

Selling, Donating, and Giving Away Alcohol Beverages

Alcohol Beverage Laws Fact Sheet 3110

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This fact sheet provides information about selling, donating, and giving away alcohol beverages. This fact sheet also provides information about the sale and purchase of alcohol beverages by charitable organizations.

Sales of Alcohol Beverages

The term "sale" is broadly defined in Wisconsin alcohol beverage laws and includes many different types of transactions. A person may not sell alcohol beverages unless he or she holds the appropriate retail license or permit.

The following are examples of sales of alcohol beverages:

- Charging admission or cover charge to an event where alcohol beverages are provided to those who pay
 to attend the event
- Charging a "trespass fee" at an event where alcohol beverages are provided to those who pay the fee
- Charging a "cup fee" at an event where attendees pay a fee to receive a cup used to consume alcohol beverages that are provided at the event
- Charging for the "mix" (soda, lemonade, juice, etc.) at an event where alcohol beverages are provided to those who pay the fee for the "mix"
- Charging for ice at an event where alcohol beverages are provided to those who pay the fee for the ice
- Requiring or mandating donations be made by attendees of an event where alcohol beverages are provided to those who make a donation

A person may not allow another to use his or her license/permit to sell alcohol beverages. Allowing another to use one's alcohol license/permit is grounds for license revocation and criminal prosecution.

Sales and Purchases of Alcohol Beverages By a Charitable Organization

Generally, charitable organizations must hold a retail alcohol beverage license or permit to sell alcohol beverages. However, a charitable organization is not required to hold an alcohol beverage license or permit to sell alcohol beverages in the following situations:

- Awarding alcohol beverages in original, unopened packages, containers or bottles as a prize in a raffle if
 the organization holds a raffle license under ch. 563, Wis. Stats. Alcohol beverages may only be awarded
 to persons of legal drinking age.
- A charitable organization, defined under sec. 202.11(1), Wis. Stats., may hold an auction of sealed bottles
 of intoxicating liquor and/or fermented malt beverages to raise money for the charitable organization.

If a charitable organization holds a retail alcohol beverage license or permit, including a temporary alcohol beverage license, the organization must purchase all alcohol beverages from a permitted Wisconsin wholesaler or a self-distributing brewer or brewpub. Wisconsin wholesalers and self-distributing brewers and brewpubs must charge the same price to all retailers purchasing alcohol beverages in similar quantities. A wholesaler or a self-distributing brewer or brewpub cannot donate or discount alcohol beverages to a charitable license holder, unless the same price is offered to all other retailers purchasing alcohol beverages in similar quantities.

Giving Away Alcohol Beverages

No person may give away alcohol beverages to evade alcohol beverage laws. Businesses may not give away alcohol beverages to customers without holding the appropriate alcohol beverage license or permit.

However, the following are limited situations where Wisconsin law allows alcohol beverages to be given away free of charge:

- Permitted intoxicating liquor salesperson may give a "Class A" licensee a sample of a brand of intoxicating liquor if the retailer has not previously purchased that brand from the permittee.
- Manufacturers, rectifiers, wineries, brewers, brewpubs, and wholesalers may provide taste samples free of charge at Class B premises to persons of legal drinking age who are attending a trade show, conference, convention, or similar meeting of a bona fide national or statewide trade association that derives income from membership dues of Class B licensees. Taste samples may not be furnished at more than two such events of any one trade association per year. Any alcohol beverages brought to the premises must be removed at the close of the trade show.
- Brewers, manufacturers, rectifiers, and wineries may provide free taste samples to persons of legal drinking age on their permitted premises.

For information about offering taste samples of alcohol beverages, see Fact Sheet 3106, Alcohol Beverage Sampling.

Any Questions?

If you are unable find an answer to your question about alcohol beverage laws on the department's website. email, write, or call the department.

> Visit our website: revenue.wi.gov

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When Must a Person Obtain an Alcohol Beverage Retail License? Alcohol Beverage Laws Fact Sheet 3111

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This fact sheet provides information about whether a person must hold an alcohol beverage retail license. Alcohol beverage retail licenses are required for a location in which a sale of alcohol beverages takes place OR whenever consumption of alcohol beverages occurs at a public place. This fact sheet provides a more detailed explanation, including examples, of each of these instances.

The requirements described in this fact sheet also apply to retail permits issued by the department (vessels, sports clubs, public facilities and airports) (secs. 125.27, and 125.51(5), Wis. Stats.).

