

# Retail Alcohol Beverage Licensing Guide for Municipalities



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#### **IMPORTANT CHANGES**

- Publication Reorganization. The publication has been revised to group like topics into sections. Substantive
  changes to the publication follow.
- Liquor Sales Limits. Effective June 26, 2019, the sale of liquor for off-premises consumption by "Class B" licensees is no longer limited to four liters at one time. Municipalities may enact ordinances allowing retail "Class B" (liquor) license holders to sell liquor in the original package or container in any quantity for consumption off the licensed premises. (page 4)
- Carryout Cocktails. Effective March 28, 2021, a "Class B" licensed establishment may sell cocktails for offpremises consumption if the licensee seals the container with a tamper-evident seal. (page 5)
- Bartender Licenses. Effective March 5, 2020, a municipality may, by ordinance, authorize a designated municipal official to issue alcohol beverage operator's (bartender's) licenses and provisional bartender's licenses. (page 6)
- **Applications.** Effective July 1, 2018, alcohol beverage license applications do not require notarization, a signature of more than one person, or being sworn to by the applicant. (page 10)
- **False Information Penalty**. A penalty of not more than \$1,000 may be imposed on any person who knowingly provides materially false information in an alcohol beverage license or permit application.
- Reserve and Above Quota "Class B" (Liquor) License Fees. A Class "B" (beer license) is a prerequisite for the
  reserve and above quota "Class B" liquor licenses. Therefore, the fee for the annual Class "B" license is required.
  (page 15)
- Additional Information. Information on provisions already provided by Wisconsin law have been added:
  - Class "B" license for railroad car and concessionaires at county or municipally owned airports or public facilities (pages 4 and 7)
  - o Managers' license (page 6)
  - Training requirements (page 8)
  - Municipal responsibilities (pages 11, 12, and 13)
  - License restrictions (pages 15 and 16)
  - Activities not requiring an alcohol beverage license (pages 17 and 18)

#### 1. INTRODUCTION

This publication provides guidance for municipalities about licenses for the retail sale of alcohol beverages in Wisconsin. Wisconsin law prohibits retail sales of alcohol beverages without an approved license granted and issued by a municipality (cities, villages, or towns), or a permit issued by the department. Alcohol beverages means fermented malt beverages (beer) and intoxicating liquor (liquor), which includes distilled spirits, cider, and wine.

Retail licenses are categorized by the type of alcohol beverages sold and whether the alcohol beverages are consumed on or off premises.

- "Class A" license authorizes the retail sale of liquor, including cider and wine, for consumption off the premises
- "Class B" license authorizes the retail sale of liquor, including cider and wine for on-premises consumption, and if allowed by municipal ordinance, for off-premises consumption
- "Class C" license authorizes the retail sale of wine for consumption on the premises

- Class "A" license authorizes the retail sale of beer for consumption off the premises
- Class "B" license authorizes the retail sale of beer for consumption on and off the premises

(secs. <u>125.04(1)</u>, <u>125.25</u>, <u>125.26</u>, <u>125.51</u>, and <u>125.67</u>)

Note: All chapters and sections referenced in this publication are to the Wisconsin Statutes unless specifically noted.

#### 2. AUTHORITY

# A. Municipalities

Municipalities may grant and issue licenses described below for the sale of alcohol beverages, subject to limitations and restrictions imposed by Wisconsin law. A municipality may enact regulations incorporating any part of ch. 125 and prescribe additional regulations for the sale of alcohol beverages not in conflict with ch. 125. (sec. 125.10(1))

• Class "A" (beer) - Retailers may sell beer to consumers in any quantity in original packages for off-premises consumption only. An example of a business that may seek this license is a convenience store or liquor store that sells beer. They may also provide on the premises up to two taste samples per person of not more than three ounces each between 11:00 am and 7:00 pm. (sec. 125.25(1))

Class "B" (beer) - Retailers may sell beer to consumers for on- and off-premises consumption. An example of a business that may seek this license is a tavern that sells beer. Some businesses cannot obtain a Class "B" (beer) license if they have other activities on the premises. This restriction does not apply to the types of businesses listed in sec. 125.32(3m). See also section 9.C of this publication.(sec. 125.26(1))

A municipality may issue a Class "B" license authorizing retail sales of beer on a railroad car while the railroad car is parked on a specified location in the municipality. (sec. 125.26(3m))

• Temporary Class "B" (beer) - retailers may sell beer to consumers at a picnic or similar gathering of limited duration, meeting of the post, fair, or single-day, multiple-location event, such as a "beer walk." (sec. 125.26(6))

The temporary Class "B" license may only be issued to:

- o Bona fide clubs
- County or local fair associations or agricultural societies
- Churches, lodges, or societies that have been in existence for at least six months prior to the date of application
- Veterans' organization posts
- O Chambers of commerce or similar civic or trade organizations organized under Ch. 181 to promote economic growth and opportunity within a local geographical area

**Beer Walks -** A municipality may issue temporary Class "B" licenses for a single-day, multiple-location beer walk under certain conditions. For more information, see Part 10.B. (sec. 125.32(3m)(j))

- **Temporary "Class B" (wine)** retailers may sell wine to consumers at a picnic or similar gathering of limited duration, meeting of the post, fair, or a single-day, multiple-location event, such as a "wine walk." Temporary "Class B" licenses may only be issued to:
  - o Bona fide clubs



- County or local fair associations or agricultural societies
- Churches, lodges, or societies that have been in existence for at least six months prior to the date of application
- Veterans' organization posts
- o Chambers of commerce or similar civic or trade organizations organized under Ch. 181 to promote economic growth and opportunity within a local geographical area

A municipality may issue up to 20 temporary "Class B" licenses for a single-day, multiple-location wine walk under certain conditions. Municipalities may issue licenses for not more than two events in a 12-month period. For more information, see Part 10.B.

