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State of Misconsin 2017 - 2018 LEGISLATURE

 $LRB-3960/1\\ ARG\&MCP:emw$

2017 ASSEMBLY BILL 826

January 12, 2018 - Introduced by Representatives Krug, Macco, Mursau, Quinn, Skowronski, Subeck and Tusler, cosponsored by Senator L. Taylor. Referred to Committee on Tourism.

AN ACT to amend 100.26 (1) and 125.06 (3m) (b); and to create 100.188 and

125.32 (7) (c) of the statutes; **relating to:** state-certified Wisconsin beer.

Analysis by the Legislative Reference Bureau

This bill creates a process for certification of fermented malt beverages (beer) by the Department of Agriculture, Trade and Consumer Protection as "state-certified Wisconsin beer." Upon application, DATCP must review a beer's formula or recipe, including the source of ingredients, and determine whether the beer is made with at least the following percentage, by weight, of its hops grown or manufactured in this state and at least the following percentage, by weight, of all of its other ingredients, excluding water, grown in this state: 1) 20 percent, for determinations made before January 1, 2020; 2) 60 percent, for determinations made on or after January 1, 2020, but before January 1, 2024; and 3) 80 percent, for determinations made on or after January 1, 2024. If DATCP determines that the applicable criteria are satisfied, DATCP must issue a certification for the beer as "state-certified Wisconsin beer." This certification remains valid for as long as the beer's formula or recipe, including the source of ingredients, does not materially change, except that the certification expires on the dates on which the percentage requirement described above increases. DATCP must keep confidential any formula, recipe, or other information submitted to it for review.

Current law includes certain beer labeling requirements under the enforcement jurisdiction of the Department of Revenue. Under this bill, beer sold or offered for sale in this state may not display a label identifying it as "state-certified Wisconsin beer," or contain confusingly similar wording, unless DATCP has issued

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such a certification for the beer and the certification is valid at the time the beer is sold or offered for sale in this state.

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

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

Section 1. 100.188 of the statutes is created to read:

100.188 Certification of fermented malt beverages. (1) In this section, "fermented malt beverages" means "fermented malt beverages," as defined in s. 125.02 (6), that may be labeled as beer under federal labeling laws.

- (2) (a) Upon application, the department shall review the formula or recipe for fermented malt beverages, including the source of ingredients, and determine whether the fermented malt beverages are made with no less than the following percentage, by weight, of its hops grown or manufactured in this state and no less than the following percentage, by weight, of all of its other ingredients, excluding water, grown in this state:
 - 1. For determinations made before January 1, 2020, 20 percent.
- 2. For determinations made on or after January 1, 2020, but before January 1, 2024, 60 percent.
 - 3. For determinations made on or after January 1, 2024, 80 percent.
- (b) If the department determines that the applicable criteria under par. (a) are satisfied, the department shall issue a certification for the fermented malt beverages as "state-certified Wisconsin beer." The department may require the applicant to provide any information the department considers necessary to determine if the criteria under par. (a) are satisfied.

| (c) Subject to par. (d), the certification under par. (b) shall remain valid for as |
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| long as the formula or recipe for the fermented malt beverages, including the source |
| of ingredients, does not materially change, except that any certification shall expire |
| as follows: |
| 1. For any certification made before January 1, 2020, the certification expires |
| on December 31, 2019. |
| 2. For any certification made on or after January 1, 2020, but before January |
| 1, 2024, the certification expires on December 31, 2023. |
| (d) The department may revoke a certification issued under this section if the |
| department determines that the certification was issued as a result of materially |
| false information provided by the applicant. |
| (3) The department shall keep confidential any formula, recipe, or other |
| information submitted to the department for review under this section. |
| Section 2. 100.26 (1) of the statutes is amended to read: |
| 100.26 (1) Any person who violates any provision of this chapter, except s. |
| 100.18, <u>100.188</u> , 100.20, 100.206 or 100.51, for which no specific penalty is prescribed |
| shall be fined not to exceed \$200, or imprisoned in the county jail not more than 6 |
| months or both. |
| SECTION 3. 125.06 (3m) (b) of the statutes is amended to read: |
| 125.06 (3m) (b) Notwithstanding ss. 125.14 (5), 125.315, 125.32 (6) (a), 125.34 |
| (2) and (5), and 125.67, a person who is not a licensee under this chapter may at a |
| private residence, and a person who is a licensee under this chapter may on the |
| licensed premises, conduct, sponsor, or host a contest, competition, or other event for |
| the exhibition, demonstration, judging, tasting, or sampling of homemade wine or |

fermented malt beverages made in compliance with the limitations specified in sub.

(3) (a) if the person does not sell the wine or fermented malt beverages and, unless the person is the maker of the wine or fermented malt beverages, does not acquire any ownership interest in the wine or fermented malt beverages. No fee may be charged for consumption of homemade wine or fermented malt beverages at the contest, competition, or other event. If the contest, competition, or other event is held on licensed premises, the licensee may allow the homemade wine or fermented malt beverages to be stored on the premises if the homemade wine or fermented malt beverages are clearly identified and kept separate from any alcohol beverages owned by the licensee. If the contest, competition, or other event is held on licensed premises, the provisions of ss. 125.32 (7) (a) and (b) and 125.68 (9) (e) do not apply with respect to the homemade wine or fermented malt beverages. If the contest, competition, or other event is held on licensed premises, the licensee shall comply with all provisions of this chapter and local ordinances that would apply if the fermented malt beverages or wine were not homemade, except those provisions made specifically inapplicable under this paragraph.

Section 4. 125.32 (7) (c) of the statutes is created to read:

125.32 (7) (c) No container of fermented malt beverages sold or offered for sale in this state may display a label identifying the fermented malt beverages as "state-certified Wisconsin beer," or contain confusingly similar wording, unless the department of agriculture, trade and consumer protection has issued a certification for the fermented malt beverages under s. 100.188 and the certification is valid at the time the fermented malt beverages are sold or offered for sale in this state.

SECTION 5. Effective date.

1 (1) This act takes effect on the first day of the 5th month beginning after publication.

3 (END)