Do Sales of Alcohol Beverages Occur?

Any person that sells alcohol beverages must hold an alcohol beverage retail license describing the location where the alcohol is sold, unless an exception applies (secs. 125.04(1), 125.06, and 125.66(1), Wis. Stats.). Exceptions that may apply are found in sec. 125.06, Wis. Stats.

Example 1: A person owns a liquor store or tavern where alcohol beverages are sold. The person must hold an alcohol beverage retail license for the liquor store or tavern.

Example 2: The operator of a banquet facility sells alcohol beverages at the banquet facility to a couple. The couple will serve the alcohol beverages free of charge to guests at the couple's wedding reception at the banquet facility. The operator must hold an alcohol beverage retail license for the banquet facility.

Example 3: The operator of a banquet facility sells alcohol beverages directly to guests (e.g., cash bar) at a wedding reception at the banquet facility. The operator must hold an alcohol beverage retail license for the banquet facility.

Example 4: A person holds a party in their own apartment or house and sells beer to party-goers. The person must hold an alcohol beverage retail license for their own apartment or house.

See <u>Fact Sheet 3110</u>, Selling, Donating, and Giving Away Alcohol Beverages, for additional examples of sales of alcohol beverages.

If Sales Do Not Occur, Are Alcohol Beverages Consumed in a Public Place?

A person that owns, leases, or is in charge of a public place must hold an alcohol beverage retail license describing the location where the alcohol beverages are consumed, unless an exception applies (sec. 125.09(1), Wis. Stats.). This means consumption of alcohol beverages on property open to the public is prohibited unless the owner, lessee, or person in charge of the public place, possesses an alcohol beverage retail license (Eichenseer v. Madison-Dane County Tavern League, Inc., 2008 WI 38, para 57).

A location may be a public place at certain times of the day, week, month, or year, and may not be at other times. A location is not a public place at times when a private event is held at the location where attendance at the event consists solely of personally invited guests known to the host of the event. Examples of private events include traditional wedding receptions, birthday parties, family reunions, holiday parties for

employees, and similar gatherings. A person hosting a private event where consumption of alcohol beverages occurs is encouraged to keep an invitation/guest list, and to continually monitor attendance at the event to make sure that only people who were personally invited to the event are present at the event location.

Example 5: A bank holds an event during business hours and gives free glasses of wine and appetizers to all persons who come into the bank. The bank must hold an alcohol beverage retail license for the location where alcohol beverages are consumed, because the bank is open to the public during the event.

Example 6: A person hosts a party at their home. A public announcement is made on social media that the entire county is welcome to join the event and have a free alcohol beverage. The person must hold an alcohol beverage retail license for the location where alcohol beverages are consumed, because their home is open to the public during the party.

Example 7: A car dealership has a holiday party for its employees after it is closed to the public. The dealership purchases alcohol beverages for service to employees free of charge during the holiday party. The dealership must purchase the alcohol beverages from an alcohol beverage retail licensee (e.g., liquor store that holds a "Class A" license or tavern that holds a "Class B" license). The dealership is not required to hold an alcohol beverage retail license for the location where alcohol beverages are consumed, because the dealership is closed to the public during the holiday party.

Example 8: A person hosts a private wedding reception in their own yard, and only invited friends and family attend. Alcohol beverages are served free of charge to the invited guests. The person is not required to hold an alcohol beverage retail license for the location where alcohol beverages are consumed, because their yard is closed to the public during the wedding reception.

Example 9: A couple rents a local barn for their private wedding reception. The barn is not an alcohol beverage retail licensed premises. The couple purchases all alcohol beverages from an alcohol beverage retail licensee. Only invited friends and family may attend the reception, and alcohol beverages are served free of charge to these guests. Neither the couple nor the barn owner are required to hold an alcohol beverage retail license for the barn during the wedding reception.

Can a Retail Licensee Own or Operate an Unlicensed Building or Space Where Alcohol Beverages Are Consumed?

Existing "Class B"/Class "B" retail licensees may own or operate unlicensed buildings or spaces that are rented to persons seeking to hold private events where alcohol beverages are consumed. In addition to all other requirements explained in this fact sheet, the unlicensed building or space must be separated from the licensed premises by walls and/or doors and must have a primary entrance from the outside (sec. 125.32(3m), Wis. Stats). The retail licensee may not store alcohol beverages at an unlicensed building or space.

