

Client Alert: Two Updates on Alcohol License Applications and Modernized Regulations

By Ryan Clemens on March 16, 2026



The Alcoholic Beverages Control Commission (“ABCC”) recently shared two key updates on license applications and the Massachusetts laws governing alcohol licensing. The first update is that the latest state budget includes three updates to General Law Chapter 138’s provisions on the definition of “licensed premises,” the time to appeal local decisions, and automatic disqualifications for licensees and managers. The second update is that the ABCC now has a specific application procedure for license holders with multiple-tiered ownership. More details on these updates follow in the order below.

First, several recommendations from a stakeholder task force to modernize General Laws Chapter 138 are moving forward in this current state budget. In 2017, Treasurer Deborah Goldberg’s office formed an **Alcohol Task Force** that generated a report with recommendations of how to amend Chapter 138. Three of those recommendations are currently moving through the Legislature as part of the **2027 Budget**. As of the time of this article, the Budget is with the House Ways and Means Committee.

The Alcohol Modernization Sections start with Section 54 on page 307 and fall into three categories of amendments: Removing the “Contiguous” Limitation for Licensed Premises; Extending the Local Decision Appeal Window; and Character and Fitness Qualifications for Applicants.

- **Removing “Contiguous” Limitation for Licensed Premises.** Sections 54 and 57 through 60 of the Budget remove “and contiguous” from Sections 12, 19B-C, 19E, and 19H of Chapter 138. Currently, licensed premises must be contiguous, i.e., have no gaps between licensed areas, such as a sidewalk between a restaurant and green space. Yet many restaurants and bars are adjacent to easily accessible but separate spaces where they could expand their business and offer enjoyable spaces for customers. For example, a restaurant and a city worked together to extend an easement over a sidewalk so that the restaurant could serve alcohol to customers on the neighboring green space. Those types of solutions are highly labor-intensive, though, disincentivizing productive use of those spaces. Removing “contiguous” will allow licensees to more easily serve alcohol on rooftops, outdoors, or on neighboring green spaces that they already have lawful access to.
- **Extending Local Decision Appeal Window.** Section 62 of the Budget extends the time to appeal local decisions on applications by replacing five calendar days with “10 business” days in G.L. c. 138, § 67. This extra time to appeal unfavorable decisions gives applicants more opportunity to evaluate their chances of appeal and possibly receive a written decision, since the five calendar days are often not long enough for the local board to formally explain its reasoning.
- **Character and Fitness Qualifications for Applicants.** Instead of contradictory

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disqualifications across G.L. c. 138 §§ 12 and 15, new language will create discretion in local boards and the ABCC to consider an applicant's character and fitness despite past convictions for misdemeanors and felonies. This amendment both creates consistent statutory disqualifications between Sections 12 and 15 and increases the eligibility of applicants. Specifically, Sections 55 and 56 of the Budget propose to completely delete "No license shall be issued to any applicant who has been convicted of a violation of a federal or state narcotic drugs law." from G.L. c. 138 § 12 and "No license shall be issued to any applicant who has been convicted of a felony." from § 15, respectively. Then, Section 61 of the Budget inserts "No applicant shall be issued a license under this chapter unless such applicant is, with respect to their character, satisfactory to the licensing authorities." in G.L. c. 138, § 23.

These amendments would significantly ease and improve alcohol license processes for many applicants and increase business opportunities to expand licensed premises.

Second, the ABCC is introducing new guidance on license applications with multiple-tier ownership. Increasingly often, license holders are corporate entities owned and managed by individual persons who must be disclosed on license applications. Those license-holding entities may also be owned and managed by other corporate entities, yet state law requires that their interests be disclosed as well, until all individual persons with interests in the alcohol license are known to the licensing authorities. Previously, disclosing this information could be confusing or burdensome based on how applicants may organize their corporate structures or how difficult tracking down all of the relevant information for each individual may be, given a potentially large number of individuals with interests in any one entity but little impact on licensed operations.

To alleviate the mystery for applicants and reviewing authorities, the ABCC proposed a uniform order for disclosing interests in the license. The order also includes an exemption request for ownership structures with many small investors who are not typically involved in operations, to potentially alleviate the burden on the applicant of gathering their sensitive information. Specifically, the ABCC now requires applications that require interest disclosures to include a series of forms in the following order, after Questions 1-5 on the ABCC application:

1. Optionally, a beneficial interest disclosure exemption request form. The ABCC intends this form to be for small-percentage owners that are not involved with the licensee's operations, for example, retirement funds with many participants that invested in a restaurant business. The exemption request form is not applicable to individuals at the licensee level; however, if an individual has a direct interest in the license, it must be fully disclosed.
2. A flow chart of the organizational structure's tiers of ownership, marked with percentages.
3. Application pages for Question 6 (and Addendum A if needed) for the licensed entity;
4. Business structure documents for the licensed entity;
5. CORI forms for each individual with an interest in the licensed entity; and
6. An Addendum A, business structure documents, and CORI forms are grouped together for each successive tier of ownership, in order from the licensed entity to the last tier of ownership.

The ABCC is still developing its final guidance on multiple-tier applications. This new requirement will hopefully create clarity in complicated applications and increase expediency through the beneficial interest disclosure exemption request form.

The proposed amendments to Chapter 138 and the new guidelines on multi-tier license applications reflect a regulatory effort to modernize licensing as a result of open dialogue

between regulators and licensed businesses. RIW frequently communicates with licensing authorities over the course of representing applicants before them, and will continue to monitor these updates as they each progress.

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