



Department of Administration
Intergovernmental Relations Division

Tom Barrett
Mayor

Sharon Robinson
Director of Administration

Kimberly Montgomery
Director of Intergovernmental Relations

City of Milwaukee Testimony on AB-32
Assembly Committee on State Affairs

February 10, 2021

RE: City of Milwaukee request to amend AB-32, relating to the retail sale of intoxicating liquor by the glass for consumption away from the licensed premises.

Chairman Swearingen and committee members, my name is Jim Bohl and I am with the Intergovernmental Relations Division of the City of Milwaukee. I appreciate the opportunity to testify today on Assembly Bill 32. There are a couple of measures in this bill being heard today which the City sees as potentially beneficial, including efforts to weigh eased access of legal alcoholic beverage purchases by consumers, along with the desire to assist struggling businesses during the economic turmoil we are facing. However, there is one specific issue that looms large over the ramifications of this bill, and that is the expansion of a state alcoholic beverage purchase mandate which preempts local control.

The City has concern that the changed policy being sought through this bill is being expressed as a fix for an economic situation that we hope is short-lived. Nonetheless, the impacts of the decision being weighed, including the possible increase of illegal consumption of alcoholic beverages while driving and the expanded hours upon which off premise alcohol beverage purchases can be made, should not be done lightly. It is locally where problems from these decisions may arise and it is locally where the legal purchases of alcoholic beverages are best decided.

Regarding AB-32, the City hopes the bill can be amended to establish it as enabling legislation. We further request that it be changed to allow for consistency in hours with other existing local retail alcohol sales. Again, our issue is not so much with giving restaurants, taverns and supper clubs a means of financial benefit by permitting to-go sales of sealed, mixed hard liquor and wine drinks by the glass, or consumers the ability to make these purchases for safe

consumption in their homes. The concern is inconsistency with current state and local alcohol sales laws.

Authorization under the statutes already exists from 2019 Wis. Act 6 for “Class B” establishments to provide pre-packaged retail purchases of hard spirits and bottles of wine if a municipality elects to allow it by ordinance enactment. What the proposed legislation in AB-32 does as currently written is circumvent a municipality’s ability to allow to go sales of intoxicating liquor and wine in another form—by the glass purchases.

Local governments should be able to decide whether or not they believe alcohol sales in a single glass container, even if sealed at the onset of a purchase, might impact open consumption in a vehicle. Furthermore, this bill allows for bars and restaurants to bypass the current 9:00 pm ordinance for Milwaukee, and other local retail closure laws, for retail intoxicating sales off premise otherwise restricted to establishments with “Class A”, Class “B” or “Class C” licenses (i.e., retail liquor stores, wineries and grocery establishments). In effect, this bill would permit “Class B” licensees to allow purchases of hard liquor for take home consumption up to bar time. Lastly, the City has concerns about any potential gross violations that might come by this policy. Violations could be weighed only by suspension or wholesale non-renewal or revocation of an entire “Class B” license. If authorized locally, a municipality could elect to allow to-go sales of mixed spirits and wine by the glass as an addendum to a license, much like similar authorization is given for extension of a premise at restaurants or bars in places like Milwaukee. If violations were to occur that were specific to the take out sales policy, a municipality could simply opt to remove that authority without jeopardizing the overall premises license.

In summary, the City of Milwaukee has interest in considering take out sales of mixed spirits and wine by the glass for “Class B” establishments but believes it should be able to thoughtfully weigh the merits before enacting such a policy locally. We believe that not only should consistency hold with established state laws governing off-premise sales of intoxicating liquor, including the hours of sale, but that the decisions like this are best left as an option for local governments to determine for themselves. We therefore request that AB-32 be amended to reflect the changes we are seeking.

I thank you for the ability to testify here today and stand ready for any questions you may have.



January 24, 2021

From the desk of Mayor Ken Tutaj

**2021 - 2022 LEGISLATURE
2021 BILL**

To Wisconsin State Senators and Representatives, I Ken Tutaj –Mayor of St. Francis
WI.53235,

Whole heartily support this bill to help out the Bars and Restaurants in the state of
Wisconsin that have been devastated by Covid – 19.

I also believe this bill needs to pass as soon as possible!