Alcohol beverage licensees may not allow persons to bring alcohol beverages ("BYOB") onto the licensed premises for consumption, regardless of whether the premises is open to the public. See <u>Fact Sheet 3105</u>, *Alcohol Beverage Carry-Ins*.

Example 10: A restaurant owner holding a "Class B"/Class "B" retail license is given municipal approval to revise the description of his/her existing licensed premises to remove a banquet hall from the premises description. The restaurant owner may rent the unlicensed banquet hall to a person who will host a private event where only personally invited guests known to the host are allowed entrance to the banquet hall. Alcohol beverages may be provided by the host, free of charge to their invited guests (no cash bar) because the banquet hall is not a public place at the time of the event.

Note: Alcohol beverages purchased by the host cannot be brought onto the restaurant's licensed premises.

Example 11: A tavern owner that has a "Class B"/Class "B" retail license purchases or leases a vacant building to rent for private wedding receptions, but does not obtain a "Class B"/Class "B" retail license for the

building. The tavern owner may rent the unlicensed building to a person who will host a private event where only personally invited guests known to the host are allowed entrance to the building. Alcohol beverages may be provided by the host, free of charge to their invited guests (no cash bar) because the building is not a public place at the time of the event.

Other Requirements

Alcohol beverages served and consumed at a location that does not hold an alcohol beverage retail license must have been purchased in a face-to-face sale at a licensed premises (secs. 125.272, and 125.51(6), Wis. Stats.). For more information, see <u>Fact Sheet 3110</u>, <u>Selling</u>, <u>Donating</u>, and <u>Giving Away Alcohol Beverages</u>.

The rental of a facility may be subject to Wisconsin sales and use tax if the facility is used for an amusement, athletic, entertainment, or recreational purpose. For more information, see <u>Sales and Use Tax Fact Sheet 2107</u>, Rentals of Multipurpose Facilities.

Additional Information

If you are unable to find answers to your questions on the department's website about alcohol beverage retail license or permit requirements, you may email, write, or call the department.

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Winery and Class "B" Beer License Alcohol Beverage Laws Fact Sheet 3112

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This fact sheet provides information about whether a winery may hold a Class "B" (beer) alcohol beverage retail license.

Can a Municipality Issue a Retail Class "B" Beer License to a Winery?

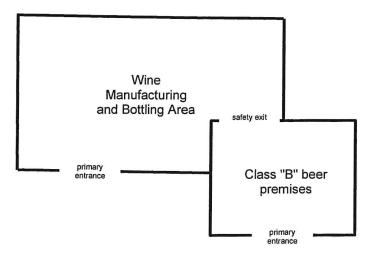
Yes. A municipality may issue a retail Class "B" beer license to a winery if the wine manufacturing and bottling areas are separated from the premises of the Class "B" beer license and the winery meets all of the other requirements of Chapter 125 of the Wisconsin Statutes. A Class "B" premises authorizes an area where fermented malt beverages (beer) are sold, served, consumed, and stored; however, wine manufacturing and bottling are not allowable activities on such premises (secs. 125.26, 125.32(3m), 125.53(1), and 125.69, Wis. Stats.).

Must the Winery Have a Separate Premises from the Class "B" Beer Licensed Premises?

A retail Class "B" beer premises must be physically separated from the wine manufacturing and bottling areas by a wall or other permanent dividing structure that extends from the floor to the ceiling. The Class "B" beer premises must also have a primary entrance separate from the primary entrance for the wine manufacturing and bottling area. However, the Class "B" beer premises may have a secondary doorway between it and the wine manufacturing and bottling area which serves as a safety exit (secs. 125.04(9), 125.26(3), 125.32(3m), and 125.53(1), Wis. Stats.).

Sales, service, storage, and consumption of beer may only occur on the Class "B" beer premises. Absolutely no wine manufacturing or bottling is allowed on the Class "B" beer premises (secs. 125.04(1), 125.26, 125.32(3m), 125.33(6), and 125.53, Wis. Stats.).

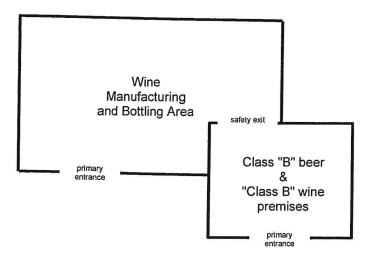
Example 1:



Can a Class "B" Beer License be Issued for the Same Premises as a "Class B" Wine-only License that is Issued to a Winery?

