

OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO

**License to Pour:
Access & Equity in
Massachusetts
Liquor Licensing**



Municipal Impact Study

October 13, 2026

Division of Local Mandates



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OFFICE OF THE STATE AUDITOR

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Dear Reader:

This study examines equity and economic opportunity in the Commonwealth's liquor licensing system. For restaurants, hotels, and other hospitality businesses across Massachusetts, a liquor license can determine whether a business can open, where it can be located, and whether an investment is financially viable. Yet the system remains rooted in a framework established in 1933, with access to liquor licenses determined in some municipalities by state-imposed population quotas, while others have local control. This two-tier licensing system is further complicated by administrative barriers, limited public information, and, in some municipalities, a costly private market due to license scarcity.

This analysis finds meaningful disparities in license availability and access across the Commonwealth. The data examined in this report illustrates that approximately 2.5 million residents live in municipalities short on available licenses due to the state-imposed population-based quota. In comparison, this report found that municipalities with local control issue approximately twice as many on-premises licenses per resident as quota municipalities. Additionally, this report finds that license access rises with significant increases in municipal wealth, with the wealthiest municipalities issuing 58% more licenses per resident than the least wealthy municipalities.

Where licenses are scarce, the implications for business owners and municipalities are significant. Business owners report a number of issues: incomplete information regarding license availability, costs, requirements, and procedures; uncertain timelines; choice of location limitations; and entry costs of up to \$600,000 to purchase an existing license. Quota municipalities with limited available licenses face economic development challenges and an opaque, inconsistent, and unpredictable home rule petition process to acquire additional licenses.

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When businesses face barriers to entry and expansion, there may also be lost economic opportunity for the Commonwealth. Massachusetts supports 9.3 full-service restaurants per 10,000 residents, against an average of 10.0 across neighboring states—a difference of roughly 490 restaurants, 9,500 jobs, \$311 million in annual wages, and \$56 million a year in state and local meals taxes.

To address these issues, this study recommends eliminating the state-imposed population-based quota and establishing local control to place municipalities on equal footing; addressing wealth-related barriers that arise when scarce licenses function as transferable private assets; and improving information access, equity, and transparency so that applicants and the public can readily ascertain license availability, costs, requirements, and procedures.

It is my privilege to submit this municipal impact study. I am hopeful that the findings and recommendations presented here will foster meaningful dialogue among legislators, the Administration, municipal officials, business owners, and community members and encourage reforms that ensure a liquor licensing system that serves licensees and municipalities equitably.

Sincerely,

A handwritten signature in dark ink, reading "Diana DiZoglio". The signature is fluid and cursive, with the first name "Diana" and last name "DiZoglio" clearly distinguishable.

Diana DiZoglio
Auditor of the Commonwealth

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LIST OF ABBREVIATIONS

ABCC	Alcoholic Beverages Control Commission
API	application programming interface
DLM	Division of Local Mandates
EQV	equalized valuation
LLA	local licensing authority
MGL	Massachusetts General Laws

LIST OF DEFINE TERMS

Alcoholic Beverages Control Commission (ABCC)	ABCC is an agency under the Massachusetts State Treasury, the objective of which is to provide uniform control over the sale, transportation, possession, purchasing, and manufacturing of alcoholic beverages in the state.
All-Alcohol license	This is a license authorizing the sale of all alcoholic beverages, including wines, malt beverages, and distilled spirits.
allocated licenses	This is the number of on-premises liquor licenses a quota municipality is permitted to issue pursuant to the population-based formula under the Massachusetts General Laws (MGL) c. 138, § 17.
allowed licenses	This is the number of on-premises liquor licenses a municipality is permitted to issue, whether pursuant to the population-based formula under MGL c. 138, § 17; pursuant to special legislation enacted upon home rule petition; or pursuant to local determination, if the municipality is a local-control municipality.
constrained municipality/constrained quota municipality	This is a quota municipality with license utilization at or above 80%.
equalized valuation (EQV)	EQV is a standardized measure of municipal wealth determined every two years by the Department of Revenue under MGL c. 58, §§ 9–10C. EQV is an estimate of the full and fair cash value of all taxable property in a municipality, adjusted so that valuations are comparable across municipalities. This report uses EQV per capita (EQV divided by population) to classify municipalities into wealth quartiles.
exception license	This is a license that is issued outside the population-based quota—e.g., special event licenses, farmer series licenses, additional licenses granted pursuant to special legislation enacted upon home rule petition—and therefore not counted against a municipality’s quota when measuring license utilization.
Gateway City	Defined under MGL c. 23A, § 3A, as “a municipality with a population greater than 35,000 and less than 250,000 with a median household income below the commonwealth’s average and a rate of educational attainment of a bachelor’s degree or above that is below the commonwealth’s average.”
home rule petition	A home rule petition is a formal request by a municipality to the Massachusetts state legislature (the General Court) to pass a special law that applies only to the specific municipality (e.g., a request for authority to issue liquor licenses in excess of quota).
inactive/pocket license	This is an issued on-premises license for a business that has closed or stopped operating retained by the license holder.
issued licenses	This is the number of on-premises liquor licenses a municipality has granted to specific license holders (issued licenses may be less than allocated licenses, indicating unused capacity or greater than allocated licenses where home rule petitions have allowed licenses above a quota).

license access	This is the number of allowed licenses issued by a municipality per 10,000 residents.
license utilization	This is the percentage of a municipality's licenses allocated under the MGL c. 138, § 17, quota formula issued to license holders.
licensing fees	These are the amounts payable to obtain or renew an on-premises license—the annual fee set by the municipality under MGL c. 138, § 23, together with the filing fee payable to ABCC; distinct from the transfer price paid to an existing licensee on the private secondary market.
local-control municipality	This is a municipality that is authorized to grant on-premises licenses “in addition to, and irrespective of” the state-imposed population-based quota because it accepted the provisions of MGL c. 138, § 17A, pursuant to St. 1978, c. 377, § 2.
median	This is the middle value in a set of numbers that separates the upper half from the lower half when the numbers are arranged in ascending (or descending) order.
off-premises license/§ 15 license	This is a license under MGL c. 138, § 15, authorizing the sale of alcoholic beverages for consumption at a location other than the location of purchase.
on-premises license/§ 12 license	This is a license under MGL c. 138, § 12, authorizing the sale of alcoholic beverages for consumption at the location of purchase.
outcome-based sample	This is the combined sample of 302 quota municipalities and 26 local-control municipalities.
quota/quota formula/§ 17 quota formula	This is the state-imposed population-based number of licenses that may be issued by a quota municipality under MGL c. 138, § 17.
quota municipality	This is a municipality that is subject to the state-imposed population-based quota under MGL c. 138, § 17.
secondary market	This is a market where publicly issued licenses are bought, sold, and transferred between private parties.
unconstrained municipality/unconstrained quota municipality	This is a quota municipality with license utilization that is less than 80%.
utilization band	This is one of four percentage ranges in which quota municipalities are classified based on the percentage of allocated licenses issued; for purposes of this report, quota municipalities are classified as underutilizing (< 50%), moderate (50–79%), high (80–99%), or at or over quota (≥ 100%).
wealth quartile	This is one of four EQV per capita ranges that are determined by sorting the 328 outcome-based sample municipalities by EQV per capita in ascending order, dividing them into four equal groups of 82, and setting the high point of each range equal to the EQV per capita of the municipality with the highest EQV per capita in each group; for purposes of this report, municipalities are classified as Q1 (\$76,427–\$177,434), Q2 (\$177,435–\$231,944), Q3 (\$231,945–\$328,158), or Q4 (\$328,159–\$2,837,676).
Wine-and-Malt license	This is a license authorizing the sale of wines and malt beverages only (includes licenses for wine and malt, wine only, malt only, with or without liqueurs and cordials).

ABOUT THE DIVISION OF LOCAL MANDATES

The Office of the State Auditor's Division of Local Mandates (DLM) was established by Proposition 2½, a ballot measure passed by voters in 1980, intended to limit the amount of revenue a municipality can raise through property tax increases absent voter approval. Additionally, Proposition 2½ protects cities and towns from the involuntary imposition of expenditures by state law, rule, or regulation. This protection is codified in Massachusetts General Laws (MGL) Chapter 29, Section 27C, referred to as the Local Mandate Law, which provides that any state law, rule, or regulation adopted after 1980 that imposes new direct service or cost obligations on cities and towns, excluding incidental local administration expenses, is effective only if locally accepted by the municipality or fully paid for by the Commonwealth. This protection also applies to regional school districts and educational collaboratives.

DLM determines the financial impact on cities and towns of proposed and existing state laws, rules, and regulations. A city, town, regional school district, educational collaborative, or the Legislature (via the House of Representatives, the Senate, or a legislative committee) may petition DLM for a determination of whether the Commonwealth has fully paid for the costs imposed by any law, rule, or regulation subject to the Local Mandate Law and, if not, the amount of the deficiency. DLM shares its determinations with the petitioners, as well as with the Executive and Legislative branches of the government.

In 1984, the Legislature expanded DLM's responsibilities to include examining any state law, rule, or regulation having a significant financial impact on cities and towns, regardless of whether the Local Mandate Law applies. This statute is codified as MGL Chapter 11, Section 6B. Pursuant to this law, DLM releases reports known as municipal impact studies, or 6B reports.

DLM's mandate determinations, cost analyses, and municipal impact studies protect cities and towns by examining issues impacting municipal budgets, offering recommendations to make government work better, and ensuring that local governments are not financially burdened by inadequately funded obligations imposed by the state.

EXECUTIVE SUMMARY

Alcohol service in restaurants, bars, hotels, clubs, and other establishments supports a substantial part of the Commonwealth's economy. Massachusetts had 6,476 full-service restaurants in 2022, employing 125,838 people and generating \$10.6 billion in sales.¹ This study examines the Commonwealth's liquor licensing system governed by Massachusetts General Laws (MGL) Chapter 138. In particular, the impact of the state-imposed quota formula in MGL c. 138, § 17, which determines and limits the number of allocated liquor licenses based on population for most municipalities, is evaluated. Analysis reveals that this quota formula creates a shortage of on-premises liquor licenses by capping the number of licenses a municipality may issue based solely on a single factor, population, rather than reflecting local demand. This artificial scarcity results in the commodification of liquor licenses and acts as an institutional mechanism for economic exclusion by pricing out many prospective licensees, especially smaller, first-time, or less-capitalized business owners, from equitable market access.

Data collected and analyzed shows that the quota formula does not align license allocation with demand because population alone does not account for local economic development goals, unique neighborhood characteristics, tourism and seasonal population fluctuations, and other relevant factors. Although prospective licensees and municipalities can try to overcome the artificial scarcity by pursuing home rule petitions and special legislation for licenses above quota, barriers to accessing liquor licenses persist due to the opaque, inconsistent, and unpredictable nature of this process.

