



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-5482/1
ARG:ahe/kjf/emw

2017 SENATE BILL 801

February 13, 2018 - Introduced by Senator FITZGERALD, cosponsored by Representative VORPAGEL. Referred to Committee on Economic Development, Commerce and Local Government.

1 **AN ACT** *to repeal* 20.566 (1) (hd); *to renumber and amend* 125.69 (1) (a); *to*
2 *amend* 15.435 (title), 17.07 (3m), 20.566 (1) (ha), 125.02 (10), 125.02 (12),
3 125.02 (13), 125.02 (15) (b), 125.02 (16) (intro.), 125.02 (21), 125.02 (23), 125.03
4 (title), 125.03 (1) (a), 125.03 (1) (b), 125.03 (2), 125.04 (3) (a) (intro.), 125.04 (3)
5 (b), 125.04 (3) (c), 125.04 (3) (d) 1., 125.04 (3) (d) 2., 125.04 (3) (e) 2., 125.04 (4),
6 125.04 (5) (a) 5., 125.04 (9), 125.045, 125.06 (11m), 125.07 (1) (b) 4., 125.07 (4)
7 (f) 3., 125.105 (1), 125.12 (1) (a), 125.12 (1) (c), 125.12 (4) (title), 125.12 (4) (ag)
8 (intro.), 125.12 (5), 125.12 (6) (a), 125.12 (6) (b), 125.12 (6) (c), 125.12 (6) (cm),
9 125.12 (6) (d), 125.12 (6) (dm), 125.12 (6) (e), 125.13, 125.14 (2) (c), 125.14 (2)
10 (d), 125.14 (2) (e), 125.14 (2) (f), 125.14 (3) (b), 125.145, 125.15 (1), 125.17 (6) (a)
11 (intro.), 125.19 (1), 125.27 (1) (a), 125.27 (2) (a) 1. (intro.), 125.27 (2) (a) 2.,
12 125.27 (3) (b), 125.275 (1), 125.275 (3), 125.28 (1) (a), 125.28 (1) (b), 125.28 (2)
13 (e) 2., 125.28 (4), 125.28 (5) (b), 125.28 (5) (d) 3., 125.28 (5) (e), 125.29 (1), 125.29
14 (3) (intro.), 125.295 (1) (intro.), 125.295 (2) (b), 125.295 (2) (c), 125.295 (4),

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1 125.295 (5), 125.30 (1), 125.30 (2) (intro.), 125.30 (2) (b), 125.30 (3), 125.30 (4),
2 125.30 (5), 125.33 (2) (a), 125.33 (2) (d), 125.51 (2) (am), 125.51 (5) (a) 1., 125.51
3 (5) (a) 4., 125.51 (5) (b) 2., 125.51 (5) (b) 4., 125.51 (5) (c) 1., 125.51 (5) (d) 2.,
4 125.52 (1) (a), 125.52 (1) (b) 1., 125.52 (1) (b) 2., 125.52 (2), 125.52 (3), 125.53
5 (1), 125.535 (1), 125.535 (2), 125.535 (3) (b) 2., 125.54 (1), 125.54 (5), 125.54 (7)
6 (a) 2., 125.54 (7) (c) 3., 125.54 (7) (d), 125.54 (8), 125.545 (2) (a) 3. b., 125.545 (3)
7 (a) 1., 125.545 (3) (a) 2., 125.545 (5), 125.545 (6), 125.545 (7), 125.55 (1), 125.56
8 (2) (a), 125.56 (2) (c), 125.56 (2) (d), 125.58 (1), 125.60 (1), 125.61 (1), 125.61 (3),
9 125.61 (4), 125.62 (1), 125.62 (3), 125.63 (1), 125.63 (3), 125.65 (1), 125.65 (4)
10 (intro.), 125.65 (4) (e), 125.65 (6), 125.65 (10), 125.68 (9) (b), 125.68 (9) (d),
11 125.68 (9) (f), 125.68 (10), 125.69 (title), 125.69 (1) (b) 1., 125.69 (1) (c), 125.69
12 (4) (e), 125.69 (6) (a), 125.70, 139.01 (4), 139.01 (5), 139.01 (6), 139.01 (10),
13 139.03 (2x) (a), 139.03 (5) (a), 139.04 (4), 139.06 (3), 139.08 (3), 139.08 (4),
14 139.09, 139.11 (1), 139.11 (2), 139.11 (3), 139.11 (4) (a) 2., 139.11 (4) (b) 2., 139.18
15 (2), 139.22, 139.25 (9), 227.52 (1), 230.08 (2) (e) 11. and 346.93 (1); and **to create**
16 15.435 (2), 19.42 (13) (q), 20.566 (9), 20.923 (4) (c) 6., 125.02 (11g), 125.02 (17r)
17 and (17t), 125.025, 125.11 (3), 125.52 (8), 125.525, 125.535 (3) (a) 2m., 125.69
18 (1) (a) 3., 125.69 (1) (b) 3., 139.01 (5g) and 139.01 (6m) of the statutes; **relating**
19 **to:** creating a resort manufacturer permit authorizing the production and sale
20 of intoxicating liquor, and activities and retail interests of resort
21 manufacturers; creating an Office of Alcohol Beverages Enforcement attached

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1 to the Department of Revenue and transferring alcohol beverages regulation
2 and enforcement functions to this office; and making appropriations.

Analysis by the Legislative Reference Bureau

This bill creates an Office of Alcohol Beverages Enforcement and a new permit for resort manufacturers issued by the office.

Office of Alcohol Beverages Enforcement

The Office of Alcohol Beverages Enforcement is attached to the Department of Revenue. The bill transfers DOR's alcohol beverages regulation and enforcement functions, including issuance of certain alcohol beverages permits, to the office. The office is led by a director appointed by the governor, subject to senate confirmation. The director must appoint a chief legal counsel and may appoint special agents and other employees necessary to carry out the permitting, audit, education, and enforcement functions of the office. The director and employees of the office may not be employed by or have a financial interest in the alcohol beverages industry and are subject to the standards of conduct and conflict of interest prohibitions for state public officials. The bill transfers DOR employees to the office and creates additional employee positions in the office. The office is funded from program revenues consisting of alcohol beverages permit fees and other administrative fees received by the office.

Resort manufacturer permits

The bill creates a resort manufacturer permit issued by the office that authorizes the production and sale of intoxicating liquor, which includes distilled spirits and wine. The permittee may also sell fermented malt beverages (beer) under the permit if the beer is purchased from a wholesaler. The bill specifies the permissible activities and retail interests of a resort manufacturer.

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the producer sells to a wholesaler; the wholesaler sells to a retailer; and the retailer sells to a 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. In general, municipalities issue retail licenses authorizing the sale of alcohol beverages to consumers. Class "A" and "Class A" licenses authorize the retail sale of, respectively, beer and intoxicating liquor in original packages for consumption off the licensed premises, while Class "B" and "Class B" licenses authorize the retail sale of, respectively, beer and intoxicating liquor for consumption on the premises or, subject to certain restrictions, off the premises. "Class B" licenses, other than those issued to wineries, are subject to a quota system. With limited exceptions, a retail licensee may not purchase alcohol beverages from, or possess alcohol beverages purchased from, any person other than a wholesaler. DOR issues permits to alcohol beverage wholesalers and producers, such as manufacturers, rectifiers, and wineries (a function transferred to the office under the bill). Certain exceptions exist authorizing the retail sale of alcohol beverages to

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consumers under a DOR-issued permit rather than a municipality-issued retail license. A DOR-issued permit authorizing retail sales of intoxicating liquor is not subject to the quota system.

Under current law, a manufacturer's permit or rectifier's permit authorizes the permittee to, respectively, manufacture or rectify intoxicating liquor and sell it to wholesalers. Current law prohibits a manufacturer or rectifier from holding an interest in a retail license and prohibits a retail licensee from holding an interest in a manufacturer or rectifier, but a manufacturer's permit or rectifier's permit authorizes limited retail sales, without a retail license, of intoxicating liquor manufactured or rectified on the premises. A winery permit authorizes the winery to manufacture, blend, and bottle wine for sale to wholesalers. A winery may also hold one retail license. If the retail license is a "Class B" license, the license is limited compared to other "Class B" licenses and authorizes the winery to sell only wine, not distilled spirits. A winery issued a retail license may provide wine made by the winery directly to its own retail licensed premises without the wine first passing through a wholesaler.

This bill creates a resort manufacturer permit, issued by the office, authorizing all of the following: 1) the manufacture or rectification of up to 150,000 gallons of intoxicating liquor per year on the resort manufacturer premises; 2) the bottling of intoxicating liquor manufactured or rectified by the resort manufacturer; 3) the possession and storage of alcohol beverages on the resort manufacturer premises; 4) the sale of intoxicating liquor manufactured or rectified by the resort manufacturer to wholesalers; 5) the retail sale on resort manufacturer premises, without a retail license, of intoxicating liquor manufactured or rectified on these premises, for consumption on the premises or off the premises; 6) the retail sale on resort manufacturer premises, without a retail license, of beer and of intoxicating liquor not manufactured or rectified on the premises, for consumption on the premises, if the beer or intoxicating liquor is purchased from a wholesaler; and 7) the sale and delivery of intoxicating liquor manufactured or rectified on the resort manufacturer premises to the retail licensed premises of the resort or of a secondary resort facility (discussed below). Among the requirements for the office to issue a resort manufacturer permit, the applicant must own and operate at least one resort located in this state. The bill defines a "resort" as a hospitality business operation involving multiple facilities under the same ownership that includes at least 300 guest rooms and includes all of the following located within 15 miles of these guest rooms: at least one spa; comprehensive food and beverage services consisting of at least five separate restaurants; and championship golf courses consisting of at least 36 holes. The bill defines a "secondary resort facility" as a facility, other than a resort, that is located in this state, that is owned by a resort manufacturer, that is of the same or substantially similar consumer brand family as the resort, and that provides lodging or has at least one golf course or both. To be eligible for a resort manufacturer permit, the applicant's entire process for manufacturing or rectifying intoxicating liquor must occur on the resort manufacturer premises. A resort manufacturer may hold the following retail licenses: 1) retail licenses for licensed premises that are part of the resort; 2) Class "B" and "Class B" licenses for up to ten licensed locations that are

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part of a secondary resort facility; and 3) if a Class “B” or “Class B” license has been issued for a secondary resort facility, a Class “A” or “Class A” license, or both, for any gift shop associated with the secondary resort facility. A person may not hold a resort manufacturer’s permit and also a manufacturer’s permit or rectifier’s permit.

The bill also includes various provisions that treat resort manufacturers similar to manufacturers and rectifiers, including provisions relating to tax reporting.

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.** 15.435 (title) of the statutes is amended to read:

2 **15.435** (title) **Same; attached boards and offices.**

3 **SECTION 2.** 15.435 (2) of the statutes is created to read:

4 15.435 **(2)** OFFICE OF ALCOHOL BEVERAGES ENFORCEMENT. There is created an
5 office of alcohol beverages enforcement which is attached to the department of
6 revenue under s. 15.03. The office shall be under the direction and supervision of a
7 director nominated by the governor, and with the advice and consent of the senate
8 appointed, for a 6-year term, subject to removal under s. 17.07 (3m).

9 **SECTION 3.** 17.07 (3m) of the statutes is amended to read:

10 17.07 **(3m)** Notwithstanding sub. (3), the parole commission chairperson and
11 the director of the office of alcohol beverages enforcement may be removed by the
12 governor, at pleasure.

13 **SECTION 4.** 19.42 (13) (q) of the statutes is created to read:

14 19.42 **(13)** (q) The director and employees of the office of alcohol beverages
15 enforcement.

16 **SECTION 5.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
17 the following amounts for the purposes indicated:

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SECTION 5

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1 **20.566 Revenue, department of**

2 (9) OFFICE OF ALCOHOL BEVERAGES ENFORCEMENT

3 (g) General program operations PR A -0- 2,400,000

4 **SECTION 6.** 20.566 (1) (ha) of the statutes is amended to read:

5 20.566 (1) (ha) *Administration of liquor tax and alcohol beverages enforcement.*

6 The amounts in the schedule for computer, audit, and enforcement costs incurred in
7 administering the tax under s. 139.03 (2m) ~~and for costs incurred in enforcing the~~
8 ~~3-tier system for alcohol beverages production, distribution, and sale under ch. 125.~~

9 All moneys received from the administration fee under s. 139.06 (1) (a) ~~and any~~
10 ~~permit fee under s. 125.535 (2)~~ shall be credited to this appropriation.

11 Notwithstanding s. 20.001 (3) (a), at the end of each fiscal year, the unencumbered
12 balance of this appropriation account, minus an amount equal to 10 percent of the
13 sum of the amounts expended and the amounts encumbered from the account during
14 the fiscal year, shall lapse to the general fund.

15 **SECTION 7.** 20.566 (1) (hd) of the statutes is repealed.

