Awarding Alcohol Licenses—A Checklist for Local Advocates

To be an effective advocate, you must understand how your municipality grants alcohol licenses. State statutes impose very few absolute requirements. As a result, municipal systems vary widely.

This checklist can guide you through the municipal system for awarding alcohol licenses and the people who administer it. Each community has the ability to create its own alcohol license review policy as long as three state requirements [noted in brackets] are met.

Once awarded alcohol licenses can only be revoked or non-renewed for cause, often after an expensive and lengthy process. Accordingly, it is very important for municipalities to award licenses after a thorough investigation and thoughtful deliberation.

Even if you are familiar with local practice, confirm what you know. Systems, especially systems based on tradition and individuals as opposed to adopted policies and procedures, change over time. Until you know and understand your municipal licensing system, your suggestions—no matter how valid—will lack credibility.

Section 1: What information does your municipality request in the application?

1. ☐ Who (by name or office) accepts applications for new alcohol licenses in your community and when is that office open? [the general application form is set by state law, but many communities also require supplemental application forms] Has your community created a local application or supplemental form? If so, ask for a copy.

2. ☐ Where are public notices for license applications published and how often? [Required by state law.]

3. ☐ Is there a written application review process or policy? If so, ask for a copy.

4. ☐ Is there is an unwritten, but generally accepted license review policy, communicated verbally to new staff and members of the governing body? Talk to the municipal clerk or administrator to learn the steps just like a new staff member.

5. ☐ Observe a meeting of the committee or commission which reviews alcohol license applications prior to a vote of the governing body. Compare what people tell you and how you see written policies administered. Take very careful notes, two note takers who compare perceptions after the meeting is even better. NOTE: Some municipal governing bodies may review alcohol licenses without any committee review. Municipalities are not required to have a committee review or public hearing on alcohol licenses. [State law requires a vote of the municipal governing body.]
6. □ When examining written policies, look to see if they consider the areas of information listed in Section 2. If you find gaps, ask the clerk, law enforcement officers and others involved in the process how information is requested, or provided, before issuing a license but outside the official review process. Your goal is to know what information is considered, who provides it and how it is evaluated prior to the vote on a license.

Section 2: What does your community know about an applicant and the proposed business before the license is awarded?

Municipalities may request additional information not required on the state application. Examine municipal policies and practices to determine if your municipality knows the answers to these questions before awarding a license:

1. □ What is the primary activity of a proposed Class B licensee? NOTE: Wisconsin does not distinguish between on-premises Class B licenses for bars and restaurants. Both restaurants and taverns that want to serve beer, wine and spirits require the same type of alcohol license. That means community groups and elected officials should ask careful questions to draw a distinction. How does the licensee describe the business? Does the proposed name place the emphasis on food or alcohol beverages? [Sam’s Bar and Grill or Sam’s Supper Club] A community may ask a business to indicate what percentage of revenue it anticipates from alcohol sales and other sources such as food, providing an indication of the applicant’s focus.

2. □ What is the anticipated ratio of:
   gross income for alcohol income to income from other products and services?

3. □ If applying for a Class A (alcohol sold for consumption elsewhere); what is the primary purpose of the retailer? Is it a convenience store, grocery store, sports or camping supply retailer? Are gas pumps present on the property?

4. □ Does a Class B [on-premises consumption] applicant plan to offer drink specials that could promote over-drinking? NOTE: The license could contain a condition prohibiting all-you-can-drink, or time limited/quantity unlimited drink specials.

5. □ What is the physical layout of the proposed area where alcohol will be sold, served and stored? Municipalities may require drawings to scale showing all entrances, exits, stages, dancing areas, and serving, parking and seating areas. Are scale drawings required or requested?
6. □ What are the proposed hours of operation? Restaurants often closed earlier than taverns or bars, establishments that focus on alcohol sales. Some communities have problems with restaurants that turn into clubs after food service ends when tables are moved out.

7. □ Maximum capacity requested by applicant. NOTE: A municipality may set the capacity of a licensed establishment lower than fire code allows based on the structure’s design. Many municipalities simply use the maximum capacity established by the fire inspector. Licensed capacity can become a concern for the community if an over concentration of outlets develops. For example, capacity can impact sidewalk use, parking, traffic and crowd control at closing time.

8. □ How far is the applicant’s location from schools, churches, parks, medical facilities and other locations where youth are often present? NOTE: Convenience stores and other convenience retail outlets are prime targets for youth attempting to acquire alcohol. Convenience stores and gas stations with alcohol advertising visible from the exterior can increase youth exposure to alcohol advertising, a factor in alcohol initiation.

