any person who has attained the legal drinking age for consumption on the premises between the hours of 11 a.m. and 7 p.m. The taste samples must be either 1) purchased by the brewer, winery, manufacturer, or rectifier from the retail licensee or 2) produced by the brewer, winery, manufacturer, or rectifier and brought to the retail premises. However, a brewer, winery, manufacturer, or rectifier may not leave at the retail premises any unused alcohol beverages not purchased from the retail licensee.

The bill also eliminates a provision under which a municipality may prohibit a “Class A” licensee from offering free taste samples of wine on its licensed premises.

Brewpubs

Under current law, a person is eligible for a brewpub permit issued by DOR if the person meets certain requirements, including that 1) the person manufactures not more than 10,000 barrels of beer per year and 2) the person operates on the brewpub premises a restaurant for which a retail license is issued and in which the brewpub sells, in addition to its own beer, the beer of another brewer. A brewpub permit authorizes, among other activities, 1) the manufacture of up to 10,000 barrels of beer per year, but the entire manufacturing process must occur on brewpub premises; 2) the retail sale of alcohol beverages through retail licenses issued for the brewpub’s restaurant; and 3) the annual distribution of up to 1,000 barrels of the brewpub’s beer to retailers.

The bill increases, from 10,000 to 20,000 barrels per year, the amount of beer that a brewpub may manufacture and eliminates the requirement that the entire manufacturing process occur on brewpub premises. The bill also authorizes a brewpub to annually distribute up to 2,000 barrels of the brewpub’s beer to retailers. Also under the bill, to meet the requirement that it sell beer other than its own in its restaurant, a brewpub may sell beer manufactured by another brewpub rather than a brewer.

The bill also authorizes a brewpub to sell, ship, transport, and deliver, in bulk or in any state of packaging, beer manufactured by the brewpub to another brewpub.

Interest restrictions

Current law imposes restrictions on the issuance of alcohol beverage licenses and permits and the interests that such licensees or permittees may hold in other licensees or permittees. For example, a Class “B” license may not be issued to a brewer or a beer wholesaler, and a beer wholesaler’s permit may not be issued to a brewer or Class “B” licensee. As another example, a manufacturer, rectifier, or winery may not hold any direct or indirect interest in any wholesale permit or

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establishment. Current law includes many similar provisions, which generally prohibit one type of licensee or permittee from having a direct or indirect interest in specified other types of licensees or permittees. DOR has promulgated a rule used to implement some of these statutory interest restrictions, which include definitions and examples of direct and indirect interests.

The bill modifies these existing interest restriction provisions. In general, the bill expands these provisions to explicitly apply to “cross-tier” interests, such as a beer wholesaler’s interest in a winery permit or a winery’s interest in a retail beer license. The bill also standardizes language among the various interest restriction provisions, partly by adopting the phrase “an interest in” rather than “a direct or indirect interest in” or “a direct or indirect ownership interest in” and partly by explicitly stating whether the interest restriction applies to retail licensees, retail permittees, beer wholesalers, liquor wholesalers, brewers, brewpubs, wineries, manufacturers and rectifiers, out-of-state beer shippers, and out-of-state liquor shippers. The bill also incorporates the new interest restriction exceptions discussed below. The bill further repeals the DOR rule that guides determinations relating to interest restrictions.

In addition to these changes to existing interest restriction provisions, the bill creates new provisions relating to interest restrictions and creates exceptions to interest restrictions. The bill specifies all of the following:

1. No production permittee may hold any interest in any distribution permittee or in any retail licensee or permittee, except as authorized under current law for a brewpub.
2. No distribution permittee may hold any interest in any retail licensee or permittee or any interest in any production permittee, with an exception for a beer wholesaler holding an interest in a brewer on July 1, 2011.
3. No retail licensee or permittee may hold any interest in any distribution permittee or in any production permittee, except as authorized under current law for a brewpub.

For purposes of these provisions, employment in a nonmanagerial capacity for an alcohol beverage licensee or permittee is not an interest in that licensee or permittee.

The bill defines a “production permittee” as a person holding a permit issued to a brewer, brewpub, manufacturer, rectifier, or winery; a brewer in another state that holds an out-of-state beer shipper’s permit; a manufacturer, rectifier, or winery in another state that holds an out-of-state liquor shipper’s permit; or a restricted individual of any such person. A “restricted individual” is an individual who 1) is identified on a manager’s license or who works or acts in a managerial capacity for an alcohol beverage permittee or licensee; 2) serves as an officer, director, member, manager, or agent of a corporation or limited liability company that holds an alcohol beverage permit or license; or 3) holds more than a 10 percent ownership interest in an alcohol beverage permittee or licensee. The bill defines a “distribution permittee” as a person holding a beer or liquor wholesaler’s permit or a restricted

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individual of such a person. The bill defines a “retail licensee or permittee” as a person holding a Class “A,” Class “B,” “Class A,” “Class B,” or “Class C” license, a Class “B” or “Class B” permit, or a no-sale event venue permit (discussed further below), or a restricted individual of any such person. The bill also defines a “restricted entity” as an entity holding more than a 10 percent ownership interest in an alcohol beverage permittee or licensee. The bill defines a “restricted investor” as a restricted individual or restricted entity.

The bill also specifies the following three situations, applicable to both new and existing interest restriction provisions under the bill, in which interests are explicitly authorized:

1. An alcohol beverage licensee or permittee may be owned in part by, or grant an ownership interest to, a restricted investor in a different tier if specified requirements are satisfied, including that no restricted investor holds more than a 10 percent ownership interest or is involved in day-to-day operations and the aggregate amount of ownership held by all restricted investors does not exceed 49 percent. Each restricted investor must execute an affidavit swearing to a lack of involvement in the day-to-day operations of the licensee or permittee. A restricted investor who materially violates a representation in the affidavit may be required to forfeit not more than \$1,000.

2. An alcohol beverage licensee or permittee, or a restricted individual of a licensee or permittee, may enter into a landlord-tenant relationship with another licensee or permittee operating in a different tier if specified requirements are satisfied, including that the landlord has no control over or day-to-day involvement in the business of the tenant.

3. A spouse may have an interest in the alcohol beverage license or permit of the other spouse if specified requirements are satisfied, including that the marriage is governed by a marital property agreement or prenuptial agreement and both spouses execute an affidavit swearing to a lack of involvement in the day-to-day operations of each respective business. A spouse who materially violates a representation in the affidavit may be required to forfeit not more than \$1,000.

As discussed above, the bill also eliminates the authority of a winery to hold a retail license and provisions allowing this common interest.

Tied house restrictions

Current law prohibits a brewer, brewpub, or beer wholesaler from furnishing anything of value to a Class “B” licensee, but there are numerous exceptions to this prohibition.

The bill creates an exception under which a brewer, brewpub, or beer wholesaler may enter into a landlord-tenant relationship with a Class “B” licensee if the same requirements are satisfied that are referenced in item 2, above, relating to interest restrictions and landlord-tenant relationships.

Production agreements

The bill specifies authority for a brewer, brewpub, winery, manufacturer, or

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rectifier (producer) to produce alcohol beverages by means of contract production, alternating proprietorship, or licensing agreement and further specifies certain requirements for and consequences of such an arrangement. These arrangements must be established by written agreement, which generally may be entered into only by producers holding the same type of producer's permit.

The bill defines "contract production" as a contract, agreement, or business arrangement whereby a recipe producer or out-of-state recipe supplier provides consideration to a contract producer for the production, bottling, or labeling of alcohol beverages. In a contract production arrangement, the "contract producer" manufactures, bottles, or labels the alcohol beverages, which are purchased from the contract producer by the "recipe producer" or "out-of-state recipe supplier." A recipe producer, with an exception, holds the same type of Wisconsin permit as the contract producer, while an out-of-state recipe supplier is a person located in another state that produces alcohol beverages in that state.

The bill specifies that alcohol beverages produced under a contract production arrangement between a contract producer and recipe producer count toward the production volume of the recipe producer, except they may not be considered for purposes of determining a producer's retail sales authority (discussed above). The recipe producer is considered the producer for purposes of taxation and reporting to the division.

The bill defines an "alternating proprietorship" as an arrangement in which a host producer provides use of space and equipment, and may additionally provide personnel, to a guest producer for the production of alcohol beverages. In this arrangement, a "host producer" provides its production facility to a "guest producer" for the guest producer to use to produce the guest producer's alcohol beverages. The bill specifies that alcohol beverages produced under an alternating proprietorship count toward the production volume of the guest producer, and the guest producer is considered the producer for purposes of taxation and reporting to the division.

The bill defines a "licensing agreement" as an agreement between a licensor and a producer for the production of alcohol beverages containing the name, symbol, or mark of the licensor. A producer may enter into a written licensing agreement with a licensor authorizing the producer-licensee to use the licensor's trademark or name if the producer-licensee is entirely responsible for producing the alcohol beverages and for all related processing steps and regulatory requirements.

The bill also specifies that a producer entering into a contract production arrangement, alternating proprietorship arrangement, or licensing agreement does not act as an agent for or in the employ of another with respect to certain provisions of current law.

Common carrier shipments

The bill prohibits a common carrier from transporting or delivering alcohol beverages into or within this state, other than to an alcohol beverage licensee or permittee, unless the common carrier first obtains a permit from the division. This

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permit authorizes a common carrier only to transport or deliver into or within this state wine on behalf of a person holding a Wisconsin direct wine shipper's permit, which generally may be an in-state or out-of-state winery, or on behalf of a person holding a fulfillment house permit (discussed below). A common carrier must pay an annual permit fee of \$1,000. A common carrier that fails to obtain a permit prior to commencing delivery of alcohol beverages in this state is subject to a fine of not more than \$10,000. A common carrier that ships alcohol beverages other than wine obtained from a direct wine shipper permittee or fulfillment house permittee is subject to a forfeiture of not more than \$2,000, and the division must revoke the common carrier's permit if the common carrier violates this prohibition in more than one month during a calendar year.

The bill also requires a common carrier that holds a common carrier permit to submit a monthly report to the division that includes all of the following information for each shipment of alcohol beverages during the preceding month: 1) the name and address of the manufacturer of the alcohol beverages; 2) the name and address of the consignor of the shipment, if different from the manufacturer; 3) the name and address of the consignee of the shipment; 4) the date of the shipment; 5) the type and quantity of alcohol beverages shipped to the consignee, as reported to the common carrier; and 6) the parcel tracking number for the shipment. The division must keep confidential the name and address of the consignee and the parcel tracking number, but other information in the reports is not confidential and is subject to the public records law. A common carrier required to submit reports under the bill must maintain for three years all records related to the reports. A common carrier that fails to submit a required report is subject to a forfeiture of not more than \$2,000.

Fulfillment houses and direct wine shipping

Under current law, DOR may issue a direct wine shipper's permit to any person that manufactures and bottles wine on premises covered by a winery permit, manufacturer's permit, or rectifier's permit issued by DOR; a winery license issued by another state; or a federal winery permit. A direct wine shipper's permit issued by DOR authorizes the permittee to ship wine directly to an individual in this state who is of the legal drinking age, who acknowledges receipt of the wine shipped, and who is not intoxicated at the time of delivery.

Current law, with limited exceptions, prohibits a person from shipping alcohol beverages into this state unless the person holds an out-of-state shipper's permit issued by DOR and the alcohol beverages are shipped to an in-state wholesaler. However, one exception allows an out-of-state winery to ship wine directly to a consumer in this state if the winery holds a direct wine shipper's permit.

The bill requires a person operating a fulfillment house to obtain from the division a fulfillment house permit for each location that is involved in the process of shipping wine to Wisconsin residents. A "fulfillment house" is defined as any entity, whether located in this state or elsewhere, that handles logistics, including warehousing, packaging, order fulfillment, or shipping services, on behalf of a

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direct wine shipper permittee for wine that is eligible to be shipped to individuals in this state. A person holding a fulfillment house permit may provide services only for the warehousing, packaging, order fulfillment, and shipment of alcohol beverages produced by and belonging to a direct wine shipper permittee.

Under the bill, a fulfillment house permittee must ensure that all containers of wine shipped directly to an individual in this state are labeled with all of the following information: 1) the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY"; 2) the name, address, and permit number of the fulfillment house permittee; and 3) the name, address, and permit number of the direct wine shipper permittee on whose behalf the wine is shipped.

The bill prohibits a fulfillment house permittee from shipping into this state wine from any person not holding a direct wine shipper's permit. A fulfillment house permittee may ship wine into this state only by using a common carrier that holds a common carrier permit issued by the division. Prior to shipping wine to an individual in this state, a fulfillment house permittee must verify the validity of the direct wine shipper's permit and common carrier permit associated with the direct-to-consumer shipment. A fulfillment house that fails to obtain a required fulfillment house permit is subject to a fine of not more than \$10,000. A fulfillment house that ships alcohol beverages other than wine obtained from a direct wine shipper permittee is subject to a forfeiture of not more than \$2,000. The division must revoke the permit of a fulfillment house that violates this prohibition in more than one month during a calendar year.

The bill requires a fulfillment house permittee to submit a monthly report to the division that includes all of the following information for each shipment of alcohol beverages during the preceding month: 1) the name and address of the manufacturer of the alcohol beverages; 2) the name and address of the consignor of the shipment, if different from the manufacturer; 3) the name and address of the consignee of the shipment; 4) the date of the shipment; 5) the type and quantity of alcohol beverages shipped to the consignee; and 6) the parcel tracking number for the shipment. The division must keep confidential the name and address of the consignee and the parcel tracking number, but other information in the reports is not confidential and is subject to the public records law. A fulfillment house required to submit reports under the bill must maintain for three years all records related to the reports. A fulfillment house that fails to submit a required report is subject to a forfeiture of not more than \$2,000.

The bill allows a direct wine shipper permittee (including a Wisconsin winery holding such a permit) to arrange with a fulfillment house to ship wine on the direct wine shipper permittee's behalf only if the fulfillment house holds a fulfillment house permit. The bill also requires a direct wine shipper permittee to use a common carrier holding a common carrier permit in shipping any container of wine directly to an individual in this state.

The bill also creates a fulfillment house exception to the current law provision

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that generally prohibits any person from shipping alcohol beverages into this state unless the person holds an out-of-state shipper's permit issued by DOR and the alcohol beverages are shipped to an in-state wholesaler.

The bill also specifies that a direct wine shipper permittee may ship directly to an individual in this state only wine manufactured or bottled by the permittee.

Jurisdiction over out-of-state permittees; violation of another state's law

Current law provides for the issuance of the following alcohol beverage permits to persons located outside this state: 1) an out-of-state beer shipper's permit; 2) an out-of-state liquor shipper's permit; and 3) a direct wine shipper's permit. Subject to various restrictions, an out-of-state beer shipper's permit authorizes a person located outside this state to ship beer into this state to a person holding a beer wholesaler's permit. An out-of-state liquor shipper's permit, subject to various restrictions, authorizes a person located outside this state to ship intoxicating liquor into this state to a person holding a liquor wholesaler's permit, a manufacturer's or rectifier's permit, or a winery permit. As discussed more fully above, a direct wine shipper's permit authorizes direct-to-consumer wine shipments from in-state or out-of-state wineries to individuals in this state.

The bill requires holders of out-of-state beer shippers' permits, out-of-state liquor shippers' permits, and direct wine shippers' permits who are located outside of this state to consent to jurisdiction in this state for proceedings to enforce this state's alcohol beverage laws. These permittees must also accept service of process for proceedings in this state to enforce this state's alcohol beverage laws. To this end, these permittees must satisfy specified requirements relating to appointing and maintaining in this state an agent for service of process. The bill also includes other provisions relating to requirements imposed on these permittees.

The bill also authorizes the division to revoke or suspend an alcohol beverage license or permit if the licensee or permittee ships alcohol beverages into another state in violation of that state's law.

Consumption of alcohol beverages in a public place

Under current law, an owner or other person in charge of a public place may not permit the consumption of alcohol beverages on the premises of the public place unless the person has an appropriate retail license. Current law does not define "public place" for purposes of this provision, but current law defines "premises" as the area described in an alcohol beverage license or permit. There are various exceptions to this prohibition, including for county parks, athletic fields and stadiums, and churches, and also for municipalities and clubs.

The bill specifies that, for purposes of this prohibition, a "public place" includes a venue, location, open space, room, or establishment that is 1) accessible and available to the public to rent for an event or social gathering; 2) held out for rent to the public for an event or social gathering; or 3) made available for rent to a member of the public for an event or social gathering. However, a public place does not include any of the following: 1) a room in a hotel, motel, or bed and breakfast

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that is used for overnight accommodations; 2) vacation rental property, or other property of temporary lodging, that is used for overnight accommodations if the property is furnished with sufficient beds for all adult guests to sleep; 3) a campsite on a campground; 4) a parking lot, driveway, or yard where vehicles may be parked on the same day as a professional or collegiate sporting event or other ticketed event open to the public; or 5) property within a local professional football stadium or baseball park district if the property is used in connection with, and on the same day as, a professional football or baseball game, or other ticketed event open to the public, held at the football stadium or baseball park.

The bill also allows an owner or other person in charge of a public place to permit the consumption of alcohol beverages if the person has obtained a no-sale event venue permit issued by the division (discussed below). The bill further clarifies that the public place prohibition discussed above applies on all property, not just on licensed premises.

No-sale event venue permit

The bill creates a no-sale event venue permit issued by the division to property owners authorizing the permittee to rent or lease real property for use as an event venue at which beer and wine are consumed on no more than six days per year and one day per month. A permittee may not sell or otherwise provide alcohol beverages to the renter or lessee of the event venue or a guest or attendee of the event, nor may the permittee allow any person to possess distilled spirits on the event venue when the event venue is being used by a renter or lessee. Subject to certain restrictions, a no-sale event venue permit authorizes the permittee to do any of the following: 1) allow the renter or lessee of the event venue to bring the renter's or lessee's own beer and wine onto the event venue and serve it to guests without charge; 2) allow the guests of the renter or lessee to bring beer and wine onto the event venue to be consumed by the guests without charge; 3) allow the renter or lessee to obtain temporary Class "B" and "Class B" licenses for an event held on the event venue and sell beer and wine under the temporary licenses on the event venue; or 4) allow the renter or lessee to contract with a licensed caterer for the caterer to provide beer and wine to the renter or lessee and guests without charge on the event venue. If the renter or lessee contracts with a caterer, the renter or lessee and guests may not bring alcohol beverages onto the event venue. The renter or lessee must first purchase the beer and wine in a face-to-face transaction on the caterer's retail licensed premises. The caterer may then deliver and serve the alcohol beverages at the event venue, but service must be performed by licensed bartenders.

Under the bill, the lessee or renter of an event venue may not sell any alcohol beverages to guests or attendees of an event on the event venue, including charging admission for an event at which alcohol beverages are served, unless the lessee or renter has obtained a temporary retail license. The lessee or renter may not allow any person to possess distilled spirits on the event venue. If there are 20 or more people on the event venue, service of beer and wine must be performed by a licensed bartender.

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A no-sale event venue permit may be issued to a person who holds a retail license but may not be issued to a person who holds a permit as a brewer, brewpub, winery, manufacturer or rectifier, beer wholesaler, liquor wholesaler, out-of-state beer shipper, or out-of-state liquor shipper.

Quota exception for certain persons opting out of no-sale event venue permit

Current law imposes a quota on the number of “Class B” licenses that a municipality may issue. This quota is generally determined by a formula based on the number of licenses previously issued by the municipality and the municipality’s population. Current law also provides a limited number of quota exceptions.

The bill creates a quota exception for an event venue that the division has certified as meeting specified criteria. Under the bill, a “qualifying event venue” is defined as real property that is rented or leased for use as an event venue for private events, and, under the definition, in the prior 12-month period, there must have been at least five events held at the venue at which at least 50 invited guests attended and the venue owner must have received at least \$20,000 in revenue from renting or leasing the venue for these events. Upon application, the division must certify an owner of a qualifying event venue as eligible for the quota exception if 1) the venue is and has been in operation for the 12-month period preceding the application; 2) the venue has not been a retail licensed premises during this 12-month period; 3) the venue owner has not applied for a no-sale event venue permit; 4) the venue owner provides documentation that the municipality in which the venue is located has reached its liquor license quota; 5) the venue owner provides documentation showing, and the division confirms, that the venue meets the definition of a qualifying event venue and has been in operation as described in item 1 above; and 6) the venue owner provides notice to the division within 60 days after the bill’s effective date that the owner is applying for a “Class B” license and is not seeking a no-sale event venue permit. The division must act on an application for certification within 30 days of the application. A municipality may issue for a certified venue an above-quota “Class B” license under this quota exception only if the license application is received by approximately six months after the bill’s effective date. In general, if a “Class B” license issued under this quota exception is revoked or not renewed, the municipality may not reissue the license. However, the municipality may reissue the license under certain circumstances if the event venue property or business is sold.

“Class C” retail licenses

Under current law, a “Class C” license may be issued for a restaurant in which the sale of alcohol beverages accounts for less than 50 percent of gross receipts and that either does not have a barroom or has a barroom in which wine is the only intoxicating liquor sold. A “Class C” license authorizes the retail sale of wine by the glass or in an opened original container for consumption on the retail premises. A

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“Class C” license may not be issued to a foreign corporation or a foreign limited liability company.

The bill eliminates the limitation that a “Class C” license may be issued only for a restaurant. The bill also removes the prohibition on issuing a “Class C” license to a foreign corporation or foreign LLC.

Retailer purchases of beer from nonwholesaler

Under current law, with exceptions for certain sales of beer by brewers and brewpubs, a retail licensee may not purchase alcohol beverages from, or possess alcohol beverages purchased from, any person other than a wholesaler. If a retail licensee purchases or possesses beer in violation of this prohibition, the penalty that may be imposed is a fine of not more than \$10,000 or imprisonment for not more than nine months or both.

The bill changes this penalty. If a retail licensee purchases or possesses beer in violation of the prohibition, the penalty that may be imposed (or must be imposed if item 3, below, applies) is one of the following:

1. If a Class “B” licensee purchases beer from a Class “A” licensee for resale or possesses beer purchased from a Class “A” licensee for resale, a fine of not more than \$100.
2. If item 1 does not apply and the total volume of beer purchased or possessed in one month is 4,320 fluid ounces (15 cases) or less, a forfeiture of not more than \$100.
3. If neither item 1 nor item 2 applies, a fine of not more than \$10,000 or imprisonment for not more than nine months or both.

Cooperative wholesalers

Under current law, between October 1 and December 31, 2008, DOR was authorized to issue liquor wholesalers’ permits to small winery cooperatives (cooperative wholesalers). DOR was limited to issuing a total of six such permits. Only wineries certified by DOR as small wineries can be members of a cooperative wholesaler. A “small winery” is defined as a winery that produces and bottles less than 25,000 gallons of wine in a calendar year. The only alcohol beverage product a cooperative wholesaler can sell and distribute is the wine of its members, and this wine can be sold or distributed only to retailers or other wholesalers.

The bill changes the definition of a small winery so that a winery that produces and bottles in a calendar year less than 50,000 gallons of wine, rather than 25,000 gallons, may be a member of a cooperative wholesaler.

The bill also allows manufacturers and rectifiers that produce and bottle less than 50,000 gallons of intoxicating liquor in a calendar year to be members of a cooperative wholesaler. The cooperative wholesaler may sell and distribute the intoxicating liquor of its members. The bill allows for the formation of new cooperative wholesalers for approximately six months after the bill’s effective date, but the division may not issue new wholesalers’ permits that cause the total number of wholesalers’ permits issued to cooperative wholesalers to exceed six.

ASSEMBLY BILL 304***Eliminating the permit limit for manufacturers, rectifiers, and wholesalers***

Under current law, DOR may not issue more than two manufacturers' or rectifiers' permits to any one person, and DOR may not issue more than two liquor wholesalers' permits to any one person.

The bill eliminates this two-permit limit for manufacturers' and rectifiers' permits and liquor wholesalers' permits.

Transfer of beer wholesaler's permit to a different location

Current law specifies that most alcohol beverage licenses and permits may be transferred to a different location within the same municipality, but certain permits, including an intoxicating liquor wholesaler's permit, may be transferred to a different location within the state.

The bill specifies that a beer wholesaler's permit may be transferred to a different location within the state, not just within the same municipality.

Safe ride program

Current law imposes a safe ride program surcharge of \$50 upon a person convicted of operating a vehicle while under the influence of an intoxicant, with a detectable amount of a restricted controlled substance in one's blood, or with a prohibited alcohol concentration. The bill increases the amount of the safe ride program surcharge to \$75.

The bill also requires a municipality to provide to a person initially issued a Class "B," "Class B," or "Class C" license information regarding the safe ride program.

Occupational taxes on alcohol beverages

Under current law, the state imposes an occupational tax on selling intoxicating liquor in this state. An occupational tax is also imposed upon the removal for consumption or sale of beer. However, no tax is imposed on the sale or shipment of beer by a brewer to a bottler or of intoxicating liquor in bulk between manufacturers, rectifiers, and wineries. A manufacturer that ships intoxicating liquor in bulk to a rectifier for the purpose of bottling or rectifying must affix a label or statement that the shipment is made for the purpose of bottling or rectifying.

The bill specifies that no occupational tax is imposed on the sale or shipment of beer between brewers or on the sale or shipment of intoxicating liquor, whether in bulk or any state of packaging, between manufacturers, rectifiers, and wineries. The bill further specifies that a manufacturer or rectifier shipping intoxicating liquor to another manufacturer or rectifier, whether in bulk or in any state of packaging, must affix a label or statement that the shipment is a tax-exempt transfer.

Definition of fermented malt beverages

Under current law, alcohol beverages that do not meet the definition of fermented malt beverages are considered intoxicating liquor. "Fermented malt beverages" are defined as any beverage made by the alcohol fermentation of an

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infusion in potable water of barley malt and hops, with or without unmalted grains or decorticated and degerminated grains or sugar containing 0.5 percent or more of alcohol by volume.

The bill expands the definition of a fermented malt beverage to include any beverage that is recognized under federal regulations as beer, except sake or similar products.

Leaving restaurant with unfinished bottle of wine

Current law allows a restaurant holding a “Class B” or “Class C” retail license to allow a customer to take from the licensed premises an opened, unfinished bottle of wine if certain requirements are satisfied, including that, prior to the opened, partially consumed bottle of wine being removed from the licensed premises, the restaurant securely reinserts the cork into the bottle to the point where the top of the cork is even with the top of the bottle.

The bill allows an opened, unfinished bottle of wine to be removed from the restaurant if, among the other requirements, it is recapped with the original cap, rather than recorked.

The bill also allows, subject to the same requirements applicable to a retailer, an opened, unfinished bottle of wine to be removed from a restaurant at a full-service retail outlet of a brewer, winery, manufacturer, or rectifier if the full-service retail outlet is authorized to sell wine.

Permit fees

Under current law, with some exceptions, fees for alcohol beverage permits issued by DOR are not established by statute. DOR has established fees for some, but not all, permits issued by DOR.

The bill establishes an annual permit fee of \$500 for any permit for which DOR has not previously established a fee.

Operators’ permits issued by the division

Under current law, municipalities issue operators’ licenses. An operator’s license is valid in the municipality that issued it. Although a person is not required to hold an operator’s license to provide alcohol beverages on retail licensed premises, a retail licensee may not be open for business unless the licensee, the designated agent of a corporate licensee, or a person who possesses an operator’s license or manager’s license is present and responsible for the acts of all persons providing alcohol beverages on the premises.

The bill requires the division to issue operators’ permits. An operator’s permit is subject to the same standards for issuance as an operator’s license and is the functional equivalent of an operator’s license except that an operator’s permit is valid throughout Wisconsin.

Transfers of retail liquor licenses from one municipality to another

Current law imposes a quota on the number of “Class B” liquor licenses that a municipality may issue. This quota is generally determined by a formula based on the number of licenses previously issued by the municipality and the municipality’s

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population. For purposes of the quota system, a reserve “Class B” license is a “Class B” liquor license first issued on or after December 1, 1997. Current law allows a municipality to transfer a reserve “Class B” liquor license to another municipality that is contiguous with, or within two miles of, the transferring municipality. The receiving municipality may then issue the license for a premises within that municipality. The quota of the transferring municipality is decreased, and the quota of the receiving municipality is increased, for each license transferred. A municipality may transfer no more than three reserve “Class B” licenses in this manner.

The bill eliminates the restriction that a municipality may only transfer a reserve “Class B” liquor license to a contiguous municipality or a municipality located within two miles of the transferring municipality. Instead, the bill allows a municipality to transfer a reserve “Class B” liquor license to another municipality located in the same county as the transferring municipality.

Retail closing hours during a national political convention

As discussed above, current law generally requires a Class “B” or “Class B” licensed retailer to be closed between the hours of 2 a.m. and 6 a.m. on weekdays and between 2:30 a.m. and 6 a.m. on Saturday and Sunday. The closing hours for a “Class C” licensed retailer are generally the same as those for a “Class B” licensed retailer. As discussed above, the bill establishes the same closing hours for a producer’s full-service retail outlets and prohibits retail sales of alcohol beverages during these hours on the producer’s production premises.

The bill creates a closing hour exception, during a 2024 national political convention in Milwaukee, for Class “B,” “Class B,” and “Class C” licensed retailers, and for producers’ full-service retail outlets and production premises, located in Kenosha, Racine, Walworth, Rock, Milwaukee, Waukesha, Jefferson, Dane, Ozaukee, Washington, Dodge, Columbia, Sheboygan, or Fond du Lac County. Under the bill, during the convention period, the closing hours are between 4 a.m. and 6 a.m. However, a municipality may designate a retailer or producer as ineligible or disqualified for the extended closing hour and may, by ordinance, opt out of the extended closing hour during the convention. The bill does not affect the hours during which a retailer or producer may make sales for off-premises consumption.

