



State of Wisconsin  
2017 - 2018 LEGISLATURE

LRB-5521/1  
ARG:ahe/kjf/emw

## 2017 ASSEMBLY BILL 989

February 28, 2018 - Introduced by Representative VORPAGEL, cosponsored by Senator FITZGERALD. Referred to Committee on State Affairs.

1     **AN ACT** *to repeal* 20.566 (1) (hd); *to renumber and amend* 125.69 (1) (a); *to*  
2     *amend* 15.435 (title), 17.07 (3m), 20.566 (1) (ha), 125.02 (10), 125.02 (12),  
3     125.02 (13), 125.02 (15) (b), 125.02 (16) (intro.), 125.02 (21), 125.02 (23), 125.03  
4     (title), 125.03 (1) (a), 125.03 (1) (b), 125.03 (2), 125.04 (3) (a) (intro.), 125.04 (3)  
5     (b), 125.04 (3) (c), 125.04 (3) (d) 1., 125.04 (3) (d) 2., 125.04 (3) (e) 2., 125.04 (4),  
6     125.04 (5) (a) 5., 125.04 (9), 125.045, 125.06 (11m), 125.07 (1) (b) 4., 125.07 (4)  
7     (f) 3., 125.105 (1), 125.12 (1) (a), 125.12 (1) (c), 125.12 (4) (title), 125.12 (4) (ag)  
8     (intro.), 125.12 (5), 125.12 (6) (a), 125.12 (6) (b), 125.12 (6) (c), 125.12 (6) (cm),  
9     125.12 (6) (d), 125.12 (6) (dm), 125.12 (6) (e), 125.13, 125.14 (2) (c), 125.14 (2)  
10    (d), 125.14 (2) (e), 125.14 (2) (f), 125.14 (3) (b), 125.145, 125.15 (1), 125.17 (6) (a)  
11    (intro.), 125.19 (1), 125.27 (1) (a), 125.27 (2) (a) 1. (intro.), 125.27 (2) (a) 2.,  
12    125.27 (3) (b), 125.275 (1), 125.275 (3), 125.28 (1) (a), 125.28 (1) (b), 125.28 (2)  
13    (e) 2., 125.28 (4), 125.28 (5) (b), 125.28 (5) (d) 3., 125.28 (5) (e), 125.29 (1), 125.29  
14    (3) (intro.), 125.295 (1) (intro.), 125.295 (2) (b), 125.295 (2) (c), 125.295 (4),

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1 125.295 (5), 125.30 (1), 125.30 (2) (intro.), 125.30 (2) (b), 125.30 (3), 125.30 (4),  
2 125.30 (5), 125.33 (2) (a), 125.33 (2) (d), 125.51 (2) (am), 125.51 (5) (a) 1., 125.51  
3 (5) (a) 4., 125.51 (5) (b) 2., 125.51 (5) (b) 4., 125.51 (5) (c) 1., 125.51 (5) (d) 2.,  
4 125.52 (1) (a), 125.52 (1) (b) 1., 125.52 (1) (b) 2., 125.52 (2), 125.52 (3), 125.53  
5 (1), 125.535 (1), 125.535 (2), 125.535 (3) (b) 2., 125.54 (1), 125.54 (5), 125.54 (7)  
6 (a) 2., 125.54 (7) (c) 3., 125.54 (7) (d), 125.54 (8), 125.545 (2) (a) 3. b., 125.545 (3)  
7 (a) 1., 125.545 (3) (a) 2., 125.545 (5), 125.545 (6), 125.545 (7), 125.55 (1), 125.56  
8 (2) (a), 125.56 (2) (c), 125.56 (2) (d), 125.58 (1), 125.60 (1), 125.61 (1), 125.61 (3),  
9 125.61 (4), 125.62 (1), 125.62 (3), 125.63 (1), 125.63 (3), 125.65 (1), 125.65 (4)  
10 (intro.), 125.65 (4) (e), 125.65 (6), 125.65 (10), 125.68 (9) (b), 125.68 (9) (d),  
11 125.68 (9) (f), 125.68 (10), 125.69 (title), 125.69 (1) (b) 1., 125.69 (1) (c), 125.69  
12 (4) (e), 125.69 (6) (a), 125.70, 139.01 (4), 139.01 (5), 139.01 (6), 139.01 (10),  
13 139.03 (2x) (a), 139.03 (5) (a), 139.04 (4), 139.06 (3), 139.08 (3), 139.08 (4),  
14 139.09, 139.11 (1), 139.11 (2), 139.11 (3), 139.11 (4) (a) 2., 139.11 (4) (b) 2., 139.18  
15 (2), 139.22, 139.25 (9), 227.52 (1), 230.08 (2) (e) 11. and 346.93 (1); and **to create**  
16 15.435 (2), 19.42 (13) (q), 20.566 (9), 20.923 (4) (c) 6., 125.02 (11g), 125.02 (17r)  
17 and (17t), 125.025, 125.11 (3), 125.52 (8), 125.525, 125.535 (3) (a) 2m., 125.69  
18 (1) (a) 3., 125.69 (1) (b) 3., 139.01 (5g) and 139.01 (6m) of the statutes; **relating**  
19 **to:** creating a resort manufacturer permit authorizing the production and sale  
20 of intoxicating liquor, and activities and retail interests of resort  
21 manufacturers; creating an Office of Alcohol Beverages Enforcement attached

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1 to the Department of Revenue and transferring alcohol beverages regulation  
2 and enforcement functions to this office; and making appropriations.

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***Analysis by the Legislative Reference Bureau***

This bill creates an Office of Alcohol Beverages Enforcement and a new permit for resort manufacturers issued by the office.

***Office of Alcohol Beverages Enforcement***

The Office of Alcohol Beverages Enforcement is attached to the Department of Revenue. The bill transfers DOR's alcohol beverages regulation and enforcement functions, including issuance of certain alcohol beverages permits, to the office. The office is led by a director appointed by the governor, subject to senate confirmation. The director must appoint a chief legal counsel and may appoint special agents and other employees necessary to carry out the permitting, audit, education, and enforcement functions of the office. The director and employees of the office may not be employed by or have a financial interest in the alcohol beverages industry and are subject to the standards of conduct and conflict of interest prohibitions for state public officials. The bill transfers DOR employees to the office and creates additional employee positions in the office. The office is funded from program revenues consisting of alcohol beverages permit fees and other administrative fees received by the office.

***Resort manufacturer permits***

The bill creates a resort manufacturer permit issued by the office that authorizes the production and sale of intoxicating liquor, which includes distilled spirits and wine. The permittee may also sell fermented malt beverages (beer) under the permit if the beer is purchased from a wholesaler. The bill specifies the permissible activities and retail interests of a resort manufacturer.

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the producer sells to a wholesaler; the wholesaler sells to a retailer; and the retailer sells to a 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. In general, municipalities issue retail licenses authorizing the sale of alcohol beverages to consumers. Class "A" and "Class A" licenses authorize the retail sale of, respectively, beer and intoxicating liquor in original packages for consumption off the licensed premises, while Class "B" and "Class B" licenses authorize the retail sale of, respectively, beer and intoxicating liquor for consumption on the premises or, subject to certain restrictions, off the premises. "Class B" licenses, other than those issued to wineries, are subject to a quota system. With limited exceptions, a retail licensee may not purchase alcohol beverages from, or possess alcohol beverages purchased from, any person other than a wholesaler. DOR issues permits to alcohol beverage wholesalers and producers, such as manufacturers, rectifiers, and wineries (a function transferred to the office under the bill). Certain exceptions exist authorizing the retail sale of alcohol beverages to

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consumers under a DOR-issued permit rather than a municipality-issued retail license. A DOR-issued permit authorizing retail sales of intoxicating liquor is not subject to the quota system.

Under current law, a manufacturer's permit or rectifier's permit authorizes the permittee to, respectively, manufacture or rectify intoxicating liquor and sell it to wholesalers. Current law prohibits a manufacturer or rectifier from holding an interest in a retail license and prohibits a retail licensee from holding an interest in a manufacturer or rectifier, but a manufacturer's permit or rectifier's permit authorizes limited retail sales, without a retail license, of intoxicating liquor manufactured or rectified on the premises. A winery permit authorizes the winery to manufacture, blend, and bottle wine for sale to wholesalers. A winery may also hold one retail license. If the retail license is a "Class B" license, the license is limited compared to other "Class B" licenses and authorizes the winery to sell only wine, not distilled spirits. A winery issued a retail license may provide wine made by the winery directly to its own retail licensed premises without the wine first passing through a wholesaler.

This bill creates a resort manufacturer permit, issued by the office, authorizing all of the following: 1) the manufacture or rectification of up to 150,000 gallons of intoxicating liquor per year on the resort manufacturer premises; 2) the bottling of intoxicating liquor manufactured or rectified by the resort manufacturer; 3) the possession and storage of alcohol beverages on the resort manufacturer premises; 4) the sale of intoxicating liquor manufactured or rectified by the resort manufacturer to wholesalers; 5) the retail sale on resort manufacturer premises, without a retail license, of intoxicating liquor manufactured or rectified on these premises, for consumption on the premises or off the premises; 6) the retail sale on resort manufacturer premises, without a retail license, of beer and of intoxicating liquor not manufactured or rectified on the premises, for consumption on the premises, if the beer or intoxicating liquor is purchased from a wholesaler; and 7) the sale and delivery of intoxicating liquor manufactured or rectified on the resort manufacturer premises to the retail licensed premises of the resort or of a secondary resort facility (discussed below). Among the requirements for the office to issue a resort manufacturer permit, the applicant must own and operate at least one resort located in this state. The bill defines a "resort" as a hospitality business operation involving multiple facilities under the same ownership that includes at least 300 guest rooms and includes all of the following located within 15 miles of these guest rooms: at least one spa; comprehensive food and beverage services consisting of at least five separate restaurants; and championship golf courses consisting of at least 36 holes. The bill defines a "secondary resort facility" as a facility, other than a resort, that is located in this state, that is owned by a resort manufacturer, that is of the same or substantially similar consumer brand family as the resort, and that provides lodging or has at least one golf course or both. To be eligible for a resort manufacturer permit, the applicant's entire process for manufacturing or rectifying intoxicating liquor must occur on the resort manufacturer premises. A resort manufacturer may hold the following retail licenses: 1) retail licenses for licensed premises that are part of the resort; 2) Class "B" and "Class B" licenses for up to ten licensed locations that are

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part of a secondary resort facility; and 3) if a Class “B” or “Class B” license has been issued for a secondary resort facility, a Class “A” or “Class A” license, or both, for any gift shop associated with the secondary resort facility. A person may not hold a resort manufacturer’s permit and also a manufacturer’s permit or rectifier’s permit.

The bill also includes various provisions that treat resort manufacturers similar to manufacturers and rectifiers, including provisions relating to tax reporting.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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

1           **SECTION 1.** 15.435 (title) of the statutes is amended to read:

2           **15.435** (title) **Same; attached boards and offices.**

3           **SECTION 2.** 15.435 (2) of the statutes is created to read:

4           15.435 **(2)** OFFICE OF ALCOHOL BEVERAGES ENFORCEMENT. There is created an  
5 office of alcohol beverages enforcement which is attached to the department of  
6 revenue under s. 15.03. The office shall be under the direction and supervision of a  
7 director nominated by the governor, and with the advice and consent of the senate  
8 appointed, for a 6-year term, subject to removal under s. 17.07 (3m).

9           **SECTION 3.** 17.07 (3m) of the statutes is amended to read:

10           17.07 **(3m)** Notwithstanding sub. (3), the parole commission chairperson and  
11 the director of the office of alcohol beverages enforcement may be removed by the  
12 governor, at pleasure.

13           **SECTION 4.** 19.42 (13) (q) of the statutes is created to read:

14           19.42 **(13)** (q) The director and employees of the office of alcohol beverages  
15 enforcement.

16           **SECTION 5.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert  
17 the following amounts for the purposes indicated:

**ASSEMBLY BILL 989****SECTION 5****2017-18      2018-19****1      20.566    Revenue, department of**

2      (9)      OFFICE OF ALCOHOL BEVERAGES ENFORCEMENT

3      (g)      General program operations      PR      A      -0-      2,400,000

4      **SECTION 6.** 20.566 (1) (ha) of the statutes is amended to read:5      20.566 (1) (ha) *Administration of liquor tax and alcohol beverages enforcement.*6      The amounts in the schedule for computer, audit, and enforcement costs incurred in  
7      administering the tax under s. 139.03 (2m) ~~and for costs incurred in enforcing the~~8      ~~3-tier system for alcohol beverages production, distribution, and sale under ch. 125.~~9      All moneys received from the administration fee under s. 139.06 (1) (a) ~~and any~~  
10      ~~permit fee under s. 125.535 (2)~~ shall be credited to this appropriation.11      Notwithstanding s. 20.001 (3) (a), at the end of each fiscal year, the unencumbered  
12      balance of this appropriation account, minus an amount equal to 10 percent of the  
13      sum of the amounts expended and the amounts encumbered from the account during  
14      the fiscal year, shall lapse to the general fund.15      **SECTION 7.** 20.566 (1) (hd) of the statutes is repealed.16      **SECTION 8.** 20.566 (9) of the statutes is created to read:17      20.566 (9) OFFICE OF ALCOHOL BEVERAGES ENFORCEMENT. (g) *General program*  
18      *operations.* The amounts in the schedule for alcohol beverages regulation and  
19      enforcement under ch. 125 and general program operations of the office of alcohol  
20      beverages enforcement. All moneys received by the office of alcohol beverages  
21      enforcement, including all moneys transferred under 2017 Wisconsin Act ... (this  
22      act), section 137 (1) (a), shall be credited to this appropriation account.23      **SECTION 9.** 20.923 (4) (c) 6. of the statutes is created to read:

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1           20.923 (4) (c) 6. Office of alcohol beverages enforcement: director of.

