

BEER SAMPLING

SUMMARY: Legislation introduced by Senator Pat Kreitlow (D-Eau Claire) and Representative Scott Newcomer (R-Hartland) to allow retailers to sample beer in limited quantities—two three-ounce samples per day—to customers of legal drinking age for consumption on premises.

WGA POSITION: Support.

OUTCOME: Act 9 was signed into law by Governor Doyle effective May 19, 2007.

IMPACT ON INDUSTRY: Class A retailers can offer beer samples. However, any beer samples provided by a brewer or wholesaler must be purchased from the retailer on whose premises the samples are provided, and the sampling must be authorized by the retailer.

ORGANIZED RETAIL CRIME

SUMMARY: Representative Joel Kleefisch (R-Oconomowoc) introduced Assembly Bill 340 to deter organized retail crime and retail theft through the following: 1) Lowering the felony threshold for retail theft from \$2,500 to \$500. Under existing law, the total value of the merchandise stolen needed to reach \$2,500 before the crime could be considered a Class I felony; 2) Increasing the penalty for retail theft of merchandise valued at less than \$500 to a Class I felony if the thief steals with intent to resell. This provision essentially makes it a felony to steal anything with intent to resell; and 3) Requiring proof of ownership for the following items sold at flea markets: baby food; cosmetics; devices; drugs; infant formula; batteries; and razor blades.

WGA POSITION: Support.

OUTCOME: The bill passed the Assembly and fell short in the Senate. Senator Lena Taylor (D-Milwaukee) attempted to compromise on the felony thresholds which would have helped to pass the bill in the Senate, but the session ended without action in the Senate.

IMPACT ON INDUSTRY: It is estimated that ORC results in the loss of \$30 billion in merchandise annually. In recent years, Wisconsin grocers have become targets for organized retail crime rings. Organized retail crime negatively impacts both consumers and businesses, increasing prices on merchandise purchased by consumers and insurance premiums purchased by businesses. Specifically in Wisconsin, it is estimated that

\$631 million in merchandise is stolen in ORC merchandise resulting in a loss of more than \$31.5 million in sales tax revenue for the state.

DATCP FEES

SUMMARY: On the heels of the latest 25% retail food establishment license fee increase which went into effective June, 2007, the Wisconsin Department of Agriculture, Trade & Consumer Protection (DATCP) proposed another 30% fee increase. The WGA opposed the rule every step of the way and received back-up from the Assembly Agriculture Committee chaired by Representative Al Ott (R-Forest Junction) which directed DATCP to reduce the fee increase by 25%.

WGA POSITION: Opposed original rule, supported compromise.

OUTCOME: The fee increase was passed and will become effective with the July 2008 license renewals. We consider the 25% reduction a small victory given the current climate at the State's Capitol.

IMPACT ON INDUSTRY: Retail Food Establishment License Fees will increase as follows: **Food Warehouse:** annual license fee \$80–\$320 (based on size and type); **Retail Food** establishments annual license fee \$45–\$685 (based on size and type).

DATA SECURITY

SUMMARY: Under the guise of consumer protection, the credit unions worked with Representative Brett Davis (R-Oregon) and Senator Bob Wirth (D-Kenosha) to draft legislation that requires retailers to destroy credit card information after the transaction has been authorized. If the information was not destroyed and a breach of security occurs, the retailer is subject to a lawsuit by the credit union to cover the costs of the breach. The bill provided numerous exemptions including PCI-DSS compliance, but essentially leaves the small retailers open to lawsuits.

WGA POSITION: Opposed.

OUTCOME: The bill passed the State Senate, but failed to make it to the Assembly floor. The bill was introduced with one month left in the legislative session, so timing was on our side. During this month, though, we activated membership to contact their legislators while we worked directly with the bill's authors and leadership to explain the drastic effect this could have on retailers. In the end the speaker of the assembly and the bill's author

decided to hold the bill because of numerous concerns.

IMPACT ON MEMBERS: If passed, this would allow financial institutions the right to sue retailers for the costs of identity theft—opening and closing accounts; credit card fees; the actual cost of the thefts. The WGA argued that retailers pay interchange fees to cover the costs of fraud and identity theft and this is a doubling effect.

GIFT CARDS

SUMMARY: For the third consecutive session, legislation was introduced by Rep. Krusick (D-Milwaukee) and Senator Tim Carpenter (D-Milwaukee) to prohibit expiration dates and service fees from gift cards. A coalition of retail and other interested parties, worked with Senator Jim Sullivan (D-Wauwatosa) and Rep. Scott Gunderson (R-Waterford) to introduce a compromise bill that would allow retailers to put expiration dates on gift cards and certificates and charge service fees as long as both are disclosed.

WGA POSITION: Opposed Krusick/Carpenter bill and supported Sullivan/Gunderson bill.

OUTCOME: Neither bill was passed after heavy lobbying by both sides.

