MEMORANDUM

LOCAL CONTROL OF ALCOHOL RETAIL AVAILABILITY IN GEORGIA:
A LEGAL ANALYSIS

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Note: The intent of this memorandum is to provide educational resources to community coalitions, policy analysts, municipal governments, and others assessing potential responses to the problems created by retail availability of alcohol in Georgia. The legal analysis provided by Alcohol Policy Consultations (APC) in this memorandum is not offered or intended to constitute legal advice or to substitute for obtaining legal advice from a licensed attorney, and its use does not imply the creation of an attorney/client relationship with APC. APC provides legal and enforcement policy analyses and is not engaged in the formal practice of law.

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I.  Introduction

Excessive alcohol consumption, including underage and binge drinking, is a leading cause of preventable death and disability in the United States and globally.\(^1\) Research has found that the number, density, type, location, and operational practices of alcohol outlets can have a significant effect on the health of communities, including the level of violence, unintentional injuries, and alcohol-related motor vehicle crashes.\(^2\) Large numbers of alcohol outlets in small geographic areas increase the risks of these problems.\(^3\) Similarly, outlets that engage in dangerous and illegal serving practices – for example, repeatedly selling alcoholic beverages to intoxicated patrons, underage patrons, or allowing illegal public nuisance activities inside and adjacent to the premises – contribute to a wide variety of neighborhood and community problems.\(^4\)

Recognizing the relationship between alcohol outlet density and excessive alcohol consumption and related harms, the independent Task Force on Community Preventive Services\(^5\) reviewed the scientific evidence on the effectiveness of limiting alcohol outlet density as a strategy for preventing this public health problem and concluded there was:

“… sufficient evidence of a positive association between outlet density and excessive alcohol consumption and related harms to recommend limiting alcohol outlet density through the use of regulatory authority (e.g., licensing and zoning) as a means of reducing or controlling excessive alcohol consumption and related harms."\(^6\)

In theory, the regulation of retail alcohol outlet density may appear to be a simple matter; however, in practice, it often involves a complex interplay between state and local governments, much of which relates to the amount of control that local governments have over the number, types, locations, and retail practices of retail alcohol outlets in their particular geographic area. In some states, local governments have substantial control over licensing decisions that influence alcohol outlet density, whereas in other states, they have little or no authority. The legal doctrine that determines this level of local control is called State Preemption.

The purpose of this report, therefore, is to introduce the state preemption doctrine and describe the effect it has on the regulation of alcohol outlet density in communities to public health practitioners, members of state and community coalitions, healthcare providers, and other interested groups. It then provides a detailed examination of the application of state preemption in Georgia and concludes with implications of this analysis for local authorities interested in limiting the negative impact of liquor retail activity in their jurisdictions.

II.  The State Preemption Doctrine

A. Description and Application to Alcohol Outlet Density Regulation

The state and federal preemption doctrine refers to the authority of higher levels of government to mandate the practices of lower levels of government. It has often been used to advance public health goals, for example, in the enactment of federal and state mandates related to vaccination
policy and the establishment of quarantines to prevent the spread of disease. Local governments must adopt the policies mandated at the higher levels of government and are precluded from deviating from the policies in question. The federal government’s ability to preempt state and local action is limited by the U.S. Constitution – under the 10th Amendment, all authority not expressly granted to the Federal government is delegated to the states. This includes the regulation of alcohol availability; in fact, the 21st Amendment explicitly grants states this authority. State preemption of local governmental action is a matter left to each state, and states vary widely in how they exercise this authority.

The state preemption doctrine is conceptually distinct from “local option” laws. Because local governments are subordinate to the state, they are generally prohibited from allowing conduct that the state prohibits. States may, however, decide to expand local authority through local option provisions that permit local governments to loosen state controls. For example, many states prohibit alcohol sales on Sundays but include local option provisions that allow local governments to override the state prohibition on days of sale. State preemption, by contrast, takes away local authority by prohibiting local governments from enacting controls that are stricter than state law.

Although traditionally considered an important tool for promoting public health, state preemption can also be a barrier to protecting the public’s health, particularly when the regulation of potentially dangerous products is involved. For example, many tobacco control initiatives began at the local level, including restrictions on cigarette vending machines and mandates for smoke-free work places. In response, the tobacco industry has sought state legislation to preempt and thereby nullify such local initiatives. This strategy reflects an industry’s ability to influence state legislative decisions, where their lobbying strategies may be more effective than at the local level.

The state preemption doctrine plays a pivotal role in alcohol policy generally and the regulation of alcohol outlet density specifically. All states have developed comprehensive legal structures for regulating alcohol retail outlets. Retailers typically must obtain a state license to open an alcohol retail business and must comply with licensing laws, which usually set conditions on the operation, location, and number of outlets and establish minimum operational standards and practices. In some states (“control” states), the State directly operates some retail stores that sell alcoholic beverages for consumption off the premises (which some states refer to as off-sale outlets). This licensing authority may, in turn, be augmented with local zoning and land-use regulations.