2           **SECTION 10.** 125.02 (10) of the statutes is amended to read:

3           125.02 (10) “Manufacturer” means a person, other than a rectifier or resort  
4 manufacturer, that ferments, manufactures, or distills intoxicating liquor.

5           **SECTION 11.** 125.02 (11g) of the statutes is created to read:

6           125.02 (11g) Except in ss. 125.30 (3) and 125.545 (2) (a) 2., “office” means the  
7 office of alcohol beverages enforcement.

8           **SECTION 12.** 125.02 (12) of the statutes is amended to read:

9           125.02 (12) “Peace officer” means a sheriff, undersheriff, deputy sheriff, police  
10 officer, constable, marshal, deputy marshal or any employee of the ~~department~~ office  
11 or of the department of justice authorized to act under this chapter.

12           **SECTION 13.** 125.02 (13) of the statutes is amended to read:

13           125.02 (13) “Permit” means any permit issued by the ~~department~~ office under  
14 this chapter.

15           **SECTION 14.** 125.02 (15) (b) of the statutes is amended to read:

16           125.02 (15) (b) With respect to intoxicating liquor, the manufacturer, the  
17 rectifier, the resort manufacturer, or the exclusive agent designated by the  
18 manufacturer ~~or~~, rectifier, or resort manufacturer.

19           **SECTION 15.** 125.02 (16) (intro.) of the statutes is amended to read:

20           125.02 (16) (intro.) “Rectifier” means any one of the following but does not  
21 include a resort manufacturer:

22           **SECTION 16.** 125.02 (17r) and (17t) of the statutes are created to read:

23           125.02 (17r) “Resort manufacturer” means a permittee under s. 125.525.

24           (17t) “Resort manufacturer premises” means any premises covered by a permit  
25 issued under s. 125.525.

**ASSEMBLY BILL 989****SECTION 17**

1           **SECTION 17.** 125.02 (21) of the statutes is amended to read:

2           125.02 (21) “Wholesaler” means a person, other than a brewer, brewpub,  
3 manufacturer, ~~or~~ rectifier, or resort manufacturer, who sells alcohol beverages to a  
4 licensed retailer or to another person who holds a permit to sell alcohol beverages at  
5 wholesale.

6           **SECTION 18.** 125.02 (23) of the statutes is amended to read:

7           125.02 (23) “Wine collector” means an individual who meets the standards  
8 established by the ~~department~~ office by rule and who is registered with the  
9 ~~department~~ office as a collector of wine.

10          **SECTION 19.** 125.025 of the statutes is created to read:

11          **125.025 Powers and duties of office.** (1) ADMINISTRATION; PERSONNEL. (a)  
12 The office, under the direction of the director, shall administer this chapter and have  
13 jurisdiction over alcohol beverages regulation, enforcement, and education in this  
14 state.

15          (b) The director of the office shall serve outside the classified service. The  
16 director of the office shall appoint a chief legal counsel in the classified service. The  
17 director may also appoint, in the classified service, special agents and other  
18 employees necessary to carry out the permitting, audit, education, and enforcement  
19 functions of the office.

20          (c) The director and any employee of the office may not be employed by or have  
21 a financial interest in the alcohol beverages industry or any business subject to the  
22 office’s jurisdiction.

23          (2) POLICE POWERS. The office shall enforce, and the duly authorized employees  
24 of the office shall have all necessary police powers to prevent violations of, this  
25 chapter.

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1           **(3) INSPECTION FOR ENFORCEMENT.** Duly authorized employees of the  
2 department of justice and the office and any sheriff, police officer, marshal, or  
3 constable, within their respective jurisdictions, may at all reasonable hours enter  
4 any licensed premises, and examine the books, papers, and records of any brewer,  
5 brewpub, manufacturer, bottler, rectifier, resort manufacturer, wholesaler, or  
6 retailer, and may inspect and examine, according to law, any premises where  
7 fermented malt beverages or intoxicating liquors are manufactured, sold, exposed  
8 for sale, possessed, or stored, for the purpose of inspecting the same and determining  
9 whether this chapter is being complied with. Any refusal to permit such examination  
10 of such premises is sufficient grounds under s. 125.12 for revocation or suspension  
11 of any license or permit granted for the sale of any fermented malt beverages or  
12 intoxicating liquors and is punishable under s. 125.11 (3).

13           **(4) FEES.** All fees collected by the office in connection with permits issued under  
14 this chapter, including permit fees and other associated administrative fees, shall be  
15 credited to the appropriation account under s. 20.566 (9) (g).

16           **(5) LIST OF PERMITTEES.** The office shall provide the department with all  
17 information necessary for the department to publish the information specified in s.  
18 139.11 (4) (a) 2. and (b) 2.

19           **SECTION 20.** 125.03 (title) of the statutes is amended to read:

20           **125.03 (title) Department Office rule making.**

21           **SECTION 21.** 125.03 (1) (a) of the statutes is amended to read:

22           125.03 (1) (a) ~~The department, in furtherance of effective control, may office~~  
23 shall promulgate rules consistent with necessary to carry out its duties under this  
24 chapter and ch. 139.

25           **SECTION 22.** 125.03 (1) (b) of the statutes is amended to read:

**ASSEMBLY BILL 989****SECTION 22**

1           125.03 (1) (b) The department office shall promulgate rules providing for  
2 registration of wine collectors and establishing standards of eligibility for  
3 registration as a wine collector. The rules shall also specify the form and manner of  
4 notice required under s. 125.06 (11m).

5           **SECTION 23.** 125.03 (2) of the statutes is amended to read:

6           125.03 (2) CONTAINERS. The department office may by rule prescribe the  
7 standard size, form or character of any container in which intoxicating liquor may  
8 be sold in this state except that the department office may not set the size of  
9 containers in which intoxicating liquor, except wine containing not more than 21  
10 percent of alcohol by volume, may be sold at a capacity greater than 1.75 liters  
11 (59.1752 fluid ounces).

12           **SECTION 24.** 125.04 (3) (a) (intro.) of the statutes is amended to read:

13           125.04 (3) (a) *Contents.* (intro.) The department office shall prepare an  
14 application form for each kind of license, other than a manager's or operator's license,  
15 and for each kind of permit issued under this chapter. Each form shall require all  
16 of the following information:

17           **SECTION 25.** 125.04 (3) (b) of the statutes is amended to read:

18           125.04 (3) (b) *Application for renewing.* The department office may prepare a  
19 simplified application form for renewal of each kind of license or permit which  
20 requires only information pertinent to renewal.

21           **SECTION 26.** 125.04 (3) (c) of the statutes is amended to read:

22           125.04 (3) (c) *Distribution.* The department office shall make one copy of each  
23 kind of license application that it prepares available to each municipality.

24           **SECTION 27.** 125.04 (3) (d) 1. of the statutes is amended to read:

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1           125.04 (3) (d) 1. An application form prepared by the department office shall  
2 be used by each applicant for a permit.

3           **SECTION 28.** 125.04 (3) (d) 2. of the statutes is amended to read:

4           125.04 (3) (d) 2. A replica of an application form prepared by the department  
5 office shall be used by each applicant for a license, other than a manager's or  
6 operator's license.

7           **SECTION 29.** 125.04 (3) (e) 2. of the statutes is amended to read:

8           125.04 (3) (e) 2. The applicant shall file the application for a permit with the  
9 department office.

10          **SECTION 30.** 125.04 (4) of the statutes is amended to read:

11          125.04 (4) LIST OF LICENSEES. By July 15 annually, the clerk of a municipality  
12 issuing licenses shall mail to the department office a list containing the name,  
13 address and trade name of each person holding a license issued by that municipality,  
14 other than a manager's or operator's license or a license issued under s. 125.26 (6),  
15 the type of license held and, if the person holding the license is a corporation or  
16 limited liability company, the name of the agent appointed under sub. (6).

17          **SECTION 31.** 125.04 (5) (a) 5. of the statutes, as affected by 2017 Wisconsin Act  
18 59, is amended to read:

19          125.04 (5) (a) 5. Have successfully completed within the 2 years prior to the  
20 date of application a responsible beverage server training course at any location that  
21 is offered by a technical college district and that conforms to curriculum guidelines  
22 specified by the technical college system board or a comparable training course that  
23 is approved by the department office or the department of safety and professional  
24 services. This subdivision does not apply to an applicant who held, or who was an  
25 agent appointed and approved under sub. (6) of a corporation or limited liability

**ASSEMBLY BILL 989****SECTION 31**

1 company that held, within the past 2 years, a Class “A”, “Class A” or “Class C” license  
2 or a Class “B” or “Class B” license or permit or a manager’s or operator’s license.

3 **SECTION 32.** 125.04 (9) of the statutes is amended to read:

4 125.04 (9) SEPARATE LICENSE OR PERMIT REQUIRED. Except as provided under ss.  
5 125.27 (2) (a) and 125.51 (5) (c) 1., wholesalers, manufacturers, rectifiers, resort  
6 manufacturers, brewers, brewpubs, and retailers shall have a separate permit or  
7 license covering each location or premises, except a licensed public warehouse, from  
8 which deliveries and sales of alcohol beverages are made or at which alcohol  
9 beverages are stored.

10 **SECTION 33.** 125.045 of the statutes is amended to read:

11 **125.045 Booklet for licensees and permittees. (1)** The department office  
12 shall prepare a booklet explaining the state statutes and rules relating to the retail  
13 sale of alcohol beverages, written concisely in language which is clearly understood  
14 by those required to utilize it.

15 **(2)** The department office shall provide a copy of the booklet under sub. (1) free  
16 of charge to each person issued a permit, including a renewal, under s. 125.27 or  
17 125.51 (5). The department office shall provide the booklet for a charge not to exceed  
18 cost, as provided under s. 20.908, to municipalities.

19 **(3)** A municipality shall provide a copy of the booklet under sub. (1) to each  
20 person issued a license, including a renewal, under s. 125.17, 125.18, 125.25, 125.26  
21 or 125.51 (1) by the municipality unless the municipality requires the person to  
22 complete an instructional program which includes the subject matter of the booklet  
23 or unless the person completes the program under s. 125.04 (5) (a) 5. or 125.17 (6).  
24 This section does not preclude a municipality from charging a fee for such a program.

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1 A municipality may charge for the booklet in an amount not to exceed the amount  
2 charged by the department office under sub. (2).

3 **SECTION 34.** 125.06 (11m) of the statutes is amended to read:

4 125.06 (11m) WINE COLLECTORS. The sale by a wine collector to any other wine  
5 collector of manufacturer-sealed bottles or containers of wine that the selling wine  
6 collector has held for at least 8 years if the selling wine collector has provided prior  
7 notice of the sale to the department office. No more than one sale in any 12-month  
8 period may be conducted by a wine collector under this paragraph.

9 **SECTION 35.** 125.07 (1) (b) 4. of the statutes is amended to read:

10 125.07 (1) (b) 4. The court shall promptly mail notice of a suspension under this  
11 paragraph to the department office and to the clerk of each municipality which has  
12 issued a license or permit to the person.

13 **SECTION 36.** 125.07 (4) (f) 3. of the statutes is amended to read:

14 125.07 (4) (f) 3. A licensee may not bring a civil action under this paragraph  
15 unless the licensee has first provided notice to the underage person or the underage  
16 person's parent, as applicable, of the licensee's intent to bring the action. The notice  
17 shall be mailed to the last-known address of the underage person or underage  
18 person's parent, as applicable, at least 15 days prior to filing the action and shall  
19 include a demand for the relief described in subd. 1. The department office may, by  
20 rule, prescribe a form for this notice.

21 **SECTION 37.** 125.105 (1) of the statutes is amended to read:

22 125.105 (1) No person may impersonate an inspector, agent or other employee  
23 of the department office or of the department of justice.

24 **SECTION 38.** 125.11 (3) of the statutes is created to read:

**ASSEMBLY BILL 989****SECTION 38**

1           125.11 (3) INSPECTION VIOLATION. Any person who refuses to permit  
2 examination of premises as provided in s. 125.025 (3) shall be fined not more than  
3 \$500 nor less than \$50, or imprisoned not more than 90 days nor less than 10 days  
4 or both, and any license or permit issued to that person shall be subject to revocation.

5           **SECTION 39.** 125.12 (1) (a) of the statutes is amended to read:

6           125.12 (1) (a) Except as provided in this subsection, any municipality or the  
7 ~~department~~ office may revoke, suspend or refuse to renew any license or permit  
8 under this chapter, as provided in this section.

9           **SECTION 40.** 125.12 (1) (c) of the statutes is amended to read:

10           125.12 (1) (c) Neither a municipality nor the ~~department~~ office may consider  
11 an arrest or conviction for a violation punishable under s. 101.123 (8) (d), 945.03  
12 (2m), 945.04 (2m), or 945.05 (1m) in any action to revoke, suspend, or refuse to renew  
13 a Class "B" or "Class B" license or permit.