1 US Census Bureau, "All Sectors: County Business Patterns, including ZIP Code Business Patterns, by Legal Form of Organization and Employment Size Class for the US, States, and Selected Geographies: 2022," Table CB2200CBP, NAICS 722511 (full-service restaurants), Massachusetts, accessed August 10, 2026, <https://data.census.gov/table/CBP2022.CB2200CBP>: 6,476 establishments; 125,838 employees (average 19.4 per establishment). Sales: US Census Bureau, "2022 Economic Census," sector 72 (accommodation and food services), NAICS 722511, Massachusetts, accessed July 27, 2026, <https://www.census.gov/programs-surveys/economic-census.html>: average receipts of \$1,651,443 per establishment across 6,427 establishments, or \$10.6 billion ($6,427 \times \$1,651,443 = \$10,613,824,161$). The two Census programs count establishments on slightly different bases (6,476 and 6,427); the establishment and employment figures in the text use the County Business Patterns count, and the sales figure uses the Economic Census count on which the receipts average is reported.

Exacerbating inequity in Massachusetts liquor licensing is the existence of a two-tier system in which 26 municipalities can issue licenses “in addition to, and irrespective of any [quota] limitation”² while 302 municipalities are limited by the quota formula. Limited information fragmented across state and municipal platforms makes the system difficult to navigate, further compounding inequity, as success may be dependent on whom one knows and leveraging those relationships.

To counter these inequities, this study recommends eliminating the state-imposed population-based quota for on-premises liquor licensing and establishing local control ([Recommendation 1](#)); improving information access, equity, and transparency in on-premises liquor licensing ([Recommendation 4](#)), and addressing the treatment of on-premises liquor licenses as transferable private assets ([Recommendation 5](#)). These reforms are designed to address equity concerns in license access, including wealth and process disparities; empower municipalities to make licensing decisions in the best interest of their communities and residents; and strengthen public confidence in the system.

In the absence of legislative action on [Recommendation 1](#), this study makes alternative proposals to increase equitable access to licenses ([Recommendation 2](#)) and to establish a criteria-based, non-legislative pathway to additional licenses ([Recommendation 3](#)).

² St. 1978, c. 377, and St. 1984, c. 491 (MGL c. 138, §§ 17A–17C); see [Finding 2](#).

Below is a table of our findings and recommendations, with hyperlinks to each page listed.

Finding 1 Page 25	FINDINGS The state-imposed population-based quota formula creates supply and demand mismatches in on-premises liquor licensing.
Finding 2 Page 42	The 1978–1984 exemption window created an inequitable two-tier system: 26 municipalities with local control and 302 municipalities restricted by the state-imposed quota formula.
Finding 3 Page 50	License access rises with municipal wealth.
Finding 4 Page 56	The two current relief pathways for constrained quota municipalities are marked by access barriers, unpredictability, and inconsistent outcomes.
Finding 5 Page 73	Prospective licensees and the public lack consistent, complete procedural information and data needed to navigate the licensing system at both the municipal and state levels.
Recommendation 1 Page 93	The Commonwealth should eliminate the state-imposed population-based quota for on-premises liquor licensing and establish local control.
Recommendation 2 Page 100	Increase equitable access to licenses by opening recurring windows of opportunity for municipalities to opt out of the state-imposed quota formula.
Recommendation 3 Page 102	Establish a criteria-based, non-legislative pathway to obtain additional licenses in conjunction with ABCC.
Recommendation 4 Page 104	Improve information access, equity, and transparency in on-premises liquor licensing.
Recommendation 5 Page 108	Address the equity and wealth-access barriers created by the secondary market for on-premises liquor licenses.

INTRODUCTION

Liquor licenses are central to economic development in nearly every Massachusetts municipality, contributing to downtown redevelopment and the success of the Commonwealth's restaurant, tourism, and hospitality industries. Licenses are allocated to most municipalities through a state-imposed population-based quota formula (a statutory cap on the number of licenses each municipality may issue, scaled to its resident population).³ Municipal local licensing authorities (LLAs) review applications and issue licenses while the Alcoholic Beverages Control Commission (ABCC) oversees the liquor licensing system at the state level.

The Commonwealth's liquor licensing system has been a recurring subject of reform and discussion, particularly during the past decade with respect to who should control the number of licenses a municipality may issue and their transferability. In 2014, then Governor Patrick proposed an economic development bill that included provisions to "[place] authority for granting liquor licenses in the hands of municipalities to allow local communities to make responsible decisions regarding their economic development and growth."⁴ These provisions were excluded from the House redraft of the bill.⁵

In 2015, then Governor Baker proposed legislation that included similar provisions, as well as addressing license transferability.⁶ These provisions were again excluded from House redrafts.⁷ Similar legislation has been refiled in each legislative session since, with H.437 filed by State Representative McKenna in 2025 sent to study, and provisions

3 Under MGL c. 138, § 17, a municipality subject to the quota may issue one all-alcohol on-premises license per 1,000 residents (or fraction thereof) and one additional all-alcohol on-premises license per 10,000 residents (or fraction thereof) over 25,000 residents, as well as one wine-and-malt on-premises license per 5,000 residents (or fraction thereof). A quota municipality may issue 14 all-alcohol and 5 wine-and-malt licenses regardless of population.

4 Governor Deval L. Patrick, An Act to promote growth and opportunity, H.4045 (Mass., 2013).

5 House Committee on Ways and Means, An Act promoting economic growth across the Commonwealth, H.4165, 188th Gen. Ct. (Mass., 2013).

6 Governor Charles D. Baker, An Act to modernize municipal finance and government, H.3905 (Mass., 2015).

7 House Committee on Ways and Means, An Act to modernize municipal finance and government, H.4397, 189th Gen. Ct. (Mass., 2015); H.4419, 189th Gen. Ct. (Mass., 2015); St. 2016, c. 218.

included in the proposed Senate’s fiscal year 2026 budget stripped during conference committee negotiations.⁸ The final conference committee report on the fiscal year 2026 budget instead included MGL c. 138, § 12D, which is a limited provision permitting existing wine-and-malt licensees to convert their licenses to nontransferable all-alcohol licenses; it did not, however, give municipalities the ability to increase the number of their issuable licenses.⁹ In July 2026, the Senate returned to the question of municipal liquor control in an economic development bill.¹⁰ The provisions in that legislation, S.3228, effectively mirror Governor Baker’s proposals, rewriting MGL c. 138, § 17, to provide that “a city or town shall determine the number” of on-premises licenses it issues and to address license transferability.¹¹

In 2017, State Treasurer Goldberg, whose office houses ABCC, convened a task force to review the liquor licensing system and issue recommendations.¹² The resulting report recognized that “the licensing process in Massachusetts needs updating” and that “today’s capital markets are more complex than in 1933 when Mass. Gen. Laws ch. 138 emerged.”¹³ This study adds to that work, evaluating specific concerns raised by stakeholders, including artificial scarcity,¹⁴ exorbitant private market costs, neighborhood inequity, information gaps, and opaque home rule processes.

8 Representative Joseph D. McKenna, An act returning liquor license control to municipalities, H.176, 190th Gen. Ct. (Mass., 2017); H.289, H.290, 191th Gen. Ct. (Mass., 2019); H.431, H.432, 192nd Gen. Ct. (Mass., 2021); H.367, 193rd Gen. Ct. (Mass., 2023); H.437, 194th Gen. Ct. (Mass., 2025); An act making appropriations for the fiscal year 2026 for the maintenance of the departments, boards, commissions, institutions and certain activities of the commonwealth, for interest, sinking fund and serial bond requirements, and for certain permanent improvements, S.2525, 194th Gen. Ct. (Mass., 2025); Conference Report on An act making appropriations for the fiscal year 2026 for the maintenance of the departments, boards, commissions, institutions and certain activities of the commonwealth, for interest, sinking fund and serial bond requirements, and for certain permanent improvements, H.4240, 194th Gen. Ct. (Mass., 2025).

9 Conference Report on An act making appropriations for the fiscal year 2026 for the maintenance of the departments, boards, commissions, institutions and certain activities of the commonwealth, for interest, sinking fund and serial bond requirements, and for certain permanent improvements, H.4240, § 51, 194th Gen. Ct. (Mass., 2025).

10 Amendment to An act relative to economic development in the Commonwealth, S.3228, 194th Gen. Ct. (Mass., 2026).

11 *Id.*

12 Macey Russell, E., et al., Alcoholic Beverages Control Commission: Task Force Report (Dec. 27, 2017), https://www.mintz.com/sites/default/files/media/documents/Alcohol%20Task%20Force%20Report_0.pdf (hereinafter “2017 Task Force Report”).

13 2017 Task Force Report, at 24.

14 Artificial scarcity refers to the shortage of on-premises liquor licenses created by the state-imposed quota formula, which caps the number of licenses a municipality may issue based solely on a single factor, population, rather than reflecting local demand.

These concerns remain unresolved. This study examines equity, access, and other impacts of the liquor licensing system on municipalities and prospective licensees, specifically: (1) how the quota formula functions, (2) whether access to liquor licenses is equitable, (3) who bears the cost of artificial license scarcity, and (4) the barriers to access created by existing statutory and administrative processes. The analysis focuses on on-premises licenses—licenses issued to restaurants, bars, hotels, and similar establishments to serve alcohol for onsite consumption.¹⁵ It does not include off-premises licenses, which are subject to their own quota, or other license categories.¹⁶

This study draws on five complementary lines of evidence: fiscal year 2024 (unless otherwise noted) licensing data provided by ABCC (see [Appendix B](#)); socioeconomic data (see [Appendix B](#)); a review of governing laws and proposed legislation (see [Appendix E](#)); a survey of business owners, municipal officials, and state officials (see [Appendix C](#)); and in-depth interviews with license holders, industry consultants, municipal officials, and state officials (see [Appendix C](#)). The technical details behind each—data sources, definitions, statistical methods, and survey and interview administration—appear in Appendices [B](#), [C](#), and [D](#).¹⁷

15 See MGL c. 138, § 12.

16 This analysis is limited to on-premises retail licenses subject to the quota formula under MGL c. 138, § 17, specifically, All-Alcohol licenses and Wine-and-Malt licenses. Wine Only (0.7%) and Malt Only (1.7%) are not analyzed separately because § 17 establishes a single quota for “wine and/or malt beverages only” so they are subsumed under the Wine-and-Malt quota and counted within the Wine-and-Malt license utilization calculation. Their small, combined share (2.4%) means the treatment does not materially affect results. All other license types are excluded.

17 Data cycles for the lines of evidence: (1) ABCC licensing data from two datasets—the ABCC fiscal year 2024 annual quota reports, which supplies each municipality’s annual report of license counts, and the ABCC fiscal year 2024 active-license extract, which supplies the license-level records, including the special legislation flag and the authorizing act; (2) socioeconomic data—population: 2023 US Census Bureau municipal population estimates (via Department of Revenue/Division of Local Services), EQV/ wealth: Fiscal Year 2026 Department of Revenue EQV per capita (the Department of Revenue constructs EQV using 2023 population), socioeconomic municipal indicators (population density, income per capita, housing, tax levy, state aid, and related Division of Local Services fields used for context): Division of Local Services Fiscal Year 2025 municipal databank series available at the time of analysis; (3) survey: fielded December 2025–February 2026 (cleaned n = 260); and (4) stakeholder interviews conducted in 2026.