Licensing exception for beer provided on brewery premises

Current law includes various licensing exceptions under which a person may provide alcohol beverages to the public without obtaining a license or permit. One exception allows the furnishing, by brewers, of beer free of charge to customers, visitors, and employees on the brewery premises if the beer is consumed on the brewery premises.

The bill removes from this exception the requirement that the beer be consumed on the brewery premises.

ASSEMBLY BILL 304***Retail licenses for, and underage persons at, axe throwing facilities***

Current law generally prohibits the issuance of a Class “B” license for any premises where another business is conducted. Because a Class “B” license is a prerequisite for a “Class B” license, this provision also affects “Class B” licensed premises. There are, however, exceptions to the prohibition, including for a movie theater, a painting studio, and a “bowling center or recreation premises.”

The bill creates an exception allowing a Class “B” license to be issued for an axe throwing facility. The bill defines “axe throwing facility” as an establishment that provides customers with a venue to engage in the activity of axe throwing and that 1) derives at least 51 percent of its revenue from fees associated with axe throwing or 2) maintains at the venue at least five axe throwing lanes.

Under current law, with various exceptions, a person who is under 21 years of age and not accompanied by his or her parent, guardian, or spouse of legal drinking age (unaccompanied underage person) may not enter or be on any premises for which a retail license is issued. Among the various exceptions, an unaccompanied underage person may enter or be on a licensed premises that is a bowling center, movie theater, painting studio, golf course, or any of the following if certain criteria are met: billiard center, indoor golf simulator facility, indoor golf and baseball facility, athletic field, indoor or outdoor volleyball court, or private fishing farm.

The bill creates an additional exception allowing an unaccompanied underage person to enter or be on a Class “B” or “Class B” licensed premises that is an axe throwing facility.

Preparation and storage of premixed cocktails by “Class B” retailers

Under current law, a “Class B” license authorizes the retail sale of intoxicating liquor for consumption on the licensed premises or, if sold in a tamper-evident container sealed by the licensee, for consumption off the licensed premises (commonly referred to as “cocktails-to-go”). (See the Background section above for further discussion of a “Class B” licensee’s authorization and limitations.) Current law prohibits any person from refilling an original container that had previously been used for intoxicating liquor containing 21 percent or more of alcohol by volume and from possessing a refilled original container on “Class B” licensed premises.

Under current law, DOR may, by rule, prescribe the standard size, form, or character of any container in which intoxicating liquor is sold, but DOR may not set the size of containers in which distilled spirits are sold at a capacity greater than 1.75 liters. DOR’s rules prohibit, with exceptions, a manufacturer, rectifier, wholesaler, or retailer from possessing distilled spirits in a container that is more than 1.75 liters in capacity.

Also under current law, a person may not operate as a rectifier without holding a rectifier’s permit issued by DOR. A “rectifier” includes a producer engaged in blending, mixing, or bottling intoxicating liquor.

The bill provides express authority for a “Class B” licensee to prepare, store, and dispense mixed drinks prior to their retail sale for on-premises consumption or as a cocktail-to-go. However, there are some limitations on this authority. Under

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the bill, a “Class B” licensee may, on the licensed premises, prepare, store, and dispense mixed drinks, prior to such a retail sale, if all of the following apply: 1) the mixed drink is provided to the consumer in a glass or other container not exceeding 72 ounces in volume; 2) the mixed drink has not been stored for more than 48 hours; 3) if the mixed drink is stored in or dispensed from a container exceeding 1.75 liters in volume (bulk container), the bulk container does not exceed 5 gallons in volume and is labeled in compliance with the requirements set forth below; 4) the licensee has complied with the current law requirement that intoxicating liquor may be purchased only from a wholesaler; 5) the licensee has complied with the current law prohibition against refilling liquor bottles or possessing refilled liquor bottles and has also not stored the mixed drink in or dispensed the mixed drink from a wine bottle; and 6) the licensee has complied with any other applicable state or federal food safety regulation and also with any federal alcohol regulation, which currently imposes limitations on premixing cocktails and on activities involving distilled spirits in containers exceeding one gallon. The bill creates an exception to the current law limitation on a retailer’s possession of distilled spirits in a container exceeding 1.75 liters and specifies that a “Class B” licensee that prepares, stores, or dispenses mixed drinks in compliance with the bill’s requirements is not a rectifier.

Under the bill, the division must prescribe the form of the label to be used by “Class B” licensees for bulk containers in which mixed drinks are stored or from which they are dispensed. This form must require the licensee to disclose on the label that the container holds a batch of premixed drinks and the date and time the batch was prepared; the “expiration date” of the batch (the date and time that is 48 hours after the batch was prepared); the words “contains alcohol”; the name of the person who prepared the batch; and the ingredients of the batch, unless the label contains a recipe title and the recipe, with a complete ingredient list, is maintained on the licensed premises and available for inspection.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 15.433 (2) of the statutes is created to read:

15.433 (2) DIVISION OF ALCOHOL BEVERAGES. (a) There is created a division of alcohol beverages attached to the department of revenue under s. 15.03. The

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administrator of the division shall be appointed outside the classified service. The administrator of the division shall be nominated by the secretary of revenue and with the advice and consent of the senate appointed, to serve at the pleasure of the secretary of revenue.

(b) There is created within the division of alcohol beverages separate bureaus dedicated to enforcement, legal services, and education and community outreach, with each bureau headed by a director who reports to, and serves at the pleasure of, the division administrator.

SECTION 2. 19.42 (13) (q) of the statutes is created to read:

19.42 (13) (q) The administrator and employees of the division of alcohol beverages.

SECTION 3. 20.923 (4) (c) 7. of the statutes is created to read:

20.923 (4) (c) 7. Revenue, department of; division of alcohol beverages: administrator.

SECTION 4. 125.02 (1g) of the statutes is created to read:

125.02 (1g) “Axe throwing facility” means an establishment that provides customers with a venue to engage in the activity of axe throwing and that either derives at least 51 percent of its revenue from fees associated with axe throwing or maintains at the venue at least 5 axe throwing lanes.

SECTION 5. 125.02 (5g) of the statutes is created to read:

125.02 (5g) “Division” means the division of alcohol beverages in the department.

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SECTION 6. 125.02 (6) of the statutes is renumbered 125.02 (6) (intro.) and amended to read:

125.02 (6) (intro.) “Fermented malt beverages” means any of the following:

(a) Any beverage made by the alcohol fermentation of an infusion in potable water of barley malt and hops, with or without unmalted grains or decorticated and degerminated grains or sugar containing 0.5 percent or more of alcohol by volume.

SECTION 7. 125.02 (6) (b) of the statutes is created to read:

125.02 (6) (b) Any beverage recognized by the federal department of the treasury as beer under 27 CFR part 25, except sake or similar products.

SECTION 8. 125.02 (6d) of the statutes is created to read:

125.02 (6d) “Fulfillment house” means any entity, whether located in this state or elsewhere, that handles logistics, including warehousing, packaging, order fulfillment, or shipping services, on behalf of a person holding a direct wine shipper’s permit under s. 125.535 for wine that is eligible to be shipped to individuals in this state.

SECTION 9. 125.02 (6g) of the statutes is created to read:

125.02 (6g) “Full-service retail sales” means retail sales of fermented malt beverages or intoxicating liquor, for on-premises or off-premises consumption, or the provision of taste samples of fermented malt beverages or intoxicating liquor, or any combination of these activities.

SECTION 10. 125.02 (12) of the statutes is amended to read:

125.02 (12) “Peace officer” means a sheriff, undersheriff, deputy sheriff, police officer, constable, marshal, deputy marshal or any employee of the

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~~department~~ division or of the department of justice authorized to act under this chapter.

SECTION 11. 125.02 (13) of the statutes is amended to read:

125.02 (13) Except as provided in ss. 125.27 (6) and 125.51 (5) (g), “permit” means any permit issued by the ~~department~~ division under this chapter.

SECTION 12. 125.02 (14m) of the statutes is amended to read:

125.02 (14m) “Premises” means the area described in a license or permit, excluding a permit issued under s. 125.175.

SECTION 13. 125.02 (14m) of the statutes, as affected by 2023 Wisconsin Act ... (this act), is amended to read:

125.02 (14m) “Premises” means the area described in a license or permit, excluding a permit issued under s. 125.175 or 125.24.

SECTION 14. 125.02 (16) of the statutes is renumbered 125.02 (16) (am).

SECTION 15. 125.02 (16) (bm) of the statutes is created to read:

125.02 (16) (bm) “Rectifier” does not include a “Class B” licensee that prepares, stores, or dispenses mixed drinks in advance of sale in compliance with s. 125.51 (3) (bg).

SECTION 16. 125.02 (23) of the statutes is amended to read:

125.02 (23) “Wine collector” means an individual who meets the standards established by the ~~department~~ division by rule and who is registered with the ~~department~~ division as a collector of wine.

SECTION 17. 125.025 of the statutes is created to read:

125.025 Powers and duties of division. (1) ADMINISTRATION; PERSONNEL.

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(a) The division, under the direction and supervision of the administrator, shall administer this chapter and have jurisdiction over alcohol beverages regulation, enforcement, and education in this state. The division is responsible for administering regulatory programs; promoting regulatory transparency; promoting statutory changes to create clarity, consistency, and simplicity in alcohol beverage regulatory requirements; and ensuring active, consistent enforcement of alcohol beverage laws.

(b) The administrator may appoint, in the classified service, special agents and other employees necessary to carry out the permitting, audit, legal, education, and enforcement functions of the division. The division shall employ no fewer than 10 alcohol beverage field agents to perform enforcement activities under the direction of the director of the bureau created under s. 15.433 (2) (b) dedicated to enforcement.

(c) The administrator and any employee of the division may not be employed by or have a financial interest in the alcohol beverages industry or any business subject to the division's jurisdiction.

(2) POLICE POWERS. The division shall enforce, and the duly authorized employees of the division shall have all necessary police powers to prevent violations of, this chapter.

(3) INSPECTION FOR ENFORCEMENT. Duly authorized employees of the department of justice and the division and any sheriff, police officer, marshal, or constable, within their respective jurisdictions, may, during normal business hours, enter any licensed premises, and examine the books, papers, and records of any

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brewer, brewpub, manufacturer, rectifier, wholesaler, retailer, fulfillment house, or common carrier and may inspect and examine, according to law, any premises where fermented malt beverages or intoxicating liquors are manufactured, sold, exposed for sale, possessed, or stored, for the purpose of inspecting the same and determining whether this chapter is being complied with. Any refusal to permit such examination of such premises is sufficient grounds under s. 125.12 for revocation or suspension of any license or permit issued under this chapter and is punishable under s. 125.11 (3).

(4) LIST OF PERMITTEES. The division shall provide the department with all information necessary for the department to publish the information specified in s. 139.11 (4) (a) 2. and (b) 2.

SECTION 18. 125.03 (title) of the statutes is amended to read:

125.03 (title) ~~Department~~ Division rule making.

SECTION 19. 125.03 (1) (a) of the statutes is amended to read:

125.03 (1) (a) The ~~department, in furtherance of effective control,~~ division may promulgate rules consistent with this chapter and ch. 139 to carry out the division's duties under this chapter.

SECTION 20. 125.03 (1) (b) of the statutes is amended to read:

125.03 (1) (b) The ~~department~~ division shall promulgate rules providing for registration of wine collectors and establishing standards of eligibility for registration as a wine collector. The rules shall also specify the form and manner of notice required under s. 125.06 (11m).

SECTION 21. 125.03 (2) of the statutes is amended to read:

125.03 (2) CONTAINERS. The ~~department~~ division may by rule prescribe the standard size, form, or character of any container in which intoxicating liquor may be sold in this state except that the ~~department~~ division may not set the size of containers in which intoxicating liquor, except wine containing not more than 21 percent of alcohol by volume, may be sold at a capacity greater than 1.75 liters (59.1752 fluid ounces).

SECTION 22. 125.04 (3) (a) (intro.) of the statutes is amended to read:

125.04 (3) (a) *Contents.* (intro.) The ~~department~~ division shall prepare an application form for each kind of license, other than a manager's or operator's license, and for each kind of permit issued under this chapter. Each form, except an operator's permit form, shall require all of the following information:

SECTION 23. 125.04 (3) (a) 1. of the statutes is amended to read:

125.04 (3) (a) 1. A history of the applicant relevant to the applicant's fitness to hold a license or permit, including whether the applicant is a restricted investor requiring disclosure under s. 125.20 (6) (a) 5. and the basis of this status.

SECTION 24. 125.04 (3) (b) of the statutes is amended to read:

125.04 (3) (b) *Application for renewing.* The ~~department~~ division may prepare a simplified application form for renewal of each kind of license or permit which requires only information pertinent to renewal.

SECTION 25. 125.04 (3) (bm) (intro.) of the statutes is amended to read:

125.04 (3) (bm) *Signature on, and notarization of, forms.* (intro.) The application forms prepared by the ~~department~~ division for a license or permit under this chapter may not require any of the following:

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SECTION 26. 125.04 (3) (c) of the statutes is amended to read:

125.04 (3) (c) *Distribution.* The ~~department~~ division shall make one copy of each kind of license application that it prepares available to each municipality.

SECTION 27. 125.04 (3) (d) 1. of the statutes is amended to read:

125.04 (3) (d) 1. An application form prepared by the ~~department~~ division shall be used by each applicant for a permit.

SECTION 28. 125.04 (3) (d) 2. of the statutes is amended to read:

125.04 (3) (d) 2. A replica of an application form prepared by the ~~department~~ division shall be used by each applicant for a license, other than a manager's or operator's license.

SECTION 29. 125.04 (3) (e) 2. of the statutes is amended to read:

125.04 (3) (e) 2. The applicant shall file the application for a permit with the ~~department~~ division.

SECTION 30. 125.04 (3) (h) of the statutes is amended to read:

125.04 (3) (h) *Subsequent changes.* Within 10 days of any change in any fact set out in an application for a license or permit to sell alcohol beverages, the licensee or permittee shall file with the issuing authority a written description of the changed fact, including any change in restricted investors under s. 125.20 (6) (a) 5.

SECTION 31. 125.04 (3) (j) of the statutes is amended to read:

125.04 (3) (j) *Penalty for materially false application information, affidavit representation.* Any person who knowingly provides materially false information in an application for a license or permit under this chapter or on a form under par. (k),

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and any person who materially violates any representation made in an affidavit under s. 125.20 (6) (a) 6. or (c) 4., may be required to forfeit not more than \$1,000.

SECTION 32. 125.04 (3) (k) of the statutes is created to read:

125.04 (3) (k) *Approval of full-service retail outlets.* The division shall prepare a form for use by a brewer, winery, manufacturer, or rectifier to request approval for a full-service retail outlet under s. 125.29 (7) (d) 1., 125.52 (4) (d) 1., or 125.53 (3) (d) 1. The form shall be similar to the form for a retail license application under par. (a). An applicant shall use the form to submit a request for approval of a full-service retail outlet under s. 125.29 (7) (d) 1., 125.52 (4) (d) 1., or 125.53 (3) (d) 1.

SECTION 33. 125.04 (4) of the statutes is amended to read:

125.04 (4) LIST OF LICENSEES. By July 15 annually, the clerk of a municipality issuing licenses shall mail to the ~~department~~ division a list containing the name, address, and trade name of each person holding a license issued by that municipality, other than a manager's or operator's license or a license issued under s. 125.26 (6), the type of license held and, if the person holding the license is a corporation or limited liability company, the name of the agent appointed under sub. (6).

SECTION 34. 125.04 (5) (a) 5. of the statutes is amended to read:

125.04 (5) (a) 5. Have successfully completed within the 2 years prior to the date of application a responsible beverage server training course at any location that is offered by a technical college district and that conforms to curriculum guidelines specified by the technical college system board or a comparable training course that is approved by the ~~department~~ division or the department of safety and

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professional services. This subdivision does not apply to an applicant who held, or who was an agent appointed and approved under sub. (6) of a corporation or limited liability company that held, within the past 2 years, a Class “A”, “Class A” or “Class C” license or a Class “B” or “Class B” license or permit or a manager’s or operator’s license, or an operator’s permit.

SECTION 35. 125.04 (5) (d) 1. of the statutes is amended to read:

125.04 (5) (d) 1. Paragraph (a) 2. does not apply to applicants for operators’ licenses issued under s. 125.17, to applicants for operators’ permits issued under s. 125.175, or to applicants for managers’ licenses issued under s. 125.18. Managers’ licenses may be issued only to applicants who are residents of this state at the time of issuance.

SECTION 36. 125.04 (5) (d) 2. of the statutes is amended to read:

125.04 (5) (d) 2. Paragraph (a) 3. does not apply to applicants for operators’ licenses under s. 125.17 or to applicants for operators’ permits under s. 125.175. Operators’ licenses and operators’ permits may be issued only to applicants who have attained the age of 18.

SECTION 37. 125.04 (5) (d) 3. a. of the statutes is amended to read:

125.04 (5) (d) 3. a. Applicants for operators’ licenses under s. 125.17 and for operators’ permits under s. 125.175.

SECTION 38. 125.04 (6) (g) of the statutes is amended to read:

125.04 (6) (g) *Forms.* If the ~~department~~ division or any municipality prepares a form relating to the appointment of an agent under this subsection, including any cancellation of an appointment or appointment of a successor agent, the form may

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not require the signature of more than one person signing on behalf of the corporation or limited liability company submitting the form.

SECTION 39. 125.04 (8) (title) of the statutes is amended to read:

125.04 (8) (title) PAYMENT OF LICENSE FEE; PERMIT FEES.

SECTION 40. 125.04 (8) of the statutes is renumbered 125.04 (8) (a).

SECTION 41. 125.04 (8) (b) of the statutes is created to read:

125.04 (8) (b) Unless the department established a different permit fee before the effective date of this paragraph [LRB inserts date], and except as provided in ss. 125.175 (3), 125.22 (1) (e), 125.23 (1) (c), 125.27 (5) (f), 125.28 (4), 125.295 (4), 125.51 (5) (f) 5., 125.535 (2), and 125.65 (10), the division shall charge an annual fee of \$500 for each permit issued by the division under this chapter.

SECTION 42. 125.04 (8) (b) of the statutes, as created by 2023 Wisconsin Act (this act), is amended to read:

125.04 (8) (b) Unless the department established a different permit fee before the effective date of this paragraph [LRB inserts date], and except as provided in ss. 125.175 (3), 125.22 (1) (e), 125.23 (1) (c), 125.24 (1) (e), 125.27 (5) (f), 125.28 (4), 125.295 (4), 125.51 (5) (f) 5., 125.535 (2), and 125.65 (10), the division shall charge an annual fee of \$500 for each permit issued by the division under this chapter.

SECTION 43. 125.04 (12) (a) of the statutes is amended to read:

125.04 (12) (a) *From place to place.* Every alcohol beverage license or permit may be transferred to another place or premises within the same municipality. An alcohol beverage warehouse permit under s. 125.19, a winery permit under s. 125.53, or ~~an intoxicating liquor~~ a wholesaler's permit under s. 125.28 or 125.54

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may be transferred to another premises within this state. Transfers shall be made by the issuing authority upon payment of a fee of \$10 to the issuing authority. No retail licensee, retail permittee, ~~intoxicating liquor~~ wholesaler permittee, or holder of a warehouse or winery permit is entitled to more than one transfer during the license or permit year. This paragraph does not apply to a license issued under s. 125.51 (4) (v) or to a reserve "Class B" license, as defined in s. 125.51 (4) (a).

SECTION 44. 125.045 (title) of the statutes is amended to read:

125.045 (title) Booklet for licensees and permittees; safe ride program information.

SECTION 45. 125.045 (1) of the statutes is amended to read:

125.045 (1) The ~~department~~ division shall prepare a booklet explaining the state statutes and rules relating to the retail sale of alcohol beverages, written concisely in language which is clearly understood by those required to utilize it.

SECTION 46. 125.045 (2) of the statutes is renumbered 125.045 (2) (a) and amended to read:

125.045 (2) (a) The ~~department~~ division shall provide a copy of the booklet under sub. (1) free of charge to each person issued a permit, including a renewal, under s. 125.175, 125.27, or 125.51 (5). The ~~department~~ division shall provide the booklet for a charge not to exceed cost, as provided under s. 20.908, to municipalities.

SECTION 47. 125.045 (2) (b) of the statutes is created to read:

125.045 (2) (b) The division shall provide to each person initially issued a

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permit under s. 125.27 or 125.51 (5) information regarding the safe ride program described in s. 85.55.

SECTION 48. 125.045 (3) of the statutes is renumbered 125.045 (3) (a) and amended to read:

125.045 (3) (a) A municipality shall provide a copy of the booklet under sub. (1) to each person issued a license, including a renewal, under s. 125.17, 125.18, 125.25, 125.26 or 125.51 (1) by the municipality unless the municipality requires the person to complete an instructional program which includes the subject matter of the booklet or unless the person completes the program under s. 125.04 (5) (a) 5. or 125.17 (6). This section does not preclude a municipality from charging a fee for such a program. A municipality may charge for the booklet in an amount not to exceed the amount charged by the ~~department~~ division under sub. (2) (a).

SECTION 49. 125.045 (3) (b) of the statutes is created to read:

125.045 (3) (b) A municipality shall provide to each person initially issued a license under s. 125.26 (1) or 125.51 (3) or (3m) information regarding the safe ride program described in s. 85.55.

SECTION 50. 125.06 (1) of the statutes is amended to read:

125.06 (1) BREWERS' PREMISES. The furnishing, by brewers, of fermented malt beverages free of charge to customers, visitors, and employees on the brewery premises ~~if the fermented malt beverages are consumed on the brewery premises and are not furnished or consumed in or near any room or place where intoxicating liquor is sold.~~

SECTION 51. 125.06 (3g) of the statutes is amended to read:

ASSEMBLY BILL 304**125.06 (3g) WINE OR FERMENTED MALT BEVERAGES MADE AT SUPPLY STORES.**

The manufacture of wine or fermented malt beverages by any person at a business primarily engaged in selling supplies and equipment for use by homebrewers or home winemakers, and, notwithstanding s. 125.09 (1), the tasting at the business of wine or fermented malt beverages so manufactured, if the wine or fermented malt beverages are not sold or offered for sale. Wine or fermented malt beverages provided at a business for tasting under this subsection may only be provided by a person who holds an operator's license issued under s. 125.17 or an operator's permit issued under s. 125.175.

SECTION 52. 125.06 (11m) of the statutes is amended to read:

125.06 (11m) WINE COLLECTORS. The sale by a wine collector to any other wine collector of manufacturer-sealed bottles or containers of wine that the selling wine collector has held for at least 8 years if the selling wine collector has provided prior notice of the sale to the ~~department~~ division. No more than one sale in any 12-month period may be conducted by a wine collector under this paragraph.

SECTION 53. 125.06 (13) of the statutes is repealed.

SECTION 54. 125.07 (1) (b) 4. of the statutes is amended to read:

125.07 (1) (b) 4. The court shall promptly mail notice of a suspension under this paragraph to the ~~department~~ division and to the clerk of each municipality which has issued a license or permit to the person.

SECTION 55. 125.07 (3) (a) 3. of the statutes is amended to read:

125.07 (3) (a) 3. Hotels, drug stores, grocery stores, bowling centers, movie theaters, painting studios, billiards centers having on the premises 12 or more

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billiards tables that are not designed for coin operation and that are 8 feet or longer in length, indoor golf simulator facilities, indoor golf and baseball facilities on premises for which the only alcohol beverage license issued is a Class “B” license, axe throwing facilities on premises operated under Class “B” or “Class B” licenses, service stations, vessels, cars operated by any railroad, regularly established athletic fields, outdoor volleyball courts that are contiguous to a licensed premises, stadiums, music festival venues during an event with a projected attendance of at least 2,500 persons, public facilities as defined in s. 125.51 (5) (b) 1. d. which are owned by a county or municipality or centers for the visual or performing arts.

SECTION 56. 125.07 (3) (a) 10. of the statutes is amended to read:

125.07 (3) (a) 10. An underage person who enters or remains on Class “B” or “Class B” licensed premises on a date specified by the licensee or permittee during times when no alcohol beverages are consumed, sold or given away. During those times, the licensee, the agent named in the license if the licensee is a corporation or limited liability company or a person who has an operator’s license or operator’s permit shall be on the premises unless all alcohol beverages are stored in a locked portion of the premises. The licensee shall notify the local law enforcement agency, in advance, of the times underage persons will be allowed on the premises under this subdivision.

SECTION 57. 125.07 (3) (a) 16. of the statutes is amended to read:

125.07 (3) (a) 16. An underage person who enters or remains in a banquet or hospitality room on winery premises ~~operated under a “Class A” or “Class B” license~~ for the purpose of attending a winery tour.

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SECTION 58. 125.07 (4) (f) 3. of the statutes is amended to read:

125.07 (4) (f) 3. A licensee may not bring a civil action under this paragraph unless the licensee has first provided notice to the underage person or the underage person's parent, as applicable, of the licensee's intent to bring the action. The notice shall be mailed to the last-known address of the underage person or underage person's parent, as applicable, at least 15 days prior to filing the action and shall include a demand for the relief described in subd. 1. The ~~department~~ division may, by rule, prescribe a form for this notice.

SECTION 59. 125.09 (1) of the statutes is renumbered 125.09 (1) (a) and amended to read:

125.09 (1) (a) No owner, lessee, or person in charge of a public place may permit the consumption of alcohol beverages on the ~~premises~~ property of the public place, unless the person has an appropriate retail license or permit or a no-sale event venue permit.

(d) This subsection does not apply to municipalities, buildings and parks owned by counties, regularly established athletic fields and stadiums, school buildings, campuses of private colleges, as defined in s. 16.99 (3g), at the place and time an event sponsored by the private college is being held, churches, premises in a state fair park or clubs. This subsection also does not apply to the consumption of fermented malt beverages on commercial quadricycles except in municipalities that have adopted ordinances under s. 125.10 (5) (a).

SECTION 60. 125.09 (1) (b) and (c) of the statutes are created to read:

125.09 (1) (b) For purposes of par. (a), a public place includes a venue, location, open space, room, or establishment that is any of the following:

1. Accessible and available to the public to rent for an event or social gathering.
2. Held out for rent to the public for an event or social gathering.
3. Made available for rent to a member of the public for an event or social gathering.

(c) For purposes of par. (a), a public place does not include any of the following:

1. A room in a hotel, motel, or bed and breakfast that is used for overnight accommodations.
2. Vacation rental property, or any other property of temporary lodging, that is used for overnight accommodations if the property is furnished with sufficient beds for all adult guests to sleep.
3. A campsite on a campground licensed under s. 97.67.
4. A parking lot, driveway, or yard where vehicles may be parked on the same day as a professional or collegiate sporting event or other ticketed event open to the public.
5. Property within a local professional football stadium district created under subch. IV of ch. 229 if the property is used in connection with, and on the same day as, a professional football game, or other ticketed event open to the public, held at the football stadium.
6. Property within a local professional baseball park district created under subch. III of ch. 229 if the property is used in connection with, and on the same day

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as, a professional baseball game, or other ticketed event open to the public, held at the baseball park.

SECTION 61. 125.105 (1) of the statutes is amended to read:

125.105 (1) No person may impersonate an inspector, agent or other employee of the ~~department~~ division or of the department of justice.

SECTION 62. 125.11 (3) of the statutes is created to read:

125.11 (3) INSPECTION VIOLATION. Any person who refuses to permit an examination of premises as provided in s. 125.025 (3) shall be fined not more than \$500 nor less than \$50, or imprisoned not more than 90 days nor less than 10 days or both, and any license or permit issued to that person may be revoked.

SECTION 63. 125.12 (1) (a) of the statutes is amended to read:

125.12 (1) (a) Except as provided in this subsection, any municipality or the ~~department~~ division may revoke, suspend or refuse to renew any license or permit under this chapter, as provided in this section.

SECTION 64. 125.12 (1) (c) of the statutes is amended to read:

125.12 (1) (c) Neither a municipality nor the ~~department~~ division may consider an arrest or conviction for a violation punishable under s. 101.123 (8) (d), 945.03 (2m), 945.04 (2m), or 945.05 (1m) in any action to revoke, suspend, or refuse to renew a Class “B” or “Class B” license or permit.

SECTION 65. 125.12 (4) (title) of the statutes is amended to read:

125.12 (4) (title) SUSPENSION OR REVOCATION OF LICENSES ON COMPLAINT OF THE ~~DEPARTMENT~~ DIVISION.

SECTION 66. 125.12 (4) (ag) (intro.) of the statutes is amended to read:

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125.12 (4) (ag) *Complaint.* (intro.) A duly authorized employee of the ~~department~~ division may file a complaint with the clerk of circuit court for the jurisdiction in which the premises of a person holding a license issued under this chapter is situated, alleging one or more of the following about a licensee:

SECTION 67. 125.12 (4) (ag) 9. of the statutes is created to read:

125.12 (4) (ag) 9. That the licensee has shipped alcohol beverages to any person in another state in violation of that state's law.

SECTION 68. 125.12 (5) (title) of the statutes is amended to read:

125.12 (5) (title) REVOCATIONS OR SUSPENSIONS OF, OR REFUSALS TO RENEW, PERMITS BY THE ~~DEPARTMENT~~ DIVISION.

SECTION 69. 125.12 (5) (a) of the statutes is amended to read:

125.12 (5) (a) The ~~department~~ division may, after notice and an opportunity for hearing, revoke, suspend, or refuse to renew any retail permit issued by it for the causes provided in sub. (4) and any other permit issued by it under this chapter for any violation of this chapter or ch. 139, except that, for a violation of s. 125.535 or 139.035, the ~~department~~ division shall revoke the permit, and the division shall revoke a common carrier permit as provided in s. 125.22 (3) (b) and a fulfillment house permit as provided in s. 125.23 (6) (b).

