



John Nygren

WISCONSIN STATE REPRESENTATIVE ★ 89TH ASSEMBLY DISTRICT

Co-Chair, Joint Committee on Finance

Rep. Nygren Testimony on AB 433

State Rep. John Nygren

February 14, 2018

Chairman Swearingen and members of the Committee on State Affairs:

Thank you for allowing me the opportunity to testify on Assembly Bill 433 which makes important changes to the hours in which wineries can make retail sales of wine.

Currently, wineries are mandated to close at 9:00pm. The Wisconsin winery economy is flourishing and we should do all that we can as a state to make sure this prosperous economic driver continues to thrive in Wisconsin. Unfortunately, current law places unnecessary, burdensome barriers on one of the most basic components of business: hours of operation.

You need not look far to see the positive impacts wineries are having in our state, especially in rural areas. Wine tours throughout Wisconsin are a rapidly growing commodity. In 2016, it was reported that 1.7 million visitors came to the state to visit wineries within the five Wisconsin winery regions: Fox Valley; Door County; Driftless; Northwoods and Glacial Hills.

In 2015, the states 98 wineries experienced nearly 1.8 million visits by guests. The total tourism spending of these visitors totaled over \$152 million, with \$50 million directly attributable to wine tourism. Two thirds of the \$152 million spent on tourism by winery guests is spent outside of the wine industry. What does this mean? This means that wineries are driving tourism dollars to businesses outside of the wine industry. These visitors are staying at hotels, eating and drinking at taverns and shopping in our local communities. Expanding winery hours is good for all of Wisconsin.

I hope that we can pass this bill to continue our effort to remove unnecessary and burdensome government regulations. By allowing wineries to make retail sales of wine until midnight, we are allowing our state to grow its economy and provide more opportunities for Wisconsinites.

Thank you for your time and I will answer any questions committee members might have.

TO: Members of the Assembly Committee on State Affairs

FROM: Kelly Guay, Owner of Sunset Point Winery
Gary Johnson, Vintner of Sunset Point Winery

DATE: February 14, 2018

RE: Support for Assembly Bill 433, relating to closing hours for retail sales by wineries

To the State Assembly Committee:

We've asked Katrina to speak on our behalf about the hours bill as it pertains to wineries. We own Sunset Point Winery located in downtown Stevens Point, we pride ourselves on being an active member of our community and partnering with our local taverns, restaurants and shops to better our downtown. What we are asking for on behalf of all Wisconsin wineries is to be fairly represented with the hours bill to match that of the craft breweries and distilleries within our state.

As a winery, I'm not interested in competing with taverns or bars. What I am interested in is being able to provide my clientele with a location to go both before and after dinner, host special events and provide an environment to relax in. Our current hours are mandated to close at 9pm, this causes a lot of frustration to our customers on Friday nights when they are just getting out of work and ready to go out at 7pm. As well, when we host music on Saturday nights we have our entertainment go until 8:30 and then promptly have to ask everyone to leave which seems rude even though we are just complying with the laws. Lastly we have requests to host parties or corporate events but again we have to close by 9pm which can be inconvenient depending on the function. Again, our biggest key is that we want to be treated similarly to that of the breweries and distilleries in our craft business so that we have the flexibility to run our business as they do.

Thank you for taking the time today to hear our story.

Kelly Guay – Owner of Sunset Point Winery
Gary Johnson – Vintner of Sunset Point Winery

Sunset Point Winery
1201 Water Street
Stevens Point, WI 5481

Total Wine[®] & MORE

TO: Members, Assembly State Affairs Committee

FROM: Edward Cooper, Total Wine & More

DATE: February 14, 2018

RE: Support for Assembly Substitutive Amendment 1 to Assembly Bill 433

Total Wine & More is the nation's largest independent retailer of fine wine, beer and spirits. We currently operate in Brookfield and have been licensed for locations in Greenfield, Madison and Bayshore. At Total Wine & More we are committed to providing the customer with that which they deserve: the best in price, service and selection.

