



# CHRIS KAPENGA

WISCONSIN STATE SENATOR

**Testimony on Senate Bill 203**  
Senate Committee on Public Benefits, Licensing and State-Federal Relations  
Tuesday, September 10th, 2019

Thank you committee members for hearing testimony on Senate Bill 203 today, regarding the issuance of alcohol beverage operator's licenses. The idea for this bill was brought to us by Jeremy Smith, the Village of Sussex administrator. Jeremy was unable to attend today's hearing, but I have submitted his testimony to the committee for review.

Under current law, licensed alcohol retail establishments are required to have a licensed operator on premise at all times. These licenses, commonly referred to as a "bartender's license" are required under state law, but are approved and issued at the local level by a municipal governing body. In order to receive a bartender's license an applicant must be at least 18 years old, not be a felon or habitual offender, and must have completed an approved course on responsible beverage serving.

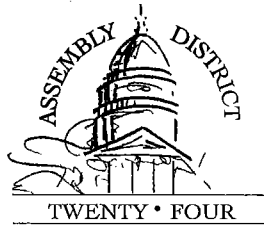
The licensing process typically begins with an applicant filing the necessary paperwork and fees to a local municipality before being subjected to a background check. When that step is complete, the potential licensee's application is forwarded to the appropriate licensing committee for consideration. After the committee approves a license it then must be voted on by the full governing body. This process can often take weeks or even a full month to complete.

In practice, if an applicant had no outstanding issues on their record, a license could easily be approved shortly after a background check is completed. However, state statutes currently require the full governing body to take action on each license. This bill would simply give local governments the option to pass an ordinance delegating the issuance of bartender's licenses to a municipal official, such as the clerk or an administrator.

The bill also gives some flexibility on how an ordinance could be crafted. For example, a municipality could draft an ordinance that allows the clerk to issue licenses to applicants without any drug or alcohol convictions, while still allowing the elected governing body to weigh in on license applications that may need more consideration. A number of local governments in my district have indicated that a vast majority of licenses could be processed in just a few business days under this proposal.

This bill would help streamline license processing benefiting license holders looking to get to work right away, as well as businesses looking to fill positions quickly. It would also have an ancillary benefit for municipal governing bodies by removing a mostly administrative task from their plate. This commonsense, bipartisan legislation has wide-ranging support from both local governments and industry groups. I hope it can count on your support as well.

Thank you committee members for hearing my testimony, and I would be happy to answer any questions.



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# DAN KNODL

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STATE REPRESENTATIVE • 24<sup>TH</sup> ASSEMBLY DISTRICT

## **Senate Bill 203**

Public Testimony

Senate Committee on Public Benefits, Licensing and State-Federal Relations

September 10, 2019

Thank you Chairman Kapenga and members of the committee for holding this hearing on Senate Bill 203.

This proposal would allow a municipal governing body to pass an ordinance which would allow them to delegate the issuance of bartender's licenses to a municipal official, such as a clerk or administrator.

Current law requires that in order to obtain a bartender's license, an individual:

- Be 18 years old
- Must not be a felon or a habitual law offender
- Must have completed an approved course on responsible beverage serving

Current practice for most municipalities requires the submission of an application, followed by a background check. If the background check is passed with no issues, the individual is granted a provisional 60-day license and their application proceeds to the municipal licensing committee. Following approval from the licensing committee, the application then moves to the full council or board for a vote. This process can take anywhere from a month to the full 60 days.

Passage of SB 203 would provide municipalities with another option. It would not require them to use this more streamlined approach, but it would allow those who wish to speed up the process to do so.

The legislation is supported by:

- League of WI Municipalities
- Tavern League of WI
- WI Grocers Association
- WI Petroleum Marketers & Convenience Store Association
- WI Restaurant Association
- WI Realtors Association

## **Improved Municipal Alcohol Beverage Operator's License Approval Process**

Testimony of Jeremy Smith, Sussex Village Administrator

Submitted to the Senate Committee on Public Benefits, Licensing & State-Federal Relations  
September 10, 2019

Thank you Chairman Kapenga and members of the committee for holding a hearing on Senate Bill 203 today. I apologize that I am unable to attend today's hearing, but I appreciate the opportunity to submit testimony.

SB 203 is a small, but important step towards improving the efficiency of government to better meet the needs of citizens and the business community. I have worked for the Village of Sussex since 2003 and seen first-hand how the current state law has impacted folks and businesses alike and it is great that with the passage of AB 216 we'll be able to streamline the approval process for many individuals and allow them to get to work faster, while still protecting the community.

Every tavern, convenience store, grocery store, etc. that wishes to sell beer or liquor must have at least one licensed operator on duty at all times during sale hours. For many small businesses this is often just one person to keep the store open and operating. Even larger businesses will often have one licensed operator on staff at any one time for the efficiency of business operations. For the individual workers having this license is the key to them having employment and income, because if they don't have the license the business can't have them work a shift. This point is critical as I have heard it countless times from both business owners and the individuals as they applied for their operator licenses.

Current state law authorizes only the governing body of a municipality to issue an operator license, which means that an applicant must submit their application, go through a background check, and wait until the next appropriate meeting of the City Council, or Village or Town Board meeting. While the frequency of meetings can vary from community to community, in many communities this means there is action on license applications only once per month. If the applicant brings in their application just after the agenda packets went out they could wait up to six weeks to have their application approved in the worst case situations. In most cases the wait is about 15 days, which can be an unnecessary challenge for the businesses and workers.

As I mentioned earlier being told you can't work for 15 days or worse a month is a bitter pill for folks who are eager to work. In many cases the place of employment is eager for their new employee to start as they've had other employees leave and the delay is anything, but helpful. I have found most of these applicants have clean records and are just looking for gainful employment. Municipal staff in most circumstances could turn around these applications in a day or two with the background checks and have the businesses and

employees on their way to working. Instead we have to wait for what amounts to a useless delay and a waste of time for the governing body because state law hasn't caught up to modern times.

Now it is important to note that not all applications are clean, and not all businesses have as trustworthy of operations. The impacts to public safety are important from preventing sales to minors, reducing disorderly conduct, not overserving customers, and preventing drinking and driving, theft, drug use, etc. The role of a licensed operator is very important and the City Council, Village or Town Board, play an important role in understanding and reflecting the community and the public safety concerns of residents. Some communities just have an operation or two with little history of problems. The beauty of SB 203 is that it lets each community decide how the process should work based upon the unique circumstances faced in that community.

Right now the rules make everyone wait. The good hardworking business owners and employees incur a burden to protect from the small handful of challenging applications. In Sussex, it is likely that the governing body would grant administrative approval authority to the Clerk for those applications that have background that come back without alcohol or drug related offenses. This would mean approvals would be received in about two (2) days. It means our small businesses and their employees can get onto working, and we don't have to waste government resources and time on red tape. Those applicants that have issues that require more thorough review would still go to our governing body to ensure the safety of the community. Each community would have the process that was right for them, and if there are concerns about the process within each community, those elected officials are readily accessible to the business community and the residents and they can tweak the process as necessary.

SB 203 is a common sense approach to operator licensing. It supports business operations, citizens, and good government, which is why it has the support of so many groups from the Tavern League to the League of Municipalities. Thank you for the opportunity to share with you these comments.



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September 10, 2019

**Testimony in support of SB 203 Issuance by municipalities of alcohol beverage operator's license**

**Susan Quam, Executive Vice President**

**Senate Committee on Public Benefits, Licensing and State-Federal Relations**

Thank you for the opportunity to speak today on behalf of the restaurant industry. The Wisconsin Restaurant Association is dedicated to the success of the foodservice and hospitality industry. The WRA represents over 7,000 restaurant locations in Wisconsin, the majority of which have licenses to serve alcohol. Membership ranges from independent restaurants, multi-unit franchisees/franchisors, hotels/resorts and large contract management companies. The majority of our members are locally owned, small businesses who are the cornerstones of their communities.

The WRA supports AB 216 because it is common sense regulatory reform. The current process to for a person to apply and receive an operator's license takes up to 6 weeks, which is onerous for both the person seeking the license and the business he or she is working at. While it is understandable that local governments want to have control over who receives its licenses, current law forcing the municipality to approve licenses by committees, boards and councils uses more time and treasure for all parties involved and is not necessary for public safety.

All businesses with licenses to sell alcohol are short on employees. Many pay a higher wage to those who have operator's licenses to attract and retain those people in their operations. By allowing local governments to pass an ordinance to delegate approval of operator's licenses, restaurants will fill job openings faster and help employees earn more money. This is a no-brainer, win-win for all involved.