14           **SECTION 41.** 125.12 (4) (title) of the statutes is amended to read:

15           125.12 (4) (title) SUSPENSION OR REVOCATION OF LICENSES ON COMPLAINT OF THE  
16 ~~DEPARTMENT~~ OFFICE.

17           **SECTION 42.** 125.12 (4) (ag) (intro.) of the statutes is amended to read:

18           125.12 (4) (ag) *Complaint.* (intro.) A duly authorized employee of the  
19 ~~department~~ office may file a complaint with the clerk of circuit court for the  
20 jurisdiction in which the premises of a person holding a license issued under this  
21 chapter is situated, alleging one or more of the following about a licensee:

22           **SECTION 43.** 125.12 (5) of the statutes is amended to read:

23           125.12 (5) REVOCATIONS OR SUSPENSIONS OF, OR REFUSALS TO RENEW, PERMITS BY  
24 ~~THE DEPARTMENT~~ OFFICE. The ~~department~~ office may, after notice and an opportunity  
25 for hearing, revoke, suspend or refuse to renew any retail permit issued by it for the

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1 causes provided in sub. (4) and any other permit issued by it under this chapter for  
2 any violation of this chapter or ch. 139, except that, for a violation of sub. (4) (ag) 6.  
3 with respect to a license issued under s. 125.51 (4) (v) or a violation of s. 125.535 or  
4 139.035, the department office shall revoke the license or permit. A revocation,  
5 suspension or refusal to renew is a contested case under ch. 227.

6 **SECTION 44.** 125.12 (6) (a) of the statutes is amended to read:

7 125.12 (6) (a) Any person may file a sworn written complaint with the  
8 department office alleging that an intoxicating liquor wholesaler has violated s.  
9 125.54 (7) (a). The complaint shall identify the specific legal basis for the complaint  
10 and sufficient facts for the department office to determine whether there is cause to  
11 find that a violation has occurred. The department office shall provide a copy of the  
12 complaint to any wholesaler against whom allegations are made, along with notice  
13 of the time period under par. (b) to show cause why the wholesaler's permit should  
14 not be revoked or suspended or to request a hearing.

15 **SECTION 45.** 125.12 (6) (b) of the statutes is amended to read:

16 125.12 (6) (b) Within 30 days of receiving a copy of the complaint under par. (a),  
17 any wholesaler against whom allegations are made may file a sworn written  
18 response or a written request for an evidentiary hearing before the department office  
19 under s. 227.44.

20 **SECTION 46.** 125.12 (6) (c) of the statutes is amended to read:

21 125.12 (6) (c) Subject to pars. (d) 1. and (dm), if no request for an evidentiary  
22 hearing is made under par. (b), within 60 days of receiving any response under par.  
23 (b) or, if no response is made, within 60 days of the date on which a response or  
24 request for hearing is due under par. (b), the department office shall make a written  
25 decision as to whether a violation has occurred and either dismiss the complaint or

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1 take action under par. (e). Any decision under this paragraph shall include findings  
2 of fact and conclusions of law and shall state all reasons for the decision. The  
3 ~~department~~ office shall provide a copy of the decision to the complainant and to any  
4 wholesaler against whom allegations are made.

5 **SECTION 47.** 125.12 (6) (cm) of the statutes is amended to read:

6 125.12 (6) (cm) Subject to pars. (d) 2. and (dm), if a request for an evidentiary  
7 hearing is made under par. (b), the hearing shall be conducted in the manner  
8 specified for a contested case under ss. 227.44 to 227.50, except that the hearing shall  
9 be conducted within 45 days of receiving the request for hearing under par. (b) and  
10 the ~~department~~ office shall make its written decision, including whether a violation  
11 has occurred and whether the complaint is dismissed or action is taken under par.  
12 (e), within 15 days after the hearing. In addition to service of the decision as provided  
13 under s. 227.48, the ~~department~~ office shall provide a copy of the decision to the  
14 complainant.

15 **SECTION 48.** 125.12 (6) (d) of the statutes is amended to read:

16 125.12 (6) (d) 1. If no request for an evidentiary hearing is made under par. (b),  
17 within 60 days of receiving any response under par. (b) or, if no response is made,  
18 within 60 days of the date on which a response or request for hearing is due under  
19 par. (b), the ~~department~~ office may extend the time period for making a decision  
20 under par. (c) by an additional 60 days if the ~~department~~ office provides notice within  
21 the time period specified in par. (c) that an additional 60 days is necessary for  
22 investigation.

23 2. If a request for an evidentiary hearing is made under par. (b), within 45 days  
24 of receiving the request for hearing under par. (b), the ~~department~~ office may extend  
25 the time period for conducting the hearing by an additional 45 days if the ~~department~~

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1 office provides notice within 45 days of receiving the request for hearing under par.  
2 (b) that an additional 45 days is necessary for investigation.

3 **SECTION 49.** 125.12 (6) (dm) of the statutes is amended to read:

4 125.12 (6) (dm) Within 45 days of receiving any response or request for hearing  
5 under par. (b) or, if no response or request for hearing is made, within 45 days of the  
6 date on which a response or request for hearing is due under par. (b), the ~~department~~  
7 office may elect to file a complaint in circuit court under sub. (4) that includes all  
8 allegations of the complaint under par. (a) for which the ~~department~~ office  
9 determines there is cause to find that a violation of s. 125.54 (7) (a) has occurred. If  
10 the ~~department~~ office files a complaint in circuit court as provided under this  
11 paragraph, the ~~department~~ office shall not conduct a hearing under par. (cm) or make  
12 a written decision under par. (c), but shall proceed with the matter as provided under  
13 sub. (4).

14 **SECTION 50.** 125.12 (6) (e) of the statutes is amended to read:

15 125.12 (6) (e) If the ~~department~~ office finds the allegations under par. (a) true  
16 and sufficient, the ~~department~~ office shall either suspend for not less than 10 days  
17 nor more than 90 days or revoke the wholesaler's permit, and give notice of the  
18 suspension or revocation to the wholesaler.

19 **SECTION 51.** 125.13 of the statutes is amended to read:

20 **125.13 Report of suspension, revocation or imposition of penalty.**

21 Whenever a municipal governing body or court revokes or suspends a license or  
22 permit or imposes a penalty on a licensee or permittee for the violation of this  
23 chapter, the clerk of the municipality or court revoking or suspending the license or  
24 imposing the penalty shall, within 10 days after the revocation, suspension or  
25 imposition of penalty, mail a report to the ~~department~~ office at Madison, Wisconsin,

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1 giving the name of the licensee, the address of the licensed premises and a full  
2 description of the penalty imposed.

3 **SECTION 52.** 125.14 (2) (c) of the statutes is amended to read:

4 125.14 (2) (c) *Identification.* Any person seizing alcohol beverages or personal  
5 property and electing to dispose of it under this subsection shall exercise reasonable  
6 diligence to ascertain the name and address of the owner of the alcohol beverages or  
7 property and of all persons holding a security interest in the property seized. The  
8 person shall report his or her findings in writing to the department office.

9 **SECTION 53.** 125.14 (2) (d) of the statutes is amended to read:

10 125.14 (2) (d) *Order.* Upon conviction of any person for owning, possessing,  
11 keeping, storing, manufacturing, selling, distributing or transporting alcohol  
12 beverages in violation of this chapter or ch. 139, the court shall order part or all of  
13 the alcohol beverages or personal property seized to be destroyed if it is unfit for sale.  
14 Alcohol beverages and other personal property fit for sale shall be turned over to the  
15 department office for disposition. Upon receipt of the confiscated property, the  
16 department office shall exercise reasonable diligence to ascertain the names and  
17 addresses of all owners of the property and of all persons holding a security interest  
18 in the property. If a motor vehicle is confiscated, the department office shall obtain  
19 the written advice of the department of transportation as to the ownership of the  
20 motor vehicle and shall make a reasonable search for perfected security interests in  
21 the vehicle.

22 **SECTION 54.** 125.14 (2) (e) of the statutes is amended to read:

23 125.14 (2) (e) *Disposal.* The department office shall dispose of the alcohol  
24 beverages turned over to it by the court by either giving it to law enforcement  
25 agencies free of charge for use in criminal investigations, selling it to the highest

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1 bidder if the bidder is a person holding a license or permit issued under this chapter,  
2 or destroying it, at the discretion of the department office. If the department office  
3 elects to sell the alcohol beverages, it shall publish a class 2 notice under ch. 985  
4 asking for sealed bids from qualified bidders. Any items or groups of items in the  
5 inventory subject to a security interest, the existence of which was established in the  
6 proceedings for conviction as being bona fide and as having been created without the  
7 secured party having notice that the items were being used or were to be used in  
8 connection with the violation, shall be sold separately. The net proceeds from the  
9 sale, less all costs of seizure, storage, and sale, shall be turned over to the secretary  
10 of administration and credited to the common school fund.

11 **SECTION 55.** 125.14 (2) (f) of the statutes is amended to read:

12 125.14 (2) (f) *Sale.* Any personal property, other than alcohol beverages, seized  
13 under par. (a) and fit for sale, shall be turned over by the department office to the  
14 department of administration for disposal at public auction to the highest bidder, at  
15 a time and place stated in a notice of sale which describes the property to be sold.  
16 The sale shall be held in a conveniently accessible place in the county where the  
17 property was confiscated. A copy of the notice shall be published as a class 2 notice  
18 under ch. 985. The last insertion shall be at least 10 days before the sale. The  
19 ~~department of revenue~~ office shall serve a copy of the notice of sale at least 2 weeks  
20 before the date thereof on all persons who are or may be owners or holders of security  
21 interests in the property. Any confiscated property worth more than \$100 shall be  
22 sold separately, and the balance of the confiscated property shall be sold in bulk or  
23 separately at the discretion of the department of administration. The net proceeds  
24 from the sale, less all costs of seizure, storage, and sale, shall be turned over to the

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1 secretary of administration. No motor vehicle or motorboat confiscated under this  
2 section may be sold within 30 days after the date of seizure.

3 **SECTION 56.** 125.14 (3) (b) of the statutes is amended to read:

4 125.14 (3) (b) *Deadline.* The application shall be made within one year after  
5 the sale of the property. A copy of the application and the order setting a hearing on  
6 it shall be served on the department office at least 20 days before the date set for  
7 hearing.

8 **SECTION 57.** 125.145 of the statutes is amended to read:

9 **125.145 Prosecutions by attorney general or department office.** Upon  
10 request by the ~~secretary of revenue~~ office, the attorney general may represent this  
11 state or assist a district attorney in prosecuting any case arising under this chapter.  
12 The department office may represent this state in prosecuting any violation of s.  
13 125.54 (7) (a) or (b) and shall bring any such action in the circuit court for Dane  
14 County.

15 **SECTION 58.** 125.15 (1) of the statutes is amended to read:

16 125.15 (1) An intoxicating liquor wholesaler, intoxicating liquor retail licensee  
17 or permittee, or intoxicating liquor trade association that makes a written complaint  
18 to the department office under s. 125.12 (6) of a violation of s. 125.54 (7) (a) may bring  
19 an action to enforce the provisions of s. 125.54 (7) if any of the following apply:

20 (a) The department office has not rendered a decision within the time periods  
21 specified in s. 125.12 (6) (c) to (d).

22 (b) The department office has rendered a decision under s. 125.12 (6) in which  
23 the department office has determined that a violation has occurred but no action has  
24 been brought in circuit court by the department office, attorney general, or a district  
25 attorney to prosecute the violation.

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1           **SECTION 59.** 125.17 (6) (a) (intro.) of the statutes, as affected by 2017 Wisconsin  
2 Act 59, is amended to read:

3           125.17 **(6)** (a) (intro.) Except as provided in par. (b), no municipal governing  
4 body may issue an operator's license unless the applicant has successfully completed  
5 a responsible beverage server training course at any location that is offered by a  
6 technical college district and that conforms to curriculum guidelines specified by the  
7 technical college system board or a comparable training course, which may include  
8 computer-based training and testing, that is approved by the department office or  
9 the department of safety and professional services, or unless the applicant fulfills  
10 one of the following requirements:

11           **SECTION 60.** 125.19 (1) of the statutes is amended to read:

12           125.19 **(1)** ISSUANCE. The department office shall issue an alcohol beverage  
13 warehouse permit which authorizes the permittee to store and warehouse alcohol  
14 beverages in warehouse premises covered by the permit, subject to rules adopted by  
15 the department office. The permit does not authorize the sale of any alcohol  
16 beverages.

17           **SECTION 61.** 125.27 (1) (a) of the statutes, as affected by 2017 Wisconsin Act 59,  
18 is amended to read:

19           125.27 **(1)** (a) The department office shall issue Class "B" permits to clubs  
20 holding a valid certificate issued under s. 73.03 (50) that are operated solely for the  
21 playing of golf or tennis and are commonly known as country clubs and to clubs that  
22 are operated solely for curling, ski jumping or yachting, if the club is not open to the  
23 general public and if no Class "B" licenses are issued by the governing body of the  
24 municipality in which the club is located. A Class "B" permit authorizes retail sales  
25 of fermented malt beverages to be consumed on the premises where sold. Persons

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1 holding a Class “B” permit may sell beverages containing less than 0.5 percent of  
2 alcohol by volume without obtaining a license under s. 66.0433.

