

Alcohol Licensing and Compliance Trends: Insights from the 2025 NALCP Conference

By Adam Barnosky on October 23, 2025



Multi-state operators face a complex patchwork of alcoholic beverage licensing frameworks, each with its own regulatory priorities and enforcement standards. As the retail and wholesale industry continues to adapt to shifting market conditions and evolving consumer trends, regulatory updates have become increasingly vital to sustaining economic viability while managing compliance standards.

The **National Association of Licensing and Compliance Professionals (NALCP)** recently held its 20th anniversary conference in Austin, Texas, with three days of programming that combined education, regulatory insight, and industry collaboration. Member attendees include national retailers, restaurant groups, hotels, live entertainment companies and other multi-state business operators, along with government regulators, licensing attorneys and service providers in the alcoholic beverage industry.

Adam Barnosky, Chair of the RIW's **Restaurant & Hospitality Law Practice** and NALCP Associate Member, attended the conference and provides the following takeaways:

Regulatory Changes & Emerging Trends

Across the United States, more than 415 alcohol-related bills were introduced in the past year. Here are a few of the regulatory changes and emerging trends:

1. **THC and Hemp-Derived Beverages:** The fastest-moving issue across the country is the regulation of “intoxicating” hemp and hemp-infused beverages. Hemp products are distinct from cannabis products and, with no clear federal standard from the FDA, states are filling the void by restricting potency and shifting oversight from agricultural agencies to alcohol beverage commissions. Several states, including Texas, Tennessee, Kentucky, and Alabama, are formally bringing hemp beverages under ABC jurisdiction to align age-verification, labeling, and distribution rules with traditional alcohol products. Others, such as Nevada, now require clear signage (i.e. “This location is not licensed to sell cannabis”) to avoid consumer confusion at the retail level. States such as Ohio, Montana, and Arkansas have begun to codify THC limits (0.5–1 mg per container). Expect more legislatures to revisit potency, labeling, and distribution restrictions regarding hemp products in 2026 in the absence of FDA guidance.
2. **Digital Payments and Compliance Modernization:** Another trend gaining traction is the move toward electronic payments for wholesale alcohol transactions. A number of states are either mandating or piloting systems that require distributors and retailers to pay electronically. The intent behind the policy is to create a digital audit trail and reducing delinquency risk. Regulators expect these measures to expand nationwide as part of broader payment modernization and anti-fraud efforts.

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3. **“Compliance is Collaboration”:** Regulators are continuing to emphasize education and prevention over enforcement. States like Connecticut and Indiana have now made server or door-checker training mandatory, and Vermont’s new “Human Trafficking Awareness” module extends compliance education into public-safety topics. Texas regulators reinforced this shift during opening remarks at the conference, with the TABC stressing that “compliance is collaboration.”
4. **Liability Reform:** Surprisingly, many legislatures this year moved to clarify or narrow liability exposure for responsible licensees, signaling a notable shift away from blanket dram shop standards toward a more balanced risk framework. After several years of heightened litigation and insurance cost volatility (particularly in the wake of pandemic-era staffing shortages and changes in consumption patterns) lawmakers are reexamining where accountability should begin and end for alcohol service. Panelists observed that insurers and operators alike have seen significant increases in liability premiums, sometimes doubling in high-volume or late-night sectors. In response, a number of states are trying to align statutory liability with modern realities of enforcement and training, including West Virginia (enacted a targeted liability statute that limits certain civil actions against licensees who can demonstrate compliance with mandatory training and responsible service standards) and Indiana (refined its liquor liability insurance and sampling provisions, removing outdated fixed coverage minimums and giving licensees greater flexibility to demonstrate adequate coverage based on business size and risk profile).
5. **Streamlined Rules on Operations and Ownership:** Several states have acted to make compliance less burdensome. Maine scrapped its rigid “meal” definition for on-premises food service and raised tasting-room carry-out limits. Arkansas expanded the number of retail stores a single licensee can own (up to three in populous counties) while legalizing direct-to-consumer wine shipping. Indiana simplified disclosure thresholds by moving to a 5 percent ownership test and shortened certain hearing notice periods from ten to three days to improve efficiency.
6. **Expanded Access and Delivery Models:** The push to make alcohol access more flexible continues. Delaware and Mississippi both enacted long-awaited direct-to-consumer wine shipping laws. Arkansas and Mississippi approved structured third-party delivery systems with mandatory training requirements, mirroring the ongoing normalization of off-premise and e-commerce alcohol delivery across the country.
7. **Extension of Outdoor and Event Licensing:** Outdoor service, to-go cocktails, and event-specific extensions remain a legislative staple. California extended its temporary outdoor privileges to 2027, Indiana clarified patio and cup requirements for common consumption zones, and Washington permitted designated “World Cup” zones allowing open-container service during international events. Mississippi went even further, temporarily allowing nearly 24-hour operations during FIFA-related events.
8. **Emerging Issue to Watch.** At least one jurisdiction is considering universal ID rules requiring anyone appearing under 35 to be carded, alongside bold visual signage at points of sale. Whether that proposal spreads will depend on regulatory outcomes and stakeholder feedback.

Additional Highlights

Technology and Compliance: A dedicated session on artificial intelligence examined how digital tools are reshaping every stage of the licensing and compliance process. Panelists discussed how regulators and operators alike are integrating AI to streamline filings, reduce administrative error, and strengthen ongoing monitoring (functions that once depended entirely on manual review). For regulators, technology is already driving measurable change, with some agencies planning to introduce automated application review and document-tracking systems. Business operators stressed that technology adoption will soon need to become part of an effective compliance strategy. Panelists cautioned, however, that AI is imperfect and, when used without guardrails and proper training, can create as many problems as it solves. AI should support (not replace) professional

judgment and legal review.

Market Shifts in Consumer Trends: The conference also explored how evolving consumer trends are reshaping both the alcohol marketplace and the surrounding regulatory framework. The session highlighted the rapid expansion of non-alcoholic, low-ABV, and functional beverages, from craft mocktails and zero-proof “spirits” to THC-infused seltzers and adaptogenic tonics. What began as a niche market has now become a mainstream business category. Panelists noted that fewer Americans are drinking alcohol regularly, particularly among younger demographics, and that Gen Z and younger Millennials are driving double-digit growth in the non-alcoholic category, while traditional beer, wine, and spirits sales have flattened or declined in several states. Economic pressures have added another layer: inflation and higher on-premise prices have pushed many consumers to seek lower-cost or “better for you” alternatives, fueling additional demand for “functional beverages” (i.e. relaxation, improved hydration, or energy) without alcohol.

Regulator Roundtable Discussions: The “regulator roundtable” remains a staple of NALCP conference sessions. Attendees interact directly with regulators from states across the country, who often provide practical insight into enforcement priorities and how operators can better anticipate how policy is applied in practice. Several Massachusetts regulators attended this year, including representatives from the ABCC, Boston Licensing Board, and Cambridge License Commission. Massachusetts regulators answered questions and provided guidance on local and state disclosure obligations, CORI checks, and financial transparency, among other issues, and emphasized that incomplete financial documentation and unclear ownership structures remain primary causes of delayed or denied applications, and urged early, accurate filings to ensure smoother approvals.

Adam Barnosky chairs RIW's **Restaurant & Hospitality Practice Group** and handles alcoholic beverage licensing, commercial real estate and corporate transactions for the retail, restaurant, and hospitality industries; including the representation of restaurant groups, hotels, sports and entertainment companies, food halls, retailers, hospitality lenders, and award winning chefs and operators. Adam can be reached at arb@riw.com.

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