Issue AIU26 | Holiday 2025



A Wisconsin Alcohol **Industry Update**

Top News:

- Enforcement Case Highlight
- Admin Rules Update
- Statewide Operator's Permit
- Event Venue Changes

Happy Holidays, Readers!

As 2025 ends, we are closing the book on implementation of 2023 Act 73. The final law changes that impact event venues go into effect on January 1, 2026. You'll see an in-depth article for clerks and industry members later in this issue. A big thank you to all the clerks who joined the Division's Clerk Workshop on Event Venues in November. If you didn't catch the webinar live, you can check out the recording on the DOR Alcohol Beverage Landing Page or find more information in the article on page 5.

We also have finished our re-write of the Administrative Code to reflect the changes to alcohol beverage regulation. New Tax 7 and Tax 8 will be effective in January. Check out the article on page 3 for more details.

In 2025, DAB celebrated its one-year anniversary. We've grown a lot in the past year (literally)! We have hired and trained nine new staff members. That's just under half of the total positions authorized for the division. We had our first-ever Division-wide conference in September where we had internal and external presentations about our subject matter, got to know each other better, and discussed a lot of creative ideas for how to improve our services to the regulated community.

Nearly one year ago, we implemented the first online alcohol beverage permit application form — the Statewide Operator's Permit. There's an article on page 4 with statistics and information about the Statewide Operator's Permit.

Thanks to the team at DAB for the hard work and dedication they've shown this year. There has been a lot of learning at DOR over the past year, and we don't anticipate it stopping anytime soon.

Thank you to the clerks across the state who have worked alongside us to learn and implement the new laws. So much has changed with the passage of Act 73, and we value our partnership and your patience as we create new resources and tools for you.

Thanks to the stakeholders who invited us to speak at events and advocated for the Division's resources in the 2025-2027 state budget.

Cheers to a year of hard work and to what's ahead!

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Party On! A Reminder About Closing Hours

As a reminder, all Wisconsin alcohol beverage retailers must close at certain times of night according to state or local laws. However, on New Year's Day (January 1), Class "B" (beer) and "Class B" liquor licensed establishments are not required by state law to close between 2 a.m. – 6 a.m.

Enforcement Case: Downtown Madison Liquor Store

On October 8, 2025, a downtown Madison liquor store owner was arrested for allegedly possessing drugs within his business.

Special Agents with the Division of Alcohol Beverages (DAB) arrived at the business and began to conduct a licensed premises investigation at the liquor store. Immediately, agents discovered that the lone employee at the business did not have a valid operator's (bartender's) license, a violation of state law. A short time later, agents uncovered large amounts of what appeared to be illegal drugs and associated paraphernalia.

After discovering the apparently illegal substances, agents paused their inspection and requested the assistance of local narcotics officers who later arrived at the business. When the investigation resumed, agents and officers uncovered additional alleged illegal substances and evidence, which were seized.

Ultimately, the liquor store owner was arrested and has subsequently been charged with two counts of possession with intent to distribute illegal narcotics and one count of maintaining a drug trafficking place. Additionally, information about the case was referred to Madison's Alcohol License Review Committee.

State law provides minimum qualifications for alcohol beverage licensees and permittees, including qualifications related to criminal history. In addition, state law details specific circumstances where licenses may be revoked, suspended, or non-renewed, which includes many drug-related offenses.

DAB remains committed to ensuring that licensees and permittees abide by Wisconsin law and act as responsible business owners and upstanding community partners. Those who do not abide by the law, especially those who jeopardize public safety, health, and welfare, will face appropriate consequences.

Going Once, Going Twice, Sold!

Common questions about seized liquor auctions

What happens to the contraband alcohol beverages that DAB enforcement agents seize?

Contraband alcohol beverages will either be sold or destroyed, if unfit for sale. Beverages unfit for sale include those with a shelf life, opened beverages, contaminated beverages, etc. Sealed liquor that is fit for sale is sold through a sealed bid auction.

Who is eligible to bid on seized liquor auctions? Only alcohol beverage permittees or licensees that are authorized to resell that product may bid on an auction.

What is done with the monetary proceeds from the auction sales?

Per state law, proceeds from the auction sale of alcohol beverages benefit the Wisconsin common school fund.

How often does DAB auction off seized liquor?