9. □ Does the applicant have a written business plan? What role does alcohol sale play in this plan?

10. □ What products or activities will be marketed adjacent to the licensed area? For example: Will a gas station sell single serving products? A municipality may choose to license a portion of a building and restrict alcohol sales to that area. For example; grocery stores can be required to limit alcohol sales and events to a single area of the store.

11. □ What alcohol products are planned for sale by the applicant? (6 packs, single servings, kegs)

12. □ Will any food be prepared and sold on site? A menu can help determine if food choices are snacks or meals, helping to distinguish between restaurants and taverns.

13. □ Have local residents been contacted about the project? How does your municipality notify residents about pending alcohol license applications? Does the community only notify property owners or will people who rent or work in the area be aware of the pending license? How?

14. □ What is the security plan for the licensed area including, ID check policy, security equipment planned including closed circuit TV, ID verification equipment or ID screening process?

15. □ What are the plans for parking, entrance and waiting line security?
In summary, what does your community know about the applicant’s business and the facility?

Section 3: What does your municipality know about the applicant or agent and their plans before granting an alcohol license?

1. □ Has the applicant held an alcohol license before – anywhere in the nation? Does the record indicate any previous problems with local law enforcement, community groups or neighbors?
2. □ Does your municipality conduct a full criminal background check on all applicants, agents and business partners prior to reviewing or voting on an alcohol license?
3. □ Does the applicant, agent or partners have alcohol related offenses, including underage drinking citations or OWI convictions, which may indicate individual problems with alcohol use?
4. □ Has the applicant met with local neighborhood associations (residential) and adjacent property owners to describe the proposed licensed establishment?

In summary, what does your community know about the applicant or agent indicating the proposed licensee will operate in compliance with the law and be an asset to the community?

Section 4: Does your municipality consider the impact of another alcohol license on the neighborhood or the community alcohol environment?

State law does not require a public hearing or an evaluation of community impact prior to awarding an alcohol license, but alcohol licenses must be awarded at a public meeting posted as required by Wisconsin’s Open Meetings Law. Your community coalition, neighborhood group and individuals can appear at a meeting to comment on alcohol licenses prior to a vote.

Once a license is placed on the agenda and posted for a vote, the process from community to community may vary. Knowing what to expect allows you to prepare.

1. □ Does the municipality consider licenses at each meeting?
2. □ Does the Police Department or Sheriff provide a recommendation or report on the applicant or the proposed establishment?
3. □ Is the applicant expected to attend? What happens if an applicant is absent?
4. □ Is testimony from local residents common? Is it clear to attendees when members of the public may speak? [Public comment on specific license applications is rare in many municipalities.]
5. □ Does the municipality have legal counsel present? What is their role in awarding the license?

6. □ What is the tone of the discussion? Are applicants questioned? Are the police or committee reports discussed? Is the impact of the license on the community or community residents discussed?

7. □ Does the governing body commonly defer to the judgment or preferences of the local alderman, trustee or village board member?

In summary, does the municipality know how alcohol sales by this business at this location will impact the neighborhood and the overall alcohol environment of the community? The community coalition or neighborhood group should be able to reach the people who make or influence the decision before a final vote is taken on a license.

Section 5: If your group knows the information requested in Sections 1-4, you should know how alcohol is licensed in your municipality. Test your knowledge by describing the alcohol license review process in your community.

1. What does an applicant need to know about his business before filing an application for an alcohol license in your municipality?
2. What does the municipality know – and verify – about the applicant and his proposed business before awarding the license?
3. What and when can your neighborhood association or community coalition tell Alders, Trustee or Town Board members about the impact of the proposed license on the community alcohol environment?

Section 6: When your group is able to answer the questions in Section 5 your coalition is ready to make appointments with the people who award licenses.

The purpose of these meetings is to learn how local elected leaders view the process and their role in alcohol licensing. If your group has attended and monitored meetings as suggested in Section 1 and Section 4, your local elected leaders will recognize your interest in the municipal alcohol licensing process.

Suggestion: Local elected officials have substantial discretion in awarding or denying licenses. Your group may hope for a different or more inclusive process in the future but try to avoid any implication that the current process is “wrong.” Chances are very good the current procedure is legal, but fails to exercise the full range of opportunities available to municipal government by state statute. Building bridges during these discussions is the best option for securing long term change.