



DEVIN LEMAHIEU

STATE SENATOR

Senate Committee on Government Operations, Technology and Consumer Protection Senate Bill 395: Road America Legislation

Chairman Stroebel & Members,

Thank you for today's hearing on Senate Bill 395. Through this legislation, Representative Vorpapel and I are seeking to protect the economic vitality of a premier tourist destination in our district: Road America.

Road America attracts 800,000 visitors per year from across the globe. It hosts more than 500 events per year, including multiple activities on the same day. Economic impact studies suggest the racetrack and related activities generate more than \$100 million annually. Road America is critical to the tourism industry for Sheboygan County and the surrounding area.

Unfortunately, a recent review showed that their existing license structure for serving alcoholic beverages is inadequate. As a result, Road America requested legislation to provide regulatory certainty for their organization.

Since Road America straddles two municipalities that do not have any additional liquor licenses available, this bill creates a special liquor license exclusively for Road America. Under this special license, caterers will be able to serve beer and liquor on the racetrack grounds. Similar exceptions already exist under current law for the National Railroad Museum and Heritage Hill State Park. Finally, the bill clarifies that breweries serving alcohol must close by 2AM on weekdays and 2:30AM on weekends. This change ensures parity with bars and restaurants and corrects an oversight from 2011 Wisconsin Act 32.

Last session, this committee unanimously approved legislation to grant a liquor license exemption for the Ozaukee County Fairgrounds. That bill passed both houses without opposition and is now 2017 WI Act 95. The new law ensured that the Ozaukee County Fairgrounds could continue hosting the same events it had hosted for several years prior. I would appreciate the same bipartisan support this session for Senate Bill 395.

Finally, the Assembly companion to this bill (AB 434) has already passed the Assembly Committee on State Affairs on a vote of 13-0 and passed the full Assembly on Tuesday via a voice vote.

Thank you for your consideration. I am happy to answer questions.



TYLER VORPAGEL

STATE REPRESENTATIVE • 27TH ASSEMBLY DISTRICT

Senate Bill 395: relating to the issuance by the Department of Revenue of retail alcohol beverage permits for motor vehicle racetrack grounds, authorizing caterers to make retail sales of alcohol beverages on racetrack grounds, and hours for retail sales by brewers.

Testimony of State Representative Tyler Vorpapel

Committee on Government Operations, Technology, and Consumer Protection

November 14, 2019

Thank you, Chairman Stroebel, Ranking Member Wirch and committee members, for your time listening to testimony on a bill that is very important to my district.

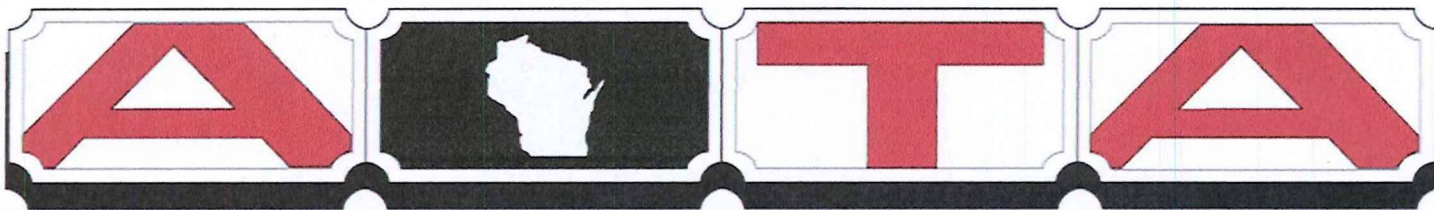
Over two years ago I was contacted by Road America, a four-mile race track founded in 1955, to solidify their liquor licenses. Road America is a unique experience that you can't find elsewhere in the state of Wisconsin. The racetrack is located in both the Town of Rhine and the Town of Plymouth, providing a unique situation as far as obtaining a liquor license. In addition have not had a Class B liquor license available in years. They would like to continue to operate their business with assurance that a Class B license will consistently be available to them.

There are currently 11 concessions stands on the property that are operated by local groups, including non-profits and local businesses. Because there are no Class B Licenses available, they have been receiving their license using the banquet facility and a picnic license.

My legislation specifically carves out Road America's property and allows them to obtain a Class B permit from the Department of Revenue. We've defined "racetrack grounds" as at least 300 acres containing a motor vehicle racetrack at least four miles in length and capable of hosting professional racing events, making Road America the only venue able to apply for this permit.

We also ensured their Road America's sponsors have the ability to have a cash bar by allowing an exception that caterers can do a face-to-face transaction off licensed premises.

Road America is a very unique experience that I have in my district, and I want to help them continue to operate in the years to come and be a successful tourism business in Wisconsin



Association of Wisconsin Tourism Attractions

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November 14, 2019

To: Senate Committee on Government Operations, Technology and Consumer Protection

From: Eric Knight, Executive Director of the Association of Wisconsin Tourism Attractions

Re: Support of Senate Bill 395

Tourism is a vital component of the Wisconsin economy. Visitors generated \$21.6 billion in 2018 in local sales and \$1.6 billion in state and local taxes. The Association of Wisconsin Tourism Attractions (AWTA) members contribute a big part of the revenue generated.