(sec. 125.51(10))

• "Class A" (liquor) - retailers may sell liquor to consumers in original packages for off-premises consumption. An example of a business that may seek this type of license is a liquor store or a grocery store. Between the hours of 11 am and 7 pm, they may provide on the premises two free samples of wine that are not more than three fluid ounces each per person and one free 0.5 fluid ounce of distilled spirits per person.

(secs. <u>125.06(13)</u> and <u>125.51(2)(a)</u> and <u>(am)</u>)

• "Class A" (cider only) - the only intoxicating liquor retailers may sell is cider to consumers in original packages for off-premises consumption. They may not make retail sales or offer taste samples of other liquor. An example of a business that may seek this type of license is a convenience store that would like to sell cider, but not other intoxicating liquor or wine. A retailer must possess a Class "A" (beer) license to obtain a "Class A" (cider only) license. Municipalities may not charge Class "A" retailers an additional fee to issue a "Class A" (cider only) license.

(sec. <u>125.51(2)(e)</u>)

• "Class B" (liquor) - retailers may sell liquor, including wine, to consumers for on-premises consumption by the glass and not in the original package or container. Wine may be sold in the original package or container in any quantity for off-premises consumption. Liquor may be sold by the glass for off-premises consumption if secured with a tamper-evident seal. If a municipality passes an ordinance to allow it, distilled spirits in the original package or container may be sold for off-premises consumption in any quantity. Except for a winery, a Class "B" (beer) license is a prerequisite to holding a "Class B" (liquor) license. An example of a business that may seek this type of license is a full-service restaurant or a tavern.

(secs. (125.32(3m), 125.51(3)(a) and (b))

• "Class B" (winery) - wineries capable of producing 5,000 gallons per year may sell wine for on- and off-premises consumption. This winery license does not count against a municipality's quota and is not subject to a "reserve" fee. A winery may have either one "Class A" or one "Class B" license, but not both. The license may be issued for the winery premises or real estate owned or leased by the winery. A Class "B" (beer) license is NOT a prerequisite for this license.

(secs. 125.51(1), 125.51(1)(a), (3)(am), (3)(f), (4)(a)1., and 125.53)

• "Class C" (wine) - restaurants may sell wine by the glass or in an opened original container for consumption on the premises where sold if the sale of alcohol beverages accounts for less than 50% of the gross receipts. It may not be issued to foreign corporations or foreign LLC's.

(sec. 125.51(3m))



**Note**: Issuing "Class C" (wine) licenses to businesses that are not "restaurants," as defined in sec. 125.02(18), is prohibited. Effective June 23, 2017, "restaurant" means any building, room, or place where meals are prepared, served, or sold to transients or the general public.

- **Provisional retail** New retail license applicants may sell the alcohol beverage type indicated on the license in the manner described on the license while awaiting a determination on their original application. The following conditions apply:
  - Licenses may be issued only to persons applying for Class "A" (beer), "Class A" (liquor), Class "B" (beer),
     "Class B" (liquor), or "Class C" (wine), authorizing only the activities allowed under that type of license.
  - o They expire 60 days after issuance or when the holder is issued a retail license, whichever is sooner.
  - Licenses may be revoked by the municipal official if they discover the holder made false statements in the application.
  - Provisional "Class B" licenses may not be issued if prohibited by quota.
  - No person may hold more than one provisional retail license for each type of license applied for per year.

The municipal governing body may, by ordinance, establish standards under which provisional licenses are issued and must designate the municipal official having authority to issue the retail licenses.

(sec. <u>125.185</u>)

- Operator (bartender) Individuals at least 18 years of age may serve alcohol beverages and supervise
  activities on retail premises.
  - Operator's licenses are not required for licensee, licensee's immediate family, or agent of an LLC or corporation.
  - Licensed bartenders must be present when a retail licensed or permitted premises is open for business if the individuals above are not.
  - Applicants must pass a DOR approved responsible beverage server training course or be named on an annual retail license, operator's license, or manager's license within the past 2 years.

Temporary operator's licenses include the same authorizations as a regular operator's license but may only be issued to persons employed by or donating their services to nonprofit corporations for a temporary event.

- Temporary operator's licenses may be issued without the responsible beverage server training course requirement of a regular operator's license.
- No person may hold more than two temporary operator's licenses per year.
- Licenses are valid for up to 14 days.

Provisional operator's licenses include the same authorizations as a regular operator's license but are issued to regular operator's license applicants who are awaiting review of their original license application.

- Provisional operator's licenses are valid for up to 60 days or until the original license application is issued or denied, whichever is sooner.
- Municipalities may pass ordinances to establish standards for issuance and must designate the official who has authority to issue them.