16 **SECTION 8.** 20.566 (9) of the statutes is created to read:

17 20.566 (9) OFFICE OF ALCOHOL BEVERAGES ENFORCEMENT. (g) *General program*
18 *operations.* The amounts in the schedule for alcohol beverages regulation and
19 enforcement under ch. 125 and general program operations of the office of alcohol
20 beverages enforcement. All moneys received by the office of alcohol beverages
21 enforcement, including all moneys transferred under 2017 Wisconsin Act ... (this
22 act), section 137 (1) (a), shall be credited to this appropriation account.

23 **SECTION 9.** 20.923 (4) (c) 6. of the statutes is created to read:

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1 20.923 (4) (c) 6. Office of alcohol beverages enforcement: director of.

2 **SECTION 10.** 125.02 (10) of the statutes is amended to read:

3 125.02 (10) “Manufacturer” means a person, other than a rectifier or resort
4 manufacturer, that ferments, manufactures, or distills intoxicating liquor.

5 **SECTION 11.** 125.02 (11g) of the statutes is created to read:

6 125.02 (11g) Except in ss. 125.30 (3) and 125.545 (2) (a) 2., “office” means the
7 office of alcohol beverages enforcement.

8 **SECTION 12.** 125.02 (12) of the statutes is amended to read:

9 125.02 (12) “Peace officer” means a sheriff, undersheriff, deputy sheriff, police
10 officer, constable, marshal, deputy marshal or any employee of the ~~department~~ office
11 or of the department of justice authorized to act under this chapter.

12 **SECTION 13.** 125.02 (13) of the statutes is amended to read:

13 125.02 (13) “Permit” means any permit issued by the ~~department~~ office under
14 this chapter.

15 **SECTION 14.** 125.02 (15) (b) of the statutes is amended to read:

16 125.02 (15) (b) With respect to intoxicating liquor, the manufacturer, the
17 rectifier, the resort manufacturer, or the exclusive agent designated by the
18 manufacturer ~~or~~, rectifier, or resort manufacturer.

19 **SECTION 15.** 125.02 (16) (intro.) of the statutes is amended to read:

20 125.02 (16) (intro.) “Rectifier” means any one of the following but does not
21 include a resort manufacturer:

22 **SECTION 16.** 125.02 (17r) and (17t) of the statutes are created to read:

23 125.02 (17r) “Resort manufacturer” means a permittee under s. 125.525.

24 (17t) “Resort manufacturer premises” means any premises covered by a permit
25 issued under s. 125.525.

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1 **SECTION 17.** 125.02 (21) of the statutes is amended to read:

2 125.02 (21) “Wholesaler” means a person, other than a brewer, brewpub,
3 manufacturer, ~~or~~ rectifier, or resort manufacturer, who sells alcohol beverages to a
4 licensed retailer or to another person who holds a permit to sell alcohol beverages at
5 wholesale.

6 **SECTION 18.** 125.02 (23) of the statutes is amended to read:

7 125.02 (23) “Wine collector” means an individual who meets the standards
8 established by the ~~department~~ office by rule and who is registered with the
9 ~~department~~ office as a collector of wine.

10 **SECTION 19.** 125.025 of the statutes is created to read:

11 **125.025 Powers and duties of office.** (1) ADMINISTRATION; PERSONNEL. (a)
12 The office, under the direction of the director, shall administer this chapter and have
13 jurisdiction over alcohol beverages regulation, enforcement, and education in this
14 state.

15 (b) The director of the office shall serve outside the classified service. The
16 director of the office shall appoint a chief legal counsel in the classified service. The
17 director may also appoint, in the classified service, special agents and other
18 employees necessary to carry out the permitting, audit, education, and enforcement
19 functions of the office.

20 (c) The director and any employee of the office may not be employed by or have
21 a financial interest in the alcohol beverages industry or any business subject to the
22 office’s jurisdiction.

23 **(2) POLICE POWERS.** The office shall enforce, and the duly authorized employees
24 of the office shall have all necessary police powers to prevent violations of, this
25 chapter.

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1 **(3) INSPECTION FOR ENFORCEMENT.** Duly authorized employees of the
2 department of justice and the office and any sheriff, police officer, marshal, or
3 constable, within their respective jurisdictions, may at all reasonable hours enter
4 any licensed premises, and examine the books, papers, and records of any brewer,
5 brewpub, manufacturer, bottler, rectifier, resort manufacturer, wholesaler, or
6 retailer, and may inspect and examine, according to law, any premises where
7 fermented malt beverages or intoxicating liquors are manufactured, sold, exposed
8 for sale, possessed, or stored, for the purpose of inspecting the same and determining
9 whether this chapter is being complied with. Any refusal to permit such examination
10 of such premises is sufficient grounds under s. 125.12 for revocation or suspension
11 of any license or permit granted for the sale of any fermented malt beverages or
12 intoxicating liquors and is punishable under s. 125.11 (3).

13 **(4) FEES.** All fees collected by the office in connection with permits issued under
14 this chapter, including permit fees and other associated administrative fees, shall be
15 credited to the appropriation account under s. 20.566 (9) (g).

16 **(5) LIST OF PERMITTEES.** The office shall provide the department with all
17 information necessary for the department to publish the information specified in s.
18 139.11 (4) (a) 2. and (b) 2.

19 **SECTION 20.** 125.03 (title) of the statutes is amended to read:

20 **125.03 (title) Department Office rule making.**

21 **SECTION 21.** 125.03 (1) (a) of the statutes is amended to read:

22 125.03 (1) (a) ~~The department, in furtherance of effective control, may office~~
23 shall promulgate rules consistent with necessary to carry out its duties under this
24 chapter and ch. 139.

25 **SECTION 22.** 125.03 (1) (b) of the statutes is amended to read:

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1 125.03 (1) (b) The department office shall promulgate rules providing for
2 registration of wine collectors and establishing standards of eligibility for
3 registration as a wine collector. The rules shall also specify the form and manner of
4 notice required under s. 125.06 (11m).

5 **SECTION 23.** 125.03 (2) of the statutes is amended to read:

6 125.03 (2) CONTAINERS. The department office may by rule prescribe the
7 standard size, form or character of any container in which intoxicating liquor may
8 be sold in this state except that the department office may not set the size of
9 containers in which intoxicating liquor, except wine containing not more than 21
10 percent of alcohol by volume, may be sold at a capacity greater than 1.75 liters
11 (59.1752 fluid ounces).

12 **SECTION 24.** 125.04 (3) (a) (intro.) of the statutes is amended to read:

13 125.04 (3) (a) *Contents.* (intro.) The department office shall prepare an
14 application form for each kind of license, other than a manager's or operator's license,
15 and for each kind of permit issued under this chapter. Each form shall require all
16 of the following information:

17 **SECTION 25.** 125.04 (3) (b) of the statutes is amended to read:

18 125.04 (3) (b) *Application for renewing.* The department office may prepare a
19 simplified application form for renewal of each kind of license or permit which
20 requires only information pertinent to renewal.

21 **SECTION 26.** 125.04 (3) (c) of the statutes is amended to read:

22 125.04 (3) (c) *Distribution.* The department office shall make one copy of each
23 kind of license application that it prepares available to each municipality.

24 **SECTION 27.** 125.04 (3) (d) 1. of the statutes is amended to read:

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1 125.04 (3) (d) 1. An application form prepared by the department office shall
2 be used by each applicant for a permit.

3 **SECTION 28.** 125.04 (3) (d) 2. of the statutes is amended to read:

4 125.04 (3) (d) 2. A replica of an application form prepared by the department
5 office shall be used by each applicant for a license, other than a manager's or
6 operator's license.

7 **SECTION 29.** 125.04 (3) (e) 2. of the statutes is amended to read:

8 125.04 (3) (e) 2. The applicant shall file the application for a permit with the
9 department office.

10 **SECTION 30.** 125.04 (4) of the statutes is amended to read:

11 125.04 (4) LIST OF LICENSEES. By July 15 annually, the clerk of a municipality
12 issuing licenses shall mail to the department office a list containing the name,
13 address and trade name of each person holding a license issued by that municipality,
14 other than a manager's or operator's license or a license issued under s. 125.26 (6),
15 the type of license held and, if the person holding the license is a corporation or
16 limited liability company, the name of the agent appointed under sub. (6).

17 **SECTION 31.** 125.04 (5) (a) 5. of the statutes, as affected by 2017 Wisconsin Act
18 59, is amended to read:

19 125.04 (5) (a) 5. Have successfully completed within the 2 years prior to the
20 date of application a responsible beverage server training course at any location that
21 is offered by a technical college district and that conforms to curriculum guidelines
22 specified by the technical college system board or a comparable training course that
23 is approved by the department office or the department of safety and professional
24 services. This subdivision does not apply to an applicant who held, or who was an
25 agent appointed and approved under sub. (6) of a corporation or limited liability

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1 company that held, within the past 2 years, a Class “A”, “Class A” or “Class C” license
2 or a Class “B” or “Class B” license or permit or a manager’s or operator’s license.

3 **SECTION 32.** 125.04 (9) of the statutes is amended to read:

4 125.04 (9) SEPARATE LICENSE OR PERMIT REQUIRED. Except as provided under ss.
5 125.27 (2) (a) and 125.51 (5) (c) 1., wholesalers, manufacturers, rectifiers, resort
6 manufacturers, brewers, brewpubs, and retailers shall have a separate permit or
7 license covering each location or premises, except a licensed public warehouse, from
8 which deliveries and sales of alcohol beverages are made or at which alcohol
9 beverages are stored.

10 **SECTION 33.** 125.045 of the statutes is amended to read:

11 **125.045 Booklet for licensees and permittees. (1)** The department office
12 shall prepare a booklet explaining the state statutes and rules relating to the retail
13 sale of alcohol beverages, written concisely in language which is clearly understood
14 by those required to utilize it.

15 **(2)** The department office shall provide a copy of the booklet under sub. (1) free
16 of charge to each person issued a permit, including a renewal, under s. 125.27 or
17 125.51 (5). The department office shall provide the booklet for a charge not to exceed
18 cost, as provided under s. 20.908, to municipalities.

19 **(3)** A municipality shall provide a copy of the booklet under sub. (1) to each
20 person issued a license, including a renewal, under s. 125.17, 125.18, 125.25, 125.26
21 or 125.51 (1) by the municipality unless the municipality requires the person to
22 complete an instructional program which includes the subject matter of the booklet
23 or unless the person completes the program under s. 125.04 (5) (a) 5. or 125.17 (6).
24 This section does not preclude a municipality from charging a fee for such a program.

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1 A municipality may charge for the booklet in an amount not to exceed the amount
2 charged by the department office under sub. (2).

3 **SECTION 34.** 125.06 (11m) of the statutes is amended to read:

4 125.06 (11m) WINE COLLECTORS. The sale by a wine collector to any other wine
5 collector of manufacturer-sealed bottles or containers of wine that the selling wine
6 collector has held for at least 8 years if the selling wine collector has provided prior
7 notice of the sale to the department office. No more than one sale in any 12-month
8 period may be conducted by a wine collector under this paragraph.

9 **SECTION 35.** 125.07 (1) (b) 4. of the statutes is amended to read:

10 125.07 (1) (b) 4. The court shall promptly mail notice of a suspension under this
11 paragraph to the department office and to the clerk of each municipality which has
12 issued a license or permit to the person.

13 **SECTION 36.** 125.07 (4) (f) 3. of the statutes is amended to read:

14 125.07 (4) (f) 3. A licensee may not bring a civil action under this paragraph
15 unless the licensee has first provided notice to the underage person or the underage
16 person's parent, as applicable, of the licensee's intent to bring the action. The notice
17 shall be mailed to the last-known address of the underage person or underage
18 person's parent, as applicable, at least 15 days prior to filing the action and shall
19 include a demand for the relief described in subd. 1. The department office may, by
20 rule, prescribe a form for this notice.

21 **SECTION 37.** 125.105 (1) of the statutes is amended to read:

22 125.105 (1) No person may impersonate an inspector, agent or other employee
23 of the department office or of the department of justice.

24 **SECTION 38.** 125.11 (3) of the statutes is created to read:

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1 125.11 (3) INSPECTION VIOLATION. Any person who refuses to permit
2 examination of premises as provided in s. 125.025 (3) shall be fined not more than
3 \$500 nor less than \$50, or imprisoned not more than 90 days nor less than 10 days
4 or both, and any license or permit issued to that person shall be subject to revocation.

5 **SECTION 39.** 125.12 (1) (a) of the statutes is amended to read:

6 125.12 (1) (a) Except as provided in this subsection, any municipality or the
7 ~~department~~ office may revoke, suspend or refuse to renew any license or permit
8 under this chapter, as provided in this section.

9 **SECTION 40.** 125.12 (1) (c) of the statutes is amended to read:

10 125.12 (1) (c) Neither a municipality nor the ~~department~~ office may consider
11 an arrest or conviction for a violation punishable under s. 101.123 (8) (d), 945.03
12 (2m), 945.04 (2m), or 945.05 (1m) in any action to revoke, suspend, or refuse to renew
13 a Class "B" or "Class B" license or permit.

14 **SECTION 41.** 125.12 (4) (title) of the statutes is amended to read:

15 125.12 (4) (title) SUSPENSION OR REVOCATION OF LICENSES ON COMPLAINT OF THE
16 ~~DEPARTMENT~~ OFFICE.

