February 17, 2022 - Introduced by Representatives Knodl, Gundrum, Moses and Tauchen, cosponsored by Senators Stroebel, Nass and Roys. Referred to Committee on State Affairs.

AN ACT to repeal 125.34 (3) (a) 2.; to renumber 125.34 (3) (a) 1.; and to amend

125.29 (3m) (b), 125.29 (3m) (c) and 125.34 (4) (b) of the statutes; relating to:

the sales territories of beer wholesalers and self-distribution by brewers.

Analysis by the Legislative Reference Bureau

This bill eliminates the requirement that the sales territories for wholesalers of fermented malt beverages (beer) be exclusive and makes related changes applicable to self-distribution by brewers.

Under current law, a beer wholesaler may not sell or deliver any brand of beer unless the wholesaler has entered into a written agreement with the brewer or brewpub supplying the brand that grants to the wholesaler distribution rights and identifies the designated sales territory for which these distribution rights are granted. A brewer or brewpub may not grant to more than one wholesaler distribution rights for the same brand in the same designated sales territory. A wholesaler may not sell or deliver a brand of beer to a retailer located outside the wholesaler’s designated sales territory for the brand. There are limited exceptions that allow another wholesaler or a brewer to distribute beer within a wholesaler’s exclusive sales territory, such as when the wholesaler is unable to service its territory.

This bill eliminates the requirement that the distribution agreement between a brewer or brewpub and a beer wholesaler grant the wholesaler exclusive brand distribution rights within a sales territory.

Also under current law, a brewer that manufactures 300,000 or fewer barrels of beer per year may sell and deliver its own beer to retailers if the brewer complies
The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 125.29 (3m) (b) of the statutes is amended to read:

125.29 (3m) (b) A brewer that manufactures 300,000 or less barrels of fermented malt beverages in a calendar year from all locations may sell, ship, transport and deliver to retailers, from the brewery premises, fermented malt beverages, in original unopened packages or containers, that have been manufactured on the brewery premises, if the brewer complies with the requirements in ss. s. 125.33, as applicable, and s. 125.34 (5), as applicable, to the same extent as if the brewer were a wholesaler.

SECTION 2. 125.29 (3m) (c) of the statutes is amended to read:

125.29 (3m) (c) If a wholesaler that has been granted distribution rights by a brewer for a brand in a designated sales territory is unable to service the designated sales territory for any reason, including the discontinuation of the wholesaler’s distribution rights, bankruptcy, or criminal prosecution of the wholesaler in connection with operation of the wholesaler, and the reason is not the result of an action by the brewer, then a brewer shall be allowed, for a period of not more than one year, to sell or ship any brand of fermented malt beverages to retailers located in the wholesaler’s designated sales territory. This paragraph applies only to a
Section 2

Assembly Bill 1034

1 brewer that manufactures at least 300,000 barrels of fermented malt beverages in
2 a calendar year from all locations.

Section 3. 125.34 (3) (a) 1. of the statutes is renumbered 125.34 (3) (a).

Section 4. 125.34 (3) (a) 2. of the statutes is repealed.

Section 5. 125.34 (4) (b) of the statutes is amended to read:

125.34 (4) (b) Any person, other than another wholesaler, that the wholesaler
knows or should know will transport the product for resale in a designated sales
territory for which another the wholesaler has not been granted distribution rights
for the brand.

(END)