(secs. <u>125.04(5)(d)2.</u>, <u>125.17</u>, <u>125.32(2)</u>, and <u>125.68(2)</u>)

- Manager If a municipality elects to issue manager's licenses, the person has responsibility or authority for any of the following:
  - o Personnel management of all employees, whether the person is authorized to sign employment contracts.
  - o Terms of contracts for the purchase or sale of goods or services, whether authorized to sign the contracts.
  - Daily operations of the premises.

(sec. 125.18)

**Note:** Any license issued in violation of state law is a void license under sec. <u>125.04</u>. The municipality may prescribe and enforce forfeitures or license suspension or revocation for violations of regulations adopted by ordinance. Any penalty, suspension, or revocation must be reported to DOR within 10 days.

# B. Department of Revenue

DOR may issue alcohol beverage permits as follows:

- Sports club "Class B" (liquor) retailers may sell liquor if the facilities are not open to the general public, are
  operated solely for golf, tennis, curling, ski-jumping, or yachting, and:
  - o a municipality does not issue such licenses, or
  - o if a municipality issues "Class B" licenses, the club was not issued a license under sec. 176.05 (4a), Wis. Stats. (1979), and does not currently hold a "Class B" license.

(sec. <u>125.51(5)(a)</u>)

- Sports club Class "B" (beer) retailers may sell beer if all the following apply:
  - o The facilities are not open to the general public.
  - The facilities are operated solely for golf, tennis, curling, ski-jumping, or yachting.
  - The municipality does not issue such licenses.

(sec. 125.27(1)(a))

 County or municipally owned airport or public facility "Class B" (liquor) – designated concessionaires may sell liquor only by the glass for consumption on the premises located within a county or municipally owned airport or public facility. A Class "B" (beer) license must be obtained from the municipality in which the airport or public facility is located.

"Concessionaire" means a person designated by resolution of a county or municipality owning an airport or public facility to operate premises in the airport or public facility. "Public facility" means an arena, coliseum, related exposition facility, or center for the performing or visual arts.

(sec. <u>125.51(5)(b)</u>)

• **Vessel Class "B" (beer) and "Class B" (liquor) -** retailers may sell beer and liquor for consumption on a vessel having a regular place of mooring located in any Wisconsin waters if the vessel:



- Serves food, has an approved passenger capacity of 40 or more individuals, and liquor and beer sales on the vessel account for less than 50 percent of food and beverage gross receipts, or
- Has an approved passenger capacity of 100 or more individuals and liquor and beer sales on the vessel account for less than 50 percent of gross receipts.

The permittee may store beer or liquor purchased for sale on the vessel or property owned or leased by the permittee near the vessel's regular place of mooring.

The vessel must be certified by the U.S. Coast Guard, classed by the American Bureau of Shipping, or covered by liability insurance.

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(secs. 125.27(2) and 125.51(5)(c))
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# Other common permits issued by the department include:

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o Brewery (sec. <u>125.29</u>)
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o Brewpub (sec. <u>125.295</u>)

Direct wine shipper (sec. <u>125.535</u>)

Liquor manufacturer and rectifier (sec. <u>125.52</u>)

Wholesale beer and liquor (secs. <u>125.28</u> and <u>125.54</u>)

Alcohol beverage warehouse (sec. <u>125.19</u>)

Winery (sec. <u>125.53</u>)

#### 3. QUALIFICATIONS

# A. Training Course

Individuals, partners, and agents of corporations, including nonprofit organizations, cooperatives, and limited liability companies must have successfully completed a Wisconsin approved responsible beverage server training course within the past two years unless:

- The person is renewing a license.
- Within the past two years, the applicant:
  - o held a manager's or operator's license
  - held, or was the agent of a corporation, including a nonprofit organization, cooperative, or limited liability company that held a Class "A" (beer), "Class A" (liquor), Class "B" (beer), "Class B" (liquor), or "Class C" (wine) license in Wisconsin

New applicants for operator's licenses must successfully complete an approved responsible beverage server training course prior to a municipality issuing such license.

**Exception:** Temporary operator's license applicants are not required to complete a beverage server training course prior to issuing the temporary operator's license.

<u>Approved classroom and online courses</u> are listed on the DOR's website at revenue.wi.gov. Search "Alcohol Seller/Server." Only the successful completion of approved courses satisfies the training requirements listed under this section.

(sec. 125.04(5)(a)5)

# **B.** Individual Applicants

Individual applicants for retail alcohol beverage licenses must meet the following qualifications:

- (1) 21 years of age or older (18 or older for operator's licenses)
- (2) No arrest or conviction record, subject to secs. <u>111.321</u>, <u>111.322</u>, and <u>111.335</u> (Wisconsin Fair Employment Act)
- (3) Continuous Wisconsin resident for at least 90 days
- (4) Proof of a Wisconsin seller's permit, as required under sec. 77.61(11)

Exception: No seller's permit is required if:

- Temporary "Class B" and temporary Class "B" licenses are issued to a person not required to hold a seller's permit secs. (125.04(5)(d)3 c and d).
- "Class A", Class "A", "Class B", Class "B", and "Class C" licenses are issued to applicants that are not required to hold a seller's permit because their sales are exempt as occasional sales under secs. 77.54(7) and 77.54(7m). Generally, for-profit retailers must hold a seller's permit if their sales of taxable products are \$2,000 or more in a calendar year.

