



# DEVIN LEMAHIEU

## STATE SENATOR

**Senate Committee on Financial Institutions and Revenue**  
**Public Hearing**  
**April 12, 2021**  
**Testimony on Senate Bill 266**

Chairman Kooyenga and members,

Thank you for today's hearing on Senate Bill 266. 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 500 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.

Since Road America straddles two municipalities that do not have any additional liquor licenses available, this bill creates a special liquor license exclusively for Road America. 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.

This session, the legislation simply creates a special liquor license for the Road America Racetrack.

Thank you for your time and consideration.



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# TYLER VORPAGEL

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STATE REPRESENTATIVE • 27<sup>TH</sup> ASSEMBLY DISTRICT

Senate Bill 266: relating to the issuance by the Department of Revenue of retail alcohol beverage permits for motor vehicle racetrack grounds and authorizing caterers to make retail sales of alcohol beverages on racetrack grounds

Testimony of State Representative Tyler Vorpapel  
Committee on Financial Institutions and Revenue

April 12, 2021

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

A few 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.

WRITTEN TESTIMONY OF MIKE KERTSCHER

BEFORE THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND REVENUE

April 12, 2021

Senate Bill 266

Chairman Kooyenga and Members of the Committee,

Thank you for the opportunity to provide written testimony in support of Senate Bill 266.

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 the 1950's. The track in its current location celebrated 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. Profits from operations are reinvested into the facility as improvements annually as RA shareholders typically don't receive dividends.

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 11 permanent concession stands serving 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 400 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 dedicated team of well over 100 EMT 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 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.

Road America 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. 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 eleven concessionaires who serve alcohol and food at eleven different locations along Road America's over four mile long racetrack. 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. Senate Bill 266 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 meet with both the Town of Rhine and the Town of Plymouth to discuss the contents of this legislation. After meeting with these municipalities, both expressed their support.

On behalf of our Shareholders, Board of Directors and race fans I'd like to thank you for holding this hearing and allowing me to provide written testimony for this important piece of legislation. I hope you will join me in supporting Senate Bill 266.