



## State Senator Sheila Harsdorf

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Date: September 2, 2015  
To: Senate Committee on Agriculture, Small Business, and Tourism  
Fr: Senator Sheila Harsdorf  
Re: Senate Bill 223—Allowing wineries to serve distilled spirits at special events

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Dear Chair Moulton and Committee Members,

Thank you for holding a public hearing on Senate Bill 223 (SB 223), which would allow Wisconsin wineries wishing to host special events, such as wedding receptions, to serve distilled spirits to guests at the event in addition to wine. I appreciate the opportunity to speak in support of this proposal.

Wisconsin's wine industry is growing rapidly, with more than 100 wineries in operation across the state. It is becoming increasingly popular to hold special events at wineries, some of which have invested heavily in creating beautiful event facilities for special gatherings.

Although Wisconsin wineries obtain a "Class B" liquor license to operate, when issued to a winery this license prohibits wineries from serving spirits. This is a barrier for wineries that are trying to market their facility for wedding receptions and other events as guests often enjoy mixed drinks in addition to wine. SB 223 changes the definition of the "Class B" liquor license when granted to wineries, allowing them to serve distilled spirits only at special events that have been arranged at least 30 days in advance and have 50 or more guests attending.

Wisconsin's wine industry benefits all regions of our state and spans numerous sectors. Given the wine industry's growing contributions to Wisconsin's agricultural heritage and tourism industry, it is important that we remove regulatory barriers and create economic conditions under which these small businesses and entrepreneurs can thrive. This legislation will help winery owners grow their businesses by marketing their winery as a location to host special events.

I urge your support for this legislation as a means to encourage Wisconsin's growing wine industry, economic development, and job growth. Thank you again for allowing me to speak in favor of SB 223. I would welcome the opportunity to respond to any questions.



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# ADAM JARCHOW

STATE REPRESENTATIVE • 28<sup>TH</sup> ASSEMBLY DISTRICT

Testimony on **SB 223** – retail licenses held by wineries  
Senate Committee on Agriculture, Small Business, and Tourism  
Wednesday, September 2, 2015 – 10:00 am

Again, I echo Senator Harsdorf’s testimony and will offer my own on behalf of Representative Jarchow.

I sit before you today in support of Senate Bill 223. This bill would change the Class B license that wineries hold and allow the sale of liquor, but only at special events. Current law only allows for wine and beer.

“Special events” are defined in the bill as an event that was planned 30 or more days in advance and must have 50 or more people. This is done so that a few people could not form a group and walk in to a winery to order a drink, thus creating a bar-like atmosphere.

Much like SB 212, this bill is aimed at creating a business climate for wineries here in Wisconsin that is favorable to holding special events like weddings. I will reiterate how much this bill, along with SB 212, if passed, would help wineries in growing their businesses. When holding a special event, patrons expect a full bar, along with all the other amenities that are offered at an event center. Much like closing at 9:00, not having a full bar at a wedding or event is a deal breaker and thousands of dollars in business leaves the state.

I will use a winery in the 28<sup>th</sup> District as an example for why this bill is necessary. Dancing Dragonfly winery in St. Croix Falls came to Northwestern Wisconsin just a few years ago. They invested over \$5 million in our area... an investment that rarely, if ever happens in that area. Instead of doing this in Minnesota, they decided to come across the river and invest in Wisconsin, employ Wisconsinites and contribute to our tax base. They did this without asking for a hand out. They didn’t ask for a government subsidized loan, a tax break... anything. The only thing they need to continue to succeed is for the government to get out of the way and let them grow.

Again, I ask for your support for Senate Bill 223. If the government gets out of the way of small business, there is no stopping an entrepreneur from expanding and contributing even more to our economy.

Thank you.

**Public Hearing  
Senate Committee on  
Agriculture, Small Business, and Tourism  
Wednesday, September 2, 2015**

**Written testimony on Senate Bill 223**

**Submitted by  
Dancing Dragonfly Winery  
St. Croix Falls, WI**

Chairman Moulton and Members of the Committee;

Thank you for the opportunity to provide this written testimony on **Senate Bill 223** relating to the viability of wineries in the State of Wisconsin.

**We STRONGLY SUPPORT SENATE BILL 223, changing 125.51(3)(am) to allow wineries to sell intoxicating liquor other than wine at special events on the winery premises.**

We support this legislation for three reasons:

- 1. This bill will cause wineries to hire more people.** In the first three months we were open, we lost over ten weddings to the Twin Cities, due to the fact that it is against the law for us to sell liquor at those events. Each of those weddings would have yielded at least 100 hours of added work for a people in our community, and substantial tax revenues for the State of Wisconsin.
- 2. This bill will cause substantially more tourist visits to Wisconsin from neighboring states.** Allowing wineries to attract substantially more weddings, particularly higher cost weddings now being held in the Twin Cities and Chicago, will introduce thousands of new tourists to our burgeoning wine industry. If we attracted the ten weddings previously mentioned, averaging 200 or more guests, it would have resulted in over \$100,000 of direct income (repeated each year, repeated for each winery like ours), producing about \$30,000 in added wages, and \$5,500 in sales tax revenue. Plus it would have introduced 2,000 new out-of-state customers to our wonderful Wisconsin wines.
- 3. The current law seriously hinders our competitiveness with venues in the Twin Cities as well as for other wineries near state border lines.** Wineries compete with large hotels and event centers for wedding and other special event business. We do NOT compete with taverns for this business; in our three years since opening, we have not competed even one time with a tavern for the business. Since the current law does not allow wineries to sell liquor, but our out of state competition can, wineries are less attractive to wedding and event planners. Our revenue is significantly impacted when we do not attract these events at our winery. Allowing distilled spirits on premises—for these hosted events only-- makes our venues attractive, thus more successful.

## IN SUMMARY

**Revenue to the state of Wisconsin, jobs to the citizens of Wisconsin, and the viability of a growing tourist attractions will continue to be lost if SB 223 does not become law.**

We are aware of the opposition presented by the taverns' lobbyists. Despite their fear about this, we are not the taverns' competition, as it is rare to see a wedding at a bar. The majority of wineries are actually in areas where hotels do not exist, where the winery is the only option for special event, such as a wedding. Our winery, for example, is in a prime rural location to draw away higher-end wedding business from Minnesota's Twin Cities. Banning the availability of liquor to be sold at weddings, our biggest business opportunity, takes away the major source of our viability.

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Thank you for your consideration of these issues. We, along with wineries in Wisconsin, have made a large investment, both monetarily and emotionally, to create our winery and events. We hope you support wineries to be viable businesses.

Bill and Christine Bluhm, Owners  
Dancing Dragonfly Winery, St. Croix Falls, WI  
715-483-9463

Committee Members:

This is to express our strong support for Senate Bill 212 scheduled for a hearing tomorrow, Wednesday, September 2, 2015. Because of our location on the border of Wisconsin and Minnesota, we believe the passage of this bill is necessary for the continued success of our Wisconsin winery business. We are also in support of Senate Bill 223 and Senate Bill 226.

We are the owners of Villa Bellezza Winery and Vineyards, located on Great River Road in Pepin, Wisconsin. Pepin is on the western border of Wisconsin in the scenic Lake Pepin area of the Mississippi River. Our winery is one of the largest wineries in Wisconsin with an annual production of over 5,000 cases / 60,000 bottles. And, although our winery opened just 3 years ago, we attract over 30,000 visitors each year.

In order for our business to continue to be successful, we must continue to increase traffic to our front door. Requiring Wisconsin tasting rooms to close at 9 PM is creating a competitive disadvantage for Villa Bellezza and all Wisconsin wineries. Our Minnesota winery neighbors, just across the river and border, are able to remain open until 12 midnight and later. This allows Minnesota wineries to consider opening full service restaurants with standard service hours -- an addition that helps support a year round, rather than seasonal business. Later tasting room closing times also create opportunities to schedule evening promotions to increase traffic -- public special ticketed events like dinners, dances, concerts, holiday celebrations or even movies after dark. Without competitive extended hours, Wisconsin wineries are limited to daytime promotions to bring more visitors to their front doors.

Villa Bellezza is located in the new "Upper Mississippi River Valley" American Viticultural Area (AVA), -- now the largest viticultural area in the world. This wine area designation confirms great potential for developing more vineyards and wineries along this beautiful Mississippi River valley. If Wisconsin does not work to level the playing field, winery development will move to the Minnesota side of the Mississippi and revenues gained from this fast growing winery tourism industry will go to Minnesota as well.

On the day of this important hearing, all Wisconsin wineries are in their busiest season of harvest and crush. If not for this unfortunate timing, many more owners like us would be attending this hearing to express our support for these bills personally. Vote "Yes" for 212 and make sure that Wisconsin wins its Midwest state share of wine industry revenues. Vote "Yes" to also ensure Wisconsin claims its development share in "The Upper Mississippi River Valley" AVA -- an exciting new wine region.

Julianne and Derick Dahlen  
**Villa Bellezza Winery and Vineyards**  
Pepin, WI

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September 1, 2015

**TO: Members of the Agriculture, Small Business and Tourism Committee**

My family currently owns Fawn Creek Winery located in Wisconsin Dells. In five years, we have grown our business from a no-employees-except-family-members operation producing 18,000 bottles of wine in 2011 to a business employing 34 part-time persons and producing 100,000 bottles of wine in 2015.

We are asking you to support Senate Bill 212, Senate Bill 223 and Senate Bill 226. These bills would help the Wisconsin wine industry immensely.

I understand that our group does not have the clout of the Tavern League or the Distribution Lobby but our business is growing and is an important part of the small-business/tourism markets. We deserve your support.

Wisconsin's motto of "Open for Business" will be tested with this vote. A "No" vote on these bills would indicate to me that the State is only "open for business" for a chosen few.

Respectfully submitted,

Dan Hanson on behalf of Fawn Creek Winery Ownership Group

Jim Genrich  
Dan & Sally Haberkorn  
Dan & Diana Hanson  
Susan Hanson-Marx