**AN ACT to amend 125.51 (3) (a), 125.51 (3) (am) and 125.51 (3) (b); and to create
125.02 (20g) of the statutes; relating to: the retail sale of intoxicating liquor
By the glass for consumption away from the licensed premises.**

Sincerely,

Mayor
Ken Tutaj

A handwritten signature in cursive script that reads "Ken Tutaj".



Main Street Alliance of Wisconsin

Building a powerful, progressive, small business voice

Dear Members of the Assembly Committee on State Affairs-

Main Street Alliance members from across Wisconsin support Assembly Bill 32 and urge swift passage in this committee and on the floor of the Assembly. We are encouraged that this legislation is already bi-cameral and has robust bi-partisan support, including some of the most conservative and some of the most liberal members of the State House.

Wisconsin small businesses are still hurting. Our members have worked hard to keep themselves, their staff and communities safe by going curbside only or limiting in store capacity. We deeply appreciate this legislation which will help our members and small, main street businesses access to a much-needed additional form of revenue. Many bars and restaurants across our state have thousands, sometimes tens of thousands of dollars worth of inventory that they have not been able to utilize for months due to existing regulation. This bill would address that and help provide help all across our state.

That said, there is still more to do. Small businesses in Wisconsin need more access to capital, grants and support to make it through the next few months until the vaccine is more widely available. We urge the Senate and Assembly to compromise with the Governor to come up with a solution to COVID aid, especially in the case of workshare, direct grant aid, and continuing to give employers, local governments and others the flexibility needed to keep us safe.

We urge a swift vote in favor in Support of Assembly Bill 32.

I have included two additional pieces of testimony from our members, as well as a letter of support. Thank you.

Ryan Clancy/Becky Cooper Clancy, Bounce MKE and Fling MKE

We speak today as a founding member of the Progressive Restaurants and Activists of Wisconsin Network, a board member of the Milwaukee Independent Restaurant Coalition, as the owners of a small bar and restaurant, and as concerned members of the community.

This is a solid, commonsense bill which benefits our industry, our employees and our community.

We are in support of this just as we were last year, when it was authored by Senator Larson. Cocktails have higher margins than many other items sold in bars and restaurants, and often mean the difference between eking out a small profit and going under. Had this bill gotten your support when it came from the other side of the aisle in 2020, more restaurants might have survived thus far. More bartenders and support staff might still be working, and more small businesses would have been able to afford to do the right thing, to remain open only for pickup or delivery, and to have kept our dining rooms closed as public health officials have been begging us to do.

As it was, as small business owners we were forced to choose between paying our bills and employees and protecting the public health. Our employees had to choose between paying their bills and protecting the health of their families and communities. We had to make these choices because the party that controls our state legislature decided not to come to work when we needed you the most.

This bill, passed months ago, certainly would have slowed the spread of COVID, and might well have saved some of the 6,485 lives that we have lost to it.

This bill is late than never, but it's not enough. You could have passed this months ago. You could have provided aid to individuals and businesses during this pandemic. You could have refused to politicize the wearing of masks, which - aside from bringing us back to business sooner - would have clearly saved lives and communities. But here we are.

So, yes, we speak in favor of this bill, but also in favor of you doing your jobs so that we can get back to ours.

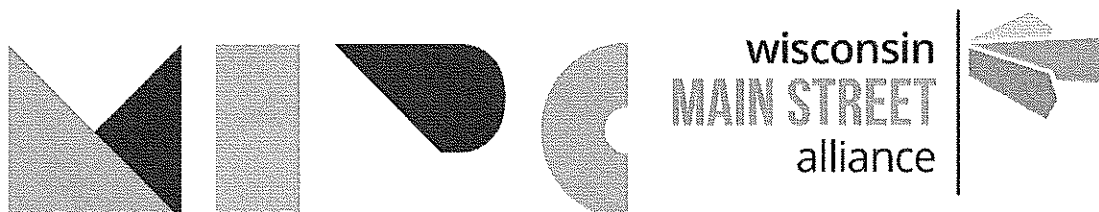
Dan Jacobs, JVR Catering, DanDan, EsterEv, Batches, Fauntleroy

It is imperative that the state gives independent restaurant and bar owners the necessary tools to get through the pandemic of 2020 into 2021. Restaurants and bars cannot return to normal until a majority of our customer base feels confident in returning to our establishments. Therefore we need every tool we can use to allow our guests to enjoy a semblance of their experience they would have had in our space while at home. That includes the ability to sell our cocktails individually alongside our food.