SECTION 70. 125.12 (5) (b) of the statutes is amended to read:

125.12 (5) (b) The ~~department~~ division may, after notice and an opportunity for hearing, revoke any permit issued under s. 125.27 (5) or 125.51 (5) (f) to a person designated by the owner or operator of racetrack grounds as provided in s. 125.27

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(5) (b) or 125.51 (5) (f) 2. if the person's designation has terminated or the owner or operator of the racetrack grounds has otherwise rescinded the person's designation.

SECTION 71. 125.12 (5) (bm) of the statutes is created to read:

125.12 (5) (bm) The division may, after notice and an opportunity for hearing, revoke, suspend, or refuse to renew any permit issued by it under this chapter if the permittee has shipped alcohol beverages to any person in another state in violation of that state's law.

SECTION 72. 125.12 (5) (c) of the statutes is amended to read:

125.12 (5) (c) A revocation, suspension, or refusal to renew a permit under par. (a) ~~or~~, (b), or (bm) is a contested case under ch. 227.

SECTION 73. 125.12 (6) (a) of the statutes is amended to read:

125.12 (6) (a) Any person may file a sworn written complaint with the ~~department~~ division alleging that an intoxicating liquor wholesaler has violated s. 125.54 (7) (a). The complaint shall identify the specific legal basis for the complaint and sufficient facts for the ~~department~~ division to determine whether there is cause to find that a violation has occurred. The ~~department~~ division shall provide a copy of the complaint to any wholesaler against whom allegations are made, along with notice of the time period under par. (b) to show cause why the wholesaler's permit should not be revoked or suspended or to request a hearing.

SECTION 74. 125.12 (6) (b) of the statutes is amended to read:

125.12 (6) (b) Within 30 days of receiving a copy of the complaint under par. (a), any wholesaler against whom allegations are made may file a sworn written

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response or a written request for an evidentiary hearing before the ~~department~~ division under s. 227.44.

SECTION 75. 125.12 (6) (c) of the statutes is amended to read:

125.12 (6) (c) Subject to pars. (d) 1. and (dm), if no request for an evidentiary hearing is made under par. (b), within 60 days of receiving any response under par. (b) or, if no response is made, within 60 days of the date on which a response or request for hearing is due under par. (b), the ~~department~~ division shall make a written decision as to whether a violation has occurred and either dismiss the complaint or take action under par. (e). Any decision under this paragraph shall include findings of fact and conclusions of law and shall state all reasons for the decision. The ~~department~~ division shall provide a copy of the decision to the complainant and to any wholesaler against whom allegations are made.

SECTION 76. 125.12 (6) (cm) of the statutes is amended to read:

125.12 (6) (cm) Subject to pars. (d) 2. and (dm), if a request for an evidentiary hearing is made under par. (b), the hearing shall be conducted in the manner specified for a contested case under ss. 227.44 to 227.50, except that the hearing shall be conducted within 45 days of receiving the request for hearing under par. (b) and the ~~department~~ division shall make its written decision, including whether a violation has occurred and whether the complaint is dismissed or action is taken under par. (e), within 15 days after the hearing. In addition to service of the decision as provided under s. 227.48, the ~~department~~ division shall provide a copy of the decision to the complainant.

SECTION 77. 125.12 (6) (d) of the statutes is amended to read:

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125.12 (6) (d) 1. If no request for an evidentiary hearing is made under par. (b), within 60 days of receiving any response under par. (b) or, if no response is made, within 60 days of the date on which a response or request for hearing is due under par. (b), the ~~department~~ division may extend the time period for making a decision under par. (c) by an additional 60 days if the ~~department~~ division provides notice within the time period specified in par. (c) that an additional 60 days is necessary for investigation.

2. If a request for an evidentiary hearing is made under par. (b), within 45 days of receiving the request for hearing under par. (b), the ~~department~~ division may extend the time period for conducting the hearing by an additional 45 days if the ~~department~~ division provides notice within 45 days of receiving the request for hearing under par. (b) that an additional 45 days is necessary for investigation.

SECTION 78. 125.12 (6) (dm) of the statutes is amended to read:

125.12 (6) (dm) Within 45 days of receiving any response or request for hearing under par. (b) or, if no response or request for hearing is made, within 45 days of the date on which a response or request for hearing is due under par. (b), the ~~department~~ division may elect to file a complaint in circuit court under sub. (4) that includes all allegations of the complaint under par. (a) for which the ~~department~~ division determines there is cause to find that a violation of s. 125.54 (7) (a) has occurred. If the ~~department~~ division files a complaint in circuit court as provided under this paragraph, the ~~department~~ division shall not conduct a hearing under par. (cm) or make a written decision under par. (c), but shall proceed with the matter as provided under sub. (4).

SECTION 79. 125.12 (6) (e) of the statutes is amended to read:

125.12 (6) (e) If the ~~department~~ division finds the allegations under par. (a) true and sufficient, the ~~department~~ division shall either suspend for not less than 10 days nor more than 90 days or revoke the wholesaler's permit, and give notice of the suspension or revocation to the wholesaler.

SECTION 80. 125.13 of the statutes is amended to read:

125.13 Report of suspension, revocation, or imposition of penalty.

Whenever a municipal governing body or court revokes or suspends a license or permit or imposes a penalty on a licensee or permittee for the violation of this chapter, the clerk of the municipality or court revoking or suspending the license or imposing the penalty shall, within 10 days after the revocation, suspension, or imposition of penalty, mail a report to the ~~department~~ division at Madison, Wisconsin, giving the name of the licensee, the address of the licensed premises, and a full description of the penalty imposed.

SECTION 81. 125.14 (2) (c) of the statutes is amended to read:

125.14 (2) (c) *Identification.* Any person seizing alcohol beverages or personal property and electing to dispose of it under this subsection shall exercise reasonable diligence to ascertain the name and address of the owner of the alcohol beverages or property and of all persons holding a security interest in the property seized. The person shall report his or her findings in writing to the ~~department~~ division.

SECTION 82. 125.14 (2) (d) of the statutes is amended to read:

125.14 (2) (d) *Order.* Upon conviction of any person for owning, possessing, keeping, storing, manufacturing, selling, distributing, or transporting alcohol

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beverages in violation of this chapter or ch. 139, the court shall order part or all of the alcohol beverages or personal property seized to be destroyed if it is unfit for sale. Alcohol beverages and other personal property fit for sale shall be turned over to the ~~department~~ division for disposition. Upon receipt of the confiscated property, the ~~department~~ division shall exercise reasonable diligence to ascertain the names and addresses of all owners of the property and of all persons holding a security interest in the property. If a motor vehicle is confiscated, the ~~department~~ division shall obtain the written advice of the department of transportation as to the ownership of the motor vehicle and shall make a reasonable search for perfected security interests in the vehicle.

SECTION 83. 125.14 (2) (e) of the statutes is amended to read:

125.14 (2) (e) *Disposal.* The ~~department~~ division shall dispose of the alcohol beverages turned over to it by the court by either giving it to law enforcement agencies free of charge for use in criminal investigations, selling it to the highest bidder if the bidder is a person holding a license or permit issued under this chapter, or destroying it, at the discretion of the ~~department~~ division. If the ~~department~~ division elects to sell the alcohol beverages, it shall publish a class 2 notice under ch. 985 asking for sealed bids from qualified bidders. Any items or groups of items in the inventory subject to a security interest, the existence of which was established in the proceedings for conviction as being bona fide and as having been created without the secured party having notice that the items were being used or were to be used in connection with the violation, shall be sold separately. The net proceeds from the sale, less all costs of seizure, storage, and

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sale, shall be turned over to the secretary of administration and credited to the common school fund.

SECTION 84. 125.14 (2) (f) of the statutes is amended to read:

125.14 (2) (f) *Sale.* Any personal property, other than alcohol beverages, seized under par. (a) and fit for sale, shall be turned over by the ~~department~~ division to the department of administration for disposal at public auction to the highest bidder, at a time and place stated in a notice of sale which describes the property to be sold. The sale shall be held in a conveniently accessible place in the county where the property was confiscated. A copy of the notice shall be published as a class 2 notice under ch. 985. The last insertion shall be at least 10 days before the sale. The ~~department of revenue~~ division shall serve a copy of the notice of sale at least 2 weeks before the date thereof on all persons who are or may be owners or holders of security interests in the property. Any confiscated property worth more than \$100 shall be sold separately, and the balance of the confiscated property shall be sold in bulk or separately at the discretion of the department of administration. The net proceeds from the sale, less all costs of seizure, storage, and sale, shall be turned over to the secretary of administration. No motor vehicle or motorboat confiscated under this section may be sold within 30 days after the date of seizure.

SECTION 85. 125.14 (3) (b) of the statutes is amended to read:

125.14 (3) (b) *Deadline.* The application shall be made within one year after the sale of the property. A copy of the application and the order setting a hearing on it shall be served on the ~~department~~ division at least 20 days before the date set for hearing.

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SECTION 86. 125.145 of the statutes is amended to read:

125.145 Prosecutions by attorney general or ~~department~~ division.

Upon request by the ~~secretary of revenue~~ division, the attorney general may represent this state or assist a district attorney in prosecuting any case arising under this chapter. The ~~department~~ division may represent this state in prosecuting any violation of s. 125.54 (7) (a) or (b) and shall bring any such action in the circuit court for Dane County.

SECTION 87. 125.15 (1) of the statutes is amended to read:

125.15 (1) An intoxicating liquor wholesaler, intoxicating liquor retail licensee or permittee, or intoxicating liquor trade association that makes a written complaint to the ~~department~~ division under s. 125.12 (6) of a violation of s. 125.54 (7) (a) may bring an action to enforce the provisions of s. 125.54 (7) if any of the following apply:

(a) The ~~department~~ division has not rendered a decision within the time periods specified in s. 125.12 (6) (c) to (d).

(b) The ~~department~~ division has rendered a decision under s. 125.12 (6) in which the ~~department~~ division has determined that a violation has occurred but no action has been brought in circuit court by the ~~department~~ division, attorney general, or a district attorney to prosecute the violation.

SECTION 88. 125.17 (6) (a) (intro.) of the statutes is amended to read:

125.17 (6) (a) (intro.) Except as provided in par. (b), no municipal governing body or designated municipal official may issue an operator's license unless the applicant has successfully completed a responsible beverage server training course

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at any location that is offered by a technical college district and that conforms to curriculum guidelines specified by the technical college system board or a comparable training course, which may include computer-based training and testing, that is approved by the ~~department~~ division or the department of safety and professional services, or unless the applicant fulfills one of the following requirements:

SECTION 89. 125.175 of the statutes is created to read:

125.175 Issuance of operators' permits. (1) Subject to sub. (4), the division shall issue an operator's permit to any applicant who is qualified under s. 125.04 (5). Operators' permits may not be required other than for the purpose of complying with ss. 125.32 (2) and 125.68 (2) or s. 125.06 (3g). Operators' permits may be issued only upon written application.

(2) Operators' permits are valid in all municipalities in this state.

(3) The division shall establish a fee for issuance or renewal of an operator's permit and shall determine whether the permit shall be valid for one or 2 years.

(4) (a) The division may not issue an operator's permit unless the applicant satisfies the criteria for issuance of an operator's license specified in s. 125.17 (6) (a). In applying these criteria to an applicant who holds or previously held an operator's permit or an operator's license, the division shall treat as synonymous operators' permits and operators' licenses.

(b) The division may not require applicants for operators' permits to undergo training in addition to that specified in s. 125.17 (6) (a) but may require applicants

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to purchase at cost materials that deal with relevant subjects not covered in the course under s. 125.17 (6) (a).

SECTION 90. 125.19 (1) of the statutes is amended to read:

125.19 (1) ISSUANCE. The ~~department~~ division shall issue an alcohol beverage warehouse permit which authorizes the permittee to store and warehouse alcohol beverages in warehouse premises covered by the permit, subject to rules adopted by the ~~department~~ division. The permit does not authorize the sale of any alcohol beverages.

SECTION 91. 125.20 of the statutes is created to read:

125.20 Interest restrictions. (1) DEFINITIONS. In this section:

- (a) “Distribution permit” means a permit issued under s. 125.28 or 125.54.
- (b) “Distribution permittee” means a person holding a distribution permit and includes a restricted individual of such a person.
- (c) “Production permit” means a permit issued under s. 125.29, 125.295, 125.52, or 125.53, a permit issued under s. 125.30 to a brewer in another state, or a permit issued under s. 125.58 to a manufacturer, rectifier, or winery in another state.
- (d) “Production permittee” means a person holding a production permit and includes a restricted individual of such a person.
- (e) “Restricted individual” means any of the following:
 - 1. An individual identified on a manager’s license or who works or acts in a managerial capacity for a permittee or licensee.

2. An individual serving as an officer, director, member, manager, or agent of a corporation or limited liability company holding a permit or license.

3. An individual holding more than a 10 percent ownership interest in a permittee or licensee.

(f) "Restricted entity" means an entity holding more than a 10 percent ownership interest in a permittee or licensee.

(g) "Restricted investor" means a restricted individual or restricted entity.

(h) "Retail license or permit" means a Class "A," Class "B," "Class A," "Class B," or "Class C" license, a Class "B" or "Class B" permit, or a no-sale event venue permit.

(i) "Retail licensee or permittee" means a person holding a retail license or permit and includes a restricted individual of such a person.

(2) PRODUCERS. (a) No production permittee may hold any interest in any distribution permittee.

(b) No production permittee may hold any interest in any retail licensee or permittee, except as authorized under s. 125.295.

(3) DISTRIBUTORS. (a) No distribution permittee may hold any interest in any retail licensee or permittee.

(b) No distribution permittee may hold any interest in any production permittee, except as provided in s. 125.28 (2) (d).

(4) RETAILERS. (a) No retail licensee or permittee may hold any interest in any distribution permittee.

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(b) No retail licensee or permittee may hold any interest in any production permittee, except as authorized under s. 125.295.

(5) CONSTRUCTION OF SECTION; AUTHORIZED CROSS-TIER ACTIVITY. (a) For purposes of this section and s. 125.01, permittees are categorized under the 3-tier system as follows:

1. A production permittee operates within the production tier.
2. A distribution permittee operates within the distribution tier.
3. A retail licensee or permittee operates within the retail tier.

(b) This section does not prohibit a licensee or permittee from engaging in any activity that this chapter explicitly authorizes for the type of license or permit held or that is explicitly authorized under the terms of the license or permit.

(c) To the extent there is a conflict between any provision of subs. (2) to (4) and any provision of ss. 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), and 125.69 (1), the provisions of ss. 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), and 125.69 (1) are controlling.

(d) If a license or permit may not be issued to a person under s. 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), or 125.69 (1), the person may not acquire an interest prohibited under s. 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), or 125.69 (1) after the license or permit has been issued.

(6) PERMISSIBLE INTERESTS. (a) Notwithstanding subs. (2) to (4), a licensee or

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permittee may be owned in part by, or grant an ownership interest to, a restricted investor in a different tier if all of the following are satisfied:

1. No single restricted investor holds more than a 10 percent ownership interest in the licensee or permittee, including any passive or disregarded entity connected to the restricted investor.

2. No restricted investor serves as an officer, director, manager, operator, or agent of the licensee or permittee.

3. No restricted investor is involved in the day-to-day operations of the licensee or permittee or exerts any control over such operations beyond the person's ability to vote as an owner.

4. The aggregate amount of ownership held by all restricted investors in the licensee or permittee does not exceed 49 percent.

5. The licensee or permittee discloses all restricted investors to the division.

6. Each restricted investor executes an affidavit, on a form prescribed by the division, swearing to a complete lack of involvement in the day-to-day operations of, and lack of control over, the licensee or permittee beyond the restricted investor's ability to vote as an owner. If the restricted investor is a restricted entity, the affidavit shall be executed on behalf of the restricted entity by an individual who is an officer or director of the restricted entity or who otherwise has management authority over the restricted entity.

(b) A licensee or permittee, or a restricted individual of a licensee or permittee, may enter into a landlord-tenant relationship with another licensee or permittee operating in a different tier if all of the following are satisfied:

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1. The lease or rental agreement explicitly states that the landlord has no control over or day-to-day involvement in the business of the tenant.

2. No control or involvement in the business of the tenant by the landlord exists.

3. The landlord and tenant maintain compliance with ss. 125.33 and 125.69, as applicable and subject to s. 125.33 (2) (hr), and this requirement is set forth in the lease or rental agreement.

4. The lease or rental agreement is in writing and disclosed to the division for review.

(c) Notwithstanding subs. (2) to (4), a spouse may have an interest in the license or permit of the other spouse if all of the following are satisfied:

1. The marriage is governed by a valid marital property agreement or prenuptial agreement.

2. The marital property agreement or prenuptial agreement was disclosed on any license or permit application.

3. A copy of the marital property agreement or prenuptial agreement is provided to the municipal clerk or division prior to issuance of the license or permit.

4. Both spouses execute an affidavit, on a form prescribed by the division, swearing to a complete lack of involvement in the day-to-day operations of, and lack of control over, each respective business.

(d) For purposes of subs. (2) to (4), employment in a nonmanagerial capacity for a licensee or permittee is not an interest in the licensee or permittee.

SECTION 92. 125.20 (5) (c) and (d) of the statutes, as created by 2023 Wisconsin Act (this act), are amended to read:

125.20 (5) (c) To the extent there is a conflict between any provision of subs. (2) to (4) and any provision of ss. 125.24 (3), 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), and 125.69 (1), the provisions of ss. 125.24 (3), 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), and 125.69 (1) are controlling.

(d) If a license or permit may not be issued to a person under s. 125.24 (3), 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), or 125.69 (1), the person may not acquire an interest prohibited under s. 125.24 (3), 125.25 (2) (b), 125.26 (2) (b), 125.27 (7), 125.28 (2) (b), 125.29 (2) (a), 125.295 (2) (a) 6., 125.30 (3) (c), or 125.69 (1) after the license or permit has been issued.

SECTION 93. 125.21 of the statutes is created to read:

125.21 Production agreements. (1) DEFINITIONS. In this section:

(a) “Alternating proprietorship” means an arrangement in which a host producer provides use of space and equipment, and may additionally provide personnel, to a guest producer for the production of alcohol beverages.

(b) “Bottling” means placing alcohol beverages into sealed finished packages, including cans, bottles, boxes, bags, kegs, barrels, or any other packaging of finished products. When “bottle” is used as a verb, it has the same meaning as “bottling.”

(c) “Contract producer” means a producer who directly manufactures, bottles,

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or labels alcohol beverages as an agent of a recipe producer or out-of-state recipe supplier.

(d) “Contract production” means a contract, agreement, or business arrangement described in sub. (3) (b) whereby a recipe producer or out-of-state recipe supplier provides consideration to a contract producer for the production, bottling, or labeling of alcohol beverages.

(e) “Guest producer” means a producer who enters into a contract, agreement, or business arrangement with a host producer whereby the producer has use of the host producer’s premises and equipment, and may have use of the host producer’s personnel, for the production of the guest producer’s alcohol beverages.

(f) “Host producer” means a producer who enters into a contract, agreement, or business arrangement with a guest producer whereby the guest producer has use of the producer’s premises and equipment, and may have use of the producer’s personnel, for the production of the guest producer’s alcohol beverages.

(g) “Licensing agreement” means an agreement between a licensor and a producer for the production of alcohol beverages containing the name, symbol, or mark of the licensor.

(h) “Out-of-state recipe supplier” means a person to whom all of the following applies:

1. The person is located in another state and produces alcohol beverages in that state.

2. The person does not hold a permit under this chapter, other than a permit issued under s. 125.30, 125.535, or 125.58.

3. The person purchases alcohol beverages from a producer that are manufactured consistently with a recipe provided by the person or are bottled or labeled for the person.

(i) "Producer" means a brewer holding a permit under s. 125.29, brewpub holding a permit under s. 125.295, winery holding a permit under s. 125.53, manufacturer holding a permit under s. 125.52, or rectifier holding a permit under s. 125.52.

(j) "Recipe producer" means a producer who purchases alcohol beverages from another producer that are manufactured consistently with a recipe provided by the recipe producer or are bottled or labeled for the recipe producer.

(2) PRODUCTION ARRANGEMENTS AUTHORIZED; AGREEMENTS BETWEEN SAME PRODUCER TYPE. (a) Production arrangements under subs. (3) to (5) are authorized as provided in this section. A permittee that enters into such a production arrangement does not act as an agent for or in the employ of another under s. 125.52 (3) or 125.53 (2), and such a production arrangement is not a prohibited interest under s. 125.20.

(b) Except as provided in sub. (3) (b) 2. and 3., agreements authorized under this section may be entered into only by producers who hold permits issued under the same section of this chapter.

(3) CONTRACT PRODUCTION. (a) An agreement for contract production shall comply with the requirements of this subsection.

(b) An agreement for contract production may be entered into between any of the following:

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1. Two producers possessing the same type of permit.
 2. A permittee under s. 125.29, as the contract producer, and a permittee under s. 125.295, as the recipe producer.
 3. A producer and an out-of-state recipe supplier.
- (c) All contract production activities shall occur pursuant to a written agreement between the contract producer and the recipe producer or out-of-state recipe supplier.
- (d) 1. Except as provided in subd. 2., alcohol beverages produced under an agreement for contract production between a contract producer and a recipe producer shall count toward the production volume of the recipe producer and shall be considered, for this purpose, as produced on the recipe producer's premises.
2. Alcohol beverages produced under an agreement for contract production between a contract producer and a recipe producer may not be considered in determining production volume for purposes of ss. 125.29 (7), 125.52 (4), and 125.53 (3), but shall be considered as produced by the recipe producer for other purposes under ss. 125.29 (7), 125.52 (4), and 125.53 (3).
- (e) The recipe producer shall be considered the producer for purposes of filing reports under s. 139.11 (2) and taxation under ss. 139.02, 139.03, 139.05 (2), and 139.06 (1) and (2), as applicable, and shall include alcohol beverages manufactured under a contract production agreement in the report required under s. 139.11 (2). For alcohol beverages produced under an agreement for contract production between a contract producer and a recipe producer, the contract producer shall exclude the alcohol beverages from reports required under s. 139.11 (2).

(4) ALTERNATING PROPRIETORSHIP. (a) An alternating proprietorship shall comply with the requirements of this subsection.

(b) All alternating proprietorships shall occur pursuant to a written agreement between the host producer and guest producer.

(c) The agreement under par. (b) shall provide that the guest producer retains the right to control the production of the alcohol beverages. If the agreement provides that the host producer and host producer's personnel are agents of the guest producer or acting under the direction of the guest producer, the agreement shall specify the terms and compensation for the use of the host producer's personnel.

(d) The guest producer shall be considered the producer for purposes of filing reports under s. 139.11 (2) and taxation under ss. 139.02, 139.03, 139.05 (2), and 139.06 (1) and (2), as applicable, and shall include alcohol beverages manufactured under an alternating proprietorship in the report required under s. 139.11 (2). The host producer shall exclude alcohol beverages manufactured in an alternating proprietorship from reports required under s. 139.11 (2).

(e) Alcohol beverages produced under an alternating proprietorship shall count toward the production volume of the guest producer and shall be considered, for this purpose, as produced on the guest producer's premises.

(5) LICENSING AGREEMENTS. (a) A producer may enter into a licensing agreement or contract with a licensor authorizing the producer-licensee to use the licensor's trademark or name if all of the following requirements are satisfied:

1. The licensing agreement or contract is in writing.

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2. The producer-licensee is entirely responsible for producing the alcohol beverages and for all related processing steps and regulatory requirements.

(b) Alcohol beverages produced under the licensing agreement shall count toward the production volume of the producer-licensee and shall be considered, for this purpose, as produced on the producer-licensee's premises.

SECTION 94. 125.22 of the statutes is created to read:

125.22 Common carrier permit; shipments into state. (1) PERMIT. (a) No common carrier may transport into or deliver within this state any alcohol beverages unless the common carrier first obtains a permit from the division under this section. This subsection does not apply to the transportation into this state for delivery to, or delivery within this state to, a person that holds a license or permit issued under this chapter that authorizes the licensee or permittee to receive the alcohol beverages.

(b) A permit under this section authorizes only the transport into or delivery within this state of wine on behalf of a person holding a direct wine shipper's permit under s. 125.535 or a fulfillment house permit under s. 125.23.

(c) An applicant for a permit under this section shall provide all information required by the division. The division shall require the applicant to submit information, as determined to be appropriate by the division, that is similar to the information required of an applicant for a permit under s. 125.58.

(d) A permit under this section may be issued only to a person who holds a valid certificate issued under s. 73.03 (50).

(e) A permittee under this section shall pay an annual fee of \$1,000.

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(2) REPORTS. (a) No later than the 15th day of each month, a common carrier holding a permit under this section shall submit a verified report to the division, in the form and manner prescribed by the division, that includes all of the following information for each shipment of alcohol beverages during the preceding month:

1. The name and address of the person that manufactured the alcohol beverages.

2. The name and address of the consignor of the shipment, if different from the person that manufactured the alcohol beverages.

3. The name and address of the consignee of the shipment.

4. The date of the shipment.

5. The type and quantity of alcohol beverages shipped to the consignee, as reported to the common carrier by the consignor.

6. The parcel tracking number, waybill number, or other identifying number for the shipment.

(b) The division and the department shall keep confidential the information under par. (a) 3. and 6., and this information is not subject to public copying or inspection under s. 19.35 (1), but all other information included in a report under par. (a) is subject to public copying and inspection under s. 19.35 (1) and may not be treated by the division or the department as confidential under any provision of s. 71.78, 71.83, or 139.11 (4).

(c) Nothing in this section alters the requirement that a person shipping alcohol beverages into this state obtain all required permits under this chapter prior to shipment, including any permit under s. 125.535. Nothing in this section

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grants a manufacturer, rectifier, or shipper of alcohol beverages, including a winery, authority to ship alcohol beverages into this state. Nothing in this section alters the face-to-face sales requirement in ss. 125.272 and 125.51 (6).

(3) PENALTIES. (a) Any common carrier that fails to obtain a permit required under sub. (1) prior to commencing delivery of alcohol beverages in this state is subject to a fine of not more than \$10,000.

(b) Any common carrier that ships alcohol beverages other than wine obtained from a direct wine shipper permittee under s. 125.535 or from a fulfillment house permittee under s. 125.23 is subject to a forfeiture of not more than \$2,000. The division shall revoke the permit of any common carrier that violates this prohibition in more than one month during a calendar year. Except as provided in this paragraph, s. 125.12 (5) shall apply with respect to the division's revocation of the permit.

(c) If a common carrier fails to submit a report required under sub. (2), the common carrier is subject to a forfeiture of not more than \$2,000.

SECTION 95. 125.23 of the statutes is created to read:

125.23 Fulfillment houses. (1) **PERMIT.** (a) Before making any shipment to, or causing any shipment to be made to, any individual in this state, a person operating a fulfillment house shall obtain from the division a fulfillment house permit for each location that is involved in the process of shipping wine to residents of this state.

(b) A person holding a permit under this section may provide services only for the warehousing, packaging, order fulfillment, and shipment of alcohol beverages

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produced by and belonging to a person holding a direct wine shipper's permit under s. 125.535.

(c) An applicant for a permit under this section shall pay an annual fee of \$100 for each permit. The permit may be issued for a period of one year and may be renewed annually.

(d) A permit under this section may be issued only to a person who holds a valid certificate issued under s. 73.03 (50).

(2) PERMIT APPLICATION. (a) An applicant for a permit under this section shall provide all of the following information as part of the permit application:

1. All locations from which alcohol beverages are to be shipped under the permit.

2. Any other information required by the division. The division shall require the applicant to submit information, as determined to be appropriate by the division, that is similar to the information required of an applicant for a permit under s. 125.58.

(b) Notwithstanding s. 125.04 (5) (a), natural persons obtaining fulfillment house permits are not required to be residents of this state. Notwithstanding s. 125.04 (5) (a) 5., a person is not required to complete a responsible beverage server training course to be eligible for a permit under this section. Corporations and limited liability companies obtaining fulfillment house permits are subject to s. 125.04 (6) and any other person, including any natural person or cooperative, obtaining a fulfillment house permit shall appoint an agent, and be subject to all

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provisions of s. 125.04 (6), in the same manner applicable to corporations and limited liability companies.

(3) PACKAGE LABELING. A person holding a permit under this section shall ensure all containers of wine shipped directly to an individual in this state are labeled with all of the following information:

(a) The following words, appearing in capital letters and in a conspicuous location: “CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY.”

(b) The name, address, and permit number of the fulfillment house permittee and the name, address, and permit number of the direct wine shipper.

(4) SHIPMENT. (a) A fulfillment house permittee may not ship into this state wine from any person not holding a direct wine shipper’s permit under s. 125.535.

(b) A fulfillment house permittee may not ship wine into this state through a common carrier that does not hold a permit under s. 125.22. All containers of wine shipped directly to an individual in this state shall be shipped using a common carrier holding a permit issued under s. 125.22.

(c) Prior to shipping wine to an individual in this state, a fulfillment house permittee shall verify the validity of the permit of each direct wine shipper and of each common carrier associated with the shipment.

(5) REPORTS. (a) No later than the 15th day of each month, a fulfillment house holding a permit under this section shall submit a verified report to the division, in the form and manner prescribed by the division, that includes all of the

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following information for each shipment of alcohol beverages during the preceding month:

1. The name and address of the person that manufactured the alcohol beverages.
2. The name and address of the consignor of the shipment, if different from the person that manufactured the alcohol beverages.
3. The name and address of the consignee of the shipment.
4. The date of the shipment.
5. The type and quantity of alcohol beverages shipped to the consignee.
6. The parcel tracking number, waybill number, or other identifying number for the shipment.

