



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 787

Assembly Amendment 1

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Under *current law*, beer is generally distributed to retailers through wholesalers. However, current law provides that a brewer may own, maintain, or operate depots and warehouses from which sales of beer may be made in original packages to retailers and wholesalers. Sales may not be made for consumption on or about the premises where the beer is sold. The brewer must hold a separate wholesaler's license for each depot or warehouse owned, maintained, or operated.

Assembly Bill 787 provides that beer may not be sold, transported, or delivered to a retailer unless, prior to the sale, transport, or delivery, the beer is first unloaded at and distributed from a wholesaler's warehouse premises covered by both a wholesaler's license and an alcohol beverage warehouse permit. The warehouse premises must be in this state and must be a physically separate location from any retail premises or brewery premises. The bill includes an exception for certain smaller breweries so that they may sell or ship not more than 30,000 barrels of beer annually from wholesale premises located on brewery premises.

The bill further provides that a wholesaler may not sell, transport, or deliver any brand of beer unless the wholesaler has entered into a written agreement with the brewer or an out-of-state shipper supplying the brand that grants to the wholesaler distribution rights for the brand and identifies the designated sales territory for which such distribution rights are granted. A brewer or out-of-state shipper may not grant to more than one wholesaler distribution rights for the same brand in the same designated sales territory or in any part of the same designated sales territory.

Assembly Amendment 1 provides that, if the wholesaler and the brewer or out-of-state shipper are the same person, in lieu of a written agreement relating to distribution rights, the wholesaler and the brewer or out-of-state shipper must maintain in writing the information required to be contained in such an agreement.

Legislative History

Assembly Amendment 1 was offered by Representative Fitzgerald on October 31, 2005. The Assembly adopted the amendment on a voice vote and passed the bill, as amended, on a vote of Ayes, 78; Noes, 16; Paired, 6 on November 1, 2005.

The Senate Committee on Veterans, Homeland Security, Military Affairs, Small Business and Government Reform recommended concurrence in the bill on a vote of Ayes, 5; Noes, 0 on November 4, 2005.

AS:ksm