

1 for participation in a continuing interstate body, or the interstate body itself, shall
2 be known as a “commission”, but is not a commission for purposes of s. 15.06. The
3 parole commission created under s. 15.145 (1) shall be known as a “commission”, but
4 is not a commission for purposes of s. 15.06.

History: 1977 c. 29, 274; 1979 c. 34; 1983 a. 27, 189, 371, 410, 538; 1985 a. 29, 120, 180; 1987 s. 27, 342, 399; 1989 a. 31, 107, 202; 1991 a. 39, 269, 315; 1993 a. 16, 107, 210, 215; 1995 a. 27 ss. 74 and 9145 (1); 1995 a. 442, 462; 1997 a. 27, 237; 2001 a. 16, 105, 109; 2005 a. 25, 421; 2007 a. 20; 2009 a. 28; 2011 a. 32, 38; 2013 a. 20.

5 **SECTION 2.** 15.06 (1) (am) of the statutes is created to read:

6 15.06 (1) (am) Members of the Wisconsin beer commission shall be nominated
7 by the secretary of agriculture, trade and consumer protection, and with the advice
8 and consent of the senate appointed, for 3–year terms.

History: 1971 c. 193, 307; 1977 c. 29, 196, 274; 1981 c. 347; 1983 a. 27, 371, 410, 538; 1985 a. 29; 1987 a. 27, 403; 1989 a. 31; 1991 a. 39, 269, 316; 1993 a. 16, 123; 1995 a. 27; 1997 a. 27; 2001 a. 16; 2003 a. 33; 2005, a. 149; 2009 a. 28; 2011 a. 38; 2013 a. 20.

9 **SECTION 3.** 15.06 (2) of the statutes is renumbered 15.06 (2) (a) and amended
10 to read:

11 15.06 (2) (a) SELECTION OF OFFICERS. Each commission may annually elect
12 officers other than a chairperson from among its members as its work requires. Any
13 officer may be reappointed or reelected. ~~At~~ Except as provided in pars. (b) and (c),
14 at the time of making new nominations to commissions, the governor shall designate
15 a member or nominee of each commission to serve as the commission’s chairperson
16 for a 2–year term expiring on March 1 of the odd–numbered year ~~except that the,~~

17 (b) The labor and industry review commission shall elect one of its members
18 to serve as the commission’s chairperson for a 2–year term expiring on March 1 of
19 the odd–numbered year.

History: 1971 c. 193, 307; 1977 c. 29, 196, 274; 1981 c. 347; 1983 a. 27, 371, 410, 538; 1985 a. 29; 1987 a. 27, 403; 1989 a. 31; 1991 a. 39, 269, 316; 1993 a. 16, 123; 1995 a. 27; 1997 a. 27; 2001 a. 16; 2003 a. 33; 2005, a. 149; 2009 a. 28; 2011 a. 38; 2013 a. 20.

20 **SECTION 4.** 15.06 (2) (c) of the statutes is created to read:

21 15.06 (2) (c) The secretary of agriculture, trade and consumer protection shall
22 nominate a member to serve as the beer commission’s chairperson and, if confirmed,

1 this person shall serve as the chairperson for the duration of his or her term as a
2 member but is subject to removal under s. 17.07 (3r).

3 **SECTION 5.** 15.06 (3) (a) 5. of the statutes is created to read:

4 15.06 (3) (a) 5. The members of the Wisconsin beer commission.

5 **SECTION 6.** 15.135 (5) of the statutes is created to read:

6 15.135 (5) BEER COMMISSION. (a) There is created a beer commission which is
7 attached to the department of agriculture, trade and consumer protection under s.
8 15.03. The commission consists of the following members:

9 1. One member who shall be designated as the chairperson by the secretary of
10 agriculture, trade and consumer protection.

11 2. Four members representing producers, as defined in s. 93.95 (1) (d), that
12 manufacture not more than 300,000 barrels of fermented malt beverages annually.

13 3. One member representing producers, as defined in s. 93.95 (1) (d), that
14 manufacture more than 300,000 barrels of fermented malt beverages annually.

15 4. One member representing wholesalers holding permits issued under s.
16 125.28.

17 (b) The members under par. (a) shall be nominated by the secretary of
18 agriculture, trade and consumer protection, and with the advice and consent of the
19 senate appointed, for 3-year terms.

20 (c) No member of the commission, except the chairperson, may receive any
21 salary for services performed as a commission member. Each commission member
22 shall be reimbursed for actual and necessary expenses incurred while performing
23 official duties.

24 **SECTION 7.** 17.07 (3r) of the statutes is created to read:

1 17.07 (3r) Notwithstanding sub. (3), the beer commission chairperson may be
2 removed by the secretary of agriculture, trade and consumer protection, at pleasure.

3 **SECTION 8.** 20.115 (5) of the statutes is created to read:

4 20.115 (5) BEER COMMISSION. (a) *General program operations.* All moneys
5 received by the beer commission for the activities specified in s. 93.95 (2) and the
6 general program operations of the beer commission.

7 **SECTION 9.** 20.923 (4) (b) 7. of the statutes is created to read:

8 20.923 (4) (b) 7. Beer commission: chairperson.

9 **SECTION 10.** 93.95 of the statutes is created to read:

10 **93.95 Beer commission.** (1) In this section:

11 (a) "Beer" has the meaning given for "fermented malt beverages" in s. 125.02

12 (6) ^h

13 (b) "Brewer" means a brewer holding a permit issued under s. 125.29.

14 (c) "Brewpub" means a brewpub holding a permit issued under s. 125.295.

15 (d) "Producer" means a brewer or brewpub.

16 (e) "Wholesaler" means a wholesaler holding a permit issued under s. 125.28.

17 (2) The beer commission shall promote Wisconsin beer by organizing,
18 conducting, advertising, and marketing beer festivals throughout this state. All
19 moneys received by the beer commission shall be credited to the appropriation
20 account under s. 20.115 (5) (a).

