

1999 ASSEMBLY BILL 319

May 6, 1999 – Introduced by Representatives VRAKAS, POWERS, SUDER, SYKORA, HOVEN, F. LASEE, PLALE, GROTHMAN, GUNDRUM, LADWIG, BERCEAU, STASKUNAS, KEDZIE, GRONEMUS, HUTCHISON, MONTGOMERY and RHOADES, cosponsored by Senators ROSENZWEIG, GEORGE and HUELSMAN. Referred to Committee on State Affairs.

1 **AN ACT** *to renumber and amend* 125.69 (1) (a); *to amend* 125.51 (3) (am) and
2 125.69 (1) (b) 1.; and *to create* 125.535, 125.69 (1) (a) 3. and 125.69 (1) (b) 5. of
3 the statutes; **relating to:** creating a permit authorizing certain restaurants to
4 manufacture and sell wine on the restaurant's premises.

Analysis by the Legislative Reference Bureau

Current law prohibits any person from selling alcohol beverages (and from manufacturing, brewing or engaging in any other activity for which state law requires a license or permit) unless he or she possesses the appropriate license for that activity. A restaurant may obtain a retail license authorizing the sale of intoxicating liquor, including wine, for consumption on or off the restaurant's premises. However, a retail license authorizes only the sale of intoxicating liquor that was purchased from an authorized, licensed seller.

This bill creates a restaurant-winery permit. The permit authorizes a restaurant to manufacture its own wine and to sell that wine at retail from the premises for consumption on or off the restaurant's premises. The permit is issued by the department of revenue and may be issued only for a restaurant in which the sale of alcohol beverages accounts for less than 50% of gross receipts and that manufactures less than 5,000 gallons of wine per year. The bill allows the permittee to provide free two-ounce taste samples of wine manufactured on the premises to persons dining on the premises. The bill allows the holder of a restaurant-winery permit also to hold a license or permit for the retail sale of alcohol beverages for consumption on or off the premises where sold.

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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.** 125.51 (3) (am) of the statutes is amended to read:

2 125.51 (3) (am) A “Class B” license issued to a winery authorizes the sale of
3 wine to be consumed by the glass or in opened containers only on the premises where
4 sold and also authorizes the sale of wine in the original package or container to be
5 consumed off the premises where sold, but does not authorize the sale of fermented
6 malt beverages or any intoxicating liquor other than wine. A restaurant for which
7 a permit is issued under s. 125.535 shall not be considered a winery under this
8 paragraph.

9 **SECTION 2.** 125.535 of the statutes is created to read:

10 **125.535 Restaurant-winery permit.** The department shall issue a
11 restaurant-winery permit authorizing the retail sale of wine manufactured on the
12 premises for consumption on the premises where sold or in an original unopened
13 package or container for consumption off the premises where sold. The department
14 may issue a restaurant-winery permit to any person who is qualified under s. 125.04
15 (5) and who holds a valid certificate under s. 73.03 (50). A restaurant-winery permit
16 may be issued only for a restaurant in which the sale of alcohol beverages accounts
17 for less than 50% of gross receipts and that manufactures less than 5,000 gallons of
18 wine per year. The permittee may offer, free of charge, 2-fluid-ounce taste samples
19 of wine manufactured on the premises to persons dining on the premises. A
20 restaurant issued a permit under this section shall not be considered a winery for
21 purposes of s. 125.51 (3) (am).

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1 **SECTION 3.** 125.69 (1) (a) of the statutes is renumbered 125.69 (1) (a) 1. and
2 amended to read:

3 125.69 **(1)** (a) 1. ~~No Except as provided in subds. 2. and 3., no~~ intoxicating liquor
4 manufacturer, rectifier or wholesaler may hold any direct or indirect interest in any
5 “Class A” license or establishment and no “Class A” licensee may hold any direct or
6 indirect interest in a wholesale permit or establishment, ~~except that a.~~

7 2. A winery that ~~has~~ holds a permit under s. 125.53 may have an ownership
8 interest in a “Class A” license.

9 **SECTION 4.** 125.69 (1) (a) 3. of the statutes is created to read:

10 125.69 **(1)** (a) 3. A restaurant that holds a permit under s. 125.535 may hold
11 a “Class A” license.

12 **SECTION 5.** 125.69 (1) (b) 1. of the statutes is amended to read:

13 125.69 **(1)** (b) 1. ~~Except as provided under subds. 2. to 4.~~ 5., no intoxicating
14 liquor manufacturer, rectifier or wholesaler may hold any direct or indirect interest
15 in any “Class B” license or permit or establishment or “Class C” license or
16 establishment and no “Class B” licensee or permittee or “Class C” licensee may hold
17 any direct or indirect interest in a wholesale permit or establishment.

18 **SECTION 6.** 125.69 (1) (b) 5. of the statutes is created to read:

19 125.69 **(1)** (b) 5. A restaurant that holds a permit under s. 125.535 may hold
20 a “Class B” license or permit or a “Class C” license.

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(END)