

2001 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB217)

Received: 09/06/2001

Received By: agary

Wanted: As time permits

Identical to LRB:

For: Rick Skindrud (608) 266-3520

By/Representing: Alan Colvin (aide)

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject: Beverages - miscellaneous

Extra Copies: RCT

Submit via email: NO

Pre Topic:

No specific pre topic given

Topic:

Fruit-based intoxicating liquor

Instructions:

See Attached. Was s0130 but reentered to obtain new number because of lost sub jacket.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	agary 09/06/2001	jdyer 09/06/2001					
/1			pgreensl 09/06/2001		lrb_docadmin 09/06/2001	lrb_docadmin 09/06/2001	

FE Sent For:

<END>

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1?	agary	1 7/6 JLD	9/6	9/6			
			PS	Self			

FE Sent For:

<END>



State of Wisconsin
2001 - 2002 LEGISLATURE

50166/1
LRBs 0130/2
ARG:jld:kjf
↑
stays

Soon
9/6/01

ASSEMBLY SUBSTITUTE AMENDMENT,
TO 2001 ASSEMBLY BILL 217

D-Note

Request list
to get re-ordered
to get new number
Add

Regen

1 AN ACT to amend 125.52 (1) and 125.68 (2); and to create 125.52 (1) (c) 1., 125.52
2 (1) (c) 2. and 125.52 (1) (c) 3. of the statutes; relating to: sales of fruit-based
3 intoxicating liquor for consumption off the premises where manufactured or
4 rectified, and taste samples for consumption on the premises.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 SECTION 1. 125.52 (1) of the statutes is amended to read:
6 125.52 (1) AUTHORIZED ACTIVITIES. (a) The department shall issue
7 manufacturers' and rectifiers' permits which authorize the manufacture or
8 rectification, respectively, of intoxicating liquor on the premises covered by the
9 permit. A person holding a manufacturer's or rectifier's permit may manufacture,
10 bottle or wholesale wine, pursuant to the terms of the permit, without procuring a
11 winery permit.

1 **(b)** A manufacturer's or rectifier's permit entitles the permittee to sell
2 intoxicating liquor to wholesalers from the premises described in the permit.
3 Holders of rectifiers' permits may also sell intoxicating liquor rectified by the
4 permittee to retailers without any other permit. No sales may be made for
5 consumption on the premises of the permittee.

6 **(d)** Possession of a permit under this section does not authorize the permittee
7 to sell tax-free intoxicating liquor and wines brought into this state under s. 139.03
8 (5).

9 **SECTION 2.** 125.52 (1) (c) 1. of the statutes is created to read:

10 125.52 (1) (c) 1. Subject to subd. 3., a manufacturer's or rectifier's permit
11 authorizes the retail sale from the premises covered by the permit to a person who
12 does not hold a license or permit under this chapter, for consumption off the premises
13 where sold, of intoxicating liquor that is manufactured or rectified on the premises
14 and that is manufactured or rectified exclusively from fermented fruit juice. The
15 department may prescribe additional regulations for the sale of intoxicating liquor
16 under this subdivision, if the additional regulations do not conflict with the
17 requirements applicable to holders of "Class B" licenses.

18 **SECTION 3.** 125.52 (1) (c) 2. of the statutes is created to read:

19 125.52 (1) (c) 2. Subject to subd. 3. and notwithstanding s. 125.09 (1), a
20 manufacturer's or rectifier's permit also authorizes the provision from the premises
21 covered by the permit of taste samples, for consumption on the premises where
22 provided, of intoxicating liquor that is manufactured or rectified on the premises and
23 that is manufactured or rectified exclusively from fermented fruit juice. A permittee
24 may only provide taste samples under this subdivision between the hours of 10 a.m.
25 and 7 p.m. No permittee may provide more than 3 taste samples per day to any one

1 person, and each taste sample shall be provided separately and may not exceed
2 one-half fluid ounce. Any taste sample provided under this subdivision shall be
3 provided free of any direct or indirect charge. Notwithstanding s. 125.07 (1) (a) 1.,
4 no permittee may provide taste samples under this subdivision to any underage
5 person.