Contact DOR at (608) 266-2776 or <a href="mailto:dorsalesanduse@wisconsin.gov">dorsalesanduse@wisconsin.gov</a> if you have questions about Wisconsin sales tax or the requirements to hold a seller's permit.

(5) Not a habitual law offender or convicted of a felony, subject to secs. <u>111.321</u>, <u>111.322</u>, and <u>111.335</u>, unless pardoned

Note: Applicants for operator's and manager's licenses are not subject to (3) and (4) above.

(sec. 125.04(5))

# C. Partnerships

- Each partner must meet all the qualifications listed in Parts 3.A. and 3.B, except that only the partnership must submit proof of the seller's permit.
- Each partner must be listed on the license application.

#### D. Corporations, Nonprofit Organizations, and Limited Liability Companies

- All officers and directors of a corporation, including nonprofit organizations, and members and/or managers
  of a limited liability company must meet the qualifications listed under paragraphs (1), (2), and (5) of Part
  3.B. if applying for alcohol beverage licenses. Corporations are required under Ch. 180 to have at least one
  officer. Limited liability companies may have one or more members.
- An agent, who is responsible for all activities on the licensed premises relating to alcohol beverages, must be appointed. The agent must meet the qualifications listed in Parts 3.A. and 3.B., except that only the corporation or limited liability company must submit proof of the seller's permit. The license is not valid until the agent is approved by the municipal licensing authority.

(secs. 125.04(5)(c) and (6), and 125.51(3m)(c))

#### 4. FORMS

Municipal retail license applications (except manager's and operator's) are available to municipalities at <u>revenue.wi.gov</u> (Forms/Alcohol Beverages). Municipalities are responsible for providing copies to applicants if requested.

**Note:** DOR does not publish manager's and operator's license application forms.

Application forms include:

# A. Original Alcohol Beverage License Application (AT-106)

Required for all new retail alcohol beverage licenses. Always include Form AT-103, *Auxiliary Questionnaire*, with Form AT-106.

# B. Renewal Alcohol Beverage License Application (AT-115)

Required for renewal of a license, including six-month licenses.

If the licensee's entity type changes (e.g., sole proprietorship to partnership, corporation, or limited liability company or partnership to corporation or limited liability company) or a partner is added or dropped, submit Form AT-106.

# C. Auxiliary Questionnaire (AT-103 or AT-103a (City of Milwaukee use only))

Completed for:

- Individuals, partners, officers, directors, and agents of corporations, and members and/or managers and agents of limited liability companies applying for an alcohol beverage license
- Successor agent appointed by a corporation or limited liability company
- New officers and directors of corporations, or new members or managers of limited liability companies applying or renewing an alcohol beverage license

Attach to Forms AT-106 or Form AT-115, as appropriate.

#### D. Appointment of Agent (AT-104)

All corporations, including nonprofit organizations, cooperatives, and limited liability companies must appoint an agent when applying for an original license. The agent must, with respect to character, record, and reputation, be satisfactory to the municipal issuing authority.

# E. Appointment of Successor Agent – Retail Licenses (AT-200)

Used by a corporation, including nonprofit organization, limited liability company, and cooperative, when the agent of an alcohol beverage licensee is replaced by a new agent.

The agent must be approved by the municipality.

# F. Temporary (Picnic) License Application (AT-315)

Used by the following to sell beer and/or wine at a picnic or similar gathering, meeting of the post, or fair:

- Bona fide clubs
- County or local fair associations, or agricultural societies
- Churches, lodges, or societies that have been in existence for at least 6 months prior to the date of application
- Veterans' organization posts
- Chambers of commerce or similar civic or trade organizations organized under Ch. 181 to promote economic growth and opportunity within a local geographical area.

#### 5. APPLICANT INFORMATION

The license applicant must furnish all information requested and respond to all questions asked by the licensing authority to determine if the applicant is qualified for an alcohol beverage license. A penalty of up to \$1,000 may be imposed on any person who knowingly provides materially false information in the application.

The applicant must enter on the application:

- License period beginning and ending dates
- Seller's permit number, if applicable

Apply for a seller's permit online at <a href="https://tap.revenue.wi.gov/BTR/">https://tap.revenue.wi.gov/BTR/</a> or obtain an application at <a href="https://tap.revenue.wi.gov/BTR/">www.revenue.wi.gov</a> or the nearest DOR office.

- License type and appropriate fees
- Municipality and county name
- Business entity type, name (legal and trade, if applicable), and mailing address of the applicant

**Important:** The alcohol beverage license and seller's permit must have the same legal name. If the alcohol beverage license is issued to a partnership or corporation, the seller's permit must also be issued to the partnership or corporation (not the agent, officer, or partner). A limited liability company (LLC) alcohol beverage license must be in the LLC's legal name (not the trade name or owner's name).

**Exception:** The seller's permit for an LLC may be issued in the name of the owner if the LLC has only one owner and the LLC is disregarded as a separate entity from the owner for sales and income tax purposes. If an LLC applies for an alcohol beverage license and furnishes a seller's permit that is not in the legal name of the LLC, the municipality should call DOR at (608) 266-2776 or email <a href="mailto:DORSalesandUse@wisconsin.gov">DORSalesandUse@wisconsin.gov</a> to verify whether the seller's permit is valid for the LLC.