Core to our business model and culture is offering our customers an engaging, unique in-store experience. Our customers – particularly Millennials and Generation Xers – want to explore and learn about wines, beers and spirits from industry experts including the producers themselves. Through a full schedule of wine, beer and beer tastings, educational classes and “virtual tastings” by nationally and internationally acclaimed producers in our custom-built “Education Center” (classroom), food pairings and more, Total Wine & More offers a high-end experience that is truly unique in Wisconsin.

Under current law, Wisconsin allows alcohol beverage retailers with “Class B” licenses to sell intoxicating liquor for on-premise consumption. Municipalities may also elect by ordinance to issue “Class B” licenses that allow for the sale of intoxicating liquor in its original package for off-premise consumption. While the sale of beer and wine for off premise consumption is not limited, the sale of intoxicating liquor is limited to four (4) liters “at any one time.”

Because of our unique retail experience, Total Wine & More stores hold “Class B” licenses to allow for the above mentioned in-store classroom activities, tastings and growler stations. Other retailers, such as grocery stores, are beginning to do the same.

Total Wine & More is supportive of the language contained in Assembly Substitute Amendment 1 to Assembly 433 that eliminates the restriction of selling no more than four (4) liters “at any one time.” Removal of this language will enhance the customer experience and ensure compliance for Total Wine & More as well as similar retailers with “Class B” licenses.

We respectfully urge your support for ASA 1 to AB 433.

STUDIO WINERY™

February 14, 2018

Assembly Bill 433

Dear Legislators,

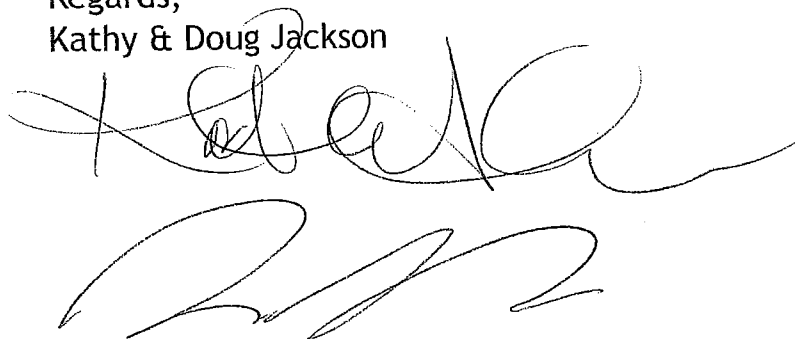
I urge you to support Assembly Bill 433. This bill would greatly help our fledgeling winery.

We are a small 6 year old winery in Lake Geneva. The ability to extend our hours would enable us to hold wedding receptions, concerts, fundraisers, and other events at our small boutique winery.

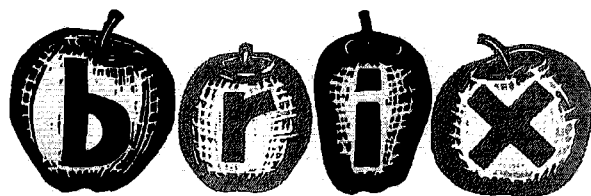
In addition, we have been considering expanding this year. The ability to expand our hours would make the expansion more likely, creating an additional 5-10 jobs.

With more and more wineries starting up every year, and the tourism that we bring in, we think that giving the customer more options for entertainment is a big plus for the State of Wisconsin.

Regards,
Kathy & Doug Jackson



401 Sheridan Springs Road . Lake Geneva, WI 53147
262-348-9100 . www.StudioWinery.com



CIDER

Assembly Committee on State Affairs:

I am writing in support of AB433, relating to closing hours of retail wineries. My husband and I own Brix Cider LLC, a small start-up hard cider company (licensed as a winery) based at our orchard in Barneveld. We are currently in the process of expanding our production ten-fold and opening a "Cider-Pub" in Mount Horeb, adjacent to the new Duluth Trading Company Headquarters. We will have our cider production facility as well as a restaurant and tasting room at the site. Currently we have 2 employees, but will be expanding to at least 6 once the restaurant opens in June. The ability for us to stay open past 9 pm is critical to us becoming a profitable, growing business. Currently, brew-pubs, restaurants and bars have an unfair advantage over my value-added winery. Not only would passage of this bill level the playing field, but it would also indirectly support dozens of small family farms. Just in our first year, we purchased otherwise un-sellable apples from 14 different apple growers in Southwest and Southcentral Wisconsin. Not only are we a truly local business, but we are giving value to these otherwise un-utilized crops. We also purchase local berries, honey and hops from Wisconsin Growers, such as the Wisconsin Hop Exchange and Gentle Breeze Honey. By allowing wineries, and in turn cideries, to stay open as late as any other restaurant or pub we will continue to grow rural communities, increase the diversity of our agricultural business sector, increase the supply of local, value-added specialty foods and drive economic growth in rural areas.

Thank you and please feel free to call or email me with any specific questions,

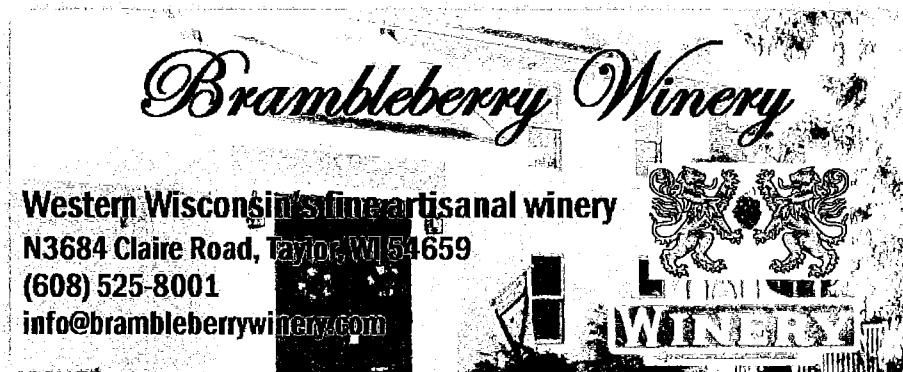
A handwritten signature in black ink that reads "Marie Raboin". The signature is fluid and cursive.

Marie Raboin

Matt Raboin
matt@brixcider.com
608-630-7458

Brix Cider LLC
3120 County Road K
Barneveld, WI 53507

Marie Raboin
marie@brixcider.com
608-630-3325



Feb. 14, 2018

Assembly Committee on State Affairs Testimony from Chris and Sherry Hardie

Brambleberry Winery

N3684 Claire Road

Taylor, WI 54659

info@brambleberrywinery.com

As a Wisconsin winery, we fully support AB 433, although we have questions about purpose and scope of the substitute amendment offered two days ago by Rep. Vorpagel.

We opened Brambleberry Winery in 2013 and since 2006 we have owned and operated Brambleberry Bed and Breakfast. We have held a restaurant license since 2009.

My wife and I have grown these businesses from scratch. We have invested a half-million dollars into these endeavors and are as we speak putting the finishing touches on a commercial pavilion to host weddings. Giving wineries the flexibility to stay open until midnight is important to make this transition easier. Given the fact that we also hold a Class B beer license under which we can sell until midnight, it only makes sense to streamline the process.

More importantly for the state, this is an issue of economic impact and the opportunity for more positive growth. No doubt you have heard or will hear from some members of the Tavern League that wineries have hurt their business and they are opposed to this proposal.

Let's be very clear – wineries and taverns can and should co-exist. According to the 2015 economic impact study done by the Wisconsin Winery Association, our state's winery industry brings in \$100 million each year to hotels and restaurants. In fact, customers who visit wineries spend nearly as much at restaurants and bars -- \$72.39 per trip – as they do for wine purchased at wineries -- \$75.82.

Some may say that allowing wineries to host weddings will hurt supper clubs or other venues that host receptions. Wineries are simply responding to the changing consumer trends. A 2016 survey done by the wedding website The Knot shows 48 percent of the couples said having a reception venue with a scenic backdrop or locale was a top priority and other popular non-traditional ceremony sites including beach houses, public gardens, wineries and museums is on the rise.