3 **SECTION 62.** 125.27 (2) (a) 1. (intro.) of the statutes is amended to read:

4 125.27 (2) (a) 1. (intro.) The department office may issue a Class “B” permit to  
5 any person who holds a valid certificate issued under s. 73.03 (50) and who is  
6 qualified under s. 125.04 (5) authorizing the sale of fermented malt beverages for  
7 consumption on any vessel having a regular place of mooring located in any waters  
8 of this state as defined under s. 29.001 (45) and (63) if any of the following applies:

9 **SECTION 63.** 125.27 (2) (a) 2. of the statutes is amended to read:

10 125.27 (2) (a) 2. The department office may issue the permit only if the vessel  
11 leaves its place of mooring while the sale of fermented malt beverages is taking place  
12 and if the vessel fulfills the requirement under par. (am). A permit issued under this  
13 paragraph also authorizes the permittee to store fermented malt beverages  
14 purchased for sale on the vessel on premises owned or leased by the permittee and  
15 located near the vessel’s regular place of mooring. The permittee shall describe on  
16 the permit application under s. 125.04 (3) (a) 3. the premises where the fermented  
17 malt beverages will be stored. The premises shall be open to inspection by the  
18 department office upon request.

19 **SECTION 64.** 125.27 (3) (b) of the statutes is amended to read:

20 125.27 (3) (b) Upon application, the department office shall issue a Class “B”  
21 permit to a tribe that holds a valid certificate issued under s. 73.03 (50) and that is  
22 qualified under s. 125.04 (5) and (6). The permit authorizes the retail sale of  
23 fermented malt beverages for consumption on or off the premises where sold.

24 **SECTION 65.** 125.275 (1) of the statutes is amended to read:

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1           125.275 (1) The department office may issue an industrial fermented malt  
2 beverages permit which authorizes the permittee to purchase and use fermented  
3 malt beverages for industrial purposes only. Such permits may be issued only to  
4 persons who prove to the department office that they use alcohol for industrial  
5 purposes and who holds a valid certificate issued under s. 73.03 (50).

6           **SECTION 66.** 125.275 (3) of the statutes is amended to read:

7           125.275 (3) Shipments of industrial fermented malt beverages shall be  
8 conspicuously labeled “for industrial purposes” and shall meet other requirements  
9 which the department office prescribes by rule.

10          **SECTION 67.** 125.28 (1) (a) of the statutes is amended to read:

11          125.28 (1) (a) Subject to par. (b), the department office may issue permits to  
12 wholesalers for the sale of fermented malt beverages from premises within this state,  
13 which premises shall comply with the requirements under s. 125.34 (2). Subject to  
14 s. 125.34, and except as provided in pars. (e) and (f), a wholesaler’s permit authorizes  
15 sales of fermented malt beverages only in original packages or containers to retailers  
16 or wholesalers.

17          **SECTION 68.** 125.28 (1) (b) of the statutes is amended to read:

18          125.28 (1) (b) If a wholesaler does not maintain any warehouse in this state but  
19 is licensed and maintains a warehouse in an adjoining state that allows wholesalers  
20 holding a wholesaler’s permit in this state to deliver fermented malt beverages to  
21 retailers in the adjoining state without warehousing in that state and that further  
22 requires that all fermented malt beverages be first unloaded and physically at rest  
23 at, and distributed from, the warehouse of the licensed wholesaler in that state, the  
24 wholesaler’s permit shall be issued by the department office. Notwithstanding s.  
25 125.04 (5) (a) 2. and (c) and (6), the department office may issue the wholesaler’s

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1 permit to a wholesaler described in this paragraph who is a natural person and not  
2 a resident of this state or that is a corporation or limited liability company and has  
3 not appointed an agent in this state.

4 **SECTION 69.** 125.28 (2) (e) 2. of the statutes is amended to read:

5 125.28 (2) (e) 2. After January 1, 2012, the ~~department~~ office shall issue to each  
6 person holding an unexpired wholesaler's license issued under s. 125.28, 2009 stats.,  
7 a wholesaler's permit if the person does not hold a license or permit prohibited under  
8 par. (b). The issuance of a wholesaler's permit by the ~~department~~ office to any person  
9 shall invalidate any previous wholesaler's license issued under s. 125.28, 2009 stats.,  
10 to the person.

11 **SECTION 70.** 125.28 (4) of the statutes is amended to read:

12 125.28 (4) The amount of the permit fee shall be established by the ~~department~~  
13 ~~and shall be an amount that is sufficient to fund one special agent position dedicated~~  
14 ~~to alcohol and tobacco enforcement at the department, but the permit fee~~ office but  
15 may not exceed \$2,500 per year or fractional part thereof. All permit fees received  
16 ~~under this subsection shall be credited to the appropriation account under s. 20.566~~  
17 ~~(1) (hd).~~

18 **SECTION 71.** 125.28 (5) (b) of the statutes is amended to read:

19 125.28 (5) (b) A wholesaler under this section shall annually sell and deliver  
20 fermented malt beverages to at least 25 retail licensees or other wholesalers that do  
21 not have any direct or indirect interest in each other or in the wholesaler. The  
22 ~~department~~ office may not issue a permit under this section unless the applicant  
23 represents to the ~~department~~ office an intention to satisfy this requirement, and may  
24 not renew a permit issued under this section unless the wholesaler demonstrates  
25 that this requirement has been satisfied.

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1           **SECTION 72.** 125.28 (5) (d) 3. of the statutes is amended to read:

2           125.28 (5) (d) 3. This paragraph shall not affect the authority of any  
3           municipality or the ~~department~~ office to revoke, suspend, or refuse to renew or issue  
4           a license or permit under s. 125.12.

5           **SECTION 73.** 125.28 (5) (e) of the statutes is amended to read:

6           125.28 (5) (e) The ~~department~~ office shall promulgate rules to administer and  
7           enforce the requirements under this subsection. The rules shall ensure coordination  
8           between the ~~department's~~ office's issuance and renewal of permits under this section  
9           and its enforcement of the requirements of this subsection, and shall require that all  
10          applications for issuance or renewal of permits under this section be processed by  
11          ~~department~~ office personnel generally familiar with activities of fermented malt  
12          beverages wholesalers. The ~~department~~ office shall establish by rule minimum  
13          requirements for warehouse facilities on premises described in permits issued under  
14          this section and for periodic site inspections by the ~~department~~ office of such  
15          warehouse facilities.

16          **SECTION 74.** 125.29 (1) of the statutes is amended to read:

17          125.29 (1) PERMIT. No person may operate as a brewer unless that person  
18          obtains a permit from the ~~department~~ office. A permit under this section may only  
19          be issued to a person who holds a valid certificate issued under s. 73.03 (50).

20          **SECTION 75.** 125.29 (3) (intro.) of the statutes is amended to read:

21          125.29 (3) AUTHORIZED ACTIVITIES. (intro.) The ~~department~~ office shall issue  
22          brewer's permits to eligible applicants authorizing all of the following:

23          **SECTION 76.** 125.295 (1) (intro.) of the statutes is amended to read:

24          125.295 (1) (intro.) The ~~department~~ office shall issue brewpub permits to  
25          eligible applicants authorizing all of the following:

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1           **SECTION 77.** 125.295 (2) (b) of the statutes is amended to read:

2           125.295 (2) (b) If an applicant under par. (a) has no current operations, the  
3 applicant may certify that the applicant has applied for or will apply for a Class “B”  
4 license or license under s. 97.30 for a restaurant or will comply with any other  
5 requirement under par. (a), prior to or upon commencing operations authorized  
6 under this section. If a Class “B” license or license under s. 97.30 for a restaurant  
7 is not subsequently issued to the applicant, or if the applicant otherwise fails to  
8 comply with any requirement for eligibility under par. (a), the ~~department~~ office may  
9 revoke under s. 125.12 (5) the permit issued under this section.

10           **SECTION 78.** 125.295 (2) (c) of the statutes is amended to read:

11           125.295 (2) (c) If an applicant under par. (a) holds any license or permit  
12 prohibited under par. (a) 6. at the time of its application, the applicant may certify  
13 that the applicant will surrender any such license or permit upon issuance of a  
14 permit under this section. If the ~~department~~ office issues a permit under this section  
15 and the applicant fails to surrender any license or permit prohibited under par. (a)  
16 6., the ~~department~~ office may revoke under s. 125.12 (5) the permit issued under this  
17 section. An applicant is not required to surrender any Class “B” license issued under  
18 s. 125.31 (1) (a) 2., 2009 stats., or under s. 125.31 (1) (a) 3., 2005 stats., if the  
19 applicant’s continued possession of the license is consistent with subs. (1) (h), (2) (a)  
20 4., and (3) (b) and (c).

21           **SECTION 79.** 125.295 (4) of the statutes is amended to read:

22           125.295 (4) The fee established by the ~~department~~ office for a brewpub permit  
23 shall not exceed the fee established by the ~~department~~ office for a permit under s.  
24 125.29.

25           **SECTION 80.** 125.295 (5) of the statutes is amended to read:

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1           125.295 (5) The department office shall promulgate rules and prescribe forms  
2 to ensure strict compliance with the requirements under this section.

3           **SECTION 81.** 125.30 (1) of the statutes is amended to read:

4           125.30 (1) The department office shall issue out-of-state shippers' permits  
5 which, except as provided in sub. (4), authorize the permittee to ship fermented malt  
6 beverages only to holders of a wholesaler's permit issued under s. 125.28. Except  
7 with respect to any shipment from a warehouse in an adjoining state by a wholesaler  
8 issued a wholesale permit under s. 125.28 (1) (b), no person may receive fermented  
9 malt beverages in this state which have been directly shipped from outside this state  
10 by any person other than the holder of a permit issued under this section. Subject  
11 to s. 125.34 (2), all shipments of fermented malt beverages to a wholesaler of  
12 fermented malt beverages in this state, whether shipped to the wholesaler from  
13 inside this state or from outside this state, shall be unloaded in, physically at rest in,  
14 and only then distributed from the wholesaler's warehouse in this state.

15           **SECTION 82.** 125.30 (2) (intro.) of the statutes is amended to read:

16           125.30 (2) (intro.) The application for an out-of-state shipper's permit and the  
17 permit shall be on forms prescribed by the department office which shall contain  
18 provisions determined by the department office as necessary to effectuate the  
19 purposes of ss. 139.01 to 139.25 and shall include a provision that the permittee  
20 agrees:

21           **SECTION 83.** 125.30 (2) (b) of the statutes is amended to read:

22           125.30 (2) (b) To permit inspections and examinations of the permittee's  
23 premises and records by the department office and its duly authorized employees,  
24 as authorized under s. ~~139.08 (4)~~ 125.025 (3); and

25           **SECTION 84.** 125.30 (3) of the statutes is amended to read:

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1           125.30 (3) Out-of-state shippers' permits may be issued only to a person who  
2 holds a valid certificate issued under s. 73.03 (50), who is qualified under s. 125.04  
3 (5), who does not maintain an office or street address in this state, and who is the  
4 primary source of supply for the brand of fermented malt beverages. An out-of-state  
5 shipper's permit may not be issued to a person determined by the department office  
6 of alcohol beverages enforcement to be primarily engaged in wholesale or retail sales  
7 in another state. Notwithstanding s. 125.04 (5) (a), natural persons obtaining  
8 out-of-state shippers' permits are not required to be residents of this state.  
9 Notwithstanding s. 125.04 (5) (a) 5., a person is not required to complete a  
10 responsible beverage server training course to be qualified for a permit under this  
11 section. Notwithstanding s. 125.04 (6), corporations or limited liability companies  
12 obtaining out-of-state shippers' permits are not required to appoint agents.

13           **SECTION 85.** 125.30 (4) of the statutes is amended to read:

14           125.30 (4) An out-of-state brewer that manufactures 300,000 barrels or less  
15 of fermented malt beverages in a calendar year from all locations and that holds an  
16 out-of-state shipper's permit may sell and ship fermented malt beverages directly  
17 to retail licensees if the out-of-state brewer registers with the department office,  
18 files whatever periodic reports with the department office as the department office  
19 may require, and complies with the requirements in ss. 125.33 and 125.34, as  
20 applicable, to the same extent as if the out-of-state brewer were a wholesaler  
21 holding a permit under s. 125.28.

22           **SECTION 86.** 125.30 (5) of the statutes is amended to read:

23           125.30 (5) The department office may revoke or suspend an out-of-state  
24 shipper's permit for such time as the department office determines, if the permittee  
25 violates any provision of the application or ss. 139.01 to 139.25.

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1           **SECTION 87.** 125.33 (2) (a) of the statutes is amended to read:

2           125.33 (2) (a) Give to any campus or Class “B” licensee or permittee, at any  
3 given time, for placement inside the premises, signs, clocks, or menu boards with an  
4 aggregate value of not more than \$2,500. If a gift of any item would cause the \$2,500  
5 limit to be exceeded, the recipient shall pay the brewer, brewpub, or wholesaler the  
6 amount of the item’s value in excess of \$2,500. Each recipient shall keep an invoice  
7 or credit memo containing the name of the donor and the number and value of items  
8 received under this paragraph. The value of an item is its cost to the donor. Each  
9 recipient shall make the records kept under this paragraph available to the  
10 ~~department~~ office for inspection upon request.

11           **SECTION 88.** 125.33 (2) (d) of the statutes is amended to read:

12           125.33 (2) (d) Sell to a campus or Class “B” licensee or permittee at fair market  
13 value equipment designed and intended to preserve and maintain the sanitary  
14 dispensing of fermented malt beverages or any services necessary to maintain this  
15 kind of equipment. A brewer, brewpub, or wholesaler shall charge the same price per  
16 unit of equipment to each campus or Class “B” licensee or permittee making the same  
17 or a similar purchase, and shall charge the same rate to each campus or Class “B”  
18 licensee or permittee purchasing maintenance services under this subdivision. Each  
19 brewer, brewpub, or wholesaler shall keep records of each transaction under this  
20 subdivision and shall make the records available to the ~~department~~ office upon  
21 request.

