

Gary, Aaron

From: Tuschen, Terry
Sent: Tuesday, April 24, 2007 10:43 AM
To: Gary, Aaron; 'Michael Welsh'
Cc: Tuschen, Terry
Subject: FW: Brewpub Bill

Hi Aaron, thanks for that info. Sounds like we're agreed on this and there's no need to include it.
Terry

From: Michael Welsh [mailto:mike.hovenconsulting@tds.net]
Sent: Tuesday, April 24, 2007 10:12 AM
To: Tuschen, Terry
Subject: Fw: Brewpub Bill

That makes sense to me Terry. I guess the clause does not need to be included.

----- Original Message -----

From: Gary, Aaron
To: Tuschen, Terry
Cc: Michael Welsh
Sent: Tuesday, April 24, 2007 10:05 AM
Subject: RE: Brewpub Bill

Hi Terry,

The second bullet looks fine.

On the first bullet, current law provides a global severability provision - severability is already the "default" under WI stats. See s. 990.001 (11), stats. Because it is already covered under current law, our drafting manual instructs us "Do not insert a separate severability provision" into a bill. Drafting Manual, 7.17 (1). Do I have your blessing to not include this provision? Thanks. Aaron

Aaron R. Gary
Legislative Attorney
Legislative Reference Bureau
608.261.6926 (voice)
608.264.6948 (fax)
aaron.gary@legis.state.wi.us

From: Tuschen, Terry
Sent: Tuesday, April 24, 2007 9:27 AM
To: Gary, Aaron
Cc: 'Michael Welsh'; Tuschen, Terry
Subject: FW: Brewpub Bill

Hi Aaron, we have two more changes or additions to the Brewpub legislation. Let me know if you see any problems or if any new problems develop because of these changes.

Thanks again for your help on this bill.

04/24/2007

Terry

From: Michael Welsh [mailto:mike.hovenconsulting@tds.net]
Sent: Tuesday, April 24, 2007 9:22 AM
To: Tuschen, Terry
Cc: Ryan Natzke
Subject: Brewpub Bill

Terry,

Per our conversation, please add the following language to LRB-1983/P3 (brewpub legislation):

- 125.001 Severability. If any provision or clause of this Chapter or its application to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of this Chapter that can be given effect without the invalid provision or application, and to this end the provisions of this Chapter are severable.
- After 125.295 (1) (a), insert "The bottling on brewpub premises of fermented malt beverages that have been manufactured on these premises."

Michael Welsh
Government Affairs Specialist
Hoven Consulting, Inc.
44 E. Mifflin St, Suite 600
Madison, WI 53703

Office: (608) 310-8833
Fax: (608) 310-8834
mike.hovenconsulting@tds.net



State of Wisconsin
2007 - 2008 LEGISLATURE

Wanted
by 4/27

LRB-1983/28 P4

ARG:wj:rs

in 4/24

RMR

D-Note

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Regen

1 AN ACT *to repeal* 125.31 (1) (a) 1. (intro.) and 125.31 (1) (a) 3.; *to renumber*
2 125.31 (1) (a) 1. a. to e.; *to amend* 125.02 (2), 125.02 (21), 125.04 (9), 125.07 (4)
3 (bm) 1., 125.10 (4), 125.26 (2) (b) 1., 125.28 (2) (b) 2., 125.31 (1) (a) 2., 125.31 (1)
4 (a) 4., 125.32 (5) and (7) (a), 125.33 (title), (1), (2) (intro.), (a), (d), (j), (k), (L) 2.,
5 3. and 4., (n) 2. and (p) 1., (2s), (6), (7) (a) 1. a. and b., (b), (c) and (d), (7m), (8),
6 (9), (10) (a) 1. to 4., (b) and (c) 1. and 3. and (11), 125.34 (title), (1) (a) and (c),
7 (2) (a), (bg) and (bm), (3) (a) 1. and 2., (4) (a) and (5), 125.54 (1), 139.01 (1) and
8 (2), 139.04 (2), 139.08 (4), 139.09, 139.11 (2), (3) and (4), 139.18 (1), 139.22 and
9 346.93 (1); and *to create* 125.02 (2d) (intro.), (2h), (2p) and (2t), 125.25 (2) (b)
10 5., 125.28 (2) (b) 1. e., 125.29 (5), 125.295, 125.69 (1) (d) and 139.01 (2c) and (2e)
11 of the statutes; **relating to:** creating a brewpub permit authorizing the

1 manufacture and sale at wholesale of fermented malt beverages, and
2 authorizing other brewpub interests and operations.

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; 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 at retail unless the person possesses a license or permit authorizing the sale on the premises where sold.

Under current law, a brewer of fermented malt beverages (beer) must hold a permit issued by the Department of Revenue (DOR). A brewer's permit authorizes the brewer to manufacture, possess, and store beer on the brewery premises. A beer wholesaler's license, issued by a municipality, authorizes the license holder to sell to retailers or wholesalers beer in original packages that may not be consumed on the wholesaler's premises. A brewer may hold a wholesaler's license and may own, maintain, and operate a warehouse for which the brewer holds a wholesaler's license. The brewer may transport beer between the brewery premises and the brewer's warehouse. The brewer may sell beer at wholesale to beer retailers and beer wholesalers if the brewer holds a wholesaler's license. With various limitations discussed below, the brewer may sell beer at retail if the brewer holds a retailer's license. A brewer may also hold a limited intoxicating liquor wholesaler's permit, for wine only.

Under current law, a brewer may hold a Class "A" retail license, which authorizes the retail sale of beer in original packages for consumption off the licensed premises, but, with exceptions, may not hold a Class "B" license, which authorizes the retail sale of beer for consumption on or off the premises where sold. One exception allows a brewer to maintain and operate, and hold a Class "B" license for, one retail premises on brewery premises and one retail premises on property owned by the brewer or its subsidiary or affiliate. Under another exception, in addition to these two Class "B" licenses, a brewer may possess a Class "B" license for not more than four restaurants in which the sale of alcohol beverages accounts for less than 50 percent of gross receipts if the brewer is a "small brewer" (generally one that manufactures less than 4,000 barrels of beer annually), the restaurant also sells other brewers' beer, and the brewer's own beer is purchased by the restaurant from an independent wholesaler. A brewer may hold both a wholesaler's license and Class "B" license but, with an exception for grandfathered licenses, may not hold both a wholesaler's license and a Class "A" license. A "Class B" license authorizes the retail sale of intoxicating liquor for consumption on or off the licensed premises, which authorization is subject to certain limitations, some of which depend on whether the issuing municipality has adopted an ordinance related to "Class B" licenses. A "Class C" license authorizes the retail sale of wine by the glass or in an opened original

container for consumption on the licensed premises and may be issued only for a restaurant. Because a "Class B" license may be issued only to the holder of a Class "B" license, a brewer is limited in the number of "Class B" licenses it may hold.