(b) The division and the department shall keep confidential the information under par. (a) 3. and 6., and this information is not subject to public copying or inspection under s. 19.35 (1), but all other information included in a report under par. (a) is subject to public copying and inspection under s. 19.35 (1) and may not be treated by the division or the department as confidential under any provision of s. 71.78, 71.83, or 139.11 (4).

(6) PENALTIES. (a) Any fulfillment house that fails to obtain a permit under this section in violation of sub. (1) is subject to a fine of not more than \$10,000.

(b) Any permittee under this section that ships alcohol beverages other than wine obtained from a direct wine shipper holding a permit under s. 125.535 is subject to a forfeiture of not more than \$2,000. The division shall revoke the permit of any permittee that violates this prohibition in more than one month during a

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calendar year. Except as provided in this paragraph, s. 125.12 (5) shall apply with respect to the division's revocation of the permit.

(c) If a fulfillment house fails to submit a report required under sub. (5), the fulfillment house is subject to a forfeiture of not more than \$2,000.

SECTION 96. 125.24 of the statutes is created to read:

125.24 No-sale event venue permit. (1) PERMIT ISSUANCE. (a) Except as otherwise provided in this section, the division may issue to property owners no-sale event venue permits that authorize the permittee to rent or lease real property for use as an event venue at which fermented malt beverages and wine are consumed if all requirements under this section are satisfied.

(b) A no-sale event venue permit may be issued only to a person who holds a valid certificate issued under s. 73.03 (50) and is qualified under s. 125.04 (5), except that a person is not required to complete a responsible beverage server training course to be eligible for a permit under this section.

(c) A no-sale event venue permit may not be issued unless all of the following are satisfied:

1. The applicant certifies in the permit application how many events were held at the venue in the 12-month period immediately preceding the application.

2. The applicant identifies with specificity in the permit application the property that is the event venue covered by the permit.

(d) Subject to sub. (2) (c) 3., a permit may not be issued under this section for premises that are covered by any other license or permit under this chapter, but a caterer holding Class "B" and "Class B" licenses may deliver fermented malt

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beverages and wine to the event venue if all requirements under sub. (2) are satisfied.

(e) The division shall establish an annual fee, calculated to cover the division's administrative costs under this section, for a permit issued under this section.

(2) ACTIVITIES AUTHORIZED UNDER PERMIT. (a) A no-sale event venue permit authorizes the permittee to rent or lease real property for use as an event venue at which fermented malt beverages and wine are consumed on no more than 6 days per calendar year and no more than one day per month.

(b) 1. A no-sale event venue permittee may not sell or otherwise provide alcohol beverages to the renter or lessee of the event venue or to any guest or attendee of an event on the event venue, including charging admission for an event on the event venue at which any alcohol beverages are served.

2. A no-sale event venue permittee may not allow any person to possess distilled spirits on the event venue when the event venue is being used by a renter or lessee.

(c) Subject to pars. (d) and (e), a no-sale event venue permit authorizes the permittee to do any of the following:

1. Allow the renter or lessee of the event venue to bring the renter's or lessee's own fermented malt beverages and wine onto the event venue and serve it to guests without charge.

2. Allow the guests of the renter or lessee to bring fermented malt beverages and wine onto the event venue to be consumed by the guests without charge.

3. Allow the renter or lessee to obtain temporary Class "B" and "Class B"

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licenses for an event held on the event venue and sell fermented malt beverages and wine under the temporary Class “B” and “Class B” licenses on the event venue.

4. Allow the renter or lessee to contract with a caterer holding Class “B” and “Class B” licenses for the caterer to provide fermented malt beverages and wine to the renter or lessee and the renter’s or lessee’s guests without charge on the event venue.

(d) If a renter or lessee of an event venue contracts with a caterer as provided in par. (c) 4., all of the following apply:

1. Neither the renter or lessee of the event venue nor any guest of the renter or lessee may bring alcohol beverages onto the event venue.

2. The caterer may serve the fermented malt beverages and wine that are provided on the event venue, but service shall be performed only by persons holding an operator’s license under s. 125.17.

3. The caterer may not provide fermented malt beverages or wine on the event venue unless the renter or lessee has first purchased the fermented malt beverages or wine from the caterer in a face-to-face transaction at the caterer’s licensed retail premises.

(e) A renter or lessee of an event venue covered by a permit under this section may not do any of the following:

1. Except as provided in par. (c) 3., sell any alcohol beverages to guests or attendees of an event on the event venue, including charging admission for an event on the event venue at which any alcohol beverages are served.

2. Allow any person to possess distilled spirits on the event venue.

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3. If there are 20 or more people on the event venue, allow the service of fermented malt beverages or wine unless the service is performed by a person holding an operator's license under s. 125.17.

(3) INTEREST RESTRICTIONS. Subject to s. 125.20 (6), a no-sale event venue permit may not be issued to any person who holds, or has an interest in a permittee holding, any of the following:

- (a) A wholesaler's permit issued under s. 125.28 or 125.54.
- (b) A brewer's permit issued under s. 125.29.
- (c) A brewpub permit issued under s. 125.295.
- (d) A winery permit issued under s. 125.53.
- (e) A manufacturer's or rectifier's permit issued under s. 125.52.
- (f) An out-of-state shipper's permit issued under s. 125.30 or 125.58.

(4) EXCEPTION FOR PERMITTEE APPLYING FOR RETAIL LICENSE. Notwithstanding any operating limitation in sub. (1) or (2), a permittee under this section that has applied for and is actively seeking a Class "B" or "Class B" license for the event venue covered by the no-sale event venue permit may, for 6 months after the date of the Class "B" or "Class B" license application, continue to operate in a manner similar to the manner in which it operated in the immediately preceding 12-month period if all of the following apply:

- (a) The permittee has determined that it can no longer operate under the no-sale event venue permit.
- (b) The permittee has provided notice to the division of the application for a Class "B" or "Class B" license.

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(c) The permittee has not previously held a no-sale event venue permit for which the permittee provided notice under par. (b).

(5) QUOTA EXCEPTION FOR QUALIFYING PERSONS WHO OPT OUT OF NO-SALE EVENT VENUE PERMIT. (a) In this subsection, “qualifying event venue” means real property that is rented or leased for use as an event venue for private events that satisfy all of the following requirements in the preceding 12-month period:

1. There were at least 5 events held at the venue at which no fewer than 50 invited guests attended.

2. The venue owner received at least \$20,000 in revenue from renting or leasing the venue for the events under subd. 1.

(b) Upon application, the division shall certify an owner of a qualifying event venue as eligible for the quota exception under s. 125.51 (4) (v) 5. if all of the following apply:

1. The qualifying event venue is in operation on the effective date of this subdivision [LRB inserts date], and has been in operation for the 12-month period immediately preceding the date of the application.

2. The qualifying event venue has not been a Class “B” or “Class B” licensed premises at any time in the 12-month period immediately preceding the date of the application.

3. The owner of the qualifying event venue has not applied for a permit under this section.

4. The owner of the qualifying event venue provides documentation to the division that, in the absence of the exception under s. 125.51 (4) (v) 5., the

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municipality in which the qualifying event venue is located would be prohibited under s. 125.51 (4) (am) from issuing the owner a “Class B” license.

5. The owner of the qualifying event venue provides documentation to the division showing, and the division confirms, that the requirements under subd. 1. and par. (a) are satisfied.

6. The owner of the qualifying event venue provides notice to the division no later than 60 days after the effective date of this subdivision [LRB inserts date], that the owner is applying for a “Class B” license and is not seeking a no-sale event venue permit.

(c) The division shall act on an application for certification under par. (b) within 30 days of receiving the application.

(d) The division may not issue a certification under par. (b) after the first day of the 7th month beginning after the effective date of this paragraph [LRB inserts date].

SECTION 97. 125.25 (2) (b) of the statutes is repealed and recreated to read:

125.25 (2) (b) Subject to s. 125.20 (6), a Class “A” license may not be issued to any person who holds, or has an interest in a permittee holding, any of the following:

1. A wholesaler’s permit issued under s. 125.28 or 125.54.
2. A brewer’s permit issued under s. 125.29.
3. A brewpub permit issued under s. 125.295.
4. A winery permit issued under s. 125.53.
5. A manufacturer’s or rectifier’s permit issued under s. 125.52.

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6. An out-of-state shipper's permit issued under s. 125.30 or 125.58.

SECTION 98. 125.26 (2) (b) of the statutes is repealed and recreated to read:

125.26 (2) (b) Subject to s. 125.20 (6), a Class "B" license may not be issued to any person who holds, or has an interest in a permittee holding, any of the following:

1. A wholesaler's permit issued under s. 125.28 or 125.54.
2. A brewer's permit issued under s. 125.29.
3. Except as provided in s. 125.295 (1) (h), (2) (a) 6. b., and (3) (b), a brewpub permit issued under s. 125.295.
4. A winery permit issued under s. 125.53.
5. A manufacturer's or rectifier's permit issued under s. 125.52.
6. An out-of-state shipper's permit issued under s. 125.30 or 125.58.

SECTION 99. 125.26 (2m) of the statutes is amended to read:

125.26 (2m) Notwithstanding s. 125.04 (3) (a) 3. and (9), a Class "B" license authorizes a person operating a hotel to furnish a registered guest who has attained the legal drinking age with a selection of fermented malt beverages in the guest's room which is not part of the Class "B" premises. Fermented malt beverages furnished under this subsection shall be furnished in original packages or containers and stored in a cabinet, refrigerator or other secure storage place. The cabinet, refrigerator or other secure storage place must be capable of being locked. The cabinet, refrigerator or other secure storage place shall be locked, or the fermented malt beverages shall be removed from the room, when the room is not occupied and when fermented malt beverages are not being furnished under this

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subsection. A key for the lock shall be supplied to a guest who has attained the legal drinking age upon request at registration. The hotel shall prominently display a price list of the fermented malt beverages in the hotel room. Fermented malt beverages may be furnished at the time the guest occupies the room, but for purposes of this chapter, the sale of fermented malt beverages furnished under this subsection is considered to occur at the time and place that the guest pays for the fermented malt beverages. Notwithstanding s. 125.32 (3), the guest may pay for the fermented malt beverages at any time if he or she pays in conjunction with checking out of the hotel. An individual who stocks or accepts payment for alcohol beverages under this subsection shall be the licensee, the agent named in the license if the licensee is a corporation or limited liability company, or the holder of a manager's or operator's license or operator's permit, or be supervised by one of those individuals.

SECTION 100. 125.26 (2s) (b) of the statutes is amended to read:

125.26 (2s) (b) Notwithstanding s. 125.04 (3) (a) 3. and (9), a Class "B" license authorizes a person operating a coliseum or a concessionaire to furnish the holder of a coliseum suite who has attained the legal drinking age with a selection of fermented malt beverages in the coliseum suite that is not part of the Class "B" premises. Fermented malt beverages furnished under this paragraph shall be furnished in original packages or containers and stored in a cabinet, refrigerator or other secure storage place. The cabinet, refrigerator or other secure storage place or the coliseum suite must be capable of being locked. The cabinet, refrigerator or other secure storage place or the coliseum suite shall be locked, or the fermented malt beverages shall be removed from the coliseum suite, when the coliseum suite

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is not occupied and when fermented malt beverages are not being furnished under this paragraph. Fermented malt beverages may be furnished at the time the holder occupies the coliseum suite, but for purposes of this chapter, the sale of fermented malt beverages furnished under this paragraph is considered to occur at the time and place that the holder pays for the fermented malt beverages. Notwithstanding s. 125.32 (3), the holder of a coliseum suite may pay for the fermented malt beverages at any time if he or she pays in accordance with the terms of an agreement with the person operating the coliseum or with the concessionaire. An individual who stocks or accepts payment for alcohol beverages under this paragraph shall be the licensee, the agent named in the license if the licensee is a corporation or limited liability company, or the holder of a manager's or operator's license or operator's permit, or be supervised by one of those individuals.

SECTION 101. 125.27 (1) (a) of the statutes is amended to read:

125.27 (1) (a) The ~~department~~ division shall issue Class "B" permits to clubs holding a valid certificate issued under s. 73.03 (50) that are operated solely for the playing of golf or tennis and are commonly known as country clubs and to clubs that are operated solely for curling, ski jumping or yachting, if the club is not open to the general public and if no Class "B" licenses are issued by the governing body of the municipality in which the club is located. A Class "B" permit authorizes retail sales of fermented malt beverages to be consumed on the premises where sold. Persons holding a Class "B" permit may sell beverages containing less than 0.5 percent of alcohol by volume without obtaining a license under s. 66.0433.

SECTION 102. 125.27 (2) (a) 1. (intro.) of the statutes is amended to read:

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125.27 (2) (a) 1. (intro.) The ~~department~~ division may issue a Class “B” permit to any person who holds a valid certificate issued under s. 73.03 (50) and who is qualified under s. 125.04 (5) authorizing the sale of fermented malt beverages for consumption on any vessel having a regular place of mooring located in any waters of this state as defined under s. 29.001 (45) and (63) if any of the following applies:

SECTION 103. 125.27 (2) (a) 2. of the statutes is amended to read:

125.27 (2) (a) 2. The ~~department~~ division may issue the permit only if the vessel leaves its place of mooring while the sale of fermented malt beverages is taking place and if the vessel fulfills the requirement under par. (am). A permit issued under this paragraph also authorizes the permittee to store fermented malt beverages purchased for sale on the vessel on premises owned or leased by the permittee and located near the vessel’s regular place of mooring. The permittee shall describe on the permit application under s. 125.04 (3) (a) 3. the premises where the fermented malt beverages will be stored. The premises shall be open to inspection by the ~~department~~ division upon request.

SECTION 104. 125.27 (3) (b) of the statutes is amended to read:

125.27 (3) (b) Upon application, the ~~department~~ division shall issue a Class “B” permit to a tribe that holds a valid certificate issued under s. 73.03 (50) and that is qualified under s. 125.04 (5) and (6). The permit authorizes the retail sale of fermented malt beverages for consumption on or off the premises where sold.

SECTION 105. 125.27 (5) (b) and (f) of the statutes are amended to read:

125.27 (5) (b) The ~~department~~ division may issue Class “B” permits for locations within racetrack grounds to any person that holds a valid certificate

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issued under s. 73.03 (50), that is qualified under s. 125.04 (5) and (6), and that is the owner or operator of the racetrack grounds or is designated by the owner or operator of the racetrack grounds to operate premises located within the racetrack grounds. Subject to par. (e), the permit authorizes the retail sale of fermented malt beverages on the premises covered by the permit, for consumption anywhere within the racetrack grounds. If the ~~department~~ division issues more than one permit under this subsection for the same racetrack grounds, no part of the premises covered by a permit under this subsection may overlap with premises covered by any other permit issued under this subsection.

(f) The ~~department~~ division shall establish a fee for a permit issued under this subsection in the amount of 50 percent of the fee for a permit issued under sub. (1).

SECTION 106. 125.27 (7) of the statutes is created to read:

125.27 (7) INTEREST RESTRICTIONS. Subject to s. 125.20 (6), a Class “B” permit may not be issued to any person who holds, or has an interest in a permittee holding, any of the following:

- (a) A wholesaler’s permit issued under s. 125.28 or 125.54.
- (b) A brewer’s permit issued under s. 125.29.
- (c) A brewpub permit issued under s. 125.295.
- (d) A winery permit issued under s. 125.53.
- (e) A manufacturer’s or rectifier’s permit issued under s. 125.52.
- (f) An out-of-state shipper’s permit issued under s. 125.30 or 125.58.

SECTION 107. 125.275 (1) of the statutes is amended to read:

125.275 (1) The ~~department~~ division may issue an industrial fermented malt

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beverages permit which authorizes the permittee to purchase and use fermented malt beverages for industrial purposes only. Such permits may be issued only to persons who prove to the ~~department~~ division that they use alcohol for industrial purposes and who holds a valid certificate issued under s. 73.03 (50).

SECTION 108. 125.275 (2) (b) of the statutes is amended to read:

125.275 (2) (b) An industrial fermented malt beverages permit may not be issued to a person holding a wholesaler's permit issued under s. 125.28 or to a person who has ~~a direct or indirect ownership~~ an interest in a ~~premises operating under a wholesaler's permit issued~~ permittee under s. 125.28.

SECTION 109. 125.275 (3) of the statutes is amended to read:

125.275 (3) Shipments of industrial fermented malt beverages shall be conspicuously labeled "for industrial purposes" and shall meet other requirements which the ~~department~~ division prescribes by rule.

SECTION 110. 125.28 (1) (a) of the statutes is amended to read:

125.28 (1) (a) Subject to par. (b), the ~~department~~ division may issue permits to wholesalers for the sale of fermented malt beverages from premises within this state, which premises shall comply with the requirements under s. 125.34 (2). Subject to s. 125.34, and except as provided in pars. (e) and (f), a wholesaler's permit authorizes sales of fermented malt beverages only in original packages or containers to retailers or wholesalers.

SECTION 111. 125.28 (1) (b) of the statutes is amended to read:

125.28 (1) (b) If a wholesaler does not maintain any warehouse in this state but is licensed and maintains a warehouse in an adjoining state that allows

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wholesalers holding a wholesaler's permit in this state to deliver fermented malt beverages to retailers in the adjoining state without warehousing in that state and that further requires that all fermented malt beverages be first unloaded and physically at rest at, and distributed from, the warehouse of the licensed wholesaler in that state, the wholesaler's permit shall be issued by the ~~department~~ division. Notwithstanding s. 125.04 (5) (a) 2. and (c) and (6), the ~~department~~ division may issue the wholesaler's permit to a wholesaler described in this paragraph who is a natural person and not a resident of this state or that is a corporation or limited liability company and has not appointed an agent in this state.

SECTION 112. 125.28 (2) (b) (intro.) of the statutes is amended to read:

125.28 (2) (b) (intro.) ~~A~~ Subject to s. 125.20 (6), a wholesaler's permit may not be issued to any of the following:

SECTION 113. 125.28 (2) (b) 1. a. of the statutes is amended to read:

125.28 (2) (b) 1. a. A Class "A" license issued under s. 125.25 or "Class A" license issued under s. 125.51 (2).

SECTION 114. 125.28 (2) (b) 1. b. of the statutes is amended to read:

125.28 (2) (b) 1. b. A Class "B" license issued under s. 125.26, "Class B" license issued under s. 125.51 (3), or "Class C" license issued under s. 125.51 (3m).

SECTION 115. 125.28 (2) (b) 1. c. of the statutes is amended to read:

125.28 (2) (b) 1. c. A Class "B" permit issued under s. 125.27 or "Class B" permit issued under s. 125.51 (5).

SECTION 116. 125.28 (2) (b) 1. g., h. and i. of the statutes are created to read:

125.28 (2) (b) 1. g. A winery permit issued under s. 125.53.

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h. A manufacturer's or rectifier's permit issued under s. 125.52.

i. An out-of-state shipper's permit issued under s. 125.30 or 125.58.

SECTION 117. 125.28 (2) (b) 1. j. of the statutes is created to read:

125.28 (2) (b) 1. j. A no-sale event venue permit issued under s. 125.24.

SECTION 118. 125.28 (2) (b) 2. of the statutes is amended to read:

125.28 (2) (b) 2. ~~Except as provided in s. 125.33 (2m)~~ Subject to s. 125.20 (6),

a person who has ~~a direct or indirect ownership~~ an interest in a ~~premises operating under person holding~~ one or more of the licenses or permits listed in subd. 1. ~~a. to f.~~

SECTION 119. 125.28 (2) (e) of the statutes is repealed.

SECTION 120. 125.28 (4) of the statutes is amended to read:

125.28 (4) The amount of the permit fee shall be established by the ~~department~~ division and shall be an amount that is sufficient to fund one special agent position dedicated to alcohol and tobacco enforcement ~~at~~ in the ~~department~~ division, but the permit fee may not exceed \$2,500 per year or fractional part thereof. All permit fees received under this subsection shall be credited to the appropriation account under s. 20.566 (1) (hd).

SECTION 121. 125.28 (5) (b) of the statutes is amended to read:

125.28 (5) (b) A wholesaler under this section shall annually sell and deliver fermented malt beverages to at least 25 retail licensees or other wholesalers that do not have ~~any direct or indirect~~ an interest in each other or in the wholesaler. The ~~department~~ division may not issue a permit under this section unless the applicant represents to the ~~department~~ division an intention to satisfy this requirement, and

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may not renew a permit issued under this section unless the wholesaler demonstrates that this requirement has been satisfied.

SECTION 122. 125.28 (5) (d) 3. of the statutes is amended to read:

125.28 (5) (d) 3. This paragraph shall not affect the authority of any municipality or the ~~department~~ division to revoke, suspend, or refuse to renew or issue a license or permit under s. 125.12.

SECTION 123. 125.28 (5) (e) of the statutes is amended to read:

125.28 (5) (e) The ~~department~~ division shall promulgate rules to administer and enforce the requirements under this subsection. The rules shall ensure coordination between the ~~department's~~ division's issuance and renewal of permits under this section and its enforcement of the requirements of this subsection, and shall require that all applications for issuance or renewal of permits under this section be processed by ~~department~~ division personnel generally familiar with activities of fermented malt beverages wholesalers. The ~~department~~ division shall establish by rule minimum requirements for warehouse facilities on premises described in permits issued under this section and for periodic site inspections by the ~~department~~ division of such warehouse facilities.

SECTION 124. 125.29 (1) of the statutes is amended to read:

125.29 (1) PERMIT. No person may operate as a brewer unless that person obtains a permit from the ~~department~~ division. A permit under this section may only be issued to a person who holds a valid certificate issued under s. 73.03 (50).

SECTION 125. 125.29 (2) (a) of the statutes is repealed and recreated to read:

125.29 (2) (a) Subject to s. 125.20 (6), a brewer's permit may not be issued to

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any person who holds, or has an interest in a licensee or permittee holding, any of the following:

1. A Class “A” license issued under s. 125.25 or “Class A” license issued under s. 125.51 (2).

2. A Class “B” license issued under s. 125.26, “Class B” license issued under s. 125.51 (3), or “Class C” license issued under s. 125.51 (3m).

3. A Class “B” permit issued under s. 125.27 or “Class B” permit issued under s. 125.51 (5).

4. Except as provided in par. (c), a wholesaler’s permit issued under s. 125.28 or 125.54.

5. A brewpub permit issued under s. 125.295.

SECTION 126. 125.29 (2) (a) 6. of the statutes is created to read:

125.29 (2) (a) 6. A no-sale event venue permit under s. 125.24.

SECTION 127. 125.29 (2) (b) 1. and 2. of the statutes are repealed.

SECTION 128. 125.29 (2) (b) 3. of the statutes is renumbered 125.29 (2) (c).

SECTION 129. 125.29 (3) (intro.) of the statutes is amended to read:

125.29 (3) AUTHORIZED ACTIVITIES. (intro.) The ~~department~~ division shall issue brewer’s permits to eligible applicants authorizing all of the following:

SECTION 130. 125.29 (3) (c) of the statutes is amended to read:

125.29 (3) (c) The transportation of fermented malt beverages between the brewery premises and any depot ~~or~~ warehouse, or full-service retail outlet maintained by the brewer, off-site retail outlet established by the brewer, or other premises for which the brewer holds a permit under this chapter.

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SECTION 131. 125.29 (3) (dm) of the statutes is created to read:

125.29 (3) (dm) The sale, shipment, transportation, and delivery of fermented malt beverages, in bulk or in any state of packaging, that have been manufactured by the brewer to another brewer holding a permit under this section, and the receipt of the fermented malt beverages by the other brewer.

SECTION 132. 125.29 (3) (e) of the statutes is amended to read:

125.29 (3) (e) Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to sub. (7) (h), the retail sale of fermented malt beverages that have been manufactured on the brewery premises or on other premises of the brewer for on-premise consumption by individuals at ~~the brewery premises or~~ an off-site retail outlet established by the brewer.

SECTION 133. 125.29 (3) (f) of the statutes is amended to read:

125.29 (3) (f) Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to sub. (7) (h), the retail sale to individuals of fermented malt beverages, in original unopened packages or containers, that have been manufactured on the brewery premises or on other premises of the brewer for off-premise consumption by individuals, if the sale occurs ~~at the brewery premises or~~ at an off-site retail outlet established by the brewer.

SECTION 134. 125.29 (3) (g) of the statutes is repealed.

SECTION 135. 125.29 (3) (h) of the statutes is renumbered 125.29 (3) (h) (intro.) and amended to read:

125.29 (3) (h) (intro.) Notwithstanding ss. 125.04 (9) and 125.09 (1), the retail sale of intoxicating liquor, for ~~on-premise~~ on-premises consumption by individuals

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at the brewery premises or an off-site retail outlet established by the brewer, if all of the following apply:

1. The brewer held, on June 1, 2011, a license or permit authorizing the retail sale of intoxicating liquor ~~and if~~ at the location.

2. The intoxicating liquor has been purchased by the brewer from a wholesaler holding a permit under s. 125.54.

SECTION 136. 125.29 (3) (h) 3. of the statutes is created to read:

125.29 (3) (h) 3. The brewer is not eligible to make full-service retail sales under sub. (7) at the location.

SECTION 137. 125.29 (3) (i) of the statutes is amended to read:

125.29 (3) (i) The provision of free taste samples on the brewery premises, at an off-site retail outlet established by the brewer, or at the brewer's full-service retail outlet if the taste samples are of alcohol beverages the brewer is authorized to sell under sub. (3) (e) and (f) or (7) (c) or as authorized under s. 125.33 (12).

SECTION 138. 125.29 (6) of the statutes is amended to read:

125.29 (6) RESTAURANTS. A brewer may operate a restaurant on the brewery premises ~~and, at an off-site retail outlet established by the brewer. A brewer may not operate a restaurant at any other location except that a brewer may possess or hold an indirect interest in a Class "B" license for not more than 20 restaurants in each of which the sale of alcohol beverages accounts for less than 60 percent of the restaurant's gross receipts if no fermented malt beverages manufactured by the brewer are offered for sale in any of these restaurants, and at any full-service retail outlet under sub. (7). Unless engaged in retail sales under sub. (7), a brewer~~

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operating a restaurant may only sell alcohol beverages that have been manufactured under the brewer's own brewer's permit.

SECTION 139. 125.29 (7) and (8) of the statutes are created to read:

125.29 (7) RETAIL SALES; FULL-SERVICE RETAIL OUTLETS. (a) 1. Notwithstanding ss. 125.04 (9) and 125.09 (1), a brewer may make retail sales, on the brewery premises, of fermented malt beverages that have been manufactured by the brewer on the brewery premises or on other premises of the brewer, for on-premises or off-premises consumption.

2. Notwithstanding ss. 125.04 (9) and 125.09 (1), if a brewer manufactured, on all brewery premises operated by the brewer in this state, a cumulative total of at least 250 barrels of fermented malt beverages in any one of the 3 preceding calendar years, the brewer may engage in full-service retail sales on the brewery premises.

(b) Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to pars. (d) and (g), if a brewer manufactured, on all brewery premises operated by the brewer in this state, a cumulative total of at least 250 barrels of fermented malt beverages in any one of the 3 preceding calendar years, the brewer may engage in full-service retail sales at off-site locations identified in the brewer's permit. Subject to pars. (f) and (g), the number of retail sales locations a brewer is allowed in addition to the brewery premises is determined by the cumulative volume of fermented malt beverages the brewer manufactured on all brewery premises operated by the brewer in this state in any one of the 3 preceding calendar years, as follows:

1. If the brewer's cumulative volume in a year was at least 250 barrels of

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fermented malt beverages but less than 2,500 barrels of fermented malt beverages, the brewer may establish one full-service retail outlet.

2. If the brewer's cumulative volume in a year was at least 2,500 barrels of fermented malt beverages but less than 7,500 barrels of fermented malt beverages, the brewer may establish not more than 2 full-service retail outlets.

3. If the brewer's cumulative volume in a year was at least 7,500 barrels of fermented malt beverages, the brewer may establish not more than 3 full-service retail outlets.

(c) 1. Except as provided in subd. 2. and par. (f), a brewer may make full-service retail sales of alcohol beverages on the brewery premises and at any of its full-service retail outlets only if the alcohol beverages were purchased by the brewer from a wholesaler holding a permit under s. 125.28 or 125.54, from a brewer authorized to make sales to retailers under sub. (3m), from a brewpub authorized to make sales to retailers under s. 125.295 (1) (g), or from a permittee under s. 125.30 authorized to make sales to retailers under s. 125.30 (4).

2. A brewer is not required to purchase from another permittee fermented malt beverages manufactured by the brewer that the brewer sells at retail on the brewery premises or at a full-service retail outlet of the brewer.

3. Subject to subd. 2. and par. (f), a brewer engaged in full-service retail sales on brewery premises or at a full-service retail outlet of the brewer is subject to ss. 125.33 (9) and 125.69 (6) to the same extent as if the brewer were a retail licensee.

(d) 1. A brewer may not commence sales of alcohol beverages at a full-service retail outlet unless, prior to commencing such sales, the brewer receives approval

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from the municipality in which the full-service retail outlet is located and from the division as provided in par. (g).

2. Subject to par. (f), a municipality may limit the scope of alcohol beverages offered for sale at a full-service retail outlet only with respect to alcohol beverages that are not of the same type as those produced by the person holding the brewer's permit. A municipality may not limit the sale, at a full-service retail outlet, of alcohol beverages produced by the person holding the brewer's permit. A municipality may not limit the scope of alcohol beverages offered for sale under sub. (3) (h). If a municipality limits the scope of alcohol beverages offered for sale, the provision of taste samples is limited to those alcohol beverages authorized to be sold.