21 (3) The beer commission has all of the powers necessary or convenient to carry
22 out the purposes and provisions of sub. (2), including authority to do all of the
23 following:

24 (a) Organize and conduct beer festivals as a revenue-generating enterprise,
25 impose admission fees for attending these beer festivals, and otherwise establish and

1 collect fees or charges in connection with the commission's activities authorized
2 under sub. (2).

3 (b) Establish standards governing the conduct of participants and attendees
4 at beer festivals and procedures for enforcing these standards.

5 (c) Notwithstanding any provision of s. 125.33[✓] or 125.34[✓], accept gifts and
6 donations to be used for the purpose for which the gift or donation is made, including
7 donations of beer by brewers, brewpubs, and wholesalers. Notwithstanding any
8 provision of s. 125.28[✓], 125.29[✓], 125.295[✓], 125.315[✓], 125.33[✓], or 125.34[✓], brewers,
9 brewpubs, and wholesalers may make donations of beer to the beer commission.

10 (d) Enter into contracts, employ agents, consultants, contractors, and
11 employees, and engage professional services.

12 (e) Do and perform any acts authorized by this section under, through, or by
13 means of an agent or by contract with any person, including retaining or engaging
14 any person qualified to hold a Class "B" license under s. 125.26[✓] (6) to organize and
15 conduct beer festivals on behalf of the commission.

16 (4) The chairperson of the beer commission shall administer and supervise the
17 commission and its activities.

18 (5) (a) The beer commission, or its agent or contractor as provided under sub.
19 (2) ^{ae}~~(f)~~, shall hold a Class "B" license for each location where a beer festival is held,
20 unless the beer festival is held at a location owned or controlled by the state.

21 (b) Being a member of the beer commission does not constitute a violation of,
22 and is not grounds for denial, suspension, or revocation of a permit under, s. 125.28
23 (2) (b), 125.29 (2), or 125.295 (2) (a) 6. or (3) (b).

24 SECTION 11. 125.02 (14) of the statutes is amended to read:

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2842/P1dn

ARG:j:....

Sac

- date -

ATTN: Craig Arrowood

Please review the attached draft carefully to ensure that it is consistent with your intent. As discussed, the attached draft does not include any funding for start-up costs of the Wisconsin Beer Commission. I recommend that you discuss with the Legislative Fiscal Bureau the options for funding start-up costs for the commission. We can then incorporate the product of that discussion into this draft.

Please let me know if you would like any changes made to the attached draft or if you have any questions.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.state.wi.us

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2842/P1dn
ARG:sac:rs

September 5, 2013

ATTN: Craig Arrowood

Please review the attached draft carefully to ensure that it is consistent with your intent. As discussed, the attached draft does not include any funding for start-up costs of the Wisconsin Beer Commission. I recommend that you discuss with the Legislative Fiscal Bureau the options for funding start-up costs for the commission. We can then incorporate the product of that discussion into this draft.

Please let me know if you would like any changes made to the attached draft or if you have any questions.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.state.wi.us

Gary, Aaron

From: Arrowood, Craig
Sent: Tuesday, January 14, 2014 11:52 AM
To: Gary, Aaron
Cc: Rep. Tauchen
Subject: Email from LRB Website 2842/P1

Aaron-

Rep. Tauchen is looking to expand the authority of the Beer Commission (see the idea for language below). Also, Gary is looking to change the funding source from various local beer festivals to providing space/funding for state fair. Gary would like to know also what the ETA for the bill draft would be.

- Page 4, Line 17 – Delete lines 17 through 20. Instead:
 - Provide the necessary authority to the Beer Commission to directly or indirectly promote Wisconsin beer, including but not limited to the marketing and advertising of beer, or the research related to such marketing or advertising.
- Page 4, Line 24 – Delete lines 24 and 25 as well as lines 1 and 2 on page 5. Instead:
 - Provide the Beer Commission the authority to maintain and operate a place for the sale of fermented malt beverages at the state fair park as a revenue-generating enterprise. The Commission shall make available for sale a wide variety of fermented malt beverage brands produced in Wisconsin. Unless offered as donations by brewers, brewpubs or wholesalers, the Commission shall purchase fermented malt beverages for sale at the state fair park from brewers, brewpubs or wholesalers.
- Page 5, Line 3 – Delete lines 3 and 4, as this language would no longer be necessary.
- Page 5, Line 18 – Delete lines 18-20, as this language would no longer be necessary.

Warm regards-

Craig Arrowood, Jr.

Office of Representative Gary Tauchen
Phone: (608) 266-3098
Toll-free: (888) 529-0006

◆♣♥♠

Gary, Aaron

From: Arrowood, Craig
Sent: Wednesday, January 15, 2014 9:58 AM
To: Gary, Aaron
Cc: Rep.Tauchen
Subject: Email from LRB Website 2842/P1

Thanks for the update. Here are my thoughts:

- **I wonder if the commission will be able to raise enough revenue by selling beer at the state fair to support its other functions (e.g. marketing, marketing research).**

I will be looking into this issue with the State Fair Park group.

- **I should also mention that the beer commission is being allowed to buy outside the 3-tier system (ie not from a wholesaler), so I'm not sure how the wholesalers will feel about that**

Gary believes the beer should be sold through a distributor -- not only for political "three-tier" reasons, but also for logistical reasons. That's the job of a distributor.

- **I assume that a brewpub's sales to the beer commission will not count toward the brewpub's 1,000 barrel limit that it can sell directly to a retailer.**

Since most brewpubs don't have a distributor, they should be able to sell directly to the Beer Commission (for State fair sales), and Gary agrees with you that those sales should not be counted toward their current 1,000 barrel limit.