Determining the appropriate use of particular land parcels is typically delegated to local governments, usually in the context of a comprehensive land use plan implemented through local zoning ordinances. The zoning ordinance may require that new businesses obtain a conditional use permit (CUP), and the number, location, and operation of particular types of businesses (including alcohol retail outlets) can be regulated through mandatory or discretionary requirements found in the CUP provisions. For example, a CUP ordinance can prohibit alcohol outlets within a certain distance of sensitive land uses, such as schools, or allow the local planning board the option to impose such a condition on a case-by-case basis. Local police powers may also be used to reduce the negative impact of nuisance activities associated with
retail outlets. Alcohol retail availability can therefore be regulated through either a licensing or local zoning/police power system and the two systems may be complementary, with the licensing system often superseding zoning/police power requirements if conflicts between the two systems arise.

Land use planning constitutes a basic function of local governments. It is usually treated as a local function because it requires an understanding of local conditions. For example, determining if a particular proposed land use type is compatible with surrounding land uses, whether it will create law enforcement problems, and whether it will cause undue strain on other municipal resources, such as fire protection or water delivery, are important questions that are best answered by local decision-makers with input from local residents. The state plays an important role by establishing broad guidelines and procedures that local governments must adhere to, but the state is not in a good position to determine whether a particular land use is appropriate to a particular location.

**B. Types of State Preemption Applicable to Alcohol Outlet Density Regulation**

It is important for state and local public health practitioners who are interested in the regulation of alcohol outlet density to become familiar with the preemption doctrine in their states. Information on state preemption is usually available through state Alcoholic Beverage Control agencies or through secondary data sources that describe a state’s licensing process.

As illustrated in Figure 1, there are four general categories of state preemption relative to the regulation of alcohol outlets, ranked from relatively strong to relatively weak in terms of State control:

- **Exclusive or near-exclusive State preemption:** Many states exclude local governments from the retail licensing process and strictly limit or prohibit the use of local land-use zoning provisions. A small number of states, including New York and North Carolina, have adopted this form of state preemption.\(^\text{16}\)

- **Exclusive State licensing authority, concurrent local regulatory authority:** Many states retain exclusive authority to license alcohol outlets but allow local governments to use their local zoning and police powers to restrict certain aspects of state licensing decisions. States vary widely in the degree to which they allow local regulations. Most states fall within this category, which should be viewed as a continuum from extensive to limited preemption of local regulatory authority.

- **Joint local/State licensing and regulatory powers.** In these states, alcohol retailers must obtain two licenses, one from the state and one from the municipality where they are located. In most cases, this gives the primary responsibility for determining alcohol availability to local governments, subject to minimum standards established by the state. Typically, local jurisdictions rely on their licensing authority to regulate alcohol outlet density, although this may be augmented with local zoning regulations. A small number of states have dual licensing systems, including Georgia and Louisiana.\(^\text{17}\)
Exclusive local licensing with State minimum standards: The remaining states delegate licensing authority entirely to local governments and do not issue state licenses at all. Instead, the state establishes limitations on how that licensing authority is exercised. Local governments can also use local zoning regulations, which may be subject to limitations established in state law. Hawaii, Nevada, and Wisconsin are among the states that have this structure. Nevada does not have a state Alcoholic Beverage Control agency, although there are state laws that may affect how local governments regulate alcohol outlets.¹⁸

FIGURE 1

Levels of State Preemption

The authors have assisted the Center on Alcohol Marketing and Youth to develop an on-line “Preemption Tool” with a clickable map that shows the category or categories of preemption into which each state falls. That tool may be found at http://www.camy.org/action/Outlet_Density/preemption-data-tool.html.

Although states generally fall into one of these categories of preemption, there are a variety of permutations. States may assign differing levels of preemption for differing aspects of alcohol retail regulation. For example, the state may permit local governments to determine the location of new retail outlets but deny them any authority to regulate retailers’ operating practices.¹⁹ Other states grant local authority only to certain cities, for example, those that have a city charter. States may also adopt a hybrid system.

There is also a legal distinction between express and implied preemption. State preemption is said to be “express” when there is state legislation that specifically prohibits local regulation over alcohol outlet density in favor of state regulation. Implied preemption arises when a state regulatory scheme is so extensive that it leaves no room for local regulation, effectively establishing preemption by exclusion. Although logical in principle, application of these concepts by state courts is inconsistent both across and within states. In many cases, a definitive determination is not possible absent a court ruling. Given these complexities, communities will
generally require independent legal research expertise to determine how preemption applies to the regulation of alcohol outlet density in their area.

III. Georgia’s Structure for Alcohol Regulation

Georgia uses a joint local/state licensing and regulatory structure for regulating alcohol retail outlets. This section describes this structure and the application of the state preemption doctrine, including an analysis of how courts have applied preemption in specific contexts. Finally, it describes specific types of local control.

A. State and Local Licensing of Alcohol Retail Outlets

Georgia recognizes that government regulation of the distribution and sale of alcoholic beverages are important exercises of police power to protect the health and safety of its citizens. Towards this end, the state grants local governments concurrent authority to license and regulate retail alcohol outlets, augmenting the authority that the state grants to the local governments over other matters, including zoning.

