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To: Assembly Committee on State Affairs
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RE: Assembly Bill 304, the Alcohol Reform Bill

Hi Chairman Swearingen and honored members of the committee. We are grateful to have the opportunity to provide comments on Assembly Bill 304, the Alcohol Reform Bill.

We are grateful to the bill authors, Speaker Vos, and Senator LeMahieu. A bill involving so many alcohol provisions does affect communities, neighborhoods, and families all across our state. We do support much of the bill, and we are asking for changes only to three provisions to enable local authorities to properly enforce this legislation. The modifications we are requesting apply to the creation of a DOR-issued bartenders license, to the DOR-permitted no sale event venue, and to the effective date for local ordinances.

Creation of a DOR-issued bartenders license usable anywhere in the state

Our members have strong concerns that the state will be able to do the due diligence to adequately review applications, both because of the potential number of licenses and because of the lack of staff at the state level to do that work. Municipalities would prefer to remain involved in the licensing process and to be allowed to have more restrictive local ordinances.

Problem bartenders can have a huge impact not only on what happens at the bar where they work, but on entire neighborhoods. Many relevant convictions, including sale to underage, overserving, etc., are at the municipal level, and there is no statewide database for municipal violations. If this provision is enacted, we strongly suggest the state use CCAP data and include municipal court data.

Municipalities also regularly use both suspension and revocation of bartender licenses to deal with problem bars. Municipalities need to retain this ability to suspend or revoke a license to protect public safety and make bar districts vibrant destinations.

Our members also have strong concerns about the state's ability to renew licenses. Municipalities currently are able to act on revocation or non-renewal if a bartender fails to meet expected service standards. Municipalities would like to see these standards/requirements incorporated into the State's operator license, or failing that, allow the municipality the option of requiring an operator's license for bartending in a municipality.

It would be beneficial if operator's licenses are made searchable on the DOR's website for enforcement purposes, so that law enforcement and municipalities can access and verify that someone has a legitimate operator's permit.

Finally, losing the ability to license will cost municipalities in lost revenue. A solution to this is reciprocity.

Creation of a DOR-permitted "No-sale event venue"/"Wedding Barns"

We agree that these event locations need to be licensed, but as municipalities are the responsible entities for zoning, occupancy, and policing these venues, local licensing and local control would better allow each municipality to enforce, monitor, and police these venues.

The words “to rent” under s.125.09(1)(b)(1) of the bill should be deleted in order to effectively enforce the prohibition against consumption of alcohol beverages in public places. The way the bill is currently written seems to suggest that any place not “rented” or available for rent would not be included. This means an owner of a place would not be held liable if they are allowing consumption on the property and hosting the event themselves, rather than renting it out to someone else. For example, this would not prohibit the consumption of alcohol in buildings where the occupant is throwing full-on, illegal after-sets (after bar closing) and nightclub activities that are open to members of the public. This has been a frequent and ongoing problem in municipalities.

It would be extremely beneficial if the state checks with the municipality on zoning approval before issuing the venue license. A municipality’s zoning code has specific restrictions in some areas regarding activity and alcohol licenses, and this is important for the state to know. Also, if the applicant is someone who has been a frequent participant in the illegal after-sets and nightclub-type activity, the municipality will likely be aware and can inform the state in regard to a licensing decision.

Clarification on the type of business that will qualify for the permit would be helpful. The limit of no more than one event per month will be problematic for seasonal locations. Six days a year will not be enough for many venues and will very likely cause problems with enforcement for venues trying to exceed that number. But six days/year will likely be sufficient for those small businesses only wanting to occasionally serve wine.

Municipalities across the state strongly doubt that the state will have the enforcement capabilities for this provision. Municipalities continuously investigate unlicensed premises, and they do prefer licensing to be local or to have the ability to have more restrictive local ordinances.

Change to effective date for local ordinances

There are a few instances where the bill says it is subject to local approval but then makes the municipality’s approval subject to “the same standards and criteria that the municipality has established by ordinance for the evaluation and approval of retail license applications.” (See, e.g., p. 80, lines 13 – 17 and pp 109-110, lines 23 – 2). However, because the decision on whether to issue a retail license in the first instance is a local decision, most municipalities do not have standards and criteria established by ordinance for evaluating and approving retail license applications. We would love to have these provisions deleted or have an effective date of January 1, 2025, for these provisions, in order to give municipalities time to establish and/or update any ordinances. This effective date matches the effective date in AB 266/SB 296 which also has municipalities updating their ordinances.

Again, we have the utmost respect for the bill authors. There are many provisions of the bill that we support and incorporating the above changes to Assembly Bill 304 can help ensure that our communities across the state thrive economically with the best standards in place to protect their neighborhoods, families, residents, and businesses. These changes will also help to limit the number of bad actors in the alcohol industry.

Thank you.