Under current law, beer may not be sold, transported, or delivered to a Class "A" licensee or Class "B" licensee unless the beer is first unloaded at and distributed from a licensed beer wholesaler's warehouse, which generally must be at a location that is physically separate from any retail premises or brewery premises. However, there are a number of exceptions to this prohibition, including exceptions that apply to certain brewers that hold wholesale and retail licenses or that manufacture 50,000 barrels of beer or less annually. Also under current law, deliveries of beer to retailers may be made only by licensed wholesalers and must be made to retailers only at their retail premises. No retailer may transport beer from one retail premises to another retail premises to sell it unless a brewer operates both retail premises. Current law also requires, with limited exceptions, that beer wholesalers enter into written agreements with brewers supplying beer brands that grant to the wholesalers distribution rights within exclusive designated sales territories in order for the beer to be distributed, and further imposes requirements on the termination of these agreements. A brewer, in providing beer to its own retail premises, is not subject to restrictions on the sale, transportation, and delivery of beer generally applicable to wholesalers and retailers.

This bill creates a brewpub permit issued by DOR. An applicant is eligible to obtain a brewpub permit if all of the following apply:

1. The applicant manufactures not more than 10,000 barrels of beer each year.
2. The applicant's entire beer manufacturing process occurs on the brewpub premises.
3. The applicant operates a restaurant on the brewpub premises in which the sale of alcohol beverages accounts for less than 50 percent of the restaurant's gross receipts.
4. The applicant holds a Class "B" license for the restaurant and offers for sale in the restaurant, in addition to its own beer, beer manufactured by other brewers.
5. The applicant holds a business tax registration certificate issued by DOR.
6. The applicant does not hold or have an interest in a Class "A" license, a beer wholesaler's license, a brewer's permit, or an alcohol beverage, warehouse permit, and does not hold or have an interest in a Class "B," "Class B," or "Class C" license other than one for brewpub premises.

If an applicant for a brewpub permit has no current operations, the applicant can certify that the applicant will comply with these requirements prior to or upon commencing operations under the brewpub permit. If an applicant for a brewpub permit holds a brewer's permit, wholesale license, or any other prohibited license or permit at the time of the application, the applicant can certify that the applicant will surrender any such license or permit upon issuance of the brewpub permit.

A brewpub permit authorizes a brewpub to do all of the following:

1. Manufacture beer on the brewpub premises, up to 10,000 barrels each year for all brewpub premises, if the entire manufacturing process occurs on these premises.

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3
7 2~~6~~ Package in refillable containers exceeding 24 ounces in volume, on brewpub premises, beer that has been manufactured on these premises, and possess and store on brewpub premises any beer.

7 4~~3~~ Transport beer that has been manufactured on the brewpub premises between these premises and any other brewpub premises or brewpub Class "B" premises.

7 5~~4~~ Sell at wholesale, ship, transport, and deliver to wholesalers, from the brewpub premises, beer manufactured on these premises or on other brewpub premises.

7 6~~5~~ Sell at wholesale, ship, transport, and deliver to retailers, from the brewpub premises, beer manufactured on these premises or on other brewpub premises, but only up to 1,000 barrels of beer each year, not including beer provided to the brewpub's own retail premises.

7 7~~6~~ Sell alcohol beverages at retail on the brewpub premises in accordance with the terms of any Class "B," "Class B," or "Class C" license held by the brewpub.

A brewpub may not hold more than six permits for brewpub locations. A brewpub may hold only Class "B," "Class B," and "Class C" licenses for restaurants on brewpub premises.

Like the holder of a brewer's permit, a brewpub, in providing beer to its own retail premises, is not subject to restrictions on the sale, transportation, and delivery of beer generally applicable to wholesalers and retailers. However, a brewpub does not hold a wholesaler's license and may maintain wholesale operations, including the sale, transportation, and delivery to retailers if otherwise authorized, from its brewpub premises. To distribute its beer through licensed beer wholesalers, a brewpub must enter into written agreements with the wholesalers for each brewpub brand distributed providing exclusive designated sales territories to the wholesalers for these brands. A brewpub is also subject to certain requirements generally applicable to wholesalers when selling its own beer to unaffiliated retailers.

The bill also repeals the authorization for a small brewer to possess a Class "B" license for not more than four restaurants in which the sale of alcohol beverages accounts for less than 50 percent of the restaurant's gross receipts.

For further information see the *state and local* 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. 125.02 (2) of the statutes is amended to read:

2 125.02 (2) "Brewer" means any person who manufactures fermented malt
3 beverages for sale or transportation, except that "brewer" does not include a
4 permittee under s. 125.295.

1 **SECTION 2.** 125.02 (2d) (intro.), (2h), (2p) and (2t) of the statutes are created to
2 read:

3 125.02 **(2d)** (intro.) "Brewer group" means a brewer, including all premises for
4 which the brewer holds a permit issued under s. 125.29, together with all of the
5 following:

6 **(2h)** "Brewpub" means a permittee under s. 125.295.

7 **(2p)** "Brewpub group" means a brewpub, including all premises for which the
8 brewpub holds a permit issued under s. 125.295, together with all of the following:

9 (a) All brewpubs that share membership with the brewpub in a controlled
10 group of brewpubs, as determined under 26 USC 5051 (a) (2) (B).

11 (b) All brewpubs considered with the brewpub as one taxpayer under 27 CFR
12 25.111b (b).

13 (c) All franchisees, as defined in s. 553.03 (5), of the brewpub.

14 (d) All franchisees, as defined in s. 553.03 (5), of the brewpub's franchisor, as
15 defined in s. 553.03 (6).

16 (e) The franchisor, as defined in s. 553.03 (6), of the brewpub.

17 **(2t)** "Brewpub premises" means any premises covered by a permit issued under
18 s. 125.295.

19 **SECTION 3.** 125.02 (21) of the statutes is amended to read:

20 125.02 **(21)** "Wholesaler" means a person, other than a brewer, brewpub,
21 manufacturer, or rectifier, who sells alcohol beverages to a licensed retailer or to
22 another person who holds a permit or license to sell alcohol beverages at wholesale.

23 **SECTION 4.** 125.04 (9) of the statutes is amended to read:

24 125.04 **(9)** SEPARATE LICENSE OR PERMIT REQUIRED. Except as provided under ss.
25 125.27 (2) (a) and 125.51 (5) (c) 1., wholesalers, manufacturers, rectifiers, brewers,

1 brewpubs, and retailers shall have a separate permit or license covering each
2 location or premises, except a licensed public warehouse, from which deliveries and
3 sales of alcohol beverages are made or at which alcohol beverages are stored.