From: Gary, Aaron
Sent: Tuesday, January 14, 2014 4:47 PM
To: Arrowood, Craig
Cc: Tauchen, Gary
Subject: RE: Email from LRB Website 2842/P1

Please see response below. Aaron

From: Arrowood, Craig
Sent: Tuesday, January 14, 2014 4:06 PM
To: Gary, Aaron
Cc: Tauchen, Gary
Subject: RE: Email from LRB Website 2842/P1

Aaron-

Your suggestions make sense for Gary and are approved. Gary wants to make particular note of Page 4, Line 24 insertion. Is that language workable? And more importantly is the intent workable? [The language seems workable and the concept does too. My only caveat is that there will be plenty of other beer vendors at the state fair grounds – I wonder if the commission will be able to raise enough revenue by selling beer at the state fair to support its other functions (e.g. marketing, marketing research). I should also mention that the beer commission is being allowed to buy outside the 3-tier system (ie not from a wholesaler), so I'm not sure how the wholesalers will feel about that – I assume that a brewpub's sales to the beer commission will not count toward the brewpub's 1,000 barrel limit that it can sell directly to a retailer.]

Craig

From: Gary, Aaron
Sent: Tuesday, January 14, 2014 3:37 PM
To: Arrowood, Craig
Cc: Rep.Tauchen
Subject: RE: Email from LRB Website 2842/P1

Hi Craig,

I have a couple of questions/comments about these redraft instructions.

1. No retail license is required for beer sales on state property, including at the state fair park. (If you want more info. on that, I can provide it.) So the beer commission would never need to hold a retail license. That allows some of the provisions (like p. 5, lines 18-20, noted for deletion) to be removed from the draft. A provision will have to be added requiring the state fair park board to allow this, though.
2. Is the only funding for the beer commission then going to be the sales at the state fair park?

It shouldn't take long for me to make these changes, but I will have to get another drafter involved with the state fair park provision.

Aaron



500w



in
1/16

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

- gen act

1 **AN ACT** to renumber and amend 15.06 (2); to amend 15.01 (2) and 125.02 (14);
2 and to create 15.06 (1) (am), 15.06 (2) (c), 15.06 (3) (a) 5., 15.135 (5), 17.07 (3r),
3 20.115 (5), 20.923 (4) (b) 7., 93.95 and 230.08 (2) (pf) of the statutes; relating
4 to: creating a Wisconsin Beer Commission and making an appropriation.

Analysis by the Legislative Reference Bureau

insert
ANAL

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

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:

x

5 **SECTION 1.** 15.01 (2) of the statutes is amended to read:
6 15.01 (2) "Commission" means a 3-member governing body in charge of a
7 department or independent agency or of a division or other subunit within a
8 department, except for the Wisconsin waterways commission which shall consist of

1 5 members, the Wisconsin beer commission which shall consist of 7 members, and
2 the parole commission which shall consist of 8 members. A Wisconsin group created
3 for participation in a continuing interstate body, or the interstate body itself, shall
4 be known as a “commission”, but is not a commission for purposes of s. 15.06. The
5 parole commission created under s. 15.145 (1) shall be known as a “commission”, but
6 is not a commission for purposes of s. 15.06.

7 **SECTION 2.** 15.06 (1) (am) of the statutes is created to read:

8 15.06 (1) (am) Members of the Wisconsin beer commission shall be nominated
9 by the secretary of agriculture, trade and consumer protection, and with the advice
10 and consent of the senate appointed, for 3-year terms.

11 **SECTION 3.** 15.06 (2) of the statutes is renumbered 15.06 (2) (a) and amended
12 to read:

13 15.06 (2) (a) SELECTION OF OFFICERS. Each commission may annually elect
14 officers other than a chairperson from among its members as its work requires. Any
15 officer may be reappointed or reelected. ~~At~~ Except as provided in pars. (b) and (c),
16 at the time of making new nominations to commissions, the governor shall designate
17 a member or nominee of each commission to serve as the commission’s chairperson
18 for a 2-year term expiring on March 1 of the odd-numbered year ~~except that the~~.

19 (b) The labor and industry review commission shall elect one of its members
20 to serve as the commission’s chairperson for a 2-year term expiring on March 1 of
21 the odd-numbered year.

22 **SECTION 4.** 15.06 (2) (c) of the statutes is created to read:

23 15.06 (2) (c) The secretary of agriculture, trade and consumer protection shall
24 nominate a member to serve as the beer commission’s chairperson and, if confirmed,

1 this person shall serve as the chairperson for the duration of his or her term as a
2 member but is subject to removal under s. 17.07 (3r).

3 **SECTION 5.** 15.06 (3) (a) 5. of the statutes is created to read:

4 15.06 (3) (a) 5. The members of the Wisconsin beer commission.

5 **SECTION 6.** 15.135 (5) of the statutes is created to read:

6 15.135 (5) BEER COMMISSION. (a) There is created a beer commission which is
7 attached to the department of agriculture, trade and consumer protection under s.
8 15.03. The commission consists of the following members:

9 1. One member who shall be designated as the chairperson by the secretary of
10 agriculture, trade and consumer protection.

11 2. Four members representing producers, as defined in s. 93.95 (1) (d), that
12 manufacture not more than 300,000 barrels of fermented malt beverages annually.

13 3. One member representing ~~producers~~^{brewers}, as defined in s. 93.95 (1) (d), that
14 manufacture more than 300,000 barrels of fermented malt beverages annually.

15 4. One member representing wholesalers holding permits issued under s.
16 125.28.

17 (b) The members under par. (a) shall be nominated by the secretary of
18 agriculture, trade and consumer protection, and with the advice and consent of the
19 senate appointed, for 3-year terms.

20 (c) No member of the commission, except the chairperson, may receive any
21 salary for services performed as a commission member. Each commission member
22 shall be reimbursed for actual and necessary expenses incurred while performing
23 official duties.

24 **SECTION 7.** 17.07 (3r) of the statutes is created to read:

1 17.07 (3r) Notwithstanding sub. (3), the beer commission chairperson may be
2 removed by the secretary of agriculture, trade and consumer protection, at pleasure.