22           **SECTION 89.** 125.51 (2) (am) of the statutes is amended to read:

23           125.51 (2) (am) In addition to the authorization under par. (a) and s. 125.06  
24 (13), a “Class A” license authorizes the licensee to provide, free of charge, to  
25 customers and visitors who have attained the legal drinking age, taste samples of

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1 intoxicating liquor other than wine that are not in original packages or containers  
2 and that do not exceed 0.5 fluid ounces each, for consumption on the “Class A”  
3 premises. No “Class A” licensee may provide more than one such taste sample per  
4 day to any one person. Taste samples may be provided under this paragraph only  
5 between the hours of 11 a.m. and 7 p.m. Any representative of a manufacturer,  
6 rectifier, resort manufacturer, winery, or out-of-state shipper issued a permit under  
7 s. 125.52, 125.525, 125.53, or 125.58 may assist the “Class A” licensee in dispensing  
8 or serving the taste samples. No “Class A” licensee may provide as taste samples  
9 under this paragraph intoxicating liquor other than wine that the “Class A” licensee  
10 did not purchase from a wholesaler, unless the taste samples were manufactured or  
11 rectified by a resort manufacturer that holds the “Class A” license.

12 **SECTION 90.** 125.51 (5) (a) 1. of the statutes is amended to read:

13 125.51 (5) (a) 1. The ~~department~~ office shall issue “Class B” permits to clubs  
14 that are operated solely for the playing of golf or tennis and are commonly known as  
15 country clubs and to clubs which are operated solely for curling, ski jumping, or  
16 yachting. A “Class B” permit may be issued only to a club that holds a valid certificate  
17 issued under s. 73.03 (50), that is not open to the general public, and that is located  
18 in a municipality that does not issue “Class B” licenses or to a club located in a  
19 municipality that issues “Class B” licenses, if the club holds a valid certificate issued  
20 under s. 73.03 (50), is not open to the general public, was not issued a license under  
21 s. 176.05 (4a), 1979 stats., and does not currently hold a “Class B” license. The  
22 permits may be issued by the ~~department~~ office without regard to any quota under  
23 sub. (4). The holder of a “Class B” permit may sell intoxicating liquor for consumption  
24 by the glass and not in the original package or container on the premises covered by  
25 the permit.

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1           **SECTION 91.** 125.51 (5) (a) 4. of the statutes is amended to read:

2           125.51 (5) (a) 4. The ~~department~~ office may annually issue a “Class B” permit  
3 to any club that holds a valid certificate issued under s. 73.03 (50), is organized to  
4 engage in sports similar to curling, golf, tennis or yachting and that held a license  
5 from July 1, 1950, to June 30, 1951, as long as it is continuously operated under  
6 substantially the same circumstances under which it operated during the year  
7 beginning July 1, 1950, if the club is located in a municipality that does not issue  
8 “Class B” licenses.

9           **SECTION 92.** 125.51 (5) (b) 2. of the statutes is amended to read:

10           125.51 (5) (b) 2. The ~~department~~ office shall issue a “Class B” permit to a  
11 concessionaire that holds a valid certificate issued under s. 73.03 (50) and that  
12 conducts business in an operating airport or public facility, if the county or  
13 municipality which owns the airport or public facility has, by resolution of its  
14 governing body, annually applied to the ~~department~~ office for the permit. The permit  
15 authorizes the sale of intoxicating liquor for consumption by the glass and not in the  
16 original package or container on the premises.

17           **SECTION 93.** 125.51 (5) (b) 4. of the statutes is amended to read:

18           125.51 (5) (b) 4. The ~~department~~ office may not issue a permit under this  
19 paragraph to any county or municipality or officer or employee thereof.

20           **SECTION 94.** 125.51 (5) (c) 1. of the statutes is amended to read:

21           125.51 (5) (c) 1. The ~~department~~ office may issue a “Class B” permit to any  
22 person who holds a valid certificate issued under s. 73.03 (50) and who is qualified  
23 under s. 125.04 (5) authorizing the sale of intoxicating liquor for consumption on any  
24 vessel having a regular place of mooring located in any waters of this state as defined  
25 under s. 29.001 (45) and (63) if the vessel either serves food and has an approved

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1 passenger capacity of not less than 40 individuals and the sale of intoxicating liquor  
2 and fermented malt beverages on the vessel accounts for less than 50 percent of the  
3 gross receipts of all of the food and beverages served on the vessel or if the vessel has  
4 an approved passenger capacity of at least 100 individuals and the sale of  
5 intoxicating liquor and fermented malt beverages on the vessel accounts for less than  
6 50 percent of the gross receipts of the vessel. The department office may issue the  
7 permit only if the vessel leaves its place of mooring while the sale of intoxicating  
8 liquor is taking place and if the vessel fulfills the requirement under par. (c) 1m. A  
9 permit issued under this subdivision also authorizes the permittee to store  
10 intoxicating liquor purchased for sale on the vessel on premises owned or leased by  
11 the permittee and located near the vessel's regular place of mooring. The permittee  
12 shall describe on the permit application under s. 125.04 (3) (a) 3. the premises where  
13 the intoxicating liquor will be stored. The premises shall be open to inspection by the  
14 department office upon request.

15 **SECTION 95.** 125.51 (5) (d) 2. of the statutes is amended to read:

16 125.51 (5) (d) 2. Upon application, the department office shall issue a "Class B"  
17 permit to a tribe that holds a valid certificate issued under s. 73.03 (50) and that is  
18 qualified under s. 125.04 (5) and (6). The permit authorizes the retail sale of  
19 intoxicating liquor for consumption on the premises where sold by the glass and not  
20 in the original package or container. The permit also authorizes the sale of  
21 intoxicating liquor in the original package or container, in multiples not to exceed 4  
22 liters at any one time, to be consumed off the premises where sold, except that wine  
23 is not subject to the 4-liter limitation.

24 **SECTION 96.** 125.52 (1) (a) of the statutes is amended to read:

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

6           **SECTION 97.** 125.52 (1) (b) 1. of the statutes is amended to read:

7           125.52 (1) (b) 1. A manufacturer's or rectifier's permit entitles the permittee  
8 to sell intoxicating liquor to wholesalers holding a permit under s. 125.54, to wineries  
9 holding a permit under s. 125.53, to resort manufacturers holding a permit under s.  
10 125.525, and to other manufacturers and rectifiers holding a permit under this  
11 section, from the premises described in the permit. Except as provided in subd. 2.,  
12 no sales may be made for consumption on the premises of the permittee.

13           **SECTION 98.** 125.52 (1) (b) 2. of the statutes is amended to read:

14           125.52 (1) (b) 2. Notwithstanding s. 125.09 (1), a manufacturer's or rectifier's  
15 permit authorizes the retail sale of intoxicating liquor that is manufactured or  
16 rectified on the premises, for consumption on or off the premises. A manufacturer's  
17 or rectifier's permit also authorizes the provision of taste samples, free of charge and  
18 in an amount not exceeding a total of 1.5 fluid ounces to any one person, of  
19 intoxicating liquor that is manufactured or rectified on the premises, for  
20 consumption on the premises. The department office may prescribe additional  
21 regulations for the sale of intoxicating liquor under this subdivision, if the additional  
22 regulations do not conflict with the requirements applicable to holders of "Class B"  
23 licenses. Notwithstanding any other provision of this chapter, the authorization  
24 under this subdivision applies with respect to a person who holds any permit under  
25 this section, a winery permit under s. 125.53, and either a "Class A" license or a

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1 “Class B” license issued under s. 125.51 (3) (am), all issued for the same premises or  
2 portions of the same premises.

3 **SECTION 99.** 125.52 (2) of the statutes is amended to read:

4 125.52 (2) LIMITED MANUFACTURER'S PERMIT. The department office shall issue  
5 a limited manufacturer's permit which authorizes the use or sale of the intoxicating  
6 liquor produced only if it is rendered unfit for use as a beverage and is used or sold  
7 for use as fuel. The department office shall notify the department of natural  
8 resources of the name and address of any person to whom a limited manufacturer's  
9 permit is issued.

10 **SECTION 100.** 125.52 (3) of the statutes is amended to read:

11 125.52 (3) PERSONS ELIGIBLE. Except as provided under sub. (8) and s. 125.69,  
12 a manufacturer's or rectifier's permit may be issued to any person who holds a valid  
13 certificate issued under s. 73.03 (50) and who is qualified under s. 125.04 (5), except  
14 a foreign corporation, a foreign limited liability company or a person acting as an  
15 agent for or in the employ of another. Notwithstanding s. 125.04 (5) (a) 5., a person  
16 is not required to complete a responsible beverage server training course to be  
17 eligible for a permit under this section.

18 **SECTION 101.** 125.52 (8) of the statutes is created to read:

19 125.52 (8) RESORT MANUFACTURERS. Neither a manufacturer's permit nor a  
20 rectifier's permit may be issued under this section to any person that holds, or has  
21 a direct or indirect ownership interest in a premises operating under, a resort  
22 manufacturer permit issued under s. 125.525.

23 **SECTION 102.** 125.525 of the statutes is created to read:

24 **125.525 Resort manufacturer permits. (1) DEFINITIONS.** In this section:

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1 (a) "Resort" means a hospitality business operation involving multiple  
2 facilities under the same ownership that includes at least 300 guest rooms and  
3 includes all of the following located within 15 miles of these guest rooms:

4 1. At least one spa.

5 2. Comprehensive food and beverage services consisting of at least 5 separate  
6 restaurants.

7 3. Championship golf courses consisting of at least 36 holes.

8 (b) "Secondary resort facility" means a facility, other than a resort, that is  
9 located in this state, that is owned by a resort manufacturer, that is of the same or  
10 substantially similar consumer brand family as the resort, and that provides lodging  
11 accommodations or has at least one golf course or both.

12 **(2) AUTHORIZED ACTIVITIES.** The office shall issue resort manufacturer permits  
13 to eligible applicants authorizing all of the following:

14 (a) The manufacture or rectification of intoxicating liquor on the premises  
15 covered by the permit if not more than 150,000 gallons of intoxicating liquor are  
16 manufactured or rectified in a calendar year by the permittee.

17 (b) The bottling on the resort manufacturer premises of intoxicating liquor that  
18 has been manufactured or rectified on these premises.

19 (c) The possession and storage of alcohol beverages on the resort manufacturer  
20 premises.

21 (d) The sale of intoxicating liquor manufactured or rectified on the resort  
22 manufacturer premises in original unopened packages or containers to wholesalers  
23 holding a permit under s. 125.54.

24 (e) Notwithstanding ss. 125.04 (9) and 125.09 (1), the sale at retail on the resort  
25 manufacturer premises of intoxicating liquor manufactured or rectified on the resort

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1 manufacturer premises for consumption on the premises or in original unopened  
2 packages or containers for consumption off the premises.

3 (f) Notwithstanding ss. 125.04 (9) and 125.09 (1), the sale at retail of alcohol  
4 beverages, other than intoxicating liquor manufactured or rectified on the resort  
5 manufacturer premises, for consumption on the resort manufacturer premises if the  
6 alcohol beverages were purchased from a wholesaler holding a permit under s.  
7 125.28 or 125.54.

8 (g) The sale and delivery by the resort manufacturer of intoxicating liquor  
9 manufactured or rectified on the resort manufacturer premises, in original unopened  
10 packages or containers, to the retail licensed premises that are part of the resort or,  
11 subject to the limitation in sub. (4) (b), part of a secondary resort facility.

12 **(3) PERSONS ELIGIBLE.** Except as provided in s. 125.69 (1), an applicant is eligible  
13 for a resort manufacturer permit if all of the following apply:

14 (a) The applicant is qualified under s. 125.04 (5), except that an applicant may  
15 not be a person acting as an agent for or in the employ of another. Notwithstanding  
16 s. 125.04 (5) (a) 5., a person is not required to complete a responsible beverage server  
17 training course to be eligible for a permit under this section.

18 (b) The applicant's entire process for manufacturing or rectifying intoxicating  
19 liquor occurs on premises covered by a permit under this section.

20 (c) The applicant holds a valid certificate issued under s. 73.03 (50).

21 (d) The applicant owns and operates at least one resort located in this state.

22 (e) The applicant does not hold, or have a direct or indirect ownership interest  
23 in premises operating under, any of the following:

24 1. A brewer's permit issued under s. 125.29.

25 2. A brewpub permit issued under s. 125.295.

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1           3. A wholesaler's permit issued under s. 125.28.

2           4. Except as provided in sub. (4), a Class "B" license issued under s. 125.26,  
3           Class "B" permit issued under s. 125.27, or Class "A" license issued under s. 125.25.

4           **(4) RETAIL INTERESTS.** (a) A resort manufacturer may hold retail licenses for  
5           licensed premises that are part of the resort, including any gift shops and a grocery  
6           store.

7           (b) In addition to retail licenses authorized under par. (a), a resort  
8           manufacturer may hold Class "B" and "Class B" licenses for not more than 10  
9           licensed locations that are part of any secondary resort facility of the resort  
10          manufacturer.