17 **SECTION 42.** 125.12 (4) (ag) (intro.) of the statutes is amended to read:

18 125.12 (4) (ag) *Complaint.* (intro.) A duly authorized employee of the
19 ~~department~~ office may file a complaint with the clerk of circuit court for the
20 jurisdiction in which the premises of a person holding a license issued under this
21 chapter is situated, alleging one or more of the following about a licensee:

22 **SECTION 43.** 125.12 (5) of the statutes is amended to read:

23 125.12 (5) REVOCATIONS OR SUSPENSIONS OF, OR REFUSALS TO RENEW, PERMITS BY
24 ~~THE DEPARTMENT~~ OFFICE. The ~~department~~ office may, after notice and an opportunity
25 for hearing, revoke, suspend or refuse to renew any retail permit issued by it for the

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1 causes provided in sub. (4) and any other permit issued by it under this chapter for
2 any violation of this chapter or ch. 139, except that, for a violation of sub. (4) (ag) 6.
3 with respect to a license issued under s. 125.51 (4) (v) or a violation of s. 125.535 or
4 139.035, the ~~department~~ office shall revoke the license or permit. A revocation,
5 suspension or refusal to renew is a contested case under ch. 227.

6 **SECTION 44.** 125.12 (6) (a) of the statutes is amended to read:

7 125.12 (6) (a) Any person may file a sworn written complaint with the
8 ~~department~~ office alleging that an intoxicating liquor wholesaler has violated s.
9 125.54 (7) (a). The complaint shall identify the specific legal basis for the complaint
10 and sufficient facts for the ~~department~~ office to determine whether there is cause to
11 find that a violation has occurred. The ~~department~~ office shall provide a copy of the
12 complaint to any wholesaler against whom allegations are made, along with notice
13 of the time period under par. (b) to show cause why the wholesaler's permit should
14 not be revoked or suspended or to request a hearing.

15 **SECTION 45.** 125.12 (6) (b) of the statutes is amended to read:

16 125.12 (6) (b) Within 30 days of receiving a copy of the complaint under par. (a),
17 any wholesaler against whom allegations are made may file a sworn written
18 response or a written request for an evidentiary hearing before the ~~department~~ office
19 under s. 227.44.

20 **SECTION 46.** 125.12 (6) (c) of the statutes is amended to read:

21 125.12 (6) (c) Subject to pars. (d) 1. and (dm), if no request for an evidentiary
22 hearing is made under par. (b), within 60 days of receiving any response under par.
23 (b) or, if no response is made, within 60 days of the date on which a response or
24 request for hearing is due under par. (b), the ~~department~~ office shall make a written
25 decision as to whether a violation has occurred and either dismiss the complaint or

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1 take action under par. (e). Any decision under this paragraph shall include findings
2 of fact and conclusions of law and shall state all reasons for the decision. The
3 ~~department~~ office shall provide a copy of the decision to the complainant and to any
4 wholesaler against whom allegations are made.

5 **SECTION 47.** 125.12 (6) (cm) of the statutes is amended to read:

6 125.12 (6) (cm) Subject to pars. (d) 2. and (dm), if a request for an evidentiary
7 hearing is made under par. (b), the hearing shall be conducted in the manner
8 specified for a contested case under ss. 227.44 to 227.50, except that the hearing shall
9 be conducted within 45 days of receiving the request for hearing under par. (b) and
10 the ~~department~~ office shall make its written decision, including whether a violation
11 has occurred and whether the complaint is dismissed or action is taken under par.
12 (e), within 15 days after the hearing. In addition to service of the decision as provided
13 under s. 227.48, the ~~department~~ office shall provide a copy of the decision to the
14 complainant.

15 **SECTION 48.** 125.12 (6) (d) of the statutes is amended to read:

16 125.12 (6) (d) 1. If no request for an evidentiary hearing is made under par. (b),
17 within 60 days of receiving any response under par. (b) or, if no response is made,
18 within 60 days of the date on which a response or request for hearing is due under
19 par. (b), the ~~department~~ office may extend the time period for making a decision
20 under par. (c) by an additional 60 days if the ~~department~~ office provides notice within
21 the time period specified in par. (c) that an additional 60 days is necessary for
22 investigation.

23 2. If a request for an evidentiary hearing is made under par. (b), within 45 days
24 of receiving the request for hearing under par. (b), the ~~department~~ office may extend
25 the time period for conducting the hearing by an additional 45 days if the ~~department~~

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1 office provides notice within 45 days of receiving the request for hearing under par.
2 (b) that an additional 45 days is necessary for investigation.

3 **SECTION 49.** 125.12 (6) (dm) of the statutes is amended to read:

4 125.12 (6) (dm) Within 45 days of receiving any response or request for hearing
5 under par. (b) or, if no response or request for hearing is made, within 45 days of the
6 date on which a response or request for hearing is due under par. (b), the ~~department~~
7 office may elect to file a complaint in circuit court under sub. (4) that includes all
8 allegations of the complaint under par. (a) for which the ~~department~~ office
9 determines there is cause to find that a violation of s. 125.54 (7) (a) has occurred. If
10 the ~~department~~ office files a complaint in circuit court as provided under this
11 paragraph, the ~~department~~ office shall not conduct a hearing under par. (cm) or make
12 a written decision under par. (c), but shall proceed with the matter as provided under
13 sub. (4).

14 **SECTION 50.** 125.12 (6) (e) of the statutes is amended to read:

15 125.12 (6) (e) If the ~~department~~ office finds the allegations under par. (a) true
16 and sufficient, the ~~department~~ office shall either suspend for not less than 10 days
17 nor more than 90 days or revoke the wholesaler's permit, and give notice of the
18 suspension or revocation to the wholesaler.

19 **SECTION 51.** 125.13 of the statutes is amended to read:

20 **125.13 Report of suspension, revocation or imposition of penalty.**

21 Whenever a municipal governing body or court revokes or suspends a license or
22 permit or imposes a penalty on a licensee or permittee for the violation of this
23 chapter, the clerk of the municipality or court revoking or suspending the license or
24 imposing the penalty shall, within 10 days after the revocation, suspension or
25 imposition of penalty, mail a report to the ~~department~~ office at Madison, Wisconsin,

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1 giving the name of the licensee, the address of the licensed premises and a full
2 description of the penalty imposed.

3 **SECTION 52.** 125.14 (2) (c) of the statutes is amended to read:

4 125.14 (2) (c) *Identification.* Any person seizing alcohol beverages or personal
5 property and electing to dispose of it under this subsection shall exercise reasonable
6 diligence to ascertain the name and address of the owner of the alcohol beverages or
7 property and of all persons holding a security interest in the property seized. The
8 person shall report his or her findings in writing to the department office.

9 **SECTION 53.** 125.14 (2) (d) of the statutes is amended to read:

10 125.14 (2) (d) *Order.* Upon conviction of any person for owning, possessing,
11 keeping, storing, manufacturing, selling, distributing or transporting alcohol
12 beverages in violation of this chapter or ch. 139, the court shall order part or all of
13 the alcohol beverages or personal property seized to be destroyed if it is unfit for sale.
14 Alcohol beverages and other personal property fit for sale shall be turned over to the
15 department office for disposition. Upon receipt of the confiscated property, the
16 department office shall exercise reasonable diligence to ascertain the names and
17 addresses of all owners of the property and of all persons holding a security interest
18 in the property. If a motor vehicle is confiscated, the department office shall obtain
19 the written advice of the department of transportation as to the ownership of the
20 motor vehicle and shall make a reasonable search for perfected security interests in
21 the vehicle.

22 **SECTION 54.** 125.14 (2) (e) of the statutes is amended to read:

23 125.14 (2) (e) *Disposal.* The department office shall dispose of the alcohol
24 beverages turned over to it by the court by either giving it to law enforcement
25 agencies free of charge for use in criminal investigations, selling it to the highest

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1 bidder if the bidder is a person holding a license or permit issued under this chapter,
2 or destroying it, at the discretion of the department office. If the department office
3 elects to sell the alcohol beverages, it shall publish a class 2 notice under ch. 985
4 asking for sealed bids from qualified bidders. Any items or groups of items in the
5 inventory subject to a security interest, the existence of which was established in the
6 proceedings for conviction as being bona fide and as having been created without the
7 secured party having notice that the items were being used or were to be used in
8 connection with the violation, shall be sold separately. The net proceeds from the
9 sale, less all costs of seizure, storage, and sale, shall be turned over to the secretary
10 of administration and credited to the common school fund.

11 **SECTION 55.** 125.14 (2) (f) of the statutes is amended to read:

12 125.14 (2) (f) *Sale.* Any personal property, other than alcohol beverages, seized
13 under par. (a) and fit for sale, shall be turned over by the department office to the
14 department of administration for disposal at public auction to the highest bidder, at
15 a time and place stated in a notice of sale which describes the property to be sold.
16 The sale shall be held in a conveniently accessible place in the county where the
17 property was confiscated. A copy of the notice shall be published as a class 2 notice
18 under ch. 985. The last insertion shall be at least 10 days before the sale. The
19 ~~department of revenue~~ office shall serve a copy of the notice of sale at least 2 weeks
20 before the date thereof on all persons who are or may be owners or holders of security
21 interests in the property. Any confiscated property worth more than \$100 shall be
22 sold separately, and the balance of the confiscated property shall be sold in bulk or
23 separately at the discretion of the department of administration. The net proceeds
24 from the sale, less all costs of seizure, storage, and sale, shall be turned over to the

SENATE BILL 801**SECTION 55**

1 secretary of administration. No motor vehicle or motorboat confiscated under this
2 section may be sold within 30 days after the date of seizure.

3 **SECTION 56.** 125.14 (3) (b) of the statutes is amended to read:

4 125.14 (3) (b) *Deadline.* The application shall be made within one year after
5 the sale of the property. A copy of the application and the order setting a hearing on
6 it shall be served on the department office at least 20 days before the date set for
7 hearing.

8 **SECTION 57.** 125.145 of the statutes is amended to read:

9 **125.145 Prosecutions by attorney general or department office.** Upon
10 request by the ~~secretary of revenue~~ office, the attorney general may represent this
11 state or assist a district attorney in prosecuting any case arising under this chapter.
12 The department office may represent this state in prosecuting any violation of s.
13 125.54 (7) (a) or (b) and shall bring any such action in the circuit court for Dane
14 County.

15 **SECTION 58.** 125.15 (1) of the statutes is amended to read:

16 125.15 (1) An intoxicating liquor wholesaler, intoxicating liquor retail licensee
17 or permittee, or intoxicating liquor trade association that makes a written complaint
18 to the department office under s. 125.12 (6) of a violation of s. 125.54 (7) (a) may bring
19 an action to enforce the provisions of s. 125.54 (7) if any of the following apply:

20 (a) The department office has not rendered a decision within the time periods
21 specified in s. 125.12 (6) (c) to (d).

22 (b) The department office has rendered a decision under s. 125.12 (6) in which
23 the department office has determined that a violation has occurred but no action has
24 been brought in circuit court by the department office, attorney general, or a district
25 attorney to prosecute the violation.

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1 **SECTION 59.** 125.17 (6) (a) (intro.) of the statutes, as affected by 2017 Wisconsin
2 Act 59, is amended to read:

3 125.17 **(6)** (a) (intro.) Except as provided in par. (b), no municipal governing
4 body may issue an operator's license unless the applicant has successfully completed
5 a responsible beverage server training course at any location that is offered by a
6 technical college district and that conforms to curriculum guidelines specified by the
7 technical college system board or a comparable training course, which may include
8 computer-based training and testing, that is approved by the department office or
9 the department of safety and professional services, or unless the applicant fulfills
10 one of the following requirements:

11 **SECTION 60.** 125.19 (1) of the statutes is amended to read:

12 125.19 **(1)** ISSUANCE. The department office shall issue an alcohol beverage
13 warehouse permit which authorizes the permittee to store and warehouse alcohol
14 beverages in warehouse premises covered by the permit, subject to rules adopted by
15 the department office. The permit does not authorize the sale of any alcohol
16 beverages.

17 **SECTION 61.** 125.27 (1) (a) of the statutes, as affected by 2017 Wisconsin Act 59,
18 is amended to read:

19 125.27 **(1)** (a) The department office shall issue Class "B" permits to clubs
20 holding a valid certificate issued under s. 73.03 (50) that are operated solely for the
21 playing of golf or tennis and are commonly known as country clubs and to clubs that
22 are operated solely for curling, ski jumping or yachting, if the club is not open to the
23 general public and if no Class "B" licenses are issued by the governing body of the
24 municipality in which the club is located. A Class "B" permit authorizes retail sales
25 of fermented malt beverages to be consumed on the premises where sold. Persons

SENATE BILL 801**SECTION 61**

1 holding a Class “B” permit may sell beverages containing less than 0.5 percent of
2 alcohol by volume without obtaining a license under s. 66.0433.