- Entity owners/representatives
  - Partnership partners' names
  - Corporation officers' and agent's names
  - Limited Liability Company members' and/or managers' and agent's names
  - Cooperative members', board of directors', and agent's names
- Complete and accurate premises description where alcohol beverages are to be stored, sold, and served; the physical description on the application must be entered on the license when the application is approved
- Answers to all questions evaluated by the licensing authority
- One signature

Note: Swearing to and notarizing the signature are not required.

#### 6. **RESPONSIBILITIES**

# A. Municipality

The municipality's licensing authority must:

- (1) Ensure that required applicants have completed the responsible beverage server training course.
- (2) Obtain completed application from each applicant and record the date the application was filed.
- (3) Obtain completed auxiliary questionnaires as described in Part 4.C.
- (4) Obtain completed appointment of agent schedule for each new corporation, including nonprofit organization, limited liability, or cooperative.
- (5) Publish all applications in a newspaper, including renewal applications, prior to issuing. The application must be printed in a daily newspaper on three successive occasions, or once if a weekly newspaper.

**Exception:** Publication is not required for operator's licenses or temporary Class "B" and "Class B" license applications.

The license applicant must pay the costs of publication as determined by the Wisconsin Department of Administration (DOA) for publication of legal notices.

(secs. <u>125.04(3)(g)</u> and <u>985.08</u>)

(6) Require applications for alcohol beverage licenses be filed with the clerk at least 15 days prior to action by the licensing authority. (sec. <u>125.04(3)(f)</u>).

**Exception:** This requirement does not apply to:

- Municipalities in Milwaukee County
- Applications for temporary Class "B" licenses for events less than four days
- (7) Enter the dates the license was granted, issued, and expires.

Retail licenses expire June 30.

# **Exceptions:**

- City of Milwaukee may issue a one-year retail license for the sale of alcohol beverages at any time during a year and must specify its expiration date.
- Class "B" (beer), "Class A" and "Class B" (liquor), and "Class C" (wine) licenses may be issued for any sixmonth period in a calendar year at 50% of the regular annual fee but may not be renewed during the calendar year.

(secs. 125.26(5) and 125.51(9)(b))

- (8) Create the license in the exact legal name of the applicant with the complete physical description of the licensed premises.
- (9) State the reason for renewal denials in the clerk's minutes.

- (10) Retain applications for at least four years and allow inspection upon request.
- (11) By July 15<sup>th</sup> each year, send a list of licenses issued as of July 1 (excluding manager's, operator's, and temporary Class "B" and "Class B" beer/wine licenses) to DOR.

The list must include the legal name, address, and trade name of each licensee, including provisional retail licenses, license type, and name of the appointed agent, if applicable. Online reporting of retail alcohol beverage licenses is available at: <a href="https://www.revenue.wi.gov/Pages/OnlineServices/liqlicrpt.aspx.">https://www.revenue.wi.gov/Pages/OnlineServices/liqlicrpt.aspx.</a>

# B. Department of Revenue

DOR may issue permits to sports clubs, airports/public facilities, vessels, breweries, brewpubs, wineries, liquor wholesalers, beer wholesalers, manufacturers, rectifiers, and wine direct shippers, among others. Permit fees are payable to DOR.

#### C. Licensees

Licensees must:

- (1) Hold a separate license or permit for each location or premises.
- (2) Frame and display alcohol beverage licenses and seller's permit for clear reading.
- (3) Purchase alcohol beverages only from authorized sources, which are:
  - permitted fermented malt beverage wholesalers
  - self-distributing brewers or brewpubs
  - permitted liquor wholesalers
  - permitted small winery cooperative wholesalers

(secs. 125.33(9), 125.545, and 125.69(6))

The following lists of permitted beer and liquor wholesalers, brewers, and brewpubs are on DOR's website at revenue.wi.gov:

- Wisconsin Fermented Malt Beverage Listing
- Wisconsin Liquor Permit Listing
- (4) Keep paper or electronic invoices for all purchases of alcohol beverages and cigarette and tobacco products in chronological order on the licensed premises for two years from the date of invoice.

#### 7. TRANSFERS

#### A. Person or Premises

Upon approval by the municipality, licenses may be transferred only as follows:

• Except for reserve "Class B" liquor license and licenses issued under sec. <u>125.51(4)(v)</u>, from one premises to another within a municipality

The transfer is allowed once in a license year. A licensee must file Form AT-112 (Retail License Transfer) and pay a \$10 fee. (sec. 125.04(12)(a))

- Using Form AT-108, at no charge during the license year, to a qualified:
  - court-appointed receiver because of foreclosure or proceedings to avoid bankruptcy
  - trustee when the licensee enters bankruptcy
  - o personal representative or surviving spouse upon the death of the licensee
  - o spouse, if the licensee becomes disabled and the spouse complies with all the requirements applicable to original applicants (sec. 125.04(12)(b))
  - o partner, if another partner dies during the license year and the deceased's equity is assigned to a surviving or new partner

# **B.** Municipality

Up to three reserve "Class B" licenses may be transferred by a municipality to a contiguous municipality or one within two miles.

The transferring municipality establishes the fee, but it must be at least \$10,000. Upon receipt of the fee from the licensee, the receiving municipality must pay the fee to the transferring municipality.