4 **SECTION 5.** 125.07 (4) (bm) 1. of the statutes is amended to read:

5 125.07 (4) (bm) 1. A brewer or brewpub.

6 **SECTION 6.** 125.10 (4) of the statutes is amended to read:

7 125.10 (4) REGULATION OF CLOSED RETAIL PREMISES. A municipality may not
8 prohibit the permittee, licensee, employees, salespersons, employees of wholesalers
9 licensed under s. 125.28 (1) or 125.54 (1); employees of permittees under s. 125.295
10 with respect to the permittee's own retail premises; or service personnel from being
11 present on premises operated under a Class "A", "Class A" or "Class C" license or
12 under a Class "B" or "Class B" license or permit during hours when the premises are
13 not open for business if those persons are performing job-related activities.

14 **SECTION 7.** 125.25 (2) (b) 5. of the statutes is created to read:

15 125.25 (2) (b) 5. A Class "A" license may not be issued to a person holding a
16 brewpub permit issued under s. 125.295 or to a person who has a direct or indirect
17 ownership interest in a premises operating under a brewpub permit issued under s.
18 125.295.

19 **SECTION 8.** 125.26 (2) (b) 1. of the statutes is amended to read:

20 125.26 (2) (b) 1. Except as provided in s. ss. 125.295 and 125.31, Class "B"
21 licenses may not be issued to brewers or brewpubs.

22 **SECTION 9.** 125.28 (2) (b) 1. e. of the statutes is created to read:

23 125.28 (2) (b) 1. e. A brewpub permit issued under s. 125.295.

24 **SECTION 10.** 125.28 (2) (b) 2. of the statutes is amended to read:

1 125.28 (2) (b) 2. A person who has a direct or indirect ownership interest in a
2 premises operating under one or more of the licenses or permits listed in subd. 1. a.
3 to ~~d.~~ e.

4 **SECTION 11.** 125.29 (5) of the statutes is created to read:

5 125.29 (5) BREWPUBS. No person holding a brewpub permit under s. 125.295
6 may register as a brewer under this section.

7 **SECTION 12.** 125.295 of the statutes is created to read:

8 **125.295 Brewpub permits.** (1) The department shall issue brewpub permits
9 to eligible applicants authorizing all of the following:

10 (a) The manufacture of fermented malt beverages on the brewpub premises if
11 the entire manufacturing process occurs on these premises and not more than 10,000
12 barrels of fermented malt beverages are manufactured in a calendar year by the
13 permittee's brewpub group.

14 ^c(b) The packaging in refillable containers exceeding 24 ounces in volume, at the
15 request of a customer and on brewpub premises, of fermented malt beverages that
16 have been manufactured on these premises.

17 ^d(c) The possession and storage of any fermented malt beverages on brewpub
18 premises.

19 ^e(d) The transportation of fermented malt beverages that have been
20 manufactured on the brewpub premises between these premises and any other
21 brewpub premises or Class "B" premises of the brewpub.

22 ^f(e) Subject to s. 125.34 (3) and (4), the sale at wholesale, shipment,
23 transportation, and delivery, in original unopened packages or containers, to
24 wholesalers, from the brewpub premises, of fermented malt beverages that have
25 been manufactured on these premises or on other brewpub premises of the brewpub.

Meeting
7-13

1 (f) The sale at wholesale, shipment, transportation, and delivery, in original
2 unopened packages or containers, to retailers, from the brewpub premises, of
3 fermented malt beverages that have been manufactured on these premises or on
4 other brewpub premises of the brewpub. A brewpub's brewpub group may not sell,
5 ship, transport, or deliver more than a total of 1,000 barrels of fermented malt
6 beverages in any calendar year to retailers under this paragraph. Fermented malt
7 beverages provided by a brewpub to any retail premises for which the brewpub holds
8 the retail license shall not be included in any calculation of the 1,000 barrel
9 limitation under this paragraph. Deliveries and shipments of fermented malt
10 beverages by a brewpub under this paragraph shall be made to retailers only at their
11 retail premises. Any retailer receiving such a delivery or shipment is subject to the
12 prohibition under s. 125.34 (5) against further transporting the delivery or shipment
13 to any other retail premises.

14 (g) The sale of alcohol beverages at retail on the brewpub premises in
15 accordance with the terms of any retail license specified in subs. (2) (a) 4. and (3) (b)
16 and (c).

17 (h) Notwithstanding s. 125.33 (1), the ownership, maintenance, and operation
18 of places for the sale of fermented malt beverages at the state fair park or on any
19 county fairgrounds located in this state if the fermented malt beverages have been
20 manufactured by the brewpub.

21 (2) (a) An applicant is eligible for a brewpub permit only if all of the following
22 apply:

23 1. The applicant's brewpub group manufactures a total of not more than 10,000
24 barrels of fermented malt beverages in a calendar year.

1 2. The applicant's entire process for manufacturing fermented malt beverages
2 under the permit occurs on the premises for which the permit is issued.

3 3. The applicant operates a restaurant on the premises for which the permit
4 is issued, for which a restaurant permit is issued under s. 254.64 and in which the
5 sale of alcohol beverages accounts for less than 50 percent of the gross receipts of all
6 of the food and beverages served in the restaurant on a calendar year basis.

7 4. The applicant holds a Class "B" license for the restaurant identified in subd.
8 3. and, on these Class "B" premises, offers for sale, in addition to fermented malt
9 beverages manufactured by the applicant, fermented malt beverages manufactured
10 by a brewer other than the applicant and its brewpub group.

11 5. The applicant holds a valid certificate issued under s. 73.03 (50).

12 6. Neither the applicant nor the applicant's brewpub group holds, or has a
13 direct or indirect ownership interest in a premises operating under, any of the
14 following:

15 a. A Class "A" license issued under s. 125.25.

16 b. Except as provided in subd. 4. and subs. (1) ~~(g)~~^h and (3) (b), a Class "B" license
17 issued under s. 125.26.

18 c. A wholesaler's license issued under s. 125.28.

19 d. A brewer's permit issued under s. 125.29.

20 e. Except as provided in subs. (1) ~~(g)~~^h and (3) (c), a "Class B" license or permit
21 or "Class C" license issued under s. 125.51.

22 f. An alcohol beverage warehouse permit issued under s. 125.19.

23 (b) If an applicant under par. (a) has no current operations, the applicant may
24 certify that the applicant has applied for or will apply for a Class "B" license or
25 restaurant permit or will comply with any other requirement under par. (a), prior to

1 or upon commencing operations authorized under this section. If a Class "B" license
2 or restaurant permit is not subsequently issued to the applicant, or if the applicant
3 otherwise fails to comply with any requirement for eligibility under par. (a), the
4 department may revoke under s. 125.12 (5) the permit issued under this section.