This study classifies the Commonwealth’s 351 municipalities into three groups, as shown in Table 1 below: 302 quota municipalities for which on-premises license counts are capped by the state-imposed population-based formula, 26 municipalities that are exempt from the quota formula (local-control municipalities), and 23 municipalities in categories outside the scope of this study.

Table 1. Classification of Municipalities

Classification	Count	Definition	Population ¹⁸
Quota Municipalities¹⁹	302	Subject to state-imposed population-based quota limits on MGL c. 138, § 12, on-premises licenses	6,081,934
Local-Control Municipalities²⁰	26	Exempt from state-imposed population-based quota limits on MGL c. 138, § 12, on-premises licenses	872,735
Other²¹	23	Excluded from the scope of this study	46,730

On the next page, Figure 1 provides an alternative view showing the numerical distribution of municipalities among these three classifications, and Figure 2 shows the geographic distribution of these municipalities.

18 Data from the Massachusetts Department of Revenue, Division of Local Services, Data Analytics and Resources Bureau, “Population By Municipality and Year,” Municipal Databank, 2023 column, accessed September 13, 2026, https://dls-gw.dor.state.ma.us/reports/rdPage.aspx?rdReport=Socioeconomic.Population.population_main, which republishes U.S. Census Bureau, Vintage 2023 Population Estimates: City and Town Population Totals, Massachusetts, released May 2024, <https://www.census.gov/newsroom/press-kits/2024/subcounty-population-estimates.html>. Population figures are the 2023 estimates for each of the 351 Commonwealth municipalities, summed within each classification; the five categories total 7,001,399. These 2023 estimates are used for all per-resident rates in this report.

19 Boston has its own statutory license allocations pursuant to MGL c. 138, § 17, and is counted as a quota municipality. Sensitivity analysis confirmed that excluding Boston from the quota municipality sample (n = 301) does not materially alter statewide findings. See Appendix B for complete list of quota municipalities.

20 Twenty-six municipalities operate under local control and are exempt from the on-premises quota (discussed in [Finding 2](#)). Per ABCC, the 26 local-control municipalities are Barnstable, Bourne, Cambridge, Dartmouth, Dennis, Falmouth, Franklin, Great Barrington, Haverhill, Kingston, Lee, Lenox, Marlborough, Mashpee, Middleborough, Nantucket, Newburyport, North Adams, Orleans, Pembroke, Plymouth, Provincetown, Sturbridge, Williamstown, Worcester, and Yarmouth.

21 The “Other” municipalities that were excluded from the scope of this study include (1) 14 municipalities for which no data was provided by ABCC: Florida, Heath, Leyden, Middlefield, Monroe, Monterey, New Braintree, Pelham, Peru, Rowe, Royalston, Tolland, Warwick, and Washington; (2) eight dry municipalities: Alford, Chilmark, Dunstable, Gosnold, Hawley, Montgomery, Mount Washington, and Westhampton; and (3) Milton, which maintains a local prohibition specifically on All-Alcohol licenses while permitting other license categories. Source: ABCC fiscal year 2024 annual quota reports, compiled by DLM; [ABCC list of dry towns in Massachusetts](#).

Figure 1. Distribution of Massachusetts Municipalities by Licensing Classification

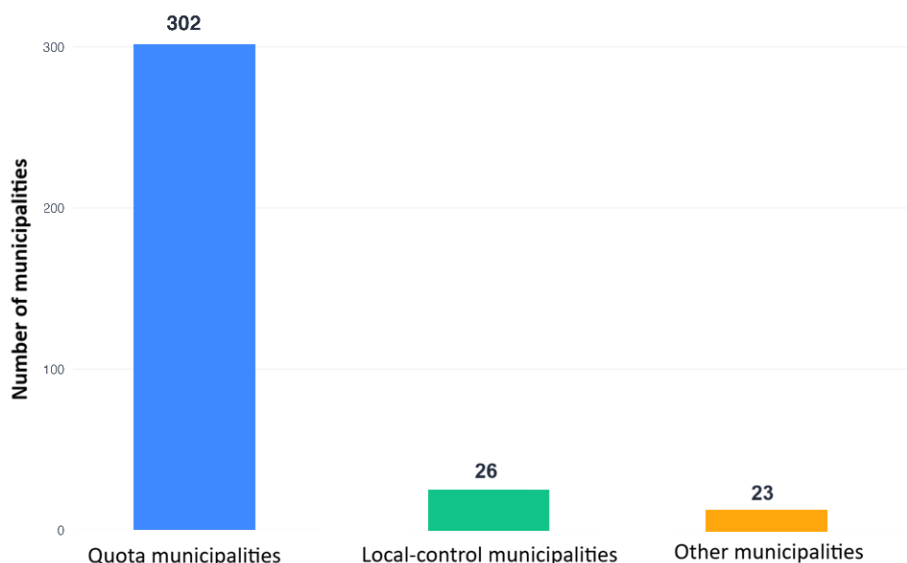
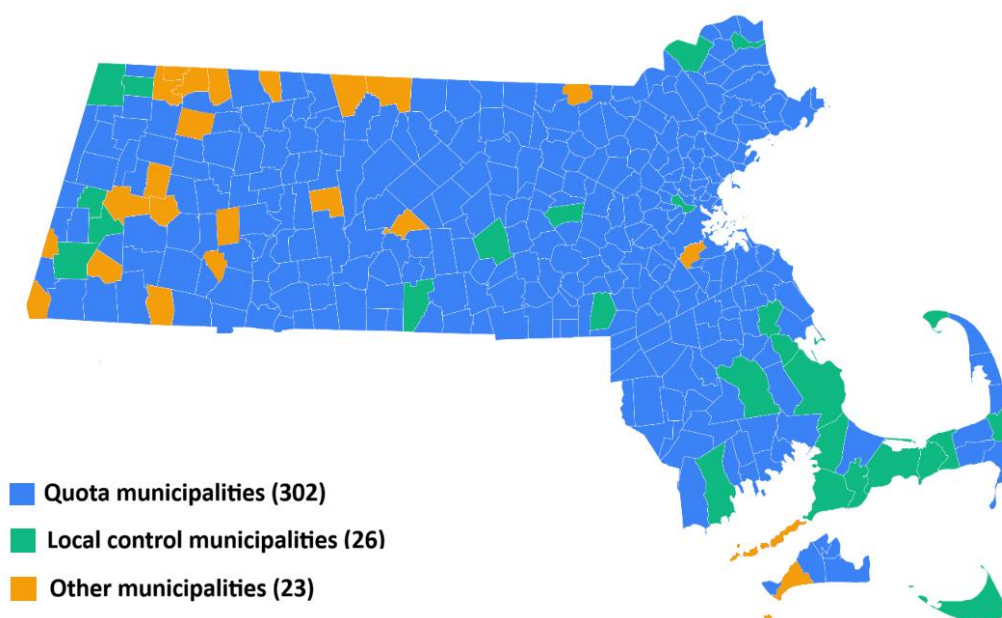


Figure 2. Map of Massachusetts Municipalities by Licensing Classification



This study evaluated the practical impact of the population-based quota system on municipalities using two measures: license utilization and license access. License utilization calculates the percentage of a municipality's licenses allocated under the

quota formula actually issued to license holders. License access calculates the number of all on-premises licenses (including licenses allocated outside the quota formula) issued within a municipality, per 10,000 residents.

This study's findings are grounded in a comprehensive review of quantitative and qualitative evidence. The findings support the study's actionable recommendations to make the liquor licensing framework more equitable, accessible, and transparent, while respecting each municipality's unique needs and priorities.

BACKGROUND

1. Massachusetts Liquor Licensing—A Brief History

Massachusetts has a long history of alcohol regulation, dating back to the colonial era.²² The first legislative attempt to regulate the liquor trade by means of a license system was enacted in 1633.²³ By 1675, county courts were given the authority to issue liquor licenses, and, in 1680, a numerical limitation was placed on licenses for the first time.²⁴

The American Revolution and the years that followed saw a surge in alcohol consumption and related social issues throughout the United States.²⁵ The temperance movement soon emerged in response, with Massachusetts quickly playing a central role as Boston became the birthplace of the American Temperance Society in 1826.²⁶ In 1832, licensing authority was transferred from the courts to elected county commissioners, and the status of local prohibition depended largely on the outcomes of those elections.²⁷ Within five years, a majority of the Commonwealth found itself under local prohibition.²⁸

Differences of opinion began dividing the temperance movement between extreme prohibitionists seeking legislative means to abolish all intoxicating liquors statewide, and others who viewed absolute prohibition by legislation as a violation of liberty.²⁹ Massachusetts witnessed the passage of the first statewide prohibition law in 1838,

22 Wendell D. Howie, “Three Hundred Years of the Liquor Problem in Massachusetts,” Appendix B in Bentley W. Warren et al., *Report Made to His Excellency the Governor by a Special Commission Appointed by Him* (Boston, 1933), 75–284, <http://archives.lib.state.ma.us/handle/2452/289532> (hereafter *Special Commission Report*).

23 Special Commission Report, at 86–87.

24 Special Commission Report, at 106, 109.

25 Special Commission Report, at 122–123.

26 Special Commission Report, at 127.

27 Special Commission Report, at 127–128.

28 Special Commission Report, at 128.

29 Special Commission Report, at 136.

the 15-gallon law, which restricted liquor purchases to quantities not less than 15 gallons, with certain exceptions (later repealed in 1840).³⁰

The pendulum continued to swing back and forth in Massachusetts during the following decades. The movement toward statewide prohibition was revived by the US Supreme Court's decision in 1847 that every state had the right to regulate, restrain, or prohibit the liquor trade within its borders.³¹ Periods of statutory prohibition in Massachusetts were followed by repeal or accompanied by exceptions and lax enforcement.³² In 1881, the General Court enacted a local option law over liquor licensing.³³ Shortly before a final, unsuccessful popular referendum for state constitutional prohibition in 1889, the General Court set local licenses at one license per five hundred Boston residents, and one license per thousand residents elsewhere—the first time Massachusetts tied liquor license limits to population.

Another period of prohibition followed, beginning in 1919 with the passage of the National Prohibition Act (Volstead Act) and ending with the passage of a constitutional amendment ending federal prohibition (the 21st Amendment) in 1933.³⁴ In anticipation, Massachusetts formulated laws regulating the manufacture, transportation, sale, importation, and exportation of alcohol and alcoholic beverages to become effective upon the 21st Amendment's ratification.³⁵

2. Current Massachusetts Liquor Licensing Framework

Despite the passage of almost 100 years, Massachusetts continues to employ the population-based approach included in the liquor licensing framework originally enacted in 1933 and embodied in MGL Chapter 138.³⁶ Chapter 138 remains the

30 Special Commission Report, at 137–138.

31 Special Commission Report, at 159.

32 Special Commission Report, at 159–215.

33 Special Commission Report, at 222, 224–225.

34 *Special Commission Report*, at 225; U.S. Const. amend. XVIII, repealed 1933, <https://www.reaganlibrary.gov/constitutional-amendments-amendment-18-beginning-prohibition>; Volstead Act, Ch. 85, tit. II, § 3, 41 Stat. 305, 308–309 (1919).