6 SECTION 4. 125.52 (1) (c) 3. of the statutes is created to read:

7 125.52 (1) (c) 3. This paragraph applies only to a permittee that annually
8 produces no more than 25,000 liters of intoxicating liquor manufactured or rectified
9 exclusively from fermented fruit juice on the premises covered by the permit.

10 SECTION 5. 125.68 (2) of the statutes is amended to read:

11 125.68 (2) OPERATORS' LICENSES; "CLASS A," "CLASS B" OR "CLASS C," AND OTHER
12 PREMISES. Except as provided under s. 125.07 (3) (a) 10., no premises operated under
13 a "Class A" or "Class C" license or under a "Class B" license or permit may be open
14 for business, and no person who holds a manufacturer's or rectifier's permit may
15 allow the sale or provision of taste samples of intoxicating liquor on the
16 manufacturing or rectifying premises as provided in s. 125.52 (1) (c) 1. or 2., unless
17 there is upon the premises either the licensee or permittee, the agent named in the
18 license or permit if the licensee or permittee is a corporation or limited liability
19 company, or some person who has an operator's license and who is responsible for the
20 acts of all persons selling or serving any intoxicating liquor to customers. An
21 operator's license issued in respect to a vessel under s. 125.51 (5) (c) is valid outside
22 the municipality that issues it. For the purpose of this subsection, any person
23 holding a manager's license issued under s. 125.18 or any member of the licensee's
24 or permittee's immediate family who has attained the age of 18 shall be considered
25 the holder of an operator's license. No person, including a member of the licensee's

1 or permittee's immediate family, other than the licensee, permittee or agent may
2 serve or sell alcohol beverages in any place operated under a "Class A" or "Class C"
3 license or under a "Class B" license or permit unless he or she has an operator's
4 license or is at least 18 years of age and is under the immediate supervision of the
5 licensee, permittee or agent or a person holding an operator's license, who is on the
6 premises at the time of the service.

7 (END)

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

50166/1 dn
LRBs0130/2dn
ARG:jld:kjf

September 4, 2001

The attached draft reorganizes and makes two substantive changes to proposed s. 125.52 (1) (b) 2. as it appears in LRBs0130/1:

1. A sentence is added to clarify that the taste samples must be provided free of any direct or indirect charge.
2. A sentence is added restricting the privileges afforded by this provision (now paragraph (c)) to manufacturers or rectifiers that annually produce no more than 25,000 liters of the specified intoxicating liquor on the premises covered by the permit. As requested, this 25,000 liter limit is a per premises limit, not an aggregate limit. A manufacturer or rectifier with production volume approaching the limit could commence operations at another location and, between the two locations, produce an aggregate of more than 25,000 liters without forfeiting the privileges afforded by this provision. However, the language of the provision restricts the privileges to intoxicating liquor produced on the premises. Accordingly, a manufacturer or rectifier could not produce the specified intoxicating liquor from a second location and sell it at the first. In addition, each separate location must have its own permit issued by the department of revenue (DOR), and under s. 125.52 (7), DOR may not issue more than two such permits to any person.

The attached draft also makes a clarification change to amended s. 125.52 (1) (b) of the draft by inserting the term "to wholesalers" to avoid any confusion between those sales permissible to all intoxicating liquor manufacturers and rectifiers under par. (b) of the draft and those sales permissible only to specified and qualifying manufacturers and rectifiers under par. (c) of the draft.

If you have any questions, comments, or concerns, please call.

Aaron R. Gary
Legislative Attorney
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E-mail: aaron.gary@legis.state.wi.us

2001 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB217)

Received: 05/23/2001

Received By: agary

Wanted: As time permits

Identical to LRB:

For: Rick Skindrud (608) 266-3520

By/Representing: Russ Whitesel - LC

This file may be shown to any legislator: NO

Drafter: agary

May Contact:

Addl. Drafters:

Subject: Beverages - miscellaneous

Extra Copies: RCT

Submit via email: NO

Requester's email:

Pre Topic:

No specific pre topic given

Topic:

Fruit-based intoxicating liquor

Instructions:

Want free taste samples on premises only for consumption on premises only. Want to allow manufacturer/rectifier to make sales to consumers only, not to retailers, and sales must be made from the premises only to be carried away from the premises, not for consumption on the premises. Taste samples are to be one-half ounce each, and limited to 3 separate samples. Can't ask for all 3 samples in one glass. Time period is 10-7.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	agary 05/30/2001	jdye 05/31/2001	pgreensl 05/31/2001	_____	lrb_docadmin 05/31/2001	lrb_docadmin 05/31/2001	

1/2 9/4 jld
 K...
 9/4

FE Sent For:

<END>

2001 DRAFTING REQUEST

Assembly Substitute Amendment (ASA-AB217)

Received: 05/23/2001

Received By: agary

Wanted: As time permits

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May Contact:

Alt. Drafters:

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/P1	agary	1 5/31 jld	5/31 pg	5/31 p8/KJF			

FE Sent For:

<END>

5/30/1
LRB-~~1300~~
ARG:jld:pg
↑
stays

Assembly Substitute Amendment,

To 2001 ASSEMBLY BILL 217

soon
turned in 5/30/01
3:00 pm

March 15, 2001 - Introduced by Representatives SKINDRUD, AINSWORTH, BERCEAU, BLACK, PLOUFF and PLALE, cosponsored by Senator ERPENBACH. Referred to Committee on State Affairs.

Reger

1 AN ACT to amend 125.52 (1) and 125.68 (2); and to create 125.52 (1) (b) 2. of the
2 statutes; relating to: sales ~~and taste samples~~ of fruit-based intoxicating liquor
3 for consumption ~~off~~ off the premises where manufactured or rectified ~~stand~~
taste samples for consumption on the premises

Analysis by the Legislative Reference Bureau

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the manufacturer may sell only to a 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; 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.

This bill creates an exception to allow a manufacturer or rectifier to sell, or provide free taste samples, directly to consumers, for consumption on or off the premises where sold, intoxicating liquor that is manufactured or rectified on the premises, if the intoxicating liquor is manufactured or rectified exclusively from fermented fruit juice, such as brandy. Intoxicating liquor made from or containing grain may not be sold under this exception. Like the requirements that apply to the sale of alcohol beverages to be consumed on the premises where sold, this bill requires that the licensed person, or a person possessing an operator's license or manager's license, be on the premises whenever such sales are made. The bill also allows the department of revenue to regulate sales under this exception, but the regulations must be consistent with requirements that apply to "Class B" licensees

ASSEMBLY BILL 217

(persons licensed to sell intoxicating liquor to be consumed on the premises, such as taverns).

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. 125.52 (1) of the statutes is amended to read:

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

8 (b) 1. A manufacturer's or rectifier's permit entitles the permittee to sell
9 intoxicating liquor from the premises described in the permit. Holders of rectifiers'
10 permits may sell intoxicating liquor rectified by the permittee to retailers without
11 any other permit. ^{plain} ~~No sales may be made for~~ sales may be made for
12 consumption on the premises of the permittee.

13 3. Possession of a permit under this section does not authorize the permittee
14 to sell tax-free intoxicating liquor and wines brought into this state under s. 139.03
15 (5).

16 SECTION 2. 125.52 (1) (b) 2. of the statutes is created to read:

17 125.52 (1) (b) 2. ~~Notwithstanding s. 125.09 (1), a manufacturer's or rectifier's~~
18 ~~permit authorizes the retail sale and the provision of taste samples free of charge of~~
19 ~~intoxicating liquor that is manufactured or rectified on the premises and that is~~
20 ~~manufactured or rectified exclusively from fermented fruit juice, for consumption on~~

remove strikeouts

insert A

ASSEMBLY BILL 217

1 ~~or off the premises~~ The department may prescribe additional regulations for the
2 sale of intoxicating liquor under this subdivision, if the additional regulations do not
3 conflict with the requirements applicable to holders of "Class B" licenses.

