

Update to Municipal Licensing and Regulations of Alcohol Beverages (July 2016)

Chapter I

A. Key Definitions (p. 1)

Add under 1:

1.5 “Chamber of Commerce” means a local chamber of commerce organized under ch. 181 (nonstock corporation) or a similar civic or trade organization organized under ch. 181 to promote economic growth and opportunity within a local geographic area. Sec. 125.02(3u).

(amend 2 as follows)

2.” Cider,” in connection with a “Class A” cider license means any alcohol beverage obtained from fermentation of apple or pear juice that contains not less than ~~.05~~ .5 percent alcohol by volume and not more than 7.0 percent alcohol by volume, and includes flavored, sparkling and carbonated cider. Wis. Stat. sec. 125.51(2)(e)1.

D. Underage Persons (pp. 5-6)

3. Underage persons entering licensed premises: Wis. Stat. sec. 125.07(3)

b. An unaccompanied underage person may also enter licensed premises under any of the following circumstances:

(amend xv. As follows)

xv. An underage person enters or remains on licensed premises for which a license is issued to the Wisconsin Renaissance Faire at the Eagle Ridge Festival Grounds in the City of Chippewa Falls. Wis. Stat. sec. 125.07(3)(a)14.

(add the following language at the end of the list that begins on p. 5 and ends on p. 6.)

xvii. The premise is covered by a temporary “Class B” license issued as provided in sec. 125.51(10)(b) (commonly referred to as a “wine walk” license authorized by 2015 Wis. Act 62) and *all* of the following apply:

- the municipal governing body or authorized official or body authorizes the licensee to permit underage persons on the licensed premises for the purpose of acting as designated drivers; and
- the licensee permits, on the licensed premises, unaccompanied underage persons to be present only for the purpose of acting as designated drivers and provides a means of identification, such as a wrist band, to identify these underage persons as designated drivers; and
- the underage person is present on the licensed premises to act as a designated driver and displays the identification provided by the licensee. Sec. 125.07(3)(a)12m.

Chapter II

C. Classes of Licenses and Permits

1, Retail licenses issued by municipalities

c. Temporary Class “B” (picnic) beer licensees): (p. 12):

Insert the underlined language in the following sentence:

Such licenses may be issued only “to bona fide clubs, and chambers of commerce, to county or local fair associations or agricultural societies, to churches, lodges, or societies that have been in existence for at least six months ... and to veterans’ organizations.” Sec. 125.26(6).

f. At end of f. insert underlined language in NOTE: (p. 13):

[NOTE: All “Class B” licensees (with the exception of those holding a “Class B” issued to a winery and discussed below and those holding a temporary “Class B” (picnic) wine license) are required to have a Class “B” beer license as well.]

i. Temporary “Class B” (picnic) wine licensees (p.13)

Insert the underlined language in the following sentence:

Such licenses may be issued only “to bona fide clubs, and chambers of commerce, to county or local fair associations or agricultural societies, to churches, lodges, or societies that have been in existence for at least six months ... and to veterans’ organizations.” Sec. 125.51(10).

C.4 (Temporary (picnic) Class B Beer and Wine Licenses (p. 15 of manual)

a. Eligibility (p. 15)

Chambers of commerce are now eligible for temporary beer and wine licenses. Section 125.02(3u) defines “chamber of commerce” as a local chamber of commerce organized under ch. 181 (nonstock corporation) or a similar civic or trade organization organized under ch. 181 to promote economic growth and opportunity within a local geographic area.

p. 15 modify first bullet under 4.a to include the underlined language that follows:

- Confirmation that the organization has been in existence for at least six months prior to the date of application (2015 Wis. Act 62 added chambers of commerce to the list of organizations eligible for temporary (picnic) license and the statutory amendment appears to eliminate the requirement for bona fide clubs and chambers of commerce that the organization has been in existence at least six months before applying)

Insert another bullet point under F. 6. (Class “B” beer “other business” limitation) (page 23).

- “wine walk” licensed premises -- premises for which a temporary Class “B” license is issued under 125.26(6) if the license is one of multiple licenses issued by the municipality to the same licensee for the same date and times, the licensee is the sponsor of an event held at multiple locations within the municipality on this date and at these times, and an admission fee is charged for participating in the event and no additional fee is charged for alcohol served at the event.

C4.d (p. 15) Reverse the words on and of

Under C.4.d. insert the following words after 12-month period: (page 16)

Except that an eligible organization may also hold up to two “wine walk” licenses in a 12-month period.

Under D. 5 Statutory quota exceptions on page 17

Add the following info before the Note:

Effective June 1, 2016, 2015 Wis. Act 286 created two new options for communities that have no liquor licenses available under the state imposed quota system, but seek to accommodate a new restaurant or bar wanting to locate in the community. The new options are:

Regional Transfer Option: Allows a municipality to purchase a "Class B" liquor license from a contiguous municipality or a noncontiguous municipality within 2 miles of the community's borders. A municipality may purchase a license from a donor municipality for a minimum of \$10,000. This is a one-time fee paid to the donor municipality that may not be refunded or rebated. A municipality may transfer a maximum of three reserve "Class B" liquor licenses in this manner. If a municipality has not issued any “Class B” licenses, the municipality may not transfer any licenses.