Another national wedding survey said that 63 percent of the brides in 2016 were having their ceremony and reception at the same place and time, up from 56 percent in 2014. Wineries are not responsible for loss of supper club rental business – that is the result of changing consumer interest.

AB 433 will help eliminate an unnecessary government restriction that hampers the ability of the winery industry to meet customer demand. And of course, not every one of Wisconsin's 140-some wineries will host weddings or other events, nor will they stay open until midnight every day. But the change in law will help facilitate additional economic growth with jobs and more tourism spending – which is good for all Wisconsin business.

We thank you for this opportunity to provide this testimony and ask for your support of AB 433.

WOLLERSHEIM WINERY



Mailing Address:

PO Box 87
Prairie du Sac, WI 53578

Shipping Address:

7876 Hwy 188
Prairie du Sac, WI 53578

To: Assembly State Affairs Committee,
Representative Rob Swearingen, Chairman

From: Julie Coquard, Vice-President
Wollersheim Winery and Distillery

Date: February 14, 2018

Re: Support for AB 433, the Winery Hours Bill

Established in 1972, Wollersheim Winery sits on a scenic hillside across the Wisconsin River from Prairie du Sac where European vintners planted grapevines and built limestone buildings on this National Historic site over 160 years ago.

We are one of the oldest wineries in Wisconsin, perhaps best known for our award-winning Prairie Fumé wine – which has helped us to become one of the largest wineries in the state. In 1990, we added Cedar Creek Winery in Cedarburg. And in 2013, we released our first batch of Coquard Brandy, setting the stage for our Distillery Grand Opening in 2015 where we now produce a distinguished line-up of award-winning, family-crafted spirits.

We, like many wineries, are an example of a small business combining agriculture and tourism. My parents started Wollersheim Winery when I was six and replanted the vineyards on the property that hadn't been growing vines since the 1800s. They also began refurbishing the historic winery buildings.

Since Wollersheim Winery opened in 1972, tourism has been very important to us as we grew into a destination for visitors to learn about wine. We've continued to invest in the business – that my husband (our winemaker) and I run – for over four decades. Now, we're thrilled the next generation of our family is working with us as we continue to develop and grow our business.

We support AB 433, the winery hours bill, which allows winery closing hours to be extended from 9 pm until midnight. Currently at Wollersheim Winery, we are open until 5 pm and at Cedar Creek Winery, we are open until 5 pm, or 6 pm or 9 pm depending on the day of the week, whether it's a holiday, and according to when the rest of the boutique shops in our winery building there close. Although we do not plan on extending our closing time past 5 pm or 9 pm, it would be helpful to have the flexibility to stay open later for very occasional events.

Further, we are in support of other wineries having the option to stay open later if it may suit their individual needs. We also feel a broader look at updating some of Wisconsin's alcohol beverage laws, many of which date back to prohibition and which are no longer in sync with modern times, is long overdue. Doing so can only help to improve the overall environment for Wisconsin's alcohol beverage industry and expand opportunities, not just for wineries, but for the entire industry, to continue to explore new opportunities for visitors to appreciate more of what Wisconsin has to offer.



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goodmead@cheqnet.net www.whitewinter.com

February 14, 2018

To: Chair Rob Swearingen and Committee Members

Re: SB 311 Winery Hours Bill / *AB433*

I am asking for your support to pass SB 311 the winery hour's bill. The short extension in operating hours will allow wineries across the State of Wisconsin to continue to thrive and grow our business. This bill is a benefit to all wineries and every small town and ancillary business bringing further economic development to every area where a winery is located. This is particularly true for those of us who are located in rural areas of the state. We are not asking for parity with the law as it now stands for other permittees (2:00 am closing), only the ability to stay open until midnight to more easily host special events such as weddings, music, a special dinner, etc..