4 SECTION 3. 125.68 (2)^X of the statutes is amended to read:

5 125.68 (2) OPERATORS' LICENSES; "CLASS A," "CLASS B" ~~OR~~ "CLASS C," AND OTHER
6 PREMISES. Except as provided under s. 125.07 (3) (a) 10., no premises operated under
7 a "Class A" or "Class C" license or under a "Class B" license or permit may be open
8 for business, and no person who holds a manufacturer's or rectifier's permit may
9 allow the sale or provision of taste samples of intoxicating liquor on the
10 manufacturing or rectifying premises as provided in s. 125.52 (1) (b) 2., unless there
11 is upon the premises either the licensee or permittee, the agent named in the license
12 or permit if the licensee or permittee is a corporation or limited liability company, or
13 some person who has an operator's license and who is responsible for the acts of all
14 persons selling or serving any intoxicating liquor to customers. An operator's license
15 issued in respect to a vessel under s. 125.51 (5) (c) is valid outside the municipality
16 that issues it. For the purpose of this subsection, any person holding a manager's
17 license issued under s. 125.18 or any member of the licensee's or permittee's
18 immediate family who has attained the age of 18 shall be considered the holder of an
19 operator's license. No person, including a member of the licensee's or permittee's
20 immediate family, other than the licensee, permittee or agent may serve or sell
21 alcohol beverages in any place operated under a "Class A" or "Class C" license or
22 under a "Class B" license or permit unless he or she has an operator's license or is
23 at least 18 years of age and is under the immediate supervision of the licensee,

ASSEMBLY BILL 217

1 permittee or agent or a person holding an operator's license, who is on the premises
2 at the time of the service.

3 (END)

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0130/lins
ARG:.....

(no P) A manufacturer's or rectifier's permit authorizes the retail sale from the premises covered by the permit to a person who does not hold a license or permit under this chapter, for consumption off the premises where sold, of intoxicating liquor that is manufactured or rectified on the premises and that is manufactured or rectified exclusively from fermented fruit juice. Notwithstanding s. 125.09 (1), a manufacturer's or rectifier's permit also authorizes the provision from the premises covered by the permit of taste samples free of charge, for consumption on the premises where provided, of intoxicating liquor that is manufactured or rectified on the premises and that is manufactured or rectified exclusively from fermented fruit juice. A permittee may only provide taste samples under this subdivision between the hours of 10 a.m. and 7 p.m. No permittee may provide more than 3 taste samples per day to any one person, and each taste sample must be provided separately and may not exceed one-half fluid ounce. Notwithstanding s. 125.07 (1) (a) 1., no permittee may provide taste samples under this subdivision to any underage person.

insert
A

200

LRB s0130

8/28/01

Meeting with Russ Whitesel of LC. 6-0922. Need two changes to draft:

1. Page 2, line 16. Modify "free of charge" to clarify that there cannot be any direct or indirect charge. For example, cannot circumvent restrictions by imposing a door charge or other hidden or indirect charge and then calling it a "free" taste sample.
2. Limit who is entitled to the exception based upon volume - no more than 25,000 liters produced per site per year. But this limit is per location, not aggregate. Same person could have two locations produce 25,000 each.

ARG

needed
by Tues.
9/4

RMR

**ASSEMBLY SUBSTITUTE AMENDMENT,
TO 2001 ASSEMBLY BILL 217**

D-Note

Regen

1 AN ACT *to amend* 125.52 (1) and 125.68 (2); and *to create* 125.52 (1) (b) 2. of the
2 statutes; **relating to:** sales of fruit-based intoxicating liquor for consumption
3 off the premises where manufactured or rectified, and taste samples for
4 consumption on the premises.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

5 SECTION 1. 125.52 (1) [✓] of the statutes is amended to read:

6 125.52 (1) AUTHORIZED ACTIVITIES. (a) The department shall issue
7 manufacturers' and rectifiers' permits which authorize the manufacture or
8 rectification, respectively, of intoxicating liquor on the premises covered by the
9 permit. A person holding a manufacturer's or rectifier's permit may manufacture,
10 bottle or wholesale wine, pursuant to the terms of the permit, without procuring a
11 winery permit.

to wholesalers

1 (b) A manufacturer's or rectifier's permit entitles the permittee to sell
2 intoxicating liquor from the premises described in the permit. Holders of rectifiers'
3 permits ^{also} may sell intoxicating liquor rectified by the permittee to retailers without
4 any other permit. No sales may be made for consumption on the premises of the
5 permittee.