Georgia’s Alcoholic Beverage Code contains most of the statutory provisions specifically addressing alcohol control, including the statutory provision that grants local governments authority (referred to in this memorandum as the “local powers provision”). In most instances, alcohol retailers must obtain two licenses, one from the state revenue commissioner and one from the local government where they are located; the state cannot issue a license until the applicant first receives a local license, and the state defers to local governments in most regulatory matters.

The local powers provision also includes due process requirements that local governments must follow. Decisions by the local entity are appealable through the Georgia judicial system and are not subject to review by the state licensing entity (Georgia revenue commissioner). This approach ensures that local licensing decisions are distinct from procedures conducted at the state level.

B. The Application of the State Preemption Doctrine to Local Alcohol Retail Licensing Authority

Even though Georgia law grants local governments broad authority for alcohol regulation, courts have sometimes narrowed its scope by finding that the state law preempts specific local laws. Georgia’s Constitution sets forth the state’s preemption principles in a provision sometimes referred to as the “uniformity clause,” which provides that “Laws of a general nature shall have uniform operation throughout this state.” It prohibits “local or special law…in any case for which provision has been made by an existing general law, except that the General Assembly may by general law authorize local governments by local ordinance or resolution to exercise police powers which do not conflict with general laws.”
The Georgia Supreme Court has held that this provision will preempt local ordinances on subjects where state general law exists unless: 1) the state law authorizes the local government to act and 2) the local ordinance does not conflict with or “impair” a state law’s operation, but rather augments and strengthens state law (referred to in this memorandum as the Franklin test). The local powers provision described in the previous section satisfies the first prong of the Franklin test as to local governments’ authority to license alcohol outlets—the state has specifically delegated this authority. There are two areas of debate and uncertainty. First, a local law regulating alcohol availability may do so in conjunction with other types of activities (e.g., requirements for serving as a security guard in certain entertainment venues that may or may not include alcohol sales). If regulating the second activity is preempted, it may result in the entire regulation being preempted. Second, the local regulation may not satisfy the second prong—when does a local ordinance, including local licensing provisions, conflict with the state’s regulation of alcoholic beverages?

Below are illustrations of the courts’ application of the preemption principles to various cases involving local restrictions on alcohol retailers, first describing cases in which the local ordinance was not preempted, and then describing those that were preempted. The section concludes with an analysis of the implications of the cases for local control in the future.

1. Local Ordinances Not Preempted

The Supreme Court of Georgia has issued several opinions during the last half-century addressing this issue. One line of cases suggests that local governments may impose stricter standards on local retail establishments than found in state law—doing so does not conflict with state law. For example, in Powell v. Board of Commissioners of Gwinnett County, decided in 1975, a local government prohibited issuing a license to a beer and wine retailer or wholesaler if its entrance was within 1,700 feet of a church or school. A state statute prohibited selling beer and wine within 100 yards of a school. The court held that the state law did not preempt the local law because the state law established only a minimum distance from a school or schoolhouse. The local government could therefore establish a greater distance requirement if it so chose since it augmented and strengthened the state’s distance requirements.

In Grovenstein v. Effingham County, a 1992 case, a beer and wine retailer used a state preemption claim to challenge a local ordinance prohibiting sales to anyone under 21 years of age. The ordinance provided that a violation of the ordinance was grounds for license revocation, a stricter penalty than that imposed by state law. As in Powell, the Georgia Supreme Court concluded that the local prohibition did not conflict, but rather strengthened and augmented the state law. These cases suggest that the courts have given local governments relatively wide latitude to impose stricter controls on alcohol retail licenses than those found in state law.

2. Local Ordinances Preempted

Two more recent Supreme Court cases, however, have cast doubt on the scope of the earlier decisions. In Willis v. City of Atlanta, a 2009 decision, women between the ages of 18 and 21...
who worked as adult entertainers at an establishment with an alcoholic beverage license challenged a local ordinance that prohibited people under the age of 21 from, among other things, entering premises licensed to sell alcoholic beverages by the drink or for consumption on the premises. The challengers argued that the ordinance was preempted by a state law that provided: “[n]o person shall allow or require a person in his employment under 18 years of age to dispense, serve, sell, or take orders for any alcoholic beverages.” As in the earlier cases cited above, a lower court upheld the local ordinance, concluding that the state law did not mandate that people over the age of 18 must be allowed to serve alcohol, so the local government was free to pass an ordinance that effectively prohibited those over 18 but not yet 21 from doing so.

The Georgia Supreme Court disagreed, stating that the lower court had failed to take into consideration a second state statute that provides: if “conduct is not otherwise prohibited pursuant to Code Section 3-3-24, nothing contained in this Code section shall be construed to prohibit any person under 21 years of age from: (1) Dispensing, serving, selling, or handling alcoholic beverages as a part of employment in any licensed establishment.” [emphasis supplied in the decision]. According to the court, “[W]hen these two statutes are read together, it is clear that the Legislature’s intent is to allow persons who are over the age of 18 but not yet 21 years old to dispense, serve, sell or handle alcoholic beverages as part of their employment.” Since the local ordinance prohibited those people from being able to work (because they could not enter), it “impair[ed] the operation of these general statutes by prohibiting persons aged 18 to 21 from entering in or remaining at the premises of licensed establishments where they are legally entitled to hold jobs that involve dispensing, serving, selling or handling alcoholic beverages.” A unanimous court therefore found that the state provisions by implication preempted the local ordinance.