3 SECTION 8. 20.115 (5) of the statutes is created to read:

4 20.115 (5) BEER COMMISSION. (a) *General program operations.* All moneys
5 received by the beer commission for the activities specified in s. 93.95 (2) and the
6 general program operations of the beer commission.

7 SECTION 9. 20.923 (4) (b) 7. of the statutes is created to read:

8 20.923 (4) (b) 7. Beer commission: chairperson.

9 SECTION 10. 93.95 of the statutes is created to read:

10 93.95 Beer commission. (1) In this section:

11 (a) "Beer" has the meaning given for "fermented malt beverages" in s. 125.02

12 (6).

13 (b) "Brewer" means a brewer holding a permit issued under s. 125.29.

14 (c) "Brewpub" means a brewpub holding a permit issued under s. 125.295.

15 (d) "Producer" means a brewer or brewpub.

16 (e) "Wholesaler" means a wholesaler holding a permit issued under s. 125.28.

17 (2) The beer commission shall promote Wisconsin beer by organizing,
18 conducting, advertising, and marketing beer festivals throughout this state. All
19 moneys received by the beer commission shall be credited to the appropriation
20 account under s. 20.115 (5) (a).

21 (3) The beer commission has all of the powers necessary or convenient to carry
22 out the purposes and provisions of sub. (2), including authority to do all of the
23 following:

24 (a) Organize and conduct beer festivals as a revenue-generating enterprise,
25 impose admission fees for attending these beer festivals, and otherwise establish and

(3)(a)

(a) and (3)(a)

insert
4-88

insert
4-1717

insert
4-24

1 collect fees or charges in connection with the commission's activities authorized
2 under sub. (2).

3 (b) Establish standards governing the conduct of participants and attendees
4 at beer festivals and procedures for enforcing these standards.

5 (b) (c) Notwithstanding any provision of s. 125.33 or 125.34, accept gifts and
6 donations to be used for the purpose for which the gift or donation is made, including
7 donations of beer by brewers, brewpubs, and wholesalers. Notwithstanding any
8 provision of s. 125.28, 125.29, 125.295, 125.315, 125.33, or 125.34, brewers,
9 brewpubs, and wholesalers may make donations of beer to the beer commission.

10 (c) (d) Enter into contracts, employ agents, consultants, contractors, and
11 employees, and engage professional services.

12 (d) (e) Do and perform any acts authorized by this section under, through, or by
13 means of an agent or by contract with any person, including retaining or engaging
14 any person qualified to hold a Class "B" license under s. 125.26 (6) to organize and
15 conduct beer festivals on behalf of the commission.

16 (4) The chairperson of the beer commission shall administer and supervise the
17 commission and its activities.

18 (5) (a) The beer commission, or its agent or contractor as provided under sub.
19 (2) (e), shall hold a Class "B" license for each location where a beer festival is held,
20 unless the beer festival is held at a location owned or controlled by the state.

21 (b) Being a member of the beer commission does not constitute a violation of,
22 and is not grounds for denial, suspension, or revocation of a permit under, s. 125.28
23 (2) (b), 125.29 (2), or 125.295 (2) (a) 6. or (3) (b).

24 SECTION 11. 125.02 (14) of the statutes is amended to read:

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2842/P2ins
ARG:.....

1

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INSERT ANAL:

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*

This bill creates a seven-member Wisconsin beer commission, attached to the Department of Agriculture, Trade and Consumer Protection (DATCP). Members of the beer commission are nominated by the secretary of DATCP for three-year terms and are subject to confirmation by the senate. The members of the beer commission must include four members representing Wisconsin brewers or brewpubs that manufacture not more than 300,000 barrels of fermented malt beverages (beer) annually, one member representing Wisconsin brewers that manufacture more than 300,000 barrels of beer annually, one member representing Wisconsin beer wholesalers, and a chairperson. No member of the commission, except the chairperson, may receive any salary for services performed as a commission member.

The beer commission must promote Wisconsin beer, directly or indirectly, including through the marketing and advertising of beer and research related to the marketing and advertising of beer. The beer commission may maintain and operate a place for the sale of beer at the state fair park and the State Fair Park Board must make space available for the beer commission to do so. When selling beer at the state fair park, the beer commission must make available for sale a wide variety of brands of beer produced in Wisconsin. Unless received as a donation from a brewer, brewpub, or wholesaler, beer sold by the beer commission at the state fair park must be purchased from wholesalers or brewpubs.

3

INSERT 4-8:

4

SECTION 1. 42.01 (6) of the statutes is created to read:

5

42.01 (6) The state fair park board shall make space available at the state fair

6

park for the Wisconsin beer commission to maintain and operate a place for the sale

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of beer, as described in s. 93.95 (3) (a). The state fair park board may not require the

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Wisconsin beer commission to hold a license under s. 125.26 to sell beer at the state

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fair park.

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INSERT 4-17:

(2) (a) The beer commission shall promote Wisconsin beer, directly or indirectly, including through the marketing and advertising of beer and research related to the marketing and advertising of beer.

(b) All moneys received by the beer commission shall be credited to the appropriation account under s. 20.115 (5) (a).[✓]

INSERT 4-24:

(a) Maintain and operate a place for the sale of beer at the state fair park as a revenue-generating enterprise. When selling beer at the state fair park, the beer commission shall make available for sale a wide variety of brands of beer produced in Wisconsin. Unless received as a donation from a brewer, brewpub, or wholesaler, beer sold by the beer commission at the state fair park shall be purchased by the beer commission from wholesalers or brewpubs. Notwithstanding any provision of s. 125.28 or 125.295, a wholesaler or brewpub may sell beer to the beer commission. Any beer purchased by the beer commission from a brewpub does not count toward the brewpub's 1,000 barrel limit specified in s. 125.295 (1) (g).[✓]

Gary, Aaron

From: Arrowood, Craig
Sent: Monday, February 03, 2014 12:01 PM
To: Gary, Aaron
Subject: LRB 2842 / p2: Tauchen

Importance: High

Aaron-

Gary has some small tweaks for LRB 2842/2 relating to the creation of a Beer Commission.

