



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBs0350/3
PEN:kmg:hmh

ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 1999 ASSEMBLY BILL 717

March 22, 2000 - Offered by COMMITTEE ON STATE AFFAIRS.

1 **AN ACT** *to renumber and amend* 125.31 (1); *to amend* 125.28 (2) (b) 1. b. and
2 c. and 125.31 (3) (b); and *to create* 125.02 (1m), 125.31 (1) (a) 1. and 125.31 (1)
3 (a) 3. of the statutes; **relating to:** the number of Class "B" licenses that may be
4 issued to certain small brewers.

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

5 **SECTION 1.** 125.02 (1m) of the statutes is created to read:

6 125.02 (1m) "Barrel" means 31 U.S. gallons.

7 **SECTION 2.** 125.28 (2) (b) 1. b. and c. of the statutes are amended to read:

8 125.28 (2) (b) 1. b. A Class "B" license issued under s. 125.26, except as provided
9 in s. 125.29 (4).

10 c. A Class "B" permit issued under s. 125.27, except as provided in s. 125.29 (4).

11 **SECTION 3.** 125.31 (1) of the statutes is renumbered 125.31 (1) (a) 2. and
12 amended to read:

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

7 (b) Notwithstanding ss. 125.29 (2) and 125.33 (1), a brewer may also own,
8 maintain or operate places for the sale of fermented malt beverages at the state fair
9 park or on any county fairgrounds located in this state, in addition to places
10 authorized under par. (a).

11 (c) Any Class “B” license necessary in connection with this subsection shall be
12 issued to the brewer.

13 (d) Notwithstanding s. 125.33 (1), a brewer may own the furniture, fixtures,
14 fittings, furnishings and equipment on such premises and shall pay any license fee
15 or tax required for the operation of the premises.

16 **SECTION 4.** 125.31 (1) (a) 1. of the statutes is created to read:

17 125.31 (1) (a) 1. In this paragraph, “small brewer” means a brewer that,
18 together with the fermented malt beverages manufactured during the same year by
19 all of the following, manufactures less than 4,000 barrels of beer annually:

20 a. All brewers that share membership with the brewer in a controlled group of
21 brewers, as determined under 26 USC 5051 (a) (2) (B).

22 b. All brewers considered with the brewer as one taxpayer under 27 CFR
23 25.111b (b).

24 c. All franchisees, as defined in s. 553.03 (5), of the brewer.

1 d. All franchisees, as defined in s. 553.03 (5), of the brewer's franchisor, as
2 defined in s. 553.03 (6).

3 e. The franchisor, as defined in s. 553.03 (6), of the brewer.

4 **SECTION 5.** 125.31 (1) (a) 3. of the statutes is created to read:

5 125.31 (1) (a) 3. Notwithstanding ss. 125.29 (2) and 125.33 (1), in addition to
6 places authorized under subd. 2., a small brewer may possess a Class "B" license for
7 any restaurant in which the sale of alcohol beverages accounts for less than 50% of
8 the restaurant's gross receipts and in which is offered for sale fermented malt
9 beverages manufactured by a brewer other than the small brewer who possesses the
10 Class "B" license. No restaurant whose Class "B" license is issued to a small brewer
11 under this subdivision may sell fermented malt beverages manufactured by the
12 small brewer unless the restaurant purchased the fermented malt beverages from
13 a wholesaler that has no direct or indirect ownership interest in the brewery that
14 manufactured the fermented malt beverages.

15 **SECTION 6.** 125.31 (3) (b) of the statutes is amended to read:

16 125.31 (3) (b) To persons other than licensees and permittees, if the brewer
17 obtains a Class "A" or Class "B" license.

18 (END)