5 (c) If an applicant under par. (a) holds any license or permit prohibited under
6 par. (a) 6. at the time of its application, the applicant may certify that the applicant
7 will surrender any such license or permit upon issuance of a permit under this
8 section. If the department issues a permit under this section and the applicant fails
9 to surrender any license or permit prohibited under par. (a) 6., the department may
10 revoke under s. 125.12 (5) the permit issued under this section. An applicant is not
11 required to surrender any Class "B" license issued under s. 125.31 (1) (a) 2. or under
12 s. 125.31 (1) (a) 3., 2005 stats., if the applicant's continued possession of the license
13 is consistent with subs. (1) (g), (2) (a) 4., and (3) (b) and (c).

14 (3) (a) No brewpub group may hold more than 6 brewpub permits issued under
15 this section.

16 (b) A brewpub may not hold any Class "B" license other than one issued for a
17 restaurant on the brewpub premises. Notwithstanding s. 125.26 (2) (a), each
18 Class "B" license shall be issued for the brewpub's restaurant in the same name as
19 the permittee under this section. Notwithstanding s. 125.33 (1), a brewpub may own
20 the furniture, fixtures, fittings, furnishings, and equipment on the Class "B"
21 premises and shall pay any license fee or tax required for the operation of the
22 premises.

23 (c) Subject to the requirements specified in s. 125.51 (3) and (3m), a brewpub
24 may also hold "Class B" licenses and "Class C" licenses, but only for restaurants on
25 brewpub premises.

1 (4) The fee established by the department for a brewpub permit shall not
2 exceed the fee established by the department for a permit under s. 125.29.

3 **SECTION 13.** 125.31 (1) (a) 1. (intro.) of the statutes is repealed.

4 **SECTION 14.** 125.31 (1) (a) 1. a. to e. of the statutes are renumbered 125.02 (2d)
5 (a) to (e).

6 **SECTION 15.** 125.31 (1) (a) 2. of the statutes is amended to read:

7 125.31 (1) (a) 2. Notwithstanding ss. 125.29 (2) and 125.33 (1), a brewer may
8 maintain and operate one place on brewery premises and one place on real estate
9 owned by the brewer or a subsidiary or affiliate corporation or limited liability
10 company for the sale of fermented malt beverages for which a Class "B" license is
11 required for each place, but, except as provided in ~~subds. 3. and subd. 4.~~, not more
12 than 2 such Class "B" licenses shall be issued to any brewer.

13 **SECTION 16.** 125.31 (1) (a) 3. of the statutes is repealed.

14 **SECTION 17.** 125.31 (1) (a) 4. of the statutes is amended to read:

15 125.31 (1) (a) 4. Notwithstanding ss. 125.29 (2) and 125.33 (1), in addition to
16 places authorized under subd. 2., a brewer may possess or hold an indirect interest
17 in a Class "B" license for not more than 20 restaurants in each of which the sale of
18 alcohol beverages accounts for less than 60% of the restaurant's gross receipts if no
19 fermented malt beverages manufactured by the brewer are offered for sale in any of
20 these restaurants. ~~No brewer may possess Class "B" licenses under both this~~
21 ~~subdivision and subd. 3.~~

22 **SECTION 18.** 125.32 (5) and (7) (a) of the statutes are amended to read:

23 125.32 (5) SIGNS NEAR TAPS AND BRANDS ON TAP; CLASS "B" PREMISES. Every Class
24 "B" licensee or permittee selling or offering for sale draught fermented malt
25 beverages shall display a sign on or near each tap or faucet disclosing the brand of

1 fermented malt beverage drawn from the tap or faucet and the name of its the brewer
2 or brewpub that manufactured it. No Class "B" licensee or permittee may substitute
3 any other brand of fermented malt beverage in place of the brand designated on the
4 sign with the intent to defraud or deceive the customer.

5 (7) (a) No fermented malt beverages may be sold, offered, or exposed for sale,
6 kept in possession with intent to sell, or served on any premises for which a license
7 or permit for the sale of fermented malt beverages has been issued unless each
8 barrel, keg, cask, bottle, or other container bears a label or other identification with
9 the name and address of the brewer or brewpub that manufactured it. The
10 possession of any fermented malt beverages which are not so identified on any
11 premises for which a license or permit for the sale of fermented malt beverages has
12 been issued is prima facie evidence that the fermented malt beverages are possessed
13 with intent to sell, offer for sale, display for sale, or give away.

14 **SECTION 19.** 125.33 (title), (1), (2) (intro.), (a), (d), (j), (k), (L) 2., 3. and 4., (n)
15 2. and (p) 1., (2s), (6), (7) (a) 1. a. and b., (b), (c) and (d), (7m), (8), (9), (10) (a) 1. to 4.,
16 (b) and (c) 1. and 3. and (11) of the statutes are amended to read:

17 **125.33 (title) Restrictions on dealings between brewers, brewpubs,**
18 **wholesalers, and retailers. (1) FURNISHING THINGS OF VALUE. (a)** Except as
19 provided in this section and s. ss. 125.295 and 125.31, no brewer, brewpub, or
20 wholesaler may furnish, give, lend, lease, or sell any furniture, fixtures, fittings,
21 equipment, money, or other thing of value to any campus or Class "B" licensee or
22 permittee, or to any person for the use, benefit, or relief of any campus or Class "B"
23 licensee or permittee, or guarantee the repayment of any loan or the fulfillment of
24 any financial obligation of any campus or Class "B" licensee or permittee. Such
25 actions may not be taken by the brewer, brewpub, or wholesaler directly or indirectly,

1 or through a subsidiary or affiliate corporation or limited liability company, or by any
2 officer, director, stockholder, partner, or member thereof.

3 (b) No brewer, brewpub, or wholesaler may enter into any agreement whereby
4 any campus or Class "B" licensee or permittee is required to purchase the fermented
5 malt beverages of any brewer or brewpub to the exclusion of those manufactured by
6 other brewers or brewpubs. Such contracts may not be entered into by the brewer,
7 brewpub, or wholesaler, directly or indirectly, or through a subsidiary or an affiliate
8 corporation or limited liability company, or by any officer, director, stockholder,
9 partner, or member thereof.

10 (2) EXCEPTIONS. (intro.) Notwithstanding the prohibitions in sub. (1), a brewer,
11 brewpub, or wholesaler may:

12 (a) Give to any campus or Class "B" licensee or permittee, at any given time,
13 for placement inside the premises, signs, clocks, or menu boards with an aggregate
14 value of not more than \$2,500. If a gift of any item would cause the \$2,500 limit to
15 be exceeded, the recipient shall pay the brewer, brewpub, or wholesaler the amount
16 of the item's value in excess of \$2,500. Each recipient shall keep an invoice or credit
17 memo containing the name of the donor and the number and value of items received
18 under this paragraph. The value of an item is its cost to the donor. Each recipient
19 shall make the records kept under this paragraph available to the department for
20 inspection upon request.