Cocktails, unlike a bottle of wine or six pack of beer, cannot be sold unless they are part of a kit. With a full bottle of booze and kits running north of \$50, sales are obviously not great. This bill would let us sell individual drinks for the more appropriate pricing and allow restaurants and bars another revenue stream in a time where revenue is scarce.

The bill we are discussing will by no means save restaurants and bars but the immediacy of this bill cannot be understated. We need help and we need it now!

According to the Independent Restaurant Coalition 75% of WI's 12,000+ eating and drinking establishments are in danger of closing permanently. Restaurants and bars accounted for an additional drop in unemployment for the state in December of over 1500 jobs. Show us that the State Assembly cares about the hospitality industry in WI by passing Assembly Bill 32.



Assembly Leaders and Members,

On behalf of members of the Milwaukee Independent Restaurant Coalition and the Main Street Alliance-WI which is composed of 100 plus members in across Wisconsin, as well as the undersigned individual owners and constituents, we are writing in support of passage of legislation (Senate Bill 22) to amend 125.51 (3) (a), 125.51 (3) (am) and 125.51 (3) (b); and to create 125.02 (20g) of the statutes; relating to: the retail sale of intoxicating liquor by the glass for consumption away from the licensed premises. We urge swift passage of Assembly Bill 32.

Support and passage of this bill would give bars and restaurants an additional life line of income to keep afloat during these uncertain times. Though how small this may seem, for others this could be the additional help a bar or restaurant may need to stay open. **We need to continue to support measures to help keep our industry safe, healthy and employed.** Being able to have patrons purchase these beverages to imbibe at home from their favorite dive or neighborhood joint will be one more step in helping accomplish that.

We thank you for your support.

Signed:

AJ Dixon, Owner
Lazy Susan MKE

**Ryan Clancy and Becky Cooper Clancy,
Owners**
Bounce and Fling MKE

Dan Jacobs and Dan Van Rite, Owners
Dan Dan, Ester Ev

Cam Roberts and Sara Jonas, Owners
Cafe Lulu

George Bregar, Owner
Company Brewing

Britt Buckley, Owner
Buckley's

Dan Nowak, Owner
Tall Guy and a Grill

Greg Leon, Owner
Amilinda

Suzette Metcalf, Owner
Pasta Tree

Rebecca Loewen and Lisa Duggens, Owners
Cloud Red

Edward DeShazer , Owner
White Tail- MKE, Truck Stop-MKE

Justin Aprahamian, Owner
Sanford Restaurant

John Revord, Owner
Emily Dell Revord, Director of Operations
Boone & Crockett, The Cooperage

CC:

Representative Swearingen (Chair)
Representative Tauchen (Vice-Chair)
Representative Jagler
Representative Schraa
Representative Knodl
Representative Kuglitsch

John C. Clark, Managing Partner
Public Table

Mayor Ken Tutaj
Mayor of St. Francis, WI

Steve Hawthorne, Owner
Hawthorne Coffee Roasters

Melanie Manuel, Owner
Celesta

(Introduce Self) Liliana's is in favor of Assembly Bill 32. Since the shutdown, Liliana's has remained closed to the public to keep folks in the area safe. We have continued with carryout but are at about 50% of our normal sales year to year. Since the shutdown happened with extraordinarily little warning, we have been sitting on over \$50,000 of liquor and wine inventory. With an average liquor cost of 20%, that is \$250,000 in revenue potential that is as of now locked down.

Opening up this revenue stream could be a much-needed life blood for our restaurant and for folks in the food service sector across WI who have been amongst the most impacted by the pandemic. Please vote yes and move this bill out of committee today to help support restaurants like Liliana's who are in the same position, so that we can continue to stay afloat and serve our community.



2801 Fish Hatchery Road | Madison, WI 53713 | (608) 270-9950 | (800) 589-3211 | FAX (608) 270-9960 | www.wirestaurant.org

Testimony

February 10, 2021

TO: Assembly Committee on State Affairs
Representative Rob Swearingen, Chair

FR: Kristine Hillmer, President and CEO

RE: Testimony in support of AB 32

Thank you Mr. Chairman and members of the committee for hearing our testimony today.

