



2001 ASSEMBLY BILL 217

March 15, 2001 – Introduced by Representatives SKINDRUD, AINSWORTH, BERCEAU, BLACK, PLOUFF and PLALE, cosponsored by Senator ERPENBACH. Referred to Committee on State Affairs.

1 **AN ACT to amend** 125.52 (1) and 125.68 (2); and **to create** 125.52 (1) (b) 2. of the
2 statutes; **relating to:** sales and taste samples of fruit-based intoxicating liquor
3 for consumption on or off the premises where manufactured or rectified.

Analysis by the Legislative Reference Bureau

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the manufacturer may sell only to a wholesaler or rectifier (a person who blends, refines, or purifies distilled spirits or wines); the wholesaler or rectifier may sell only to a wholesaler or to a retailer; the retailer may sell only to the 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.

This bill creates an exception to allow a manufacturer or rectifier to sell, or provide free taste samples, directly to consumers, for consumption on or off the premises where sold, intoxicating liquor that is manufactured or rectified on the premises, if the intoxicating liquor is manufactured or rectified exclusively from fermented fruit juice, such as brandy. Intoxicating liquor made from or containing grain may not be sold under this exception. Like the requirements that apply to the sale of alcohol beverages to be consumed on the premises where sold, this bill requires that the licensed person, or a person possessing an operator's license or manager's license, be on the premises whenever such sales are made. The bill also allows the department of revenue to regulate sales under this exception, but the regulations must be consistent with requirements that apply to "Class B" licensees

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(persons licensed to sell intoxicating liquor to be consumed on the premises, such as taverns).

For further information see the *state* 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:

1 **SECTION 1.** 125.52 (1) of the statutes is amended to read:

2 125.52 (1) AUTHORIZED ACTIVITIES. (a) The department shall issue
3 manufacturers' and rectifiers' permits which authorize the manufacture or
4 rectification, respectively, of intoxicating liquor on the premises covered by the
5 permit. A person holding a manufacturer's or rectifier's permit may manufacture,
6 bottle or wholesale wine, pursuant to the terms of the permit, without procuring a
7 winery permit.

8 (b) 1. A manufacturer's or rectifier's permit entitles the permittee to sell
9 intoxicating liquor from the premises described in the permit. Holders of rectifiers'
10 permits may sell intoxicating liquor rectified by the permittee to retailers without
11 any other permit. ~~No~~ Except as provided in subd. 2., no sales may be made for
12 consumption on the premises of the permittee.

13 3. Possession of a permit under this section does not authorize the permittee
14 to sell tax-free intoxicating liquor and wines brought into this state under s. 139.03
15 (5).

16 **SECTION 2.** 125.52 (1) (b) 2. of the statutes is created to read:

17 125.52 (1) (b) 2. Notwithstanding s. 125.09 (1), a manufacturer's or rectifier's
18 permit authorizes the retail sale and the provision of taste samples free of charge of
19 intoxicating liquor that is manufactured or rectified on the premises and that is
20 manufactured or rectified exclusively from fermented fruit juice, for consumption on

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1 or off the premises. The department may prescribe additional regulations for the
2 sale of intoxicating liquor under this subdivision, if the additional regulations do not
3 conflict with the requirements applicable to holders of "Class B" licenses.

4 **SECTION 3.** 125.68 (2) of the statutes is amended to read:

5 125.68 (2) OPERATORS' LICENSES; "CLASS A", "CLASS B" OR "CLASS C" AND OTHER
6 PREMISES. Except as provided under s. 125.07 (3) (a) 10., no premises operated under
7 a "Class A" or "Class C" license or under a "Class B" license or permit may be open
8 for business, and no person who holds a manufacturer's or rectifier's permit may
9 allow the sale or provision of taste samples of intoxicating liquor on the
10 manufacturing or rectifying premises as provided in s. 125.52 (1) (b) 2., unless there
11 is upon the premises either the licensee or permittee, the agent named in the license
12 or permit if the licensee or permittee is a corporation or limited liability company, or
13 some person who has an operator's license and who is responsible for the acts of all
14 persons selling or serving any intoxicating liquor to customers. An operator's license
15 issued in respect to a vessel under s. 125.51 (5) (c) is valid outside the municipality
16 that issues it. For the purpose of this subsection, any person holding a manager's
17 license issued under s. 125.18 or any member of the licensee's or permittee's
18 immediate family who has attained the age of 18 shall be considered the holder of an
19 operator's license. No person, including a member of the licensee's or permittee's
20 immediate family, other than the licensee, permittee or agent may serve or sell
21 alcohol beverages in any place operated under a "Class A" or "Class C" license or
22 under a "Class B" license or permit unless he or she has an operator's license or is
23 at least 18 years of age and is under the immediate supervision of the licensee,

