LEAGUE OF WISCONSIN MUNICIPALITIES

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August 5, 2025

Wisconsin Department of Revenue
2135 Rimrock Road
Madison, WI 53713

Submitted via email to DORAdminRules@wisconsin.gov

Re: League of Wisconsin Municipalities Comments on CR 25-050, Alcohol Beverage Regulation

Division of Alcohol Beverages,

The League of Wisconsin Municipalities (League) appreciates the opportunity to submit written comments on the Wisconsin Department of Revenue's (DOR) proposed permanent administrative rule CR 25-050 relating to alcohol beverage regulation pursuant to 2023 Wisconsin Act 73.

The League is a nonpartisan, nonprofit membership organization that advocates for the interests of our over 600 member cities and villages, large and small, urban and rural, throughout the state. Our members have a strong interest in the regulation of alcohol, as proper, responsible consumption may be part of a community's business portfolio, premier annual events, and year-round economic activity while attracting tourists and helping residents connect with neighbors and find a sense of place in their community. However, too often consumption becomes irresponsible, leading to serious consequences and putting a significant strain on first responders.

With the substantial changes to the regulation of alcohol in Act 73, League members questioned what this meant for their municipal oversight of establishments that serve alcohol. To provide clarity, the League proactively worked with DOR's new Division of Alcohol Beverages (DAB). We appreciate DAB's time and responsiveness to our inquiries and feel the discussions to date have been productive for both parties to create a more workable system within the confines of Act 73 as we continue our shared oversight and regulation of alcohol beverages.

While many questions or concerns have been resolved through discussions with the Division, the League does respectfully submit two requests for changes to CR 25-050 to ensure we continue to strike a proper and appropriate balance between the state's responsibility and the irreplaceable role municipalities have in this regulation.

First, in s. Tax 7.17 (6), revocations, suspensions, and refusals to renew approvals for full-service retail sales by producers, sub. (c) authorizes a municipality or person to make a complaint to DAB that a producer has violated the law or does not hold the proper qualifications for full-service retail sales. While previously raised by the League, we would again request that violations of municipal regulations are added to this provision. As noted, municipalities play a pivotal role in the regulation of alcohol, and

the statutes recognize this role through the clear and direct authorization to adopt ordinances, regulations, and conditions restricting the commerce of alcohol as municipal leaders and its citizenry deem necessary based on local lived experiences. Adherence to these local ordinances, regulations, and conditions should be factored into these decisions on revocations, suspensions, and refusals to renew approvals by explicitly requiring DAB to consider complaints resulting from alleged violations of local regulations or conditions. As amended, the language in s. Tax 7.17 (6) (c) would read, in part, as follows:

> Any municipality or person may make a complaint to the division alleging that a producer has violated the law or a municipal regulation or condition established under ch. 125, Stats., or that the producer does not hold the proper qualifications for full-service retail sales.

Second, also in s. Tax 7.17 (6) (c), while DOR will play a more active role in issuing certain permits, licenses, or approvals to engage in the commerce of alcohol beverages, municipalities are still best suited to address the enforcement of regulations when a party violates the law. While municipalities are authorized to submit complaints under this provision, the proposal doesn't direct any communication back to the municipal complainant. While DAB must review the complaints and may take action based on the investigation, if the result of the investigation is not communicated back to the municipality, they may not be aware of a revocation, suspension, or refusal to renew, and thus may be unaware if a business continues to operate without the proper approvals. The League requests that the second sentence of s. Tax 7.17 (6) (c) is amended to require that:

- the final result of an investigation is communicated to a municipal complainant, regardless of whether DAB substantiated the allegations, and
- any notices required under s. 125.12 (5) (bm) for revocation, suspension, or refusal to renew are provided to the municipality where the facility is located, regardless of whether the municipality was the original complainant that necessitated the investigation.

Once again, the League appreciates the opportunity to submit comments on DOR's proposed permanent administrative rule CR 25-050 relating to alcohol beverage regulation. We look forward to our continued partnership in the implementation of the provisions of 2023 Wisconsin Act 73. Please do not hesitate to reach out with any questions or requests for clarification.

Sincerely,

Toni Herkert

Toni Herkert
Government Affairs Director
League of Wisconsin Municipalities