A divided Supreme Court reached a similar decision in City of Atlanta v. S.W.A.N. Consulting & Sec. Servs., a 2001 case. The local ordinance required that workers, including private security personnel, in adult entertainment establishments with certain types of beverage licenses needed to obtain a permit issued by the local police department. A state law (the Georgia Private Detective and Security Agencies Act, referred to in this memo as the PDSA) established detailed qualifications for private security businesses. The PDSA also stated that it did not prevent local authorities from using their police power and imposing local regulations “upon any street patrol, special officer, or person furnishing street patrol service, including regulations requiring registration with [a locally designated agency].”

The challengers to the local ordinance contended that the local ordinance was preempted by the PDSA. The city contended that its provision was not preempted because it regulated only the sale of alcohol, not the private security industry, and the state had delegated such authority for alcohol control to local governments through the local powers provision.

The court agreed with the challengers, concluding that the city provision applied to any kind of employment at adult entertainment establishments and was not limited to alcohol regulation, even though it only applied to employment in establishments with alcohol licenses. The court noted that the “manifest intent of this otherwise unrestricted provision is the broad regulation of employment at certain adult establishments, and not the limited regulation of alcoholic beverages.”
beverages,” concluding that the local powers provision relating to alcohol control did not apply to this type of ordinance.\textsuperscript{43}

The court also addressed state regulation of the private security field. It noted that preemption is based on legislative intent, which “can be fairly implied from the sweeping language and broad scope” of a general act regulating an industry on a statewide basis.\textsuperscript{44} In addition, the state law also expressly authorized additional local regulation related to street control described above, but did not expressly address adult entertainment establishments, which the court interpreted as an implied preemption of the city’s regulation of those services in its adult entertainment establishments. Because the PDSA did not explicitly delegate to local governments the authority to regulate private security staff at adult entertainment establishments, the court held that the first prong of the \textit{Franklin} test was not satisfied and the local ordinance was preempted. The court concluded, “Because the City sought to establish a duplicate regulatory system which was not authorized by the comprehensive general law applicable to those engaged in the private detective and security business, the trial court was correct in its limited holding that the Act preempts by implication the City’s enforcement of [the section] of the municipal code against SWAN.”\textsuperscript{45}

The dissenting opinion argued that the majority incorrectly focused on the constitution’s uniformity clause, when it should have been focusing instead on a constitutional provision adopted in 1994. That provision deals expressly with regulating activities involving nudity and the sale and consumption of alcohol, granting the state the police power to limit First Amendment expressive rights through state regulation of alcohol sale, and delegating the authority to local governments.\textsuperscript{46} The 1994 provision specifically authorizes local regulation of activities involving alcoholic beverages and the exhibition of nudity, and requires a local ordinance to be in \textit{direct conflict} with general law for the general law to preempt the local ordinance. The dissent concluded that, since there was no evidence that the City’s ordinance at issue directly conflicted with the general law enacted by the General Assembly regulating private security businesses, the local ordinance should not have been preempted.\textsuperscript{47} The majority decision in SWAN did not analyze the 1994 provision (merely distinguishing it from PDSA),\textsuperscript{48} and there is little case law discussing the history of the provision, so it is difficult to understand why the majority rejected the dissent’s approach.

3. Can the Preemption Cases be Reconciled?

Although these cases rely on a consistent framework for analyzing alcohol-related preemption cases in Georgia, they create some uncertainty regarding how that framework will be applied in specific instances. The fact that the Georgia Supreme Court’s most recent opinions appear to restrict local control raises questions regarding how future cases will be analyzed.

In \textit{Willis}, for example, the court determined that the second prong of the \textit{Franklin} test was not met: When construing all relevant provisions of the Alcohol Beverage Code, the local provision “impaired the general law’s operation,” because it effectively prohibited people 18 and not yet 21 from working in an adult entertainment establishment. Yet the legislature did not expressly preempt local governments from imposing stricter rules for people 18 and not yet 21, and the local ordinance appears to “strengthen” and “augment” the state law in a manner similar to the local laws reviewed in the \textit{Powell} and \textit{Grovenstein} cases.
Similar ambiguity exists in the SWAN case in its application of the first prong of the Franklin test. The local law was limited to the regulation of private security personnel in certain alcohol establishments, which would appear to fall within the scope of the local powers provision, which in turn should satisfy the Franklin test. The court did not adopt this approach, which appears even more surprising given the existence of a state constitutional provision that explicitly gives local governments authority to regulate adult entertainment venues. Other aspects of alcohol control may be subject to ancillary state laws. For example, food handling laws might apply to wait staff in alcohol establishments – would such laws then preempt local restrictions on wait staff practices?