6 (d) Possession of a permit under this section does not authorize the permittee
7 to sell tax-free intoxicating liquor and wines brought into this state under s. 139.03

8 (5).

9 SECTION 125.52 (1) ^{(c)1.} ~~of the statutes~~ of the statutes is created to read:

Subject to subd. 3, a

10 125.52 (1) ^{(c)1.} ~~of the statutes~~ manufacturer's or rectifier's permit authorizes the retail sale
11 from the premises covered by the permit to a person who does not hold a license or
12 permit under this chapter, for consumption off the premises where sold, of
13 intoxicating liquor that is manufactured or rectified on the premises and that is

INSERT D

move sentence

14 manufactured or rectified exclusively from fermented fruit juice. ~~Notwithstanding~~
15 s. 125.09 (1), a manufacturer's or rectifier's permit also authorizes the provision from
16 the premises covered by the permit of taste samples ~~free of charge~~, for consumption
17 on the premises where provided, of intoxicating liquor that is manufactured or
18 rectified on the premises and that is manufactured or rectified exclusively from
19 fermented fruit juice. A permittee may only provide taste samples under this
20 subdivision between the hours of 10 a.m. and 7 p.m. No permittee may provide more
21 than 3 taste samples per day to any one person, and each taste sample ^{shall} ~~must~~ be
22 provided separately and may not exceed one-half fluid ounce. ~~Notwithstanding s.~~
23 125.07 (1) (a) 1., no permittee may provide taste samples under this subdivision to

insert A

insert B

24 any underage person. The department may prescribe additional regulations for the

INSERT D

INSERT D cont (move to p.2, line 14)

sale of intoxicating liquor under this subdivision, if the additional regulations do not conflict with the requirements applicable to holders of "Class B" licenses. (end ins D)

SECTION 125.68 (2) of the statutes is amended to read:

125.68 (2) OPERATORS' LICENSES; "CLASS A," "CLASS B" OR "CLASS C," AND OTHER PREMISES. Except as provided under s. 125.07 (3) (a) 10., no premises operated under a "Class A" or "Class C" license or under a "Class B" license or permit may be open for business, and no person who holds a manufacturer's or rectifier's permit may allow the sale or provision of taste samples of intoxicating liquor on the manufacturing or rectifying premises as provided in s. 125.52 (1) (c) 1. or 2. unless there is upon the premises either the licensee or permittee, the agent named in the license or permit if the licensee or permittee is a corporation or limited liability company, or some person who has an operator's license and who is responsible for the acts of all persons selling or serving any intoxicating liquor to customers. An operator's license issued in respect to a vessel under s. 125.51 (5) (c) is valid outside the municipality that issues it. For the purpose of this subsection, any person holding a manager's license issued under s. 125.18 or any member of the licensee's or permittee's immediate family who has attained the age of 18 shall be considered the holder of an operator's license. No person, including a member of the licensee's or permittee's immediate family, other than the licensee, permittee or agent may serve or sell alcohol beverages in any place operated under a "Class A" or "Class C" license or under a "Class B" license or permit unless he or she has an operator's license or is at least 18 years of age and is under the immediate supervision of the licensee, permittee or agent or a person holding an operator's license, who is on the premises at the time of the service.

(END)

D-Note

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0130/2ins
ARG:.....

INSERT A:

(H) SECTION 1. 125.52 (1) (c) 2. of the statutes is created to read:
125.52 (1) (c) 2. Subject to subd. 3. and notwithstanding (NO H)

INSERT B:

(NO H) Any taste sample provided under this subdivision shall be provided free of any
direct or indirect charge. (NO H)

INSERT C:

SECTION 2. 125.52 (1) (c) 3. of the statutes is created to read:
125.52 (1) (c) 3. This paragraph applies only to a permittee that annually
produces no more than 25,000 liters of intoxicating liquor manufactured or rectified
exclusively from fermented fruit juice on the premises covered by the permit.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0130/2dn

ARG:.....

