



WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

Senate Bill 236 and Assembly Bill 320

Testimony from Senator Howard Marklein and Representative Keith Ripp

September 2, 2015

Good morning Senators, and thank you for being here today to hear testimony on Senate Bill 236, the Wine Walks Bill.

Over the past decade, communities in Southwest and South Central Wisconsin have promoted businesses in their area by sponsoring events called Wine or Beer Walks. All of these areas are different, but, in general, they all have the same basic framework. During these events, the hosting organization will purchase the wine or beer to be used at the participating businesses. Patrons of legal drinking age purchase a ticket from the hosting organization and are given a wine or beer glass. The patron can then walk to each business involved in the event and sample wine or beer while they are inside the business premises.

These events serve as a tool for downtown promotion and tourism by drawing people into downtown areas who may not otherwise patronize these businesses. Guests are welcomed to sample wine and “shop” a store or business that they may have never entered before. These business owners have recognized significant value in giving new customers a chance to see their store without the pressure or purpose of a direct sale. They also give new businesses an opportunity to introduce themselves to their communities.

As you will hear from their testimony today, these events have been successful in the following communities that currently host Wine or Beer Walks in Wisconsin:

Baraboo
Boscobel
Dodgeville
Lodi
Mauston
Middleton
Portage
Princeton
Reedsburg
Wisconsin Dells

We bring this bill forward today because in April 2015, the Wisconsin Department of Revenue issued an update to Publication 302 – *Wisconsin Alcohol Beverage and Tobacco Laws for Retailers* that specifically clarified that Wine Walk events have always been and are currently illegal.

According to current law, DOR has cited the following reasons regarding why these events are currently concerned illegal:

- A licensee (temporary “Class B” picnic) can only hold two temporary licenses in a 12-month period for wine.

- A licensee must purchase, advertise, and sell intoxicating liquor in the licensee's name only.
- A licensee must be in compliance with Department of Health Services rules governing sanitation in a restaurant.
- A licensee must prohibit underage persons not accompanied by parent/guardian/spouse of legal drinking age from being on licensed premises.

In most, if not all, of the communities holding wine walks, a hosting organization, such as the Downtown District or Chamber of Commerce, currently applies for the temporary "Class B" picnic licenses from the municipality for each location along their wine or beer walk. The hosting organization also sells tickets/wristbands, posts signage, provides glassware, and orders the wine and beer. Most of these events become illegal because current law only allows for a municipality to issue two temporary "class B" picnic licenses for wine in a year. Under current operations, municipalities are issuing enough of these picnic licenses to cover each business that would like to participate.

After working with the local communities and stakeholders, we are bringing forward SB 236 to fix this issue. This bill is an attempt to allow communities to operate these highly beneficial events in their area, but within the current framework of the law concerning temporary "Class B" picnic licenses. Again, most of the communities who have held these events were already seeking licensing in this fashion and were otherwise following current regulations and requirements in law for these picnic licenses.

SB 236 makes the following changes to current law:

We amend the current provisions of the temporary "Class B" picnic license to create specific laws related to wine and beer walks. Our changes include:

1. Expanding the definition of whom a temporary "Class B" picnic license may be issued to – to include local chambers of commerce or similar civic or trade organizations, organized as nonstock corporations with the Department of Financial Institutions.
2. Creating a provision that allows an organization to receive up to 20 licenses for one date and one timeframe, up to two times per year.
3. The 20-license opportunities count as their two opportunities to receive a license per year. They would not be able to apply for an additional picnic license for another type of event.
4. Licensees would be subject to all existing laws related to temporary "Class B" picnic licenses including posting of signage, operators licenses, premises laws, serving laws, etc.
5. For the purposes of a Beer Walk only, beer would be allowed to be served in a location that does other business.
6. DOR would be required to revise Publication 302 to provide guidance for regulations wine and beer walks must follow.

With regard to the other issues raised by DOR, there are small adjustments that must be made by the hosting organizations and businesses to comply with existing laws. For example, to comply with DHS rules regarding food service, any of the food served at the event must be catered and/or purchased and packaged from a store. The hosts must keep receipts and proof of this. The participating businesses have also indicated they will post

signage outside their premises indicating that no one underage can enter during the Wine or Beer Walk operation.

We will be bringing an amendment forward that makes some small fixes to bring the bill more in line with our intent. In response to some stakeholder concerns, one of these changes will be the introduction of a 9:00pm end time for pouring wine during these wine walks. However, this end time will not affect when the event needs to close. Another change will allow for people under the age of 21 to be located on the premises of these businesses during a wine walk as long as they are wearing an indicator, like a wrist band, that they are acting as the designated driver for their party. They will still be prohibited from drinking alcohol of any kind.

The League of Municipalities and Wisconsin Towns Association both support this legislation.

Thank you again for your attention and we would be happy to answer any questions.