3 **SECTION 62.** 125.27 (2) (a) 1. (intro.) of the statutes is amended to read:

4 125.27 (2) (a) 1. (intro.) The department office may issue a Class “B” permit to
5 any person who holds a valid certificate issued under s. 73.03 (50) and who is
6 qualified under s. 125.04 (5) authorizing the sale of fermented malt beverages for
7 consumption on any vessel having a regular place of mooring located in any waters
8 of this state as defined under s. 29.001 (45) and (63) if any of the following applies:

9 **SECTION 63.** 125.27 (2) (a) 2. of the statutes is amended to read:

10 125.27 (2) (a) 2. The department office may issue the permit only if the vessel
11 leaves its place of mooring while the sale of fermented malt beverages is taking place
12 and if the vessel fulfills the requirement under par. (am). A permit issued under this
13 paragraph also authorizes the permittee to store fermented malt beverages
14 purchased for sale on the vessel on premises owned or leased by the permittee and
15 located near the vessel’s regular place of mooring. The permittee shall describe on
16 the permit application under s. 125.04 (3) (a) 3. the premises where the fermented
17 malt beverages will be stored. The premises shall be open to inspection by the
18 department office upon request.

19 **SECTION 64.** 125.27 (3) (b) of the statutes is amended to read:

20 125.27 (3) (b) Upon application, the department office shall issue a Class “B”
21 permit to a tribe that holds a valid certificate issued under s. 73.03 (50) and that is
22 qualified under s. 125.04 (5) and (6). The permit authorizes the retail sale of
23 fermented malt beverages for consumption on or off the premises where sold.

24 **SECTION 65.** 125.275 (1) of the statutes is amended to read:

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1 125.275 (1) The ~~department~~ office may issue an industrial fermented malt
2 beverages permit which authorizes the permittee to purchase and use fermented
3 malt beverages for industrial purposes only. Such permits may be issued only to
4 persons who prove to the ~~department~~ office that they use alcohol for industrial
5 purposes and who holds a valid certificate issued under s. 73.03 (50).

6 **SECTION 66.** 125.275 (3) of the statutes is amended to read:

7 125.275 (3) Shipments of industrial fermented malt beverages shall be
8 conspicuously labeled “for industrial purposes” and shall meet other requirements
9 which the ~~department~~ office prescribes by rule.

10 **SECTION 67.** 125.28 (1) (a) of the statutes is amended to read:

11 125.28 (1) (a) Subject to par. (b), the ~~department~~ office may issue permits to
12 wholesalers for the sale of fermented malt beverages from premises within this state,
13 which premises shall comply with the requirements under s. 125.34 (2). Subject to
14 s. 125.34, and except as provided in pars. (e) and (f), a wholesaler’s permit authorizes
15 sales of fermented malt beverages only in original packages or containers to retailers
16 or wholesalers.

17 **SECTION 68.** 125.28 (1) (b) of the statutes is amended to read:

18 125.28 (1) (b) If a wholesaler does not maintain any warehouse in this state but
19 is licensed and maintains a warehouse in an adjoining state that allows wholesalers
20 holding a wholesaler’s permit in this state to deliver fermented malt beverages to
21 retailers in the adjoining state without warehousing in that state and that further
22 requires that all fermented malt beverages be first unloaded and physically at rest
23 at, and distributed from, the warehouse of the licensed wholesaler in that state, the
24 wholesaler’s permit shall be issued by the ~~department~~ office. Notwithstanding s.
25 125.04 (5) (a) 2. and (c) and (6), the ~~department~~ office may issue the wholesaler’s

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1 permit to a wholesaler described in this paragraph who is a natural person and not
2 a resident of this state or that is a corporation or limited liability company and has
3 not appointed an agent in this state.

4 **SECTION 69.** 125.28 (2) (e) 2. of the statutes is amended to read:

5 125.28 (2) (e) 2. After January 1, 2012, the ~~department~~ office shall issue to each
6 person holding an unexpired wholesaler's license issued under s. 125.28, 2009 stats.,
7 a wholesaler's permit if the person does not hold a license or permit prohibited under
8 par. (b). The issuance of a wholesaler's permit by the ~~department~~ office to any person
9 shall invalidate any previous wholesaler's license issued under s. 125.28, 2009 stats.,
10 to the person.

11 **SECTION 70.** 125.28 (4) of the statutes is amended to read:

12 125.28 (4) The amount of the permit fee shall be established by the ~~department~~
13 ~~and shall be an amount that is sufficient to fund one special agent position dedicated~~
14 ~~to alcohol and tobacco enforcement at the department, but the permit fee~~ office but
15 may not exceed \$2,500 per year or fractional part thereof. All permit fees received
16 ~~under this subsection shall be credited to the appropriation account under s. 20.566~~
17 ~~(1) (hd).~~

18 **SECTION 71.** 125.28 (5) (b) of the statutes is amended to read:

19 125.28 (5) (b) A wholesaler under this section shall annually sell and deliver
20 fermented malt beverages to at least 25 retail licensees or other wholesalers that do
21 not have any direct or indirect interest in each other or in the wholesaler. The
22 ~~department~~ office may not issue a permit under this section unless the applicant
23 represents to the ~~department~~ office an intention to satisfy this requirement, and may
24 not renew a permit issued under this section unless the wholesaler demonstrates
25 that this requirement has been satisfied.

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1 **SECTION 72.** 125.28 (5) (d) 3. of the statutes is amended to read:

2 125.28 (5) (d) 3. This paragraph shall not affect the authority of any
3 municipality or the ~~department~~ office to revoke, suspend, or refuse to renew or issue
4 a license or permit under s. 125.12.

5 **SECTION 73.** 125.28 (5) (e) of the statutes is amended to read:

6 125.28 (5) (e) The ~~department~~ office shall promulgate rules to administer and
7 enforce the requirements under this subsection. The rules shall ensure coordination
8 between the ~~department's~~ office's issuance and renewal of permits under this section
9 and its enforcement of the requirements of this subsection, and shall require that all
10 applications for issuance or renewal of permits under this section be processed by
11 ~~department~~ office personnel generally familiar with activities of fermented malt
12 beverages wholesalers. The ~~department~~ office shall establish by rule minimum
13 requirements for warehouse facilities on premises described in permits issued under
14 this section and for periodic site inspections by the ~~department~~ office of such
15 warehouse facilities.

16 **SECTION 74.** 125.29 (1) of the statutes is amended to read:

17 125.29 (1) PERMIT. No person may operate as a brewer unless that person
18 obtains a permit from the ~~department~~ office. A permit under this section may only
19 be issued to a person who holds a valid certificate issued under s. 73.03 (50).

20 **SECTION 75.** 125.29 (3) (intro.) of the statutes is amended to read:

21 125.29 (3) AUTHORIZED ACTIVITIES. (intro.) The ~~department~~ office shall issue
22 brewer's permits to eligible applicants authorizing all of the following:

23 **SECTION 76.** 125.295 (1) (intro.) of the statutes is amended to read:

24 125.295 (1) (intro.) The ~~department~~ office shall issue brewpub permits to
25 eligible applicants authorizing all of the following:

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1 **SECTION 77.** 125.295 (2) (b) of the statutes is amended to read:

2 125.295 (2) (b) If an applicant under par. (a) has no current operations, the
3 applicant may certify that the applicant has applied for or will apply for a Class “B”
4 license or license under s. 97.30 for a restaurant or will comply with any other
5 requirement under par. (a), prior to or upon commencing operations authorized
6 under this section. If a Class “B” license or license under s. 97.30 for a restaurant
7 is not subsequently issued to the applicant, or if the applicant otherwise fails to
8 comply with any requirement for eligibility under par. (a), the ~~department~~ office may
9 revoke under s. 125.12 (5) the permit issued under this section.

10 **SECTION 78.** 125.295 (2) (c) of the statutes is amended to read:

11 125.295 (2) (c) If an applicant under par. (a) holds any license or permit
12 prohibited under par. (a) 6. at the time of its application, the applicant may certify
13 that the applicant will surrender any such license or permit upon issuance of a
14 permit under this section. If the ~~department~~ office issues a permit under this section
15 and the applicant fails to surrender any license or permit prohibited under par. (a)
16 6., the ~~department~~ office may revoke under s. 125.12 (5) the permit issued under this
17 section. An applicant is not required to surrender any Class “B” license issued under
18 s. 125.31 (1) (a) 2., 2009 stats., or under s. 125.31 (1) (a) 3., 2005 stats., if the
19 applicant’s continued possession of the license is consistent with subs. (1) (h), (2) (a)
20 4., and (3) (b) and (c).

21 **SECTION 79.** 125.295 (4) of the statutes is amended to read:

22 125.295 (4) The fee established by the ~~department~~ office for a brewpub permit
23 shall not exceed the fee established by the ~~department~~ office for a permit under s.
24 125.29.

25 **SECTION 80.** 125.295 (5) of the statutes is amended to read:

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1 125.295 (5) The department office shall promulgate rules and prescribe forms
2 to ensure strict compliance with the requirements under this section.

3 **SECTION 81.** 125.30 (1) of the statutes is amended to read:

4 125.30 (1) The department office shall issue out-of-state shippers' permits
5 which, except as provided in sub. (4), authorize the permittee to ship fermented malt
6 beverages only to holders of a wholesaler's permit issued under s. 125.28. Except
7 with respect to any shipment from a warehouse in an adjoining state by a wholesaler
8 issued a wholesale permit under s. 125.28 (1) (b), no person may receive fermented
9 malt beverages in this state which have been directly shipped from outside this state
10 by any person other than the holder of a permit issued under this section. Subject
11 to s. 125.34 (2), all shipments of fermented malt beverages to a wholesaler of
12 fermented malt beverages in this state, whether shipped to the wholesaler from
13 inside this state or from outside this state, shall be unloaded in, physically at rest in,
14 and only then distributed from the wholesaler's warehouse in this state.

15 **SECTION 82.** 125.30 (2) (intro.) of the statutes is amended to read:

16 125.30 (2) (intro.) The application for an out-of-state shipper's permit and the
17 permit shall be on forms prescribed by the department office which shall contain
18 provisions determined by the department office as necessary to effectuate the
19 purposes of ss. 139.01 to 139.25 and shall include a provision that the permittee
20 agrees:

21 **SECTION 83.** 125.30 (2) (b) of the statutes is amended to read:

22 125.30 (2) (b) To permit inspections and examinations of the permittee's
23 premises and records by the department office and its duly authorized employees,
24 as authorized under s. ~~139.08 (4)~~ 125.025 (3); and

25 **SECTION 84.** 125.30 (3) of the statutes is amended to read:

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1 125.30 (3) Out-of-state shippers' permits may be issued only to a person who
2 holds a valid certificate issued under s. 73.03 (50), who is qualified under s. 125.04
3 (5), who does not maintain an office or street address in this state, and who is the
4 primary source of supply for the brand of fermented malt beverages. An out-of-state
5 shipper's permit may not be issued to a person determined by the department office
6 of alcohol beverages enforcement to be primarily engaged in wholesale or retail sales
7 in another state. Notwithstanding s. 125.04 (5) (a), natural persons obtaining
8 out-of-state shippers' permits are not required to be residents of this state.
9 Notwithstanding s. 125.04 (5) (a) 5., a person is not required to complete a
10 responsible beverage server training course to be qualified for a permit under this
11 section. Notwithstanding s. 125.04 (6), corporations or limited liability companies
12 obtaining out-of-state shippers' permits are not required to appoint agents.

13 **SECTION 85.** 125.30 (4) of the statutes is amended to read:

14 125.30 (4) An out-of-state brewer that manufactures 300,000 barrels or less
15 of fermented malt beverages in a calendar year from all locations and that holds an
16 out-of-state shipper's permit may sell and ship fermented malt beverages directly
17 to retail licensees if the out-of-state brewer registers with the department office,
18 files whatever periodic reports with the department office as the department office
19 may require, and complies with the requirements in ss. 125.33 and 125.34, as
20 applicable, to the same extent as if the out-of-state brewer were a wholesaler
21 holding a permit under s. 125.28.

22 **SECTION 86.** 125.30 (5) of the statutes is amended to read:

23 125.30 (5) The department office may revoke or suspend an out-of-state
24 shipper's permit for such time as the department office determines, if the permittee
25 violates any provision of the application or ss. 139.01 to 139.25.

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1 **SECTION 87.** 125.33 (2) (a) of the statutes is amended to read:

2 125.33 (2) (a) Give to any campus or Class “B” licensee or permittee, at any
3 given time, for placement inside the premises, signs, clocks, or menu boards with an
4 aggregate value of not more than \$2,500. If a gift of any item would cause the \$2,500
5 limit to be exceeded, the recipient shall pay the brewer, brewpub, or wholesaler the
6 amount of the item’s value in excess of \$2,500. Each recipient shall keep an invoice
7 or credit memo containing the name of the donor and the number and value of items
8 received under this paragraph. The value of an item is its cost to the donor. Each
9 recipient shall make the records kept under this paragraph available to the
10 ~~department~~ office for inspection upon request.

11 **SECTION 88.** 125.33 (2) (d) of the statutes is amended to read:

12 125.33 (2) (d) Sell to a campus or Class “B” licensee or permittee at fair market
13 value equipment designed and intended to preserve and maintain the sanitary
14 dispensing of fermented malt beverages or any services necessary to maintain this
15 kind of equipment. A brewer, brewpub, or wholesaler shall charge the same price per
16 unit of equipment to each campus or Class “B” licensee or permittee making the same
17 or a similar purchase, and shall charge the same rate to each campus or Class “B”
18 licensee or permittee purchasing maintenance services under this subdivision. Each
19 brewer, brewpub, or wholesaler shall keep records of each transaction under this
20 subdivision and shall make the records available to the ~~department~~ office upon
21 request.