It is difficult to draw conclusions from these two cases regarding the extent to which the court will limit local control over alcohol licensing in the future. The cases involve a more complex interaction of state statutes that might make their application limited in future cases. Nevertheless, they do raise the possibility that the court is less willing to delegate authority to local jurisdictions than would be anticipated based on earlier cases.

C. Related Limitations on Local Licensing Authority

Despite the questions raised by the Willis and SWAN cases, there appear to be several aspects of local control that are generally accepted as permitted under state law. This conclusion is based on cases that do not address preemption directly, but rather focus on challenges based on other legal doctrines, including due process, equal protection, commercial speech, and avoidance of ex post facto laws. This section examines these cases in the context of specific types of restrictions as a means to determine aspects of local control that do not appear to be in dispute.

1. Location and Density

This section describes the extent of local control to limit alcohol density using four distinct regulatory strategies: (1) categorical denials of alcohol licenses; (2) limitations on the number of alcohol outlets; (3) distance requirements between alcohol outlets; and (4) distance requirements between alcohol outlets and other sensitive uses (e.g., residential areas, schools, and churches).

a. Categorical Denials of Alcohol Licenses

Courts have upheld the right of local governments to categorically deny certain types of alcohol licenses (usually beer and wine licenses) within their borders even if the denials are made without any express standards or criteria. Categorical denials do not automatically violate local powers due process provisions, constitutional procedural due process, or equal protection. If, however, the ordinance describes standards for issuing licenses and states that licenses will be granted upon fulfilling certain conditions, the government may not then deny an application to one who fulfills those conditions.

In Scoggins v. Moore, for example, a local commissioner responsible for local licensing decisions refused to issue any beer and wine licenses during his tenure. An applicant challenged the denial of his application in part on the grounds that the commissioner’s failure to promulgate
any standards for making his licensing decisions violated procedural federal due process. The
court disagreed. So long as the commissioner’s policy amounted to a categorical denial of all
applications, the court held that there was no protectable property interest and no due process
violation.\textsuperscript{55} Due process concerns might arise if the commissioner were issuing licenses to some
but not all applicants. Other cases have adopted a similar approach to categorical denials, also
upholding the local ordinances.\textsuperscript{56}

b. Limitations on the Number of Alcohol Outlets

The Georgia Supreme Court has explicitly held that local governments may limit the number of
alcohol outlets (outlet density restrictions) based on specific measures of population in the
jurisdiction and that such restrictions do not violate the due process rights of applicants.\textsuperscript{57} In City
of Hapeville v. Anderson,\textsuperscript{58} for example, the Court upheld an ordinance limiting the issuance of
“consumption on the premises” liquor licenses to one per each one thousand residents. It noted
that the most recent U.S. census is a “rational, logical and consistent means of determining
population” when there are population requirements in statutes or ordinances and concluded that
the ordinance was not vague either in the standard it set or in the method of ascertaining it.\textsuperscript{59}

c. Distance Requirements Between Alcohol Outlets

The Court has also upheld local ordinances that impose distance requirements between alcohol
outlets. In Consolidated v. Barwick,\textsuperscript{50} a city ordinance prohibited issuing certain types of on-
premise alcohol beverage license within 600 feet of locations already holding such licenses.\textsuperscript{50}
The ordinance challengers did not question the city’s right to have such a general restriction, but
claimed it violated equal protection because it exempted from this restriction locations in a city
district created to encourage commercial activity. The Georgia Supreme Court held the
ordinance was constitutional. It noted that a local government “in the exercise of its police
power may formulate rules and regulations for the licensing of the liquor business, even to the
extent of prohibiting the licensed activity in a specified area.”\textsuperscript{61} It then upheld the ordinance
with the exemption because attracting revenue to the created district is a “legitimate end of
government…by ensuring the prosperity of the City by attracting business” to that district.\textsuperscript{62}

d. Distance Requirements Between Alcohol Outlets and Other Sensitive Areas

Several local jurisdictions have imposed distance requirements between alcohol outlets and other
sensitive areas (e.g., residential areas, schools, and churches). As noted in the preemption
section, local jurisdictions may adopt ordinances that are even stricter than related state
statutes.\textsuperscript{63} Furthermore, distances can be further limited (beyond those imposed by ordinance) if
jurisdictions exercise their discretion in a manner consistent with due process.\textsuperscript{64} A comparison of
two cases highlights the due process requirements in the context of distance limitations
provisions.

In Arras v. Herrin, the court invalidated a local ordinance that granted the board “full and sole
authority, in its absolute discretion,” to determine whether an applicant was fit to operate the
business, and whether the location was “proper and to the best welfare and in the best interests”
of the county.\textsuperscript{65} The court held that the ordinance violated the applicant’s due process rights
because it contained no standard to control the discretion of the board. Other cases have similarly found that local ordinances violated due process when they did not adequately describe standards for exercising discretion or impermissibly delegated the discretion to the public (by prohibiting licenses merely because certain members of the public object).