21 (d) Sell to a campus or Class "B" licensee or permittee at fair market value
22 equipment designed and intended to preserve and maintain the sanitary dispensing
23 of fermented malt beverages or any services necessary to maintain this kind of
24 equipment. A brewer, brewpub, or wholesaler shall charge the same price per unit
25 of equipment to each campus or Class "B" licensee or permittee making the same or

1 a similar purchase, and shall charge the same rate to each campus or Class "B"
2 licensee or permittee purchasing maintenance services under this subdivision. Each
3 brewer, brewpub, or wholesaler shall keep records of each transaction under this
4 subdivision and shall make the records available to the department upon request.

5 (j) Contribute money or other items of value to, or purchase advertising from,
6 an institution of higher education which is exempt under section 501 (c) (3) of the
7 internal revenue code, as defined in s. 71.22 (4), if the contribution or purchase is for
8 a purpose other than the use, benefit, or relief of premises or operations for the sale
9 of fermented malt beverages and is not contingent either upon the use of the product
10 of the brewer, brewpub, or wholesaler by the institution or upon an agreement by the
11 institution wholly or partly to exclude from sale the products of a competing brewer,
12 brewpub, or wholesaler.

13 (k) Contribute money or other items of value, or purchase advertising from, a
14 campus if the contribution or purchase is for a purpose other than the use, benefit,
15 or relief of premises or operations for the sale of fermented malt beverages and is not
16 contingent either upon the use of the product of the brewer, brewpub, or wholesaler
17 by the campus or upon an agreement by the campus partly or wholly to exclude from
18 sale the products of a competing brewer, brewpub, or wholesaler.

19 (L) 2. Purchase advertising from a person who does not hold a license under this
20 chapter and who conducts national or regional sweepstakes, contests, or promotions
21 on the premises of Class "B" licensees or permittees that sell the brewer's, brewpub's,
22 or wholesaler's products. The person may promote an event or activity in connection
23 with a sweepstakes, contest, or promotion, including promoting the location of the
24 event or activity, if the Class "B" licensee or permittee on whose premises the event
25 or activity will occur does not receive money for hosting the event or activity and,

1 except as provided in subd. 4., if the advertising for the event or activity identifies
2 at least 4 unaffiliated Class "B" licensees or permittees.

3 3. Conduct national or regional sweepstakes, contests, or promotions on the
4 premises of Class "B" licensees or permittees that sell the brewer's, brewpub's, or
5 wholesaler's products. The brewer, brewpub, or wholesaler may promote an event
6 or activity in connection with a sweepstakes, contest, or promotion, including
7 promoting the location of the event or activity, if the Class "B" licensee or permittee
8 on whose premises the event or activity will occur does not receive money for hosting
9 the event or activity and, except as provided in subd. 4., if the advertising for the
10 event or activity identifies at least 4 unaffiliated Class "B" licensees or permittees.

11 4. A brewer that manufactures less than 30,000 barrels of fermented malt
12 beverages annually, or a brewpub, may purchase advertising under subd. 2, and may
13 promote sweepstakes, contests, or promotions through advertising under subd. 3.,
14 if the advertising identifies at least one Class "B" licensee or permittee.

15 (n) 2. Notwithstanding subd. 1., no brewer, brewpub, or wholesaler may
16 provide business entertainment to a Class "B" licensee or permittee under subd. 1.
17 in one day that has a value exceeding \$500, and no brewer, brewpub, or wholesaler
18 may provide business entertainment to a Class "B" licensee or permittee under subd.
19 1. on more than 8 days in any calendar year.

20 (p) 1. Have present not more than 3 individuals representing the brewer or
21 brewpub at a fermented malt beverages tasting event that lasts 2 days or less and
22 at which taste samples of fermented malt beverages brewed or sold by at least 5
23 different brewers or brewpubs are offered for consumption by persons who either pay
24 for the taste samples or pay a charge for admission to the event. Any individual
25 representing a brewer or brewpub shall confine his or her activities on the premises

1 to ensuring the integrity of, providing information about, and dispensing the
2 brewer's or brewpub's fermented malt beverages.

3 (2s) EXCEPTION FOR RETAIL TRADE ASSOCIATION CONTRIBUTIONS. Notwithstanding
4 the prohibitions in sub. (1), a brewer, brewpub, or wholesaler may contribute money
5 or other things of value to a bona fide national, statewide, or local trade association
6 that derives its principal income from membership dues of Class "B" licensees.

7 (6) VOLUME DISCOUNTS TO RETAILERS. Wholesalers of fermented malt beverages,
8 and brewpubs with respect to sales of fermented malt beverages authorized under
9 s. 125.295 (1)(g), shall charge the same price to all campuses and retail licensees and
10 permittees making purchases in similar quantities. Any discount offered on
11 fermented malt beverages shall be delivered to the retailer in a single transaction
12 and single delivery, and on a single invoice.

13 (7) (a) 1. a. Receive, purchase, or acquire fermented malt beverages from any
14 licensee, or from any brewpub acting under authority of s. 125.295 (1)(g), except for
15 cash or credit for a period of not more than 15 days.

16 b. Receive, purchase, or acquire fermented malt beverages from any licensee
17 or permittee, or from any brewpub acting under authority of s. 125.295 (1)(g), if at
18 the time of the receipt, purchase, or acquisition he or she is indebted to any licensee
19 or, permittee, or brewpub for fermented malt beverages received, purchased,
20 acquired, or delivered more than 15 days earlier.

21 (b) *Restrictions on issuance of licenses and permits.* No Class "A" or Class "B"
22 license or permit may be issued to a person having an indebtedness for fermented
23 malt beverages outstanding for more than 15 days. In each application for a Class
24 "A" or Class "B" license or permit, the applicant shall state whether he or she has

1 indebtedness for fermented malt beverages to any licensee ~~or~~, permittee, or brewpub
2 which has been outstanding for more than 15 days.

3 (c) *Wholesalers and brewpubs holding retail licenses and permits.* For purposes
4 of this subsection, a person holding both a fermented malt beverage wholesale
5 license and a fermented malt beverage retail license is deemed a fermented malt
6 beverage retailer. For purposes of this subsection, a brewpub, when acting under
7 authority of a retail license with respect to fermented malt beverages not
8 manufactured by the brewpub, is deemed a fermented malt beverages retailer. This
9 paragraph does not affect any provision of this subsection with respect to a brewpub
10 acting under authority of s. 125.295 (1) (a).