3. Except as provided in subd. 2., a municipality's approval under subd. 1. shall be based on the same standards and criteria that the municipality has established by ordinance for the evaluation and approval of retail license applications. A municipality may not impose any requirement or restriction in connection with the approval under subd. 1. that the municipality does not impose on retail licensees.

(e) If a brewer operates a restaurant as provided in sub. (6) and is authorized under this subsection to make retail sales of wine at the restaurant, the brewer may make retail sales of wine in an opened original bottle, in a quantity not to exceed one bottle, for consumption both at the restaurant and away from the restaurant if all of the following apply:

1. The purchaser of the wine orders food to be consumed at the restaurant.

2. The brewer provides a dated receipt that identifies the purchase of the food and the bottle of wine.

3. Prior to the opened, partially consumed bottle of wine being taken away from the restaurant, the brewer securely reinserts the cork into the bottle to the point where the top of the cork is even with the top of the bottle, or securely reattaches the original cap to the bottle, and the cork is reinserted or the cap is reattached at a time other than during the hours in which the brewer is prohibited under sub. (8) (b) from making retail sales for off-premises consumption.

(f) 1. If a brewer may establish one or more full-service retail outlets under pars. (b) and (g) and the brewer also holds a manufacturer's or rectifier's permit or winery permit or both and, as such, may establish full-service retail outlets under s. 125.52 (4) (b) and (g) or 125.53 (3) (b) and (g), the aggregate number of full-service retail outlets that may be established is the maximum number authorized under par. (b), under s. 125.52 (4) (b), or under s. 125.53 (3) (b), whichever is greatest, but not exceeding 3 full-service retail outlets. Under these circumstances, each authorized full-service retail outlet shall serve as the full-service retail outlet associated with each applicable permit, regardless of whether the permittee would otherwise be entitled to fewer full-service retail outlets when calculated under par. (b) or s. 125.52 (4) (b) or 125.53 (3) (b).

2. If a brewer may engage in full-service retail sales on the brewery premises as provided in par. (a) 2. and the brewer also holds a manufacturer's or rectifier's permit or winery permit or both, the brewer may make retail sales on the brewery premises of intoxicating liquor produced under its manufacturer's or rectifier's

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permit or winery permit without first purchasing the intoxicating liquor from a wholesaler holding a permit under s. 125.54.

3. If a person holds more than one brewer's permit under this section, the retail sales authority under this subsection for brewery premises applies with respect to each brewer's permit, but the limit on full-service retail outlets is an aggregate maximum, regardless of the number of brewer's permits held.

(g) 1. An application for a brewer's permit, including an application for an amendment to the brewer's permit, shall specify each full-service retail outlet of the brewer and particularly describe the premises of the full-service retail outlet.

2. The division shall establish a process for approval of a brewer's full-service retail outlet and for revocation of this approval. The division shall approve a brewer's full-service retail outlet, and may not revoke this approval, unless the brewer has violated a provision of this chapter related to full-service retail outlets. The division's failure to approve, or revocation of approval of, a full-service retail outlet described in a brewer's application or permit does not affect any other full-service retail outlet or the brewery premises as described in the application or permit.

3. If the division approves a full-service retail outlet, the brewer's permit, as initially issued or as amended, shall particularly describe the premises constituting the full-service retail outlet, which shall be considered part of the premises under the brewer's permit.

4. If the division approves a full-service retail outlet, the agent appointed

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under s. 125.04 (6) for the brewer's permit shall also serve as the agent for the full-service retail outlet.

5. Section 125.04 (12) (a) does not apply to a brewer's full-service retail outlet. Upon notice to the division, a brewer may relocate any full-service retail outlet to a new location within this state once per calendar year, except that one full-service retail outlet of a brewer may be relocated without limitation on frequency in each calendar year.

(h) A brewer that is eligible to establish a full-service retail outlet under this subsection is not authorized to make retail sales of fermented malt beverages at an off-site retail outlet under sub. (3) (e) and (f).

(8) CLOSING HOURS. (a) On brewery premises, no person may sell alcohol beverages at retail for on-premises consumption, provide taste samples of alcohol beverages, or consume alcohol beverages during the closing hours applicable to a Class "B" licensee under s. 125.32 (3) (a). A full-service retail outlet under sub. (7) shall be subject to the same closing hours applicable to a Class "B" licensee under s. 125.32 (3) (a).

(b) On brewery premises and at a full-service retail outlet, no person may sell alcohol beverages at retail for off-premises consumption during the hours in which a Class "B" licensee in the municipality where the brewery or retail outlet is located may not make retail sales under s. 125.32 (3) (am) and (d).

(c) No member of the public or invited guests may be present on brewery premises during the closing hours applicable to a Class "B" licensee under s. 125.32 (3) (a).

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(d) Activities authorized under a brewer's permit related to the production, shipment, transportation, or delivery of alcohol beverages may occur at any time.

SECTION 140. 125.295 (1) (intro.) of the statutes is amended to read:

125.295 (1) (intro.) The ~~department~~ division shall issue brewpub permits to eligible applicants authorizing all of the following:

SECTION 141. 125.295 (1) (a) of the statutes is amended to read:

125.295 (1) (a) The manufacture of fermented malt beverages on the brewpub premises if, except as provided in s. 125.21 (2) and (3), the entire manufacturing process occurs on these premises and not more than ~~10,000~~ 20,000 barrels of fermented malt beverages are manufactured in a calendar year by the permittee's brewpub group.

SECTION 142. 125.295 (1) (fm) of the statutes is created to read:

125.295 (1) (fm) The sale, shipment, transportation, and delivery of fermented malt beverages, in bulk or in any state of packaging, that have been manufactured by the brewpub to another brewpub holding a permit under this section, and the receipt of the fermented malt beverages by the other brewpub.

SECTION 143. 125.295 (1) (g) of the statutes is amended to read:

125.295 (1) (g) The sale at wholesale, shipment, transportation, and delivery, in original unopened packages or containers, to retailers, from the brewpub premises, of fermented malt beverages that have been manufactured on these premises or on other brewpub premises of the brewpub. A brewpub's brewpub group may not sell, ship, transport, or deliver more than a total of ~~1,000~~ 2,000 barrels of fermented malt beverages in any calendar year to retailers under this

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paragraph. Fermented malt beverages provided by a brewpub to any retail premises for which the brewpub group holds a retail license shall not be included in any calculation of the ~~1,000~~ 2,000 barrel limitation under this paragraph. Deliveries and shipments of fermented malt beverages by a brewpub under this paragraph shall be made to retailers only at their retail premises. Any retailer receiving such a delivery or shipment is subject to the prohibition under s. 125.34 (5) against further transporting the delivery or shipment to any other retail premises.

SECTION 144. 125.295 (2) (a) 1. of the statutes is amended to read:

125.295 (2) (a) 1. The applicant's brewpub group manufactures a total of not more than ~~10,000~~ 20,000 barrels of fermented malt beverages in a calendar year.

SECTION 145. 125.295 (2) (a) 2. of the statutes is amended to read:

125.295 (2) (a) 2. ~~The~~ Except as provided in s. 125.21 (2) and (3), the applicant's entire process for manufacturing fermented malt beverages occurs on premises covered by a permit issued under this section. If the applicant holds more than one permit issued under this section, the applicant is not required to manufacture fermented malt beverages on each premises for which a permit is issued under this section.

SECTION 146. 125.295 (2) (a) 4. of the statutes is amended to read:

125.295 (2) (a) 4. The applicant holds a Class "B" license for the restaurant identified in subd. 3. and, on these Class "B" premises, offers for sale, in addition to fermented malt beverages manufactured by the applicant, fermented malt

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beverages manufactured by a brewer or brewpub other than the applicant and its brewpub group.

SECTION 147. 125.295 (2) (a) 6. (intro.) of the statutes is amended to read:

125.295 (2) (a) 6. (intro.) ~~Neither~~ Subject to s. 125.20 (6), neither the applicant nor the applicant's brewpub group holds, or has ~~a direct or indirect ownership an~~ interest in a ~~premises operating under~~ licensee or permittee holding, any of the following:

SECTION 148. 125.295 (2) (a) 6. a. of the statutes is amended to read:

125.295 (2) (a) 6. a. A Class "A" license issued under s. 125.25 or "Class A" license issued under s. 125.51 (2).

SECTION 149. 125.295 (2) (a) 6. b. of the statutes is amended to read:

125.295 (2) (a) 6. b. Except as provided in subd. 4. and subs. (1) (h) and (3) (b) and (c), a Class "B" license issued under s. 125.26, Class "B" permit issued under s. 125.27, "Class B" license issued under s. 125.51 (3), "Class B" permit issued under s. 125.51 (5), or "Class C" license issued under s. 125.51 (3m).

SECTION 150. 125.295 (2) (a) 6. c. of the statutes is amended to read:

125.295 (2) (a) 6. c. A wholesaler's permit issued under s. 125.28 or 125.54.

SECTION 151. 125.295 (2) (a) 6. g. of the statutes is created to read:

125.295 (2) (a) 6. g. A no-sale event venue permit issued under s. 125.24.

SECTION 152. 125.295 (2) (b) of the statutes is amended to read:

125.295 (2) (b) If an applicant under par. (a) has no current operations, the applicant may certify that the applicant has applied for or will apply for a Class "B" license or license under s. 97.30 for a restaurant or will comply with any other

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requirement under par. (a), prior to or upon commencing operations authorized under this section. If a Class “B” license or license under s. 97.30 for a restaurant is not subsequently issued to the applicant, or if the applicant otherwise fails to comply with any requirement for eligibility under par. (a), the ~~department~~ division may revoke under s. 125.12 (5) the permit issued under this section.

SECTION 153. 125.295 (2) (c) of the statutes is amended to read:

125.295 (2) (c) If an applicant under par. (a) holds any license or permit prohibited under par. (a) 6. at the time of its application, the applicant may certify that the applicant will surrender any such license or permit upon issuance of a permit under this section. If the ~~department~~ division issues a permit under this section and the applicant fails to surrender any license or permit prohibited under par. (a) 6., the ~~department~~ division may revoke under s. 125.12 (5) the permit issued under this section. An applicant is not required to surrender any Class “B” license issued under s. 125.31 (1) (a) 2., 2009 stats., or under s. 125.31 (1) (a) 3., 2005 stats., if the applicant’s continued possession of the license is consistent with subs. (1) (h), (2) (a) 4., and (3) (b) and (c).

SECTION 154. 125.295 (4) of the statutes is amended to read:

125.295 (4) The fee established by the ~~department~~ division for a brewpub permit shall not exceed the fee established by the ~~department~~ division for a permit under s. 125.29.

SECTION 155. 125.295 (5) of the statutes is amended to read:

125.295 (5) The ~~department~~ division shall promulgate rules and prescribe forms to ensure strict compliance with the requirements under this section.

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SECTION 156. 125.30 (1) of the statutes is amended to read:

125.30 (1) The ~~department~~ division shall issue out-of-state shippers' permits which, except as provided in sub. (4), authorize the permittee to ship fermented malt beverages only to holders of a wholesaler's permit issued under s. 125.28. Except with respect to any shipment from a warehouse in an adjoining state by a wholesaler issued a wholesale permit under s. 125.28 (1) (b), no person may receive fermented malt beverages in this state which have been directly shipped from outside this state by any person other than the holder of a permit issued under this section. Subject to s. 125.34 (2), all shipments of fermented malt beverages to a wholesaler of fermented malt beverages in this state, whether shipped to the wholesaler from inside this state or from outside this state, shall be unloaded in, physically at rest in, and only then distributed from the wholesaler's warehouse in this state.

SECTION 157. 125.30 (2) of the statutes is amended to read:

125.30 (2) The application for an out-of-state shipper's permit and the permit shall be on forms prescribed by the ~~department~~ division which shall contain provisions determined by the ~~department~~ division as necessary to effectuate the purposes of ss. 139.01 to 139.25 and shall include a provision that the permittee agrees to do all of the following:

(a) ~~To comply~~ Comply with s. 139.05 relating to filing a bond, filing returns, paying taxes, and record keeping;

(b) ~~To permit~~ Permit inspections and examinations of the permittee's

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premises and records by the ~~department~~ division and its duly authorized employees, as authorized under s. ~~139.08 (4); and~~ 125.025 (3).

(c) ~~To pay~~ Pay the expenses reasonably attributable to ~~such~~ the inspections and examinations under par. (b) made within the United States.

SECTION 158. 125.30 (2) (d) of the statutes is created to read:

125.30 (2) (d) Accept service of process and consent to jurisdiction in any proceeding in this state to enforce the provisions of this chapter or ch. 139.

SECTION 159. 125.30 (3) of the statutes is renumbered 125.30 (3) (a) and amended to read:

125.30 (3) (a) Out-of-state shippers' permits may be issued only to a person who holds a valid certificate issued under s. 73.03 (50), who is qualified under s. 125.04 (5), who does not maintain an office or street address in this state, and who is the primary source of supply for the brand of fermented malt beverages. An out-of-state shipper's permit may not be issued to a person determined by the ~~department~~ division to be primarily engaged in wholesale or retail sales in another state. Notwithstanding s. 125.04 (5) (a), natural persons obtaining out-of-state shippers' permits are not required to be residents of this state. Notwithstanding s. 125.04 (5) (a) 5., a person is not required to complete a responsible beverage server training course to be qualified for a permit under this section. Notwithstanding s. 125.04 (6), corporations or limited liability companies obtaining out-of-state shippers' permits are not required to appoint agents vested with authority over the premises as described in s. 125.04 (6) (a).

SECTION 160. 125.30 (3) (b) of the statutes is created to read:

125.30 (3) (b) 1. A permittee under this section shall appoint and continually engage the services of an agent in this state to act as agent for the service of process on whom all processes, and any action or proceeding against the permittee concerning or arising out of the enforcement of any provision of this chapter or ch. 139, may be served in any manner authorized by law. That service shall constitute legal and valid service of process on the permittee. The permittee shall provide to the division, in the form and manner prescribed by the division, the name, address, phone number, and proof of the appointment and availability of the agent.

2. The permittee shall provide notice to the division 30 calendar days before termination of the authority of an agent under subd. 1. and shall provide proof to the satisfaction of the division of the appointment of a new agent no less than 5 calendar days before the termination of an existing agent appointment. In the event an agent terminates an agency appointment, the permittee shall notify the division of that termination within 5 calendar days and shall include proof to the satisfaction of the division of the appointment of a new agent.

3. If a permittee fails to maintain an agent in this state after a permit is issued under this section, the permittee is considered to have appointed the department of financial institutions as the permittee's agent, and the permittee may be proceeded against in courts of this state by service of process upon the department of financial institutions.

SECTION 161. 125.30 (3) (c) of the statutes is created to read:

125.30 (3) (c) Subject to s. 125.20 (6), an out-of-state shipper's permit may not

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be issued to any person who has an interest in a licensee or permittee holding any of the following:

1. A Class “A” license issued under s. 125.25 or “Class A” license issued under s. 125.51 (2).

2. A Class “B” license issued under s. 125.26, “Class B” license issued under s. 125.51 (3), or “Class C” license issued under s. 125.51 (3m).

3. A Class “B” permit issued under s. 125.27 or “Class B” permit issued under s. 125.51 (5).

4. A wholesaler’s permit issued under s. 125.28 or 125.54.

SECTION 162. 125.30 (3) (c) 5. of the statutes is created to read:

125.30 (3) (c) 5. A no-sale event venue permit issued under s. 125.24.

SECTION 163. 125.30 (4) of the statutes is amended to read:

125.30 (4) An out-of-state brewer that manufactures 300,000 barrels or less of fermented malt beverages in a calendar year from all locations and that holds an out-of-state shipper’s permit may sell and ship fermented malt beverages directly to retail licensees if the out-of-state brewer registers with the ~~department~~ division, files whatever periodic reports with the ~~department~~ division as the ~~department~~ division may require, and complies with the requirements in ss. 125.33 and 125.34, as applicable, to the same extent as if the out-of-state brewer were a wholesaler holding a permit under s. 125.28.

SECTION 164. 125.30 (5) of the statutes is amended to read:

125.30 (5) The ~~department~~ division may revoke or suspend an out-of-state

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shipper's permit for such time as the ~~department~~ division determines, if the permittee violates any provision of the application or ss. 139.01 to 139.25.

SECTION 165. 125.32 (2) of the statutes is amended to read:

125.32 (2) OPERATORS LICENSES AND PERMITS; CLASS "A," ~~OR~~ CLASS "B," AND OTHER PREMISES. Except as provided under sub. (3) (b) and ss. 125.07 (3) (a) 10. and 125.26 (6), no premises operated under a Class "A" or Class "B" license or permit may be open for business, and no person who holds a brewer's permit, manufacturer's or rectifier's permit, or winery permit may allow the sale or provision of taste samples of fermented malt beverages on the brewery premises, manufacturing or rectifying premises, winery premises, or any retail outlet operated by the brewer, manufacturer, rectifier, or winery under s. 125.29 (7), 125.52 (4), or 125.53 (3), unless there is upon the premises the licensee or permittee, the agent named in the license or permit if the licensee or permittee is a corporation or limited liability company, or some person who has an operator's license or operator's permit and who is responsible for the acts of all persons serving any fermented malt beverages to customers. An operator's license issued in respect to a vessel under s. 125.27 (2) is valid outside the municipality that issues it. For the purpose of this subsection, any person holding a manager's license under s. 125.18 or any member of the licensee's or permittee's immediate family who has attained the age of 18 shall be considered the holder of an operator's license. No person, including a member of the licensee's or permittee's immediate family, other than the licensee, permittee, or agent may serve fermented malt beverages in any place operated under a Class "A" or Class "B" license or permit or on brewery

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premises, manufacturing or rectifying premises, winery premises, or any retail outlet operated by a brewer, manufacturer, rectifier, or winery under s. 125.29 (7), 125.52 (4), or 125.53 (3) unless he or she has an operator's license or operator's permit, is considered to have an operator's license under this subsection, or is at least 18 years of age and is under the immediate supervision of the licensee, permittee, agent, or a person holding an operator's license or operator's permit, who is on the premises at the time of the service.

SECTION 166. 125.32 (3m) (L) of the statutes is created to read:

125.32 (3m) (L) An axe throwing facility.

SECTION 167. 125.32 (6) (a) of the statutes is amended to read:

125.32 (6) (a) Except as provided in s. 125.33 (2) (o) or (12), 125.69 (9), or 125.70, and subject to par. (c), no person may possess on the premises covered by a retail or wholesale fermented malt beverages license or permit any alcohol beverages not authorized by law for sale on the premises.

SECTION 168. 125.33 (2) (a) of the statutes is amended to read:

125.33 (2) (a) Give to any campus or Class "B" licensee or permittee, at any given time, for placement inside the premises, signs, clocks, or menu boards with an aggregate value of not more than \$2,500. If a gift of any item would cause the \$2,500 limit to be exceeded, the recipient shall pay the brewer, brewpub, or wholesaler the amount of the item's value in excess of \$2,500. Each recipient shall keep an invoice or credit memo containing the name of the donor and the number and value of items received under this paragraph. The value of an item is its cost to

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the donor. Each recipient shall make the records kept under this paragraph available to the ~~department~~ division for inspection upon request.

SECTION 169. 125.33 (2) (d) of the statutes is amended to read:

125.33 (2) (d) Sell to a campus or Class “B” licensee or permittee at fair market value equipment designed and intended to preserve and maintain the sanitary dispensing of fermented malt beverages or any services necessary to maintain this kind of equipment. A brewer, brewpub, or wholesaler shall charge the same price per unit of equipment to each campus or Class “B” licensee or permittee making the same or a similar purchase, and shall charge the same rate to each campus or Class “B” licensee or permittee purchasing maintenance services under this subdivision. Each brewer, brewpub, or wholesaler shall keep records of each transaction under this subdivision and shall make the records available to the ~~department~~ division upon request.

SECTION 170. 125.33 (2) (hr) of the statutes is created to read:

125.33 (2) (hr) Enter into a landlord-tenant relationship with a Class “B” licensee or permittee if all of the requirements under s. 125.20 (6) (b) are satisfied.

SECTION 171. 125.33 (9) of the statutes is renumbered 125.33 (9) (a) and amended to read:

125.33 (9) (a) Except as provided in ss. 125.29 (3m) (b) and (c), 125.295 (1) (g), and 125.30 (4), no campus or retail licensee or permittee may purchase or possess fermented malt beverages purchased from any person other than a wholesaler holding a permit under this chapter for the sale of fermented malt beverages.

(b) Any person who violates this subsection may par. (a), if the total volume of

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fermented malt beverages purchased or possessed by that person in one month is 4,320 fluid ounces or less, may be required to forfeit not more than \$100. A person who purchases or possesses more than 4,320 fluid ounces of fermented malt beverages in one month in violation of par. (a) shall be fined not more than \$10,000 or imprisoned for not more than 9 months or both.

SECTION 172. 125.33 (9) (c) of the statutes is created to read:

125.33 (9) (c) Notwithstanding par. (b), a Class “B” licensee or permittee who purchases fermented malt beverages from a Class “A” licensee for resale or who possesses fermented malt beverages purchased from a Class “A” licensee for resale may be fined not more than \$100.

SECTION 173. 125.33 (12) of the statutes is amended to read:

125.33 (12) PROVIDING TASTE SAMPLES ON ~~CLASS “A”~~ RETAIL PREMISES. Notwithstanding s. 125.34 (6), with the consent of the Class “A” or Class “B” licensee, a brewer may provide, free of charge, on Class “A” or Class “B” premises, taste samples of fermented malt beverages to any person who has attained the legal drinking age for consumption on the premises ~~during hours in which the Class “A” licensee is authorized under s. 125.25 (1) to provide taste samples or, if more restrictive, only during hours established by ordinance by a municipality under s. 125.32 (3) (d) between the hours of 11 a.m. and 7 p.m.~~ The provision of taste samples under this subsection shall be subject to the same limitations that apply to taste samples provided by a Class “A” licensee under s. 125.25 (1). ~~No brewer may provide as taste samples under this subsection any fermented malt beverages that the brewer did not purchase from the Class “A” licensee on whose premises the taste~~

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~~samples are provided. A brewer may provide taste samples of any fermented malt beverages that the brewer purchased from the retail licensee or that the brewer produced on premises covered by its brewer's permit and brings to the retail premises, but the brewer may not leave at the retail premises any unused fermented malt beverages not purchased from the retail licensee.~~ A brewer may provide taste samples under this subsection through an individual representing the brewer who is hired by the brewer and who is not employed by or an agent of a wholesaler. All provisions of this subsection that apply to a brewer apply equally to any individual representing a brewer.

SECTION 174. 125.34 (6) of the statutes is amended to read:

125.34 (6) Except as provided in ss. 125.29 (3), (3m) (b) and (c), and (7) and 125.30 (4), a brewer or out-of-state shipper may sell, transport, and deliver fermented malt beverages only to a wholesaler.

SECTION 175. 125.51 (1) (a) of the statutes is amended to read:

125.51 (1) (a) Subject to sub. (2) (e) 2., every municipal governing body may grant and issue "Class A" and "Class B" licenses for retail sales of intoxicating liquor, and "Class C" licenses for retail sales of wine, from premises within the municipality to persons entitled to a license under this chapter as the issuing municipal governing body deems proper and may authorize an official or body of the municipality to issue temporary "Class B" licenses under sub. (10). ~~No "Class B" license may be issued to a winery under sub. (3) (am) unless the winery has been issued a permit under s. 125.53 and the winery is capable of producing at least 5,000 gallons of wine per year in no more than 2 locations.~~

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SECTION 176

SECTION 176. 125.51 (2) (am) of the statutes is amended to read:

125.51 (2) (am) In addition to the authorization under par. (a) ~~and s. 125.06 (13)~~, a “Class A” license authorizes the licensee to provide, free of charge, to customers and visitors who have attained the legal drinking age, taste samples of intoxicating liquor ~~other than wine~~ that are not in original packages or containers ~~and that do not exceed 0.5 fluid ounces each~~, for consumption on the “Class A” premises. ~~No “Class A” licensee may provide more than one such taste sample per day to any one person.~~ Taste samples may be provided under this paragraph only between the hours of 11 a.m. and 7 p.m. and may not exceed the quantities specified in s. 125.69 (9) (b). Any representative of a manufacturer, rectifier, winery, or out-of-state shipper issued a permit under s. 125.52, 125.53, or 125.58 may assist the “Class A” licensee in dispensing or serving the taste samples. No “Class A” licensee may provide as taste samples under this paragraph intoxicating liquor ~~other than wine~~ that the “Class A” licensee did not purchase from a wholesaler.

SECTION 177. 125.51 (2) (e) 3. of the statutes is amended to read:

125.51 (2) (e) 3. Notwithstanding ~~par. (a) and (am)~~ pars. (a) and (am) and s. ~~125.06 (13)~~ 125.69 (9), a person issued a “Class A” license under subd. 2. may not make retail sales, or provide taste samples, of any intoxicating liquor other than cider. ~~Paragraph (am) does not apply to a person issued a “Class A” license under subd. 2,~~ and may not allow a winery, manufacturer, or rectifier to provide taste samples of any intoxicating liquor other than cider, on the “Class A” premises.

SECTION 178. 125.51 (3) (a) of the statutes is amended to read:

125.51 (3) (a) A “Class B” license authorizes the retail sale of intoxicating

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liquor by the glass and not in the original package or container for consumption on the premises where sold or for consumption off the premises if the licensee seals the container of intoxicating liquor with a tamper-evident seal before the intoxicating liquor is removed from the premises. In addition, wine may be sold in the original package or container in any quantity to be consumed off the premises where sold. This paragraph does not apply in municipalities in which the governing body elects to come under par. (b) ~~or to a winery that has been issued a “Class B” license.~~ ~~Paragraph (am) applies to all wineries that have been issued a “Class B” license.~~

SECTION 179. 125.51 (3) (am) of the statutes is repealed.

SECTION 180. 125.51 (3) (b) of the statutes is amended to read:

125.51 (3) (b) In all municipalities electing by ordinance to come under this paragraph, a retail “Class B” license authorizes the sale of intoxicating liquor to be consumed by the glass on the premises where sold or off the premises if the licensee seals the container of intoxicating liquor with a tamper-evident seal before the intoxicating liquor is removed from the premises. The “Class B” license also authorizes the sale of intoxicating liquor in the original package or container, in any quantity, to be consumed off the premises where sold. ~~This paragraph does not apply to a winery that has been issued a “Class B” license. Paragraph (am) applies to all wineries that have been issued a “Class B” license.~~

SECTION 181. 125.51 (3) (bg) of the statutes is created to read:

125.51 (3) (bg) 1. In this paragraph, “bulk container” means a container exceeding 1.75 liters in volume.

2. This paragraph applies only with respect to a “Class B” licensee exercising

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its authority under par. (a) or (b) to make retail sales of intoxicating liquor for consumption on the premises where sold or for consumption off the premises if the licensee seals the container of intoxicating liquor with a tamper-evident seal before the intoxicating liquor is removed from the premises.

3. Notwithstanding s. 125.03 (2) and any rule promulgated thereunder, a “Class B” licensee may, on the licensed premises, prepare, store, and dispense mixed drinks containing intoxicating liquor, in advance of sale as described in subd. 2., if all of the following apply:

a. The mixed drink is provided to the consumer in a glass or other container not exceeding 72 ounces in volume.

b. The mixed drink has not been stored in a container for more than 48 hours prior to its sale to a customer.

c. If the mixed drink is stored in or dispensed from a bulk container, the bulk container does not exceed 5 gallons in volume and is labeled in compliance with the requirements established under subd. 4.

d. The licensee has not stored the mixed drink in or dispensed the mixed drink from a wine bottle and has ensured compliance with ss. 125.68 (8) (a) 2. and 3. and 125.69 (6), as well as compliance with any other applicable state or federal food safety regulation and any federal alcohol regulation.

4. The division shall prescribe the form of the label to be used by “Class B” licensees under subd. 3. c., but the form shall require the licensee to disclose on the label all of the following information:

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a. That the container holds a batch of premixed drinks and the date and time the batch was prepared.

b. Following the words “expiration date,” the date and time that is 48 hours after the date and time the batch was prepared.

c. The words “contains alcohol.”

d. The name of the person who prepared the batch of premixed drinks in the container.

e. The ingredients of the batch of premixed drinks, unless the label contains a recipe title for the batch and the recipe, with a complete ingredient list, is maintained on the “Class B” premises and is available for inspection.

5. Section 125.68 (9) (b) does not apply with respect to a container used by a “Class B” licensee solely to prepare, store, or dispense mixed drinks in compliance with this paragraph.

SECTION 182. 125.51 (3) (bm) of the statutes is amended to read:

125.51 (3) (bm) Notwithstanding pars. (a) and (b) and s. 125.04 (3) (a) 3. and (9), a “Class B” license authorizes a person operating a hotel to furnish a registered guest who has attained the legal drinking age with a selection of intoxicating liquor in the guest’s room which is not part of the “Class B” premises. Intoxicating liquor furnished under this paragraph shall be furnished in original packages or containers and stored in a cabinet, refrigerator or other secure storage place. The cabinet, refrigerator or other secure storage place must be capable of being locked. The cabinet, refrigerator or other secure storage place shall be locked, or the intoxicating liquor shall be removed from the room, when the room is not occupied

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and when intoxicating liquor is not being furnished under this paragraph. A key for the lock shall be supplied to a guest who has attained the legal drinking age upon request at registration. The hotel shall prominently display a price list of the intoxicating liquor in the hotel room. Intoxicating liquor may be furnished at the time the guest occupies the room, but for purposes of this chapter, the sale of intoxicating liquor furnished under this paragraph is considered to occur at the time and place that the guest pays for the intoxicating liquor. Notwithstanding s. 125.68 (4) (c), the guest may pay for the intoxicating liquor at any time if he or she pays in conjunction with checking out of the hotel. An individual who stocks or accepts payment for alcohol beverages under this paragraph shall be the licensee, the agent named in the license if the licensee is a corporation or limited liability company, or the holder of a manager's or operator's license or operator's permit, or be supervised by one of those individuals.

