

Municipal Regulation of “Click and Collect” Alcohol Sales¹

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“Click and Collect” describes a practice where consumers order online from a retailer’s website and then pick up their orders at a local store. The use of Click and Collect has become increasingly popular as retailers in competitive markets look for innovative ways to serve customers, and customers have become accustomed to the comfort and convenience of ordering online.

Notably, many grocery stores and other similar retailers have begun offering Click and Collect and, for a small fee or free with a minimum order, will assemble the grocery order and deliver it curbside when the customer arrives to pick it up. It’s not hard to imagine the convenience factor as being off the charts for, among others, persons with busy work schedules, persons with small children in tow, and those with limited mobility.

While Click and Collect sales do not typically require municipal oversight or approval, oversight and/or approval may be desirable and/or necessary when the online sale includes alcohol beverages and, in particular, when the sale involves curbside delivery. Recently, some retailers with alcohol licenses have sought municipal approval to expand the description of their premises to include designated parking stalls used for the Click and Collect deliveries. This is

necessary since state law requires the licensed premises to be “particularly described” and include all areas where alcohol is stored or sold.²

To amend described premises during the license year, the licensee must file a written request with the municipality. The governing body has discretion to approve or disapprove the change.³ Municipalities can impose conditions in connection with allowing amendment of the premises but are limited in imposing conditions once the request to amend the premises description has been granted.⁴

This legal comment briefly summarizes state law requirements that come into play when Click and Collect involves the sale of alcohol beverages.

Wisconsin law requires the following for alcohol sales:

1. Face-to-face sales to consumers at the licensed premises.⁵
2. Purchaser must be of legal drinking age (21 or older).
3. Seller must be a licensed operator or under the immediate supervision of a licensed operator.
4. No sales can be made to intoxicated persons.

In order to satisfy the requirement that the sale be face-to-face and that it take place on the licensed premises, an online order for alcohol beverages should not be consummated when the order is placed but, rather, when the order is picked up by the customer with the customer signing the credit card or paying at the retailer’s licensed premises. If the customer is picking up curbside, those parking spaces must be included in the licensee’s described premises since that is where the sale is taking place.

The requirement that all persons selling alcohol possess an operator’s license or be under the immediate supervision of someone with an operator’s license effectively means that those delivering alcohol curbside should have an operator’s license. “Immediate supervision” has been interpreted to mean that the person supervising must be able to see those being supervised at all times.⁶

Municipalities that receive requests to amend premise descriptions to allow Click and Collect with curbside delivery of alcohol must decide whether such sales should be allowed and, if so, what conditions are appropriately imposed to ensure that any such sales are done lawfully.

► p.16

1. This article was inspired by a Nov. 7, 2017 memo on Click and Collect Alcohol Sales written by Julia Sherman at the Wisconsin Alcohol Policy Project.

2. Wis. Stat. §§ 125.25(3), 125.26(3), 125.28(3), 125.51(2)(c) and 125.51(3)(d).

3. *Alberti v. City of Whitewater*, 109 Wis.2d 592, 327 N.W.2d 150 (1982). See also Wis. Stat. sec. 125.04(3)(h).

4. *Wisconsin Dolls, LLC v. Town of Dell Prairie*, 2012 WI 76. The Wisconsin Alcohol Policy Project’s Nov. 7, 2017 memo on Click and Collect Alcohol Sales mentioned a variety of conditions that municipalities were considering or had adopted.

5. Wis. Stat. §§ 125.272 and 125.51(6).

6. OAG 9-10-62 (informal opinion).

Municipalities should review a retailer's policies for the Click and Collect operation before granting an expansion of the licensed premises and may want to include those policies as license conditions. Municipalities that want to allow Click and Collect alcohol sales may want to also adopt an ordinance governing such sales. A Wisconsin Alcohol Policy Project memo on Click and Collect⁷ suggests that municipalities inquire about the following before granting an expansion of the licensed premises to allow Click and Collect alcohol sales:

- What hours will alcohol orders be allowed?
- How is an alcohol order assembled?
- Who assembles the entire order? Is an itemized tape prepared?
- When is the credit card charged for the order?
- Is the individual who delivers the order a licensed operator?
- What equipment is provided to staff (e.g., is ambient light sufficient or is a flashlight needed to read the Id, a scanner to record the credit card sale or ID)?

- Is the newly licensed area under video surveillance?
- When is the ID checked?
- Does the seller determine that the name on the order is the same name on the ID?

The memo notes that in addition to provisions relating to the above factors, some municipalities have adopted or considered the following provisions:

- A requirement that the system allow the purchase of alcohol to be denied without affecting the remainder of the purchase.
- Notification of police when an apparently underage person or intoxicated person attempts an alcohol purchase.
- Imposing a minimum waiting period between order time and pick-up time for alcohol and tobacco.
- Requiring that images of the transaction (purchaser, ID card, vehicle, license plate) be captured and retained for a minimum period of time.
- Prohibiting tasting events in the parking lot.

Although municipalities may differ regarding whether Click and Collect alcohol sales should be permitted, those municipalities that wish to allow it should take measures to ensure that such sales are in compliance with state law.

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About the author:

Claire Silverman is Legal Counsel for the League. Her responsibilities include supervising the legal services provided by the League, answering questions of a general nature for officials and employees of member municipalities, writing legal articles for the League's magazine and amicus briefs in appellate cases involving issues of statewide concern to municipalities, organizing an annual institute for municipal attorneys, and educating local officials on a variety of topics pertaining to their duties. In addition, she coordinates legal material for the League's web page. Claire joined the League staff in 1992. Contact Claire at cms@lwm-info.org

7. See footnote 1.

Editor's Note:

If you are generally interested in municipal responsibility/authority for handling local health matters, please request the Legal Comment "Health 65," authored by Claire Silverman, League Legal Counsel, and published in the June 1999 *The Municipality*.



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