35 See St. 1933, Ex. Sess., c. 376, § 8. <https://archive.org/details/actsresolvespass1933mass/page/744/mode/2up>

36 *Special Commission Report*, at 231–232; see MGL c. 138.

statutory authority governing the liquor industry today, with provisions for production, distribution, and retail (see Figure 3).

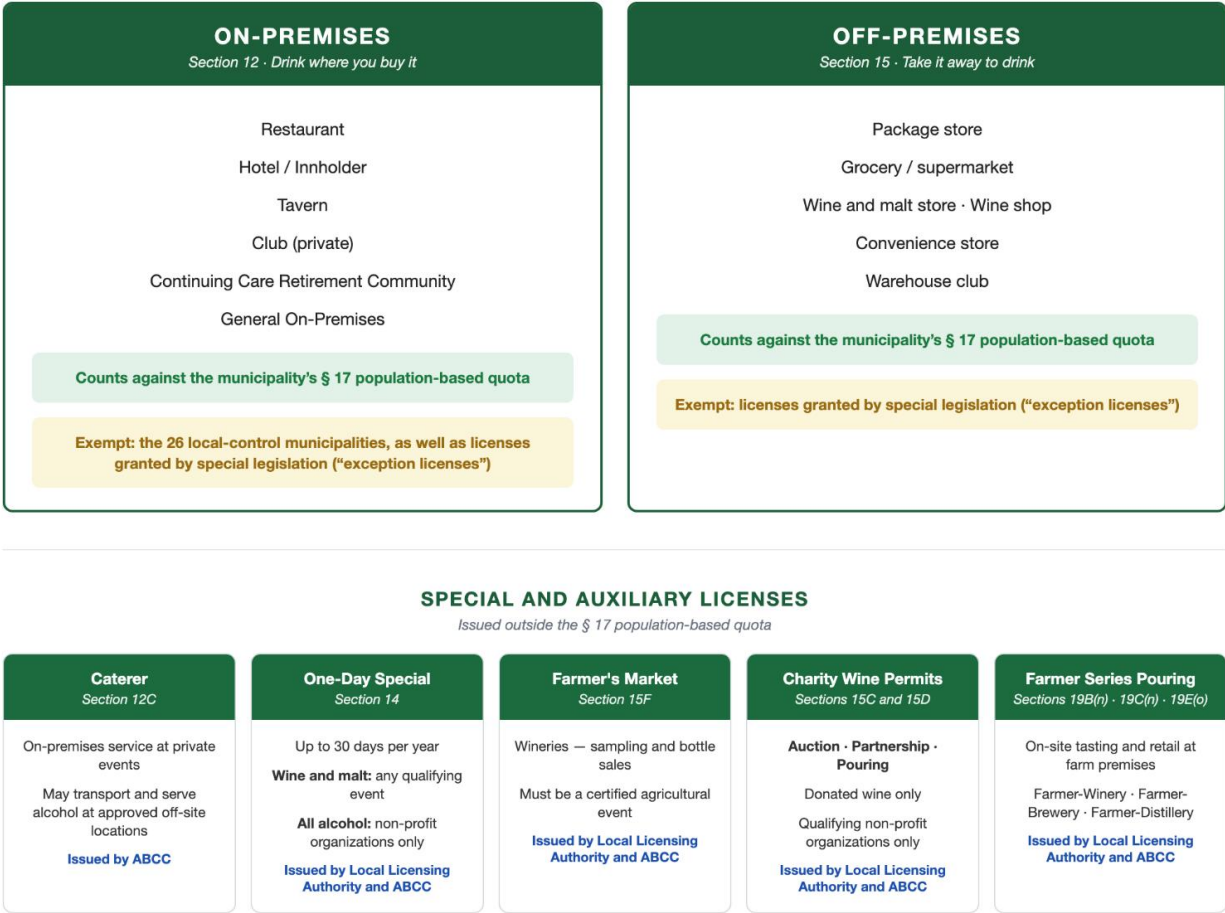
Figure 3. Liquor Licensing Overview (MGL c. 138)³⁷

PRODUCTION <i>Who makes it</i>	DISTRIBUTION <i>Who moves it</i>	RETAIL <i>Who sells it</i>
Manufacturers (Section 19) Distillery · Winery · Brewery Farmer Series (Sections 19B–19E) Farmer-Winery · Farmer-Brewery · Farmer-Distillery Pub Brewery (Section 19D) Direct Wine Shipper (Section 19F)	Wholesalers and Importers (Section 18) Buy from producers · sell to retailers Certificate of Compliance (Section 18B) Out-of-state supplier authorization Solicitation Permits Salesman Section 19A · Agent-Broker Section 18A May not buy, sell, or import alcohol Logistics and Storage Warehousing · Sections 20, 20A Transportation · Section 22 Ship Chandler · Section 13	On-Premises (Section 12) Restaurants · bars · hotels · clubs Off-Premises (Section 15) Package stores · grocery · big-box Special and Auxiliary Licenses

As noted in Figure 3, retail licenses are further classified between on-premises (Section 12) licenses, off-premises (Section 15) licenses, and special and auxiliary licenses. Figure 4 on the next page offers more detail regarding which retail licenses are subject to, or exempt from, the state-imposed population-based quota in MGL c. 138, § 17.

³⁷ See MGL c. 138, § 12, § 15, § 17; 2017 Task Force Report. The distribution chain is enabled by Storage and Logistics licenses (§§ 13, 20, 20A, 22) and are issued directly by ABCC. They are not subject to the § 17 quota.

Figure 4. Retail Licenses³⁸



2.1 Dual Regulatory Oversight over Liquor Licensing at State and Local Levels

The post-prohibition legislative framework centralized regulatory oversight of MGL c.138 under ABCC, established in 1933.³⁹ ABCC is responsible for the “general supervision of the conduct of the business of manufacturing, importing, exporting,

38 MGL c. 138, § 12, § 15, § 17; 2017 ABCC Task Force Report: This analysis examines All-Alcohol licenses and Wine-and-Malt licenses as a unified category. While these license types authorize different beverage categories—All-Alcohol permits the sale of all alcoholic beverages, while Wine-and-Malt restricts sales to wine and malt beverages (with the Cordials add-on expanding the scope to include certain spirits)—they share a common regulatory framework. All are subject to the population-based quota constraints of § 17, all require the same local licensing authority approval and ABCC oversight process, and all represent functionally equivalent barriers to market entry for prospective on-premises licensees.

39 Department of the State Treasurer Alcoholic Beverages Control Commission, 2014 Transition Report, accessed August 8, 2026, <https://www.mass.gov/files/documents/2017/09/27/2014TransitionReport.pdf>.

storing, transporting, and selling alcoholic beverages” across the Commonwealth.⁴⁰ Licensing decisions, however, begin at the local level where local licensing authorities (LLAs) consider applications and hold hearings. Approved applications are then submitted to ABCC for review and approval. If licensing is approved by ABCC, the LLA issues the licenses. This process is outlined in Figure 5 below.⁴¹

Figure 5. Process for issuing liquor licenses



2.2 On-Premises Liquor License Quotas (MGL Chapter 138, Sections 12 and 17)

As in 1933, today’s liquor licensing system relies on population despite substantial changes in demographics, municipal development, and regional economies. MGL Chapter 138 establishes multiple categories of liquor licenses, including on-premises licenses under Section 12 and off-premises licenses under Section 15. Section 17 establishes population-based quota limits on the number of liquor licenses that may be issued by municipalities in the foregoing categories, further divided into All-Alcohol licenses and Wine-and-Malt licenses.⁴²

This report focuses specifically on on-premises liquor licensing. Equity and accessibility with respect to on-premises liquor licensing have been identified as an area needing reform, with continuing debate among stakeholders and legislators.

⁴⁰ MGL c. 10, § 71.

⁴¹ *Alcoholic Beverages Control Commission Frequently Asked Questions: Fall 2025 Update*, FAQ 2, accessed June 18, 2026, <https://www.mass.gov/doc/abcc-state-license-faqs/download>.

⁴² MGL c. 138, § 17. This analysis examines on-premises All-Alcohol licenses and on-premises Wine-and-Malt licenses as a combined number. This is a deliberate methodological choice because the important consideration for a prospective licensee is whether *any* on-premises license is available.

The statutory formula allocates a minimum number of licenses to each municipality that has voted to allow on-premises liquor licenses and is subject to the quota (14 all-alcohol on-premises licenses and 5 wine-and-malt on-premises licenses), regardless of population.⁴³ Additional licenses are allocated to municipalities based on population. The population-based component of the quota formula is triggered when a municipality's population exceeds a certain number of residents, as established by the decennial federal census.⁴⁴

With respect to All-Alcohol on-premises licenses, municipalities may grant an additional license for each 1,000 residents, or fraction thereof, over 14,000 residents, as well as an additional license for each 10,000 residents, or fraction thereof, over 25,000 residents.⁴⁵ With respect to Wine-and-Malt on-premises licenses, municipalities may grant an additional license for each 5,000 residents, or fraction thereof, over 25,000 residents.⁴⁶ Figure 6 on the next page illustrates the operation of the quota formula.

43 See MGL c. 138, § 17. Except for Boston, which has its own statutory license allocations under § 17. This report analyzes on-premises (§ 12) licensing only; see [Appendix B](#). Section 17 also sets quotas for off-premises (§ 15) licenses. Quota calculation for off-premises retail licenses: (1) All-Alcohol off-premises: 2 minimum allowable licenses with 1 additional license per 5,000 residents >10,000 and (2) Wine-and-Malt off-premises: 5 minimum allowable licenses with 1 additional license per 5,000 residents >25,000.

44 See MGL c. 138, § 17. Section 17 also has a separate process for cities and towns to issue seasonal licenses, such as municipalities on Cape Cod and the Islands. Seasonal licenses are outside the scope of this study.

45 See MGL c. 138, § 17. Boston is excepted from the population formula and operates under fixed statutory allocations under § 17; it is retained in the quota-bound sample because it operates under a state-imposed ceiling amendable only by the Legislature. Excluding Boston ($n = 301$) does not materially change the [Finding 3](#) results. On the quota-bound sample, the Spearman correlation between EQV per capita and licenses per 10,000 residents is $p = 0.118$ ($p = 0.040$) with Boston and $p = 0.114$ ($p = 0.048$) without; the Kruskal-Wallis test across wealth quartiles is $H = 6.50$ ($p = 0.090$) and $H = 5.92$ ($p = 0.116$); and the ratio of mean license access in the wealthiest to the least wealthy quartile is 1.37 in both. On the 328-municipality outcome-based sample the corresponding values are $p = 0.180$ ($p = 0.001$) and 0.176 ($p = 0.001$), $H = 13.57$ ($p = 0.004$) and 12.90 ($p = 0.005$), and a ratio of 1.58 in both. The without-Boston values are reported in the sensitivity table in [Appendix B](#).