1. On Page 5, Lines 16-18, should the word "only" be added so that it reads "When selling beer at the state fair park, the beer commission shall make available for sale ONLY a wide variety of brands of beer produced in Wisconsin." Intent: Gary wants to make it clear that this is for Wisconsin based beer production.
2. On Page 4, Lines 18-20, the language says "The state fair park board shall make space available at the state fair park for the Wisconsin beer commission to maintain and operate a place for the sale of beer." Intent: Gary wants to clarify that commission will provide space that is reasonable. He doesn't want to micromanage, but he wants to avoid future issues on the subject.
3. Please pull the language of "unless received as a donation..."
4. Change "purchased from wholesalers and brewpubs" to "purchased from the entity designated to deliver a brand in the territory".

Feel free to call with any questions.

Warm regards-

Craig Arrowood, Jr.

Office of Representative Gary Tauchen

Phone: (608) 266-3098

Toll-free: (888) 529-0006

♦♣♥♠

Gary, Aaron

From: Gary, Aaron
Sent: Tuesday, February 04, 2014 12:35 PM
To: Arrowood, Craig
Subject: RE: LRB 2842 / p2: Tauchen

FYI, following up on the email below, if it is consistent with your intent, I could do something like this:
beer must be purchased from [the wholesalers whose designated sales territory for the brands sold includes the state fair park or, for any brand for which no wholesaler has a designated sales territory that includes the state fair park, the brewer or brewpub that produced the brand]

↑ 2/4 the w/ Craig's → yes, this language is fine

Aaron

From: Gary, Aaron
Sent: Tuesday, February 04, 2014 12:16 PM
To: Arrowood, Craig
Subject: RE: LRB 2842 / p2: Tauchen

Hi Craig,

I need some clarification on item 4. I assume the proposed language below is intended to tie into the requirements under s. 125.34 (3). As background, if a brand of beer is distributed by a wholesaler, the brewer or brewpub that makes the brand must enter into a contract with the wholesaler and grant the wholesaler an exclusive designated sales territory for distribution of the brand. With certain limitations, the statutes also allow the brewer or brewpub to self-distribute and there is no requirement for a designated sales territory for the brewer or brewpub.

So is your intent in item 4. to require the beer commission to purchase the beer from the wholesaler whose designated sales territory for the brand includes the state fair park? Or did you also want to allow brewpubs and/or brewers to self-distribute to the beer commission?

Thanks. Aaron

Aaron R. Gary
Attorney, Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Arrowood, Craig
Sent: Monday, February 03, 2014 12:01 PM
To: Gary, Aaron
Subject: LRB 2842 / p2: Tauchen
Importance: High

Aaron-

Gary has some small tweaks for LRB 2842/2 relating to the creation of a Beer Commission.

1. On Page 5, Lines 16-18, should the word "only" be added so that it reads "When selling beer at the state fair park, the beer commission shall make available for sale ONLY a wide variety of brands of beer produced in Wisconsin." Intent: Gary wants to make it clear that this is for Wisconsin based beer production.
2. On Page 4, Lines 18-20, the language says "The state fair park board shall make space available at the state fair park for the Wisconsin beer commission to maintain and operate a place for the sale of beer." Intent: Gary



State of Wisconsin
2013 - 2014 LEGISLATURE

in
2/4



LRB-2842/04 P3

ARG:sac:9

Wanted
2/6

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

gen cab

1 **AN ACT** *to renumber and amend* 15.06 (2); *to amend* 15.01 (2); and *to create*
2 15.06 (1) (am), 15.06 (2) (c), 15.06 (3) (a) 5., 15.135 (5), 17.07 (3r), 20.115 (5),
3 20.923 (4) (b) 7., 42.01 (6), 93.95 and 230.08 (2) (pf) of the statutes; **relating to:**
4 creating a Wisconsin Beer Commission and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a seven-member Wisconsin beer commission, attached to the Department of Agriculture, Trade and Consumer Protection (DATCP). Members of the beer commission are nominated by the secretary of DATCP for three-year terms and are subject to confirmation by the senate. The members of the beer commission must include four members representing Wisconsin brewers or brewpubs that manufacture not more than 300,000 barrels of fermented malt beverages (beer) annually, one member representing Wisconsin brewers that manufacture more than 300,000 barrels of beer annually, one member representing Wisconsin beer wholesalers, and a chairperson. No member of the commission, except the chairperson, may receive any salary for services performed as a commission member.

The beer commission must promote Wisconsin beer, directly or indirectly, including through the marketing and advertising of beer and research related to the marketing and advertising of beer. The beer commission may maintain and operate a place for the sale of beer at the state fair park and the State Fair Park Board must make space available for the beer commission to do so. When selling beer at the state fair park, the beer commission must make available for sale a wide variety of brands of beer produced in Wisconsin. ~~Unless received as a donation from a brewer,~~

Wisconsin

*
*
*

reasonable and adequate

insert ANAL-A

* ~~Brewpub, or wholesaler.~~ Beer sold by the beer commission at the state fair park must be purchased from ~~wholesalers or brewpubs.~~

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

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

1 SECTION 1. 15.01 (2) of the statutes is amended to read:

2 15.01 (2) "Commission" means a 3-member governing body in charge of a
3 department or independent agency or of a division or other subunit within a
4 department, except for the Wisconsin waterways commission which shall consist of
5 5 members, the Wisconsin beer commission which shall consist of 7 members, and
6 the parole commission which shall consist of 8 members. A Wisconsin group created
7 for participation in a continuing interstate body, or the interstate body itself, shall
8 be known as a "commission", but is not a commission for purposes of s. 15.06. The
9 parole commission created under s. 15.145 (1) shall be known as a "commission", but
10 is not a commission for purposes of s. 15.06.

