WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO

2015 Wisconsin Act 286 **[2015 Assembly Bill 612]**	**Municipal Quotas for Retail Intoxicating Liquor Licenses**

2015 Wisconsin Act 286 ("the Act") relates to the municipal quota system for retail intoxicating liquor licenses.

BACKGROUND

Wisconsin law, generally retained by the Act, prohibits the sale of alcohol beverages at retail without a license or permit authorizing the sale. A license authorizing the sale of intoxicating liquor for consumption on premises is known as a "Class B" liquor license.

State law imposes a quota system on "Class B" liquor licenses issued on or since December 1, 1997. "Class B" liquor licenses issued on or after that date are referred to as "reserve" licenses. A municipality may not issue reserve "Class B" liquor licenses in excess of its quota, unless a statutory exception applies. [s. 125.51, Stats.]

2015 WISCONSIN ACT 286

The Act authorizes two new methods for increasing a municipal quota and clarifies the scope of a current exception to the quota system.

Alternative Quota Formula for Certain Licenses Transferred by a Neighboring Municipality

The Act authorizes the transfer of up to three "Class B" liquor licenses from one municipality to a neighboring municipality, with certain conditions. The transfer has the effect of decreasing the transferring municipality's quota and increasing the receiving municipality's quota.

The following conditions apply to transfers of licenses under the Act:

- The transferring municipality must be contiguous with or located within two miles of the receiving municipality.

- A municipality may transfer no more than three "Class B" liquor licenses under this exception.

- The transferring municipality must have issued at least one license itself before transferring a license to a neighboring municipality.

The Act requires a transferring municipality to establish a fee, in an amount not less than $10,000, for initial issuance of a license transferred under the Act. The receiving municipality must remit the fee received to the transferring municipality.

Exception for Licenses Issued in Premier Economic Development Districts

The Act authorizes up to two additional "Class B" liquor licenses, in addition to the number of licenses authorized under the quota system, in municipalities that create "premier economic development" districts, if certain criteria are satisfied.

A municipality may create no more than one premier economic development district. Creation of a district requires a two-thirds vote of the municipality's governing body. The district must satisfy all of the following criteria:

- The district must have an estimated comprehensive new construction assessed valuation increase of at least $20 million, as established and certified in writing by an independent, third-party appraiser or market research firm.

- No part of the district's geographic area is physically separated from the rest of the geographic area, so that, with limited exceptions, each portion of the geographic area is contiguous with some other portion of the geographic area.

- The district may not include land that is zoned exclusively for single-family or two-family residential use or for industrial use.

The two additional "Class B" liquor licenses must be used within the district and cannot be transferred elsewhere.

Scope of Exception for Large, Full-Service Restaurants

Prior law, retained by the Act, provides an exception from the quota system for "Class B" licenses issued to 300-seat, full-service restaurants. **The Act** clarifies that, for the exception to apply, the restaurant's 300-person seating capacity must be **interior** and **permanent**.

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