IMPACT ON INDUSTRY: If Krusick's bill were to pass, retailers would be very limited with gift cards and Wisconsin's economy would see significantly reduced gift card spending. The Sullivan/Gunderson bill would allow retailers to disclose service fees and expiration dates and put the responsibility on the consumer to make an educated choice.

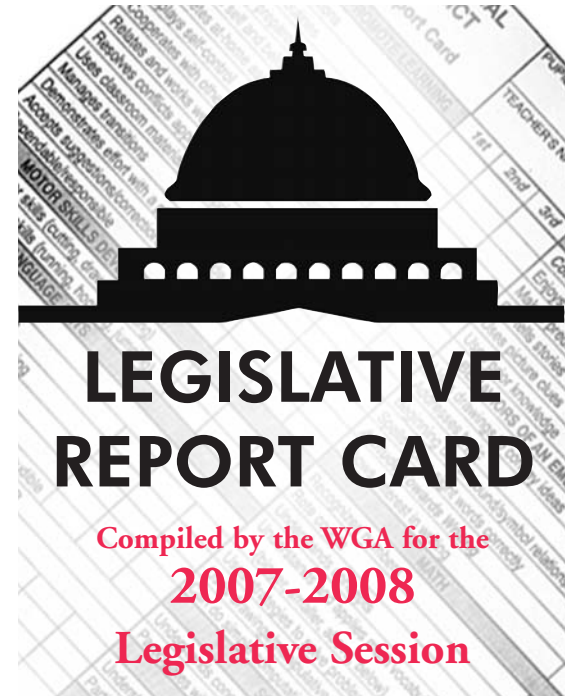
SODA VENDING

SUMMARY: On behalf of the WGA, Representative Jerry Petrowski (R-Marathon) introduced a bill that would prohibit DATCP from enforcing regulations related to coin-operated soda vending machines. Of specific concern to retailers is the rule that requires soda bottlers to charge a rental fee to retailers for soda vending machines.

WGA POSITION: Support

OUTCOME: A hearing was held, but no action was taken. It was recommended that the bottlers and the retailers work together to find a solution that does not involve legislation.

IMPACT ON INDUSTRY: This bill would allow soda vending wholesalers to negotiate, on an individual basis, with each retail food establishment the terms of providing coin operated soda vending machines.



The purpose of this legislative report card is to grade our elected officials for their votes on WGA-related bills. These grades can then be used by members of the Wisconsin Grocers Association to make educated decisions during the 2008 elections. As an opinion leader in your community, it is necessary that you are involved in the election of the people who represent you and your business in the State's Capitol.

Legislators were graded based on the included list of legislation significant to the WGA. Points were given to an individual for introducing or voting in favor of legislation that the WGA supported. Extra points were given for introducing pro-WGA amendments, speaking for or against proposals, certain committee action, and general support of the WGA's issues.

Wisconsin Grocers Association, Inc.
One South Pinckney Street, Suite 504
Madison WI 53703

888.342-5942

www.wisconsinagrocers.com



The following legislators earned the highest grade given by the WGA. These individuals have consistently supported and introduced legislation that

benefits the grocery industry, and therefore are considered a "Friend of Grocers." Their efforts will be recognized by receiving a WGA endorsement and a miniature grocery cart, which applauds their hard work on our behalf.

ASSEMBLY

Ballweg, Joan (R-Markesan)
Davis, Brett (R-Oregon)
Fitzgerald, Jeff (R-Horicon)
Gronemus, Barbara (D-Whitehall)
Gunderson, Scott (R-Waterford)
Huebsch, Michael (R-West Salem)
Kaufert, Dean (R-Neenah)
Kleefisch, Joel (R-Oconomowoc)
LeMahieu, Daniel (R-Cascade)
Moulton, Terry (R-Chippewa Falls)
Newcomer, Scott (R-Hartland)
Ott, Alvin (R-Forest Junction)
Petrowski, Jerry (R-Marathon)
Stone, Jeff (R-Greendale)
Van Roy, Karl (R-Green Bay)
Vukmir, Leah (R-Wauwatosa)

SENATE

Breske, Roger (D-Eland)
Kreitlow, Pat (D-Chippewa Falls)
Olsen, Luther (R-Ripon)
Plale, Jeffrey (D-South Milwaukee)
Sullivan, Jim (D-Sturtevant)
Taylor, Lena (D-Milwaukee)



The following legislators have been given a "B" grade by the WGA. This admirable mark is given to legislators who are generally supportive of our industry and, therefore, deserving of the WGA endorsement.