The Wisconsin Restaurant Association represents over 7,000 restaurant locations statewide. I am happy to have members join me today as we talk about how this bill will help our industry. Our organization represents all segments of the restaurant and hospitality industry; our membership includes food establishments of all types and sizes, such as seasonal drive-ins, supper clubs, diners, locally owned franchisees, fine-dining and hotels/resorts. Over 75 percent of our membership are independent restaurants and the majority of our members have alcohol licenses. Regardless of ownership type, all restaurants are the cornerstones of their neighborhoods and communities. Restaurants not only provide great food, drink and hospitality, they support schools, teams, charities and churches with fundraising and donations. They provide meeting places to celebrate, mourn and organize, or just provide a safe, tasty meal for a busy family. Prior to the pandemic, the restaurant industry employed nine percent of Wisconsin's workforce.

I am sure you all know the toll the COVID-19 pandemic has taken on the entire hospitality and tourism industry. The vast majority of restaurants have seen steep declines in their sales, steep increases in prices for supplies and services and in some places, severe restrictions on their ability to be open and safely serve customers. It seems like every time we turn on the news or read publications, public health officials across the country are scapegoating restaurants and other public facing businesses as places to avoid, or even worse, close in order to protect the public. And worst of all, our industry has been forced to lay off a large number of our employees, who in turn are suffering economically and having a hard time paying their own bills. Restaurant owners are desperately looking for ways to keep the employees they have working and to bring back those they were forced to lay off.

Wisconsin is one of a handful of states that does not allow mixed cocktails to leave the restaurant as a carryout item.

Consumers can carry out a Friday night fish fry from their favorite restaurant it is not legal to carry out a house-made cocktail when customers pick up their dinner orders, but they can take home a growler of tap beer.

Even before the COVID-19 pandemic, restaurant industry surveys showed consumers were demanding cocktails-to-go. Restaurants and bars were experiencing a decrease in alcohol sales as consumers drank less on premise. Consumers were also ordering restaurant quality food to enjoy in their homes at a rapidly

increasing rate and would have liked to also take home their favorite cocktail to enjoy with their dinner. Wisconsin has a high per capita number of eating and drinking establishments. Competition is fierce and Wisconsinites are very price conscious. Food sales for sit-down restaurants are very low margin or break even at best. Restaurants depend upon bar sales to keep their restaurants in the black.

Now consumers are staying home and avoiding dining in restaurants and customers are demanding cocktails-to-go with their take out orders. The Marquette Law School poll states that 50 percent of Wisconsinites are not comfortable dining inside a restaurant – that is a huge number of people who are only patronizing their local restaurants via carryout and delivery. WRA's recent survey shows over 76 percent of Wisconsin consumers support cocktails-to-go. Attached to this testimony are the results of a survey we conducted in late November, giving you more detailed information on consumer demand for both cocktails-to-go.

Industry economists are predicting that restaurants with bars and inside dining will not see a “full” recovery until at least 2024. Consumers will be slow to returning to inside drinking and dining. Restaurants in areas with strong recreational tourism may see a return of customers at a faster rate than those in other areas of the state. However, table service restaurants in the majority of the state will not see a fast recovery and in order to survive, they need to tap those customers who are staying home. Over 10 percent of restaurants have already closed – we estimate at least another 20-30 percent will not survive the next few months unless they are able to improve sales, whether inside their restaurants or in consumer’s homes.

Now more than ever restaurants need these kinds of tools to keep their restaurants afloat and to keep their team employed. Passing a cocktails-to-go bill makes sense. It will help restaurants stay in business and keep their employees.



2801 Fish Hatchery Road | Madison, WI 53713 | (608) 270-9950 | (800) 589-3211 | FAX (608) 270-9960 | www.wirestaurant.org

Wisconsin Off-Premises Alcohol Survey

Summary of Results – November 2020

Consumer Usage of Off-Premises Alcoholic Beverages

- Sixty-one percent of Wisconsin adults said they purchased takeout or delivery food from a restaurant for dinner during the week before they were surveyed.
 - Among this group, 20 percent of adults age 21+ said they included beer or wine with one of their takeout orders.
 - Among this same group, 29 percent of adults age 21+ said the option of including alcoholic beverages with their order would make them more likely to choose one restaurant over another similar restaurant.