SECTION 183. 125.51 (3) (bs) 2. of the statutes is amended to read:

125.51 (3) (bs) 2. Notwithstanding pars. (a) and (b) and s. 125.04 (3) (a) 3. and (9), a "Class B" license authorizes a person operating a coliseum to furnish the holder of a coliseum suite who has attained the legal drinking age with a selection of intoxicating liquor in the coliseum suite that is not part of the "Class B" premises. Intoxicating liquor furnished under this subdivision shall be furnished in original packages or containers and stored in a cabinet, refrigerator or other secure storage place. The cabinet, refrigerator or other secure storage place or the coliseum suite must be capable of being locked. The cabinet, refrigerator or other secure storage place or the coliseum suite shall be locked, or the intoxicating liquor

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shall be removed from the coliseum suite, when the coliseum suite is not occupied and when intoxicating liquor is not being furnished under this subdivision. Intoxicating liquor may be furnished at the time the holder of the coliseum suite occupies the coliseum suite, but for purposes of this chapter, the sale of intoxicating liquor furnished under this subdivision is considered to occur at the time and place that the holder pays for the intoxicating liquor. Notwithstanding s. 125.68 (4) (c), the holder of a coliseum suite may pay for the intoxicating liquor at any time if he or she pays in accordance with an agreement with the person operating the coliseum or with the concessionaire. An individual who stocks or accepts payment for alcohol beverages under this subdivision shall be the licensee, the agent named in the license if the licensee is a corporation or limited liability company, or the holder of a manager's or operator's license or operator's permit, or be supervised by one of those individuals.

SECTION 184. 125.51 (3) (f) of the statutes is amended to read:

125.51 (3) (f) A "Class B" license may be issued only to a holder of a retail Class "B" license to sell fermented malt beverages unless the "Class B" license is ~~the kind of "Class B" license specified under par. (am) or is a temporary "Class B" license under sub. (10).~~

SECTION 185. 125.51 (3m) (a) of the statutes is repealed.

SECTION 186. 125.51 (3m) (c) of the statutes is amended to read:

125.51 (3m) (c) ~~A~~ Except as provided under s. 125.69, a "Class C" license may be issued to a person qualified under s. 125.04 (5) ~~for a restaurant in which the sale of alcohol beverages accounts for less than 50 percent of gross receipts and which~~

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~~does not have a barroom or for a restaurant in which the sale of alcohol beverages accounts for less than 50 percent of gross receipts and which has a barroom in which wine is the only intoxicating liquor sold. A "Class C" license may not be issued to a foreign corporation, a foreign limited liability company or, except a person acting as an agent for or in the employ of another.~~

SECTION 187. 125.51 (3r) (a) 3. of the statutes is amended to read:

125.51 **(3r)** (a) 3. Prior to the opened, partially consumed bottle of wine being taken off the licensed premises, the licensee securely reinserts the cork into the bottle to the point where the top of the cork is even with the top of the bottle, or securely reattaches the original cap to the bottle, and the cork is reinserted or the cap is reattached at a time other than during the time period specified in s. 125.68 (4) (c) 3.

SECTION 188. 125.51 (3r) (b) of the statutes is amended to read:

125.51 **(3r)** (b) ~~This subsection does not apply to a "Class B" license issued to a winery under sub. (3) (am).~~ Nothing in this subsection restricts a licensee's authorization for retail sales of wine under subs. (3) (a) and (b) and (3m) (b).

SECTION 189. 125.51 (4) (a) 1. of the statutes is amended to read:

125.51 **(4)** (a) 1. "License" means a retail "Class B" license issued under sub. (3) ~~but does not include a "Class B" license issued to wineries under sub. (3) (am).~~

SECTION 190. 125.51 (4) (e) 1. of the statutes is amended to read:

125.51 **(4)** (e) 1. A municipality may make a request to another municipality ~~that is contiguous with, or within 2 miles of,~~ located in whole or in part in the same county as the requesting municipality that the other municipality transfer a

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reserve “Class B” license to the requesting municipality. If the request is granted, the reserve “Class B” license shall be transferred.

SECTION 191. 125.51 (4) (v) 5. of the statutes is created to read:

125.51 (4) (v) 5. An event venue certified by the division under s. 125.24 (5) (b). Except as provided in this subdivision, a license may not be issued under this subdivision unless the license application is received by the municipality no later than the first day of the 7th month beginning after the effective date of this subdivision [LRB inserts date]. Except as provided in this subdivision, if a “Class B” license issued under this subdivision is surrendered to the issuing municipality, not renewed, or revoked, the municipality may not reissue the license. The municipality may reissue the license if the licensee sells or transfers ownership of the licensed premises or a business operated on the licensed premises and the license is surrendered or not renewed in connection with the sale or transfer of the property or business, the licensee continued to operate the licensed premises as a qualifying event venue, as defined in s. 125.24 (5) (a), from the time of license issuance until the time the license is surrendered or not renewed, the license is reissued for the same location, and the applicant for reissuance of the license satisfies the requirements under this chapter to hold the license and certifies to the municipality that the applicant will continue to operate the licensed premises as a qualifying event venue, as defined in s. 125.24 (5) (a).

SECTION 192. 125.51 (5) (a) 1. of the statutes is amended to read:

125.51 (5) (a) 1. The ~~department~~ division shall issue “Class B” permits to clubs that are operated solely for the playing of golf or tennis and are commonly

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known as country clubs and to clubs which are operated solely for curling, ski jumping, or yachting. A “Class B” permit may be issued only to a club that holds a valid certificate issued under s. 73.03 (50), that is not open to the general public, and that is located in a municipality that does not issue “Class B” licenses or to a club located in a municipality that issues “Class B” licenses, if the club holds a valid certificate issued under s. 73.03 (50), is not open to the general public, was not issued a license under s. 176.05 (4a), 1979 stats., and does not currently hold a “Class B” license. The permits may be issued by the ~~department~~ division without regard to any quota under sub. (4). The holder of a “Class B” permit may sell intoxicating liquor for consumption by the glass and not in the original package or container on the premises covered by the permit.

SECTION 193. 125.51 (5) (a) 4. of the statutes is amended to read:

125.51 (5) (a) 4. The ~~department~~ division may annually issue a “Class B” permit to any club that holds a valid certificate issued under s. 73.03 (50), is organized to engage in sports similar to curling, golf, tennis or yachting and that held a license from July 1, 1950, to June 30, 1951, as long as it is continuously operated under substantially the same circumstances under which it operated during the year beginning July 1, 1950, if the club is located in a municipality that does not issue “Class B” licenses.

SECTION 194. 125.51 (5) (b) 2. of the statutes is amended to read:

125.51 (5) (b) 2. The ~~department~~ division shall issue a “Class B” permit to a concessionaire that holds a valid certificate issued under s. 73.03 (50) and that conducts business in an operating airport or public facility, if the county or

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municipality which owns the airport or public facility has, by resolution of its governing body, annually applied to the ~~department~~ division for the permit. The permit authorizes the sale of intoxicating liquor for consumption by the glass and not in the original package or container on the premises.

SECTION 195. 125.51 (5) (b) 4. of the statutes is amended to read:

125.51 (5) (b) 4. The ~~department~~ division may not issue a permit under this paragraph to any county or municipality or officer or employee thereof.

SECTION 196. 125.51 (5) (c) 1. of the statutes is amended to read:

125.51 (5) (c) 1. The ~~department~~ division may issue a “Class B” permit to any person who holds a valid certificate issued under s. 73.03 (50) and who is qualified under s. 125.04 (5) authorizing the sale of intoxicating liquor for consumption on any vessel having a regular place of mooring located in any waters of this state as defined under s. 29.001 (45) and (63) if the vessel either serves food and has an approved passenger capacity of not less than 40 individuals and the sale of intoxicating liquor and fermented malt beverages on the vessel accounts for less than 50 percent of the gross receipts of all of the food and beverages served on the vessel or if the vessel has an approved passenger capacity of at least 100 individuals and the sale of intoxicating liquor and fermented malt beverages on the vessel accounts for less than 50 percent of the gross receipts of the vessel. The ~~department~~ division may issue the permit only if the vessel leaves its place of mooring while the sale of intoxicating liquor is taking place and if the vessel fulfills the requirement under par. (c) 1m. A permit issued under this subdivision also authorizes the permittee to store intoxicating liquor purchased for sale on the vessel on premises

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owned or leased by the permittee and located near the vessel's regular place of mooring. The permittee shall describe on the permit application under s. 125.04 (3) (a) 3. the premises where the intoxicating liquor will be stored. The premises shall be open to inspection by the ~~department~~ division upon request.

SECTION 197. 125.51 (5) (d) 2. of the statutes is amended to read:

125.51 (5) (d) 2. Upon application, the ~~department~~ division shall issue a "Class B" permit to a tribe that holds a valid certificate issued under s. 73.03 (50) and that is qualified under s. 125.04 (5) and (6). The permit authorizes the retail sale of intoxicating liquor for consumption on the premises where sold by the glass and not in the original package or container. The permit also authorizes the sale of intoxicating liquor in the original package or container, in multiples not to exceed 4 liters at any one time, to be consumed off the premises where sold, except that wine is not subject to the 4-liter limitation.

SECTION 198. 125.51 (5) (f) 2. and 5. of the statutes are amended to read:

125.51 (5) (f) 2. The ~~department~~ division may issue "Class B" permits for locations within racetrack grounds to any person that holds a valid certificate issued under s. 73.03 (50), that is qualified under s. 125.04 (5) and (6), and that is the owner or operator of the racetrack grounds or is designated by the owner or operator of the racetrack grounds to operate premises located within the racetrack grounds. Subject to subd. 4., the permit authorizes the retail sale of intoxicating liquor, by the glass and not in the original package or container, on the premises covered by the permit, for consumption anywhere within the racetrack grounds. If the ~~department~~ division issues more than one permit under this paragraph for the

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same racetrack grounds, no part of the premises covered by a permit under this paragraph may overlap with premises covered by any other permit issued under this paragraph.

5. The ~~department~~ division shall establish a fee for a permit issued under this paragraph in the amount of 50 percent of the fee for a permit issued under par. (a).

SECTION 199. 125.52 (1) (a) of the statutes is amended to read:

125.52 (1) (a) The ~~department~~ division shall issue manufacturers' and rectifiers' permits which authorize the manufacture or rectification, respectively, of intoxicating liquor on the premises covered by the permit. A person holding a manufacturer's or rectifier's permit may manufacture and bottle wine, pursuant to the terms of the permit, without procuring a winery permit.

SECTION 200. 125.52 (1) (b) 1. of the statutes is renumbered 125.52 (1) (b) (intro.) and amended to read:

125.52 (1) (b) (intro.) A manufacturer's or rectifier's permit ~~entitles~~ authorizes the permittee to engage in any of the following activities:

1. To sell intoxicating liquor in original unopened packages or containers to wholesalers holding a permit under s. 125.54~~;~~

2. To sell or transfer, in bulk or in any state of packaging, intoxicating liquor to wineries holding a permit under s. 125.53; and to other manufacturers and rectifiers holding a permit under this section, from the premises described in the permit. ~~Except as provided in subd. 2., no sales may be made for consumption on the premises of the permittee.~~

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SECTION 201

SECTION 201. 125.52 (1) (b) 2. of the statutes is renumbered 125.52 (1) (b) 6. and amended to read:

125.52 (1) (b) 6. ~~Notwithstanding s. 125.09 (1), a manufacturer's or rectifier's permit authorizes the retail sale of intoxicating liquor that is manufactured or rectified on the premises, for consumption on or off the premises. A manufacturer's or rectifier's permit also authorizes the provision of~~ To provide taste samples, free of charge and in an amount not exceeding a total of 1.5 fluid ounces to any one person, of intoxicating liquor that is manufactured or rectified on the premises, for consumption on the premises. The department may prescribe additional regulations for the sale of intoxicating liquor under this subdivision, if the additional regulations do not conflict with the requirements applicable to holders of "Class B" licenses. ~~Notwithstanding any other provision of this chapter, the authorization under this subdivision applies with respect to a person who holds any permit under this section, a winery permit under s. 125.53, and either a "Class A" license or a "Class B" license issued under s. 125.51 (3) (am), all issued for the same premises or portions of the same premises, on the manufacturer's or rectifier's~~ premises or at the manufacturer's or rectifier's full-service retail outlet if the taste samples are of alcohol beverages the manufacturer or rectifier is authorized to sell under sub. (4) (c), or as authorized under s. 125.69 (9).

SECTION 202. 125.52 (1) (b) 3., 4. and 5. of the statutes are created to read:

125.52 (1) (b) 3. To transfer intoxicating liquor to, or receive intoxicating liquor from, another manufacturer or rectifier holding a permit under this section

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or a winery holding a permit under s. 125.53, in bulk or in any state of packaging, for purposes of further manufacturing, bottling, or storage.

4. To sell, ship, transport, and deliver intoxicating liquor, in bulk or in any state of packaging, that has been manufactured by the manufacturer or rectifier to another manufacture or rectifier holding a permit under this section.

5. To transport intoxicating liquor between the production premises and any depot, warehouse, or full-service retail outlet maintained by the manufacturer or rectifier or other premises for which the manufacturer or rectifier holds a permit under this chapter.

SECTION 203. 125.52 (2) of the statutes is amended to read:

125.52 (2) LIMITED MANUFACTURER'S PERMIT. The ~~department~~ division shall issue a limited manufacturer's permit which authorizes the use or sale of the intoxicating liquor produced only if it is rendered unfit for use as a beverage and is used or sold for use as fuel. The ~~department~~ division shall notify the department of natural resources of the name and address of any person to whom a limited manufacturer's permit is issued.

SECTION 204. 125.52 (4) and (5) of the statutes are created to read:

125.52 (4) RETAIL SALES; FULL-SERVICE RETAIL OUTLETS. (a) 1. Notwithstanding ss. 125.04 (9) and 125.09 (1), a manufacturer or rectifier may make retail sales, on the manufacturing or rectifying premises, of intoxicating liquor that has been manufactured or rectified by the manufacturer or rectifier on the manufacturing or rectifying premises or on other premises of the manufacturer or rectifier, for on-premises or off-premises consumption.

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2. Notwithstanding ss. 125.04 (9) and 125.09 (1), if a manufacturer or rectifier produced, on all manufacturing or rectifying premises operated by the manufacturer or rectifier in this state, a cumulative total of at least 1,500 liters of intoxicating liquor in any one of the 3 preceding calendar years, the manufacturer or rectifier may engage in full-service retail sales on the manufacturing or rectifying premises.

(b) Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to pars. (d) and (g), if a manufacturer or rectifier produced, on all manufacturing or rectifying premises operated by the manufacturer or rectifier in this state, a cumulative total of at least 1,500 liters of intoxicating liquor in any one of the 3 preceding calendar years, the manufacturer or rectifier may engage in full-service retail sales at off-site locations identified in the manufacturer's or rectifier's permit. Subject to pars. (f) and (g), the number of retail sales locations a manufacturer or rectifier is allowed in addition to the manufacturing or rectifying premises is determined by the cumulative volume of intoxicating liquor the manufacturer or rectifier produced on all manufacturing or rectifying premises operated by the manufacturer or rectifier in this state in any one of the 3 preceding calendar years, as follows:

1. If the manufacturer's or rectifier's cumulative volume in a year was at least 1,500 liters of intoxicating liquor but less than 5,000 liters of intoxicating liquor, the manufacturer or rectifier may establish one full-service retail outlet.

2. If the manufacturer's or rectifier's cumulative volume in a year was at least 5,000 liters of intoxicating liquor but less than 35,000 liters of intoxicating liquor,

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the manufacturer or rectifier may establish not more than 2 full-service retail outlets.

3. If the manufacturer's or rectifier's cumulative volume in a year was at least 35,000 liters of intoxicating liquor, the manufacturer or rectifier may establish not more than 3 full-service retail outlets.

(c) 1. Except as provided in subd. 2. and par. (f), a manufacturer or rectifier may make full-service retail sales of alcohol beverages on the manufacturing or rectifying premises and at any of its full-service retail outlets only if the alcohol beverages were purchased by the manufacturer or rectifier from a wholesaler holding a permit under s. 125.28 or 125.54, from a brewer authorized to make sales to retailers under s. 125.29 (3m), from a brewpub authorized to make sales to retailers under s. 125.295 (1) (g), or from a permittee under s. 125.30 authorized to make sales to retailers under s. 125.30 (4).

2. A manufacturer or rectifier is not required to purchase from another permittee intoxicating liquor produced by the manufacturer or rectifier that the manufacturer or rectifier sells at retail on the manufacturing or rectifying premises or at a full-service retail outlet of the manufacturer or rectifier.

3. Subject to subd. 2. and par. (f), a manufacturer or rectifier engaged in full-service retail sales on manufacturing or rectifying premises or at a full-service retail outlet of the manufacturer or rectifier is subject to ss. 125.33 (9) and 125.69 (6) to the same extent as if the manufacturer or rectifier were a retail licensee.

(d) 1. A manufacturer or rectifier may not commence sales of alcohol beverages at a full-service retail outlet unless, prior to commencing such sales, the

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manufacturer or rectifier receives approval from the municipality in which the full-service retail outlet is located and from the division as provided in par. (g).

2. Subject to par. (f), a municipality may limit the scope of alcohol beverages offered for sale at a full-service retail outlet only with respect to alcohol beverages that are not of the same type as those produced by the person holding the manufacturer's or rectifier's permit. A municipality may not limit the sale, at a full-service retail outlet, of alcohol beverages produced by the person holding the manufacturer's or rectifier's permit. If a municipality limits the scope of alcohol beverages offered for sale, the provision of taste samples is limited to those alcohol beverages authorized to be sold.

3. Except as provided in subd. 2., a municipality's approval under subd. 1. shall be based on the same standards and criteria that the municipality has established by ordinance for the evaluation and approval of retail license applications. A municipality may not impose any requirement or restriction in connection with the approval under subd. 1. that the municipality does not impose on retail licensees.

(e) 1. A manufacturer or rectifier may operate a restaurant at any full-service retail outlet under this subsection and on the manufacturing or rectifying premises.

2. If the manufacturer or rectifier operates a restaurant as provided in subd. 1. and is authorized under this subsection to make retail sales of wine at the restaurant, the manufacturer or rectifier may make retail sales of wine in an opened original bottle, in a quantity not to exceed one bottle, for consumption both at the restaurant and away from the restaurant if all of the following apply:

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- a. The purchaser of the wine orders food to be consumed at the restaurant.
 - b. The manufacturer or rectifier provides a dated receipt that identifies the purchase of the food and the bottle of wine.
 - c. Prior to the opened, partially consumed bottle of wine being taken away from the restaurant, the manufacturer or rectifier securely reinserts the cork into the bottle to the point where the top of the cork is even with the top of the bottle, or securely reattaches the original cap to the bottle, and the cork is reinserted or the cap is reattached at a time other than during the hours in which the manufacturer or rectifier is prohibited under sub. (5) (b) from making retail sales for off-premises consumption.
- (f) 1. If a manufacturer or rectifier may establish one or more full-service retail outlets under pars. (b) and (g) and the manufacturer or rectifier also holds a brewer's permit or winery permit or both and, as such, may establish full-service retail outlets under s. 125.29 (7) (b) and (g) or 125.53 (3) (b) and (g), the aggregate number of full-service retail outlets that may be established is the maximum number authorized under par. (b), under s. 125.29 (7) (b), or under s. 125.53 (3) (b), whichever is greatest, but not exceeding 3 full-service retail outlets. Under these circumstances, each authorized full-service retail outlet shall serve as the full-service retail outlet associated with each applicable permit, regardless of whether the permittee would otherwise be entitled to fewer full-service retail outlets when calculated under par. (b) or s. 125.29 (7) (b) or 125.53 (3) (b).
2. If a manufacturer or rectifier may engage in full-service retail sales on the manufacturing or rectifying premises as provided in par. (a) 2. and the

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manufacturer or rectifier also holds a brewer's permit or winery permit or both, the manufacturer or rectifier may make retail sales on the manufacturing or rectifying premises of fermented malt beverages produced under its brewer's permit or wine produced under its winery permit without first purchasing the fermented malt beverages or wine from a wholesaler holding a permit under s. 125.28 or 125.54 or receiving the fermented malt beverages under authorization of s. 125.29 (3m) (b), 125.295 (1) (g), or 125.30 (4).

3. If a person holds more than one manufacturer's permit or rectifier's permit under this section, or more than one combination permit authorized under s. 125.55 (1), the retail sales authority under this subsection for manufacturing or rectifying premises applies with respect to each permit, but the limit on full-service retail outlets is an aggregate maximum, regardless of the number of permits held.

(g) 1. An application for a manufacturer's or rectifier's permit, including an application for an amendment to the manufacturer's or rectifier's permit, shall specify each full-service retail outlet of the manufacturer or rectifier and particularly describe the premises of the full-service retail outlet.

2. The division shall establish a process for approval of a manufacturer's or rectifier's full-service retail outlet and for revocation of this approval. The division shall approve a manufacturer's or rectifier's full-service retail outlet, and may not revoke this approval, unless the manufacturer or rectifier has violated a provision of this chapter related to full-service retail outlets. The division's failure to approve, or revocation of approval of, a full-service retail outlet described in a manufacturer's or rectifier's application or permit does not affect any other full-

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service retail outlet or the manufacturing or rectifying premises as described in the application or permit.

3. If the division approves a full-service retail outlet, the manufacturer's or rectifier's permit, as initially issued or as amended, shall particularly describe the premises constituting the full-service retail outlet, which shall be considered part of the premises under the manufacturer's or rectifier's permit.

4. If the division approves a full-service retail outlet, the agent appointed under s. 125.04 (6) for the manufacturer's or rectifier's permit shall also serve as the agent for the full-service retail outlet.

5. Section 125.04 (12) (a) does not apply to a manufacturer's or rectifier's full-service retail outlet. Upon notice to the division, a manufacturer or rectifier may relocate any full-service retail outlet to a new location within this state once per calendar year, except that one full-service retail outlet of a manufacturer or rectifier may be relocated without limitation on frequency in each calendar year.

(5) CLOSING HOURS. (a) On a manufacturer's or rectifier's premises, no person may sell alcohol beverages at retail for on-premises consumption, provide taste samples of alcohol beverages, or consume alcohol beverages during the closing hours applicable to a Class "B" licensee under s. 125.32 (3) (a). A full-service retail outlet under sub. (4) shall be subject to the same closing hours applicable to a Class "B" licensee under s. 125.32 (3) (a).

(b) On a manufacturer's or rectifier's premises and at a full-service retail outlet, no person may sell alcohol beverages at retail for off-premises consumption during the hours in which a Class "B" licensee in the municipality where the

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manufacturing or rectifying premises or retail outlet is located may not make retail sales under s. 125.32 (3) (am) and (d).

(c) No member of the public or invited guests may be present on a manufacturer's or rectifier's premises during the closing hours applicable to a Class "B" licensee under s. 125.32 (3) (a).

(d) Activities authorized under a manufacturer's or rectifier's permit related to the production, shipment, transportation, or delivery of alcohol beverages may occur at any time.

SECTION 205. 125.52 (7) of the statutes is repealed.

SECTION 206. 125.53 (1) of the statutes is renumbered 125.53 (1) (a) (intro.) and amended to read:

125.53 (1) (a) (intro.) The ~~department~~ division shall issue only to a manufacturing winery in this state that holds a valid certificate issued under s. 73.03 (50) a winery permit authorizing the permittee to engage in the following activities:

1. The manufacture and bottling of wine on the premises covered by the permit for sale, in original unopened packages or containers, to wholesalers holding a permit under s. 125.54. ~~A winery permit also authorizes the permittee to, on~~

2. On the winery premises and without obtaining a rectifier's permit, possess possessing intoxicating liquor and mix or blend mixing or blending intoxicating liquor to produce wine sold to wholesalers holding a permit under s. 125.54. ~~A winery holding a permit under this section may offer on the premises,~~

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manufacturers or rectifiers holding a permit under s. 125.52, and wineries holding a permit under this section.

7. The provision of free taste samples of wine manufactured on the premises to persons who have attained the legal drinking age. A permittee under this section may also have either one "Class A" license or one "Class B" license, but not both. The "Class A" license or "Class B" license may either be issued for the winery premises or for real estate owned or leased by the winery. If a "Class A" or "Class B" liquor license has also been issued to the winery, the winery may provide wine manufactured, mixed, or blended on the winery premises directly to the "Class A" or "Class B" premises and may offer the taste samples on the "Class A" or "Class B" premises on the winery premises or at the winery's full-service retail outlet if the taste samples are of alcohol beverages the winery is authorized to sell under sub. (3) (c), or as authorized under s. 125.69 (9).

(b) A winery holding a permit under this section may also make retail sales of wine, and provide taste samples of wine, on county or district fair fairgrounds as provided in s. 125.51 (10), but this wine sold at retail or provided as taste samples shall be purchased from a wholesaler holding a permit under s. 125.54.

SECTION 207. 125.53 (1) (a) 3., 4., 5. and 6. of the statutes are created to read:

125.53 (1) (a) 3. The sale or transfer, in bulk or in any state of packaging, of wine to wineries holding a permit under this section and to manufacturers and rectifiers holding a permit under s. 125.52, from the winery premises.

4. The sale, shipment, transportation, and delivery of wine, in bulk or in any state of packaging, that has been manufactured by the winery to another winery

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holding a permit under this section or a manufacturer or rectifier holding a permit under s. 125.52.

5. The receipt of intoxicating liquor from another winery holding a permit under this section or a manufacturer or rectifier holding a permit under s. 125.52, in bulk or in any state of packaging, for purposes of further manufacturing, bottling, or storage.

6. The transportation of wine between the winery premises and any depot, warehouse, or full-service retail outlet maintained by the winery or other premises for which the winery holds a permit under this chapter.

SECTION 208. 125.53 (3) and (4) of the statutes are created to read:

125.53 (3) (a) 1. Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to subd. 3., a winery may make retail sales, on the winery premises, of wine that has been manufactured or bottled by the winery on the winery premises or on other premises of the winery, for on-premises or off-premises consumption.

2. Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to subd. 3., if a winery manufactured or bottled, on all winery premises operated by the winery in this state, a cumulative total of at least 1,000 gallons of wine in any one of the 3 preceding calendar years, the winery may engage in full-service retail sales on the winery premises.

3. If a winery held a "Class B" license immediately preceding the effective date of this subdivision [LRB inserts date], for a location other than the winery premises, that location shall be considered the winery premises for purposes of the

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retail sales authorization under subds. 1. and 2. and that location shall be in addition to any retail sales locations authorized under par. (b).

(b) Notwithstanding ss. 125.04 (9) and 125.09 (1), and subject to pars. (d) and (g), if a winery manufactured or bottled, on all winery premises operated by the winery in this state, a cumulative total of at least 1,000 gallons of wine in any one of the 3 preceding calendar years, the winery may engage in full-service retail sales at off-site locations identified in the winery permit. Subject to pars. (f) and (g), the number of retail sales locations a winery is allowed in addition to the winery premises is determined by the cumulative volume of wine the winery manufactured or bottled on all winery premises operated by the winery in this state in any one of the 3 preceding calendar years, as follows:

1. If the winery's cumulative volume in a year was at least 1,000 gallons of wine but less than 5,000 gallons of wine, the winery may establish one full-service retail outlet.

2. If the winery's cumulative volume in a year was at least 5,000 gallons of wine but less than 25,000 gallons of wine, the winery may establish not more than 2 full-service retail outlets.

3. If the winery's cumulative volume in a year was at least 25,000 gallons of wine, the winery may establish not more than 3 full-service retail outlets.

(c) 1. Except as provided in subd. 2. and par. (f), a winery may make full-service retail sales of alcohol beverages on the winery premises and at any of its full-service retail outlets only if the alcohol beverages were purchased by the winery from a wholesaler holding a permit under s. 125.28 or 125.54, from a brewer

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authorized to make sales to retailers under s. 125.29 (3m), from a brewpub authorized to make sales to retailers under s. 125.295 (1) (g), or from a permittee under s. 125.30 authorized to make sales to retailers under s. 125.30 (4).

2. A winery is not required to purchase from another permittee wine manufactured or bottled by the winery that the winery sells at retail on the winery premises or at a full-service retail outlet of the winery.

3. Subject to subd. 2. and par. (f), a winery engaged in full-service retail sales on winery premises or at a full-service retail outlet of the winery is subject to ss. 125.33 (9) and 125.69 (6) to the same extent as if the winery were a retail licensee.

(d) 1. A winery may not commence sales of alcohol beverages at a full-service retail outlet unless, prior to commencing such sales, the winery receives approval from the municipality in which the full-service retail outlet is located and from the division as provided in par. (g).

2. Subject to par. (f), a municipality may limit the scope of alcohol beverages offered for sale at a full-service retail outlet only with respect to alcohol beverages that are not of the same type as those produced by the person holding the winery permit. A municipality may not limit the sale, at a full-service retail outlet, of alcohol beverages produced by the person holding the winery permit. If a municipality limits the scope of alcohol beverages offered for sale, the provision of taste samples is limited to those alcohol beverages authorized to be sold.

3. Except as provided in subd. 2., a municipality's approval under subd. 1. shall be based on the same standards and criteria that the municipality has established by ordinance for the evaluation and approval of retail license

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applications. A municipality may not impose any requirement or restriction in connection with the approval under subd. 1. that the municipality does not impose on retail licensees.

(e) 1. A winery may operate a restaurant at any full-service retail outlet under this subsection and on the winery premises.