ASSEMBLY

Albers, Sheryl (R-Reedsburg)
Bies, Garey (R-Sister Bay)
Fields, Jason (D-Milwaukee)
Friske, Donald (R-Merrill)
Hahn, Eugene (R-Cambria)
Hines, J. A. (R-Oxford)
Honadel, Mark (R-S. Milwaukee)
Jorgensen, Andy (D-Fort Atkinson)
Kerkman, Samantha (R-Genoa City)
Kestell, Steve (R-Elkhart Lake)
Kramer, Bill (R-Waukesha)
Lothian, Thomas (R-Williams Bay)
Meyer, Dan (R-Eagle River)
Montgomery, Phil (R-Green Bay)
Mursau, Jeffrey (R-Crivitz)
Murtha, John (R-Baldwin)
Musser, Terry (R-Black River Falls)
Nass, Stephen (R-Whitewater)
Nerison, Lee (R-Westby)
Nygren, John (R-Marinette)
Ott, Jim (R-Mequon)
Owens, Carol (R-Oshkosh)
Petersen, Kevin (R-Waupaca)
Rhoades, Kitty (R-Hudson)
Strachota, Pat (R-West Bend)
Suder, Scott (R-Abbotsford)
Tauchen, Gary (R-Bonduel)
Townsend, John (R-Fond du Lac)
Vos, Robin (R-Racine)
Vruwink, Amy Sue (D-Milladore)
Williams, Mary (R-Medford)
Wood, Jeffrey (R-Chippewa Falls)

SENATE

Darling, Alberta (R-River Hills)
Decker, Russell (D-Schofield)
Erpenbach, Jon (D-Middleton)
Fitzgerald, Scott (R-Juneau)
Grothman, Glenn (R-West Bend)
Hansen, Dave (D-Green Bay)
Harsdorf, Sheila (R-River Falls)
Kanavas, Ted (R-Brookfield)

SENATE

Kapanke, Dan (R-La Crosse)
Kedzie, Neal (R-Elkhorn)
Lassa, Julie (D-Stevens Point)
Lazich, Mary (R-New Berlin)
Leibham, Joseph (R-Sheboygan)
Miller, Mark (D-Monona)
Risser, Fred (D-Madison)
Vinehout, Kathleen (D-Alma)



The following legislators received a "C" for expressing a willingness to support our industry. The WGA will encourage them to be more supportive in the next legislative session.

ASSEMBLY

Benedict, Chuck (D-Beloit)
Berceau, Terese (D-Madison)
Colon, Pedro (D-Milwaukee)
Cullen, David (D-Milwaukee)
Garthwaite, Phil (D-Dickeyville)
Gottlieb, Mark (R-Port Washington)
Grigsby, Tamara (D-Milwaukee)
Gundrum, Mark (R-New Berlin)
Jeskewitz, Suzanne (R-Men. Falls)
Kessler, Frederick (D-Milwaukee)
Kreuser, James (D-Kenosha)
Lasee, Frank (R-Green Bay)
Molepske, Jr., Louis (D-Stevens Point)
Pocan, Mark (D-Madison)
Pridemore, Don (R-Hartland)
Richards, Jon (D-Milwaukee)
Roth, Jr., Roger (R-Appleton)
Sheridan, Mike (D-Janesville)
Sinicki, Christine (D-Milwaukee)
Toles, Barbara (D-Milwaukee)
Wieckert, Steve (R-Appleton)
Young, Leon (D-Milwaukee)
Zepnick, Josh (D-Milwaukee)
Ziegelbauer, Robert (D-Manitowoc)
Zipperer, Rich (R-Pewaukee)

SENATE

Cowles, Robert (R-Green Bay)
Ellis, Michael (R-Neenah)
Jauch, Robert (D-Poplar)
Lasee, Alan (R-DePere)
Lehman, John (D-Racine)
Robson, Judith (D-Beloit)
Roessler, Carol (R-Oshkosh)
Schultz, Dale (R-Richland Center)
Wirch, Robert (D-Pleasant Prairie)



The following legislators have been given a "D" because they have voted against the WGA on key issues and have not supported major policy efforts. The WGA will encourage these officials to support our issues.

ASSEMBLY

Black, Spencer (D-Madison)
Boyle, Frank (D-Superior)
Hebl, Gary (D-Sun Prairie)
Hintz, Gordon (D-Oshkosh)
Hraychuck, Ann (D-Balsam Lake)
Hubler, Mary (D-Rice Lake)
Mason, Cory (D-Racine)
Nelson, Tom (D-Kaukauna)
Parisi, Joe (D-Madison)
Pope-Roberts, Sindy (D-Verona)
Schneider, Marlin (D-WI Rapids)
Seidel, Donna (D-Wausau)
Sherman, Gary (D-Port Wing)
Shilling, Jennifer (D-La Crosse)
Smith, Jeff (D-Eau Claire)
Soletski, Jim (D-Green Bay)
Staskunas, Tony (D-West Allis)
Steinbrink, John (D-Pleasant Prairie)
Travis, David (D-Waunakee)
Turner, Robert (D-Racine)
Van Akkeren, Terry (D-Sheboygan)
Wasserman, Sheldon (D-Milwaukee)
Williams, Annette (D-Milwaukee)

SENATE

Coggs, Spencer (D-Milwaukee)



The following legislators have worked against the WGA and its members and have voted against WGA positions. They have earned an "F" grade.

ASSEMBLY

Hilgenberg, Steve (D-Dodgeville)
Hixson, Kim (D-Whitewater)
Krusick, Margaret (D-Milwaukee)

SENATE

Carpenter, Tim (D-Milwaukee)