22 **SECTION 89.** 125.51 (2) (am) of the statutes is amended to read:

23 125.51 (2) (am) In addition to the authorization under par. (a) and s. 125.06
24 (13), a “Class A” license authorizes the licensee to provide, free of charge, to
25 customers and visitors who have attained the legal drinking age, taste samples of

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1 intoxicating liquor other than wine that are not in original packages or containers
2 and that do not exceed 0.5 fluid ounces each, for consumption on the “Class A”
3 premises. No “Class A” licensee may provide more than one such taste sample per
4 day to any one person. Taste samples may be provided under this paragraph only
5 between the hours of 11 a.m. and 7 p.m. Any representative of a manufacturer,
6 rectifier, resort manufacturer, winery, or out-of-state shipper issued a permit under
7 s. 125.52, 125.525, 125.53, or 125.58 may assist the “Class A” licensee in dispensing
8 or serving the taste samples. No “Class A” licensee may provide as taste samples
9 under this paragraph intoxicating liquor other than wine that the “Class A” licensee
10 did not purchase from a wholesaler, unless the taste samples were manufactured or
11 rectified by a resort manufacturer that holds the “Class A” license.

12 **SECTION 90.** 125.51 (5) (a) 1. of the statutes is amended to read:

13 125.51 (5) (a) 1. The ~~department~~ office shall issue “Class B” permits to clubs
14 that are operated solely for the playing of golf or tennis and are commonly known as
15 country clubs and to clubs which are operated solely for curling, ski jumping, or
16 yachting. A “Class B” permit may be issued only to a club that holds a valid certificate
17 issued under s. 73.03 (50), that is not open to the general public, and that is located
18 in a municipality that does not issue “Class B” licenses or to a club located in a
19 municipality that issues “Class B” licenses, if the club holds a valid certificate issued
20 under s. 73.03 (50), is not open to the general public, was not issued a license under
21 s. 176.05 (4a), 1979 stats., and does not currently hold a “Class B” license. The
22 permits may be issued by the ~~department~~ office without regard to any quota under
23 sub. (4). The holder of a “Class B” permit may sell intoxicating liquor for consumption
24 by the glass and not in the original package or container on the premises covered by
25 the permit.

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1 **SECTION 91.** 125.51 (5) (a) 4. of the statutes is amended to read:

2 125.51 (5) (a) 4. The ~~department~~ office may annually issue a “Class B” permit
3 to any club that holds a valid certificate issued under s. 73.03 (50), is organized to
4 engage in sports similar to curling, golf, tennis or yachting and that held a license
5 from July 1, 1950, to June 30, 1951, as long as it is continuously operated under
6 substantially the same circumstances under which it operated during the year
7 beginning July 1, 1950, if the club is located in a municipality that does not issue
8 “Class B” licenses.

9 **SECTION 92.** 125.51 (5) (b) 2. of the statutes is amended to read:

10 125.51 (5) (b) 2. The ~~department~~ office shall issue a “Class B” permit to a
11 concessionaire that holds a valid certificate issued under s. 73.03 (50) and that
12 conducts business in an operating airport or public facility, if the county or
13 municipality which owns the airport or public facility has, by resolution of its
14 governing body, annually applied to the ~~department~~ office for the permit. The permit
15 authorizes the sale of intoxicating liquor for consumption by the glass and not in the
16 original package or container on the premises.

17 **SECTION 93.** 125.51 (5) (b) 4. of the statutes is amended to read:

18 125.51 (5) (b) 4. The ~~department~~ office may not issue a permit under this
19 paragraph to any county or municipality or officer or employee thereof.

20 **SECTION 94.** 125.51 (5) (c) 1. of the statutes is amended to read:

21 125.51 (5) (c) 1. The ~~department~~ office may issue a “Class B” permit to any
22 person who holds a valid certificate issued under s. 73.03 (50) and who is qualified
23 under s. 125.04 (5) authorizing the sale of intoxicating liquor for consumption on any
24 vessel having a regular place of mooring located in any waters of this state as defined
25 under s. 29.001 (45) and (63) if the vessel either serves food and has an approved

SENATE BILL 801**SECTION 94**

1 passenger capacity of not less than 40 individuals and the sale of intoxicating liquor
2 and fermented malt beverages on the vessel accounts for less than 50 percent of the
3 gross receipts of all of the food and beverages served on the vessel or if the vessel has
4 an approved passenger capacity of at least 100 individuals and the sale of
5 intoxicating liquor and fermented malt beverages on the vessel accounts for less than
6 50 percent of the gross receipts of the vessel. The department office may issue the
7 permit only if the vessel leaves its place of mooring while the sale of intoxicating
8 liquor is taking place and if the vessel fulfills the requirement under par. (c) 1m. A
9 permit issued under this subdivision also authorizes the permittee to store
10 intoxicating liquor purchased for sale on the vessel on premises owned or leased by
11 the permittee and located near the vessel's regular place of mooring. The permittee
12 shall describe on the permit application under s. 125.04 (3) (a) 3. the premises where
13 the intoxicating liquor will be stored. The premises shall be open to inspection by the
14 department office upon request.

15 **SECTION 95.** 125.51 (5) (d) 2. of the statutes is amended to read:

16 125.51 (5) (d) 2. Upon application, the department office shall issue a "Class B"
17 permit to a tribe that holds a valid certificate issued under s. 73.03 (50) and that is
18 qualified under s. 125.04 (5) and (6). The permit authorizes the retail sale of
19 intoxicating liquor for consumption on the premises where sold by the glass and not
20 in the original package or container. The permit also authorizes the sale of
21 intoxicating liquor in the original package or container, in multiples not to exceed 4
22 liters at any one time, to be consumed off the premises where sold, except that wine
23 is not subject to the 4-liter limitation.

24 **SECTION 96.** 125.52 (1) (a) of the statutes is amended to read:

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

6 **SECTION 97.** 125.52 (1) (b) 1. of the statutes is amended to read:

7 125.52 (1) (b) 1. A manufacturer's or rectifier's permit entitles the permittee
8 to sell intoxicating liquor to wholesalers holding a permit under s. 125.54, to wineries
9 holding a permit under s. 125.53, to resort manufacturers holding a permit under s.
10 125.525, and to other manufacturers and rectifiers holding a permit under this
11 section, from the premises described in the permit. Except as provided in subd. 2.,
12 no sales may be made for consumption on the premises of the permittee.

13 **SECTION 98.** 125.52 (1) (b) 2. of the statutes is amended to read:

14 125.52 (1) (b) 2. Notwithstanding s. 125.09 (1), a manufacturer's or rectifier's
15 permit authorizes the retail sale of intoxicating liquor that is manufactured or
16 rectified on the premises, for consumption on or off the premises. A manufacturer's
17 or rectifier's permit also authorizes the provision of taste samples, free of charge and
18 in an amount not exceeding a total of 1.5 fluid ounces to any one person, of
19 intoxicating liquor that is manufactured or rectified on the premises, for
20 consumption on the premises. The department office may prescribe additional
21 regulations for the sale of intoxicating liquor under this subdivision, if the additional
22 regulations do not conflict with the requirements applicable to holders of "Class B"
23 licenses. Notwithstanding any other provision of this chapter, the authorization
24 under this subdivision applies with respect to a person who holds any permit under
25 this section, a winery permit under s. 125.53, and either a "Class A" license or a

SENATE BILL 801**SECTION 98**

1 “Class B” license issued under s. 125.51 (3) (am), all issued for the same premises or
2 portions of the same premises.

3 **SECTION 99.** 125.52 (2) of the statutes is amended to read:

4 125.52 (2) LIMITED MANUFACTURER'S PERMIT. The department office shall issue
5 a limited manufacturer's permit which authorizes the use or sale of the intoxicating
6 liquor produced only if it is rendered unfit for use as a beverage and is used or sold
7 for use as fuel. The department office shall notify the department of natural
8 resources of the name and address of any person to whom a limited manufacturer's
9 permit is issued.

10 **SECTION 100.** 125.52 (3) of the statutes is amended to read:

11 125.52 (3) PERSONS ELIGIBLE. Except as provided under sub. (8) and s. 125.69,
12 a manufacturer's or rectifier's permit may be issued to any person who holds a valid
13 certificate issued under s. 73.03 (50) and who is qualified under s. 125.04 (5), except
14 a foreign corporation, a foreign limited liability company or a person acting as an
15 agent for or in the employ of another. Notwithstanding s. 125.04 (5) (a) 5., a person
16 is not required to complete a responsible beverage server training course to be
17 eligible for a permit under this section.

18 **SECTION 101.** 125.52 (8) of the statutes is created to read:

19 125.52 (8) RESORT MANUFACTURERS. Neither a manufacturer's permit nor a
20 rectifier's permit may be issued under this section to any person that holds, or has
21 a direct or indirect ownership interest in a premises operating under, a resort
22 manufacturer permit issued under s. 125.525.

23 **SECTION 102.** 125.525 of the statutes is created to read:

24 **125.525 Resort manufacturer permits. (1) DEFINITIONS.** In this section:

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1 (a) “Resort” means a hospitality business operation involving multiple
2 facilities under the same ownership that includes at least 300 guest rooms and
3 includes all of the following located within 15 miles of these guest rooms:

4 1. At least one spa.

5 2. Comprehensive food and beverage services consisting of at least 5 separate
6 restaurants.

7 3. Championship golf courses consisting of at least 36 holes.

8 (b) “Secondary resort facility” means a facility, other than a resort, that is
9 located in this state, that is owned by a resort manufacturer, that is of the same or
10 substantially similar consumer brand family as the resort, and that provides lodging
11 accommodations or has at least one golf course or both.

12 **(2) AUTHORIZED ACTIVITIES.** The office shall issue resort manufacturer permits
13 to eligible applicants authorizing all of the following:

14 (a) The manufacture or rectification of intoxicating liquor on the premises
15 covered by the permit if not more than 150,000 gallons of intoxicating liquor are
16 manufactured or rectified in a calendar year by the permittee.

17 (b) The bottling on the resort manufacturer premises of intoxicating liquor that
18 has been manufactured or rectified on these premises.

19 (c) The possession and storage of alcohol beverages on the resort manufacturer
20 premises.

21 (d) The sale of intoxicating liquor manufactured or rectified on the resort
22 manufacturer premises in original unopened packages or containers to wholesalers
23 holding a permit under s. 125.54.

24 (e) Notwithstanding ss. 125.04 (9) and 125.09 (1), the sale at retail on the resort
25 manufacturer premises of intoxicating liquor manufactured or rectified on the resort

SENATE BILL 801**SECTION 102**

1 manufacturer premises for consumption on the premises or in original unopened
2 packages or containers for consumption off the premises.

3 (f) Notwithstanding ss. 125.04 (9) and 125.09 (1), the sale at retail of alcohol
4 beverages, other than intoxicating liquor manufactured or rectified on the resort
5 manufacturer premises, for consumption on the resort manufacturer premises if the
6 alcohol beverages were purchased from a wholesaler holding a permit under s.
7 125.28 or 125.54.

8 (g) The sale and delivery by the resort manufacturer of intoxicating liquor
9 manufactured or rectified on the resort manufacturer premises, in original unopened
10 packages or containers, to the retail licensed premises that are part of the resort or,
11 subject to the limitation in sub. (4) (b), part of a secondary resort facility.

12 **(3) PERSONS ELIGIBLE.** Except as provided in s. 125.69 (1), an applicant is eligible
13 for a resort manufacturer permit if all of the following apply:

14 (a) The applicant is qualified under s. 125.04 (5), except that an applicant may
15 not be a person acting as an agent for or in the employ of another. Notwithstanding
16 s. 125.04 (5) (a) 5., a person is not required to complete a responsible beverage server
17 training course to be eligible for a permit under this section.

18 (b) The applicant's entire process for manufacturing or rectifying intoxicating
19 liquor occurs on premises covered by a permit under this section.

20 (c) The applicant holds a valid certificate issued under s. 73.03 (50).

21 (d) The applicant owns and operates at least one resort located in this state.

22 (e) The applicant does not hold, or have a direct or indirect ownership interest
23 in premises operating under, any of the following:

24 1. A brewer's permit issued under s. 125.29.

25 2. A brewpub permit issued under s. 125.295.

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1 3. A wholesaler's permit issued under s. 125.28.

2 4. Except as provided in sub. (4), a Class "B" license issued under s. 125.26,
3 Class "B" permit issued under s. 125.27, or Class "A" license issued under s. 125.25.

4 **(4) RETAIL INTERESTS.** (a) A resort manufacturer may hold retail licenses for
5 licensed premises that are part of the resort, including any gift shops and a grocery
6 store.

7 (b) In addition to retail licenses authorized under par. (a), a resort
8 manufacturer may hold Class "B" and "Class B" licenses for not more than 10
9 licensed locations that are part of any secondary resort facility of the resort
10 manufacturer.