#### 8. FEES

Annual retail license fees are determined by the municipality within the amounts below:

- Provisional up to \$15. (sec. <u>125.185</u>)
- Class "A" (beer) any amount set by the licensing authority, prorated based on the number of months remaining in the license year. (sec. 125.25(4))
- "Class A" (liquor) minimum \$50 and maximum \$500, prorated based on the number of months remaining in the licensing period. (sec. 125.51(2)(d) and (9)(a))
- Class "B" (beer) up to \$100 per year, prorated based on the number of months remaining in the license year. (sec. 125.26(4) and (5))
- Temporary (picnic) Class "B"(beer) up to \$10. (sec. <u>125.26(6)</u>)
- "Class B" (liquor) minimum \$50 and maximum \$500, prorated based on the number of months remaining in license year. (sec. 125.51(3)(e)1)

**Exception:** The minimum fee does not apply to licenses issued to bona fide clubs and lodges situated and incorporated in Wisconsin for at least six years. (sec. 125.51(3)(e)(1))

Note: A prerequisite for all "Class B" (liquor) licenses is to hold a Class "B" (beer) license.

- Reserve "Class B" (liquor) minimum \$10,000 initial issuance fee plus annual fee between \$50 and \$500 for the annual "Class B" liquor (license). (secs. <a href="https://doi.org/10.2016/jub.2016-10.2016-1
- Premier Economic Development District Reserve "Class B" (liquor) minimum \$30,000 initial issuance fee plus an annual fee between \$50 and \$500 for the annual "Class B" (liquor) license (sec. 125.51(3)(e)6). See part 10.C.
- Above-Quota (restaurant/hotel/theater) annual issuance and renewal fees established locally and prorated based on the months remaining in the licensing period. (sec. 125.51(3)(e)3.). See part 9.B.
- Temporary (picnic) "Class B" (wine) up to \$10, except no fee may be charged if the applicant is also applying for a temporary Class "B" license for beer. (sec. 125.51(10)(a))
- "Class C" (wine) \$100 maximum, prorated based on the number of months remaining in license year. (sec. 125.51(3m)(e))

- Operator's any amount set by the licensing authority. (sec. <u>125.17(3)</u>)
- Temporary Operator's same amount established for operator's license above. (sec. 125.17(4))
- Manager's up to \$25. (sec. 125.18(3))
- Agent change \$10. (sec. <u>125.04(6)(e)</u>)
- Transfer of Premises \$10. (sec. 125.04(12)(a))

**Note:** Retail licensees must file a Retail Beverage Alcohol Dealer Registration (Form TTB 5630.5d) with the Alcohol and Tobacco Tax and Trade Bureau (TTB) or contact the National Revenue Center (1-877-882-3277). Temporary Class "B"/"Class B" licenses are exempt from this requirement.

**Refunds:** Wisconsin laws contain no provisions about refunds of annual license fees, except that a municipality may not refund or rebate to a "Class B" licensee or a person affiliated with the "Class B" licensee the fee paid for initial issuance of a reserve "Class B" license. (sec. 125.51(3)(e)2)

# 9. **RESTRICTIONS**

# A. Liquor Licenses

- A "Class B" (liquor) license may only be issued to an applicant that holds or has applied for a Class "B" (beer) license (not applicable to wineries). (sec. 125.51(1)(a) and (3)(f))
- Liquor licenses cannot be issued to an applicant indebted for liquor purchases for more than 30 days. (sec. 125.69(4)(b))
- A "Class A" (liquor) license cannot be issued for the same or connecting premises a Class "B" (beer),
   "Class B" (liquor), or "Class C" (wine) license unless it is a hotel. (sec. 125.51(8))
- A "Class B" (liquor) license cannot be issued for a premises which does not meet the standards of the Department of Agriculture Trade and Consumer Protection (DATCP) governing sanitation in restaurants. (sec. 125.68(5))
- Except in the case of a winery holding a retail license, "Class A" (liquor), "Class B" (liquor), and "Class C" (wine) licenses cannot be issued to a person with a direct or indirect interest in a liquor wholesaler or producer (e.g. distillery or winery). No liquor wholesaler or producer may have interest in a retail liquor establishment. (secs. 125.69(1)(a) and (b))
- Retail liquor licenses cannot be issued to a person acting as an agent or in the employ of another. (sec. 125.51(2)(b), (3)(c) and (3m)(c))
- "Class C" (wine) licenses cannot be issued to a foreign corporation or LLC (incorporated outside of Wisconsin). (sec. 125.51(3m)(c))
- "Class A" or "Class B" (liquor) licenses cannot be issued for a premises if the main entrance is less than 300 feet from the main entrance of a public or parochial school, tribal school, hospital, or church, unless waived by a majority vote of the municipal governing body.

**Exception:** This restriction does not apply to:

- o Premises licensed on June 30, 1947
- Premises licensed prior to a school, hospital, or church building being within 300 feet
- Restaurants located within 300 feet of a church or school if sales of alcohol beverages are less than 50 percent of the restaurant's gross receipts.