*Chu v. Augusta-Richmond County* provides a contrasting ordinance and court decision. There, the applicant sought a retail license for selling beer and wine across the street from where she had previously been licensed. At hearings the county conducted, community members opposed the application in part because of proximity to churches and a proposed new high school. The local government denied the application, based on a county ordinance stating that the local commission “may, *in its discretion*, issue or deny any license when there is evidence that the type and number of schools, churches, libraries or public recreation areas in the vicinity of the place of business of the licensee causes minors to frequent the immediate area, *even though there is compliance with the minimum distances as provided herein.*” [Emphasis added.] The ordinance included a list of factors to consider, including local traffic issues, character of the neighborhood, number of licenses already granted in the area for similar businesses, and likelihood to encourage minors to congregate.

The applicant challenged the license refusal relying in part on the *Arras* decision – claiming that the ordinance impermissibly gave the commission “unbridled discretion.” The *Chu* court, however, rejected the applicant’s analysis, finding that, unlike in *Arras*, the ordinance set forth “sufficient objective standards to control the discretion of the governing authority and adequate notice to applicants of the criteria for issuance of a license” [quoting from *Arras*]. It thus concluded that the ordinance was constitutional and that the commission “exercised its discretion within those plain, ascertainable standards.”

These cases support the position that local governments may adopt ordinances that limit the location of retail outlets to certain parts of their jurisdiction, even when the ordinances are more restrictive than state requirements.

### 2. Operational Standards

Local jurisdictions have also imposed, and courts have upheld as valid, different types of operational restrictions on retail outlets in their jurisdictions, provided that they meet other constitutional requirements mentioned above. These types of operational restrictions include: limiting hours and days of operation; additional restrictions on adult entertainment establishments; and advertising restrictions.

There are also several provisions in the Georgia Alcoholic Beverage Code granting local governments the authority to impose various types of taxes and fees, usually with statutory limits on the amounts of the fees or taxes. These provisions probably limit local governments’ authority to tax alcoholic beverage sales and impose fees on retailers. Courts are likely to hold that a local ordinance that attempts to impose a tax or fee that exceeds the state statutory limits is not permitted because state law expressly preempts it.
IV. Conclusion

As discussed above, the Willis and SWAN cases raise some doubts regarding the extent of the authority of Georgia’s cities and counties to regulate alcohol outlets. Although the cases may signal a philosophical shift in judicial protection of local regulation of alcohol retailers, it is also reasonable to argue that they should be interpreted narrowly based on specific state statutes at issue: 1) the additional provision in Georgia’s Alcoholic Beverage Code addressing the ability of people who are over 18 and not yet 21 to work in establishments with alcoholic beverage licenses (in Willis) and 2) the PDSA, with its comprehensive scope and explicit statement about local authority for street patrols (in SWAN). This interpretation is bolstered by the fact that several aspects of local control appear to be generally accepted as permitted under state law. These areas include the authority to: categorically deny alcoholic beverage licenses, limit the density and location of certain types of alcohol retailers, limit the hours and days of retailer operations and sales, limit the operations of adult entertainment establishments, limit alcohol advertising, and impose additional fees and taxes, even providing for additional penalties.

In exercising their authority, local governments need be mindful of the parameters delineated in state law and the requirements associated with the due process, equal protection, and freedom of expression rights of applicants and licensees. In particular, local ordinances that include findings that document the manner in which new restrictions augment and enhance state laws as well as clear, ascertainable procedural standards for exercising administrative discretion in the licensing process will be more likely to withstand judicial scrutiny.
NOTES


3 D. Gorman. et al., supra n. 1.


5 The Task Force is an independent, non-federal, volunteer-based group of subject experts. It engages in a comprehensive process to review relevant research evidence with a goal of providing public health practitioners a foundation for implementing policy interventions addressing a wide variety of public health problems. The evidence for each intervention is rated as strong, sufficient, or insufficient to support a recommendation. For more information on the Task Force, see The Community Guide Web page, The Task Force on Community Preventive Services, at http://www.thecommunityguide.org/about/task-force-members.html (accessed December 14, 2011).


8 U.S. Constitution, 10th Amendment.

9 U.S. Constitution, 21st Amendment.


Jurisdictions may differ in their definitions of zoning, land use, police power, and general welfare. Because this memo focuses on the City of Baltimore, unless otherwise indicated, it treats zoning (with land use as a subset of zoning), police power, and general welfare as separate powers, reflecting the Baltimore City structure, with overlaps as noted in the text.

Mosher & Saetta, supra n. 14.

New York, see Mosher, J., Pezzolesi, R., and Treffers, R. (2011). *The Impact of Strict State Preemption on the Regulation of Alcohol Outlet Density: The Case of New York State.* Felton, CA: Alcohol Policy Consultations. North Carolina, see *State v. Williams,* 283 NC 550, 196 SE2d 756 (1973). There are no systematic analyses of State/local alcohol licensing structures. These descriptions are based on independent legal research conducted by the authors. For further discussion, see Mosher (2001), supra n. 12.


HI Stat. § 281-17; NV Stat § 244.350; WI Stat § 125.25.

For further discussion, see Mosher (2001), supra n. 12.

