



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-2708/1
ARG:kjf

2017 SENATE BILL 185

April 13, 2017 - Introduced by Senators VUKMIR, KAPENGA and STROEBEL, cosponsored by Representatives KOYENGA and SKOWRONSKI. Referred to Committee on Revenue, Financial Institutions and Rural Issues.

1 **AN ACT to create** 125.26 (2) (b) 3., 125.29 (2) (c), 125.29 (3) (k) and 125.33 (2t) of
2 the statutes; **relating to:** interest restrictions between brewers and retailers,
3 and authorized activities of brewers, in connection with a certain
4 redevelopment project in the city of Milwaukee.

Analysis by the Legislative Reference Bureau

This bill creates certain exceptions under the alcohol beverage laws that apply with respect to a redevelopment project in the city of Milwaukee and that allow a common ownership interest between a brewer and a beer retailer and allow a brewer to make retail sales of intoxicating liquor on brewery premises.

Under current law, with limited exceptions, no person may sell alcohol beverages to a consumer unless the seller possesses a license or permit authorizing the sale. A Class "B" license authorizes the retail sale of fermented malt beverages (beer) for consumption on or off the licensed premises and is generally held by such retailers as taverns and restaurants. A Class "B" retail beer license may not be issued to a brewer and a Class "B" beer retailer may not be issued a brewer's permit. Subject to numerous exceptions, a brewer also may not give, sell, or lease, or otherwise furnish, anything of value to a Class "B" beer retailer.

This bill specifies that a brewer may have a direct or indirect ownership interest in a Class "B" beer retailer, and a Class "B" beer retailer may have a direct or indirect ownership interest in a brewer, if 1) the ownership interest arises in connection with a certain redevelopment project in the city of Milwaukee involving the former site of a historic Milwaukee brewery; 2) the brewer has or will have brewery premises

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within the redevelopment area; 3) the ownership interest does not extend to brewery premises or Class "B" licensed premises outside the redevelopment area; and 4) no brewer's permit is issued to the Class "B" beer retailer and no Class "B" retail beer license is issued to the brewer. The bill also allows a brewer to lease real property to a Class "B" beer retailer, for a fair consideration, if the real property is part of this redevelopment project.

Under current law, a brewer may, under its brewer's permit and without a retail license, make retail sales of its own beer and other Wisconsin-made beer at the brewery premises and one off-site retail outlet. A brewer may make retail sales of intoxicating liquor, which means wine and distilled spirits, at the brewery premises and the brewer's off-site retail outlet only if the brewer held, on June 1, 2011, a retail license authorizing the sale of intoxicating liquor.

This bill allows a brewer to also make retail sales of intoxicating liquor at the brewery premises if the brewery premises was established in connection with this redevelopment project.

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

1 **SECTION 1.** 125.26 (2) (b) 3. of the statutes is created to read:

2 125.26 (2) (b) 3. Notwithstanding subd. 1., a brewer may have a direct or
3 indirect ownership interest in a Class "B" licensee, and a Class "B" licensee may have
4 a direct or indirect ownership interest in a brewer, if all of the following apply:

5 a. The ownership interest arises in connection with a project for the
6 redevelopment of property within the city of Milwaukee that is located immediately
7 east of I 43 and that was formerly the site of a historic Milwaukee brewery that
8 ceased brewing on the site in 1996.

9 b. The brewer holds, or has applied for issuance or transfer of, a brewer's permit
10 for premises within the redevelopment area described in subd. 3. a.

11 c. The ownership interest does not extend to brewery premises or Class "B"
12 premises outside the redevelopment area described in subd. 3. a.

13 d. No brewer's permit is issued to the Class "B" licensee and no Class "B" license
14 is issued to the brewer.

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1 **SECTION 2.** 125.29 (2) (c) of the statutes is created to read:

2 125.29 (2) (c) Notwithstanding par. (a), a brewer may have a direct or indirect
3 ownership interest in a Class “B” licensee, and a Class “B” licensee may have a direct
4 or indirect ownership interest in a brewer, if all of the following apply:

5 1. The ownership interest arises in connection with a project for the
6 redevelopment of property within the city of Milwaukee that is located immediately
7 east of I 43 and that was formerly the site of a historic Milwaukee brewery that
8 ceased brewing on the site in 1996.

9 2. The brewer holds, or has applied for issuance or transfer of, a brewer’s permit
10 for premises within the redevelopment area described in subd. 1.

11 3. The ownership interest does not extend to brewery premises or Class “B”
12 premises outside the redevelopment area described in subd. 1.

13 d. No brewer’s permit is issued to the Class “B” licensee and no Class “B” license
14 is issued to the brewer.

15 **SECTION 3.** 125.29 (3) (k) of the statutes is created to read:

16 125.29 (3) (k) Notwithstanding ss. 125.04 (9) and 125.09 (1), the retail sale of
17 intoxicating liquor, for on-premise consumption by individuals at the brewery
18 premises, if all of the following apply:

19 1. The brewery premises was established in connection with a project for the
20 redevelopment of property within the city of Milwaukee that is located immediately
21 east of I 43 and that was formerly the site of a historic Milwaukee brewery that
22 ceased brewing on the site in 1996.

23 2. The intoxicating liquor has been purchased by the brewer from a wholesaler
24 holding a permit under s. 125.54.

25 **SECTION 4.** 125.33 (2t) of the statutes is created to read:

