



JoCasta Zamarripa

STATE REPRESENTATIVE

March 11, 2015

Testimony on Assembly Bill 18

Mr. Chair and Committee Members,

I am State Rep. JoCasta Zamarripa and I am the Assembly co-author of AB 18, the distilled spirits tasting bill.

I am happy to be co-authoring this bill once again and want to thank the committee chairman, who happens to be the lead Senate author of this proposal, for holding a public hearing today. I am confident that after much work we have written a bill that can successfully move through the legislative process and allow our state's distillers the same opportunity to market their product that brewers and wine producers already enjoy.

It's a privilege to tell you that I now have two craft distilleries in my district on Milwaukee's near south side. Great Lakes Distillery and Central Standard Craft Distillery have set up shop in Walker's Point, a revitalized neighborhood just south of Milwaukee's historic Third Ward.

These small business owners serve as a perfect example of the entrepreneurial spirit we must cultivate in Wisconsin. In the 21st century, it is the small business owner that truly grows good jobs and the strong economy that our state needs.

This bill levels the playing field so that, like beer and wine, distilled spirits may be sampled at any Class "A" licensed retailer. A patron would be allowed only one, half-ounce pour of a distilled spirit to sample while in the store.

Distillers in our state are at a competitive disadvantage in comparison to beer and wine producers, who have been able to offer samples since 2001 and 2007 respectively.

It is time for Wisconsin to support distillers throughout this state and allow them to market their product in an equitable fashion. Again, thank you to the committee chairman for holding a public hearing on this proposal. I would be happy to answer any questions members of the committee have at this point.

8TH ASSEMBLY DISTRICT





LENA C. TAYLOR

Wisconsin State Senator • 4th District

HERE TO SERVE YOU!

March 11, 2015

Testimony of Senator Lena C. Taylor in Support of AB 18/SB16

Good morning committee members. Thank you Chairman Moulton for allowing these companion bills to receive a public hearing today, and for allowing me to provide testimony in support of these bills.

Senate Bill 16 and its companion Assembly Bill 18 are very simple pieces of legislation that aim to help balance the playing field for a growing industry that shows great potential in our state.

As you may already know, current law allows for wine tasting and beer sampling through legislation passed through this body over the past 15 years. SB 16 and AB 18 provide the same opportunity that current law currently extends to these markets to makers of liquors and distilled spirits.

This legislation will help to support growing business by allowing potential consumers the option to “try before you buy,” which has shown to promote new products in the wine and beer industries. Wisconsin’s economy continues to lag behind national growth. These bills are a positive step forward to growing our economy by allowing small and family owned businesses around our state to show case Wisconsin products to consumers.

In the past, there was concern expressed regarding the amount of alcohol content available through these samples. Current law allows for a total of 6 ounces to be sampled for wine and beer. A typical glass of wine is less than this at a bar or restaurant. These bills allows for three, half ounce samples per individual. This means that a potential consumer can sample just one standard sized drink of liquor or distilled spirits. This is a responsible limit to consumption and is consistent with current practice.

I hope the committee will strongly consider passing this legislation and give Wisconsin’s growing distilled spirits industry the opportunity to grow their business in similar ways the wineries and breweries have done.

Thank you.



2015 ASSEMBLY BILL 18

Spirit brands, distributors/wholesalers, retailers and Promotional Companies are all dedicated to serving spirits responsibly.



Consumers appreciate us being responsible and asking for ID's



Off Premise Sampling - Average cost - \$70 - \$100 per event. Most effective and affordable marketing tool with measurable sales data and captured consumer data.



Powerful Marketing Tool
We are hand selling direct to consumers in a responsible manner !





Informational Testimony of Julia Sherman, Coordinator Wisconsin Alcohol Policy Project
Senate Bill 16

March 11, 2015

Mr. Chairman and Members:

Thank you for the opportunity to provide additional information on SB 16. The proposal is quite broad allowing distilled spirits tastings at *all off-premises* licensees in Wisconsin, including retailers selling gasoline and pharmacies. As a society, we accept that alcohol consumption is not always appropriate such as in combination with certain medications, when operating an automobile, snowmobile, heavy equipment or during pregnancy.

Efforts to reduce alcohol impaired driving and impaired snowmobile excursions will be less effective when alcohol can be sampled at locations where gasoline is sold. Clearly, allowing alcohol – even in small amounts – to be consumed in gas stations, grocery stores and other retail venues patronized by the general public normalizes alcohol use in those situations.

When considering this bill, it is important to understand each state has its own system of alcohol control, many with spirits -tasting policies far more restrictive than those found in this proposal.

For example:

- **Illinois:** Illinois requires the event to be conducted by a “registered tasting representative” (\$100 fee) with license requested 14 days on advance and may only serve state registered products.ⁱ
- **Michigan:** Michigan requires filing a *Consumer Sampling Event Notification Form* 10 days in advance, spirits retailers limited to three events per month.ⁱⁱ
- **Minnesota:** In Minnesota, “under certain circumstances” an exclusive liquor store may hold a tasting up to four hours, but municipality may require a permit by ordinance. Products may not be purchased at the tasting but may be ordered at the event for later delivery.ⁱⁱⁱ

Limiting distilled spirits tasting events to the narrower group of retailers, such as those selling alcohol exclusively or retailers that do not sell prescription medication or gasoline preserves your goal without creating potentially inappropriate situations.

Each year Wisconsin residents over age 14 consumed (per capita) about 86 more servings of distilled spirits than the national average of 162 servings. [Wisconsin residents over age 14 consume an estimated 248 serving of distilled spirits annually.]^{iv} This proposal makes distilled spirits more attractive and possibly more available to the benefit of multi-national distillers with the marketing budgets to take full advantage of this largely unregulated form of promotion. Any direct benefit to Wisconsin distillers will be minimal.

Wisconsin's territorial legislature established local alcohol licensing, a system that endures. Given that municipalities have the responsibility and authority to decide when alcohol will be sold and served, another approach would allow municipalities to prohibit, require permits or otherwise regulate all tasting events by ordinance.

A significant portion of every municipal budget supports emergency services. It is appropriate to allow municipalities authority over alcohol tasting events since without the original license the event could not take place and the municipality will bear much of the of financial burden of a degraded alcohol environment. Since alcohol beverage tastings are occasional events, there is no benefit to a uniform statewide policy. The municipal body granting the original license is logically and historically best prepared to regulate tasting and sampling events in their community.

Annually, excessive alcohol use (defined as binge drinking, underage drinking and alcohol use while pregnant) costs Wisconsin \$6.8 billion annually, a significant portion the result of lost productivity.^v Wisconsin employers are concerned about costs that result directly from inappropriate alcohol use and many recognize that Wisconsin's alcohol environment is hostile to those who abstain for any reason, choose to consume alcohol beverages moderately and those in recovery.

Alcohol is not an ordinary commodity; expanding the availability, acceptability or attractiveness of any alcohol beverage has human and financial consequences that should be given thoughtful consideration before acting.

Thank you.

ⁱ State of Illinois Application for Tasting Representative License, IL567-0057.

ⁱⁱ Michigan Department of Licensing and Regulatory Affairs, Liquor Control Commission, Beer and Wine or Spirit Consumer Sampling Event Notification Form, LC-MW-1001, November 2014.

ⁱⁱⁱ League of Minnesota Municipalities, Information Memo: Liquor Licensing and Regulation, January 2015, page 15.

^{iv} National Institute on Alcohol Abuse and Alcoholism, National Institute of Health, U.S. Department of Health and Social Services. Apparent per Capita Alcohol Consumption, State and Regional Trends, 1977-2011.

^v Black, P., Paltzer, J. The Burden of Excessive Alcohol Use in Wisconsin. University of Wisconsin Population Health Institute, March 2013.