2. If the winery operates a restaurant as provided in subd. 1., the winery may make retail sales of wine in an opened original bottle, in a quantity not to exceed one bottle, for consumption both at the restaurant and away from the restaurant if all of the following apply:

- a. The purchaser of the wine orders food to be consumed at the restaurant.
- b. The winery provides a dated receipt that identifies the purchase of the food and the bottle of wine.
- c. Prior to the opened, partially consumed bottle of wine being taken away from the restaurant, the winery securely reinserts the cork into the bottle to the point where the top of the cork is even with the top of the bottle, or securely reattaches the original cap to the bottle, and the cork is reinserted or the cap is reattached at a time other than during the hours in which the winery is prohibited under sub. (4) (b) from making retail sales for off-premises consumption.

(f) 1. If a winery may establish one or more full-service retail outlets under pars. (b) and (g) and the winery also holds a manufacturer's or rectifier's permit or brewer's permit or both and, as such, may establish full-service retail outlets under s. 125.29 (7) (b) and (g) or 125.52 (4) (b) and (g), the aggregate number of full-service retail outlets that may be established is the maximum number authorized under

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par. (b), under s. 125.29 (7) (b), or under s. 125.52 (4) (b), whichever is greatest, but not exceeding 3 full-service retail outlets. Under these circumstances, each authorized full-service retail outlet shall serve as the full-service retail outlet associated with each applicable permit, regardless of whether the permittee would otherwise be entitled to fewer full-service retail outlets when calculated under par. (b) or s. 125.29 (7) (b) or 125.52 (4) (b).

2. If a winery may engage in full-service retail sales on the winery premises as provided in par. (a) 2. and the winery also holds a brewer's permit or manufacturer's or rectifier's permit or both, the winery may make retail sales on the winery premises of fermented malt beverages produced under its brewer's permit or intoxicating liquor produced under its manufacturer's or rectifier's permit without first purchasing the fermented malt beverages or intoxicating liquor from a wholesaler holding a permit under s. 125.28 or 125.54 or receiving the fermented malt beverages under authorization of s. 125.29 (3m) (b), 125.295 (1) (g), or 125.30 (4).

3. If a person holds more than one winery permit under this section, the retail sales authority under this subsection for winery premises applies with respect to each winery permit, but the limit on full-service retail outlets is an aggregate maximum, regardless of the number of winery permits held.

(g) 1. An application for a winery permit, including an application for an amendment to the winery permit, shall specify each full-service retail outlet of the winery and particularly describe the premises of the full-service retail outlet.

2. The division shall establish a process for approval of a winery's full-service

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retail outlet and for revocation of this approval. The division shall approve a winery's full-service retail outlet, and may not revoke this approval, unless the winery has violated a provision of this chapter related to full-service retail outlets. The division's failure to approve, or revocation of approval of, a full-service retail outlet described in a winery's application or permit does not affect any other full-service retail outlet or the winery premises as described in the application or permit.

3. If the division approves a full-service retail outlet, the winery permit, as initially issued or as amended, shall particularly describe the premises constituting the full-service retail outlet, which shall be considered part of the premises under the winery permit.

4. If the division approves a full-service retail outlet, the agent appointed under s. 125.04 (6) for the winery permit shall also serve as the agent for the full-service retail outlet.

5. Section 125.04 (12) (a) does not apply to a winery's full-service retail outlet. Upon notice to the division, a winery may relocate any full-service retail outlet to a new location within this state once per calendar year, except that one full-service retail outlet of a winery may be relocated without limitation on frequency in each calendar year.

(4) (a) On winery premises, no person may sell alcohol beverages at retail for on-premises consumption, provide taste samples of alcohol beverages, or consume alcohol beverages during the closing hours applicable to a Class "B" licensee under

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s. 125.32 (3) (a). A full-service retail outlet under sub. (3) shall be subject to the same closing hours applicable to a Class “B” licensee under s. 125.32 (3) (a).

(b) On winery premises and at a full-service retail outlet, no person may sell alcohol beverages at retail for off-premises consumption during the hours in which a Class “B” licensee in the municipality where the winery or retail outlet is located may not make retail sales under s. 125.32 (3) (am) and (d).

(c) No member of the public or invited guests may be present on winery premises during the closing hours applicable to a Class “B” licensee under s. 125.32 (3) (a).

(d) Activities authorized under a winery permit related to the production, shipment, transportation, or delivery of alcohol beverages may occur at any time.

SECTION 209. 125.535 (1) of the statutes is amended to read:

125.535 (1) AUTHORIZED ACTIVITIES. The ~~department~~ division shall issue direct wine shippers’ permits authorizing the permittee to ship wine manufactured or bottled by the permittee directly to an individual in this state who is of the legal drinking age, who acknowledges receipt of the wine shipped, and who is not intoxicated at the time of delivery.

SECTION 210. 125.535 (2) of the statutes is amended to read:

125.535 (2) ANNUAL PERMIT FEE. The ~~department~~ division may, by rule, establish an annual fee, not to exceed \$100, for each permit issued under this section. All fees collected under this subsection shall be credited to the appropriation account under s. 20.566 (1) (ha).

SECTION 211. 125.535 (3) (b) 2. of the statutes is amended to read:

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125.535 (3) (b) 2. The winery submits to the ~~department~~ division, with any initial application or renewal for a certificate under s. 73.03 (50) or a permit under par. (a) 3. or 4., a copy of any current license, permit, or authorization issued to the winery by the state from which the winery will ship wine into this state or the winery's federal basic permit.

SECTION 212. 125.535 (3) (b) 3. of the statutes is created to read:

125.535 (3) (b) 3. The winery satisfies all requirements under par. (d).

SECTION 213. 125.535 (3) (c) of the statutes is amended to read:

125.535 (3) (c) Notwithstanding s. 125.04 (5) (a), natural persons obtaining direct wine shippers' permits are not required to be residents of this state. Notwithstanding s. 125.04 (5) (a) 5., a person is not required to complete a responsible beverage server training course to be eligible for a permit under this section. ~~Corporations and limited liability companies obtaining direct wine shippers' permits are subject to s. 125.04 (6) and any other person, including any natural person or cooperative, obtaining a direct wine shipper's permit shall appoint an agent, and be subject to all provisions of s. 125.04 (6), in the same manner applicable to corporations and limited liability companies.~~ Notwithstanding s. 125.04 (5) (a) 2. and (c), an agent appointed under s. 125.04 (6) by a corporation or limited liability company obtaining a direct wine shipper's permit is not required to be a resident of this state.

SECTION 214. 125.535 (3) (d) and (e) of the statutes are created to read:

125.535 (3) (d) 1. Unless the permittee or agent of the permittee appointed under s. 125.04 (6) is a resident of this state, or unless the permittee maintains a

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registered agent in this state under s. 180.0501, 180.1507, 183.0105, or 183.1007, a permittee under this section shall appoint and continually engage the services of an agent in this state to act as agent for the service of process on whom all processes, and any action or proceeding against the permittee concerning or arising out of the enforcement of any provision of this chapter or ch. 139, may be served in any manner authorized by law. That service shall constitute legal and valid service of process on the permittee. The permittee shall provide to the division, in the form and manner prescribed by the division, the name, address, phone number, and proof of the appointment and availability of the agent.

2. The permittee shall provide notice to the division 30 calendar days before termination of the authority of an agent under subd. 1. and shall provide proof to the satisfaction of the division of the appointment of a new agent no less than 5 calendar days before the termination of an existing agent appointment. In the event an agent terminates an agency appointment, the permittee shall notify the division of that termination within 5 calendar days and shall include proof to the satisfaction of the division of the appointment of a new agent.

3. If a permittee fails to maintain an agent in this state after a permit is issued under this section, the permittee is considered to have appointed the department of financial institutions as the permittee's agent, and the permittee may be proceeded against in courts of this state by service of process upon the department of financial institutions.

(e) The application for a permit under this section shall include a provision that the permittee agrees to do all of the following:

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1. File reports, provide records, and allow inspections and examinations to the extent provided in s. 125.025 and ch. 139.

2. Pay the expenses reasonably attributable to inspections and examinations made by the division at any premises of the permittee located outside this state.

3. Accept service of process and consent to jurisdiction in any proceeding in this state to enforce the provisions of this chapter or ch. 139.

SECTION 215. 125.535 (7) of the statutes is created to read:

125.535 (7) SHIPMENTS THROUGH FULFILLMENT HOUSE; COMMON CARRIERS.

(a) A permittee under this section may arrange with a fulfillment house to ship wine on the permittee's behalf only if the fulfillment house holds a permit under s. 125.23.

(b) All containers of wine shipped directly to an individual in this state shall be shipped using a common carrier holding a permit issued under s. 125.22.

SECTION 216. 125.54 (1) of the statutes is amended to read:

125.54 (1) AUTHORIZED ACTIVITIES. The ~~department~~ division shall issue wholesalers' permits authorizing the permittee to sell, from the premises described in the permit, intoxicating liquor at wholesale to retailers and wholesalers, as well as to manufacturers, rectifiers, and wineries for production purposes. The permittee may not sell intoxicating liquor for consumption on the premises. Possession of a permit under this section does not authorize the permittee to sell tax-free intoxicating liquor and wine brought into this state under s. 139.03 (5).

SECTION 217. 125.54 (3) of the statutes is amended to read:

125.54 (3) TASTE SAMPLES ON "~~CLASS A~~" RETAIL PREMISES. Wholesalers

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holding a permit issued under this section, employees of such wholesalers, and individuals representing such wholesalers may not assist or participate in providing taste samples under s. ~~125.06 (13) (a) or 125.51 (2) (am) or 125.69 (9)~~.

SECTION 218. 125.54 (5) of the statutes is amended to read:

125.54 (5) SALES AREA. No wholesaler may sell any intoxicating liquor before filing with the ~~department~~ division a written statement that the permittee is a distributor of a particular brand in this state, or an area of this state, and that the sales of that brand by the permittee and anyone purchasing from the permittee will be limited to the area specified. The permittee shall notify the ~~department~~ division of any change in the area within 7 days of the effective date of the change.

SECTION 219. 125.54 (6) of the statutes is amended to read:

125.54 (6) MULTIPLE PERMITS. ~~Not more than 2~~ Multiple wholesalers' permits may be issued to any one person. In each application for a wholesaler's permit, the applicant shall state ~~that~~ whether application has ~~not~~ been made for ~~more than one~~ any other wholesaler's permit and shall identify any other wholesaler's permit held by the applicant.

SECTION 220. 125.54 (7) (a) 2. of the statutes is amended to read:

125.54 (7) (a) 2. A permittee under this section shall annually sell and deliver intoxicating liquor to at least 10 retail licensees or permittees that do not have ~~any direct or indirect~~ an interest in each other or in the permittee under this section. The ~~department~~ division shall not issue a permit under this section unless the applicant represents to the ~~department~~ division an intention to satisfy this

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requirement, and shall not renew a permit issued under this section unless the permittee demonstrates that this requirement has been satisfied.

SECTION 221. 125.54 (7) (c) 3. of the statutes is amended to read:

125.54 (7) (c) 3. This paragraph shall not affect the authority of any municipality or the ~~department~~ division to revoke, suspend, or refuse to renew or issue a license or permit under s. 125.12.

SECTION 222. 125.54 (7) (d) of the statutes is amended to read:

125.54 (7) (d) The ~~department~~ division shall promulgate rules to administer and enforce the requirements under this subsection. The rules shall ensure coordination between the ~~department's~~ division's issuance and renewal of permits under this section and its enforcement of the requirements of this subsection, and shall require that all applications for issuance or renewal of permits under this section be processed by ~~department~~ division personnel generally familiar with activities of intoxicating liquor wholesalers. The ~~department~~ division shall establish by rule minimum requirements for warehouse facilities on premises described in permits issued under this section and for periodic site inspections by the ~~department~~ division of such warehouse facilities.

SECTION 223. 125.545 (title) of the statutes is amended to read:

125.545 (title) Small winery cooperative wholesalers.

SECTION 224. 125.545 (1) (a) of the statutes is amended to read:

125.545 (1) (a) "Member" means a small winery or small manufacturer that meets the requirements established under this section for membership in a

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cooperative wholesaler and that has been qualified and accepted for membership in a cooperative wholesaler.

SECTION 225. 125.545 (1) (ar) of the statutes is created to read:

125.545 (1) (ar) “Out-of-state manufacturer” means a manufacturer or rectifier of intoxicating liquor that is located in a state other than this state.

SECTION 226. 125.545 (1) (cm) of the statutes is created to read:

125.545 (1) (cm) “Small manufacturer” means any manufacturer or rectifier that produces and bottles less than 50,000 gallons of intoxicating liquor other than wine in a calendar year.

SECTION 227. 125.545 (1) (d) of the statutes is amended to read:

125.545 (1) (d) “Small winery” means any winery that produces and bottles less than ~~25,000~~ 50,000 gallons of wine in a calendar year.

SECTION 228. 125.545 (1) (e) of the statutes is amended to read:

125.545 (1) (e) “Small ~~winery~~ cooperative wholesaler” or “cooperative wholesaler” means an entity established under this section.

SECTION 229. 125.545 (1) (em) of the statutes is created to read:

125.545 (1) (em) “Wisconsin manufacturer” means a manufacturer or rectifier operating under a permit issued under s. 125.52.

SECTION 230. 125.545 (2) (a) 1. of the statutes is amended to read:

125.545 (2) (a) 1. A cooperative wholesaler may only be created as provided under s. 185.043 (2) and this section. Each cooperative wholesaler operating under authority of this section shall be organized under ch. 185 but shall be subject to the limitations on such cooperatives imposed by this section. Subject to ~~subd.~~ subds. 3.

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and 4., only small wineries and small manufacturers may be members of a cooperative wholesaler. The principal purpose of a cooperative wholesaler shall be to sell and distribute ~~wine~~ intoxicating liquor manufactured, blended, or mixed, and also bottled, by its members.

SECTION 231. 125.545 (2) (a) 3. b. of the statutes is amended to read:

125.545 (2) (a) 3. b. The small winery is certified by the ~~department~~ division under sub. (6) (a) as a small winery.

SECTION 232. 125.545 (2) (a) 4. of the statutes is created to read:

125.545 (2) (a) 4. A small manufacturer may become a member of a cooperative wholesaler only if the small manufacturer is certified by the division under sub. (6) (a) as a small manufacturer.

SECTION 233. 125.545 (2) (b) of the statutes is amended to read:

125.545 (2) (b) In addition to the requirements specified in s. 185.31 for the board of directors of a cooperative wholesaler, a director representing a member that is a Wisconsin winery or Wisconsin manufacturer shall be either an owner or an employee of that Wisconsin winery or Wisconsin manufacturer. If any out-of-state winery or out-of-state manufacturer is a member of the cooperative wholesaler, at least one director shall be either an owner or an employee of an out-of-state winery or out-of-state manufacturer that is a member of the cooperative wholesaler.

SECTION 234. 125.545 (2) (c) of the statutes is amended to read:

125.545 (2) (c) Notwithstanding any provision of ch. 185, a cooperative wholesaler may not employ any owner or employee of a member. However, an

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individual that is an owner or an employee of a member may act as a volunteer to assist that cooperative wholesaler in the sale and distribution of ~~wine~~ intoxicating liquor to retailers and other wholesalers in the manner authorized under this section.

SECTION 235. 125.545 (3) (a) 1. of the statutes is amended to read:

125.545 (3) (a) 1. Within 7 days after filing its articles of incorporation under ch. 185, a cooperative wholesaler shall apply to the ~~department~~ division for a wholesaler's permit under s. 125.54. The provisions of s. 125.04 (5) (c) and (6) shall apply to a cooperative wholesaler as if the cooperative wholesaler were a corporation or a limited liability company and, for each of these provisions, the ~~department~~ division shall determine whether the cooperative wholesaler is most similar to a corporation or a limited liability company in the context of that provision and apply that provision to the cooperative wholesaler accordingly.

SECTION 236. 125.545 (3) (a) 2. of the statutes is amended to read:

125.545 (3) (a) 2. Notwithstanding s. 125.54 (6), the ~~department~~ division may issue not more than one wholesaler's permit to any cooperative wholesaler. The ~~department~~ division may not issue more than a total of 6 wholesalers' permits to cooperative wholesalers in this state. ~~The department~~ Except as provided in subd. 2m., the division may not issue any new wholesaler's permit to a cooperative wholesaler after December 31, 2008, but may renew wholesalers' permits that were initially issued to cooperative wholesalers prior to that date.

SECTION 237. 125.545 (3) (a) 2m. of the statutes is created to read:

125.545 (3) (a) 2m. The division may issue new wholesalers' permits to

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cooperative wholesalers after the effective date of this subdivision [LRB inserts date], but not later than the first day of the 7th month beginning after the effective date of this subdivision [LRB inserts date], and may renew wholesalers' permits that were initially issued to cooperative wholesalers during this period. The division may not issue new wholesalers' permits under this subdivision that cause the total number of wholesalers' permits issued to cooperative wholesalers in this state to exceed 6.

SECTION 238. 125.545 (3) (b) of the statutes is amended to read:

125.545 (3) (b) 1. Notwithstanding s. 125.54 (1), and except as provided in subd. 3., a cooperative wholesaler issued a wholesaler's permit under par. (a) is authorized to sell and distribute only ~~wine~~ intoxicating liquor. Except as provided in subd. 3., a cooperative wholesaler may not sell or distribute any alcohol beverages, or any other product, except ~~wine~~ intoxicating liquor.

2. A cooperative wholesaler shall purchase ~~on consignment~~ wine intoxicating liquor from its members to be resold to retailers and other wholesalers. Notwithstanding s. 125.69 (5), a cooperative wholesaler may not purchase ~~wine~~ intoxicating liquor from any person other than a member. A cooperative wholesaler may not resell or distribute ~~wine~~ intoxicating liquor unless it has been purchased ~~on consignment~~ from a member. Notwithstanding s. 125.54 (1), a cooperative wholesaler may not sell or distribute ~~wine~~ intoxicating liquor except to a retailer or to a wholesaler holding a permit under s. 125.54.

3. A cooperative wholesaler may purchase ancillary ~~wine~~ industry trade goods such as bottles, corks, and other supplies used by wineries or manufacturers in the

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bottling and sale of ~~wine~~ intoxicating liquor if such trade goods do not include any alcohol beverages. Any ~~wine~~ industry trade goods purchased by a cooperative wholesaler under this subdivision may be offered for resale to the cooperative wholesaler's members or to any winery or manufacturer that was formerly a member of the cooperative wholesaler.

4. A cooperative wholesaler shall work with all of its members on evenhanded terms. Any preferential treatment by a cooperative wholesaler for the benefit of a member that is a Wisconsin winery or Wisconsin manufacturer, and any discrimination against a member that is an out-of-state winery or out-of-state manufacturer, is prohibited.

SECTION 239. 125.545 (3) (c) of the statutes is amended to read:

125.545 (3) (c) Neither a cooperative wholesaler nor its members are subject to any restriction on dealings under s. 125.69 (1) between wholesalers and wineries or manufacturers. Except as provided in s. 125.54 (7) (e) and as otherwise provided in this section, all provisions of this chapter and ch. 139 that apply to a wholesaler issued a permit under s. 125.54 also apply to a cooperative wholesaler issued a permit under s. 125.54.

SECTION 240. 125.545 (4) of the statutes is amended to read:

125.545 (4) EXCLUSIVE DISTRIBUTION. A member of a cooperative wholesaler may make its ~~wine~~ intoxicating liquor available for purchase by a retailer or another wholesaler only through the cooperative wholesaler of which it is a member. A member of a cooperative wholesaler may not sell its ~~wine~~ intoxicating liquor directly to any other wholesaler or directly to a retailer.

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SECTION 241. 125.545 (5) of the statutes is amended to read:

125.545 (5) BIENNIAL REPORTS. With each application for renewal of a wholesaler's permit issued to a cooperative wholesaler, each cooperative wholesaler shall file with the ~~department~~ division, in the form and manner prescribed by the ~~department~~ division by rule, a biennial report that includes detailed information on its members, board of directors, and sale and distribution activities.

SECTION 242. 125.545 (6) (title) and (a) 1. and 2. of the statutes are amended to read:

125.545 (6) (title) ~~DEPARTMENT~~ DIVISION CERTIFICATION AND RULE MAKING.

(a) 1. The ~~department~~ division shall, upon application, certify eligible applicants as small wineries or small manufacturers and renew prior certifications of eligible applicants as small wineries or small manufacturers.

2. Any winery seeking to become a member of, or to maintain its membership in, a cooperative wholesaler may apply to the ~~department~~ division for certification as a small winery. If the winery meets the definition of a small winery under this section, satisfies the requirement under sub. (2) (a) 3. a., and submits any other information that the ~~department~~ division determines is necessary to certify that the winery is operating as a small winery and is eligible for membership in a cooperative wholesaler, the ~~department~~ division shall certify the winery as a small winery. This certification shall remain valid for one year.

SECTION 243. 125.545 (6) (a) 2m. of the statutes is created to read:

125.545 (6) (a) 2m. Any manufacturer seeking to become a member of, or to maintain its membership in, a cooperative wholesaler may apply to the division for

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certification as a small manufacturer. If the manufacturer meets the definition of a small manufacturer under this section and submits any other information that the division determines is necessary to certify that the manufacturer is operating as a small manufacturer and is eligible for membership in a cooperative wholesaler, the division shall certify the manufacturer as a small manufacturer. This certification shall remain valid for one year.

SECTION 244. 125.545 (6) (a) 3. of the statutes is amended to read:

125.545 (6) (a) 3. In certifying any winery under subd. 2., the ~~department~~ division shall classify the winery as either a Wisconsin winery or an out-of-state winery.

SECTION 245. 125.545 (6) (a) 3m. of the statutes is created to read:

125.545 (6) (a) 3m. In certifying any manufacturer under subd. 2m., the division shall classify the manufacturer as either a Wisconsin manufacturer or an out-of-state manufacturer.

SECTION 246. 125.545 (6) (a) 4. of the statutes is amended to read:

125.545 (6) (a) 4. The ~~department~~ division shall refuse to certify under this paragraph any winery or manufacturer that cannot demonstrate it holds all necessary permits for its operations or that the ~~department~~ division finds is otherwise not in full compliance with the laws of this state.

SECTION 247. 125.545 (6) (b) of the statutes is amended to read:

125.545 (6) (b) The ~~department~~ division shall promulgate rules to administer and enforce the requirements under this section.

SECTION 248. 125.545 (7) of the statutes is amended to read:

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125.545 (7) PENALTIES. (a) Any winery or manufacturer that sells or distributes its ~~wine~~ intoxicating liquor directly to a retailer, rather than through a wholesaler or cooperative wholesaler, is subject to a fine of not more than \$10,000 and revocation of all of its permits by the ~~department~~ division under s. 125.12 (5).

(b) Any cooperative wholesaler that provides preferential treatment to a Wisconsin winery or Wisconsin manufacturer or discriminates against an out-of-state winery or out-of-state manufacturer is subject to a fine of not more than \$10,000 and revocation of its wholesaler's permit by the ~~department~~ division under s. 125.12 (5).

SECTION 249. 125.55 (1) of the statutes is amended to read:

125.55 (1) The ~~department~~ division may issue a combination manufacturer's and rectifier's permit.

SECTION 250. 125.56 (2) (a) of the statutes is amended to read:

125.56 (2) (a) The ~~department~~ division shall issue sacramental wine permits to organized religious bodies authorizing them to purchase for their own use sacramental wine from any permittee under s. 125.52 (1), 125.53 or 125.54. A permit under this subsection does not authorize the resale of sacramental wine by the permittee.

SECTION 251. 125.56 (2) (c) of the statutes is amended to read:

125.56 (2) (c) Shipments of sacramental wine shall be conspicuously labeled "for sacramental purposes" and shall meet any other requirements the ~~department~~ division prescribes by rule.

SECTION 252. 125.56 (2) (d) of the statutes is amended to read:

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125.56 (2) (d) A sacramental wine permit shall be issued free of charge by the ~~department~~ division and is not subject to s. 125.04 (11) (a).

SECTION 253. 125.58 (1) of the statutes is amended to read:

125.58 (1) The ~~department~~ division shall issue out-of-state shippers' permits which authorize persons located outside this state to sell or ship intoxicating liquor into this state. Except as provided under ~~sub.~~ subs. (4) and (5), intoxicating liquor may be shipped into this state only to a person holding a wholesaler's permit under s. 125.54 or, if shipped from a manufacturer or rectifier in another state holding a permit under this section, to a person holding a manufacturer's or rectifier's permit under s. 125.52 or a winery permit under s. 125.53. Except as provided under ~~sub.~~ subs. (4) and (5), a separate out-of-state shipper's permit is required for each location from which any intoxicating liquor is sold or shipped into this state, including the location from which the invoices are issued for the sales or shipments. Any person holding an out-of-state shipper's permit issued under this section may solicit orders for sales or shipments by the permittee without obtaining the sales solicitation permit required by s. 125.65, but every agent, salesperson or other representative who solicits orders for sales or shipments by an out-of-state shipper shall first obtain a permit for soliciting orders under s. 125.65. No holder of an out-of-state shipper's permit issued under this section may sell intoxicating liquor in this state or ship intoxicating liquor into this state unless the out-of-state shipper is the primary source of supply for that intoxicating liquor.

SECTION 254. 125.58 (2) of the statutes is renumbered 125.58 (2) (a).

SECTION 255. 125.58 (2) (b) and (c) of the statutes are created to read:

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125.58 (2) (b) 1. Unless the permittee or agent of the permittee appointed under s. 125.04 (6) is a resident of this state, or unless the permittee maintains a registered agent in this state under s. 180.0501, 180.1507, 183.0105, or 183.1007, a permittee under this section shall appoint and continually engage the services of an agent in this state to act as agent for the service of process on whom all processes, and any action or proceeding against the permittee concerning or arising out of the enforcement of any provision of this chapter or ch. 139, may be served in any manner authorized by law. That service shall constitute legal and valid service of process on the permittee. The permittee shall provide to the division, in the form and manner prescribed by the division, the name, address, phone number, and proof of the appointment and availability of the agent.

2. The permittee shall provide notice to the division 30 calendar days before termination of the authority of an agent under subd. 1. and shall provide proof to the satisfaction of the division of the appointment of a new agent no less than 5 calendar days before the termination of an existing agent appointment. In the event an agent terminates an agency appointment, the permittee shall notify the division of that termination within 5 calendar days and shall include proof to the satisfaction of the division of the appointment of a new agent.

3. If a permittee fails to maintain an agent in this state after a permit is issued under this section, the permittee is considered to have appointed the department of financial institutions as the permittee's agent, and the permittee may be proceeded against in courts of this state by service of process upon the department of financial institutions.

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(c) The application for a permit under this section shall include a provision that the permittee agrees to do all of the following:

1. File reports, provide records, and allow inspections and examinations to the extent provided in s. 125.025 and ch. 139.

2. Pay the expenses reasonably attributable to inspections and examinations made by the division at the premises of the permittee located outside this state.

3. Accept service of process and consent to jurisdiction in any proceeding in this state to enforce the provisions of this chapter or ch. 139.

SECTION 256. 125.58 (5) of the statutes is created to read:

125.58 (5) A fulfillment house located outside this state that holds a permit under s. 125.23 may ship wine into this state as provided in s. 125.23 and is not required to hold an out-of-state shipper's permit under this section.

SECTION 257. 125.60 (1) of the statutes is amended to read:

125.60 (1) The ~~department~~ division may issue a wholesale alcohol permit which authorizes the permittee to sell ethyl alcohol of 190 proof or more to persons holding permits or licenses issued under s. 125.61 or 125.62. Nothing in this section requires manufacturers, rectifiers and wholesalers holding permits issued under s. 125.52 (1) or 125.54 to obtain a wholesale alcohol permit.

SECTION 258. 125.61 (1) of the statutes is amended to read:

125.61 (1) The ~~department~~ division may issue a medicinal alcohol permit which authorizes the permittee to purchase and use alcohol for medicinal purposes only. The permit may be issued only to persons who prove to the ~~department~~ division that they use alcohol for medicinal purposes.

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SECTION 259. 125.61 (3) of the statutes is amended to read:

125.61 (3) Shipments of medicinal alcohol shall be conspicuously labeled “for medicinal purposes” and shall meet other requirements which the ~~department~~ division prescribes by rule.

SECTION 260. 125.61 (4) of the statutes is amended to read:

125.61 (4) A medicinal permit shall be issued free of charge by the ~~department~~ division and is not subject to s. 125.04 (11) (a).

SECTION 261. 125.62 (1) of the statutes is amended to read:

125.62 (1) The ~~department~~ division may issue an industrial alcohol permit which authorizes the permittee to purchase and use alcohol for industrial purposes only. Such permits may be issued only to persons who prove to the ~~department~~ division that they use alcohol for industrial purposes.

SECTION 262. 125.62 (3) of the statutes is amended to read:

125.62 (3) Shipments of industrial alcohol shall be conspicuously labeled “for industrial purposes” and shall meet other requirements which the ~~department~~ division prescribes by rule.

SECTION 263. 125.63 (1) of the statutes is amended to read:

125.63 (1) The ~~department~~ division may issue an industrial wine permit which authorizes the purchase and use of wine for industrial purposes only. An industrial wine permit may be issued only to persons who prove to the ~~department~~ division that they use wine for industrial purposes.

SECTION 264. 125.63 (3) of the statutes is amended to read:

125.63 (3) Shipments of industrial wine shall be conspicuously labeled “for

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industrial purposes” and shall meet other requirements which the ~~department~~ division prescribes by rule.