It depends. Frequency of auctions depends on the time of year, resource availability, and inventory of seized liquor, among other factors. In 2025, DAB has completed four liquor auctions comprising a total of 13,019 individual bottles of liquor.

If I'm interested in submitting a bid for an auction, can I just bid on certain items?

No. The auctionable product is separated into lots. All auctions include the entire lot of inventory for that auction. Interested bidders must make a bid to purchase the entire lot of inventory.

How do I get notified of upcoming seized liquor auctions?

If you'd like to get automatic notifications when a seized liquor auction becomes available, you may subscribe to our Liquor Auction mailing list. Simply go to revenue.wi.gov/Pages/HTML/lists.aspx, check the box for Liquor Auction (and any others you may be interested in), enter your email address at the bottom of the page, and click 'Subscribe.'

Who do I contact with questions?

Email us at: DORLiquorAuction@wisconsin.gov.

Administrative Rules

The Division's permanent administrative rules will be published by LRB in the Wisconsin Administrative Code and effective on January 1. Shortcuts to the online version of Chapters Tax 7 and Tax 8 will be available on the DOR Alcohol-Beverage Landing Page.

Chapter Tax 7 relates to alcohol beverage regulation. Here are some sections that are likely to be of interest:

- Tax 7.03 Criminal background check fees
 - ☐ Establishes the Division's best practice to run background checks only once in the previous 6 months.
- Tax 7.035 Qualifications for and issuance of licenses and permits
 - ☐ This section talks about residency requirements, applications of LLC entities, and license certificate document requirements.
- Tax 7.04 Permits and Fees
 - ☐ Establishes requirements for permitted premises and permit fee amounts.
- Tax 7.08 Purchases and Invoices
 - Clarifies invoice and purchase requirements for producers, wholesalers, and invoices.
- Tax 7.17 Full-service retail sales by producers
 - ☐ This section governs the new privilege, full-service retail sales, by breweries, wineries, and distilleries in Wisconsin. Check out this section on calculating production volume, municipal approval, renewals, and more!
- Tax 7.22 No-sale event venue permits
 - This section has clarifications on both no-sale event venue permits and qualifying event venue certification.

This is just a sample of the content available in Chapter Tax 7. If you have any alcohol beverage tax obligations, be sure to read through Chapter Tax 8, *Alcohol Beverage Taxation*, as well!

Wine of the Month Club Subscription - A Great Gift Idea?

There are many different Wine of the Month Clubs. Some specialize in imported wines, some have wines from one specific state or a specific winery, and a few specialize in value-oriented wines. These plans vary from monthly, bi-monthly, and quarterly deliveries of wine. Many clubs are designed to bring wines to customers that are not available for purchase at local establishments.

Wisconsin law allows the direct shipping of wine from a winery to a consumer via a Direct Wine Shipper's permit (sec. 125.535, Wis. Stats.). These permits may be issued to those who manufacture and bottle wine on one of the following premises:

- 1. A permitted Wisconsin liquor manufacturer/rectifier
- 2. A permitted Wisconsin winery
- 3. A winery holding a license, permit, or other authorization issued to the winery by any state from which the winery will ship the wine into Wisconsin
- 4. The holder of a federal basic winery permit

Are Wine of the Month Clubs operating legally?

To operate legally, the Wine of the Month Clubs' wines must all be shipped from a business that holds a Wisconsin Direct Wine Shipper's permit. The wines must also be shipped directly from the winery or a permitted fulfillment house to the consumer.

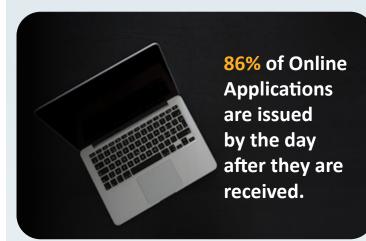
Is it legal for a business to purchase or obtain wines from others and ship those wines to consumers in Wisconsin?

No. The wine must be shipped, manufactured, and bottled by a business holding a Direct Wine Shipper's permit and who qualifies under one of the four requirements listed above. A Direct Wine Shipper's permit does not authorize wine to be shipped directly to consumers from a public warehouse; the permit authorizes wine to be shipped directly from the winery's premises.

How does someone know if a business has the proper permit to ship wine to Wisconsin consumers?

Permits can be verified by checking the liquor permits list published on DOR's website. The list is updated monthly and can be found here: <u>DOR Wisconsin Liquor Permit Listing</u>.

