2017 ASSEMBLY BILL 1000

March 5, 2018 - Introduced by Representatives KOOYENGA, SHANKLAND, DUCHOW, BERCEAU, HUTTON, CONSIDINE and POPE, cosponsored by Senator L. TAYLOR. Referred to Committee on State Affairs.

1   AN ACT *to renumber and amend* 125.53 (1); and *to create* 125.29 (3) (em),

2   125.29 (3) (fm), 125.29 (3) (im) and 125.53 (1) (c) of the statutes; **relating to:**

3   authorized activities of brewers and wineries.

Analysis by the Legislative Reference Bureau

This bill allows a person that operates a brewery and a winery to sell, and provide free taste samples of, the winery's cider at the brewery and the brewer's other retail outlet.

Under current law, alcohol beverages are generally distributed to consumers under a three-tier distribution system: the producer sells to a wholesaler; the wholesaler sells to a retailer; and the retailer sells to a consumer. With specific exceptions, no person may sell outside the three-tier system and no person may sell alcohol beverages to a consumer unless the seller possesses a license or permit authorizing the sale.

Also under current law, the Department of Revenue issues permits to producers of alcohol beverages. A brewer's permit authorizes a brewer to, among other activities, manufacture fermented malt beverages (beer) and sell at retail, without a retail license, the brewer's own beer and certain other Wisconsin-made beer at the brewery premises and at one off-site retail outlet of the brewer. The brewer may also provide free taste samples of beer at these locations. A winery permit authorizes the winery to, among other activities, manufacture wine, including cider. A winery may also hold one retail license and sell its wine at this licensed location without the wine first passing through a wholesaler.

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Under this bill, if a person holds both a winery permit and a brewer's permit, the permittee may sell its own cider at retail, without a retail license, at the brewery premises and at the brewer's off-site retail outlet. The permittee may also provide free taste samples of cider at these locations. For purposes of the bill, "cider" means fermented apple or pear juice with an alcohol content not exceeding 7 percent alcohol by volume. The permittee may provide the cider directly from the winery to the brewery premises or brewer's off-site retail outlet without the cider first passing through a wholesaler.

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

1   **SECTION 1.** 125.29 (3) (em) of the statutes is created to read:

2   125.29 **(3)** (em) Notwithstanding ss. 125.04 (9) and 125.09 (1), if the brewer also

3 holds a winery permit under s. 125.53, the retail sale of cider, as defined in s. 125.51

4 (2) (e) 1., that has been manufactured on this winery premises for on-premise

5 consumption at the brewery premises or at an off-site retail outlet established by the

6 brewer.

7   **SECTION 2.** 125.29 (3) (fm) of the statutes is created to read:

8   125.29 **(3)** (fm) Notwithstanding ss. 125.04 (9) and 125.09 (1), if the brewer also

9 holds a winery permit under s. 125.53, the retail sale at the brewery premises or at

10 an off-site retail outlet established by the brewer, in original unopened packages or

11 containers for off-premise consumption, of cider, as defined in s. 125.51 (2) (e) 1., that

12 has been manufactured on this winery premises.

13   **SECTION 3.** 125.29 (3) (im) of the statutes is created to read:

14   125.29 **(3)** (im) If the brewer also holds a winery permit under s. 125.53, the

15 provision of free taste samples, at the brewery premises or at an off-site retail outlet

16 established by the brewer, of cider, as defined in s. 125.51 (2) (e) 1., that has been

17 manufactured on this winery premises.

1   **SECTION 4.** 125.53 (1) of the statutes is renumbered 125.53 (1) (a) and amended

2   to read:

3   125.53 **(1)** (a) The department shall issue only to a manufacturing winery in

4   this state that holds a valid certificate issued under s. 73.03 (50) a winery permit

5   authorizing the manufacture and bottling of wine on the premises covered by the

6   permit for sale to wholesalers holding a permit under s. 125.54. A winery permit also

7   authorizes the permittee to, on the winery premises and without obtaining a

8   rectifier's permit, possess intoxicating liquor and mix or blend intoxicating liquor to

9   produce wine sold to wholesalers holding a permit under s. 125.54.

10   (b) A winery holding a permit under this section may offer on the premises taste

11   samples of wine manufactured on the premises to persons who have attained the

12   legal drinking age. A permittee under this section may also have either one "Class

13   A" license or one "Class B" license, but not both. The "Class A" license or "Class B"

14   license may either be issued for the winery premises or for real estate owned or leased

15   by the winery. If a "Class A" or "Class B" liquor license has also been issued to the

16   winery, the winery may provide wine manufactured, mixed, or blended on the winery

17   premises directly to the "Class A" or "Class B" premises and may offer the taste

18   samples on the "Class A" or "Class B" premises.

19   (d) A winery holding a permit under this section may also make retail sales and

20   provide taste samples on county or district fair fairgrounds as provided in s. 125.51

21   (10), but this wine sold at retail or provided as taste samples shall be purchased from

22   a wholesaler holding a permit under s. 125.54.

23   **SECTION 5.** 125.53 (1) (c) of the statutes is created to read:

24   125.53 **(1)** (c) If a winery holding a permit under this section also holds a

25   brewer's permit under s. 125.29, the winery may provide cider, as defined in s. 125.51

1   (2) (e) 1., that has been manufactured on this winery premises directly to the brewery

2   premises or brewer's off–site retail outlet and engage in any activity authorized

3   under s. 125.29 (3) (em), (fm), or (im).

4   **(END)**