



## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

**2005 Assembly Bill 839**

**Assembly  
Amendment 1**

*Memo published:* February 21, 2006

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Under *current law*, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the manufacturer may sell only to the wholesaler or rectifier (a person who blends, refines, or purifies distilled spirits or wines); the wholesaler or rectifier may sell only to a wholesaler or to a retailer; and the retailer may sell only to the consumer. With specific exceptions, no person may sell outside the three-tier system and no person may sell alcohol beverages to a consumer unless the seller possesses a license or permit authorizing the sale.

*Assembly Bill 839* provides that a manufacturer's or rectifier's permit authorizes the retail sale and the provision of taste samples free of charge of intoxicating liquor that is manufactured on the premises for consumption on or off the premises. The Department of Revenue (DOR) may prescribe additional regulations for the sale of intoxicating liquor under this provision, if the additional regulations do not conflict with the requirements applicable to holders of "Class B" licenses, which authorize retail sales of intoxicating liquor for consumption on the licensed premises.

The bill also permits a "Class A" licensee to provide, free of charge, taste samples of intoxicating liquor other than wine of not more than one fluid ounce each to customers and visitors for consumption on the premises. A "Class A" license authorizes the sale of intoxicating liquor for consumption off the premises; therefore, this is an exception to the general authority of a "Class A" licensee. Under current law, a "Class A" licensee may provide, free of charge, wine taste samples of not more than three fluid ounces each to customers and visitors for consumption on the premises.

*Assembly Amendment 1* deletes the provision of the bill allowing a "Class A" licensee to provide free taste samples of intoxicating liquor to customers and visitors.

The amendment also provides that the provision of the bill authorizing a holder of a manufacturer's or rectifier's permit to sell and provide taste samples free of charge of intoxicating liquor that is manufactured on the premises for consumption on or off the premises applies with respect to a

person who holds: (a) a manufacturer's or rectifier's permit; (b) a winery permit; and (c) either a "Class A" or "Class B" retail license, all issued for the same premises or portions of the same premises.

The amendment also provides that a person may hold a "Class A" license and both a winery permit and a manufacturer's or rectifier's permit and may make retail sales and provide taste samples as authorized under the bill and under current law. In addition, under the amendment, a person may hold a "Class B" license and both a winery permit and a manufacturer's or rectifier's permit and may make retail sales and provide taste samples as authorized under the bill.

**Legislative History**

Representative Kerkman offered Assembly Amendment 1. On February 21, 2006, the Assembly Committee on State Affairs voted unanimously to recommend adoption of Assembly Amendment 1 and voted unanimously to recommend passage of the bill, as amended.

AS:ksm:rv