Community Health Improvement in Action (CHIA)

CHIA Google Group Trending Discussion Topic:
Limiting alcohol outlet density for off-premises (Class A) licenses

Julia Sherman, Coordinator of the Wisconsin Alcohol Policy Project at the University of Wisconsin Law School, responds to participant questions:

Is there a quota on Class “A” or “Class A” (off-premises) licenses? Could a county-wide quota for off-premises licenses be adopted?

Wisconsin state government does not place a numerical limit or quota on the number of off-premises (“Class A” or Class “A”) licenses – but a municipality may impose a numerical ceiling or quota on itself covering all or a portion of the community. A county may establish a numerical limit or quota only on the unincorporated portions of the county; it may not impose a quota on a municipality.

Often a municipality adopts a temporary moratorium on additional licenses while reviewing its licensing policy. When adopting a moratorium on issuing new licenses, speed is important. Last-minute licenses can move the goal posts back before new license criteria are even considered. In the past, development interests made applications and were awarded last-minute licenses for long-empty buildings – in essence, treating the buildings as existing businesses within the community and therefore available for licensing. By having a license in hand, they could avoid any new requirements or simply let the licenses expire if their fears of new requirements were unfounded.

Remember, once issued, a license cannot be non-renewed, revoked or suspended without cause, making it very difficult to remediate an over-concentration of alcohol outlets.

Exactly what does a density ordinance or plan do?

All density limitations work to prevent a dangerous over-concentration of alcohol outlets from occurring, or, if an over-concentration is already present, prevent it from getting worse. Several mechanisms are possible. For example, a minimum distance between outlets could be required, such as 440 yards (.25 miles) from door to door. Or there could be a maximum number of outlets for a specific area, outlined by streets, such as a maximum of 5 off-premises licenses in an area bound by Main St., Elm Street, North Ave and South Ave.

Because all existing licenses continue, even in excess of the new quota, some communities simply say not more than X – the current number of licenses - in the defined area are allowed, essentially creating a cap based on the current number of licenses.
If you think a cap on Class A licenses might be in the near or foreseeable future, it’s wise to make sure all the current licensees understand two points before any plan is made public:

- Existing licenses will not be touched
- A density plan helps them protect their market share and makes their business more valuable.

Those are very attractive ideas for local business. The local chamber of commerce is likely to grumble about stifling economic development, but if you’ve already made sure current licensees understand the benefits to their business, it can cut down the blowback.

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For more information about Community Health Improvement in Action (CHIA), visit our website. CHIA is funded by a grant from the UW School of Medicine and Public Health from the Wisconsin Partnership Program (WPP).

Looking to discuss best practices with your peers across Wisconsin? Join the CHIA Google Group. This online forum/listserv is one of several CHIA activities that aim to deepen knowledge and expertise in implementing and evaluating community health improvement strategies, with an emphasis on policy, systems, and environmental changes that address unhealthy and risky alcohol use in Wisconsin communities.