Consumer Sentiment about Off-Premises Alcoholic Beverages

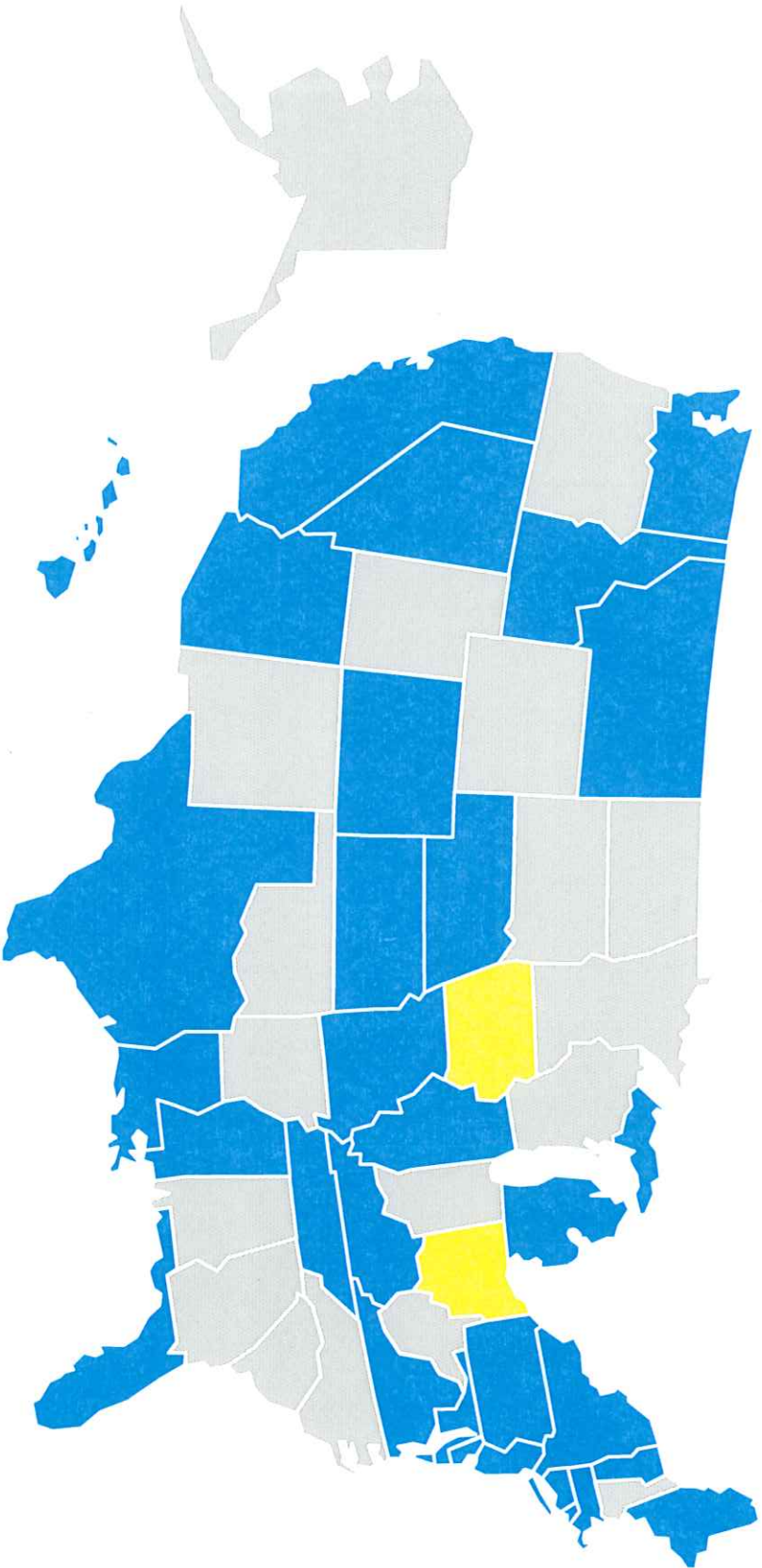
- Seventy-six percent of Wisconsin adults said they would favor a proposal that would allow customers to purchase cocktails or mixed drinks (made with distilled spirits) with their takeout and delivery food orders from restaurants. This is in addition to beer and wine, or factory sealed spirits, which is currently allowed for takeout only.
 - The intensity of support for this proposal is very strong. Twenty-eight percent of adults said they strongly favor the proposal, while only 7 percent said they strongly oppose it.
- A strong majority of adults across all demographic categories said they would favor this proposal. Millennials, Gen-Xers and individuals in higher-income households were the most likely to say they would favor this proposal.

