



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2005 Assembly Bill 775

**Assembly Substitute
Amendment 1**

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Assembly Substitute Amendment 1 to 2005 Assembly Bill 775, relating to beer wholesalers, modifies current law, as affected by 2005 Assembly Bill 787, relating to the sale and distribution of beer. Assembly Bill 787 has passed both houses of the Legislature and was presented to the Governor on January 3, 2006.

Under *current law*, as affected by Assembly Bill 787, every municipal governing body may issue licenses to wholesalers for the sale of beer from premises within the municipality. A wholesaler's license authorizes sales of beer only in original packages or containers to retailers or wholesalers. In the case of a foreign corporation or foreign limited liability company whose wholesale premises is located outside of this state, the wholesaler's license must be issued by the governing body of the municipality in which some or part of the wholesaler's business is conducted in Wisconsin.

Assembly Substitute Amendment 1 permits a municipal governing body to issue a beer wholesaler's license to a beer wholesaler who does not maintain any warehouse in Wisconsin but is licensed and maintains a warehouse in an adjoining state that: (a) allows beer wholesalers who are licensed in Wisconsin to deliver beer to retailers in that state without warehousing in that state; and (b) requires that all beer be first unloaded at and distributed from the warehouse of the licensed wholesaler in that state. Under the substitute amendment, the municipal governing body may issue a wholesaler's license to a wholesaler who meets these criteria and who is a natural person and not a Wisconsin resident or that is a corporation or limited liability company and has not appointed an agent in Wisconsin.

Current law, as affected by Assembly Bill 787, also provides that no beer may be sold, transported, or delivered to a retailer unless, prior to the sale, transport, or delivery, the beer is first unloaded at and distributed from a wholesaler's warehouse premises. These premises must be in Wisconsin and must generally be physically separate from any retail premises or brewery premises.

Assembly Substitute Amendment 1 provides that this requirement does not apply to a wholesaler who is licensed in Wisconsin but maintains a warehouse in an adjoining state, as described above, with respect to beer transported and delivered from a warehouse in an adjoining state unless the wholesaler's warehouse in the adjoining state is located on premises in the adjoining state used for the manufacture of beer.

Legislative History

Representative Pettis offered Assembly Substitute Amendment 1 to Assembly Bill 775 on December 6, 2005. On that date, the Assembly adopted the substitute amendment and passed the bill, as amended, on voice votes.

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