11 (d) *Penalties.* A retail licensee or permittee who violates this subsection is
12 subject to the penalties under s. 125.11 except that he or she may not be imprisoned.
13 No brewer, brewpub, or wholesaler may be subjected to any penalty as the result of
14 the sale of fermented malt beverages to a campus or retail licensee or permittee when
15 purchased by the campus or retail licensee or permittee in violation of this
16 subsection.

17 **(7m) CONDITIONAL PURCHASES.** No Class "A" or Class "B" licensee may condition
18 the purchase of fermented malt beverages from a brewer, brewpub, or wholesaler
19 upon the furnishing by the brewer, brewpub, or wholesaler of any thing of value,
20 other than the products purchased, to the licensee or to any person for the use,
21 benefit, or relief of the licensee.

22 **(8) EXCLUSIVE SALES BY WHOLESALER.** A wholesaler may not sell or offer to sell
23 a brand of fermented malt beverages exclusively to one Class "A" licensee or to a
24 group of Class "A" licensees affiliated through common ownership, management or
25 control, unless the brand of fermented malt beverages is produced by a brewer which

1 that produces less than 300,000 barrels of fermented malt beverages in a calendar
2 year or by a brewpub.

3 (9) CAMPUSES AND RETAILERS TO PURCHASE FROM WHOLESALERS. No Except as
4 provided in s. 125.295 (1) (f), no campus or retail licensee or permittee may purchase
5 or possess fermented malt beverages purchased from any person other than a
6 wholesaler holding a license under this chapter for the sale of fermented malt
7 beverages. Any person who violates this subsection may be fined not more than
8 \$10,000 or imprisoned for not more than 9 months or both.

9 (10) (a) 1. "Brand" means any word, name, group of letters, symbols, or
10 combination thereof, including the name of the brewer or brewpub if the brewer's or
11 brewpub's name is also a significant part of the product name, adopted and used by
12 a brewer or brewpub to identify a specific fermented malt beverage product and to
13 distinguish that product from other fermented malt beverages produced by that
14 brewer or brewpub or other brewers or brewpubs.

15 2. "Discontinued brand" means, with respect to a terminated wholesaler, any
16 brand of fermented malt beverages for which a brewer, brewpub, brewer's agent,
17 brewpub's agent, or holder of an out-of-state shipper's permit has terminated,
18 cancelled, or failed to renew an agreement, whether oral or written, with the
19 wholesaler to supply that brand.

20 3. "Successor wholesaler" means any wholesaler who enters into an agreement,
21 whether oral or written, to obtain a supply of a brand of fermented malt beverages
22 from a brewer, brewpub, brewer's agent, brewpub's agent, or holder of an
23 out-of-state shipper's permit after the brewer, brewpub, brewer's agent, brewpub's
24 agent, or holder of an out-of-state shipper's permit has terminated, cancelled, or

1 failed to renew an agreement, whether oral or written, with a terminated wholesaler
2 to supply that same brand of fermented malt beverages.

3 4. "Terminated wholesaler" means a wholesaler with whom a brewer, brewpub,
4 brewer's agent, brewpub's agent, or holder of an out-of-state shipper's permit has
5 terminated, cancelled, or failed to renew an agreement, whether oral or written, to
6 supply a brand of fermented malt beverages to that wholesaler.

7 (b) Except as provided in par. (c) and subject to pars. (d) and (e), a successor
8 wholesaler shall compensate a terminated wholesaler for the fair market value of the
9 terminated wholesaler's distribution rights to any discontinued brand of fermented
10 malt beverages assumed by the successor wholesaler for the same territory, less any
11 amount paid to the terminated wholesaler by the brewer, brewpub, brewer's agent,
12 brewpub's agent, or holder of an out-of-state shipper's permit for the discontinued
13 brand. If the terminated wholesaler's distribution rights to any discontinued brand
14 of fermented malt beverages are divided among 2 or more successor wholesalers,
15 each successor wholesaler shall compensate the terminated wholesaler for the fair
16 market value of the distribution rights to any discontinued brand of fermented malt
17 beverages assumed by that successor wholesaler for the applicable part of the same
18 territory, less any amount paid to the terminated wholesaler by the brewer, brewpub,
19 brewer's agent, brewpub's agent, or holder of an out-of-state shipper's permit for the
20 discontinued brand. A terminated wholesaler may not receive under this paragraph
21 total compensation from the successor wholesaler and brewer, brewpub, brewer's
22 agent, brewpub's agent, or holder of an out-of-state shipper's permit that exceeds
23 the fair market value of the terminated wholesaler's distribution rights specified
24 under this paragraph.

1 (c) 1. The wholesaler or a principal of the wholesaler engaged in material
2 fraudulent conduct or made substantial misrepresentations in its dealings with the
3 brewer, brewpub, brewer's agent, brewpub's agent, or holder of an out-of-state
4 shipper's permit or with others regarding any brand of the brewer, brewpub,
5 brewer's agent, brewpub's agent, or holder of an out-of-state shipper's permit.

6 3. The wholesaler or a principal of the wholesaler knowingly distributed any
7 brand of the brewer, brewpub, brewer's agent, brewpub's agent, or holder of an
8 out-of-state shipper's permit outside the territory authorized by the brewer,
9 brewpub, brewer's agent, brewpub's agent, or holder of an out-of-state shipper's
10 permit for distribution of the brand.

11 (11) SOURCE OF FERMENTED MALT BEVERAGES. (a) Subject to s. 125.34 (3), no
12 wholesaler who holds a retail license issued under this chapter may sell a brand of
13 fermented malt beverages to another retail licensee unless the wholesaler has an
14 agreement for general wholesale distribution of that brand of fermented malt
15 beverages with the brewer, brewpub, brewer's agent, brewpub's agent, or holder of
16 an out-of-state shipper's permit supplying that brand.

17 (b) If a wholesaler who holds a retail license issued under this chapter violates
18 par. (a), any other wholesaler aggrieved by such violation or the brewer or brewpub
19 may bring an action against such wholesaler in any court of competent jurisdiction
20 for damages sustained by the aggrieved wholesaler or the brewer or brewpub as a
21 consequence of the violation, together with the actual costs of the action.
22 Notwithstanding s. 814.04 (1), a wholesaler or the brewer or brewpub who prevails
23 in an action under this paragraph may recover reasonable actual attorney fees
24 incurred in the action.

