

LEGISLATIVE ALERT!!!! LEGISLATIVE ALERT!!!!!! LEGISLATIVE ALERT!!!!!!

Last week **Assembly Bill 492** was introduced by the following legislators:

Representatives: Tauchen, Zimmerman, Kooyenga, Macco, Kulp, Duchow, Gannon, Hutton, Brandtjen, Skowronski, Ott, Wachs, Murphy, Allen, Pope

Senators: Harsdorf, Stroebel, Kapenga, Ringhand, Bewley

The Tavern League of Wisconsin is strongly opposed to these radical changes to the three tier system and urge you to contact your state legislators to urge them to oppose AB 492!!!

The WisCraft brewers, state wineries and craft distillers have all indicated their support for the bill which is somewhat perplexing given that Wisconsin taverns are selling their products helping to contribute to their success. Despite our strong relationship with these craft manufacturers they have decided to support a bill which will decimate the very businesses selling their products today. Taverns have supported their business but they don't support the tavern business.

Over the last 10 years craft brewing in Wisconsin has exploded - increasing nearly 200% while wineries have experienced a 250% increase! It is hard to claim the three tier system is having a negative effect on manufacturers. Wisconsin ranks 13th in the country per capita in the number of brewers.

Wisconsin ranks third per capita in the country in the number of liquor licenses issued and this bill seeks to increase the number of new liquor licenses by 10% creating thousands of new liquor licenses. Only Montana and North Dakota have more licenses per capita than Wisconsin.

Small taverns cannot compete against manufacturers and this bill lets every brewer get into the retail business as well as the brewing business with a huge financial advantage. It is not fair which is why the law exists in the first place and does in every state in the country. Large manufacturers benefit from this bill – not small brewers or wineries.

The bill makes the following changes to state law:

1. 10% increase in the total available "Class B" liquor licenses a municipality may issue.
2. Doubles the production capacity from 10,000 to 20,000 barrels and the number of locations from 6 to 12 for brewpub owners.
3. Doubles the capacity for a winery to be classified as "small winery" from 25,000 gallons to 50,000 gallons.
4. Allows wineries with a retail "Class B" license to remain open until 2 A.M.
5. Deletes the 2011 requirement that a distributor has at least 25 clients, and sells to at least 10 retail license holders.
6. Allows for a brewery to sell intoxicating liquor on-premise or the brewery's off-site retail location.
7. Allows for a creation of distillpub permit by Department of Revenue.

It is hard to understand why the sponsors of this bill seek to dismantle the three-tier system that has resulted in unprecedented growth in brewers, distillers and wineries in Wisconsin. If the current system is to blame, how do proponents of the bill explain the growth in the manufacturing tier? Wisconsin's three-tier system has allowed all segments of the industry to flourish. Under the current system and as acknowledged by the sponsors of the bill, craft breweries, wineries and distillers have seen explosive growth over the last ten years. By creating a free market within each tier while maintaining an orderly system of business between the tiers, Wisconsin's three-tier law has provided the environment necessary for these businesses to prosper. Passage of this bill, however, threaten the livelihood of Mom and Pop taverns in Wisconsin.

Please contact your legislator today and urge them to oppose AB 492. Go to <https://legis.wisconsin.gov/> to find your legislators email and phone number.

To view the entire 29 page bill go
to: <https://docs.legis.wisconsin.gov/2017/proposals/AB492>