11 (c) In addition to retail licenses authorized under pars. (a) and (b), if any Class
12 "B" or "Class B" license has been issued to a resort manufacturer for part of a
13 secondary resort facility, the resort manufacturer may also hold a Class "A" or "Class
14 A" license, or both, for any gift shop associated with the secondary resort facility.

15 **(5) FEES.** The fee for issuance or renewal of a permit under this section shall
16 be established by the office but may not be less than \$10,000 biennially.

17 **SECTION 103.** 125.53 (1) of the statutes is amended to read:

18 125.53 (1) The department office shall issue only to a manufacturing winery
19 in this state that holds a valid certificate issued under s. 73.03 (50) a winery permit
20 authorizing the manufacture and bottling of wine on the premises covered by the
21 permit for sale to wholesalers holding a permit under s. 125.54. A winery permit also
22 authorizes the permittee to, on the winery premises and without obtaining a
23 rectifier's permit, possess intoxicating liquor and mix or blend intoxicating liquor to
24 produce wine sold to wholesalers holding a permit under s. 125.54. A winery holding
25 a permit under this section may offer on the premises taste samples of wine

SENATE BILL 801**SECTION 103**

1 manufactured on the premises to persons who have attained the legal drinking age.
2 A permittee under this section may also have either one "Class A" license or one
3 "Class B" license, but not both. The "Class A" license or "Class B" license may either
4 be issued for the winery premises or for real estate owned or leased by the winery.
5 If a "Class A" or "Class B" liquor license has also been issued to the winery, the winery
6 may provide wine manufactured, mixed, or blended on the winery premises directly
7 to the "Class A" or "Class B" premises and may offer the taste samples on the "Class
8 A" or "Class B" premises. A winery holding a permit under this section may also
9 make retail sales and provide taste samples on county or district fair fairgrounds as
10 provided in s. 125.51 (10), but this wine sold at retail or provided as taste samples
11 shall be purchased from a wholesaler holding a permit under s. 125.54.

12 **SECTION 104.** 125.535 (1) of the statutes is amended to read:

13 125.535 (1) AUTHORIZED ACTIVITIES. The department office shall issue direct
14 wine shippers' permits authorizing the permittee to ship wine directly to an
15 individual in this state who is of the legal drinking age, who acknowledges receipt
16 of the wine shipped, and who is not intoxicated at the time of delivery.

17 **SECTION 105.** 125.535 (2) of the statutes is amended to read:

18 125.535 (2) ANNUAL PERMIT FEE. The department office may, by rule, establish
19 an annual fee, not to exceed \$100, for each permit issued under this section. All fees
20 collected under this subsection shall be credited to the appropriation account under
21 ~~s. 20.566 (1) (ha).~~

22 **SECTION 106.** 125.535 (3) (a) 2m. of the statutes is created to read:

23 125.535 (3) (a) 2m. A resort manufacturer permit under s. 125.525.

24 **SECTION 107.** 125.535 (3) (b) 2. of the statutes is amended to read:

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1 125.535 (3) (b) 2. The winery submits to the department office, with any initial
2 application or renewal for a certificate under s. 73.03 (50) or a permit under par. (a)
3 3. or 4., a copy of any current license, permit, or authorization issued to the winery
4 by the state from which the winery will ship wine into this state or the winery's
5 federal basic permit.

6 **SECTION 108.** 125.54 (1) of the statutes is amended to read:

7 125.54 (1) AUTHORIZED ACTIVITIES. The department office shall issue
8 wholesalers' permits authorizing the permittee to sell, from the premises described
9 in the permit, intoxicating liquor at wholesale to retailers and wholesalers, as well
10 as to manufacturers, rectifiers, resort manufacturers, and wineries for production
11 purposes. The permittee may not sell intoxicating liquor for consumption on the
12 premises. Possession of a permit under this section does not authorize the permittee
13 to sell tax-free intoxicating liquor and wine brought into this state under s. 139.03
14 (5).

15 **SECTION 109.** 125.54 (5) of the statutes is amended to read:

16 125.54 (5) SALES AREA. No wholesaler may sell any intoxicating liquor before
17 filing with the department office a written statement that the permittee is a
18 distributor of a particular brand in this state, or an area of this state, and that the
19 sales of that brand by the permittee and anyone purchasing from the permittee will
20 be limited to the area specified. The permittee shall notify the department office of
21 any change in the area within 7 days of the effective date of the change.

22 **SECTION 110.** 125.54 (7) (a) 2. of the statutes is amended to read:

23 125.54 (7) (a) 2. A permittee under this section shall annually sell and deliver
24 intoxicating liquor to at least 10 retail licensees or permittees that do not have any
25 direct or indirect interest in each other or in the permittee under this section. The

SENATE BILL 801**SECTION 110**

1 department office shall not issue a permit under this section unless the applicant
2 represents to the department office an intention to satisfy this requirement, and
3 shall not renew a permit issued under this section unless the permittee
4 demonstrates that this requirement has been satisfied.

5 **SECTION 111.** 125.54 (7) (c) 3. of the statutes is amended to read:

6 125.54 (7) (c) 3. This paragraph shall not affect the authority of any
7 municipality or the department office to revoke, suspend, or refuse to renew or issue
8 a license or permit under s. 125.12.

9 **SECTION 112.** 125.54 (7) (d) of the statutes is amended to read:

10 125.54 (7) (d) The department office shall promulgate rules to administer and
11 enforce the requirements under this subsection. The rules shall ensure coordination
12 between the department's office's issuance and renewal of permits under this section
13 and its enforcement of the requirements of this subsection, and shall require that all
14 applications for issuance or renewal of permits under this section be processed by
15 department office personnel generally familiar with activities of intoxicating liquor
16 wholesalers. The department office shall establish by rule minimum requirements
17 for warehouse facilities on premises described in permits issued under this section
18 and for periodic site inspections by the department office of such warehouse facilities.

19 **SECTION 113.** 125.54 (8) of the statutes is amended to read:

20 125.54 (8) DUTY TO WORK IN GOOD FAITH. Each wholesaler has an obligation to
21 negotiate in good faith with any manufacturer, rectifier, resort manufacturer, or
22 winery that seeks to sell its products in this state through the wholesaler. To this end,
23 all wholesalers shall work diligently to ensure that distribution channels are
24 available for the sale of intoxicating liquor products through wholesalers to retailers
25 in this state.

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1 **SECTION 114.** 125.545 (2) (a) 3. b. of the statutes is amended to read:

2 125.545 (2) (a) 3. b. The small winery is certified by the department office under
3 sub. (6) (a) as a small winery.

4 **SECTION 115.** 125.545 (3) (a) 1. of the statutes is amended to read:

5 125.545 (3) (a) 1. Within 7 days after filing its articles of incorporation under
6 ch. 185, a cooperative wholesaler shall apply to the department office for a
7 wholesaler's permit under s. 125.54. The provisions of s. 125.04 (5) (c) and (6) shall
8 apply to a cooperative wholesaler as if the cooperative wholesaler were a corporation
9 or a limited liability company and, for each of these provisions, the department office
10 shall determine whether the cooperative wholesaler is most similar to a corporation
11 or a limited liability company in the context of that provision and apply that
12 provision to the cooperative wholesaler accordingly.

13 **SECTION 116.** 125.545 (3) (a) 2. of the statutes is amended to read:

14 125.545 (3) (a) 2. Notwithstanding s. 125.54 (6), the department office may
15 issue not more than one wholesaler's permit to any cooperative wholesaler. The
16 department office may not issue more than a total of 6 wholesalers' permits to
17 cooperative wholesalers in this state. The department office may not issue any new
18 wholesaler's permit to a cooperative wholesaler after December 31, 2008, but may
19 renew wholesalers' permits that were initially issued to cooperative wholesalers
20 prior to that date.

21 **SECTION 117.** 125.545 (5) of the statutes is amended to read:

22 125.545 (5) BIENNIAL REPORTS. With each application for renewal of a
23 wholesaler's permit issued to a cooperative wholesaler, each cooperative wholesaler
24 shall file with the department office, in the form and manner prescribed by the

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1 department office by rule, a biennial report that includes detailed information on its
2 members, board of directors, and sale and distribution activities.

3 **SECTION 118.** 125.545 (6) of the statutes is amended to read:

4 125.545 (6) ~~DEPARTMENT~~ OFFICE CERTIFICATION AND RULE MAKING. (a) 1. The
5 department office shall, upon application, certify eligible applicants as small
6 wineries and renew prior certifications of eligible applicants as small wineries.

7 2. Any winery seeking to become a member of, or to maintain its membership
8 in, a cooperative wholesaler may apply to the department office for certification as
9 a small winery. If the winery meets the definition of a small winery under this
10 section, satisfies the requirement under sub. (2) (a) 3. a., and submits any other
11 information that the department office determines is necessary to certify that the
12 winery is operating as a small winery and is eligible for membership in a cooperative
13 wholesaler, the department office shall certify the winery as a small winery. This
14 certification shall remain valid for one year.

15 3. In certifying any winery under subd. 2., the department office shall classify
16 the winery as either a Wisconsin winery or an out-of-state winery.

17 4. The department office shall refuse to certify under this paragraph any
18 winery that cannot demonstrate it holds all necessary permits for its operations or
19 that the department office finds is otherwise not in full compliance with the laws of
20 this state.

21 (b) The department office shall promulgate rules to administer and enforce the
22 requirements under this section.

23 **SECTION 119.** 125.545 (7) of the statutes is amended to read:

24 125.545 (7) PENALTIES. (a) Any winery that sells or distributes its wine directly
25 to a retailer, rather than through a wholesaler or cooperative wholesaler, is subject

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1 to a fine of not more than \$10,000 and revocation of all of its permits by the
2 department office under s. 125.12 (5).

3 (b) Any cooperative wholesaler that provides preferential treatment to a
4 Wisconsin winery or discriminates against an out-of-state winery is subject to a fine
5 of not more than \$10,000 and revocation of its wholesaler's permit by the department
6 office under s. 125.12 (5).

7 **SECTION 120.** 125.55 (1) of the statutes is amended to read:

8 125.55 (1) The department office may issue a combination manufacturer's and
9 rectifier's permit.

10 **SECTION 121.** 125.56 (2) (a) of the statutes is amended to read:

11 125.56 (2) (a) The department office shall issue sacramental wine permits to
12 organized religious bodies authorizing them to purchase for their own use
13 sacramental wine from any permittee under s. 125.52 (1), 125.53 or 125.54. A permit
14 under this subsection does not authorize the resale of sacramental wine by the
15 permittee.

16 **SECTION 122.** 125.56 (2) (c) of the statutes is amended to read:

17 125.56 (2) (c) Shipments of sacramental wine shall be conspicuously labeled
18 "for sacramental purposes" and shall meet any other requirements the department
19 office prescribes by rule.

20 **SECTION 123.** 125.56 (2) (d) of the statutes is amended to read:

21 125.56 (2) (d) A sacramental wine permit shall be issued free of charge by the
22 department office and is not subject to s. 125.04 (11) (a).

23 **SECTION 124.** 125.58 (1) of the statutes is amended to read:

24 125.58 (1) The department office shall issue out-of-state shippers' permits
25 which authorize persons located outside this state to sell or ship intoxicating liquor

SENATE BILL 801**SECTION 124**

1 into this state. Except as provided under sub. (4), intoxicating liquor may be shipped
2 into this state only to a person holding a wholesaler's permit under s. 125.54 or, if
3 shipped from a manufacturer or rectifier in another state holding a permit under this
4 section and shipped for use for production purposes, to a person holding a
5 manufacturer's or rectifier's permit under s. 125.52, a resort manufacturer permit
6 under s. 125.525, or a winery permit under s. 125.53. Except as provided under sub.
7 (4), a separate out-of-state shipper's permit is required for each location from which
8 any intoxicating liquor is sold or shipped into this state, including the location from
9 which the invoices are issued for the sales or shipments. Any person holding an
10 out-of-state shipper's permit issued under this section may solicit orders for sales
11 or shipments by the permittee without obtaining the sales solicitation permit
12 required by s. 125.65, but every agent, salesperson or other representative who
13 solicits orders for sales or shipments by an out-of-state shipper shall first obtain a
14 permit for soliciting orders under s. 125.65. No holder of an out-of-state shipper's
15 permit issued under this section may sell intoxicating liquor in this state or ship
16 intoxicating liquor into this state unless the out-of-state shipper is the primary
17 source of supply for that intoxicating liquor.

18 **SECTION 125.** 125.60 (1) of the statutes is amended to read:

19 125.60 (1) The department office may issue a wholesale alcohol permit which
20 authorizes the permittee to sell ethyl alcohol of 190 proof or more to persons holding
21 permits or licenses issued under s. 125.61 or 125.62. Nothing in this section requires
22 manufacturers, rectifiers and wholesalers holding permits issued under s. 125.52 (1)
23 or 125.54 to obtain a wholesale alcohol permit.

24 **SECTION 126.** 125.61 (1) of the statutes is amended to read:

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1 125.61 (1) The ~~department~~ office may issue a medicinal alcohol permit which
2 authorizes the permittee to purchase and use alcohol for medicinal purposes only.
3 The permit may be issued only to persons who prove to the ~~department~~ office that
4 they use alcohol for medicinal purposes.