1 **SECTION 20.** 125.34 (title), (1) (a) and (c), (2) (a), (bg) and (bm), (3) (a) 1. and 2.,
2 (4) (a) and (5) of the statutes are amended to read:

3 **125.34 (title) Distribution restrictions on wholesalers, brewers,**
4 **brewpubs, and out-of-state shippers.** (1) (a) "Brand" means any word, name,
5 group of letters, symbol, or combination thereof, including the name of the brewer,
6 brewpub, or out-of-state shipper if the brewer's, brewpub's, or out-of-state
7 shipper's name is also a significant part of the product name, adopted and used by
8 a brewer, brewpub, or out-of-state shipper to identify a specific fermented malt
9 beverage product and to distinguish that product from other fermented malt
10 beverages produced by that brewer, brewpub, or out-of-state shipper or other
11 brewers, brewpubs, or out-of-state shippers.

12 (c) "Designated sales territory" means the geographical area identified in a
13 written agreement between a wholesaler and a brewer, brewpub, or out-of-state
14 shipper under which the wholesaler is authorized to distribute one or more brands
15 of fermented malt beverages supplied by the brewer, brewpub, or out-of-state
16 shipper.

17 (2) (a) No Except as provided in sub. (6) (b) and s. 125.295 (1) ^(e)~~(d)~~ and ^(g)~~(f)~~, no
18 fermented malt beverages may be sold, transported, or delivered to a retailer unless,
19 prior to such sale, transport, or delivery, the fermented malt beverages are first
20 unloaded at and distributed from a wholesaler's warehouse premises covered by both
21 a wholesaler's license issued under s. 125.28 and an alcohol beverage warehouse
22 permit issued under s. 125.19, which premises shall be in this state and shall be a
23 physically separate location from any retail premises or brewery premises. This
24 paragraph does not apply to a wholesaler issued a wholesaler's license under s.
25 125.28 (1) (b) with respect to fermented malt beverages transported and delivered

1 from a warehouse in an adjoining state unless the wholesaler's warehouse in the
2 adjoining state is located on premises in the adjoining state used for the manufacture
3 of fermented malt beverages.

4 (bg) Notwithstanding par. (a), a brewer that, together with ~~the fermented malt~~
5 ~~beverages manufactured during the same year by all producers identified in s.~~
6 ~~125.31 (1) (a) 1. a. to e.~~ its brewer group, manufactures not more than 50,000 barrels
7 of fermented malt beverages in a calendar year in any location may be issued a
8 wholesaler's license for wholesale premises located on brewery premises.

9 (bm) Notwithstanding par. (a), a brewer that, together with ~~the fermented malt~~
10 ~~beverages manufactured during the same year by all producers identified in s.~~
11 ~~125.31 (1) (a) 1. a. to e.~~ its brewer group, manufactures more than 50,000 barrels of
12 fermented malt beverages in a calendar year in any location may be issued a
13 wholesaler's license for wholesale premises located on brewery premises but may not
14 sell or ship more than a total of 1,000 barrels of fermented malt beverages in any
15 calendar year to retailers from these wholesale premises. Fermented malt beverages
16 provided by a brewer to any retail premises for which the brewer holds the retail
17 license shall not be included in any calculation of the 1,000 barrel limitation under
18 this paragraph.

19 (3) (a) 1. Subject to subd. 3., a wholesaler may not sell, transport, or deliver any
20 brand of fermented malt beverages unless the wholesaler has entered into a written
21 agreement with the brewer, brewpub, or out-of-state shipper supplying the brand
22 that grants to the wholesaler distribution rights for the brand and identifies the
23 designated sales territory for which such distribution rights are granted, including
24 the precise geographical area comprising the designated sales territory.

1 2. A brewer, brewpub, or out-of-state shipper may not, in any agreement under
2 this paragraph, grant to more than one wholesaler distribution rights for the same
3 brand in the same designated sales territory or in any part of the same designated
4 sales territory.

5 (4) (a) Any retailer located outside the wholesaler's designated sales territory
6 for the brand. This paragraph does not apply if another wholesaler that has been
7 granted distribution rights for the brand in the designated sales territory where the
8 sale, transportation, or delivery occurs is unable to service this designated sales
9 territory and the brewer, brewpub, or out-of-state shipper granting distribution
10 rights has, notwithstanding sub. (3) (a), given consent for the sale, transportation,
11 or delivery, which consent shall be limited to the time period that another wholesaler
12 is unable to service this designated sales territory. This paragraph does not apply if
13 the wholesaler is also a brewer and another wholesaler to whom this brewer has
14 granted distribution rights for the brand in the designated sales territory where the
15 sale, transportation, or delivery occurs has, notwithstanding sub. (3) (a), given
16 consent for the sale, transportation, or delivery or refused to service this territory.

17 (5) Deliveries Except as provided in sub. (6) (b) and s. 125.295 (1) ^(e)~~(d)~~ and ^(g)~~(f)~~,
18 deliveries of fermented malt beverages to retailers may be made only by wholesalers
19 and shall be made to retailers only at their retail premises. No retailer may transport
20 fermented malt beverages from one retail premises to another retail premises for
21 purposes of selling the fermented malt beverages at the other retail premises unless
22 both retail premises are operated by a brewer or brewpub holding the retail licenses.

23 **SECTION 21.** 125.54 (1) of the statutes is amended to read:

24 125.54 (1) AUTHORIZED ACTIVITIES. The department shall issue wholesalers'
25 permits authorizing the permittee to sell intoxicating liquor at wholesale from the

1 premises described in the permit. Except as provided under s. 125.69 (1) (b) 3., the
2 permittee may not sell intoxicating liquor for consumption on the premises. If a
3 wholesale permit is issued to a brewery brewer that holds a "Class B" license, the
4 permit shall authorize the wholesale sale of wine only. Possession of a permit under
5 this section does not authorize the permittee to sell tax-free intoxicating liquor and
6 wine brought into this state under s. 139.03 (5).

7 **SECTION 22.** 125.69 (1) (d) of the statutes is created to read:

8 125.69 (1) (d) Except as provided in s. 125.295 (3) (c), no brewpub may hold any
9 direct or indirect interest in any "Class B" license or permit or establishment or
10 "Class C" license or establishment.

11 **SECTION 23.** 139.01 (1) and (2) of the statutes are amended to read:

12 139.01 (1) "Bottler" means any person other than a brewer or brewpub who
13 places fermented malt beverages in bottles or similar containers.

14 (2) "Brewer" means any person who manufactures fermented malt beverages
15 for sale or transportation except that brewer does not include a permittee under s.
16 125.295.

17 **SECTION 24.** 139.01 (2c) and (2e) of the statutes are created to read:

18 139.01 (2c) "Brewpub" means a permittee under s. 125.295.

19 (2e) "Brewpub premises" means any premises covered by a permit issued
20 under s. 125.295.