11          (c) In addition to retail licenses authorized under pars. (a) and (b), if any Class  
12          "B" or "Class B" license has been issued to a resort manufacturer for part of a  
13          secondary resort facility, the resort manufacturer may also hold a Class "A" or "Class  
14          A" license, or both, for any gift shop associated with the secondary resort facility.

15          **(5) FEES.** The fee for issuance or renewal of a permit under this section shall  
16          be established by the office but may not be less than \$10,000 biennially.

17          **SECTION 103.** 125.53 (1) of the statutes is amended to read:

18          125.53 (1) The department office shall issue only to a manufacturing winery  
19          in this state that holds a valid certificate issued under s. 73.03 (50) a winery permit  
20          authorizing the manufacture and bottling of wine on the premises covered by the  
21          permit for sale to wholesalers holding a permit under s. 125.54. A winery permit also  
22          authorizes the permittee to, on the winery premises and without obtaining a  
23          rectifier's permit, possess intoxicating liquor and mix or blend intoxicating liquor to  
24          produce wine sold to wholesalers holding a permit under s. 125.54. A winery holding  
25          a permit under this section may offer on the premises taste samples of wine

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1 manufactured on the premises to persons who have attained the legal drinking age.  
2 A permittee under this section may also have either one "Class A" license or one  
3 "Class B" license, but not both. The "Class A" license or "Class B" license may either  
4 be issued for the winery premises or for real estate owned or leased by the winery.  
5 If a "Class A" or "Class B" liquor license has also been issued to the winery, the winery  
6 may provide wine manufactured, mixed, or blended on the winery premises directly  
7 to the "Class A" or "Class B" premises and may offer the taste samples on the "Class  
8 A" or "Class B" premises. A winery holding a permit under this section may also  
9 make retail sales and provide taste samples on county or district fair fairgrounds as  
10 provided in s. 125.51 (10), but this wine sold at retail or provided as taste samples  
11 shall be purchased from a wholesaler holding a permit under s. 125.54.

12 **SECTION 104.** 125.535 (1) of the statutes is amended to read:

13 125.535 (1) AUTHORIZED ACTIVITIES. The department office shall issue direct  
14 wine shippers' permits authorizing the permittee to ship wine directly to an  
15 individual in this state who is of the legal drinking age, who acknowledges receipt  
16 of the wine shipped, and who is not intoxicated at the time of delivery.

17 **SECTION 105.** 125.535 (2) of the statutes is amended to read:

18 125.535 (2) ANNUAL PERMIT FEE. The department office may, by rule, establish  
19 an annual fee, not to exceed \$100, for each permit issued under this section. ~~All fees~~  
20 ~~collected under this subsection shall be credited to the appropriation account under~~  
21 ~~s. 20.566 (1) (ha).~~

22 **SECTION 106.** 125.535 (3) (a) 2m. of the statutes is created to read:

23 125.535 (3) (a) 2m. A resort manufacturer permit under s. 125.525.

24 **SECTION 107.** 125.535 (3) (b) 2. of the statutes is amended to read:

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1           125.535 (3) (b) 2. The winery submits to the department office, with any initial  
2 application or renewal for a certificate under s. 73.03 (50) or a permit under par. (a)  
3 3. or 4., a copy of any current license, permit, or authorization issued to the winery  
4 by the state from which the winery will ship wine into this state or the winery's  
5 federal basic permit.

6           **SECTION 108.** 125.54 (1) of the statutes is amended to read:

7           125.54 (1) AUTHORIZED ACTIVITIES. The department office shall issue  
8 wholesalers' permits authorizing the permittee to sell, from the premises described  
9 in the permit, intoxicating liquor at wholesale to retailers and wholesalers, as well  
10 as to manufacturers, rectifiers, resort manufacturers, and wineries for production  
11 purposes. The permittee may not sell intoxicating liquor for consumption on the  
12 premises. Possession of a permit under this section does not authorize the permittee  
13 to sell tax-free intoxicating liquor and wine brought into this state under s. 139.03  
14 (5).

15           **SECTION 109.** 125.54 (5) of the statutes is amended to read:

16           125.54 (5) SALES AREA. No wholesaler may sell any intoxicating liquor before  
17 filing with the department office a written statement that the permittee is a  
18 distributor of a particular brand in this state, or an area of this state, and that the  
19 sales of that brand by the permittee and anyone purchasing from the permittee will  
20 be limited to the area specified. The permittee shall notify the department office of  
21 any change in the area within 7 days of the effective date of the change.

22           **SECTION 110.** 125.54 (7) (a) 2. of the statutes is amended to read:

23           125.54 (7) (a) 2. A permittee under this section shall annually sell and deliver  
24 intoxicating liquor to at least 10 retail licensees or permittees that do not have any  
25 direct or indirect interest in each other or in the permittee under this section. The

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1 department office shall not issue a permit under this section unless the applicant  
2 represents to the department office an intention to satisfy this requirement, and  
3 shall not renew a permit issued under this section unless the permittee  
4 demonstrates that this requirement has been satisfied.

5 **SECTION 111.** 125.54 (7) (c) 3. of the statutes is amended to read:

6 125.54 (7) (c) 3. This paragraph shall not affect the authority of any  
7 municipality or the department office to revoke, suspend, or refuse to renew or issue  
8 a license or permit under s. 125.12.

9 **SECTION 112.** 125.54 (7) (d) of the statutes is amended to read:

10 125.54 (7) (d) The department office shall promulgate rules to administer and  
11 enforce the requirements under this subsection. The rules shall ensure coordination  
12 between the department's office's issuance and renewal of permits under this section  
13 and its enforcement of the requirements of this subsection, and shall require that all  
14 applications for issuance or renewal of permits under this section be processed by  
15 department office personnel generally familiar with activities of intoxicating liquor  
16 wholesalers. The department office shall establish by rule minimum requirements  
17 for warehouse facilities on premises described in permits issued under this section  
18 and for periodic site inspections by the department office of such warehouse facilities.

19 **SECTION 113.** 125.54 (8) of the statutes is amended to read:

20 125.54 (8) DUTY TO WORK IN GOOD FAITH. Each wholesaler has an obligation to  
21 negotiate in good faith with any manufacturer, rectifier, resort manufacturer, or  
22 winery that seeks to sell its products in this state through the wholesaler. To this end,  
23 all wholesalers shall work diligently to ensure that distribution channels are  
24 available for the sale of intoxicating liquor products through wholesalers to retailers  
25 in this state.

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1           **SECTION 114.** 125.545 (2) (a) 3. b. of the statutes is amended to read:

2           125.545 (2) (a) 3. b. The small winery is certified by the department office under  
3 sub. (6) (a) as a small winery.

4           **SECTION 115.** 125.545 (3) (a) 1. of the statutes is amended to read:

5           125.545 (3) (a) 1. Within 7 days after filing its articles of incorporation under  
6 ch. 185, a cooperative wholesaler shall apply to the department office for a  
7 wholesaler's permit under s. 125.54. The provisions of s. 125.04 (5) (c) and (6) shall  
8 apply to a cooperative wholesaler as if the cooperative wholesaler were a corporation  
9 or a limited liability company and, for each of these provisions, the department office  
10 shall determine whether the cooperative wholesaler is most similar to a corporation  
11 or a limited liability company in the context of that provision and apply that  
12 provision to the cooperative wholesaler accordingly.

13           **SECTION 116.** 125.545 (3) (a) 2. of the statutes is amended to read:

14           125.545 (3) (a) 2. Notwithstanding s. 125.54 (6), the department office may  
15 issue not more than one wholesaler's permit to any cooperative wholesaler. The  
16 department office may not issue more than a total of 6 wholesalers' permits to  
17 cooperative wholesalers in this state. The department office may not issue any new  
18 wholesaler's permit to a cooperative wholesaler after December 31, 2008, but may  
19 renew wholesalers' permits that were initially issued to cooperative wholesalers  
20 prior to that date.

21           **SECTION 117.** 125.545 (5) of the statutes is amended to read:

22           125.545 (5) BIENNIAL REPORTS. With each application for renewal of a  
23 wholesaler's permit issued to a cooperative wholesaler, each cooperative wholesaler  
24 shall file with the department office, in the form and manner prescribed by the

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1 department office by rule, a biennial report that includes detailed information on its  
2 members, board of directors, and sale and distribution activities.

3 **SECTION 118.** 125.545 (6) of the statutes is amended to read:

4 125.545 (6) ~~DEPARTMENT~~ OFFICE CERTIFICATION AND RULE MAKING. (a) 1. The  
5 department office shall, upon application, certify eligible applicants as small  
6 wineries and renew prior certifications of eligible applicants as small wineries.

7 2. Any winery seeking to become a member of, or to maintain its membership  
8 in, a cooperative wholesaler may apply to the department office for certification as  
9 a small winery. If the winery meets the definition of a small winery under this  
10 section, satisfies the requirement under sub. (2) (a) 3. a., and submits any other  
11 information that the department office determines is necessary to certify that the  
12 winery is operating as a small winery and is eligible for membership in a cooperative  
13 wholesaler, the department office shall certify the winery as a small winery. This  
14 certification shall remain valid for one year.

15 3. In certifying any winery under subd. 2., the department office shall classify  
16 the winery as either a Wisconsin winery or an out-of-state winery.

17 4. The department office shall refuse to certify under this paragraph any  
18 winery that cannot demonstrate it holds all necessary permits for its operations or  
19 that the department office finds is otherwise not in full compliance with the laws of  
20 this state.

21 (b) The department office shall promulgate rules to administer and enforce the  
22 requirements under this section.

23 **SECTION 119.** 125.545 (7) of the statutes is amended to read:

24 125.545 (7) PENALTIES. (a) Any winery that sells or distributes its wine directly  
25 to a retailer, rather than through a wholesaler or cooperative wholesaler, is subject

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1 to a fine of not more than \$10,000 and revocation of all of its permits by the  
2 department office under s. 125.12 (5).

3 (b) Any cooperative wholesaler that provides preferential treatment to a  
4 Wisconsin winery or discriminates against an out-of-state winery is subject to a fine  
5 of not more than \$10,000 and revocation of its wholesaler's permit by the department  
6 office under s. 125.12 (5).

7 **SECTION 120.** 125.55 (1) of the statutes is amended to read:

8 125.55 (1) The department office may issue a combination manufacturer's and  
9 rectifier's permit.

10 **SECTION 121.** 125.56 (2) (a) of the statutes is amended to read:

11 125.56 (2) (a) The department office shall issue sacramental wine permits to  
12 organized religious bodies authorizing them to purchase for their own use  
13 sacramental wine from any permittee under s. 125.52 (1), 125.53 or 125.54. A permit  
14 under this subsection does not authorize the resale of sacramental wine by the  
15 permittee.

16 **SECTION 122.** 125.56 (2) (c) of the statutes is amended to read:

17 125.56 (2) (c) Shipments of sacramental wine shall be conspicuously labeled  
18 "for sacramental purposes" and shall meet any other requirements the department  
19 office prescribes by rule.

20 **SECTION 123.** 125.56 (2) (d) of the statutes is amended to read:

21 125.56 (2) (d) A sacramental wine permit shall be issued free of charge by the  
22 department office and is not subject to s. 125.04 (11) (a).

23 **SECTION 124.** 125.58 (1) of the statutes is amended to read:

24 125.58 (1) The department office shall issue out-of-state shippers' permits  
25 which authorize persons located outside this state to sell or ship intoxicating liquor

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1 into this state. Except as provided under sub. (4), intoxicating liquor may be shipped  
2 into this state only to a person holding a wholesaler's permit under s. 125.54 or, if  
3 shipped from a manufacturer or rectifier in another state holding a permit under this  
4 section and shipped for use for production purposes, to a person holding a  
5 manufacturer's or rectifier's permit under s. 125.52, a resort manufacturer permit  
6 under s. 125.525, or a winery permit under s. 125.53. Except as provided under sub.  
7 (4), a separate out-of-state shipper's permit is required for each location from which  
8 any intoxicating liquor is sold or shipped into this state, including the location from  
9 which the invoices are issued for the sales or shipments. Any person holding an  
10 out-of-state shipper's permit issued under this section may solicit orders for sales  
11 or shipments by the permittee without obtaining the sales solicitation permit  
12 required by s. 125.65, but every agent, salesperson or other representative who  
13 solicits orders for sales or shipments by an out-of-state shipper shall first obtain a  
14 permit for soliciting orders under s. 125.65. No holder of an out-of-state shipper's  
15 permit issued under this section may sell intoxicating liquor in this state or ship  
16 intoxicating liquor into this state unless the out-of-state shipper is the primary  
17 source of supply for that intoxicating liquor.

18 **SECTION 125.** 125.60 (1) of the statutes is amended to read:

19 125.60 (1) The department office may issue a wholesale alcohol permit which  
20 authorizes the permittee to sell ethyl alcohol of 190 proof or more to persons holding  
21 permits or licenses issued under s. 125.61 or 125.62. Nothing in this section requires  
22 manufacturers, rectifiers and wholesalers holding permits issued under s. 125.52 (1)  
23 or 125.54 to obtain a wholesale alcohol permit.

24 **SECTION 126.** 125.61 (1) of the statutes is amended to read:

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1           125.61 (1) The ~~department~~ office may issue a medicinal alcohol permit which  
2 authorizes the permittee to purchase and use alcohol for medicinal purposes only.  
3 The permit may be issued only to persons who prove to the ~~department~~ office that  
4 they use alcohol for medicinal purposes.

