



State of Wisconsin  
Department of Revenue

## Division of Alcohol Beverages

### "Class B" Liquor License Quotas

Alcohol Beverage Laws

#### Fact Sheet 3118

[revenue.wi.gov](http://revenue.wi.gov)

This fact sheet provides information about Wisconsin alcohol beverage laws regarding municipal quotas on issuance of "Class B" liquor licenses. Each municipality keeps a record of their own quota.

#### Municipal License Quotas

A municipality's quota is the number of "Class B" liquor licenses granted or issued in good faith and in force on December 1, 1997, plus the number of reserve "Class B" liquor licenses the municipality is otherwise authorized to issue.

A municipality may not issue a "Class B" liquor license if it exceeds its quota. A municipality does not have to grant licenses up to its quota; it may establish a more restrictive quota. A municipality's quota is not reduced if all available "Class B" liquor licenses are not issued for one or more licensing years.

The state-imposed quota only limits the number of "Class B" liquor licenses that a municipality may issue. A municipality may, by ordinance, establish quotas for other license types, such as "Class A" liquor licenses, "Class C" wine licenses, or Class "B" and Class "A" beer licenses.

#### Increase in Quota of "Class B" Liquor Licenses

An increase in a municipality's quota of "Class B" liquor licenses may occur through an increase in population. The population is determined annually by the Department of Administration. Municipalities gain an additional reserve "Class B" liquor license when the population of the municipality increases by 500 persons.

For more information about reserve licenses, see [Fact Sheet 3116](#), *Reserve Licenses*.

#### Above-Quota "Class B" Liquor Licenses

If a municipality has granted or issued an amount of "Class B" liquor licenses equal to its quota, state law allows for several exceptions to issue additional "Class B" liquor licenses. Many of these exceptions are very specific to certain business types and/or certain municipalities. The following are common situations in which a municipality may issue a "Class B" liquor license above its quota:

- A full-service restaurant that has an interior, permanent seating capacity of 300 or more persons
- A hotel that has 50 or more rooms of sleeping accommodations, and that has either an attached restaurant with a seating capacity of 150 or more persons or a banquet room in which banquets attended by 400 or more persons may be held
- An opera house or theater for the performing arts operated by a nonprofit organization, as defined in sec. [134.695\(1\)\(am\)](#), Wis. Stats.

**Note:** For a complete listing of exceptions to the "Class B" liquor license quota, see sec. [125.51\(4\)\(v\)](#) and [\(w\)](#), Wis. Stats.

## Annexations and Detachments

If territory containing premises covered by a non-reserve or reserve "Class B" intoxicating liquor license is annexed to a municipality, and if the municipality's quota would not otherwise allow issuance of a "Class B" liquor license for the premises, the municipality's quota is increased to include existing licenses issued for each premises in the annexed territory.

*Example 1:* A municipality annexes territory of another municipality that includes one business that holds a non – reserve "Class B" intoxicating liquor license. The annexing municipality has a quota of six licenses and five licenses are issued. The municipality does not increase its quota to account for this new establishment because they have not met their quota.

*Example 2:* All facts in Example 1 are the same, but the municipality has issued all six of their licenses to establishments within the municipality. The municipality's quota is increased by one for a total of seven licenses to accommodate the new licensee within the annexed territory.

The detachment of territory decreases a municipality's quota of non-reserve or reserve "Class B" liquor licenses by the number of non-reserve or reserve "Class B" liquor licenses issued for premises in the detached territory. However, a municipality's quota does not decrease to less than one license per 500 persons still residing in the municipality or less than one license.

*Example 1:* A municipality has a population of 2,000 people and a quota of four licenses. A portion of the municipality is detached as it was annexed to another municipality. There was one license within the detached territory and no residential areas (no loss of population). The municipality's quota is still four, even though they lost the one licensed premises, because the quota won't be reduced to less than one license per 500 people.

*Example 2:* All facts in Example 1 are the same, but the municipality's quota is six licenses. After detachment, their quota is now five licenses because detachment results in the loss of any licenses in the detached territory but does not reduce the quota to less than one license per 500 people.

*Example 3:* All facts in Example 1 are the same, but the municipality's quota is one license, and the population of the municipality is 400 people. After detachment, the municipality's quota is still one license, as detachment does not reduce the quota to less than one license per 500 people or less than one license.

## Any Questions?

If you are unable to find an answer to your question on the division's website, you may email, write, or call the division.

<b>Website. . .</b>	<a href="http://revenue.wi.gov/pages/AlcoholBeverage/home.aspx">revenue.wi.gov/pages/AlcoholBeverage/home.aspx</a>
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