Next year will be Road America's 65th Anniversary of continuous operation in Wisconsin. Hosting over 500 events per year with over 800,000 visitors per year Road America has established itself as a significant economic driver in Sheboygan County. As we know, attractions in Wisconsin help drive sales at neighboring restaurants, encourages hotel stays, and boosts sales at all surrounding Wisconsin businesses.

Tourism attractions in Wisconsin are also a major driver of employment in Wisconsin. Road America has over 23 fulltime staff and employ over 500 seasonally.

We support SB 395 because it allows Road America to continue to improve operations. As an established and significant tourism attraction in Wisconsin, it is vital for our economy that we continue to allow them the tools that attract people to this state.

For further information, please contact Eric Knight at 608.772.0661 or email at etk@knightpublicaffairs.com.

Chairman Stroebel and Members of the Committee,

Thank you for the opportunity to testify today in support of Senate Bill 395.

My name is Mike Kertscher and I am the President and General Manager of Road America. I'm a resident of Sheboygan County and have been employed at Road America in various capacities for over 15 years.

Road America is an internationally known venue that is regarded by many to be one of the premier Road Racing circuits in North America.

The track has a rich history which started racing around Elkhart Lake in 1950. The track in its current location will be celebrating its 65th birthday in 2020.

RA is owned by over 500 shareholders and governed by a 12-member Board comprised of well-known local and national business leaders.

A 2016 study commissioned by Lakeland University stated that Road America's direct economic impact totaled more than \$74 million and indirect impact to the regional economy equated to over \$134 million annually.

Profits from operations are reinvested into the facility as improvements annually as RA shareholders typically don't receive dividends. Shares are publicly held, but privately traded and are frequently passed from generation to generation.

The facility hosts over 500 events per year and we work with some of the most prestigious motorsports sanctioning bodies including Indy Car, Nascar, IMSA, MotoAmerica and World Challenge.

The massive facility includes over 600 acres of property and nearly 10 miles of access roads which span through two different townships.

There are permanent concession stands throughout the property that serve a variety of Wisconsin favorites. Over the last 10 years the track has diversified greatly. In addition to great races the facility hosts a wide range of hospitality type functions including weddings, charity functions, corporate retreats and company picnics.

A team of 25 full-time year-round employees run the facility with help from over 500 seasonal staff throughout the summer months.

A full-time security director who is also a part time police officer is employed and manages a dedicated team of operations personnel.

Also employed is a year-round safety director who leads a team of well over 100 EMT's and firefighters assisting with various large-scale events.

Road America is equipped with its own medical center which employs and staffs' nurses and doctors at all large public events.

Large scale race events sometimes bring lavish hospitality builds which in some cases are temporary structures that feature full climate control, glass windows, elevators and upscale amenities.

As part of race day offerings, the facility is equipped with a VIP tower that features hospitably suites for upscale entertaining opportunities.

Part of the recent business development initiatives include a banquet facility which hosts year-round events. Road America's business model continues to evolve resulting in growth in business and Wisconsin's economy.

On behalf of our Shareholders, Board of Directors and race fans I'd like to thank you for holding this hearing and allowing us to speak regarding this important piece of legislation. We hope that our testimony today allows you to support Senate Bill 395.

TESTIMONY OF TONY RESIMIUS BEFORE THE SENATE COMMITTEE ON GOVERNMENT OPERATIONS,
TECHNOLOGY, AND CONSUMER PROTECTION

November 14, 2019

Senate Bill 395

Chairman and Members of the Committee –

Thank you for the opportunity to testify today in support of Senate Bill 395.

My name is Tony Resimius. I am an attorney based in Sheboygan County and a resident of Sheboygan County. I have the privilege of providing legal services to Road America.

Road America is very important to Sheboygan County and is very unique in the way it operates. This unique method of operation is what makes this legislation important for the future of Road America.

Under Wisconsin law, municipalities may issue retail Class “B” licenses authorizing the sale of fermented malt beverages (beer) to consumers and may issue retail Class “B” licenses authorizing the sale of intoxicating liquor (which includes wine and distilled spirits) to consumers. Road America is unique in that its racetrack grounds is located in two municipalities – the Town of Rhine and the Town of Plymouth. Road America is also unique in that it does not have one location in which alcohol and food is served. Instead, it works with over ten concessionaires who serve alcohol and food at over ten different locations along Road America’s over four mile long race track. In addition, Road America works with caterers who serve the food and alcohol needs of race teams, corporate sponsors, and others.

The unique nature of Road America’s business doesn’t fit neatly into the current system in which municipalities issue liquor licenses. Senate Bill 395 will help bring legal clarity to the serving of alcohol at Road America. This legal clarity will help eliminate uncertainty for Road America, its concessionaires, and its caterers. Specifically, the Bill authorizes the Department of Revenue to issue alcohol permits for the Road America racetrack grounds. The Bill also authorizes caterers to make retail sales of alcohol beverages on the Road America racetrack grounds.

Road America has had the opportunity to review Senate Bill 395 and meet with groups such as the Association of Wisconsin Tourism Attractions and the Tavern League of Wisconsin to discuss the Bill. After meeting with these groups, it has become even clearer to Road America that this legislation is important to provide legal certainty for its unique business operation.

Thank you for holding a public hearing on this important piece of legislation. I hope you will join me in supporting Senate Bill 395.