



TYLER VORPAGEL

STATE REPRESENTATIVE • 27TH ASSEMBLY DISTRICT

Assembly Bill 434: relating to the issuance by the Department of Revenue of retail alcohol beverage permits for motor vehicle racetrack grounds, authorizing caterers to make retail sales of alcohol beverages on racetrack grounds, and hours for retail sales by brewers.

Testimony of State Representative Tyler Vorpapel

Assembly Committee on State Affairs

September 25, 2019

Thank you, Chairman Swearingen, Ranking Member Sinicki and committee members, for your time listening to testimony on a bill that is very important to my district.

Over two years ago I was contacted by Road America, a four-mile race track founded in 1955, to solidify their liquor licenses. Road America is a unique experience that you can't find elsewhere in the state of Wisconsin. The racetrack is located in both the Town of Rhine and the Town of Plymouth, providing a unique situation as far as obtaining a liquor license. In addition have not had a Class B liquor license available in years. They would like to continue to operate their business with assurance that a Class B license will consistently be available to them.

There are currently 11 concessions stands on the property that are operated by local groups, including non-profits and local businesses. Because there are no Class B Licenses available, they have been receiving their license using the banquet facility and a picnic license.

My legislation specifically carves out Road America's property and allows them to obtain a Class B permit from the Department of Revenue. We've defined "racetrack grounds" as at least 300 acres containing a motor vehicle racetrack at least four miles in length and capable of hosting professional racing events, making Road America the only venue able to apply for this permit.

We also ensured their Road America's sponsors have the ability to have a cash bar by allowing an exception that caterers can do a face-to-face transaction off licensed premises.

Road America is a very unique experience that I have in my district, and I want to help them continue to operate in the years to come and be a successful tourism business in Wisconsin



DEVIN LEMAHIEU

STATE SENATOR

Assembly Committee on State Affairs Assembly Bill 434: Road America Legislation

Chairman Swearingen & Members,

Thank you for today's hearing on Assembly Bill 434. Through this legislation, Representative Vorpapel and I are seeking to protect the economic vitality of a premier tourist destination in our district: Road America.

Road America attracts 800,000 visitors per year from across the globe. It hosts more than 400 events per year, including multiple activities on the same day. Economic impact studies suggest the racetrack and related activities generate more than \$100 million annually. Road America is critical to the tourism industry for Sheboygan County and the surrounding area.

Unfortunately, a recent review showed that their existing license structure for serving alcoholic beverages is inadequate. As a result, Road America requested legislation to provide regulatory certainty for their organization.

This bill creates a special liquor license exclusively for Road America. Road America straddles two municipalities that do not have any liquor licenses available. Under this special license, caterers will be able to serve beer and liquor on the racetrack grounds. Similar exceptions already exist under current law for the National Railroad Museum and Heritage Hill State Park. Finally, the bill clarifies that breweries serving alcohol must close by 2AM on weekdays and 2:30AM on weekends. This change ensures parity with bars and restaurants and corrects an oversight from 2011 Wisconsin Act 32.

Last session, this committee unanimously approved legislation to approve a liquor license exemption for the Ozaukee County Fairgrounds. That bill passed both houses without opposition and is now 2017 WI Act 95. The new law ensured that the Ozaukee County Fairgrounds could continue hosting the same events it had hosted for several years prior. I would appreciate the same bipartisan support for 2019 Assembly Bill 434.

Thank you for your consideration. I am happy to answer questions.

September 25, 2019
Assembly Bill 434



TESTIMONY OF MIKE KERTSCHER BEFORE THE ASSEMBLY COMMITTEE ON STATE AFFAIRS

Chairman Swearingen and Members of the Committee,

Thank you for the opportunity to testify today in support of Assembly Bill 434.

My name is Mike Kertscher and I am the President and General Manager of Road America. I'm a resident of Sheboygan County and have been employed at Road America in various capacities for over 15 years.

Road America is an internationally known venue that is regarded by many to be one of the premier Road Racing circuits in North America.

The track has a rich history which started racing around Elkhart Lake in 1950. The track in its current location will be celebrating its 65th birthday in 2020.

RA is owned by over 500 shareholders and governed by a 12-member Board comprised of well-known local and national business leaders.

A 2016 study commissioned by Lakeland University stated that Road America's direct economic impact totaled more than \$74 million and indirect impact to the regional economy equated to over \$134 million annually.