What to Know About the Statewide Operator's Permit



Only 30% of Fillable PDF Applications are issued by the day after they are received.

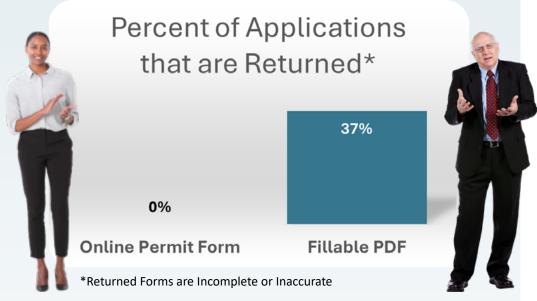
Average Application
Turnaround Time
by Days



Fillable PDF 6 days



Online Form 1.7 days





New Brew: Event Venue Alcohol Beverage Laws are Effective January 1

On January 1, 2026, changes to the "public place" law go into effect, which require an appropriate alcohol beverage license or permit if consumption of alcohol beverages occurs in a public place.

Event venues will need to either:

- Obtain an alcohol beverage license from a Wisconsin municipality, which will authorize the licensee to make sales of alcohol beverages on the licensed premises.
- Obtain a No-Sale Event Venue Permit from the Division of Alcohol Beverages, which will authorize the permittee to allow consumption of beer and wine at the venue.

The Division held a municipal clerk workshop on this topic, which was recorded and can be found <u>here</u>. Read on for more information on these two paths to compliance.

Alcohol Beverage Licensing

Event venues that choose to apply for a retail alcohol beverage license may be eligible for an above-quota license under the qualifying event venue certification provision in secs. $\underline{124.24(5)}$ and $\underline{125.51(4)(v)5}$, Wis. Stats., *if* the municipality is at quota. This certification is issued by DAB and the venue must apply by March 2, 2026.

The event venue must meet all of the following to be eligible to apply for certification:

- The venue is in operation on January 1, 2026, and has been operating for at least the 12 months prior to submitting an application AND
- The venue held at least 5 events where no fewer than 50 invited guests attended AND
- The venue received at least \$20,000 in revenue for leasing or renting the venue for the above 5+ events

The municipality will need to fill out <u>Form AB-511</u>, *Municipal Declaration*, to certify they are at quota and either turn it in to the Division directly or give it to the event venue for inclusion in their application packet.

The event venue will apply to the Division using <u>Form AB-510</u>, *Qualifying Event Venue Certification Application*. Certification letters will be issued via U.S. Mail in the order completed applications were received beginning on January 2, 2026.

The event venue should begin the alcohol beverage license application process with the municipality as soon as possible. The municipal governing body may grant a "Class B" license contingent upon the certification letter from DAB, per sec. 125.51(1)(c)1. Wis. Stats. This means the event venue could apply for their license with their municipality at the same time they're filling out AB-511 and submitting it to the Division.

The Division has a **Common Questions** sheet on this topic.

Quota

If you are looking for assistance calculating quota to determine if your municipality can issue above-quota licenses for qualifying event venues, refer to our <u>November webinar</u>, our <u>quota fact sheet</u>, and Part 10 of <u>Publication 309</u>. If you cannot locate a past quota calculation, you may have to play detective in old newspapers for published licenses, municipality meeting minutes, or dig through old records to calculate your quota. The Division does not retain quota records or calculate quota for municipalities.

No-Sale Event Venue Permits

This permit is new to Chapter 125 as of 2026, and is in the last set of the law changes implemented as a result of 2023 Wisconsin Act 73. The permit may be applied for at any time after January 1, 2026, using Form AB-353, No-Sale Event Venue Permit Application. These permits will be issued by the Division beginning on January 2, 2026, in the order that complete applications were received. These are a best fit for event spaces that hold a minimal number of events.

Event Venue Permits:

- Allow carry-ins of beer and wine on the event venue property at only 6 events per year, no more than 1 per month.
- Allow carry-in of fermented malt beverages (beer) and wine <u>only</u> no distilled spirits of any kind may be on the venue property when it is being used by a renter or lessee per sec. <u>125.24(2)(b)2</u>. Wis. Stats.
- Cost \$300 for a 2-year permit.

The Division has published Fact Sheet 3112 on this topic.