Research on laws governing Georgia is somewhat complicated by the fact that Georgia’s Alcoholic Beverage Code was restructured so that it is sometimes difficult to determine the extent to which provisions cited under the old law are incorporated into revised one. It is also worth noting that Georgia is now in the Federal 11th Circuit, which adopted as binding precedent all 5th Circuit decisions handed down prior to October 1, 1981. Bo’Maz Unlimited, Inc. v. City of Walthourville, 2009 U.S. Dist. LEXIS 24562, at 19 n.10 (S.D. Ga. Mar. 26, 2009)(citation omitted).


Unless otherwise indicated, “local” refers to both counties and municipalities (in this memo, municipalities is used interchangeably with cities). Although there are some provisions that treat counties differently from cities, most of the authorities this memorandum cites apply to both counties and cities.

Ga. Code Ann. § 3-3-2 (“Except as otherwise provided for in [the Alcoholic Beverage Code], the manufacturing, distributing, and selling by wholesale or retail of alcoholic beverages shall not be conducted in any county or incorporated municipality of this state without a permit or license from the governing authority of the county or
municipality. Each such local governing authority is given discretionary powers within the guidelines of due process set forth in this Code section as to the granting or refusal, suspension, or revocation of the permits or licenses”).

25 Ga. Code Ann. §§ 3-1-2, 3-2-1, 3-2-5, 3-3-3, 3-7-20.

26 Local licensing laws must “set forth ascertainable standards in the local licensing ordinance upon which all decisions pertaining to these permits or licenses shall be based,” describe their licensing decisions in writing, and provide a post-decision hearing for applicants who want to challenge the decision and submit a timely request. Ga. Code Ann. § 3-3-2. Unless otherwise indicated, this memo refers to the written policies that the local government takes as regulations, rules, or ordinance, even if the specific local government discussed uses a different term.

27 See, e.g., Consolidated Gov’t of Columbus v. Barwick, 549 S.E.2d 73 (Ga. 2001).

28 Ga. Const. Art. III, § VI, Para. IV(a). The uniformity clause in its current form was the result of a 1983 amendment. For a history of the uniformity clause, see Franklin County v. Fieldale Farms Corp., 507 S.E.2d 460 (Ga. 1998).

29 Franklin, 507 S.E.2d at 463. See also Pawnmart, Inc. v. Gwinnet County, 608 S.E.2d 639 (Ga. 2005)(applied Franklin test to conclude that local pawnbroker ordinance not preempted).

30 Grovenstein v. Effingham County, 414 S.E.2d 207 (Ga. 1992); Mullins v. DeKalb County, 339 S.E.2d 258 (Ga. 1986); Powell v. Board of Comm’rs of Gwinnett County, 214 S.E.2d 905 (Ga. 1975). Cf. Kariuki v. deKalb County, 324 S.E.2d 450 (Ga. 1985), overruled on other grounds, Russell v. East Point, 403 S.E.2d 50 (1991) (cited in both Grovenstein and Mullins)(did not refer to the general uniformity clause, focusing instead on a similar provision in the “home rule” portion of the constitution); Regency Club v. Stuckey, 324 S.E.2d 166 (Ga. 1984)(prohibited state from enacting a “special law,” since it allowed cities of certain size population from issuing private club licenses without voter approval when the general law required voter approval before private club licenses could be issued).


32 Id. Although Powell was decided before the current uniformity clause was adopted (in 1983) and was discussed in Franklin, 507 S.E.2d at 462 n.9, as an example of one of the differing ways the previous uniformity clause had been interpreted, Powell continues to be cited with approval, indicating that the changes in 1983 did not affect the conclusion in that case. See Consolidated Gov’t of Columbus v. Barwick, 549 S.E.2d 73, 75 (Ga. 2001); Mullins v. DeKalb County, 339 S.E.2d 258, 259 (Ga. 1986).


34 Id. See also Ga. Code Ann. § 3-3-2.2 (certain limits on amount of fines for violating local ordinances, but “[n]othing in this Code section shall prohibit the governing authority of a county or municipality from imposing a penalty that is otherwise allowed by law, unless such law is a local law in conflict with this Code”). Cf. Horne v. City of Cordele, 329 S.E.2d 134 (Ga. 1985); Akin v. Hardison, 262 S.E.2d 814 (Ga. 1980) (rule—that local government may not penalize acts that state penal law forbids unless there is an “essential” or “characterizing” ingredient in the municipal offense which is not essential to or contained in the state offense—only applies when there is a general law on the same subject and there was no express legislative authorization for the local law).

35 Willis v. City of Atlanta, 684 S.E.2d 271 (Ga. 2009).

36 Id. (citing Ga. Code Ann. § 3-3-24).

37 Id. (citing Ga. Code Ann. § 3-3-23(e)).

38 Willis, 684 S.E.2d at 273.

39 Id., citing Franklin County v. Fieldale Farms Corp., 507 S.E.2d 460 (Ga. 1998). Franklin, 507 S.E.2d at 463 (citation omitted) noted that preemption could be implied, when, for example, a statute extensively and exhaustively regulated all aspects of the insurance industry at the state level.