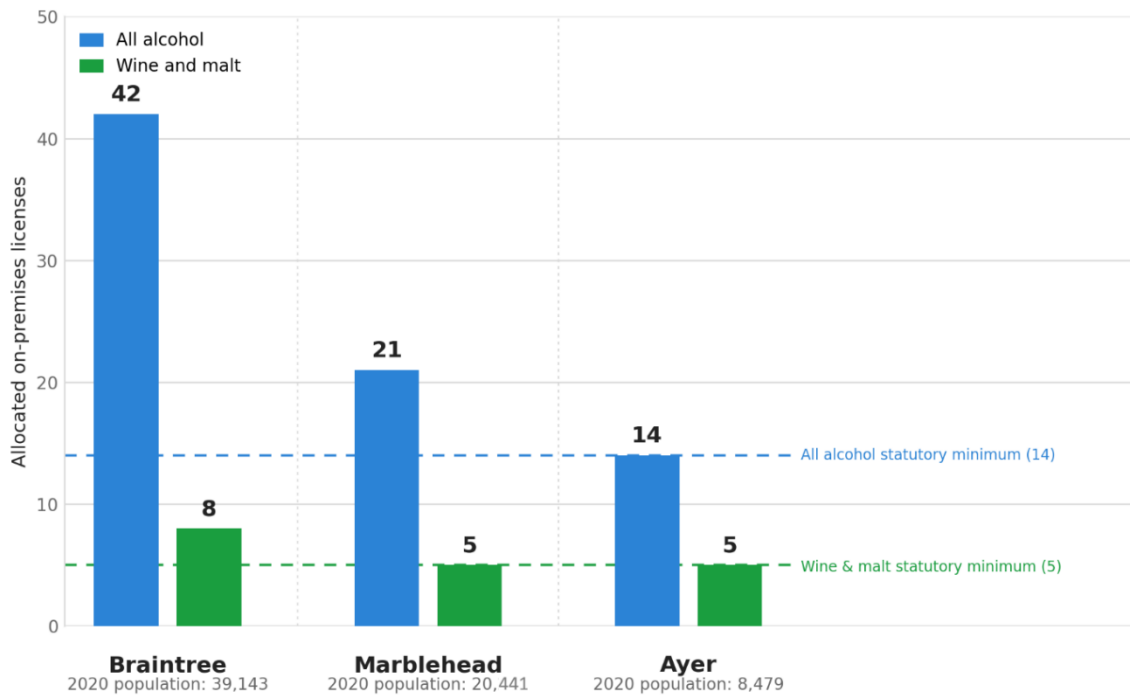
46 *Id.*

Figure 6. On-premises Quota Formula Calculation



Figure 7 on the next page further illustrates operation of the quota formula as applied to varying municipal populations from 3,000 to 100,000 residents, with respect to allocated on-premises licenses.

Figure 7. Quota Calculations by Municipalities of Varying Population Sizes



As illustrated above, Braintree, with a 2020 census population of 39,143, is allocated 42 All-Alcohol on-premises licenses, composed of 1 license for each 1,000 residents or fraction thereof (40) plus 1 additional license for each 10,000 residents or fraction thereof above 25,000 residents (2), and 8 Wine-and-Malt on-premises licenses, composed of 1 license for each 5,000 residents or fraction thereof. Marblehead, with a population of 20,441, is allocated 21 All-Alcohol licenses, composed of 1 license for each 1,000 residents or fraction thereof, and 5 Wine-and-Malt on-premises licenses, composed of 1 license for each 5,000 residents or fraction thereof. In comparison, Ayer benefits from the statutory minimum allocation of 14 All-Alcohol on-premises licenses and 5 Wine-and-Malt on-premises licenses despite having a population of only 8,479 residents.⁴⁷

⁴⁷ US decennial census population estimates, 2020. 2020 estimates are used to demonstrate quota calculations as they are aligned with each municipality's quota allocation, which is fixed by the decennial census.

Of the Commonwealth's 351 municipalities, 302 are subject to the statutory quota formula (quota municipalities).⁴⁸ As of 2023, over half of the 302 quota municipalities, 173 (57.3%), have populations below 14,000 and thus are statutorily allocated the minimum number of on-premises licenses (14 All-Alcohol licenses and 5 Wine-and-Malt licenses). Another 61 quota municipalities (20.2%) have populations between 14,000 and 25,000, meaning their All-Alcohol license statutory allocations are determined in part by the minimum and in part by the population-based formula (1 per 1,000 residents, or fraction thereof, over 14,000) while their Wine-and-Malt license allocations remain at the 5-license minimum. The remaining 68 quota municipalities (22.5%) have populations exceeding 25,000, meaning all statutory allocations are driven by the population-based formula (1 per 1,000 residents, or fraction thereof, over 14,000, as well as 1 per 10,000 residents, or fraction thereof, over 25,000).⁴⁹

2.3 Twenty-Six Municipalities Get Local Control⁵⁰

While 302 municipalities are subject to the restrictions of the state-imposed population-based quota on on-premises liquor licensing, 26 municipalities (local-control municipalities) were able to exempt themselves from on-premises quota limits under the Massachusetts Acts of 1978, c. 377, § 2.⁵¹ This legislation allowed

48 Of 351 Massachusetts municipalities, 302 are subject to the quota formula. Boston is included among the 302 but is governed by a separate quota allocation within MGL c. 138, § 17. Twenty-six municipalities operate under local control and are exempt from the on-premises quota (discussed in [Section 2.3](#)). The Other 23 municipalities excluded from the scope of this study include (1) 14 municipalities for which no data was provided by ABCC: Florida, Heath, Leyden, Middlefield, Monroe, Monterey, New Braintree, Pelham, Peru, Rowe, Royalston, Tolland, Warwick, and Washington; (2) eight dry municipalities: Alford, Chilmark, Dunstable, Gosnold, Hawley, Montgomery, Mount Washington, and Westhampton, and (3) Milton, which maintains a local prohibition specifically on All-Alcohol licenses while permitting other license categories.

49 Department of Revenue/Division of Local Services municipal population estimates, 2023.

50 Other provisions of MGL c. 138 contain specific exclusions intended to benefit particular types of licensees outside the scope of this study. For example, § 12 allows municipalities to grant licenses to veterans' organizations regardless of § 17 quota limits (currently 112 issued statewide). Sections 19B (farmer-winery), 19C (farmer-brewery), and 19E (farmer-distillery) allow municipalities to grant pouring permits, which allow businesses that meet certain criteria to serve their winery, brewery, or distillery products to customers on their production premises (currently 432 issued statewide). See Alcoholic Beverages Control Commission, 2024, <https://www.mass.gov/info-details/resources-and-forms-for-local-licensing-authorities-lfas>; <https://www.mass.gov/doc/municipal-retail-license-quota-information/download>.

51 The Other 23 municipalities excluded from the scope of this study include (1) 14 municipalities for which no data was provided by ABCC: Florida, Heath, Leyden, Middlefield, Monroe, Monterey, New Braintree, Pelham, Peru, Rowe, Royalston, Tolland, Warwick, and Washington; (2) eight dry municipalities: Alford, Chilmark, Dunstable, Gosnold, Hawley, Montgomery, Mount Washington, and Westhampton, and (3) Milton, which maintains a local prohibition specifically on All-Alcohol licenses while permitting other license categories.

municipalities that had granted *seasonal* licenses prior to January 1, 1978, *and* voted to accept the provisions of MGL c. 138, § 17A, to grant on-premises licenses “*in addition to, and irrespective of any [quota] limitation*” (emphasis added).⁵²

On January 9, 1985, Chapter 491 of the Massachusetts Acts of 1984 closed this window of opportunity for eligible municipalities that had not accepted the provisions of § 17A prior to *January 1, 1985*. Municipalities that were previously precluded from exempting themselves from the state-imposed population-based quota on on-premises liquor licensing were never given a similar opportunity to become local-control municipalities. The benefits to local-control municipalities of the 1978 exemption and compounding implications for quota municipalities are discussed in Findings 1 and 2.

2.4 Control of Quota Relief Valve

Quota municipalities seeking authority to issue on-premises licenses beyond their quota formula allocations generally have only one option—a special act of the Legislature obtained through a home rule petition. Under the Home Rule Amendment to the Massachusetts Constitution, approved by voters in 1966, municipalities may act on their own authority to enact some policy changes, but not in a manner inconsistent with a general law enacted by the Legislature.⁵³ Notably, a municipality cannot unilaterally grant liquor licenses in excess of quota limits. It must instead petition the Legislature for a special law applying only to that municipality.

A home rule petition passes through a series of gates, each controlled by different actors. The petition begins locally, when municipal officials draft the request and the local legislative body approves it. A member of the municipality’s legislative delegation must then file it. Filing is only the first step at the State House. It does not determine whether the petition succeeds. Once filed, the bill is referred to a legislative committee, the chairs of which decide whether to hold a hearing and report it