^
jld

The attached draft reorganizes and makes two substantive changes to proposed s. 125.52 (1) (b) 2[✓] as it appears in LRBs0130/1:

1. A sentence is added to clarify that the taste samples must be provided free of any direct or indirect charge.

2. A sentence is added restricting the privileges afforded by this provision (now paragraph (c)) to manufacturers or rectifiers that annually produce no more than 25,000[✓] liters of the specified intoxicating liquor on the premises covered by the permit. As requested, this 25,000 liter limit is a per premises limit, not an aggregate limit. A manufacturer or rectifier with production volume approaching the limit could commence operations at another location and, between the two locations, produce an aggregate of more than 25,000 liters without forfeiting the privileges afforded by this provision. However, the language of the provision restricts the privileges to intoxicating liquor produced on the premises. Accordingly, a manufacturer or rectifier could not produce the specified intoxicating liquor from a second location and sell it at the first. In addition, each separate location must have its own permit issued by the department of revenue (DOR), and under s. 125.52 (7), DOR[✓] may not issue more than two such permits to any person.

The attached draft also makes a clarification change to amended s. 125.52 (1) (b) of the draft by inserting the term "to wholesalers" to avoid any confusion between those sales permissible to all intoxicating liquor manufacturers and rectifiers under par. (b) of the draft and those sales permissible only to specified and qualifying manufacturers and rectifiers under par. (c) of the draft.

If you have any questions, comments, or concerns, please call.

Aaron R. Gary
Legislative Attorney
Phone: (608) 261-6926
E-mail: aaron.gary@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBs0130/2dn
ARC:jld:kjf

September 4, 2001

The attached draft reorganizes and makes two substantive changes to proposed s. 125.52 (1) (b) 2. as it appears in LRBs0130/1:

1. A sentence is added to clarify that the taste samples must be provided free of any direct or indirect charge.
2. A sentence is added restricting the privileges afforded by this provision (now paragraph (c)) to manufacturers or rectifiers that annually produce no more than 25,000 liters of the specified intoxicating liquor on the premises covered by the permit. As requested, this 25,000 liter limit is a per premises limit, not an aggregate limit. A manufacturer or rectifier with production volume approaching the limit could commence operations at another location and, between the two locations, produce an aggregate of more than 25,000 liters without forfeiting the privileges afforded by this provision. However, the language of the provision restricts the privileges to intoxicating liquor produced on the premises. Accordingly, a manufacturer or rectifier could not produce the specified intoxicating liquor from a second location and sell it at the first. In addition, each separate location must have its own permit issued by the department of revenue (DOR), and under s. 125.52 (7), DOR may not issue more than two such permits to any person.

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DRAFTER'S NOTE
FROM THE
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LRBs0166/1dn
ARG:jld:pg

September 6, 2001

The attached draft reorganizes and makes two substantive changes to proposed s. 125.52 (1) (b) 2. as it appears in LRBs0130/1:

1. A sentence is added to clarify that the taste samples must be provided free of any direct or indirect charge.
2. A sentence is added restricting the privileges afforded by this provision (now paragraph (c)) to manufacturers or rectifiers that annually produce no more than 25,000 liters of the specified intoxicating liquor on the premises covered by the permit. As requested, this 25,000 liter limit is a per premises limit, not an aggregate limit. A manufacturer or rectifier with production volume approaching the limit could commence operations at another location and, between the two locations, produce an aggregate of more than 25,000 liters without forfeiting the privileges afforded by this provision. However, the language of the provision restricts the privileges to intoxicating liquor produced on the premises. Accordingly, a manufacturer or rectifier could not produce the specified intoxicating liquor from a second location and sell it at the first. In addition, each separate location must have its own permit issued by the department of revenue (DOR), and under s. 125.52 (7), DOR may not issue more than two such permits to any person.

The attached draft also makes a clarification change to amended s. 125.52 (1) (b) of the draft by inserting the term "to wholesalers" to avoid any confusion between those sales permissible to all intoxicating liquor manufacturers and rectifiers under par. (b) of the draft and those sales permissible only to specified and qualifying manufacturers and rectifiers under par. (c) of the draft.

If you have any questions, comments, or concerns, please call.

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