

SENATE HEARING SLIP
(Please Print Plainly)

DATE: 2-20-2002

BILL NO. AB 217

SUBJECT _____

(NAME) Senator Jan Eppelbeck

(Street Address or Route Number) _____

(City and Zip Code) _____

(Representing) Wisc.

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O.Box 7882
Madison, WI 53707-7882

SENATE HEARING SLIP
(Please Print Plainly)

DATE: 2-20-02

BILL NO. AB 217

SUBJECT _____

(NAME) Rep Rick Skindred

(Street Address or Route Number) _____

(City and Zip Code) _____

(Representing) _____

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

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Madison, WI 53707-7882

SENATE HEARING SLIP
(Please Print Plainly)

DATE: 2-20-02

BILL NO. AB 217

SUBJECT _____

(NAME) LORIN TOEPFER

(Street Address or Route Number) _____

(City and Zip Code) NEW WAUWATONIA WI 53574

(Representing) SPEAR RIVER DISTRICT WIS

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY.

Senate Sergeant-At-Arms
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Madison, WI 53707-7882

Senate Committee on Insurance, Tourism, and Transportation
February 20, 2002

Testimony In Support of AB 217

Lorin K. Toepper, Ph.D.
Sugar River Distillery, Inc.
P.O. Box 970
New Glarus, WI 53574

The intended purpose of this bill is to allow manufacturers of fruit-based brandies and liqueurs to sell intoxicating liquors where manufactured for consumption off-premises and provide taste samples to visitors on-premises. The proposed Sugar River Distillery is planning to manufacture apple brandy and other fruit-based intoxicating liquors as well as non-alcoholic fruit-based beverages. This value-added agricultural processing plant would be located in the New Glarus area and provide an alternative market for Wisconsin-grown fruits. The proposed distillery will be an additional tourism attraction that will serve as a market-leading business around which other synergistic businesses will cluster. Critical to the success of the proposed new business start-up is the ability to offer limited taste samples of intoxicating liquor products manufactured on the premise to visitors and sell those products directly to visitors for subsequent off-premise consumption.

Under current law, the Legislative Reference Bureau asserts that alcohol beverages are generally distributed to consumers under a three-tier distribution system where 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; and, finally, the retailer may sell only to the consumer. With specific exceptions, no person may sell outside the three-tier system. Existing exceptions previously granted by the Wisconsin Legislature include allowing breweries and wineries within Wisconsin to offer taste samples of their products as well as sell those products directly to consumers for both consumption on- and off-premises where sold. As expected, no person may sell alcohol beverages to a consumer unless the seller possesses a license or permit authorizing the sale.

This bill creates a similar exception to allow a Wisconsin manufacturer or rectifier of intoxicating liquors to (a) provide free taste samples to on-site visitors and (b) sell the intoxicating liquor directly to consumers for off-premise consumption as long as that intoxicating liquor is manufactured or rectified exclusively from fermented fruit juice (such as apple brandy) and was manufactured or rectified on the premises. An important feature of this bill is that intoxicating liquor made from or containing grain may not be sold under this exception. Like any other establishment granted permission to sell alcohol beverages to be consumed on- or off-premise, this bill requires that 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 (persons licensed to sell intoxicating liquor to be consumed on the premises, such as taverns).

This bill does not conflict with previous Legislative findings (99 Wis. Act 9, s. 2166s). Manufacturers and rectifiers would still be required to sell intoxicating liquor to wholesalers and, therefore, continues to support the existing 3-tier system for distributing intoxicating liquor throughout the state. In fact, this bill actually strengthens the balance between the members of the existing 3-tier structure by supporting the establishment of a new manufacturing plant of intoxicating liquor within the state that will serve to increase the number of product lines that existing wholesalers and retailers can potentially sell. It also enhances the economic efficiency of that system by allowing consumers to purchase intoxicating liquor while actually visiting the distillery for subsequent consumption off the premises where sold. In addition, the bill conforms with provisions within the Wisconsin Department of Revenue that already exist which were designed to ensure efficient and effective tax collections directly from manufacturers of intoxicating liquors. Finally, the bill also includes language that provides continued support for existing regulations that require licenses intended to enhance the public's health, safety, and welfare.

Thank you.

Vote Record

Senate - Committee on Insurance, Tourism, and Transportation

Date: 2.20.02
 Moved by: POZ Seconded by: SCH
 AB: 217 SB: _____ Clearinghouse Rule: _____
 AJR: _____ SJR: _____ Appointment: _____
 AR: _____ SR: _____ Other: _____

A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

Be recommended for:

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> Passage | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Tabling |
| <input type="checkbox"/> Adoption | <input checked="" type="checkbox"/> Concurrence |
| <input type="checkbox"/> Rejection | <input type="checkbox"/> Nonconcurrence |
| | <input type="checkbox"/> Confirmation |

Committee Member

Sen. Roger Breske, Chair
 Sen. Richard Grobschmidt
 Sen. Jim Baumgart
 Sen. Alan Lasee
 Sen. Dale Schultz

Aye	No	Absent	Not Voting
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

Motion Carried

Motion Failed