(sec <u>125.68(3)</u>)

#### B. "Class B" Quota

- State law restricts the number of "Class B" (liquor) licenses each municipality may issue.
- 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.
- Reserve "Class B" licenses are similar to regular "Class B" licenses but include an initial issuance fee of no less than \$10,000 and may not be transferred from place to place.
  - The reserve license calculation includes factors such as population growth, annexations, detachments, and license transfers. Sec. <u>125.51(4)</u> describes the full calculation.
- "Class B"(liquor) licenses cannot be issued beyond a municipality's quota, except to:
  - A full-service restaurant with interior, permanent seating capacity of 300 or more persons
  - o A hotel with at least 50 rooms and either a 150-seat restaurant or a 400-person banquet room
  - o An opera house or theater for the performing arts operated by a nonprofit organization
  - o A location specifically listed in sec. 125.51(4)(w)

(sec. <u>125.51(4)</u>)

#### C. Beer Licenses

- Retail beer licenses cannot be issued to an applicant indebted for beer purchases for more than 15 days. (sec. 125.33(7)(b))
- Class "A" and Class "B" (beer) licenses cannot be issued to brewers or beer wholesalers or to anyone who
  has ownership interest in a premises operating under a brewer's or beer wholesaler's permit. (secs.
  125.26(2), 125.28(2)), and 125.29(2))
- Class "A" or Class "B" (beer) licenses cannot be issued to a person acting as an agent in the employ of another. (sec. 125.25(2)(a) and 125.26(2))
- A Class "B" license or permit cannot be granted for any premises where any other business is conducted in connection with the premises

**Exception:** The restriction does not apply to a:

- o premises where other business conducted is connected only by a secondary doorway that serves as a safety exit and is not the primary entrance to the Class "B" premises
- o hotel
- o restaurant, whether it is a part of or located in any mercantile establishment
- o combination grocery store and tavern
- combination sporting goods store and tavern in towns, villages, and 4th class cities
- combination novelty store and tavern
- bowling center or recreation premises
- club, society, or lodge that has been in existence for 6 months or more prior to the date of application filing
- movie theater
- o painting studio

- o temporary Class "B" licenses issued for a "beer walk"
- o racetrack grounds permittee

(sec. <u>125.32(3m)</u>)

# D. Municipalities

A municipality may not:

- Sell alcohol beverages, except as provided in Part 10.A.
- Provide a device capable of scanning an official identification card
- Prohibit a permittee, licensee, employees, salespersons, wholesaler, brewpub, or service personnel from being on licensed premises during hours when the premises are not open for business if those persons are performing job-related activities
- Prohibit the possession or consumption of beer by passengers on a commercial quadricycle unless an ordinance was adopted after January 1, 2014
- Require operator's license applicants:
  - attend training beyond that described in Part 3.A
  - o be issued licenses for any purpose other than complying with ch. 125.

# E. Unlicensed Premises

No owner, lessee, or person in charge of a public place may permit the consumption of alcohol beverages on the premises of the public place, unless the person has the appropriate retail license or permit.

**Exceptions:** This restriction does not apply to:

- Municipalities, buildings, and parks owned by counties, regularly established athletic fields and stadiums, school buildings, campuses of private colleges, as defined in sec. 16.99(3g) at the place and time a private college sponsored event is held, churches, premises in a state fair park, or clubs. (sec. 125.09(1))
  - "Club" means an organization, whether incorporated or not, which is the owner, lessee, or occupant of a building or portion thereof used exclusively for club purposes, which is operated solely for recreational, fraternal, social, patriotic, political, benevolent, or athletic purpose but not for pecuniary gain and which only sells alcohol beverages incidental to its operation.
- Consumption of beer on commercial quadricycles, (pedal pubs) except in municipalities that have adopted ordinances prohibiting this consumption

# 10. OTHER

# A. Retail Licenses Not Required

An alcohol beverage license is not required for:

- Brewers giving free beer to customers, visitors, and employees to consume on the premises, if not in or near any room or place where liquor is sold
- Using alcohol in licensed hospitals:
  - o for medicinal, mechanical, or scientific purposes
  - by a person licensed to practice medicine in treatment of the sick

A medicinal alcohol permit from DOR is required. (sec. 125.61)

- Making homemade beer or wine if all the following apply:
  - o no compensation is received
  - o homemade beer or wine is not sold or offered for sale
  - Production is limited to 100 gallons for household with one person of legal drinking age; 200 gallons if household has two or more persons of legal drinking age
- Giving free tastings of wine or beer manufactured by a business primarily engaged in selling supplies to home brewers and winemakers if the wine and beer is not sold
- Using homemade beer or wine for exhibition, demonstration, judging, tasting, or sampling or as part of a contest or competition if the event is held at a private residence or a licensed premises, no fee is paid to participate, and the beer or wine is not sold or offered for sale. A prize is not considered compensation for the sale of the wine or beer used.
- Manufacturing beer or wine for educational purposes, including tasting where manufactured, if not sold
- Manufacturing and selling unadulterated cider
- Selling and consuming alcohol beverages in a railroad dining, buffet, or café car or aircraft while in transit
- Selling beer in a public park operated by a county or municipality if sold by officers or employees of the county or municipality under an ordinance, resolution, rule, or regulation
- Selling alcohol beverages at a judicial, personal representative's, or guardian's sale or by a receiver or trustee
  in insolvency or bankruptcy, if estate being administered possesses a license or permit in effect on the date
  of such sale
- Selling alcohol beverages by a secured party in good faith under the terms of a security agreement, if the sale is not for the purpose of avoiding Chapters 125 or 139
- Selling ceramic commemorative bottles or other uniquely designed decanters, which contain liquor, by collectors to other collectors
- Awarding alcohol beverages in original, unopened packages as a prize in a raffle conducted by an organization licensed to conduct the raffle under Chapter 563
- Selling by an auction house at public auction a collection of sealed bottles of liquor or unopened beer cans to settle an estate or dispose of the collection
- Selling at auction sealed containers of wine, liquor, or beer by a charitable organization, as defined in sec. 202.11 (1), to raise money for the organization
- Selling sealed containers of wine by a wine collector to another collector if held for at least eight years prior notice of the sale provided to the department. Only one such sale in a 12-month period is allowed.
- Providing up to two complimentary four-fluid-ounce glasses of wine per day by a bed and breakfast, as defined under sec. 97.01 (1g), to a person renting a room at the establishment