21 **SECTION 25.** 139.04 (2) of the statutes is amended to read:

22 139.04 (2) Furnishing by a brewer or brewpub of fermented malt beverages to
23 workmen employed in the brewery or brewpub for consumption on the brewery
24 premises or brewpub premises without charge.

25 **SECTION 26.** 139.08 (4) of the statutes is amended to read:

1 139.08 (4) INSPECTION FOR ENFORCEMENT. Duly authorized employees of the
2 department of justice and the department of revenue and any sheriff, police officer,
3 marshal, or constable, within their respective jurisdictions, may at all reasonable
4 hours enter any licensed premises, and examine the books, papers, and records of
5 any brewer, brewpub, manufacturer, bottler, rectifier, wholesaler, or retailer, for the
6 purpose of inspecting the same and determining whether the tax and fee imposed by
7 ss. 139.01 to 139.25 have been fully paid, and may inspect and examine, according
8 to law, any premises where fermented malt beverages or intoxicating liquors are
9 manufactured, sold, exposed for sale, possessed, or stored, for the purpose of
10 inspecting the same and determining whether the tax imposed by ss. 139.01 to
11 139.25 has been fully paid, and whether ss. 139.01 to 139.25 and ch. 125 are being
12 complied with. Any refusal to permit such examination of such premises is sufficient
13 grounds under s. 125.12 for revocation or suspension of any license or permit granted
14 for the sale of any fermented malt beverages or intoxicating liquors and is punishable
15 under s. 139.25 (10).

16 **SECTION 27.** 139.09 of the statutes is amended to read:

17 **139.09 Registration.** Every brewer, brewpub, bottler, manufacturer, rectifier,
18 wholesaler, or retailer liable for payment of the occupational tax imposed in ss.
19 139.01 to 139.25 shall hold a valid certificate under s. 73.03 (50). The secretary shall
20 assign the person a registration number.

21 **SECTION 28.** 139.11 (2), (3) and (4) of the statutes are amended to read:

22 **139.11 (2) REPORT.** Each brewer, brewpub, bottler, manufacturer, rectifier, and
23 wholesaler shall on or before the 15th day of each calendar month or the dates
24 prescribed by the secretary file a verified report of all fermented malt beverages or
25 intoxicating liquor manufactured, received, sold, delivered, or shipped by him or her

1 during the preceding calendar month, except that the department may allow
2 wholesale, winery, and out-of-state shipper permittees whose tax liability is less
3 than \$500 per quarter to file on a quarterly basis. Quarterly reports shall be filed
4 on or before the 15th of the next month following the close of the calendar quarter.

5 (3) SECRETARY'S POWERS. When the secretary finds that the records kept by any
6 brewer, brewpub, bottler, manufacturer, rectifier, wholesaler, or retailer are in such
7 condition ~~than~~ that an unusual amount of time is required to determine therefrom
8 the amount of tax due, the secretary may give notice of such fact to such person and
9 may require the records to be kept in such form as the secretary prescribes. If such
10 requirements are not complied with within 30 days after the date of the notice, the
11 brewer, brewpub, bottler, manufacturer, rectifier, wholesaler, or retailer shall pay
12 the expenses reasonably attributable to the determination of tax at the rate of \$30
13 per day for each auditor. The secretary shall render a bill therefor by registered mail
14 to the person charged with payment at the conclusion of the audit, which bill shall
15 constitute notice of assessment and demand of payment thereof. The brewer,
16 brewpub, bottler, manufacturer, rectifier, wholesaler, or retailer shall, within 10
17 days after the mailing of the bill, pay its amount, and such payment shall be credited
18 to the appropriation made in s. 20.566 (1) (a).

19 (4) CONFIDENTIALITY. Sections 71.78 (1) and (4) to (9) and 71.83 (2) (a) 3.,
20 relating to confidentiality of income, franchise, and gift tax returns, apply to any
21 information obtained from any person on a fermented malt beverage or intoxicating
22 liquor tax return, report, schedule, exhibit, or other document or from an audit report
23 relating to any of those documents, except that the department of revenue shall
24 publish ~~brewery~~ brewer and brewpub production and sales statistics and shall

1 publish or permit the publication of statistics on the total number of gallons of the
2 types and brands of intoxicating liquor sold in this state.

3 **SECTION 29.** 139.18 (1) of the statutes is amended to read:

4 139.18 (1) The possession of any fermented malt beverages on any licensed
5 premises, other than upon the premises of a brewer, brewpub, or bottler, shall be
6 deemed prima facie evidence that such products are kept with intent to sell and that
7 such products are subject to the tax herein imposed.

8 **SECTION 30.** 139.22 of the statutes is amended to read:

9 **139.22 Confiscation.** If a duly authorized employee of the department of
10 revenue or the department of justice or any sheriff, police officer, marshal, or
11 constable, within his or her respective jurisdiction, discovers any fermented malt
12 beverages upon any premises other than the premises of a brewer, brewpub, or
13 bottler, or any intoxicating liquor upon any premises other than the premises of a
14 manufacturer, rectifier, winery, or wholesaler, and upon which the tax has not been
15 paid or which was possessed, kept, stored, manufactured, sold, distributed, or
16 transported in violation of ss. 139.01 to 139.25 and ch. 125, the employee or any such
17 officer may immediately seize the fermented malt beverages or intoxicating liquors.
18 Any such fermented malt beverages or intoxicating liquors so seized shall be held by
19 the department of revenue and disposed of under s. 125.14 (2) (e).

20 **SECTION 31.** 346.93 (1) of the statutes is amended to read:

21 346.93 (1) No underage person, as defined under s. 125.02 (20m), may
22 knowingly possess, transport, or have under his or her control any alcohol beverage
23 in any motor vehicle unless the person is employed by a brewer, ~~an~~, brewpub, alcohol
24 beverage licensee, wholesaler, retailer, distributor, manufacturer, or rectifier and is
25 possessing, transporting, or having such beverage in a motor vehicle under his or her

1 control during his or her working hours and in the course of employment, as provided
2 under s. 125.07 (4) (bm).

3 **SECTION 32. Effective date.**

4 (1) This act takes effect on the 30th day beginning after publication.

5 (END)

D-Note

**2007-2008 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1983/P4ins
ARG:.....

INSERT ANAL:

2. Bottle beer on the brewpub premises that has been manufactured on these premises.

INSERT 7-13:

(b) The bottling on brewpub premises of fermented malt beverages that have been manufactured on these premises.

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1983/P4dn

ARG:|:....

WJ

ATTN: Terry Tuschen

If the attached draft meets with your approval, let me know and I will convert it to an introducible "1" draft.

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

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-1983/P4dn
ARG:wlj:rs

April 25, 2007

ATTN: Terry Tuschen

If the attached draft meets with your approval, let me know and I will convert it to an introducible "/1" draft.

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