5           **SECTION 127.** 125.61 (3) of the statutes is amended to read:

6           125.61 (3) Shipments of medicinal alcohol shall be conspicuously labeled “for  
7 medicinal purposes” and shall meet other requirements which the ~~department~~ office  
8 prescribes by rule.

9           **SECTION 128.** 125.61 (4) of the statutes is amended to read:

10           125.61 (4) A medicinal permit shall be issued free of charge by the ~~department~~  
11 office and is not subject to s. 125.04 (11) (a).

12           **SECTION 129.** 125.62 (1) of the statutes is amended to read:

13           125.62 (1) The ~~department~~ office may issue an industrial alcohol permit which  
14 authorizes the permittee to purchase and use alcohol for industrial purposes only.  
15 Such permits may be issued only to persons who prove to the ~~department~~ office that  
16 they use alcohol for industrial purposes.

17           **SECTION 130.** 125.62 (3) of the statutes is amended to read:

18           125.62 (3) Shipments of industrial alcohol shall be conspicuously labeled “for  
19 industrial purposes” and shall meet other requirements which the ~~department~~ office  
20 prescribes by rule.

21           **SECTION 131.** 125.63 (1) of the statutes is amended to read:

22           125.63 (1) The ~~department~~ office may issue an industrial wine permit which  
23 authorizes the purchase and use of wine for industrial purposes only. An industrial  
24 wine permit may be issued only to persons who prove to the ~~department~~ office that  
25 they use wine for industrial purposes.

**ASSEMBLY BILL 989****SECTION 132**

1           **SECTION 132.** 125.63 (3) of the statutes is amended to read:

2           125.63 (3) Shipments of industrial wine shall be conspicuously labeled “for  
3 industrial purposes” and shall meet other requirements which the ~~department~~ office  
4 prescribes by rule.

5           **SECTION 133.** 125.65 (1) of the statutes is amended to read:

6           125.65 (1) The ~~department~~ office may issue a permit for wholesale sales for  
7 future delivery which authorizes the permittee to solicit orders, and to engage in the  
8 sale, of intoxicating liquor for delivery at a future date. A person holding a permit  
9 under this section may give a sample of a brand of intoxicating liquor to a “Class A”  
10 licensee who has not previously purchased that brand from the permittee.

11           **SECTION 134.** 125.65 (4) (intro.) of the statutes is amended to read:

12           125.65 (4) (intro.) The ~~department~~ office shall require the following  
13 information in applications for permits under this section:

14           **SECTION 135.** 125.65 (4) (e) of the statutes is amended to read:

15           125.65 (4) (e) Any other information required by the ~~department~~ office.

16           **SECTION 136.** 125.65 (6) of the statutes is amended to read:

17           125.65 (6) Employers shall furnish the ~~department~~ office with the names of all  
18 employees engaged in activities requiring a permit under this section and shall  
19 notify the ~~department~~ office whenever an employee begins or terminates  
20 employment. Upon leaving employment, an employee shall submit his or her permit  
21 to the ~~department~~ office for cancellation.

22           **SECTION 137.** 125.65 (10) of the statutes is amended to read:

23           125.65 (10) The ~~department~~ office may not require a fee for a permit under this  
24 section for an individual who is eligible for the veterans fee waiver program under  
25 s. 45.44.

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1           **SECTION 138.** 125.68 (9) (b) of the statutes is amended to read:

2           125.68 (9) (b) All containers of intoxicating liquor sold in this state shall be  
3 clearly and legibly labeled with the name and address of the manufacturer or resort  
4 manufacturer and the name of the intoxicating liquor. The label shall meet any other  
5 labeling requirements created by the federal alcohol administration act.

6           **SECTION 139.** 125.68 (9) (d) of the statutes is amended to read:

7           125.68 (9) (d) All packages or containers of intoxicating liquor delivered in this  
8 state shall bear seals affixed by the manufacturer or resort manufacturer so that the  
9 contents cannot be removed without breaking the seals.

10          **SECTION 140.** 125.68 (9) (f) of the statutes is amended to read:

11          125.68 (9) (f) Every person manufacturing, rectifying or blending intoxicating  
12 liquor sold in this state shall provide the department office with the names, brands,  
13 descriptions, alcoholic content by volume and any other information about the  
14 intoxicating liquor required by the department office. Information required by this  
15 paragraph shall be submitted prior to placing any new blend on the market. The  
16 department office may also require by rule that samples of new products be  
17 submitted for examination and analysis.

18          **SECTION 141.** 125.68 (10) of the statutes is amended to read:

19          125.68 (10) SHIPMENTS INTO STATE. (a) Except as provided in s. 125.535, no  
20 intoxicating liquor may be shipped into this state unless consigned to a person  
21 holding a wholesaler's permit under s. 125.54 or, if shipped from a manufacturer or  
22 rectifier in another state holding a permit under s. 125.58, consigned to a person  
23 holding a manufacturer's or rectifier's permit under s. 125.52, a resort manufacturer  
24 permit under s. 125.525, or a winery permit under s. 125.53.

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1 (b) Except as provided in s. 125.535, no common carrier or other person may  
2 transport into and deliver within this state any intoxicating liquor unless it is  
3 consigned to a person holding a wholesaler's permit under s. 125.54 or, if shipped  
4 from a manufacturer or rectifier in another state holding a permit under s. 125.58,  
5 consigned to a person holding a manufacturer's or rectifier's permit under s. 125.52,  
6 a resort manufacturer permit under s. 125.525, or a winery permit under s. 125.53.  
7 Any common carrier violating this paragraph shall forfeit \$100 for each violation.

8 **SECTION 142.** 125.69 (title) of the statutes is amended to read:

9 **125.69 (title) Restrictions on dealings between manufacturers,**  
10 **rectifiers, resort manufacturers, wholesalers, and retailers.**

11 **SECTION 143.** 125.69 (1) (a) of the statutes is renumbered 125.69 (1) (a) 1. and  
12 amended to read:

13 125.69 (1) (a) 1. ~~No Except as provided in subds. 2. and 3., no~~ intoxicating liquor  
14 manufacturer, rectifier, resort manufacturer, winery, out-of-state shipper  
15 permittee, or wholesaler may hold any direct or indirect interest in any "Class A"  
16 license or establishment and no "Class A" licensee may hold any direct or indirect  
17 interest in a wholesale permit or establishment, ~~except that a~~.

18 2. A winery that has a permit under s. 125.53 may have an ownership interest  
19 in a "Class A" license and a person may hold a "Class A" license and both a winery  
20 permit under s. 125.53 and a manufacturer's or rectifier's permit under s. 125.52 and  
21 may make retail sales and provide taste samples as authorized under the "Class A"  
22 license and ss. 125.06 (13) and 125.52 (1) (b) 2.

23 **SECTION 144.** 125.69 (1) (a) 3. of the statutes is created to read:

24 125.69 (1) (a) 3. A person may hold a resort manufacturer permit and "Class  
25 A" licenses as provided in s. 125.525 (4) (a) and (c).

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1           **SECTION 145.** 125.69 (1) (b) 1. of the statutes is amended to read:

2           125.69 (1) (b) 1. Except as provided under subds. 3., 4., and 5., no intoxicating  
3           liquor manufacturer, rectifier, resort manufacturer, winery, out-of-state shipper  
4           permittee, or wholesaler may hold any direct or indirect interest in any “Class B”  
5           license or permit or establishment or “Class C” license or establishment and no  
6           “Class B” licensee or permittee or “Class C” licensee may hold any direct or indirect  
7           interest in a manufacturer, rectifier, resort manufacturer, winery, out-of-state  
8           shipper, or wholesale permit or establishment.

9           **SECTION 146.** 125.69 (1) (b) 3. of the statutes is created to read:

10           125.69 (1) (b) 3. A person may hold a resort manufacturer permit and “Class  
11           B” licenses as provided in s. 125.525 (4) (a) and (b).

12           **SECTION 147.** 125.69 (1) (c) of the statutes is amended to read:

13           125.69 (1) (c) No manufacturer, rectifier, resort manufacturer, winery, or  
14           out-of-state shipper permittee, whether located within or without this state, may  
15           hold any direct or indirect interest in any wholesale permit or establishment. Except  
16           as provided in pars. (a) 2. and 3. and (b) 3. and 4. and ~~s.~~ ss. 125.525 and 125.53, no  
17           retail licensee may hold any direct or indirect interest in any manufacturer, rectifier,  
18           resort manufacturer, winery, or out-of-state shipper permittee.

19           **SECTION 148.** 125.69 (4) (e) of the statutes is amended to read:

20           125.69 (4) (e) *Costs.* The cost of administering this subsection shall be charged  
21           to the manufacturer, rectifier and wholesaler permittees. The department office  
22           shall determine the costs and shall establish the procedure for apportioning the cost  
23           against the permittees and provide for the method of payment to the department  
24           office. All moneys collected by the office under this paragraph shall be credited to  
25           the appropriation account under s. 20.566 (9) (g).

**ASSEMBLY BILL 989****SECTION 149**

1           **SECTION 149.** 125.69 (6) (a) of the statutes is amended to read:

2           125.69 (6) (a) No Except as provided in s. 125.525 (2) (g), no campus or retail  
3 licensee or permittee may purchase intoxicating liquor from, or possess intoxicating  
4 liquor purchased from, any person other than a wholesaler holding a permit under  
5 this chapter for the sale of intoxicating liquor.

6           **SECTION 150.** 125.70 of the statutes is amended to read:

7           **125.70 Trade show samples.** A manufacturer, rectifier, resort manufacturer,  
8 winery, or intoxicating liquor wholesaler may furnish, free of charge, on “Class B”  
9 premises, taste samples of intoxicating liquor to any person who has attained the  
10 legal drinking age and who is attending a trade show, conference, convention, or  
11 similar business meeting, that is held on those premises, of a bona fide national or  
12 statewide trade association that derives income from membership dues of “Class B”  
13 licensees. Taste samples may not be furnished under this section at more than 2 such  
14 events of any one trade association per year. No intoxicating liquor brought on  
15 “Class B” premises under this section may remain on those premises after the close  
16 of the trade show, conference, convention, or business meeting. No limitation under  
17 this section applies to a resort manufacturer with respect to premises operating  
18 under a “Class B” license held by the resort manufacturer.

19           **SECTION 151.** 139.01 (4) of the statutes is amended to read:

20           139.01 (4) “License,” and “fermented malt beverages” have the same meaning  
21 as in s. 125.02, and “licensed premises” are premises described in licenses and  
22 permits issued by the ~~department~~ office, cities, villages, or towns under the authority  
23 of said section.

24           **SECTION 152.** 139.01 (5) of the statutes is amended to read:

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1           139.01 (5) A “manufacturer” is a person, other than a rectifier or resort  
2 manufacturer, who manufactures or distills intoxicating liquors, including selling at  
3 wholesale such intoxicating liquors manufactured or distilled by the licensee at the  
4 premises designated in the license.

5           **SECTION 153.** 139.01 (5g) of the statutes is created to read:

6           139.01 (5g) “Office” means the office of alcohol beverages enforcement.

7           **SECTION 154.** 139.01 (6) of the statutes is amended to read:

8           139.01 (6) A “rectifier” is a person, other than a resort manufacturer, who  
9 rectifies, purifies or refines distilled spirits or wines by any process other than by  
10 original and continuous distillation from mash, wort or wash, through continuous  
11 closed vessels or pipes, until the manufacture thereof is complete, or who has in his  
12 or her possession any still or leach tub or keeps any other apparatus for the purpose  
13 of refining in any manner distilled spirits or the other liquors, or who after rectifying  
14 and purifying distilled spirits, by mixing such spirits or liquors with any materials,  
15 manufactures any spurious, imitation or compound liquors for sale, and any person  
16 who, without rectifying, purifying or refining distilled spirits, by mixing such spirits  
17 with any materials, manufactures any spurious, imitation or compound liquors for  
18 sale under the name of “whiskey,” “brandy,” “gin,” “rum,” “spirits,” “cordials” or any  
19 other name, and who is also a distiller or is under substantially the same  
20 management or control as a distiller. A rectifier may sell at wholesale intoxicating  
21 liquors rectified by him or her without any other license than that of a rectifier.

22           **SECTION 155.** 139.01 (6m) of the statutes is created to read:

23           139.01 (6m) “Resort manufacturer” means a permittee under s. 125.525.

24           **SECTION 156.** 139.01 (10) of the statutes is amended to read:

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1           139.01 (10) "Wholesaler" as applied to a seller of fermented malt beverages has  
2 the same meaning as in s. 125.02, and as applied to a seller of intoxicating liquors  
3 is any person other than a manufacturer ~~or~~, rectifier, or resort manufacturer who  
4 sells such liquors to licensed retailers or other permittees for the purpose of resale.

5           **SECTION 157.** 139.03 (2x) (a) of the statutes is amended to read:

6           139.03 (2x) (a) *Floor tax imposed.* On the date tax rate changes become  
7 effective under this section a floor tax is imposed upon every manufacturer, rectifier,  
8 resort manufacturer, wholesaler, and retailer who is in possession of any intoxicating  
9 liquor held for resale on which the intoxicating liquor tax already has been imposed.  
10 The person shall determine the volume of that intoxicating liquor and shall file a  
11 return by the 15th day of the month following the month in which the new tax rate  
12 becomes effective and shall pay any tax due on it, as determined under par. (b).