Support among Wisconsin adults for a proposal that would allow customers to purchase cocktails or mixed drinks (made with distilled spirits) with their takeout and delivery food orders from restaurants. This is in addition to beer and wine, which is currently allowed (for takeout only).

Demographic	Total Favor	Strongly Favor	Somewhat Favor	Total Oppose	Somewhat Oppose	Strongly Oppose
All adults	76%	28%	48%	24%	17%	7%
Gender						
Male	75%	31%	45%	25%	16%	8%
Female	76%	25%	51%	24%	18%	6%
Age Group						
Millennials (24-39)	83%	36%	46%	17%	13%	5%
Gen X (40-55)	80%	32%	48%	20%	16%	4%
Baby boomers (56-74)	70%	20%	50%	30%	18%	12%
Household Income						
Less than \$50,000	68%	19%	49%	32%	22%	10%
\$50,000 to \$99,999	78%	33%	44%	22%	15%	7%
\$100,000 or more	82%	32%	50%	18%	14%	4%
Type of community						
Urban	77%	35%	42%	23%	17%	6%
Suburban	76%	25%	51%	24%	19%	5%
Rural	73%	26%	47%	27%	15%	12%

Source: National Restaurant Association, online survey of 500 Wisconsin residents age 18 and older conducted by Engine, November 24-29, 2020
 Note: Rows may not add precisely to 100% due to rounding.

32 States and D.C. Allow Cocktails To-Go in Response to COVID-19



- States allowing cocktails to-go in response to COVID-19 (30 states)
- States that passed permanent laws allowing cocktails to-go in response to COVID-19 (2 states)
- Cocktails to-go not allowed (18 states)



MARY FELZKOWSKI

STATE SENATOR • 12TH SENATE DISTRICT

**Senator Mary Felzkowski
Testimony on AB 32
Committee on State Affairs
Wednesday February 10, 2021**

Chairman Swearingen & Members of the Committee,

Thank you for taking testimony today on AB 32, otherwise known as Cocktails-To-Go.

Throughout this pandemic, one thing has remained clear – our hospitality industry is hurting. From the draconian shutdowns of last spring to the capacity restrictions that followed, our hospitality industry has been hit the hardest of all sectors. Right now they are asking for just a little bit of wiggle room to help keep them afloat.

Our bars and restaurants are good citizens of our small towns and communities. They employ our friends and neighbors, often giving our children their first jobs as dishwashers, busboys, or cooks helpers. They help us celebrate holidays, birthdays, and personal accomplishments; support our communities; sponsor our sports teams; and ask for little in return.

Right now however, they need our help – and this Cocktails-To-Go bill is a great first step.

During this pandemic, to-go orders have been extremely helpful to our bars and restaurants who have either been shut down or have lost customers due to capacity restrictions. Our legislation would allow for a “Class B” license holder to sell alcoholic drinks in sealed containers with their to-go orders – something that is currently prohibited. Why introduce this? As many of us know, the profit margin on the sale of alcohol is at least 2x that of food sales.

A version of this bill is currently permitted in 33 states and the District of Columbia.



DAVID STEFFEN

STATE REPRESENTATIVE • 4TH ASSEMBLY DISTRICT

February 10, 2021

Chairman Swearingen and Members of the Committee,

Thank you for holding a public hearing on AB 32 relating to the retail sale of intoxicating liquor by the glass for consumption away from the licensed premises.

The hospitality industry has been amongst the hardest hit during this pandemic. Sadly, thousands of small independently owned restaurants, taverns and supper clubs have gone out of business since March. As of December, 2020 over 17% of restaurants in the United States have permanently closed and the unemployment rate in the hospitality industry has reached 40%.

In Wisconsin, the hospitality industry is a critical economic component to our state's economy. Permitting restaurants, taverns, and supper clubs to provide drinks to go is a small change that would help many of these small businesses survive. A version of this legislation is currently permitted in 33 states plus the District of Columbia in response to COVID-19.

AB 32 does not change current in-person purchasing requirements but simply amends current law to allow a "Class B" licensed retailer to sell a cocktail or wine by the glass for consumption off premise if the restaurant/bar seals the container of with a tamper-evident seal before the cocktail is removed from the premises. This important change will greatly benefit small independent restaurant, tavern, and supper club owners by providing them with another tool to survive until the summer.

I appreciate your consideration of this bill and I would be happy to answer any questions you may have.