The hours bill also appears contentious on the surface because of opposition from other industry segments. These other industry segments feel that wineries staying open until midnight to host special events, weddings, etc will create undo competition for their businesses.

This is of course absurd.

If anything, wineries bring in more people to a community to experience not only the event at the winery, but all the night life and fun each unique community has to offer. NOT passing this bill simply adds unfair protections for one industry segment, which ultimately, intended or not, hurts the entire community, hurts much needed rural economic development, and ultimately hurts the tax base for the town, the county and State of Wisconsin.

Here at White Winter Winery we want to promote our community, bring people in from far and wide to stay the weekend or a week, eat here, drink here, and play here. It's simply good business for each and every business, regardless of what they sell, increases the employment opportunities and quality of life for each and every resident in our city and our state.

Thank you for your positive consideration on SB311 Winery Hours Bill

Jonathan G. Hamilton
Vice President
White Winter Winery, Inc

**Public Hearing
Assembly
Committee on State Affairs
Wednesday, February 14, 2018**

**Written testimony on
Assembly Bill 433
Submitted by
Dancing Dragonfly Winery
St. Croix Falls, WI**

Chairman Swearingen and Members of the Committee;

Thank you for the opportunity to provide this written testimony on **Assembly Bill 433**, relating to the viability of wineries in the State of Wisconsin.

We STRONGLY SUPPORT ASSEMBLY BILL 433 and the change in 125.68(4)(c)3m, extending the closing hours for retail sales by wineries.

There are three major reasons for our support of this bill:

1. Without a change in the law, wineries are at risk of not being a viable business.

The wine industry in Wisconsin is growing, creating new jobs, additional tourism opportunities, and revenue for the state, especially in rural areas of the state. By allowing the extension of retail sales on winery premises, you are creating more jobs.

Due to other restrictions in the law, most wineries do not sell their wines outside of their premises. By extending the hours a winery is open, you are giving tourists and residents an increased opportunity to purchase our products, increase recognition of our brands, plus creating a tourism brand for our region.

Creating a vineyard and winery is a highly capital-intensive business endeavor, with an unusually long (if ever) period before the investment is repaid. We have to keep a vigilant eye on revenues and margins. The ability to extend hours will help make the business viable.

Most wineries in Wisconsin are owned and operated by families. We are small business owners, with a passion for wine and educating our customers on wine. Other businesses that sell wine do not share the panache and tourist draw of the wine experience.

2. Extending hours increases tourism.

Wineries provide numerous benefits to our communities. They are a destination, bringing people from all over, especially from the Twin Cities, into Wisconsin. By extending the hours, you give tourists more time to enjoy the area. That turns into more revenue for the state of Wisconsin and more jobs in the state, especially in rural areas.

3. Change will not hinder sales at other Wisconsin wine providers. Wineries do not compete in any significant way with customers who enjoy taverns or bars. Winery customers come to experience tastings, or for a special event. They like to sit by the vineyard, and sip wine as the sun sets, or to attend a wedding. It is about the serene and romantic experience for them. It is not about serious drinking. In fact, we discourage hanging out at our tasting bar, by not having any seating at the bar—we have standing customers only.

Tavern customers visit taverns for different reasons. Taverns tend to be visited regularly, more casually, and typically become a destination focused on drinking. Most taverns could not reasonably be considered a romantic or serene destination, or a place one would go to look at the scenery and slowly sip wine.

If you have not done so before, we invite the committee to actually visit one or more Wisconsin wineries, for a wine tasting and maybe a tour. Experience the difference we're talking about.

IN SUMMARY

Revenue to the state of Wisconsin, jobs to the Wisconsin citizens, and the viability of a growing tourist attractions will continue to be lost if Assembly Bill 433 does not become a law.

For most wineries, the extension in hours is NOT to keep our Tasting Room open into the night. Our biggest business opportunity is weddings and other special events. Our intent is not to be a bar, open late every night. However, to have the flexibility to stay open when the occasion warrants would be a valuable asset, for us, for the state of Wisconsin, and for Wisconsin's citizens.

Thank you for your consideration of this issue. 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