5 **SECTION 127.** 125.61 (3) of the statutes is amended to read:

6 125.61 (3) Shipments of medicinal alcohol shall be conspicuously labeled “for
7 medicinal purposes” and shall meet other requirements which the ~~department~~ office
8 prescribes by rule.

9 **SECTION 128.** 125.61 (4) of the statutes is amended to read:

10 125.61 (4) A medicinal permit shall be issued free of charge by the ~~department~~
11 office and is not subject to s. 125.04 (11) (a).

12 **SECTION 129.** 125.62 (1) of the statutes is amended to read:

13 125.62 (1) The ~~department~~ office may issue an industrial alcohol permit which
14 authorizes the permittee to purchase and use alcohol for industrial purposes only.
15 Such permits may be issued only to persons who prove to the ~~department~~ office that
16 they use alcohol for industrial purposes.

17 **SECTION 130.** 125.62 (3) of the statutes is amended to read:

18 125.62 (3) Shipments of industrial alcohol shall be conspicuously labeled “for
19 industrial purposes” and shall meet other requirements which the ~~department~~ office
20 prescribes by rule.

21 **SECTION 131.** 125.63 (1) of the statutes is amended to read:

22 125.63 (1) The ~~department~~ office may issue an industrial wine permit which
23 authorizes the purchase and use of wine for industrial purposes only. An industrial
24 wine permit may be issued only to persons who prove to the ~~department~~ office that
25 they use wine for industrial purposes.

SENATE BILL 801**SECTION 132**

1 **SECTION 132.** 125.63 (3) of the statutes is amended to read:

2 125.63 (3) Shipments of industrial wine shall be conspicuously labeled “for
3 industrial purposes” and shall meet other requirements which the ~~department~~ office
4 prescribes by rule.

5 **SECTION 133.** 125.65 (1) of the statutes is amended to read:

6 125.65 (1) The ~~department~~ office may issue a permit for wholesale sales for
7 future delivery which authorizes the permittee to solicit orders, and to engage in the
8 sale, of intoxicating liquor for delivery at a future date. A person holding a permit
9 under this section may give a sample of a brand of intoxicating liquor to a “Class A”
10 licensee who has not previously purchased that brand from the permittee.

11 **SECTION 134.** 125.65 (4) (intro.) of the statutes is amended to read:

12 125.65 (4) (intro.) The ~~department~~ office shall require the following
13 information in applications for permits under this section:

14 **SECTION 135.** 125.65 (4) (e) of the statutes is amended to read:

15 125.65 (4) (e) Any other information required by the ~~department~~ office.

16 **SECTION 136.** 125.65 (6) of the statutes is amended to read:

17 125.65 (6) Employers shall furnish the ~~department~~ office with the names of all
18 employees engaged in activities requiring a permit under this section and shall
19 notify the ~~department~~ office whenever an employee begins or terminates
20 employment. Upon leaving employment, an employee shall submit his or her permit
21 to the ~~department~~ office for cancellation.

22 **SECTION 137.** 125.65 (10) of the statutes is amended to read:

23 125.65 (10) The ~~department~~ office may not require a fee for a permit under this
24 section for an individual who is eligible for the veterans fee waiver program under
25 s. 45.44.

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1 **SECTION 138.** 125.68 (9) (b) of the statutes is amended to read:

2 125.68 (9) (b) All containers of intoxicating liquor sold in this state shall be
3 clearly and legibly labeled with the name and address of the manufacturer or resort
4 manufacturer and the name of the intoxicating liquor. The label shall meet any other
5 labeling requirements created by the federal alcohol administration act.

6 **SECTION 139.** 125.68 (9) (d) of the statutes is amended to read:

7 125.68 (9) (d) All packages or containers of intoxicating liquor delivered in this
8 state shall bear seals affixed by the manufacturer or resort manufacturer so that the
9 contents cannot be removed without breaking the seals.

10 **SECTION 140.** 125.68 (9) (f) of the statutes is amended to read:

11 125.68 (9) (f) Every person manufacturing, rectifying or blending intoxicating
12 liquor sold in this state shall provide the department office with the names, brands,
13 descriptions, alcoholic content by volume and any other information about the
14 intoxicating liquor required by the department office. Information required by this
15 paragraph shall be submitted prior to placing any new blend on the market. The
16 department office may also require by rule that samples of new products be
17 submitted for examination and analysis.

18 **SECTION 141.** 125.68 (10) of the statutes is amended to read:

19 125.68 (10) SHIPMENTS INTO STATE. (a) Except as provided in s. 125.535, no
20 intoxicating liquor may be shipped into this state unless consigned to a person
21 holding a wholesaler's permit under s. 125.54 or, if shipped from a manufacturer or
22 rectifier in another state holding a permit under s. 125.58, consigned to a person
23 holding a manufacturer's or rectifier's permit under s. 125.52, a resort manufacturer
24 permit under s. 125.525, or a winery permit under s. 125.53.

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1 (b) Except as provided in s. 125.535, no common carrier or other person may
2 transport into and deliver within this state any intoxicating liquor unless it is
3 consigned to a person holding a wholesaler's permit under s. 125.54 or, if shipped
4 from a manufacturer or rectifier in another state holding a permit under s. 125.58,
5 consigned to a person holding a manufacturer's or rectifier's permit under s. 125.52,
6 a resort manufacturer permit under s. 125.525, or a winery permit under s. 125.53.
7 Any common carrier violating this paragraph shall forfeit \$100 for each violation.

8 **SECTION 142.** 125.69 (title) of the statutes is amended to read:

9 **125.69 (title) Restrictions on dealings between manufacturers,**
10 **rectifiers, resort manufacturers, wholesalers, and retailers.**

11 **SECTION 143.** 125.69 (1) (a) of the statutes is renumbered 125.69 (1) (a) 1. and
12 amended to read:

13 125.69 (1) (a) 1. ~~No Except as provided in subds. 2. and 3., no~~ intoxicating liquor
14 manufacturer, rectifier, resort manufacturer, winery, out-of-state shipper
15 permittee, or wholesaler may hold any direct or indirect interest in any "Class A"
16 license or establishment and no "Class A" licensee may hold any direct or indirect
17 interest in a wholesale permit or establishment, ~~except that a~~.

18 2. A winery that has a permit under s. 125.53 may have an ownership interest
19 in a "Class A" license and a person may hold a "Class A" license and both a winery
20 permit under s. 125.53 and a manufacturer's or rectifier's permit under s. 125.52 and
21 may make retail sales and provide taste samples as authorized under the "Class A"
22 license and ss. 125.06 (13) and 125.52 (1) (b) 2.

23 **SECTION 144.** 125.69 (1) (a) 3. of the statutes is created to read:

24 125.69 (1) (a) 3. A person may hold a resort manufacturer permit and "Class
25 A" licenses as provided in s. 125.525 (4) (a) and (c).

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1 **SECTION 145.** 125.69 (1) (b) 1. of the statutes is amended to read:

2 125.69 (1) (b) 1. Except as provided under subds. 3., 4., and 5., no intoxicating
3 liquor manufacturer, rectifier, resort manufacturer, winery, out-of-state shipper
4 permittee, or wholesaler may hold any direct or indirect interest in any “Class B”
5 license or permit or establishment or “Class C” license or establishment and no
6 “Class B” licensee or permittee or “Class C” licensee may hold any direct or indirect
7 interest in a manufacturer, rectifier, resort manufacturer, winery, out-of-state
8 shipper, or wholesale permit or establishment.

9 **SECTION 146.** 125.69 (1) (b) 3. of the statutes is created to read:

10 125.69 (1) (b) 3. A person may hold a resort manufacturer permit and “Class
11 B” licenses as provided in s. 125.525 (4) (a) and (b).

12 **SECTION 147.** 125.69 (1) (c) of the statutes is amended to read:

13 125.69 (1) (c) No manufacturer, rectifier, resort manufacturer, winery, or
14 out-of-state shipper permittee, whether located within or without this state, may
15 hold any direct or indirect interest in any wholesale permit or establishment. Except
16 as provided in pars. (a) 2. and 3. and (b) 3. and 4. and ~~s.~~ ss. 125.525 and 125.53, no
17 retail licensee may hold any direct or indirect interest in any manufacturer, rectifier,
18 resort manufacturer, winery, or out-of-state shipper permittee.

19 **SECTION 148.** 125.69 (4) (e) of the statutes is amended to read:

20 125.69 (4) (e) *Costs.* The cost of administering this subsection shall be charged
21 to the manufacturer, rectifier and wholesaler permittees. The department office
22 shall determine the costs and shall establish the procedure for apportioning the cost
23 against the permittees and provide for the method of payment to the department
24 office. All moneys collected by the office under this paragraph shall be credited to
25 the appropriation account under s. 20.566 (9) (g).

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1 **SECTION 149.** 125.69 (6) (a) of the statutes is amended to read:

2 125.69 (6) (a) No Except as provided in s. 125.525 (2) (g), no campus or retail
3 licensee or permittee may purchase intoxicating liquor from, or possess intoxicating
4 liquor purchased from, any person other than a wholesaler holding a permit under
5 this chapter for the sale of intoxicating liquor.

6 **SECTION 150.** 125.70 of the statutes is amended to read:

7 **125.70 Trade show samples.** A manufacturer, rectifier, resort manufacturer,
8 winery, or intoxicating liquor wholesaler may furnish, free of charge, on “Class B”
9 premises, taste samples of intoxicating liquor to any person who has attained the
10 legal drinking age and who is attending a trade show, conference, convention, or
11 similar business meeting, that is held on those premises, of a bona fide national or
12 statewide trade association that derives income from membership dues of “Class B”
13 licensees. Taste samples may not be furnished under this section at more than 2 such
14 events of any one trade association per year. No intoxicating liquor brought on
15 “Class B” premises under this section may remain on those premises after the close
16 of the trade show, conference, convention, or business meeting. No limitation under
17 this section applies to a resort manufacturer with respect to premises operating
18 under a “Class B” license held by the resort manufacturer.

19 **SECTION 151.** 139.01 (4) of the statutes is amended to read:

20 139.01 (4) “License,” and “fermented malt beverages” have the same meaning
21 as in s. 125.02, and “licensed premises” are premises described in licenses and
22 permits issued by the ~~department~~ office, cities, villages, or towns under the authority
23 of said section.

24 **SECTION 152.** 139.01 (5) of the statutes is amended to read:

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1 139.01 (5) A “manufacturer” is a person, other than a rectifier or resort
2 manufacturer, who manufactures or distills intoxicating liquors, including selling at
3 wholesale such intoxicating liquors manufactured or distilled by the licensee at the
4 premises designated in the license.

5 **SECTION 153.** 139.01 (5g) of the statutes is created to read:

6 139.01 (5g) “Office” means the office of alcohol beverages enforcement.

7 **SECTION 154.** 139.01 (6) of the statutes is amended to read:

8 139.01 (6) A “rectifier” is a person, other than a resort manufacturer, who
9 rectifies, purifies or refines distilled spirits or wines by any process other than by
10 original and continuous distillation from mash, wort or wash, through continuous
11 closed vessels or pipes, until the manufacture thereof is complete, or who has in his
12 or her possession any still or leach tub or keeps any other apparatus for the purpose
13 of refining in any manner distilled spirits or the other liquors, or who after rectifying
14 and purifying distilled spirits, by mixing such spirits or liquors with any materials,
15 manufactures any spurious, imitation or compound liquors for sale, and any person
16 who, without rectifying, purifying or refining distilled spirits, by mixing such spirits
17 with any materials, manufactures any spurious, imitation or compound liquors for
18 sale under the name of “whiskey,” “brandy,” “gin,” “rum,” “spirits,” “cordials” or any
19 other name, and who is also a distiller or is under substantially the same
20 management or control as a distiller. A rectifier may sell at wholesale intoxicating
21 liquors rectified by him or her without any other license than that of a rectifier.

22 **SECTION 155.** 139.01 (6m) of the statutes is created to read:

23 139.01 (6m) “Resort manufacturer” means a permittee under s. 125.525.

24 **SECTION 156.** 139.01 (10) of the statutes is amended to read:

SENATE BILL 801**SECTION 156**

1 139.01 (10) “Wholesaler” as applied to a seller of fermented malt beverages has
2 the same meaning as in s. 125.02, and as applied to a seller of intoxicating liquors
3 is any person other than a manufacturer ~~or~~, rectifier, or resort manufacturer who
4 sells such liquors to licensed retailers or other permittees for the purpose of resale.

5 **SECTION 157.** 139.03 (2x) (a) of the statutes is amended to read:

6 139.03 (2x) (a) *Floor tax imposed.* On the date tax rate changes become
7 effective under this section a floor tax is imposed upon every manufacturer, rectifier,
8 resort manufacturer, wholesaler, and retailer who is in possession of any intoxicating
9 liquor held for resale on which the intoxicating liquor tax already has been imposed.
10 The person shall determine the volume of that intoxicating liquor and shall file a
11 return by the 15th day of the month following the month in which the new tax rate
12 becomes effective and shall pay any tax due on it, as determined under par. (b).