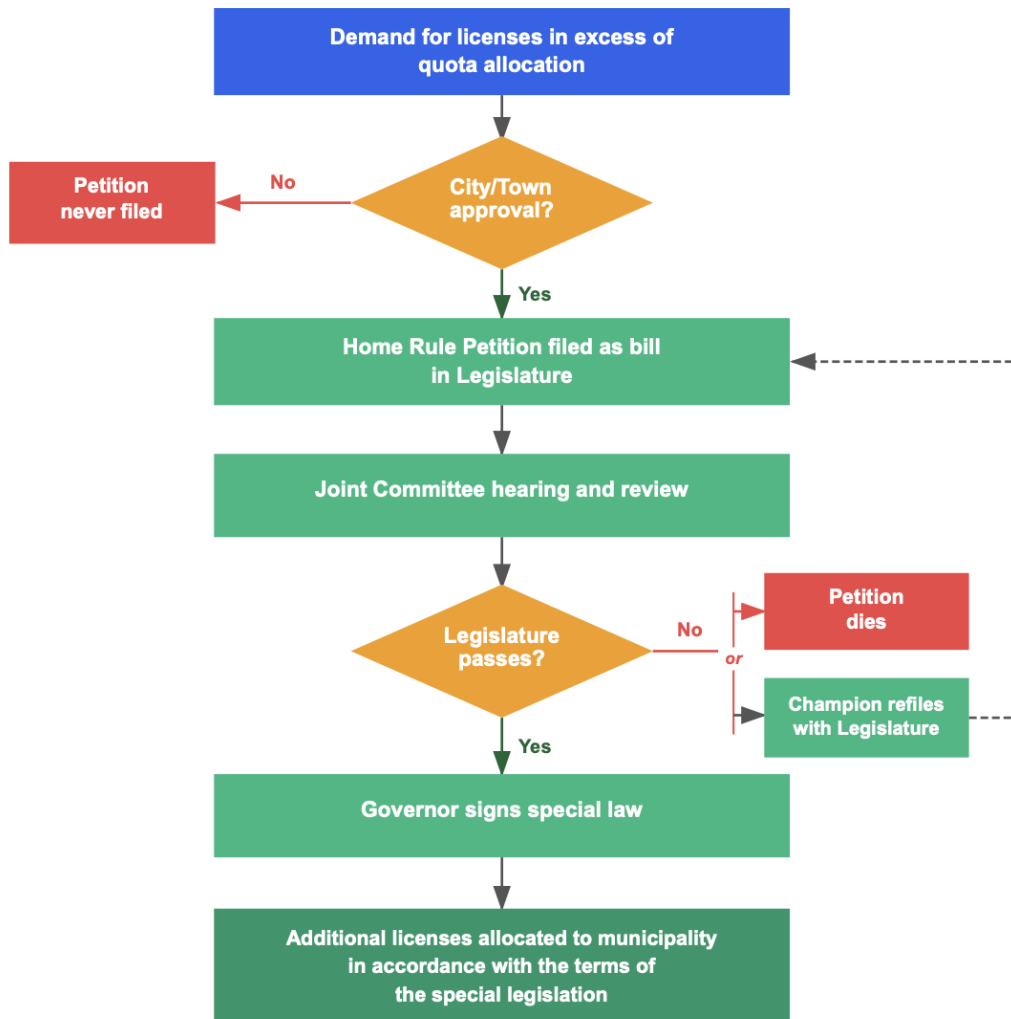
⁵² St. 1978, c. 377, § 2.

⁵³ Art. 89 of the Amendments to the Massachusetts Constitution (Home Rule Amendment), §§ 1, 6, 8, ratified November 8, 1966; MGL c. 43B (Home Rule Procedures Act), St. 1966, c. 734. See also Massachusetts Department of Revenue, Division of Local Services, “What Is Home Rule?,” accessed September 13, 2026, <https://www.mass.gov/info-details/what-is-home-rule>.

favorably, and on what terms. House and Senate leadership decide whether and when it reaches the floor. It must pass both chambers and be signed by the Governor, and there is no statutory deadline at any stage. A petition can fail, stall, or be narrowed at any stage, and the outcomes usually depend on the delegation's support, committee preferences, leadership priorities, the legislative calendar, and how the request has been framed.

Despite the existence of the home rule petition process, system complexities leave some municipalities at or above quota and unable to meet license demand for extended periods of time; a more detailed analysis of the system and its impacts is discussed in [Finding 4](#). Figure 8 on the next page illustrates an overview of the home rule petition process.

Figure 8. Overview of Home Rule Petition Process



2.5 Secondary Market: Liquor Licenses as Commodities

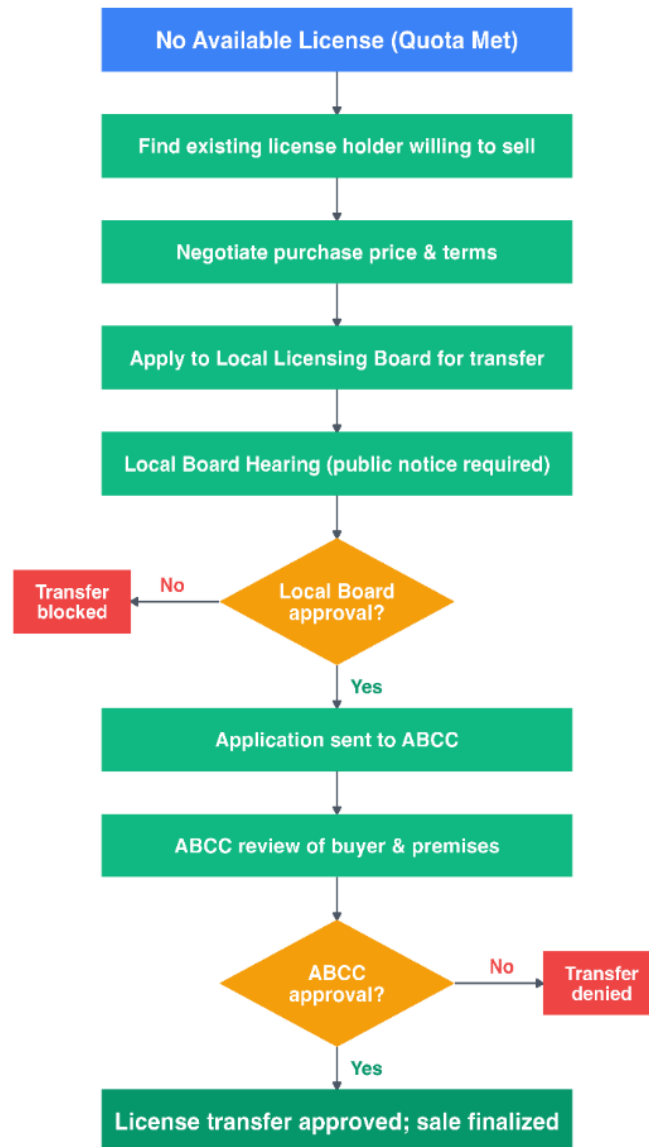
Prospective business owners in municipalities that have issued all of their allocated on-premises licenses generally have two avenues to acquire a license:

- ask the municipality to seek additional licenses through a home rule petition and/or
- look to purchase a license from an existing holder.

Where licenses are scarce, that scarcity attaches a market value to existing licenses and transfers in high-demand municipalities can command substantial sums; in municipalities that have not reached their cap, a comparable license may change

hands for little more than application fees.⁵⁴ This secondary market can transform a regulatory device intended as a public benefit into a privately held asset. Figure 9 below illustrates an overview of the license transfer process. [Finding 4](#) examines both pathways, and the costs and delays each imposes, in detail.

Figure 9. Overview of License Transfer Process



54 See [Finding 4](#).

State law seemingly discourages these liquor license transfers for private benefit through a secondary market. MGL c. 138, § 23, states that “the provisions for the issue of [liquor] licenses . . . imply no intention to create rights generally for persons to engage or continue in the transaction of the business authorized by the licenses” and, further, that “no holder of such a license . . . hereunder shall have any property right in . . . such license.”⁵⁵ Additional language in this section indicates that any license transfers should be in the public interest.⁵⁶

LLAs are also authorized to cancel licenses if a licensee ceases to conduct the licensed business, prohibiting what are sometimes called “pocket licenses” held solely for potential market value.⁵⁷

2.6 Section 12D

In 2025, the Legislature added § 12D to MGL c. 138, effective July 1, 2025.⁵⁸ In any municipality that votes to accept the provisions of § 12D, the LLA may allow any holder of a Wine-and-Malt on-premises license to trade it in for an All-Alcohol on-premises license, regardless of whether the municipality is at quota for either type of license. Pursuant to § 12D, any Wine-and-Malt license that is traded in to the LLA for an All-Alcohol license shall become non-transferable upon the issuance of the license to sell all alcoholic beverages. Conversions require ABCC approval and remain subject to MGL c. 138’s notice and hearing requirements; the LLA may charge a reasonable fee and set additional requirements. Critically, § 12D does not increase the total number of licenses authorized under § 17: It changes the beverage scope of an existing license rather than adding to the quota system. Most municipalities responding to DLM’s survey had not adopted § 12D: Of the 190 municipal officials who responded, only 33 (17%) from 25 municipalities reported that their municipality had accepted § 12D, 106 (56%) from 93 municipalities reported they had not, and 51 (27%) from

55 See MGL c. 138, § 23, par. 1. MGL c. 138, § 23, provides that a licensee has no property right in a license and, at the same time, the section permits a license to “be pledged by the licensee for a loan” with local and ABCC approval.

56 See MGL c. 138, § 23.

57 MGL c. 138, § 77.

58 St. 2025, c. 9, § 51; MGL c. 138, § 12D.

50 municipalities were not sure. Among 67 business owners, 49 (73%) were not sure whether any municipality where they hold a license had accepted § 12D, 13 said “Yes,” and 5 said “No.”⁵⁹ Prospective licensees would have a difficult time determining which municipalities accepted § 12D and have this conversion opportunity, as ABCC currently does not publish a list of municipalities that have accepted this local option.

59 DLM Survey, 2025–2026. Percentages are of all respondents in each group; every municipal official answered the acceptance question. Of the 148 officials who answered the follow-up question on future adoption, 81 reported that their municipalities are not currently considering adopting § 12D, 42 did not know, 14 said “Yes” without a timeline, and 11 said “Yes” within 12 months. Of the 13 business owners aware of § 12D, 2 had applied to convert a license.

FINDINGS

1. The state-imposed population-based quota formula creates supply and demand mismatches in on-premises liquor licensing.

Every restaurant or bar in Massachusetts that serves alcohol must hold an on-premises liquor license.⁶⁰ Under MGL c. 138, §17, the Commonwealth allocates on-premises liquor licenses to most municipalities through a population-based quota formula overseen by ABCC. LLAs decide whether to issue licenses within that statutory limit, subject to ABCC review and approval. Across responses to the stakeholder survey, concerns about the quota system were the single most-discussed topic in open-ended responses, appearing in 37% of responses.⁶¹

The quota formula sets how many on-premises licenses a municipality may issue based on its population according to the most recent federal census. First, the formula allocates to each quota municipality⁶² one All-Alcohol license for every 1,000 residents (or fraction thereof, meaning a partial count, whether 1 or 999, is counted as a whole 1,000).⁶³ Second, when the population of a municipality exceeds 25,000 residents, the formula allocates one additional All-Alcohol license for every 10,000 residents (or fraction thereof) above 25,000.⁶⁴ For example, Andover, with 36,485 residents, is allocated 39 all-alcohol licenses, calculated as follows:

- one All-Alcohol license per 1,000 residents: 36,485 residents, rounded up to the next 1,000 (37,000 residents), divided by 1,000 = 37 All-Alcohol licenses; plus
- one additional All-Alcohol license per 10,000 residents above 25,000: 36,485 residents – 25,000 = 11,485, rounded up to the next 10,000 (20,000 residents), divided by 10,000 = 2 additional All-Alcohol licenses.

⁶⁰ See MGL c. 138.

⁶¹ DLM Survey, 2025–2026. See [Appendix C](#) for survey methodology and sample composition.

⁶² Quota municipalities are subject to the state-imposed population-based quota under MGL c. 138, § 17. Boston has its own statutory license allocations pursuant to MGL c. 138, § 17, and is counted as a quota municipality.

⁶³ MGL c. 138, § 17.