SECTION 265. 125.65 (1) of the statutes is amended to read:

125.65 (1) The ~~department~~ division may issue a permit for wholesale sales for future delivery which authorizes the permittee to solicit orders, and to engage in the sale, of intoxicating liquor for delivery at a future date. A person holding a permit under this section may give a sample of a brand of intoxicating liquor to a “Class A” licensee who has not previously purchased that brand from the permittee.

SECTION 266. 125.65 (4) (intro.) of the statutes is amended to read:

125.65 (4) (intro.) The ~~department~~ division shall require the following information in applications for permits under this section:

SECTION 267. 125.65 (4) (e) of the statutes is amended to read:

125.65 (4) (e) Any other information required by the ~~department~~ division.

SECTION 268. 125.65 (6) of the statutes is amended to read:

125.65 (6) Employers shall furnish the ~~department~~ division with the names of all employees engaged in activities requiring a permit under this section and shall notify the ~~department~~ division whenever an employee begins or terminates employment. Upon leaving employment, an employee shall submit his or her permit to the ~~department~~ division for cancellation.

SECTION 269. 125.65 (10) of the statutes is amended to read:

125.65 (10) The ~~department~~ division may not require a fee for a permit under this section for an individual who is eligible for the veterans fee waiver program under s. 45.44.

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SECTION 270. 125.68 (2) of the statutes is amended to read:

125.68 (2) OPERATORS' LICENSES AND PERMITS; "CLASS A," "CLASS B," "CLASS C," AND OTHER PREMISES. Except as provided under ss. 125.07 (3) (a) 10. and 125.51 (10), no premises operated under a "Class A" or "Class C" license or under a "Class B" license or permit may be open for business, and no person who holds a brewer's permit, manufacturer's or rectifier's permit, or winery permit may allow the sale or provision of taste samples of intoxicating liquor on the brewery premises, manufacturing or rectifying premises ~~as provided in s. 125.52 (1) (b) 2.~~, winery premises, or any retail outlet operated by the brewer, manufacturer, rectifier, or winery under s. 125.29 (7), 125.52 (4), or 125.53 (3), unless there is upon the premises either the licensee or permittee, the agent named in the license or permit if the licensee or permittee is a corporation or limited liability company, or some person who has an operator's license or operator's permit and who is responsible for the acts of all persons selling or serving any intoxicating liquor to customers. An operator's license issued in respect to a vessel under s. 125.51 (5) (c) is valid outside the municipality that issues it. For the purpose of this subsection, any person holding a manager's license issued under s. 125.18 or any member of the licensee's or permittee's immediate family who has attained the age of 18 shall be considered the holder of an operator's license. No person, ~~including a member of the licensee's or permittee's immediate family,~~ other than the licensee, permittee, or agent may serve or sell alcohol beverages in any place operated under a "Class A" or "Class C" license or under a "Class B" license or permit, or serve or sell intoxicating liquor on brewery premises, manufacturing or rectifying premises, winery premises, or any

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retail outlet operated by a brewer, manufacturer, rectifier, or winery under s. 125.29 (7), 125.52 (4), or 125.53 (3), unless he or she has an operator's license or operator's permit, is considered to have an operator's license under this subsection, or is at least 18 years of age and is under the immediate supervision of the licensee, permittee, or agent or a person holding an operator's license or operator's permit, who is on the premises at the time of the service.

SECTION 271. 125.68 (4) (c) 1. of the statutes is amended to read:

125.68 (4) (c) 1. Subject to subds. 3. and 6. and s. 125.51 (3r) (a) 3., no premises for which a "Class B" license or permit or a "Class C" license has been issued may remain open between the hours of 2 a.m. and 6 a.m., except as otherwise provided in this subdivision and subd. 4. On January 1 premises operating under a "Class B" license or permit are not required to close. On Saturday and Sunday, no premises may remain open between 2:30 a.m. and 6 a.m. except that, on the Sunday that daylight saving time begins as specified in s. 175.095 (2), no premises may remain open between 3:30 a.m. and 6 a.m. ~~This subdivision does not apply to a "Class B" license issued to a winery under s. 125.51 (3) (am).~~

SECTION 272. 125.68 (4) (c) 3. of the statutes is amended to read:

125.68 (4) (c) 3. Between 12 midnight and 6 a.m. no person may sell intoxicating liquor on "Class B" licensed premises in an original unopened package, container or bottle or for consumption away from the premises or on "Class C" licensed premises as authorized under s. 125.51 (3r) (a). A municipal governing body may, by ordinance, impose more restrictive hours than are provided in this subdivision except with respect to the sale of intoxicating liquor authorized under s.

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125.51 (3r) (a). ~~This subdivision does not apply to a “Class B” license issued to a winery under s. 125.51 (3) (am).~~

SECTION 273. 125.68 (4) (c) 3m. of the statutes is repealed.

SECTION 274. 125.68 (9) (f) of the statutes is amended to read:

125.68 (9) (f) Every person manufacturing, rectifying or blending intoxicating liquor sold in this state shall provide the ~~department~~ division with the names, brands, descriptions, alcoholic content by volume and any other information about the intoxicating liquor required by the ~~department~~ division. Information required by this paragraph shall be submitted prior to placing any new blend on the market. The ~~department~~ division may also require by rule that samples of new products be submitted for examination and analysis.

SECTION 275. 125.68 (10) (a) and (b) of the statutes are amended to read:

125.68 (10) (a) Except as provided in ~~ss. 125.23 and~~ 125.535, no intoxicating liquor may be shipped into this state unless consigned to a person holding a wholesaler’s permit under s. 125.54 or, if shipped from a manufacturer or rectifier in another state holding a permit under s. 125.58, consigned to a person holding a manufacturer’s or rectifier’s permit under s. 125.52 or a winery permit under s. 125.53.

(b) Except as provided in ~~ss. 125.23 and~~ 125.535, no common carrier or other person may transport into and deliver within this state any intoxicating liquor unless it is consigned to a person holding a wholesaler’s permit under s. 125.54 or, if shipped from a manufacturer or rectifier in another state holding a permit under s. 125.58, consigned to a person holding a manufacturer’s or

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rectifier's permit under s. 125.52 or a winery permit under s. 125.53. Any common carrier violating this paragraph shall forfeit \$100 for each violation.

SECTION 276. 125.69 (1) of the statutes is repealed and recreated to read:

125.69 (1) INTEREST RESTRICTIONS. (a) Subject to s. 125.20 (6), a manufacturer's or rectifier's permit under s. 125.52 may not be issued to any person who holds, or has an interest in a licensee or permittee holding, any of the following:

1. A Class "A" license issued under s. 125.25 or "Class A" license issued under s. 125.51 (2).

2. A Class "B" license issued under s. 125.26, "Class B" license issued under s. 125.51 (3), or "Class C" license issued under s. 125.51 (3m).

3. A Class "B" permit issued under s. 125.27 or "Class B" permit issued under s. 125.51 (5).

4. A wholesaler's permit issued under s. 125.28 or 125.54.

(b) Subject to s. 125.20 (6), a winery permit under s. 125.53 may not be issued to any person who holds, or has an interest in a licensee or permittee holding, any of the following:

1. A Class "A" license issued under s. 125.25 or "Class A" license issued under s. 125.51 (2).

2. A Class "B" license issued under s. 125.26, "Class B" license issued under s. 125.51 (3), or "Class C" license issued under s. 125.51 (3m).

3. A Class "B" permit issued under s. 125.27 or "Class B" permit issued under s. 125.51 (5).

4. A wholesaler's permit issued under s. 125.28 or 125.54.

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(c) Subject to s. 125.20 (6), a wholesaler's permit under s. 125.54 may not be issued to any person who holds, or has an interest in a licensee or permittee holding, any of the following:

1. A Class "A" license issued under s. 125.25 or "Class A" license issued under s. 125.51 (2).

2. A Class "B" license issued under s. 125.26, "Class B" license issued under s. 125.51 (3), or "Class C" license issued under s. 125.51 (3m).

3. A Class "B" permit issued under s. 125.27 or "Class B" permit issued under s. 125.51 (5).

4. A brewer's permit issued under s. 125.29.

5. A brewpub permit issued under s. 125.295.

6. A winery permit issued under s. 125.53.

7. A manufacturer's or rectifier's permit issued under s. 125.52.

8. An out-of-state shipper's permit issued under s. 125.30 or 125.58.

(d) Subject to s. 125.20 (6), an out-of-state shipper's permit under s. 125.58 may not be issued to any person who holds, or has an interest in a licensee or permittee holding, any of the following:

1. A Class "A" license issued under s. 125.25 or "Class A" license issued under s. 125.51 (2).

2. A Class "B" license issued under s. 125.26, "Class B" license issued under s. 125.51 (3), or "Class C" license issued under s. 125.51 (3m).

3. A Class "B" permit issued under s. 125.27 or "Class B" permit issued under s. 125.51 (5).

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4. A wholesaler's permit issued under s. 125.28 or 125.54.

(e) Subject to s. 125.20 (6), a "Class A" license may not be issued to any person who holds, or has an interest in a permittee holding, any of the following:

1. A wholesaler's permit issued under s. 125.28 or 125.54.
2. A brewer's permit issued under s. 125.29.
3. A brewpub permit issued under s. 125.295.
4. A winery permit issued under s. 125.53.
5. A manufacturer's or rectifier's permit issued under s. 125.52.
6. An out-of-state shipper's permit issued under s. 125.30 or 125.58.

(f) Subject to s. 125.20 (6), a "Class B" license or permit or "Class C" license may not be issued to any person who holds, or has an interest in a permittee holding, any of the following:

1. A wholesaler's permit issued under s. 125.28 or 125.54.
2. A brewer's permit issued under s. 125.29.
3. Except as provided in s. 125.295 (1) (h), (2) (a) 6. e., and (3) (c), a brewpub permit issued under s. 125.295.
4. A winery permit issued under s. 125.53.
5. A manufacturer's or rectifier's permit issued under s. 125.52.
6. An out-of-state shipper's permit issued under s. 125.30 or 125.58.

SECTION 277. 125.69 (1) (a) 5., (b) 5., (c) 9. and (d) 5. of the statutes are created to read:

125.69 (1) (a) 5. A no-sale event venue permit issued under s. 125.24.

(b) 5. A no-sale event venue permit issued under s. 125.24.

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(c) 9. A no-sale event venue permit issued under s. 125.24.

(d) 5. A no-sale event venue permit issued under s. 125.24.

SECTION 278. 125.69 (4) (e) of the statutes is amended to read:

125.69 (4) (e) *Costs.* The cost of administering this subsection shall be charged to the manufacturer, rectifier and wholesaler permittees. The ~~department~~ division shall determine the costs and shall establish the procedure for apportioning the cost against the permittees and provide for the method of payment to the ~~department~~ division.

SECTION 279. 125.69 (7) of the statutes is amended to read:

125.69 (7) LICENSE OR PERMIT REVOCATION. The violation of sub. (1), (3) or (5), or s. 125.20 (5) (d) as it relates to sub. (1), is sufficient cause for the revocation of the license or permit of any licensee or permittee receiving the benefit from the prohibited act as well as the revocation of the license or permit of the licensee or permittee committing the prohibited act.

SECTION 280. 125.69 (9) of the statutes is created to read:

125.69 (9) PROVIDING TASTE SAMPLES ON RETAIL PREMISES. (a) Subject to par. (e), with the consent of the “Class A,” “Class B,” or “Class C” licensee, a winery, manufacturer, or rectifier may provide, free of charge, on “Class A,” “Class B,” or “Class C” premises, taste samples of intoxicating liquor to any person who has attained the legal drinking age for consumption on the premises between the hours of 11 a.m. and 7 p.m.

(b) A taste sample of wine may not exceed 3 fluid ounces and a person may not receive more than 2 taste samples of wine per day. A taste sample of intoxicating

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liquor other than wine may not exceed 0.5 fluid ounces and a person may receive not more than one taste sample of such intoxicating liquor per day.

(c) A winery, manufacturer, or rectifier may provide taste samples of any intoxicating liquor purchased from the retail licensee or of any intoxicating liquor the winery, manufacturer, or rectifier produced on premises covered by its winery permit, manufacturer's permit, or rectifier's permit and brings to the retail premises, but the winery, manufacturer, or rectifier may not leave at the retail premises any unused intoxicating liquor not purchased from the retail licensee.

(d) Any representative of a manufacturer, rectifier, or winery issued a permit under s. 125.52 or 125.53 may assist the retail licensee in dispensing or serving the taste samples.

(e) This subsection authorizes taste samples only of wine on "Class C" licensed premises.

SECTION 281. 139.01 (2p) of the statutes is created to read:

139.01 (2p) "Division" means the division of alcohol beverages in the department.

SECTION 282. 139.01 (4) of the statutes is amended to read:

139.01 (4) "License," and "fermented malt beverages" have the same meaning as in s. 125.02, and "licensed premises" are premises described in licenses and permits issued by the ~~department~~ division, cities, villages, or towns under the authority of said section, other than a permit issued under s. 125.175.

SECTION 283. 139.01 (4) of the statutes, as affected by 2023 Wisconsin Act (this act), is amended to read:

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139.01 (4) “License,” and “fermented malt beverages” have the same meaning as in s. 125.02, and “licensed premises” are premises described in licenses and permits issued by the division, cities, villages, or towns under the authority of said section, other than ~~a permit~~ permits issued under ~~s. ss. 125.175 and 125.24~~.

SECTION 284. 139.01 (6) of the statutes is amended to read:

139.01 (6) A “rectifier” is a person who rectifies, purifies or refines distilled spirits or wines by any process other than by original and continuous distillation from mash, wort or wash, through continuous closed vessels or pipes, until the manufacture thereof is complete, or who has in his or her possession any still or leach tub or keeps any other apparatus for the purpose of refining in any manner distilled spirits or the other liquors, or who after rectifying and purifying distilled spirits, by mixing such spirits or liquors with any materials, manufactures any spurious, imitation or compound liquors for sale, and any person who, without rectifying, purifying or refining distilled spirits, by mixing such spirits with any materials, manufactures any spurious, imitation or compound liquors for sale under the name of “whiskey,” “brandy,” “gin,” “rum,” “spirits,” “cordials” or any other name, and who is also a distiller or is under substantially the same management or control as a distiller. A rectifier may sell at wholesale intoxicating liquors rectified by him or her without any other license than that of a rectifier. “Rectifier” does not include a “Class B” licensee that prepares, stores, or dispenses mixed drinks in advance of sale in compliance with s. 125.51 (3) (bg).

SECTION 285. 139.03 (5) (a) of the statutes is amended to read:

139.03 (5) (a) No person who enters this state from another state may have in

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his or her possession and bring into the state any intoxicating liquor or wine. The prohibition in this paragraph does not apply to a person who changes his or her domicile from another state or a foreign country to this state and who brings into this state intoxicating liquor and wine constituting household goods. The prohibition in this paragraph does not apply to intoxicating liquor or wine consigned to any person having a permit from the ~~secretary~~ division to engage in the sale of such intoxicating liquor or wine.

SECTION 286. 139.04 (4) of the statutes is amended to read:

139.04 (4) Sale or shipment of fermented malt beverages by a brewer to a bottler or between brewers, or of intoxicating liquor, whether in bulk or any state of packaging, between manufacturers, rectifiers, and wineries.

SECTION 287. 139.06 (3) of the statutes is amended to read:

139.06 (3) In shipping intoxicating liquor, whether in bulk ~~for the purpose of bottling or rectifying to a rectifier located within the state or in any state of packaging, to a manufacturer or rectifier holding a permit under s. 125.52, the manufacturer or rectifier shall securely affix thereto a label or statement, in such form as is prescribed by the secretary, reciting that the shipment is made for the purpose of bottling or rectifying a tax-exempt transfer between producers as authorized under s. 139.04 (4).~~ Each manufacturer or rectifier making such shipments shall file an information report that shows the dates and quantities of shipments and the name and address of each consignee.

SECTION 288. 139.08 (3) of the statutes is amended to read:

139.08 (3) POLICE POWERS. The department ~~of revenue~~ shall enforce and the

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duly authorized employees of the department shall have all necessary police powers to prevent violations of s. 134.65; and this subchapter ~~and ch. 125~~.

SECTION 289. 139.08 (4) of the statutes is amended to read:

139.08 (4) INSPECTION FOR ENFORCEMENT. Duly authorized employees of the department of justice and the department of revenue and any sheriff, police officer, marshal, or constable, within their respective jurisdictions, may at all reasonable hours enter any licensed premises, and examine the books, papers, and records of any brewer, brewpub, manufacturer, bottler, rectifier, wholesaler, or retailer, for the purpose of inspecting the same and determining whether the tax and fee imposed by ss. 139.01 to 139.25 have been fully paid, and may inspect and examine, according to law, any premises where fermented malt beverages or intoxicating liquors are manufactured, sold, exposed for sale, possessed, or stored, for the purpose of inspecting the same and determining whether the tax imposed by ss. 139.01 to 139.25 has been fully paid, and whether ss. 139.01 to 139.25 ~~and ch. 125~~ are being complied with. Any refusal to permit such examination of such premises is sufficient grounds under s. 125.12 for revocation or suspension of any license or permit granted for the sale of any fermented malt beverages or intoxicating liquors and is punishable under s. 139.25 (10).

SECTION 290. 139.08 (5) of the statutes is created to read:

139.08 (5) RETENTION OF CERTAIN RECORDS. Notwithstanding any retention schedule established for the department's records under s. 16.61, the department shall retain for 3 years after receipt by the department all reports submitted to the

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division under ss. 125.22 (2) and 125.23 (5) and all records received by the division relating to these reports.

SECTION 291. 139.11 (1) of the statutes is amended to read:

139.11 (1) PRESERVATION OF RECORDS. Every person who manufactures, rectifies, distributes, imports, transports, stores, warehouses, or sells intoxicating liquor or fermented malt beverages shall keep complete and accurate records of all such liquor or malt beverages purchased, sold, manufactured, rectified, brewed, fermented, distilled, produced, stored, warehoused, imported, or transported within this state. Such records shall be of a kind and in the form prescribed by the secretary and shall be safely preserved to ensure accessibility for inspection by the secretary or by the division as provided in s. 125.025 (3). A person required to keep records under this subsection may keep such records in electronic form only. Any common carrier or fulfillment house required to submit reports under s. 125.22 or 125.23 shall maintain, for 3 years, all records related to the reports or otherwise required to be kept under this subsection.

SECTION 292. 139.11 (4) (a) 2. of the statutes is amended to read:

139.11 (4) (a) 2. A current list, available on paper and on the department's Internet site, providing detailed information regarding every person issued a wholesalers permit under s. 125.28, brewers permit under s. 125.29, brewpub permit under s. 125.295, or out-of-state shippers permit under s. 125.30. The information provided under this subdivision shall include the name and address of the permit holder and the date on which the ~~department~~ division issued the permit.

SECTION 293. 139.11 (4) (b) 2. of the statutes is amended to read:

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139.11 (4) (b) 2. A current and regularly updated list, made available on paper and on the department's Internet website, of permit holders that minimally includes detailed information on the name, address, contact person, and date of permit issuance for every common carrier permit issued under s. 125.22, fulfillment house permit issued under s. 125.23, manufacturer's and rectifier's permit issued under s. 125.52, winery permit issued under s. 125.53, direct wine shipper's permit issued under s. 125.535, wholesaler's permit issued under s. 125.54, and out-of-state shipper's permit issued under s. 125.58.

SECTION 294. 139.22 of the statutes is amended to read:

139.22 Confiscation. If a duly authorized employee of the department of revenue or the department of justice or any sheriff, police officer, marshal, or constable, within his or her respective jurisdiction, discovers any fermented malt beverages upon any premises other than the premises of a brewer, brewpub, or bottler, or any intoxicating liquor upon any premises other than the premises of a manufacturer, rectifier, winery, or wholesaler, and upon which the tax has not been paid or which was possessed, kept, stored, manufactured, sold, distributed, or transported in violation of ss. 139.01 to 139.25 ~~and ch. 125~~, the employee or any such officer may immediately seize the fermented malt beverages or intoxicating liquors. Any such fermented malt beverages or intoxicating liquors so seized shall be ~~held~~ transferred by the department of revenue to the division and disposed of under s. 125.14 (2) (e).

SECTION 295. 139.25 (9) of the statutes is amended to read:

139.25 (9) FAILURE TO KEEP RECORDS. Failure to comply with s. 139.11 (1)

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shall carry a penalty of revocation by the ~~secretary of revenue~~ division of the license or permit.

SECTION 296. 185.043 (2) of the statutes is amended to read:

185.043 (2) If the cooperative is formed for purposes of operating as a small ~~winery~~ cooperative wholesaler under s. 125.545, 3 or more individuals, at least one of whom must be a resident and all of which must be owners of small wineries or small manufacturers certified by the division of alcohol beverages in the department of revenue under s. 125.545 (6) (a), may form a cooperative by signing, acknowledging, and filing articles. Membership in a cooperative formed under this subsection is limited to small wineries or small manufacturers certified by the ~~department of revenue~~ division of alcohol beverages under s. 125.545 (6) (a).

SECTION 297. 227.52 (1) of the statutes is amended to read:

227.52 (1) Decisions of the department of revenue ~~other than decisions relating to alcohol beverage permits issued under ch. 125.~~

SECTION 298. 230.08 (2) (e) 11. of the statutes is amended to read:

230.08 (2) (e) 11. Revenue — ~~7~~ 8.

SECTION 299. 346.657 (1) of the statutes is amended to read:

346.657 (1) If a court imposes a fine or a forfeiture for a violation of s. 346.63 (1) or (5), or a local ordinance in conformity therewith, or s. 346.63 (2) or (6) or 940.25, or s. 940.09 where the offense involved the use of a vehicle, it shall impose a safe ride program surcharge under ch. 814 in an amount of ~~\$50~~ \$75 in addition to the fine or forfeiture, plus costs, fees, and other surcharges imposed under ch. 814.

SECTION 300. Tax 8.87 of the administrative code is repealed.

ASSEMBLY BILL 304**SECTION 301. Nonstatutory provisions.**

(1) TRANSFER OF ALCOHOL BEVERAGES REGULATION AND ENFORCEMENT FUNCTIONS.

(a) *Definitions.* In this subsection:

1. “Department” means the department of revenue.
2. “Division” means the division of alcohol beverages in the department.
3. “Secretary” means the secretary of revenue.

(b) *Assets and liabilities.* On the effective date of this paragraph, the assets and liabilities of the department primarily related to alcohol beverages regulation and enforcement under ch. 125, as determined by the secretary, become the assets and liabilities of the division.

(c) *Tangible personal property.* On the effective date of this paragraph, all tangible personal property, including records, of the department that is primarily related to alcohol beverages regulation and enforcement under ch. 125, as determined by the secretary, is transferred to the division.

(d) *Contracts.* All contracts entered into by the department in effect on the effective date of this paragraph that are primarily related to alcohol beverages regulation and enforcement under ch. 125, as determined by the secretary, remain in effect and are transferred to the division. The division shall carry out any obligations under those contracts unless modified or rescinded by the division to the extent allowed under the contract.

(e) *Position and employee transfers.* On the effective date of this paragraph, all positions, and the incumbent employees who hold those positions, in the

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department with duties that are primarily related to alcohol beverages regulation and enforcement under ch. 125, as determined by the secretary, are transferred to the division.

(f) *Employee status.* Employees transferred under par. (e) have all the rights and the same status under ch. 230 in the division that they enjoyed in the department immediately before the transfer. Notwithstanding s. 230.28 (4), no employee transferred under par. (e) who has attained permanent status in class is required to serve a probationary period.

(g) *Rules and orders.* All rules promulgated by the department that relate to alcohol beverages regulation and enforcement under ch. 125 and that are in effect on the effective date of this paragraph remain in effect until their specified expiration dates or until amended or repealed by the division. All orders issued by the department that relate to alcohol beverages regulation and enforcement under ch. 125 and that are in effect on the effective date of this paragraph remain in effect until their specified expiration dates or until modified or rescinded by the division.

(h) *Pending matters.* Any matter pending with the department on the effective date of this paragraph that is primarily related to alcohol beverages regulation and enforcement under ch. 125, as determined by the secretary, is transferred to the division. All materials submitted to or actions taken by the department with respect to the pending matters are considered as having been submitted to or taken by the division.

(i) *Fees.* All fees established by the department related to permits issued

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under ch. 125 that are in effect on the day before the effective date of this paragraph shall remain in effect until modified or rescinded by the division.

(j) *Secretary to develop plan for orderly transfer.* The secretary shall develop a plan for an orderly transfer from the department to the division and shall resolve any disagreement between the department and the division with respect to any matter specified in this subsection. The secretary's plan for orderly transfer shall include the transfer of positions under par. (e) plus the transfer of a sufficient number of currently vacant authorized FTE positions in the department to total 20.0 FTE positions in the division as well as initial staffing assignments in the division.

(2) TRANSITION; PERMIT ISSUER. On the effective date of this subsection, any permit issued by the department of revenue under ch. 125 prior to the effective date of this subsection shall be considered to have been issued by the division of alcohol beverages.

(3) EXPIRATION OF RETAIL LICENSES HELD BY PRODUCERS. Notwithstanding s. 125.04 (11) (b), any retail license issued under ch. 125 to a winery or a brewer shall expire on the effective date of this subsection and the license shall be nonrenewable.

(4) RETAIL CLOSING HOUR EXCEPTION FOR 2024 NATIONAL POLITICAL CONVENTION.

(a) In this subsection:

1. "Convention period" means the period beginning on the first day of a national political convention held in Milwaukee in the summer of 2024 until the day after the convention's last day.

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2. “Municipality” has the meaning given in s. 125.02 (11).

3. “Southeast Wisconsin municipality” means a municipality any part of which is located within Kenosha, Racine, Walworth, Rock, Milwaukee, Waukesha, Jefferson, Dane, Ozaukee, Washington, Dodge, Columbia, Sheboygan, or Fond du Lac County.

(b) 1. Notwithstanding s. 125.32 (3) (a), but subject to subds. 2. and 3., during the convention period, the closing hours for premises operating under a Class “B” license issued by a southeast Wisconsin municipality shall be between 4 a.m. and 6 a.m.

2. A southeast Wisconsin municipality may establish a process to designate, and may so designate, any licensee holding a license issued by the southeast Wisconsin municipality and to which subd. 1. would otherwise apply as ineligible or disqualified for the extended closing hour specified in subd. 1.

3. Notwithstanding s. 125.32 (3) (d), a southeast Wisconsin municipality may, by ordinance adopted after the effective date of this subdivision, opt out of subd. 1. and retain during the convention period the closing hours specified in s. 125.32 (3) (a).

(c) 1. Notwithstanding s. 125.68 (4) (c) 1., but subject to subds. 2. and 3., during the convention period, the closing hours for premises operating under a “Class B” or “Class C” license issued by a southeast Wisconsin municipality shall be between 4 a.m. and 6 a.m.

2. A southeast Wisconsin municipality may establish a process to designate, and may so designate, any licensee holding a license issued by the southeast

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Wisconsin municipality and to which subd. 1. would otherwise apply as ineligible or disqualified for the extended closing hour specified in subd. 1.

3. Notwithstanding s. 125.68 (4) (c) 5., a southeast Wisconsin municipality may, by ordinance adopted after the effective date of this subdivision, opt out of subd. 1. and retain during the convention period the closing hours specified in s. 125.68 (4) (c) 1.

(d) 1. Notwithstanding ss. 125.29 (8) (a), 125.52 (5) (a), and 125.53 (4) (a), but subject to subds. 2. and 3., during the convention period, the closing hours for a full-service retail outlet under s. 125.29 (7), 125.52 (4), or 125.53 (3), and the on-premises sales hours on brewery premises, manufacturing or rectifying premises, and winery premises, operating in a southeast Wisconsin municipality shall be between 4 a.m. and 6 a.m.

2. A southeast Wisconsin municipality may establish a process to designate, and may so designate, premises in the municipality of any permittee under s. 125.29, 125.52, or 125.53 to which subd. 1. would otherwise apply as ineligible or disqualified for the extended closing hour specified in subd. 1.

3. A southeast Wisconsin municipality may, by ordinance adopted after the effective date of this subdivision, opt out of subd. 1. and retain during the convention period the closing hours specified in ss. 125.29 (8) (a), 125.52 (5) (a), and 125.53 (4) (a), as unaffected by par. (b).

SECTION 302. Initial applicability.

(1) SAFE RIDE SURCHARGE. The treatment of s. 346.657 (1) first applies to violations committed on the effective date of this subsection.

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(2) JURISDICTION OVER OUT-OF-STATE PERMITTEES. The treatment of s. 125.535 (3) (b) 3., (c), (d), and (e), the renumbering of ss. 125.30 (3) and 125.58 (2), the amendment of s. 125.30 (2), and the creation of ss. 125.30 (2) (d) and (3) (b) and 125.58 (2) (b) and (c) first apply with respect to permits issued after the effective date of this subsection.

SECTION 303. Effective dates. This act takes effect on the first day of the 5th month beginning after publication, except as follows:

(1) NO-FEE EVENT VENUE PERMITS; CONSUMPTION OF ALCOHOL IN PUBLIC PLACES. The treatment of ss. 125.02 (14m) (by SECTION 13), 125.09 (1) (b) and (c), 125.24, 125.51 (4) (v) 5., and 139.01 (4) (by SECTION 283), the renumbering and amendment of s. 125.09 (1), the amendment of ss. 125.04 (8) (b) and 125.20 (5) (c) and (d), and the creation of ss. 125.28 (2) (b) 1. j., 125.29 (2) (a) 6., 125.295 (2) (a) 6. g., 125.30 (3) (c) 5., and 125.69 (1) (a) 5., (b) 5., (c) 9., and (d) 5. take effect on the first day of the 11th month beginning after publication.

(2) ADMINISTRATIVE RULES. The repeal of s. Tax 8.87, Wis. Adm. Code, takes effect as provided in s. 227.265.

(END)