Wine Walk Overview – Portage Area Chamber of Commerce

1. It is important for us to bring business to our communities and these events have a huge economic impact, bringing hundreds of people and thousands of dollars into the community.
2. Wine walks draw consumers into businesses, which leads to sales and increased foot traffic for the locations. Having a wine walk can get people into a store they have never thought of going into before.
3. Funds raised from the walks go right back into our communities helping to create even more activities and support for the communities.
4. These walks promote and help to build a sense of community among our local businesses.
5. Residents and visitors can spend a great night out with friends in the community, along with a safe ride home.
6. How it works:
 - Tickets are sold in advance.
 - Day of event, ID's are needed. Exchange tickets for a glass and a wristband that is placed onto the person not just handed out.
 - Each location has a licensed operator through the City of Portage that serves the wine, not just anyone can serve.
7. Once the walk ends, participants fill the downtown bars/restaurants and make it an even longer night spending more money in the establishments.
8. Local wine walks are good for our community.



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September 2, 2015

Dear Members of the Senate Committee on Revenue, Financial Institutions, and Rural Issues,

I appreciate you taking the time to hear SB-236 today in your committee. I apologize for not attending this public hearing and testifying in person, but this is my first day of graduate school at the University of Wisconsin-Madison LaFollette School of Public Affairs. Therefore, I hope you understand my absence and consider my written testimony in favor of this legislation because this bill benefits our communities, promotes local businesses, and expands opportunities for growth across our incredible state.

Wisconsin has a cherished tradition of community identity. Numerous towns, villages, and cities are proud of their industries, schools, and residents. My district, the city of Portage, is no exception to this rule, especially its' historic downtown area. Since April 2013, downtown Portage has played host to wine walks and they were instantly popular. Hundreds of people turned out for the first one and hundreds have sold out succeeding events in the spring and fall of the following years. Wine walks benefit communities because they attract large crowds, including countless visitors and tourists; thereby, growing astounding awareness to the local area.

Creating a vibrant business atmosphere is vital to the overall success of a local community. In fact, most enterprises that operate in historic downtown areas are local businesses. Unfortunately, many of these companies struggle on a daily basis because larger industries have more household name recognition and deters potential customers from shopping at local shops. Events like wine walks attract new customers to these stores by allowing participants to enter local establishments, enjoy various samples of wine, and learn information about each venture. Wine walks are beneficial to local downtown businesses because visitors are given the chance to interact with businesses and become more acquainted with their products and services.

As the youngest Columbia County Board Supervisor in county history, I have recognized firsthand the significant impact wine walks have on the downtown Portage businesses. I am confident this wine walk model can be replicated in any community across Wisconsin and there will be immediate success. These events embody the importance of a safe, sociable environment while prohibiting drinking and driving by everyone!

Thank you for your consideration, and I encourage you to fully support SB-236. If you have any questions about my testimony or would like to further discuss this piece of legislation with me, do not hesitate to contact me by phone at 608-742-5478 and email at matthew.rohrbeck@co.columbia.wi.us.

Warmest regards,

Matthew L. Rohrbeck
Columbia County Board of Supervisors
District 8 Supervisor



WRJC
.com



September 1, 2015

Senate Committee on Revenue, Financial Institutions and Rural Issues

RE: WINE WALKS - Senate Bill (SB) 236

Dear Senators:

A wine walk is an event that can introduce both local consumers and out of town guests to small business and encourages them to purchase items from these local entities.

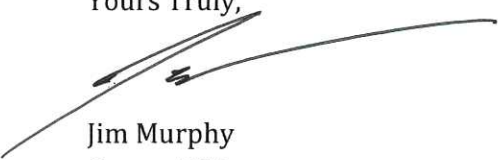
During the Mauston wine walk held in September 2014, which was hosted by WRJC and the Mauston Area Chamber of Commerce, comments such as "I didn't know these businesses were down here" or "Who would have thought there was such a charming store in the local area?" were voiced. Bringing attention to local businesses to stimulate the local economy is just one way that wine walks benefit small communities. It is also a way to fundraise money for charitable organizations. For example: Mauston's first wine walk brought over 200 people to eight downtown businesses in 2014. Over \$500 was raised for Camp Wawbeek, a respite camp in Wisconsin Dells for those who have disabilities.

Not only do local downtown businesses gain attention from the wine walk, but local state wineries are also offered the opportunity to provide wines for wine walks and gain a larger clientele for their product.

I feel that under current law and the Department of Revenue's new guidance, local economies will suffer from the lack of exposure brought to these businesses and organizations will have to work much harder than they previously had to raise sufficient funds for their cause. If people were to limit the wine walks to those establishments already licensed to serve/distribute wine and/or liquor, how are we bettering the local economy? Wine walks work in conjunction with both licensed establishments as well as other businesses and charities in order to provide a more enjoyable event for the consumer and an economical event for businesses.

This is why this legislation is needed because it would be a shame to see another avenue to showcase our great local stores, bring money to our community and a generator of funds for charity end because of lack of clarification under the new guidance. Please pass this bill rapidly.

Yours Truly,



Jim Murphy
Owner/GM