Yes, if all of the requirements above are met.

Example 2:



What are the Closing Hours for the Retail Sale of Alcohol Beverages if a Winery has a Retail "Class B" Wine-only License or a Retail Class "B" Beer License?

- "Class B" wine-only premises must be closed between the hours of 9:00 p.m. and 8:00 a.m. (sec. 125.68(4)(c)3m., Wis. Stats.)
- Class "B" beer premises must be closed between the hours of 2:00 a.m. and 6:00 a.m. on Monday through Friday, and must be closed between the hours of 2:30 a.m. and 6:00 a.m. on Saturday and Sunday (sec. 125.32(3)(a), Wis. Stats.).
- If a winery holds both "Class B" wine-only and Class "B" beer licenses for the same premises, retail sales of wine must cease at 9:00 p.m., but sales of beer may continue until 2:00 a.m. on Monday through Friday, or 2:30 a.m. on Saturday or Sunday. Retail sales of wine may not commence until 8:00 a.m., but retail sales of beer may commence at 6:00 a.m. (secs. 125.68(4)(c)3m., and 125.32(3)(a), Wis. Stats.).

Additional Information

If you are unable to find answers to your questions on the department's website about alcohol beverage retail license or permit requirements, you may email, write, or call the department.

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Alcohol Beverage Service and Sales at Unlicensed Retail Establishments, Including Salons, Spas, and Barbershops

Alcohol Beverage Laws Fact Sheet 3107

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This fact sheet provides information about serving alcohol beverages at unlicensed retail establishments where other business activities are conducted, such as nail and hair salons, spas, barbershops, bridal shops, and similar establishments.

Consumption of Alcohol Beverages

Alcohol beverages may **not** be offered for consumption on the premises of unlicensed retail establishments open to the public.

Class B Retail Alcohol Beverage Licenses May Not Be Granted

Salons, spas, barbershops, bridal shops and similar establishments cannot obtain Class "B" or "Class B" retail alcohol beverage licenses for on premises consumption of beer, wine, champagne, and other types of intoxicating liquor. Class "B" and "Class B" retail alcohol beverage licenses may only be issued to taverns and certain other businesses, such as hotels and restaurants (sec. 125.32(3m), Wis. Stats.).

Samples of Alcohol Beverages Given to Customers

Although salons, spas, barbershops, bridal shops, and similar establishments cannot obtain a Class B retail alcohol beverage license, such establishments may, if approved by the municipality, obtain a Class A retail alcohol beverage license allowing limited samples of alcohol beverages for consumption on the premises.

- Class "A" licensed premises (a retail license authorizing off-premises consumption of fermented malt beverages beer)
 - Samples must be provided free of charge
 - Two samples of fermented malt beverages per person per day not to exceed three fluid ounces per sample
 - Samples must be provided between the hours of 11 a.m. and 7 p.m.
 - Samples may not be provided to underage persons
 - Fermented malt beverages provided as taste samples must be sold by a wholesaler and invoiced to the retailer
 - Samples must be served by licensed operators (bartenders) or servers under the immediate supervision of a licensed operator, licensee, or agent of a retail corporation or LLC licensee

- "Class A" licensed premises (a retail license authorizing off-premises consumption of intoxicating liquor, including wine and champagne)
 - Samples must be provided free of charge
 - Two samples of wine per person per day not to exceed three fluid ounces per sample
 - One sample of distilled spirits per person per day not to exceed one half ounce
 - Samples must be provided between the hours of 11 a.m. and 7 p.m.
 - Samples may not be provided to underage persons
 - Wine or spirits provided as taste samples must be sold by a wholesaler and invoiced to the retailer
 - Samples must be served by licensed operators (bartenders) or servers under the immediate supervision of a licensed operator, the licensee, or an agent of a retail corporation or LLC licensee

Note: Businesses should check with their insurance agent if they are planning to serve alcohol at their establishments. Businesses must also comply with all other laws and regulations applicable to holding a retail alcohol beverage license; see <u>Publication 302</u>, *Wisconsin Alcohol Beverage and Tobacco Laws for Retailers*.

Any Questions?

If you are unable to find an answer to your question about alcohol beverage service and sales at salons, spas, and barbershops, and similar establishments on the department's website, email, write, or call the department.

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