#### B. Wine or Beer Walks

A "wine or beer walk" is a single day event at which customers are served a glass of beer or wine at multiple locations (e.g., jewelry stores, art galleries, clothing boutiques, salons, furniture stores, etc.) during shopping visits.

A municipality may issue Temporary Class "B" (beer) licenses and Temporary "Class B" (wine) licenses to a qualified organization, including a chamber of commerce or similar civic or trade organization organized under ch. 181 to promote economic growth and opportunity within a local geographical area.

# (1) Wine Walk

A municipality may issue up to 20 Temporary "Class B" (wine) licenses to the same qualified organization for the same date and time. The qualified organization is the licensee and sponsor of the event. The following requirements apply:

- Participants pay an admission fee for the event and no additional fee is charged for service of wine
- Municipalities may authorize the licensee to allow unaccompanied underage persons on the licensed premises if the underage person is a designated driver and identified by the licensee (e.g., wristband)
- No person may serve wine after 9:00 pm
- Qualified organizations may receive only two Temporary "Class B" (wine) licenses during a 12-month period. The wine walk event counts as one license regardless of how many licenses were issued for that event.
- Municipalities may issue Temporary "Class B" (wine) licenses for no more than two such events during a 12-month period

# (2) Beer Walk

A municipality may issue to the same qualified organization an unlimited number of Temporary Class "B" (beer) licenses for the same date and time. The qualified organization is the licensee and sponsor of the single-day, multiple-location event. The following requirements apply:

- Participants pay an admission fee and no additional fee is charged for service of beer
- Municipalities may authorize the licensee to permit underage persons on the licensed premises
- No person may serve beer after midnight on the licensed premises
- Municipalities may charge not more than \$10 for each Temporary Class "B" (beer) license issued for the event

# (3) Other

Requirements that apply to other alcohol beverage licensees also apply to Temporary "Class B" (wine) and Temporary Class "B" (beer) licensees, including:

- Licensed operators (person's holding a "bartender's" license) must serve the wine or beer and/or supervise the service of wine or beer.
- Temporary operator's licenses may be issued to persons employed by or donating services to a nonprofit corporation. A person may hold no more than two temporary operator licenses per year.
- Licensees must purchase all wine and beer from liquor or beer wholesalers and breweries/brewpubs authorized to self-distribute to retail licensees.

Form AT-315, Application for Temporary Class "B" / "Class B" Retailer's License, is submitted by the qualifying organization to the municipality for a Temporary Class "B" (beer) or Temporary "Class B" (wine) license. The qualified organization should attach to the application a list of participating locations and

premises descriptions **or** submit a separate application for each location participating in the beer or wine walk.

# C. Premier Economic Development District

A municipality may designate a geographic area within the municipality as a Premier Economic Development District (PEDD) if all the following apply:

- An ordinance is enacted by at least a two-thirds vote of the governing body.
- The geographic area does not exceed 40 acres and the boundaries of the geographic area are precisely identified in the ordinance.
- No part of the geographic area is physically separated from the rest of the geographic area. Except public streets, similar community infrastructure, and waterways, each portion of the geographic area must be contiguous with some other portion of the geographic area.
- The geographic area does not include any land zoned exclusively for industrial use or zoned exclusively for single-family or two-family residence.
- The PEDD has an estimated comprehensive new construction assessed valuation increase of at least \$20,000,000 certified by an independent third-party appraiser or marketing research firm.

A municipality designating a PEDD may issue up to two reserve "Class B" licenses, each with a minimum initial issuance fee of \$30,000.

A municipality may not designate more than one PEDD.

(sec. 125.51(4)(u)(1))

# 11. RESOURCES

- League of Wisconsin Municipalities Intoxicating Liquor Frequently Asked Questions
- Wisconsin Department of Revenue Alcohol Beverage Landing Page

# 12. QUESTIONS OR ADDITIONAL INFORMATION

If you have a question about licensing for retail sales of alcohol beverages:

Write . . . Wisconsin Department of Revenue

Alcohol and Tobacco Enforcement

PO Box 8933

Madison, WI 53708-8933

**Telephone . . .** (608) 264-4573

Email . . . DORAlcoholTobaccoEnforcement@wisconsin.gov

Visit our website . . . revenue.wi.gov

# **Applicable Laws and Rules**

This document provides statements or interpretations of the following laws and regulations enacted as of August 15, 2022: chapter 125, Wis. Stats., and chapters Tax 7 & 8, Wis. Adm. Code.

Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date, that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.