11 SECTION 2. 15.06 (1) (am) of the statutes is created to read:

12 15.06 (1) (am) Members of the Wisconsin beer commission shall be nominated
13 by the secretary of agriculture, trade and consumer protection, and with the advice
14 and consent of the senate appointed, for 3-year terms.

15 SECTION 3. 15.06 (2) of the statutes is renumbered 15.06 (2) (a) and amended
16 to read:

17 15.06 (2) (a) SELECTION OF OFFICERS. Each commission may annually elect
18 officers other than a chairperson from among its members as its work requires. Any
19 officer may be reappointed or reelected. At Except as provided in pars. (b) and (c),
20 at the time of making new nominations to commissions, the governor shall designate

1 a member or nominee of each commission to serve as the commission's chairperson
2 for a 2-year term expiring on March 1 of the odd-numbered year ~~except that the~~.

3 (b) The labor and industry review commission shall elect one of its members
4 to serve as the commission's chairperson for a 2-year term expiring on March 1 of
5 the odd-numbered year.

6 **SECTION 4.** 15.06 (2) (c) of the statutes is created to read:

7 15.06 (2) (c) The secretary of agriculture, trade and consumer protection shall
8 nominate a member to serve as the beer commission's chairperson and, if confirmed,
9 this person shall serve as the chairperson for the duration of his or her term as a
10 member but is subject to removal under s. 17.07 (3r).

11 **SECTION 5.** 15.06 (3) (a) 5. of the statutes is created to read:

12 15.06 (3) (a) 5. The members of the Wisconsin beer commission.

13 **SECTION 6.** 15.135 (5) of the statutes is created to read:

14 15.135 (5) BEER COMMISSION. (a) There is created a beer commission which is
15 attached to the department of agriculture, trade and consumer protection under s.
16 15.03. The commission consists of the following members:

17 1. One member who shall be designated as the chairperson by the secretary of
18 agriculture, trade and consumer protection.

19 2. Four members representing brewers, as defined in s. 93.95 (1) (b), that
20 manufacture not more than 300,000 barrels of fermented malt beverages annually.

21 3. One member representing brewers, as defined in s. 93.95 (1) (b), that
22 manufacture more than 300,000 barrels of fermented malt beverages annually.

23 4. One member representing wholesalers holding permits issued under s.
24 125.28.

1 (b) The members under par. (a) shall be nominated by the secretary of
2 agriculture, trade and consumer protection, and with the advice and consent of the
3 senate appointed, for 3-year terms.

4 (c) No member of the commission, except the chairperson, may receive any
5 salary for services performed as a commission member. Each commission member
6 shall be reimbursed for actual and necessary expenses incurred while performing
7 official duties.

8 SECTION 7. 17.07 (3r) of the statutes is created to read:

9 17.07 (3r) Notwithstanding sub. (3), the beer commission chairperson may be
10 removed by the secretary of agriculture, trade and consumer protection, at pleasure.

11 SECTION 8. 20.115 (5) of the statutes is created to read:

12 20.115 (5) BEER COMMISSION. (a) *General program operations.* All moneys
13 received by the beer commission for the activities specified in s. 93.95 (2) (a) and (3)
14 (a) and the general program operations of the beer commission.

15 SECTION 9. 20.923 (4) (b) 7. of the statutes is created to read:

16 20.923 (4) (b) 7. Beer commission: chairperson.

17 SECTION 10. 42.01 (6) of the statutes is created to read:

18 42.01 (6) The state fair park board shall make ^{reasonable and} _{adequate} space available at the state fair
19 park for the Wisconsin beer commission to maintain and operate a place for the sale
20 of beer, as described in s. 93.95 (3) (a). The state fair park board may not require the
21 Wisconsin beer commission to hold a license under s. 125.26 to sell beer at the state
22 fair park.

23 SECTION 11. 93.95 of the statutes is created to read:

24 93.95 Beer commission. (1) In this section:

1 (a) "Beer" has the meaning given for "fermented malt beverages" in s. 125.02

2 (6).

3 (b) "Brewer" means a brewer holding a permit issued under s. 125.29.

4 (c) "Brewpub" means a brewpub holding a permit issued under s. 125.295.

5 (d) "Producer" means a brewer or brewpub.

6 (e) "Wholesaler" means a wholesaler holding a permit issued under s. 125.28.

7 (2) (a) The beer commission shall promote Wisconsin beer, directly or indirectly,
8 including through the marketing and advertising of beer and research related to the
9 marketing and advertising of beer.

10 (b) All moneys received by the beer commission shall be credited to the
11 appropriation account under s. 20.115 (5) (a).

12 (3) The beer commission has all of the powers necessary or convenient to carry
13 out the purposes and provisions of sub. (2), including authority to do all of the
14 following:

15 (a) Maintain and operate a place for the sale of ^{Wisconsin} beer at the state fair park as
16 a revenue-generating enterprise. When selling beer at the state fair park, the beer

17 commission shall make available for sale a wide variety of brands of beer produced
18 in Wisconsin. ~~Unless received as a donation from a brewer, brewpub, or wholesaler,~~

19 beer sold by the beer commission at the state fair park shall be purchased by the beer
20 commission from ~~wholesalers or brewpubs.~~ Notwithstanding any provision of s.

21 ^{125.29,} ~~125.28 or 125.295, a wholesaler or brewpub may sell~~ beer to the beer commission.

22 Any beer purchased by the beer commission from a brewpub does not count toward
23 the brewpub's 1,000 barrel limit specified in s. 125.295 (1) (g).

24 (b) Notwithstanding any provision of s. 125.33 or 125.34, accept gifts and
25 donations to be used for the purpose for which the gift or donation is made, including

insert 5-17

insert 5-20

insert 5-21

1 donations of beer by brewers, brewpubs, and wholesalers. Notwithstanding any
2 provision of s. 125.28, 125.29, 125.295, 125.315, 125.33, or 125.34, brewers,
3 brewpubs, and wholesalers may make donations of beer to the beer commission.