Profits from operations are reinvested into the facility as improvements annually as RA shareholders typically don't receive dividends. Shares are publicly held, but privately traded and are frequently passed from generation to generation.

The facility hosts over 500 events per year and we work with some of the most prestigious motorsports sanctioning bodies including Indy Car, Nascar, IMSA, MotoAmerica and World Challenge.

The massive facility includes over 600 acres of property and nearly 10 miles of access roads which span through two different townships.

There are permanent concession stands throughout the property that serve a variety of Wisconsin favorites.

Over the last 10 years the track has diversified greatly. In addition to great races the facility hosts a wide range of hospitality type functions including weddings, charity functions, corporate retreats and company picnics.

A team of 25 full-time year-round employees run the facility with help from over 500 seasonal staff throughout the summer months.

A full-time security director who is also a part time police officer is employed and manages a dedicated team of operations personnel.

Also employed is a year-round safety director who leads a team of well over 100 EMT's and firefighters who assist with various large-scale events.

Road America is equipped with its own medical center which employs and staffs' nurses and doctors at all large public events.

Large scale race events sometimes bring lavish hospitality builds which in some cases are temporary structures that feature full climate control, glass windows, elevators and upscale amenities.

As part of race day offerings, the facility is equipped with a VIP tower that features hospitably suites for upscale entertaining opportunities.

Part of the recent business development initiatives include a banquet facility which hosts year-round events.

Road America's business model continues to evolve resulting in growth in business and Wisconsin's economy.

On behalf of our Shareholders, Board of Directors and race fans I'd like to thank you for holding this hearing and allowing us to speak regarding this important piece of legislation. We hope that our testimony today allows you to support assembly bill 434.

TESTIMONY OF TONY RESIMIUS BEFORE THE ASSEMBLY COMMITTEE ON STATE AFFAIRS

September 25, 2019

Assembly Bill 434

Chairman Swearingen and Members of the Committee –

Thank you for the opportunity to testify today in support of Assembly Bill 434.

My name is Tony Resimius. I am an attorney based in Sheboygan County and a resident of Sheboygan County. I have the privilege of providing legal services to Road America.

As you have heard in testimony today or as you will hear in testimony later today, Road America is very important to Sheboygan County and is very unique in the way it operates. This unique method of operation is what makes this legislation important for the future of Road America.

Under Wisconsin law, municipalities may issue retail Class “B” licenses authorizing the sale of fermented malt beverages (beer) to consumers and may issue retail Class “B” licenses authorizing the sale of intoxicating liquor (which includes wine and distilled spirits) to consumers. Road America is unique in that its racetrack grounds is located in two municipalities – the Town of Rhine and the Town of Plymouth. Road America is also unique in that it does not have one location in which alcohol and food is served. Instead, it works with over ten concessionaires who serve alcohol and food at over ten different locations along Road America’s over four mile long race track. In addition, Road America works with caterers who serve the food and alcohol needs of race teams, corporate sponsors, and others.

The unique nature of Road America’s business doesn’t fit neatly into the current system in which municipalities issue liquor licenses. Assembly Bill 434 will help bring legal clarity to the serving of alcohol at Road America. This legal clarity will help eliminate uncertainty for Road America, its concessionaires, and its caterers. Specifically, the Bill authorizes the Department of Revenue to issue alcohol permits for the Road America racetrack grounds. The Bill also authorizes caterers to make retail sales of alcohol beverages on the Road America racetrack grounds.

Road America has had the opportunity to review Assembly Bill 434 and meet with groups such as the Association of Wisconsin Tourism Attractions and the Tavern League of Wisconsin to discuss the Bill. After meeting with these groups, it has become even clearer to Road America that this legislation is important to provide legal certainty for its unique business operation.

Thank you for holding a public hearing on this important piece of legislation. I hope you will join me in supporting Assembly Bill 434.

Good Afternoon,

My name is Mike Froh and I reside in Elkhart Lake. I am currently a licensed insurance agent and have been since 1971. I was one of the owners of a large independent insurance agency in Sheboygan and , in addition, am a past president of the Independent Insurance Agents of Wisconsin. I have served as an insurance advisor to Road America for 30 years. In that role, I provide risk management services, review loss control procedures, assist with the placement of insurance policies and am also involved in claim mitigation when needed.

I am past president of the Milwaukee Region – Sports Car Club of America and, in that capacity, have helped organize and conduct races at Road America. I also hold an SCCA completion license and for the past 48 years have competed in races held at Road America and racing venues throughout the Midwest.

My experiences with the race track have given me the unique opportunity to observe and work closely with Road America management. This experience, in turn, has given me a clear understanding of the operation of the facility. By the very nature of motor sports, management must be extremely conscious of protecting the safety of their competitors, employees, sponsors and particularly their large fan base. Security and crowd control are an integral part of the operations. To this end, food and beverage-stand operators are thoroughly trained in order to enhance the fan experience while avoiding the possibility

of over serving the clients of Road America. The grounds and facilities of the track are also meticulously maintained throughout the year. Considering the hundreds of thousands of people who attend Road America events annually, there have been very few alcohol-related incidents in the past. As an example, over the last 20 years, I have helped organize and operate spectator touring. This event allows fans to drive their own cars on the race track during select events. During those 20 years, I have never had a problem with an alcohol-impaired driver. The typical Road America fan is serious about both their vehicle and motor sports racing. They don't spend the amount of money – nor travel the long distances they do to attend the races - to create problematic incidents.

Road America is in the entertainment business and sponsorship and corporate hospitality are an important part of successfully operating a facility like theirs. The ability to serve alcoholic beverages across the grounds of the entire race track and allowing caterers to serve alcohol during events held at the various on-site venues will allow the track to pursue additional hospitality and sponsorship opportunities in the future.

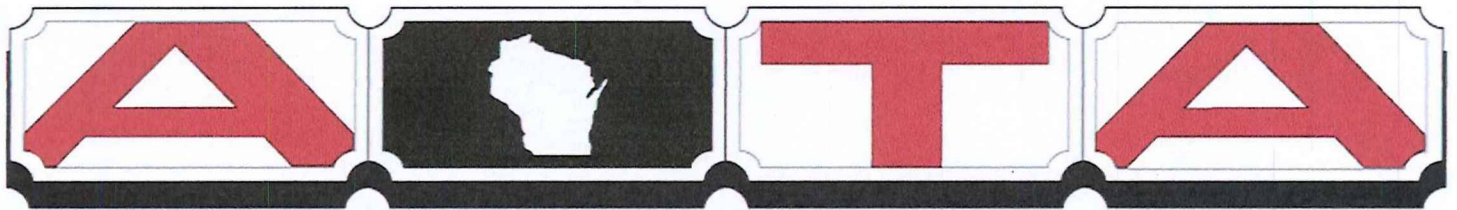
I strongly encourage you to support the passage of AB434. I feel that Road America management will carefully monitor and regulate this responsibility. The passage of the bill will allow Road America to better serve their clients and will also contribute to the economic

well-being of the Sheboygan County area as well as our
great State of Wisconsin.

Thank you.

Respectfully,

Michael K. Froh



Association of Wisconsin Tourism Attractions

560 Wisconsin Dells Parkway Wisconsin Dells, WI 53965 (608) 254-2525 • FAX (608) 254-6103
E-mail: info@wiattraction.com www.wiattraction.com

September 25, 2019

To: Chairman Rob Swearingen and Members of the Assembly Committee on State Affairs
From: Eric Knight, Executive Director of the Association of Wisconsin Tourism Attractions
Re: Support of Assembly Bill 434

Tourism is a vital component of the Wisconsin economy. Visitors generated \$21.6 billion in 2018 in local sales and \$1.6 billion in state and local taxes. The Association of Wisconsin Tourism Attractions (AWTA) members contribute a big part of the revenue generated.

Next year will be Road America's 65th Anniversary of continuous operation in Wisconsin. Hosting over 500 events per year with over 800,000 visitors per year Road America has established itself as a significant economic driver in Sheboygan County with an economic impact of around \$75 million. As we know, attractions in Wisconsin help drive sales at neighboring restaurants, encourages hotel stays, and boosts sales at all surrounding Wisconsin businesses.

Tourism attractions in Wisconsin are also a major driver of employment in Wisconsin. Road America has over 23 fulltime staff and employ over 500 seasonally.

We support AB 434 because it allows Road America to continue to improve operations. As an established and significant tourism attraction in Wisconsin, it is vital for our economy that we continue to allow them the tools that attract people to this state.

For further information, please contact Eric Knight at 608.772.0661 or email at etk@knightpublicaffairs.com.