13           **SECTION 158.** 139.03 (5) (a) of the statutes is amended to read:

14           139.03 (5) (a) No person who enters this state from another state may have in  
15 his or her possession and bring into the state any intoxicating liquor or wine. The  
16 prohibition in this paragraph does not apply to a person who changes his or her  
17 domicile from another state or a foreign country to this state and who brings into this  
18 state intoxicating liquor and wine constituting household goods. The prohibition in  
19 this paragraph does not apply to intoxicating liquor or wine consigned to any person  
20 having a permit from the ~~secretary~~ office to engage in the sale of such intoxicating  
21 liquor or wine.

22           **SECTION 159.** 139.04 (4) of the statutes is amended to read:

23           139.04 (4) Sale or shipment of fermented malt beverages by a brewer to a  
24 bottler or of intoxicating liquor in bulk between manufacturers, rectifiers, resort  
25 manufacturers, and wineries.

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1           **SECTION 160.** 139.06 (3) of the statutes is amended to read:

2           139.06 (3) In shipping intoxicating liquor in bulk for the purpose of bottling or  
3           rectifying to a rectifier or resort manufacturer located within the state, the  
4           manufacturer shall securely affix thereto a label or statement, in such form as is  
5           prescribed by the secretary, reciting that the shipment is made for the purpose of  
6           bottling or rectifying. Each manufacturer making such shipments shall file an  
7           information report that shows the dates and quantities of shipments and the name  
8           and address of each consignee.

9           **SECTION 161.** 139.08 (3) of the statutes is amended to read:

10           139.08 (3) POLICE POWERS. The department of revenue shall enforce and the  
11           duly authorized employees of the department shall have all necessary police powers  
12           to prevent violations of s. 134.65, and this subchapter ~~and ch. 125~~.

13           **SECTION 162.** 139.08 (4) of the statutes is amended to read:

14           139.08 (4) INSPECTION FOR ENFORCEMENT. Duly authorized employees of the  
15           department of justice and the department of revenue and any sheriff, police officer,  
16           marshal, or constable, within their respective jurisdictions, may at all reasonable  
17           hours enter any licensed premises, and examine the books, papers, and records of  
18           any brewer, brewpub, manufacturer, bottler, rectifier, resort manufacturer,  
19           wholesaler, or retailer, for the purpose of inspecting the same and determining  
20           whether the tax and fee imposed by ss. 139.01 to 139.25 have been fully paid, and  
21           may inspect and examine, according to law, any premises where fermented malt  
22           beverages or intoxicating liquors are manufactured, sold, exposed for sale,  
23           possessed, or stored, for the purpose of inspecting the same and determining whether  
24           the tax imposed by ss. 139.01 to 139.25 has been fully paid, and whether ss. 139.01  
25           to 139.25 ~~and ch. 125~~ are being complied with. Any refusal to permit such

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1 examination of such premises is sufficient grounds under s. 125.12 for revocation or  
2 suspension of any license or permit granted for the sale of any fermented malt  
3 beverages or intoxicating liquors and is punishable under s. 139.25 (10).

4 **SECTION 163.** 139.09 of the statutes is amended to read:

5 **139.09 Registration.** Every brewer, brewpub, bottler, manufacturer, rectifier,  
6 resort manufacturer, wholesaler, or retailer liable for payment of the occupational  
7 tax imposed in ss. 139.01 to 139.25 shall hold a valid certificate under s. 73.03 (50).  
8 The secretary shall assign the person a registration number.

9 **SECTION 164.** 139.11 (1) of the statutes is amended to read:

10 139.11 (1) PRESERVATION OF RECORDS. Every person who manufactures,  
11 rectifies, distributes, imports, transports, stores, warehouses, or sells intoxicating  
12 liquor or fermented malt beverages shall keep complete and accurate records of all  
13 such liquor or malt beverages purchased, sold, manufactured, rectified, brewed,  
14 fermented, distilled, produced, stored, warehoused, imported, or transported within  
15 this state. Such records shall be of a kind and in the form prescribed by the secretary  
16 and shall be safely preserved to ensure accessibility for inspection by the secretary  
17 or by the office as provided in s. 125.025 (3). A person required to keep records under  
18 this subsection may keep such records in electronic form only.

19 **SECTION 165.** 139.11 (2) of the statutes is amended to read:

20 139.11 (2) REPORT. Each brewer, brewpub, bottler, manufacturer, rectifier,  
21 resort manufacturer, and wholesaler shall on or before the 15th day of each calendar  
22 month or the dates prescribed by the secretary file a verified report of all fermented  
23 malt beverages or intoxicating liquor manufactured, received, sold, delivered, or  
24 shipped by him or her during the preceding calendar month, except that the  
25 department may allow wholesale, winery, and out-of-state shipper permittees

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1 whose tax liability is less than \$500 per quarter to file on a quarterly basis. Quarterly  
2 reports shall be filed on or before the 15th of the next month following the close of  
3 the calendar quarter.

4 **SECTION 166.** 139.11 (3) of the statutes is amended to read:

5 139.11 (3) SECRETARY'S POWERS. When the secretary finds that the records kept  
6 by any brewer, brewpub, bottler, manufacturer, rectifier, resort manufacturer,  
7 wholesaler, or retailer are in such condition that an unusual amount of time is  
8 required to determine therefrom the amount of tax due, the secretary may give notice  
9 of such fact to such person and may require the records to be kept in such form as the  
10 secretary prescribes. If such requirements are not complied with within 30 days  
11 after the date of the notice, the brewer, brewpub, bottler, manufacturer, rectifier,  
12 resort manufacturer, wholesaler, or retailer shall pay the expenses reasonably  
13 attributable to the determination of tax at the rate of \$30 per day for each auditor.  
14 The secretary shall render a bill therefor by registered mail to the person charged  
15 with payment at the conclusion of the audit, which bill shall constitute notice of  
16 assessment and demand of payment thereof. The brewer, brewpub, bottler,  
17 manufacturer, rectifier, resort manufacturer, wholesaler, or retailer shall, within 10  
18 days after the mailing of the bill, pay its amount, and such payment shall be credited  
19 to the appropriation made in s. 20.566 (1) (a).

20 **SECTION 167.** 139.11 (4) (a) 2. of the statutes, as created by 2017 Wisconsin Act  
21 17, is amended to read:

22 139.11 (4) (a) 2. A current list, available on paper and on the department's  
23 Internet site, providing detailed information regarding every person issued a  
24 wholesalers permit under s. 125.28, brewers permit under s. 125.29, brewpub permit  
25 under s. 125.295, or out-of-state shippers permit under s. 125.30. The information

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1 provided under this subdivision shall include the name and address of the permit  
2 holder and the date on which the department office issued the permit.

3 **SECTION 168.** 139.11 (4) (b) 2. of the statutes is amended to read:

4 139.11 (4) (b) 2. A current and regularly updated list, made available on paper  
5 and on the department's Internet Web site, of permit holders that minimally includes  
6 detailed information on the name, address, contact person, and date of permit  
7 issuance for every manufacturer's and rectifier's permit issued under s. 125.52,  
8 resort manufacturer permit issued under s. 125.525, winery permit issued under s.  
9 125.53, direct wine shipper's permit issued under s. 125.535, wholesaler's permit  
10 issued under s. 125.54, and out-of-state shipper's permit issued under s. 125.58.

11 **SECTION 169.** 139.18 (2) of the statutes is amended to read:

12 139.18 (2) The possession of intoxicating liquor on which a tax has not been  
13 paid except upon the premises of a manufacturer, rectifier, resort manufacturer, or  
14 wholesaler, or any licensed public warehouse shall be deemed prima facie evidence  
15 that such liquor is possessed with the intent to sell it contrary to law.

16 **SECTION 170.** 139.22 of the statutes is amended to read:

17 **139.22 Confiscation.** If a duly authorized employee of the department of  
18 revenue or the department of justice or any sheriff, police officer, marshal, or  
19 constable, within his or her respective jurisdiction, discovers any fermented malt  
20 beverages upon any premises other than the premises of a brewer, brewpub, or  
21 bottler, or any intoxicating liquor upon any premises other than the premises of a  
22 manufacturer, rectifier, resort manufacturer, winery, or wholesaler, and upon which  
23 the tax has not been paid or which was possessed, kept, stored, manufactured, sold,  
24 distributed, or transported in violation of ss. 139.01 to 139.25 ~~and ch. 125~~, the  
25 employee or any such officer may immediately seize the fermented malt beverages

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1 or intoxicating liquors. Any such fermented malt beverages or intoxicating liquors  
2 so seized shall be held transferred by the department of revenue to the office and  
3 disposed of under s. 125.14 (2) (e).

4 **SECTION 171.** 139.25 (9) of the statutes is amended to read:

5 139.25 (9) FAILURE TO KEEP RECORDS. Failure to comply with s. 139.11 (1) shall  
6 carry a penalty of revocation by the ~~secretary of revenue~~ office of the license or  
7 permit.

8 **SECTION 172.** 227.52 (1) of the statutes is amended to read:

9 227.52 (1) Decisions of the department of revenue ~~other than decisions relating~~  
10 ~~to alcohol beverage permits issued under ch. 125.~~

11 **SECTION 173.** 230.08 (2) (e) 11. of the statutes is amended to read:

12 230.08 (2) (e) 11. Revenue — ~~7~~ 6.

13 **SECTION 174.** 346.93 (1) of the statutes is amended to read:

14 346.93 (1) No underage person, as defined under s. 125.02 (20m), may  
15 knowingly possess, transport, or have under his or her control any alcohol beverage  
16 in any motor vehicle unless the person is employed by a brewer, brewpub, alcohol  
17 beverage licensee, wholesaler, retailer, distributor, manufacturer, ~~or~~ rectifier, or  
18 resort manufacturer and is possessing, transporting, or having such beverage in a  
19 motor vehicle under his or her control during his or her working hours and in the  
20 course of employment, as provided under s. 125.07 (4) (bm).

21 **SECTION 175. Nonstatutory provisions.**

22 (1) TRANSFER OF ALCOHOL BEVERAGES REGULATION AND ENFORCEMENT FUNCTIONS.

23 (a) *Definitions.* In this subsection:

24 1. “Department” means the department of revenue.

25 2. “Office” means the office of alcohol beverages enforcement.

**ASSEMBLY BILL 989****SECTION 175**

1           (b) *Assets and liabilities.* On the effective date of this paragraph, the assets and  
2 liabilities of the department primarily related to alcohol beverages regulation and  
3 enforcement under chapter 125 of the statutes, as determined by the secretary of  
4 administration, become the assets and liabilities of the office.

5           (c) *Tangible personal property.* On the effective date of this paragraph, all  
6 tangible personal property, including records, of the department that is primarily  
7 related to alcohol beverages regulation and enforcement under chapter 125 of the  
8 statutes, as determined by the secretary of administration, is transferred to the  
9 office.

10           (d) *Contracts.* All contracts entered into by the department in effect on the  
11 effective date of this paragraph that are primarily related to alcohol beverages  
12 regulation and enforcement under chapter 125 of the statutes, as determined by the  
13 secretary of administration, remain in effect and are transferred to the office. The  
14 office shall carry out any obligations under those contracts unless modified or  
15 rescinded by the office to the extent allowed under the contract.

16           (e) *Position and employee transfers.* On the effective date of this paragraph, all  
17 positions, and the incumbent employees who hold those positions, in the department  
18 with duties that are primarily related to alcohol beverages regulation and  
19 enforcement under chapter 125 of the statutes, as determined by the secretary of  
20 administration, are transferred to the office.

21           (f) *Employee status.* Employees transferred under paragraph (e) have all the  
22 rights and the same status under chapter 230 of the statutes in the office that they  
23 enjoyed in the department immediately before the transfer. Notwithstanding  
24 section 230.28 (4) of the statutes, no employee transferred under paragraph (e) who  
25 has attained permanent status in class is required to serve a probationary period.

**ASSEMBLY BILL 989**

1           (g) *Rules and orders.* All rules promulgated by the department that relate to  
2 alcohol beverages regulation and enforcement under chapter 125 of the statutes and  
3 that are in effect on the effective date of this paragraph remain in effect until their  
4 specified expiration dates or until amended or repealed by the office. All orders  
5 issued by the department that relate to alcohol beverages regulation and  
6 enforcement under chapter 125 of the statutes and that are in effect on the effective  
7 date of this paragraph remain in effect until their specified expiration dates or until  
8 modified or rescinded by the office.

9           (h) *Pending matters.* Any matter pending with the department on the effective  
10 date of this paragraph that is primarily related to alcohol beverages regulation and  
11 enforcement under chapter 125 of the statutes, as determined by the secretary of  
12 administration, is transferred to the office. All materials submitted to or actions  
13 taken by the department with respect to the pending matters are considered as  
14 having been submitted to or taken by the office.

15           (i) *Fees.* All fees established by the department related to permits issued under  
16 chapter 125 of the statutes that are in effect on the day before the effective date of  
17 this paragraph shall remain in effect until modified or rescinded by the office.

18           (j) *Secretary of administration to resolve transition disagreements.* In the case  
19 of disagreement between the department and the office with respect to any matter  
20 specified in this subsection, the secretary of administration shall determine the  
21 matter and shall develop a plan for an orderly transfer.

22           (2) POSITION AUTHORIZATIONS. In addition to positions transferred under  
23 subsection (1) (e), there is authorized for the office of alcohol beverages enforcement  
24 1.0 FTE PR director position and 6.0 FTE PR special agent positions, to be funded  
25 from the appropriation account under section 20.566 (9) (g) of the statutes.