40 City of Atlanta v. S.W.A.N. Consulting & Sec. Servs., 553 S.E.2d 594 (Ga. 2001).

41 Id. (citing Ga. Code §§ 43-38-6, 43-38-7 as requiring that the company receive a permit from the state Board of Private Detective and Security Agencies, establishing qualifications for the company’s employees, and requiring that the employees register with the Board).
SWAN, 553 S.E.2d at 596 (citing Ga. Code Ann. § 43-38-14(c)).

SWAN, 553 S.E.2d at 596.

SWAN, 553 S.E.2d at 596 (citation omitted).

SWAN, 553 S.E.2d at 597.

Const. Art. III, § VI, Para. VII (“The State of Georgia shall have full and complete authority to regulate alcoholic beverages and to regulate, restrict, or prohibit activities involving alcoholic beverages. This regulatory authority of the state shall include all such regulatory authority as is permitted to the states under the Twenty-First Amendment to the United States Constitution. This regulatory authority of the state is specifically delegated to counties and municipalities of the state for the purpose of regulating, restricting, or prohibiting the exhibition of nudity, partial nudity, or depictions of nudity in connection with the sale or consumption of alcoholic beverages; and such delegated regulatory authority may be exercised by the adoption and enforcement of regulatory ordinances by the counties and municipalities of this state. A general law exercising such regulatory authority shall control over conflicting provisions of any local ordinance but shall not preempt any local ordinance provisions not in direct conflict with general law”). This provision was upheld against a First Amendment challenge in Goldrush II v. City of Marietta, 482 S.E.2d 347 (Ga.), cert. denied, Shretta v. City of Marietta, 522 U.S. 818 (1997). For a history of the 1994 amendment, see Chambers v. Peach County, 467 S.E.2d 519, 522 n.2 (Ga. 1996) (explaining that provision was meant to mirror the 21st amendment, which allowed states to limit expressive conduct, authorizing local jurisdictions to so limit). Although the court found the local ordinance unconstitutionally infringed on First Amendment rights, the ordinance was revised and withstood the court’s constitutional scrutiny. Chambers v. Peach County, 492 S.E.2d 191 (Ga. 1997). For note on the 1994 enactment of this paragraph, see 11 Ga. St. U.L. Rev. 33 (1994).

SWAN dissent, 553 S.E.2d at 596-98.

SWAN, 553 S.E.2d at 596 (distinguishing the PDSA from local powers provision discussed in Grovenstein and the 1994 constitutional provision discussed below; unlike the local powers provision, which expressly delegates the state authority (here, for alcohol licensing) to local government, the PDSA “does not exempt from its regulatory scheme” (i.e., delegate to the local entities) adult entertainment establishments serving alcohol in Georgia municipalities).


51 See the adult entertainment references below.


53 In addition, the state grants local authority by requiring that certain types of licenses can only be issued in a local jurisdiction after a local election authorizing such issuance. See, e.g., Ga. Code Ann. §§ 3-4-40 to 3-4-48; Price v. City of Snellville, 317 S.E.2d 834 (Ga. 1984); Tipton v. City of Dudley, 251 S.E.2d 545 (Ga. 1979). Cf. Regency Club v. Stuckey, 324 S.E.2d 166 (Ga. 1984) (prohibited state from enacting a “special law,” since it allowed cities of certain size population from issuing private club licenses without voter approval when the general law required voter approval before private club licenses could be issued).

54 579 F. Supp. 1320 (N.D. Ga.), aff’d without opinion, 747 F.2d 1466 (11th Cir. 1984).

55 Id. The court noted that the applicant plaintiffs may have had a cause of action under the state Alcoholic Beverage Code due process statute because the commissioner had not promulgated an ordinance pursuant to this section, but also noted that this violation does not necessarily mean that federal due process guarantees have been violated. Scoggins, 579 F. Supp. at 1326 n. 9.


58 272 S.E.2d 713 (Ga. 1980).

59 Id.

60 Consolidated Gov’t of Columbus v. Barwick, 549 S.E.2d 73 (Ga. 2001).

61 Id., 549 S.E.2d at 75.

62 Id.

63 Powell v. Board of Comm’rs of Gwinnett County, 214 S.E.2d 905 (Ga. 1975).

64 Chu v. Augusta-Richmond County, 504 S.E.2d 693 (Ga. 1998); Levendis v. Cobb County, 250 S.E.2d 460 (Ga. 1978).


66 Id.


68 504 S.E.2d 693 (Ga. 1998).

69 Chu, 504 S.E.2d at 695-96.

70 Id.

71 Chu, 504 S.E.2d at 696. The applicant also challenged the ordinance as applied to her violated equal protection because the commission denied her a license when she had already received a license across the street several years earlier. The court rejected that claim, in part because of the impending construction of a high school nearby. Id.
72 Id.


75 See, e.g., Folsom v. City of Jasper, 612 S.E.2d 287 (Ga. 2005).

76 See, e.g., Ga. Code Ann. §§ 3-4-50, 3-4-130 to 3-4-132, 3-6-60, 3-7-60, 3-8-1, 3-13-3; City of Atlanta v. Henry Grady, 138 S.E.2d 362 (Ga. 1964).