⁶⁴ *Id.*

Regardless of population, each quota municipality is allocated at least 14 All-Alcohol licenses.⁶⁵

With respect to Wine-and-Malt licenses, the formula allocates to each quota municipality one Wine-and-Malt license for every 5,000 residents (or fraction thereof, meaning a partial count, whether 1 or 4,999, is counted as a whole 5,000).⁶⁶ Andover is allocated eight Wine-and-Malt licenses, calculated as follows:

- one Wine-and-Malt license per 5,000 residents: 36,485 residents, rounded up to the next 5,000 (40,000 residents), divided by 5,000 = 8 wine-and-malt licenses.

Regardless of population, each quota municipality is allocated at least 5 wine-and-malt licenses.⁶⁷ (See [Figure 6](#) for an on-premises quota formula calculation visualization.)

This Finding examines the mismatch between license supply and demand, resulting from the state-imposed population-based quota formula. This study's analysis of license utilization demonstrates the disproportional impact of the formula on quota municipalities of varying populations.

There are 64 quota municipalities that face artificial license scarcity created by the state-imposed population-based quota formula.

The population-based quota is a crude instrument: It sets each municipality's license ceiling from resident headcount alone and ignores other conditions repeatedly identified by interviewees and survey respondents as driving local demand. Chief among them are seasonal and tourism populations—municipalities in which the service population swells far beyond their resident count for part of the year. In the survey, 21 respondents—many from Cape Cod (e.g., Dennis, Truro, and Wellfleet), the

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.*

Islands (e.g., Edgartown and Nantucket), and coastal communities (e.g., Rockport)—cited tourism or seasonal populations as a factor the formula misses.⁶⁸

A municipal official from the Town of Lee, with a resident population of 5,694, in Berkshire County, described exactly this mismatch: “The quota doesn’t really take into account our seasonal population. Just one timeshare resort almost doubles our population in the summer, and that’s not taken into account.”⁶⁹ Lee is one of the 26 local-control municipalities,⁷⁰ so it can issue licenses to accommodate a fluctuating population. Quota municipalities experiencing fluctuating populations due to tourism must address demand with exception licenses⁷¹ when allocated licenses are insufficient. Salem, for example, a quota municipality in Essex County, with a resident population of 44,744, but which draws over 1 million visitors annually in October,⁷² is allocated 47 All-Alcohol and 9 Wine-and-Malt licenses under the quota formula. As the formula counts only year-round residents, not the visitors who fill restaurants and hotels during peak tourist season, a municipality’s license allocation bears no relationship to the demand it actually serves at peak times. Salem has had to resort to pursuing 20 exception licenses to meet demand, including 13 obtained via special legislation.

Respondents also cited other factors such as the regional commercial draw of districts serving a larger trade area; transit-oriented downtowns that generate after-hours foot traffic; and redevelopment that creates demand ahead of measured population

68 DLM Survey, 2025–2026: 21 open-ended responses cited tourism or seasonal population, from municipalities including Brewster, Dennis, Edgartown, Gill, Gloucester, Nantucket, Rockport, Southwick, Truro, and Wellfleet.

69 DLM Interviews, 2026.

70 Local-control municipalities are authorized to grant on-premises licenses “in addition to, and irrespective of” the state-imposed population-based quota. St. 1978, c. 377, § 2. See [Finding 2](#).

71 An exception license is issued outside the population-based quota (e.g., special event licenses, farmer series licenses, additional licenses granted pursuant to special legislation enacted upon home rule petition).

72 Destination Salem, “Halloween Day Visitors Up 7.2% as Salem Sustains Record October Tourism Levels,” reported on Boston.com, November 5, 2025, <https://www.boston.com/news/local-news/2025/11/05/salem-halloween-visitors-2025/> (1.1 million unique visitors in October 2025; more than one million each October for six consecutive years); Destination Salem, [Halloween Day Visitors Up 7.2% as Salem Sustains Record October Tourism Levels—Destination Salem, annual visitation of approximately 1.8 million](#), <https://www.salem.org/>. Visitor counts are the destination organization’s cell phone-based unique-visitor estimates.

growth.⁷³ Other respondents described businesses moving to neighboring municipalities or states when supply is capped, or being priced out of high-demand commercial districts.⁷⁴ In the DLM survey, these accounts came disproportionately from respondents in municipalities that were already at or above their § 17 quota. A municipal official in Watertown (issued 26% more licenses than the quota formula allocates, including special legislation and other exception licenses) called the system “inherently unfair, especially for an urban community” that “has chosen the path of economic development,” adding that “restaurants are a key element of creating vibrant commercial districts, and you cannot open a restaurant without a liquor license.”⁷⁵ A Foxborough official (issued 92% more licenses than the quota formula allocates, including special legislation and other exception licenses) reported that “cost is not the issue,” it is “the limit” that constrains development; and a business owner in Fitchburg described “a city on the rise” with “lots of opportunities for new eating establishments” held back by limited license availability.⁷⁶

To measure whether the quota allocation matches demand, this study examined how much of each quota municipality’s license allocation is actually in use. License utilization is the share of a municipality’s allocated on-premises licenses that have been issued to license holders.⁷⁷ A municipality that has been allocated 20 licenses, and that has issued 10, is at 50% utilization; one that has issued all 20 is at 100%.

73 DLM Survey, 2025–2026; DLM Interviews, 2026—commercial-demand categories identified across interview and open-ended survey responses (regional commercial-corridor traffic, transit-oriented and downtown activity, redevelopment/anticipated growth).

74 DLM Interviews, 2026.

75 DLM Survey, 2025–2026.

76 DLM Survey, 2025–2026.

77 Allocated licenses are the number of on-premises licenses a municipality is statutorily eligible to issue under the quota formula, as applied to the municipality’s decennial census population—a municipality is not required to issue every allocated license. Issued licenses are on-premises licenses the municipality has actually granted to specific licensees. Exception licenses are excluded from both the numerator and denominator because they exist outside the quota system and would otherwise distort utilization rates. Utilization is measured against allocated licenses under the quota formula and not against allowed licenses, which include licenses granted by special legislation and other exception licenses. A small number of municipalities—Greenfield, Marblehead, Pittsfield, and Sandwich—appear at or over 100% of their current allocation because they have experienced population loss since their quota allocation was previously determined. These municipalities keep the licenses they were allocated when they were larger, though they may not issue new ones until the number outstanding falls back within the current formula.

Licenses granted by special legislation or other exceptions sit outside the allocation and are not counted here; the license utilization measure reflects the formula alone.

Because a single statewide average would minimize the differences between municipalities, this study sorted the 302 quota municipalities into the four following bands, based on their utilization rates:⁷⁸

1. *Underutilizing* (below 50%)—fewer than half of allocated licenses issued; substantial unused capacity
2. *Moderate* (50–79%)—more than half issued, but room remains
3. *High* (80–99%)—nearly all issued; few or no licenses left for prospective licensees or larger economic development projects
4. *At or over quota*⁷⁹ (100% or more)—every allocated license issued.

Municipalities in the high and at or over quota utilization bands (above 80% utilization) are classified in this report as constrained municipalities.

78 Utilization is measured against allocated licenses under the quota formula and not against allowed licenses, which include licenses granted by special legislation and other exception licenses. This analysis calculates a combined utilization rate by dividing total on-premises licenses issued (All-Alcohol + Wine-and-Malt) by total on-premises licenses allowed (All-Alcohol + Wine-and-Malt). This study combined All-Alcohol and Wine-and-Malt licenses because, from the perspective of a prospective licensee, what matters is whether any on-premises license is obtainable. If a municipality is at 100% of its All-Alcohol quota but has Wine-and-Malt licenses available, a restaurant seeking an All-Alcohol license faces the same barrier as if all licenses were exhausted. The combined rate captures the practical constraint more conservatively than tracking each quota independently. If anything, it slightly understates the constraint because a municipality can be fully blocked on its dominant quota track (All-Alcohol) while still showing availability on the smaller Wine-and-Malt track. This is a deliberate methodological choice.

79 A municipality is classified as “at or over quota” when its combined issued on-premises licenses (All-Alcohol + Wine-and-Malt) meet or exceed total allowed licenses, indicating exhaustion of at least one quota track. There are 8 total unused licenses in 12 at or over quota municipalities, which means that these municipalities exhausted total allowed licenses in one quota track (either All-Alcohol or Wine-and-Malt), and they have available licenses in the other track. A small number of municipalities—Greenfield, Marblehead, Pittsfield, and Sandwich—appear over 100% of their current quota allocation because they have experienced population loss since their quota allocation was previously determined. These municipalities keep the licenses they were allocated when they were larger, though they may not issue new ones until the outstanding number falls back within the current formula.

Figure 10 below maps license utilization across the Commonwealth.