4 (c) Enter into contracts, employ agents, consultants, contractors, and
5 employees, and engage professional services.

6 (d) Do and perform any acts authorized by this section under, through, or by
7 means of an agent or by contract with any person.

8 (4) The chairperson of the beer commission shall administer and supervise the
9 commission and its activities.

10 (5) Being a member of the beer commission does not constitute a violation of,
11 and is not grounds for denial, suspension, or revocation of a permit under, s. 125.28
12 (2) (b), 125.29 (2), or 125.295 (2) (a) 6. or (3) (b).

13 **SECTION 12.** 230.08 (2) (pf) of the statutes is created to read:

14 230.08 (2) (pf) The chairperson of the beer commission.

15 **SECTION 13. Nonstatutory provisions.**

16 (1) INITIAL TERMS OF BEER COMMISSION MEMBERS. Notwithstanding the length of
17 terms specified for members of the beer commission under sections 15.06 (1) (am) and
18 15.135 (5) (b) of the statutes, as created by this act, the initial terms for 4 members
19 shall be as follows:

20 (a) One year for one of the members appointed under section 15.135 (5) (a) 2.
21 of the statutes, as created by this act.

22 (b) One year for the member appointed under section 15.135 (5) (a) 3. of the
23 statutes, as created by this act.

24 (c) Two years for one of the members appointed under section 15.135 (5) (a) 2.
25 of the statutes, as created by this act.

**2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-2842/P3ins
ARG:.....

INSERT ANAL-A:

(no ¶) may sell only beer produced in Wisconsin and

INSERT ANAL-B:

(no ¶) the wholesalers whose designated sales territory for the brands sold includes the state fair park or, for any brand for which no wholesaler has a designated sales territory that includes the state fair park, the brewer or brewpub that produced the brand

INSERT 5-17:

(no ¶) may sell only beer produced in Wisconsin and

INSERT 5-20:

(no ¶) the wholesalers whose designated sales territory for the brands sold includes the state fair park or, for any brand for which no wholesaler has a designated sales territory that includes the state fair park, the brewer or brewpub that produced the brand

INSERT 5-21:

(no ¶) any wholesaler, brewer, or brewpub from which the beer commission is authorized to purchase a brand of beer under this paragraph is also authorized to sell that brand of



State of Wisconsin
2013 - 2014 LEGISLATURE

TODAY



LRB-2842/1

ARG:sac:ff

3/5 per Craig - needs 1/1 for jecting

in 3/5

stays

RMR

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

No changes

pk

Regen

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2 15.06 (1) (am), 15.06 (2) (c), 15.06 (3) (a) 5., 15.135 (5), 17.07 (3r), 20.115 (5),
3 20.923 (4) (b) 7., 42.01 (6), 93.95 and 230.08 (2) (pf) of the statutes; **relating to:**
4 creating a Wisconsin Beer Commission and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill creates a seven-member Wisconsin beer commission, attached to the Department of Agriculture, Trade and Consumer Protection (DATCP). Members of the beer commission are nominated by the secretary of DATCP for three-year terms and are subject to confirmation by the senate. The members of the beer commission must include four members representing Wisconsin brewers or brewpubs that manufacture not more than 300,000 barrels of fermented malt beverages (beer) annually, one member representing Wisconsin brewers that manufacture more than 300,000 barrels of beer annually, one member representing Wisconsin beer wholesalers, and a chairperson. No member of the commission, except the chairperson, may receive any salary for services performed as a commission member.

The beer commission must promote Wisconsin beer, directly or indirectly, including through the marketing and advertising of beer and research related to the marketing and advertising of beer. The beer commission may maintain and operate a place for the sale of Wisconsin beer at the state fair park and the State Fair Park Board must make reasonable and adequate space available for the beer commission to do so. When selling beer at the state fair park, the beer commission may sell only beer produced in Wisconsin and must make available for sale a wide variety of brands

of Wisconsin beer. Beer sold by the beer commission at the state fair park must be purchased from the wholesalers whose designated sales territory for the brands sold includes the state fair park or, for any brand for which no wholesaler has a designated sales territory that includes the state fair park, the brewer or brewpub that produced the brand.

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.** 15.01 (2) of the statutes is amended to read:

2 15.01 (2) “Commission” means a 3–member governing body in charge of a
3 department or independent agency or of a division or other subunit within a
4 department, except for the Wisconsin waterways commission which shall consist of
5 5 members, the Wisconsin beer commission which shall consist of 7 members, and
6 the parole commission which shall consist of 8 members. A Wisconsin group created
7 for participation in a continuing interstate body, or the interstate body itself, shall
8 be known as a “commission”, but is not a commission for purposes of s. 15.06. The
9 parole commission created under s. 15.145 (1) shall be known as a “commission”, but
10 is not a commission for purposes of s. 15.06.

11 **SECTION 2.** 15.06 (1) (am) of the statutes is created to read:

12 15.06 (1) (am) Members of the Wisconsin beer commission shall be nominated
13 by the secretary of agriculture, trade and consumer protection, and with the advice
14 and consent of the senate appointed, for 3–year terms.

15 **SECTION 3.** 15.06 (2) of the statutes is renumbered 15.06 (2) (a) and amended
16 to read:

17 15.06 (2) (a) **SELECTION OF OFFICERS.** Each commission may annually elect
18 officers other than a chairperson from among its members as its work requires. Any

1 officer may be reappointed or reelected. At Except as provided in pars. (b) and (c),
2 at the time of making new nominations to commissions, the governor shall designate
3 a member or nominee of each commission to serve as the commission's chairperson
4 for a 2-year term expiring on March 1 of the odd-numbered year ~~except that the~~.

5 (b) The labor and industry review commission shall elect one of its members
6 to serve as the commission's chairperson for a 2-year term expiring on March 1 of
7 the odd-numbered year.