PEDD Option: Allows a municipality to establish a Premier Economic Development District (PEDD) and outlines specific requirements and qualifiers for a PEDD (i.e. economic development project must increase valuation in the district by at least \$20 million, only one PEDD per municipality, PEDD shall not exceed 40 acres, PEDD property must be contiguous, PEDD boundaries established by 2/3 vote of municipality's governing body and may not include industrial or single family parcels). Upon establishing a PEDD, a municipality may issue up to two Premier "Class B" Reserved liquor licenses within the PEDD at a cost of no less than \$30,000 each. These reserved licenses are non-refundable and non-transferable and are above the community's quota.

On. p. 18, modify by adding the underlined language and deleting underscored language:

a. 300 seat full-service restaurant: The term “full-service restaurant” is not defined in ch. 125 or anywhere else in the statutes. However, “restaurant” as that term is used in ch. 125, is defined broadly as “any building, room or place where meals are prepared or served or sold to transients or the general public, and all places used in connection with it....” Secs. 125.02(18) & 254.61(5). The term “restaurant” does not include taverns that serve free lunches consisting of popcorn, cheese, crackers, pretzels, cold sausage, cured fish or bread and butter. It also does not include the serving of food or beverage through

a licensed vending machine. Thus, one possible interpretation of the first exemption is that it applies to any establishment where meals are prepared or served or sold to transients or the general public and which has a seating capacity of 300 or more persons.

~~Prior to June 3, 2016 the statutes did not contain There are no standards set forth in the statutes to guide a municipality attempting to determine whether a restaurant meets for the minimum 300 seat capacity requirement. Each municipality must judge whether a particular restaurant meets the 300-seat quota exception. Therefore, municipalities may want to adopt standards for calculating the number of seats in a restaurant applying for the 300-seat quota exception. For example, a restaurant may be able to seat 300 persons during warm weather months, when it's possible to serve persons in outdoor seating areas, but not during cold weather months, when only indoor seating areas are available. Some municipal governing bodies, when faced with this situation, may conclude that such a restaurant meets the 300-seat capacity. Other municipal governing bodies may conclude that the restaurant does not qualify for the exemption. Both conclusions are valid and defensible. Effective June 1, 2016, sec. 125.51(4)(v)1 was amended to require that the full-service restaurant have an interior, permanent seating capacity of 300 or more restaurants. This standard only applies to license initially issued under sec. 125.51(4)(v)1 after June 3, 2016.~~

Under C.4 e (Fee) on page 17 add this sentence at the end.

In the case of a "wine walk" license where up to 20 licenses can be issued for multiple locations, a municipality can charge a \$10 fee for each location licensed under the event.

Under C.4 (page 16) add f. with the following language:

f. " Wine Walks:"

Effective October 23, 2015 Wis. Act. 62 changed the laws relating to temporary (picnic) licenses to allow municipalities to issue up to 20 licenses to an eligible organization that is sponsoring a single-day event held at multiple locations in the municipality on this date and at the same times. Such events are commonly referred to as "wine walks." Under the law, the organization applies for a temporary license and the municipality may issue up to 20 licenses to the licensee if all of the following apply:

- Each license is issued for the same date and times and the licensee is the sponsor of an event held at multiple locations within the municipality on this date and at these times.
- An admission fee is charged for participating in the event and no additional fee is charged for service of alcohol at the event.
- Within the immediately preceding 12-month period, the municipality has issued licenses under authority of 125.51(10)(b) for fewer than 2 events.

The duration of the event may not exceed one day. For purposes of the 2-license limit for such events, each event for which multiple licenses are issued shall count as one license toward the 2-license limit. The municipal governing body or official or body authorized to issue a temporary "Class B" license for a wine walk may authorize the licensee to permit underage persons to be on the licensed premises to act

as designated drivers. Sec. 125.51(10)(b). No person may serve wine after 9 p.m. on premises covered by a temporary “Class B” license issued as provided in s. 125.51(10)(b).

Under F.9 (pages 25 and 26), modify as follows:

Delete the following under F.9 vi. on p. 25 and replace with the language that follows:

~~[Note: An ordinance creating an economic development grant program for reserve liquor license applicants was upheld and found to have a valid public purpose in Alexander v. City of Madison, 2001 WI App 208, 247 Wis. 2d 576, 634 N.W.2d 344.]~~

Effective June 3, 2016, municipalities may not rebate or refund the initial issuance fee for a reserve “Class B” liquor license, including through a grant or tax credit program.

On p. 26 add x. with the following language:

x. Temporary (picnic) Class “B” beer or “Class B “ wine licenses – The fee amount shall be determined by the municipal governing body issuing the license but may not exceed \$10 and no additional fee may be charged to someone who at the same time applies for both beer and wine for the same event.

For “wine walk” licenses allowed under sec. 125.52(10)(b), which allows a municipality to issue up to 20 licenses to the same licensee for a single-day event held at multiple locations on the same day and at the same time where an admission fee is charged for participating in the event and no additional fee is charged for alcohol served at the event, the municipality may charge the \$10 fee to the organizer for the licensing of the event and for each license issued to the separate locations for the event.

Amend d. by deleting the following sentence at the end.

~~See note on Alexander v. City of Madison, under 9.c.(5) above.~~

Under M. Operating Restrictions (p. 34-35) add the following sentence at the end of 1. Closing hours

“Wine walk” premises: At premises covered by a temporary (picnic) wine license under the “wine walk” law, sec. 125.51(10)(b), no person may serve wine after 9.p.m.

Chapter III

On p. 40 modify the following

8. Temporary operator’s licenses – modify b. as follows

b. A person is limited to ~~only one~~ two such licenses in a year.