

Common Questions | 2023 Wisconsin Act 73 Full-Service Retail Sales for Producers

Effective May 1, 2024, 2023 Wisconsin Act 73 authorizes eligible producers (manufacturers, rectifiers, wineries, and breweries) to make full-service retail sales at their production premises and up to three off-site retail outlets.

1. What are full-service retail sales?

Full-service retail sales are sales of fermented malt beverages and intoxicating liquor (wine and spirits) for on–premises or off–premises consumption, and the provision of taste samples of those beverages.

2. What types of businesses can make full-service retail sales?

Eligible producers include manufacturers, rectifiers, wineries, and breweries. To be eligible, these producers must meet certain production volumes.

3. What about producers that hold municipal retail alcohol beverage licenses?

Licenses held by producers, except for brewpubs, will automatically expire on May 1, 2024. These licenses cannot be renewed or re-issued after this date.

4. What about brewpubs? Are they impacted by the change in municipal licensing for producers?

No. Brewpubs are not eligible for full-service retail sales. They continue to be eligible for Class "B" and "Class B" liquor licenses at the local level, as appropriate.

5. How do producers qualify for full-service retail sales/outlets?

In addition to the production premises, producers can apply for full-service retail sales at up to three off-site, full-service outlets based on their aggregate volume of alcohol beverages produced at all production premises. Production thresholds for full-service retail locations are as follows:

Brewers

In at least one of the three preceding calendar years, a brewer must produce:

- At least 250 barrels of fermented malt beverages for full-service retail sales at their brewery premises.
- Between 250 and 2,500 barrels of fermented malt beverages for one off-site, full-service retail outlet.
- Between 2,500 and 7,500 barrels of fermented malt beverages for two off-site, full-service retail outlets.
- At least 7,500 barrels of fermented malt beverages for three off-site, full-service retail outlets.

Wineries

In at least one of the three preceding calendar years, a winery must produce:

At least 1,000 gallons of wine for full-service retail sales at their winery premises.

- Between 1,000 and 5,000 gallons of wine for one off-site, full-service retail outlet.
- Between 5,000 and 25,000 gallons of wine for two off-site, full-service retail outlets.
- At least 25,000 gallons of wine for three off-site, full-service retail outlets.

Manufacturers and Rectifiers

In at least one of the three preceding calendar years, a manufacturer/rectifier must produce/rectify:

- At least 1,500 liters of intoxicating liquor for full-service retail sales at the production premises.
- Between 1,500 and 5,000 liters of intoxicating liquor for one off-site, full-service retail outlet.
- Between 5,000 and 35,000 liters of intoxicating liquor for two off-site, full-service retail outlets.
- At least 35,000 liters of intoxicating liquor for three off-site, full-service retail outlets

6. What about producers who do not meet the minimum production thresholds?

All producers can make retail sales of the alcohol beverages they produce at their production premises. They just cannot sell other alcohol beverages. No municipal retail license or approval is required, it is a privilege granted by their producer permit.

Non-eligible brewers can continue to operate one off-site retail outlet, where they can sell only their own products, not beer produced by other Wisconsin brewers. This off-site location can be changed an unlimited number of times with Division approval. Municipal approval is not required. There is no similar off-site retail authorization for non-eligible wineries, manufacturers, or rectifiers.

7. Do municipalities or the Division of Alcohol Beverages (DAB) approve full-service retail authorizations?

Full-Service Retail Permits on the production premises only require approval by DAB. Both Full-Service Retail Permits for **fixed off-site retail** and permits for **unlimited transfer locations** require Municipal approval first, then may be approved and issued by DAB.

	Full-Service Retail Permit on production premises	Full-Service Retail Permit at a fixed off- site retail outlet	Full-Service Retail Permit at an unlimited transfer location
Municipality	No Municipal Approval	Municipal Approval First	Municipal Approval First
Division of Alcohol Beverages (DAB)	DAB Approval	DAB Approval	DAB Approval

8. If I produce multiple types of alcohol beverages, can I have multiple outlets?

Producers can operate, in the aggregate, a maximum of three full-service retail outlets regardless of the number and type of producer permits they hold.

9. Can I move my off-site full-service retail outlet to a different location?

Yes. Upon notice to DAB, a producer may relocate a full-service retail outlet to another location in the state. One outlet per producer may be relocated an unlimited number of times with DAB and municipal approval (unlimited transfer location). Other outlets of the producer can be moved to a new location only once per calendar year (fixed off-site retail outlet).

10. How does a producer obtain approval for full-service retail sales on their production premises?

Eligible producers should request this authorization using <u>Form AB-105</u> and filling out Part C. Municipal approval for full-service retail sales on the production premises is not required. The completed application should be submitted **only** to the Division of Alcohol Beverages. Submit the completed form via email to the Division at <u>DORAlcoholPermits@wisconsin.gov</u>.

11. How does a producer obtain approval for full-service retail sales at a fixed off-site retail outlet?

Off-site full-service retail outlet locations do not require a local retail alcohol beverage license, but they do require both municipal and Division of Alcohol Beverages (DAB) approval. Eligible producers should request this authorization using AB-105 and filling out Part D. Submit the AB-105 first to the municipality in which the proposed outlet will be located. After municipal approval, the application should be submitted to DAB via email at DORAlcoholPermits@wisconsin.gov for final approval.

12. How does a producer obtain approval for full-service retail sales at an unlimited transfer location?

Only one full-service retail outlet can be an unlimited transfer location. Examples of an unlimited transfer location are festivals, beer gardens, farmers markets, etc. To obtain this authorization, an eligible producer must get approval from both the municipality and DAB.

Eligible producers should request this authorization using AB-105 and filling out Part E. Submit the AB-105 first to the municipality in which the proposed premises will be located. After municipal approval, the application should be submitted to the Division of Alcohol Beverages via email at DORAlcoholPermits@wisconsin.gov for final approval.

13. Can a producer use one AB-105 to request multiple full-service retail sales locations?

No. Because different types of locations require different processes and approvals, a separate AB-105 should be completed for each location the producer wishes to make full-service retail sales.

14. What if a producer sends an AB-105 to the Division of Alcohol Beverages before obtaining required municipal approval?

The Division will not process an incomplete application. If required municipal approval is not obtained before submission to the Division, then a producer will receive communication from the Division that the application is incomplete and will not be processed. The application may be submitted to the Division at a future date after all necessary information is completed.

15. How will a producer know if their full-service retail sales authorizations are approved?

When the Division of Alcohol Beverages approves of a producer's request for full-service retail sales, they will issue a permit to the producer authorizing the approved activities. This permit will list the business entity, approved location address, premises description, agent, types of alcohol beverages authorized to be sold at retail, among other details. This permit should be posted on the full-service retail premises as validation of your approval. This permit will also be used to submit proof to a wholesaler that the producer has an established full-service retail location indicating to the wholesaler that they may lawfully sell certain types of alcohol beverages to the producer.

16. Where can a producer find their permit authorizing full-service retail sales?

A producer's approved permit will be posted to their My Tax Account. Producers can log into their account and print their permit from their portal.

17. Where can a producer buy the alcohol beverages they wish to sell at their full-service retail location?

Just like a licensed retailer, a producer must purchase these alcohol beverages from either a Wisconsin permitted beer or liquor wholesaler or a self-distributing brewer or brewpub. These requirements do not apply to the alcohol beverages produced by the producer.

18. What are the closing hours for a producer's retail locations?

Closing hours for the retail sale, taste sampling, and consumption of alcohol beverages (whether the location is a full-service sales location, or the producer is only selling their own alcohol beverages), are the same as those for Class "B" licensees. See Licensee Responsibilities Common Questions 9 and 10 for more details on these specific closing times. No member of the public or invited guests may even be present on a producer's premises during these closed hours. However, activities authorized under a producer's permit related to the production, shipment, transportation, or delivery of alcohol beverages may occur at any time.

19. Does a producer need licensed operators (bartenders)?

Yes. There must be one or more licensed operators in charge of the premises. An operator's license is often called a "bartender's license." Not all bartenders must hold operator's licenses, but there must be at least one licensed operator in charge of the premises. If the premises is large, with several serving areas, bar areas, etc., licensed operators must oversee each distinct area to supervise and direct unlicensed persons who may be selling/serving alcohol beverages. These requirements apply to any producer's retail sales locations, whether they are a full-service sales location or if the producer is only selling their own alcohol beverages. The permittee (if the producer permit is issued to an individual) or the appointed agent for the permit (if the permit is issued to an LLC or corporation) is considered to have privilege of an operator's license for purposes of satisfying these operator's license requirements.

Applicable Laws and Rules

This document provides statements or interpretations of the following laws and regulations enacted as of May 1, 2024: Ch. 125, Wis. Stats. Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date, that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.

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