



Alcohol License Transfer Risk Guide

**How These 5 Legal Traps Can Derail Your Massachusetts
License Transfer (And How to Avoid Them Before It's Too Late)**

You've worked hard to build or buy your business. Maybe you're opening your dream bar in Boston, purchasing a convenience store in the suburbs, or expanding a family restaurant.

But one thing stands between you and opening day: the alcohol license transfer.

And if you think it's just paperwork, think again.

In Massachusetts, alcohol licensing is a bureaucratic minefield. If you miss a deadline, forget a disclosure, or inherit someone else's unpaid bills - your license could be delayed, denied, or revoked... and your investment wasted.

If you're buying or selling a business with a liquor license, there are hidden risks that most business owners don't see until it's too late.

This guide reveals the 5 most common legal traps I've seen ruin otherwise good deals—and exactly how to avoid them.

Buying the Business... and the Seller's Hidden Debts

Think everything's clean just because the seller says so?

Not in Massachusetts.

If the previous owner has unpaid taxes, licensing fees, or distributor invoices, those liabilities can transfer to you. That means once you close the deal, you may legally owe their debts—even if you never knew about them.

How To Fix It:

- ☑ Always demand a Certificate of Good Standing from the MA Department of Revenue.
- ☑ Get a Certificate of Compliance from the Department of Unemployment Assistance.
- ☑ Ask for written proof of payment from major distributors and vendors.
- ☑ Have your attorney conduct a financial risk review before closing.

Missing a Required Step - and Getting Stuck in a 6-Month Delay

You thought the license would transfer in 30–60 days. Now you're still waiting after six months and bleeding money.

Why? In Massachusetts, the process involves multiple agencies—health, fire, building, and licensing boards—and they rarely coordinate.

One missing signoff or incorrect filing can delay your approval indefinitely.

How To Fix It:

- ☑ Hire an attorney to project-manage your license transfer.
- ☑ Stay on top of every agency's requirements (each town has its own process).
- ☑ Don't let your landlord pressure you to open before approval—protect yourself with written lease clauses.
- ☑ Use checklists and escalation procedures to keep departments accountable.

Operating Without Approval - And Risking Fines or Legal Action

You're ready to go. The team is hired. The space is renovated. The seller says, "Just start operating until the license comes through."

Bad move.

If you serve alcohol before the license transfer is approved by the Boston Licensing Board or local authority, you're violating state law—and exposing yourself to fines, shutdowns, and lawsuits.

Even worse? If a customer causes an alcohol-related incident (like a DUI), you could be personally liable.

How To Fix It:

- ☑ Never operate until you receive full, final approval.
- ☑ If you plan to act as temporary manager, disclose that in writing to the Licensing Board.
- ☑ Make sure you've reported your source of funding, purchase terms, and intended operations in advance.

Failing to Disclose Ownership & Manager Details

Massachusetts has strict rules around who can own and manage a licensed business.

Did you know:

- No more than 50% of your business can be owned by non-U.S. citizens?
- Your manager of record must be a U.S. citizen and work full-time (35+ hours/week) on-site?

Miss these, and your application may be denied - even if everything else is perfect.

How to Fix It:

- ☑ Ensure your ownership structure is legally compliant.
- ☑ Appoint a qualified, on-site U.S. citizen as manager of record.
- ☑ Disclose all changes in management, hours, or premises layout - before they happen.

Thinking You Don't Need a Lawyer Until Something Goes Wrong

This is the most costly mistake I see: business owners trying to “DIY” the transfer and calling a lawyer only when disaster strikes.

But by then, you might already be:

- Facing a rejected application
- Stuck in landlord disputes
- Sued for unpaid debts
- Exposed to ABCC penalties

Licensing law is filled with traps for the unwary—and unfortunately, the state won't help you fix the mess once you're in it.

How To Fix It:

- ☒ Hire legal counsel before you file anything or sign a purchase agreement.
- ☒ Let your attorney handle filings, compliance, communications, and negotiations.
- ☒ View legal guidance as protection for your long-term investment—not just an extra expense.

The Bottom Line: Don't Let Paperwork Sink Your Business

Massachusetts alcohol licensing isn't just “one more form to fill out.”

It is a legally sensitive, high-stakes process that can cost you thousands—or even your entire business—if it goes wrong.

I am Attorney David Rubin, and I have helped business owners across the state navigate complex transfers, avoid surprise liabilities, and keep their licenses clean.

Now I want to help you do the same.

Book Your FREE Consultation and You'll get:

- ✓ A step-by-step breakdown of what to do
- ✓ Real-life examples of what to avoid
- ✓ A free legal strategy call to review your situation

Your business deserves a smooth start. Let's make sure it happens—legally and safely.

**CLICK HERE TO BOOK YOUR
CONSULTATION**