8 **SECTION 4.** 15.06 (2) (c) of the statutes is created to read:

9 15.06 (2) (c) The secretary of agriculture, trade and consumer protection shall
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11 this person shall serve as the chairperson for the duration of his or her term as a
12 member but is subject to removal under s. 17.07 (3r).

13 **SECTION 5.** 15.06 (3) (a) 5. of the statutes is created to read:

14 15.06 (3) (a) 5. The members of the Wisconsin beer commission.

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16 15.135 (5) BEER COMMISSION. (a) There is created a beer commission which is
17 attached to the department of agriculture, trade and consumer protection under s.
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19 1. One member who shall be designated as the chairperson by the secretary of
20 agriculture, trade and consumer protection.

21 2. Four members representing brewers, as defined in s. 93.95 (1) (b), that
22 manufacture not more than 300,000 barrels of fermented malt beverages annually.

23 3. One member representing brewers, as defined in s. 93.95 (1) (b), that
24 manufacture more than 300,000 barrels of fermented malt beverages annually.

1 4. One member representing wholesalers holding permits issued under s.
2 125.28.

3 (b) The members under par. (a) shall be nominated by the secretary of
4 agriculture, trade and consumer protection, and with the advice and consent of the
5 senate appointed, for 3-year terms.

6 (c) No member of the commission, except the chairperson, may receive any
7 salary for services performed as a commission member. Each commission member
8 shall be reimbursed for actual and necessary expenses incurred while performing
9 official duties.

10 **SECTION 7.** 17.07 (3r) of the statutes is created to read:

11 17.07 (3r) Notwithstanding sub. (3), the beer commission chairperson may be
12 removed by the secretary of agriculture, trade and consumer protection, at pleasure.

13 **SECTION 8.** 20.115 (5) of the statutes is created to read:

14 20.115 (5) BEER COMMISSION. (a) *General program operations.* All moneys
15 received by the beer commission for the activities specified in s. 93.95 (2) (a) and (3)
16 (a) and the general program operations of the beer commission.

17 **SECTION 9.** 20.923 (4) (b) 7. of the statutes is created to read:

18 20.923 (4) (b) 7. Beer commission: chairperson.

19 **SECTION 10.** 42.01 (6) of the statutes is created to read:

20 42.01 (6) The state fair park board shall make reasonable and adequate space
21 available at the state fair park for the Wisconsin beer commission to maintain and
22 operate a place for the sale of beer, as described in s. 93.95 (3) (a). The state fair park
23 board may not require the Wisconsin beer commission to hold a license under s.
24 125.26 to sell beer at the state fair park.

25 **SECTION 11.** 93.95 of the statutes is created to read:

1 **93.95 Beer commission. (1)** In this section:

2 (a) “Beer” has the meaning given for “fermented malt beverages” in s. 125.02

3 (6).

4 (b) “Brewer” means a brewer holding a permit issued under s. 125.29.

5 (c) “Brewpub” means a brewpub holding a permit issued under s. 125.295.

6 (d) “Producer” means a brewer or brewpub.

7 (e) “Wholesaler” means a wholesaler holding a permit issued under s. 125.28.

8 **(2)** (a) The beer commission shall promote Wisconsin beer, directly or indirectly,
9 including through the marketing and advertising of beer and research related to the
10 marketing and advertising of beer.

11 (b) All moneys received by the beer commission shall be credited to the
12 appropriation account under s. 20.115 (5) (a).

13 **(3)** The beer commission has all of the powers necessary or convenient to carry
14 out the purposes and provisions of sub. (2), including authority to do all of the
15 following:

16 (a) Maintain and operate a place for the sale of Wisconsin beer at the state fair
17 park as a revenue-generating enterprise. When selling beer at the state fair park,
18 the beer commission may sell only beer produced in Wisconsin and shall make
19 available for sale a wide variety of brands of beer produced in Wisconsin. Beer sold
20 by the beer commission at the state fair park shall be purchased by the beer
21 commission from the wholesalers whose designated sales territory for the brands
22 sold includes the state fair park or, for any brand for which no wholesaler has a
23 designated sales territory that includes the state fair park, the brewer or brewpub
24 that produced the brand. Notwithstanding any provision of s. 125.28, 125.29, or
25 125.295, any wholesaler, brewer, or brewpub from which the beer commission is

1 authorized to purchase a brand of beer under this paragraph is also authorized to sell
2 that brand of beer to the beer commission. Any beer purchased by the beer
3 commission from a brewpub does not count toward the brewpub's 1,000 barrel limit
4 specified in s. 125.295 (1) (g).

5 (b) Notwithstanding any provision of s. 125.33 or 125.34, accept gifts and
6 donations to be used for the purpose for which the gift or donation is made, including
7 donations of beer by brewers, brewpubs, and wholesalers. Notwithstanding any
8 provision of s. 125.28, 125.29, 125.295, 125.315, 125.33, or 125.34, brewers,
9 brewpubs, and wholesalers may make donations of beer to the beer commission.

10 (c) Enter into contracts, employ agents, consultants, contractors, and
11 employees, and engage professional services.

12 (d) Do and perform any acts authorized by this section under, through, or by
13 means of an agent or by contract with any person.

14 (4) The chairperson of the beer commission shall administer and supervise the
15 commission and its activities.

16 (5) Being a member of the beer commission does not constitute a violation of,
17 and is not grounds for denial, suspension, or revocation of a permit under, s. 125.28
18 (2) (b), 125.29 (2), or 125.295 (2) (a) 6. or (3) (b).

19 **SECTION 12.** 230.08 (2) (pf) of the statutes is created to read:

20 230.08 (2) (pf) The chairperson of the beer commission.

21 **SECTION 13. Nonstatutory provisions.**

22 (1) INITIAL TERMS OF BEER COMMISSION MEMBERS. Notwithstanding the length of
23 terms specified for members of the beer commission under sections 15.06 (1) (am) and
24 15.135 (5) (b) of the statutes, as created by this act, the initial terms for 4 members
25 shall be as follows:

