DALE KOOYENGA

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November 17, 2011

Committee on Energy, Biotechnology, and Consumer Protection
Public Hearing
10:00 AM – Room 330 Southwest

Chairman Cowles & Members of the Committee,

There are few things more American than freedom and beer so when you have the opportunity to support both you should seize the opportunity. Throughout the state there are small businesses that sell the equipment necessary for brewing beer or wine at a private non-commercial residence. In addition to selling the brewing supplies, these small businesses also educate their customers by conducting classes on the beer and wine making process. Unfortunately, the businesses are forced to dispose of the product before it ferments and the brewing process can not be fully demonstrated.

AB 290/SB 205 simply grants small businesses and educational institutions the freedom to brew beer and wine for educational purposes. The entity is prohibited from selling the beer or wine unless they apply for the appropriate license.

In addition, this bill also clarifies the responsibility to pay occupational taxes on home brew to be consumed by a person's family or guest. Technically, home brewers are responsible for paying occupational taxes on the brew, but in reality the occupational tax is rarely, if ever, paid.

This is a common sense bill that assists businesses in the brewing business and clarifies existing statutes. AB 290 passed the Assembly State Affairs committee unanimously and also passed unanimously on the floor of the Assembly.

Thank you,

Rep. Dale P. Kooyenga

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November 17, 2011
Assembly Bill 290

My name is Jake Keeler, I am the Marketing Director for Northern Brewer LTD. Northern Brewer is the country's largest homebrewing and home winemaking supply company. We are headquartered in Minnesota and currently have two retail locations with a third opening this Fall in Minneapolis. One of our retail locations resides in West Allis WI. This store has been open since November 2009 and has performed beyond our expectations, while quickly becoming a cornerstone of the Milwaukee area homebrewing community.

This store has created 5 full time job, and about 10 part time jobs in the Milwaukee area. It has brought a wealth of resources and business to the area in 2 short years, and has seen strong community support. As the WI homebrewing community can attest to, Beer City USA now has a homebrew shop worthy of Wisconsin's rich and storied brewing traditions.

As of right now, we are not allowed to brew homebrewed beer, and/or serve samples of homebrew in our location. This severely inhibits our ability to test new products, try new ingredients, and build our employee's knowledge base of homebrewing. The inability to serve samples for educational purposes also prevents us from helping customers, homebrewers, and enthusiasts understand what can be achieved through this wonderful hobby. Being able to brew beer, and sample said beer is vital in educating our customers, and providing optimal customer service to our patrons.

In other states, sampling is often a component of classes and the 'homebrew shop experience'. We think it would be a great benefit to this rapidly growing industry if some limited sampling could occur as part of our business. Our customers are often perplexed as to why we can't provide a small sample of homebrew in our Wisconsin shop. To be clear, we are not supporting the selling of homebrew or home made wine and/or promoting excessive drinking, we simply want permission to brew and serve samples in the pursuit of education, research, and training.

According the latest survey conducted by the American Homebrewers Association of over 90 homebrew supply stores from around the country, the average annual growth for 2010 was 16%. This is the same as 2009, and based on the current trends, double digit growth can be expected in 2011. Homebrewing is a rare industry that is seeing consistent and sometimes explosive growth despite our economic climate. To add context to this prosperity, homebrewing serves as the backbone of the craft beer industry which is also growing explosively in America. Colorado, California and Oregon are leading the way in the craft beer industry. We would like to help Wisconsin achieve a similar status, and we believe that stronger homebrew shops means more and better homebrewers, which leads to more craft breweries resulting in job creation, more small businesses, and overall economic prosperity.

We are looking to find a path forward that serves our interest in education of homebrewing, promotion of this great hobby, and future economic opportunity and prosperity in the state of Wisconsin. We believe the Assembly Bill 290 moves us in this direction.

Thank you for your time and consideration,

Jake Keeler
Marketing Director - Northern Brewer LTD.
Vice-Chair - American Homebrewers Association Governing Committee
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