13 **SECTION 158.** 139.03 (5) (a) of the statutes is amended to read:

14 139.03 (5) (a) No person who enters this state from another state may have in
15 his or her possession and bring into the state any intoxicating liquor or wine. The
16 prohibition in this paragraph does not apply to a person who changes his or her
17 domicile from another state or a foreign country to this state and who brings into this
18 state intoxicating liquor and wine constituting household goods. The prohibition in
19 this paragraph does not apply to intoxicating liquor or wine consigned to any person
20 having a permit from the ~~secretary~~ office to engage in the sale of such intoxicating
21 liquor or wine.

22 **SECTION 159.** 139.04 (4) of the statutes is amended to read:

23 139.04 (4) Sale or shipment of fermented malt beverages by a brewer to a
24 bottler or of intoxicating liquor in bulk between manufacturers, rectifiers, resort
25 manufacturers, and wineries.

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1 **SECTION 160.** 139.06 (3) of the statutes is amended to read:

2 139.06 (3) In shipping intoxicating liquor in bulk for the purpose of bottling or
3 rectifying to a rectifier or resort manufacturer located within the state, the
4 manufacturer shall securely affix thereto a label or statement, in such form as is
5 prescribed by the secretary, reciting that the shipment is made for the purpose of
6 bottling or rectifying. Each manufacturer making such shipments shall file an
7 information report that shows the dates and quantities of shipments and the name
8 and address of each consignee.

9 **SECTION 161.** 139.08 (3) of the statutes is amended to read:

10 139.08 (3) POLICE POWERS. The department of revenue shall enforce and the
11 duly authorized employees of the department shall have all necessary police powers
12 to prevent violations of s. 134.65, and this subchapter ~~and ch. 125~~.

13 **SECTION 162.** 139.08 (4) of the statutes is amended to read:

14 139.08 (4) INSPECTION FOR ENFORCEMENT. Duly authorized employees of the
15 department of justice and the department of revenue and any sheriff, police officer,
16 marshal, or constable, within their respective jurisdictions, may at all reasonable
17 hours enter any licensed premises, and examine the books, papers, and records of
18 any brewer, brewpub, manufacturer, bottler, rectifier, resort manufacturer,
19 wholesaler, or retailer, for the purpose of inspecting the same and determining
20 whether the tax and fee imposed by ss. 139.01 to 139.25 have been fully paid, and
21 may inspect and examine, according to law, any premises where fermented malt
22 beverages or intoxicating liquors are manufactured, sold, exposed for sale,
23 possessed, or stored, for the purpose of inspecting the same and determining whether
24 the tax imposed by ss. 139.01 to 139.25 has been fully paid, and whether ss. 139.01
25 to 139.25 ~~and ch. 125~~ are being complied with. Any refusal to permit such

SENATE BILL 801**SECTION 162**

1 examination of such premises is sufficient grounds under s. 125.12 for revocation or
2 suspension of any license or permit granted for the sale of any fermented malt
3 beverages or intoxicating liquors and is punishable under s. 139.25 (10).

4 **SECTION 163.** 139.09 of the statutes is amended to read:

5 **139.09 Registration.** Every brewer, brewpub, bottler, manufacturer, rectifier,
6 resort manufacturer, wholesaler, or retailer liable for payment of the occupational
7 tax imposed in ss. 139.01 to 139.25 shall hold a valid certificate under s. 73.03 (50).
8 The secretary shall assign the person a registration number.

9 **SECTION 164.** 139.11 (1) of the statutes is amended to read:

10 139.11 (1) PRESERVATION OF RECORDS. Every person who manufactures,
11 rectifies, distributes, imports, transports, stores, warehouses, or sells intoxicating
12 liquor or fermented malt beverages shall keep complete and accurate records of all
13 such liquor or malt beverages purchased, sold, manufactured, rectified, brewed,
14 fermented, distilled, produced, stored, warehoused, imported, or transported within
15 this state. Such records shall be of a kind and in the form prescribed by the secretary
16 and shall be safely preserved to ensure accessibility for inspection by the secretary
17 or by the office as provided in s. 125.025 (3). A person required to keep records under
18 this subsection may keep such records in electronic form only.

19 **SECTION 165.** 139.11 (2) of the statutes is amended to read:

20 139.11 (2) REPORT. Each brewer, brewpub, bottler, manufacturer, rectifier,
21 resort manufacturer, and wholesaler shall on or before the 15th day of each calendar
22 month or the dates prescribed by the secretary file a verified report of all fermented
23 malt beverages or intoxicating liquor manufactured, received, sold, delivered, or
24 shipped by him or her during the preceding calendar month, except that the
25 department may allow wholesale, winery, and out-of-state shipper permittees

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1 whose tax liability is less than \$500 per quarter to file on a quarterly basis. Quarterly
2 reports shall be filed on or before the 15th of the next month following the close of
3 the calendar quarter.

4 **SECTION 166.** 139.11 (3) of the statutes is amended to read:

5 139.11 (3) SECRETARY'S POWERS. When the secretary finds that the records kept
6 by any brewer, brewpub, bottler, manufacturer, rectifier, resort manufacturer,
7 wholesaler, or retailer are in such condition that an unusual amount of time is
8 required to determine therefrom the amount of tax due, the secretary may give notice
9 of such fact to such person and may require the records to be kept in such form as the
10 secretary prescribes. If such requirements are not complied with within 30 days
11 after the date of the notice, the brewer, brewpub, bottler, manufacturer, rectifier,
12 resort manufacturer, wholesaler, or retailer shall pay the expenses reasonably
13 attributable to the determination of tax at the rate of \$30 per day for each auditor.
14 The secretary shall render a bill therefor by registered mail to the person charged
15 with payment at the conclusion of the audit, which bill shall constitute notice of
16 assessment and demand of payment thereof. The brewer, brewpub, bottler,
17 manufacturer, rectifier, resort manufacturer, wholesaler, or retailer shall, within 10
18 days after the mailing of the bill, pay its amount, and such payment shall be credited
19 to the appropriation made in s. 20.566 (1) (a).

20 **SECTION 167.** 139.11 (4) (a) 2. of the statutes, as created by 2017 Wisconsin Act
21 17, is amended to read:

22 139.11 (4) (a) 2. A current list, available on paper and on the department's
23 Internet site, providing detailed information regarding every person issued a
24 wholesalers permit under s. 125.28, brewers permit under s. 125.29, brewpub permit
25 under s. 125.295, or out-of-state shippers permit under s. 125.30. The information

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1 provided under this subdivision shall include the name and address of the permit
2 holder and the date on which the department office issued the permit.

3 **SECTION 168.** 139.11 (4) (b) 2. of the statutes is amended to read:

4 139.11 (4) (b) 2. A current and regularly updated list, made available on paper
5 and on the department's Internet Web site, of permit holders that minimally includes
6 detailed information on the name, address, contact person, and date of permit
7 issuance for every manufacturer's and rectifier's permit issued under s. 125.52,
8 resort manufacturer permit issued under s. 125.525, winery permit issued under s.
9 125.53, direct wine shipper's permit issued under s. 125.535, wholesaler's permit
10 issued under s. 125.54, and out-of-state shipper's permit issued under s. 125.58.

11 **SECTION 169.** 139.18 (2) of the statutes is amended to read:

12 139.18 (2) The possession of intoxicating liquor on which a tax has not been
13 paid except upon the premises of a manufacturer, rectifier, resort manufacturer, or
14 wholesaler, or any licensed public warehouse shall be deemed prima facie evidence
15 that such liquor is possessed with the intent to sell it contrary to law.

16 **SECTION 170.** 139.22 of the statutes is amended to read:

17 **139.22 Confiscation.** If a duly authorized employee of the department of
18 revenue or the department of justice or any sheriff, police officer, marshal, or
19 constable, within his or her respective jurisdiction, discovers any fermented malt
20 beverages upon any premises other than the premises of a brewer, brewpub, or
21 bottler, or any intoxicating liquor upon any premises other than the premises of a
22 manufacturer, rectifier, resort manufacturer, winery, or wholesaler, and upon which
23 the tax has not been paid or which was possessed, kept, stored, manufactured, sold,
24 distributed, or transported in violation of ss. 139.01 to 139.25 ~~and ch. 125~~, the
25 employee or any such officer may immediately seize the fermented malt beverages

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1 or intoxicating liquors. Any such fermented malt beverages or intoxicating liquors
2 so seized shall be ~~held~~ transferred by the department of revenue to the office and
3 disposed of under s. 125.14 (2) (e).

4 **SECTION 171.** 139.25 (9) of the statutes is amended to read:

5 139.25 (9) FAILURE TO KEEP RECORDS. Failure to comply with s. 139.11 (1) shall
6 carry a penalty of revocation by the ~~secretary of revenue~~ office of the license or
7 permit.

8 **SECTION 172.** 227.52 (1) of the statutes is amended to read:

9 227.52 (1) Decisions of the department of revenue ~~other than decisions relating~~
10 ~~to alcohol beverage permits issued under ch. 125.~~

11 **SECTION 173.** 230.08 (2) (e) 11. of the statutes is amended to read:

12 230.08 (2) (e) 11. Revenue — ~~7~~ 6.

13 **SECTION 174.** 346.93 (1) of the statutes is amended to read:

14 346.93 (1) No underage person, as defined under s. 125.02 (20m), may
15 knowingly possess, transport, or have under his or her control any alcohol beverage
16 in any motor vehicle unless the person is employed by a brewer, brewpub, alcohol
17 beverage licensee, wholesaler, retailer, distributor, manufacturer, ~~or~~ rectifier, or
18 resort manufacturer and is possessing, transporting, or having such beverage in a
19 motor vehicle under his or her control during his or her working hours and in the
20 course of employment, as provided under s. 125.07 (4) (bm).

21 **SECTION 175. Nonstatutory provisions.**

22 (1) TRANSFER OF ALCOHOL BEVERAGES REGULATION AND ENFORCEMENT FUNCTIONS.

23 (a) *Definitions.* In this subsection:

24 1. “Department” means the department of revenue.

25 2. “Office” means the office of alcohol beverages enforcement.

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1 (b) *Assets and liabilities.* On the effective date of this paragraph, the assets and
2 liabilities of the department primarily related to alcohol beverages regulation and
3 enforcement under chapter 125 of the statutes, as determined by the secretary of
4 administration, become the assets and liabilities of the office.

5 (c) *Tangible personal property.* On the effective date of this paragraph, all
6 tangible personal property, including records, of the department that is primarily
7 related to alcohol beverages regulation and enforcement under chapter 125 of the
8 statutes, as determined by the secretary of administration, is transferred to the
9 office.

10 (d) *Contracts.* All contracts entered into by the department in effect on the
11 effective date of this paragraph that are primarily related to alcohol beverages
12 regulation and enforcement under chapter 125 of the statutes, as determined by the
13 secretary of administration, remain in effect and are transferred to the office. The
14 office shall carry out any obligations under those contracts unless modified or
15 rescinded by the office to the extent allowed under the contract.

16 (e) *Position and employee transfers.* On the effective date of this paragraph, all
17 positions, and the incumbent employees who hold those positions, in the department
18 with duties that are primarily related to alcohol beverages regulation and
19 enforcement under chapter 125 of the statutes, as determined by the secretary of
20 administration, are transferred to the office.

21 (f) *Employee status.* Employees transferred under paragraph (e) have all the
22 rights and the same status under chapter 230 of the statutes in the office that they
23 enjoyed in the department immediately before the transfer. Notwithstanding
24 section 230.28 (4) of the statutes, no employee transferred under paragraph (e) who
25 has attained permanent status in class is required to serve a probationary period.

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1 (g) *Rules and orders.* All rules promulgated by the department that relate to
2 alcohol beverages regulation and enforcement under chapter 125 of the statutes and
3 that are in effect on the effective date of this paragraph remain in effect until their
4 specified expiration dates or until amended or repealed by the office. All orders
5 issued by the department that relate to alcohol beverages regulation and
6 enforcement under chapter 125 of the statutes and that are in effect on the effective
7 date of this paragraph remain in effect until their specified expiration dates or until
8 modified or rescinded by the office.

9 (h) *Pending matters.* Any matter pending with the department on the effective
10 date of this paragraph that is primarily related to alcohol beverages regulation and
11 enforcement under chapter 125 of the statutes, as determined by the secretary of
12 administration, is transferred to the office. All materials submitted to or actions
13 taken by the department with respect to the pending matters are considered as
14 having been submitted to or taken by the office.

15 (i) *Fees.* All fees established by the department related to permits issued under
16 chapter 125 of the statutes that are in effect on the day before the effective date of
17 this paragraph shall remain in effect until modified or rescinded by the office.

18 (j) *Secretary of administration to resolve transition disagreements.* In the case
19 of disagreement between the department and the office with respect to any matter
20 specified in this subsection, the secretary of administration shall determine the
21 matter and shall develop a plan for an orderly transfer.

22 (2) POSITION AUTHORIZATIONS. In addition to positions transferred under
23 subsection (1) (e), there is authorized for the office of alcohol beverages enforcement
24 1.0 FTE PR director position and 6.0 FTE PR special agent positions, to be funded
25 from the appropriation account under section 20.566 (9) (g) of the statutes.