Figure 10. On-Premises License Utilization in Quota Municipalities

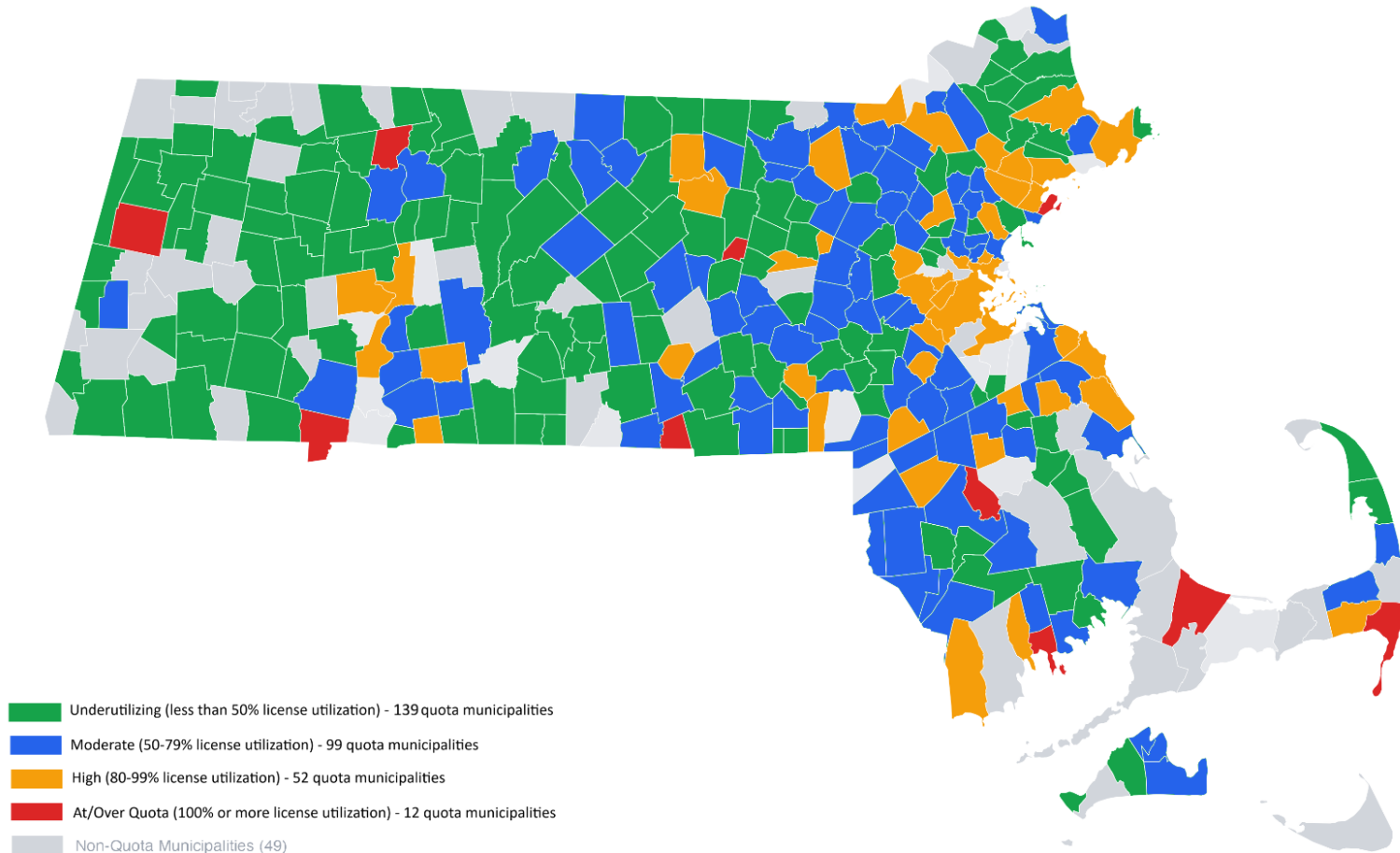
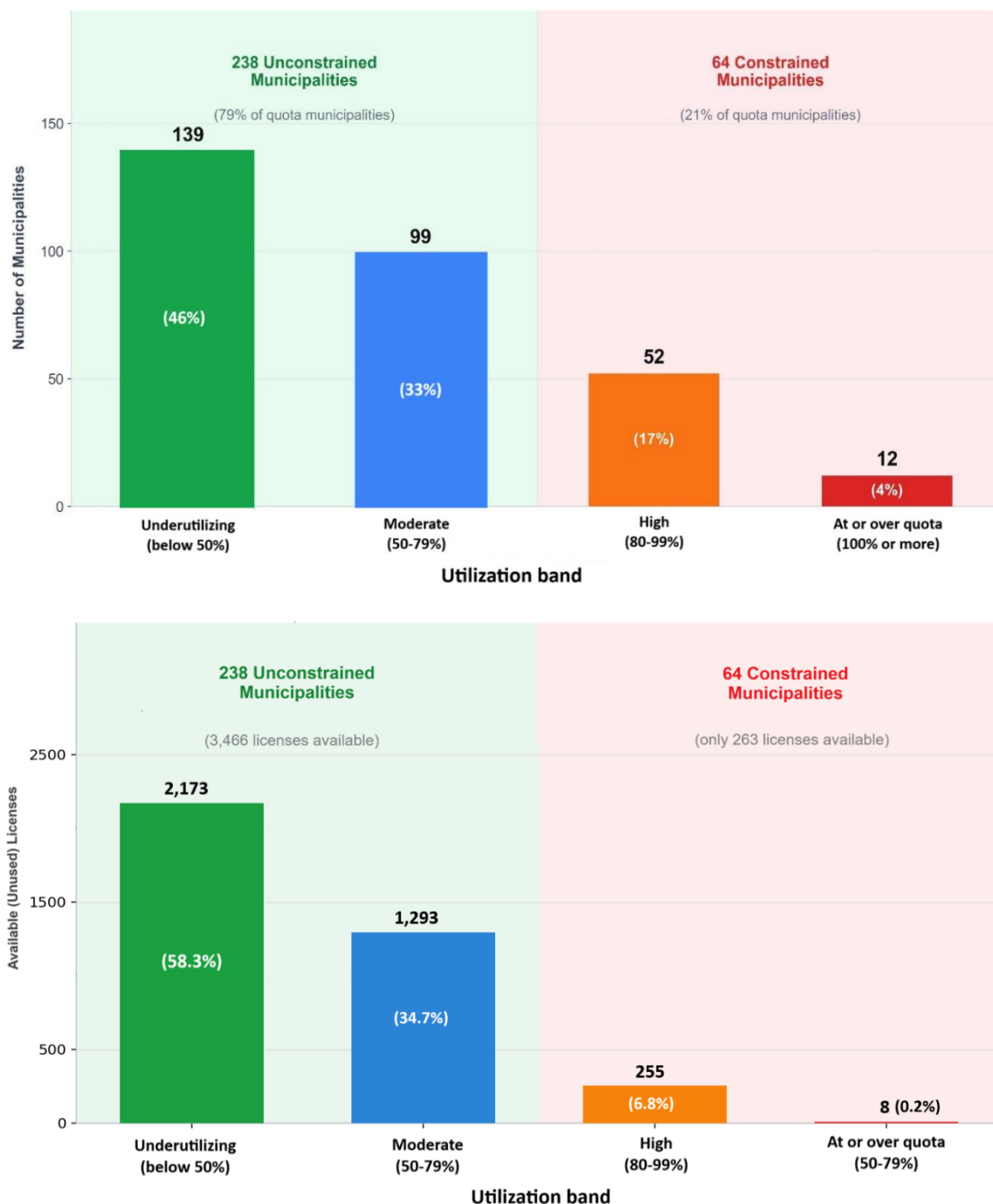


Figure 11 below shows how the 302 quota municipalities and the remaining available licenses held by those municipalities are distributed across the four license utilization bands.

Figure 11. On-Premises License Utilization and License Availability



The contrast is sharp. At one end, 139 underutilizing municipalities (46.0%) are holding 2,173 unused licenses (58.3%), and the 99 moderate municipalities (32.8%) are holding 1,293 unused licenses (34.7%). At the other end, the 64 constrained municipalities (21.2%) hold only 263 unused licenses (7.0%) among them. Because the formula considers a single factor—population—license supply does not align with demand. This illustrates the supply and demand mismatch of the state-imposed population-based formula.

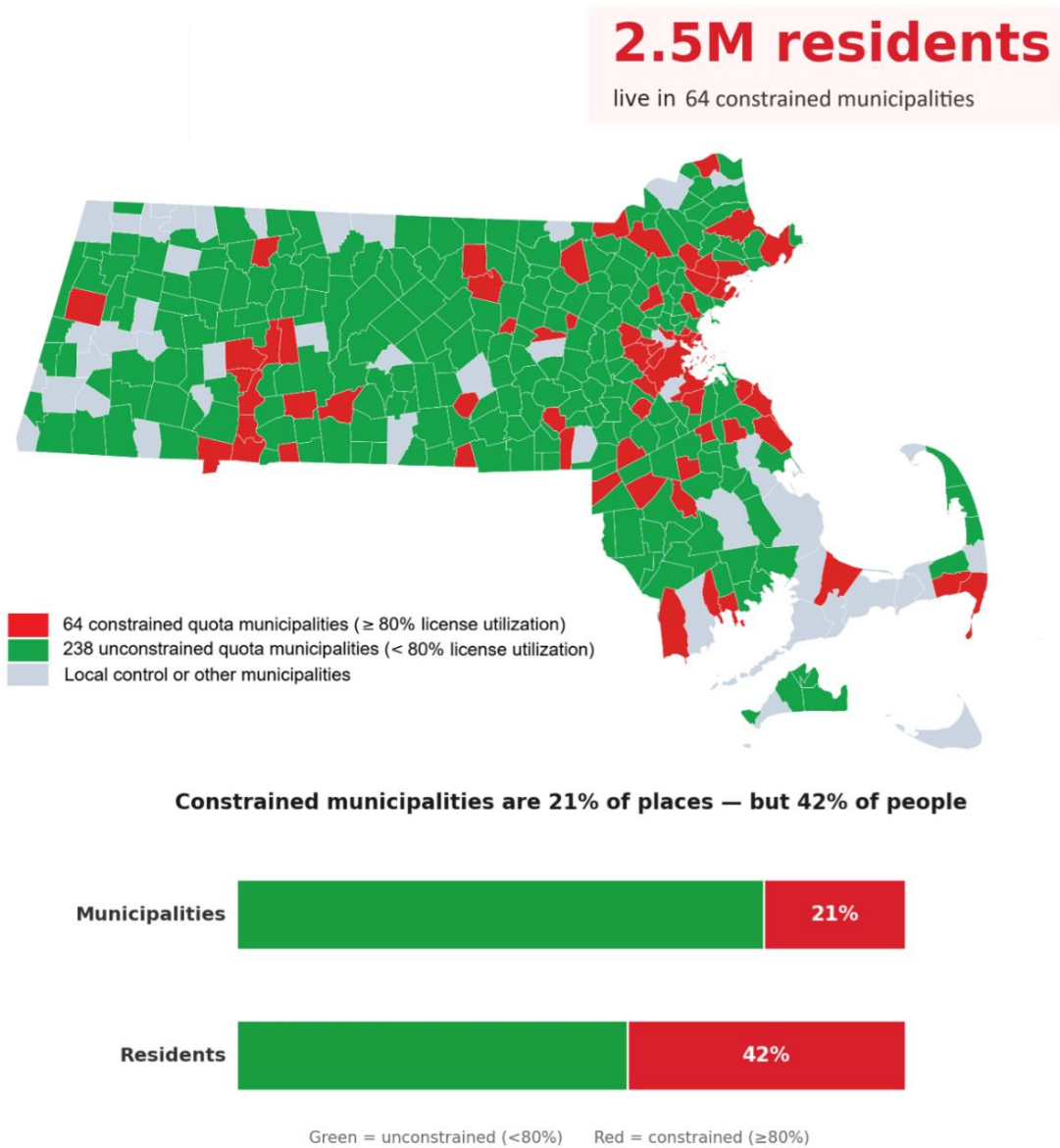
License constraint impacts 64 quota municipalities (21.2% of quota municipalities) but affects 41.6% of quota municipality residents (36.2% of the statewide population).⁸⁰

In other words, approximately 2.5 million people across the Commonwealth live in municipalities with economic development impacted by license scarcity.

See Figure 12 on the next page.

⁸⁰ Boston accounts for approximately 0.68 million residents. Excluding Boston, which has its own statutory license allocations, constrained municipalities hold approximately 1.86 million residents, 31% of the total quota-municipality population. Population figures are 2023 Department of Revenue/Division of Local Services municipal population estimates.

Figure 12. Quota Formula Affects Approximately 2.5 Million Residents in Constrained Municipalities



The net result of the supply and demand mismatch is that unconstrained municipalities have 9.4 times the number of remaining on-premises licenses available per 10,000 residents than constrained municipalities, creating accessibility and financial barriers to entering the market for small business owners. For instance, a Cambridge restaurant owner described being “invited to go to the Seaport and take a property, but there’s no way I could have afforded the license plus the buildup”—a direct consequence of what he called the “artificial scarcity created by a system that, frankly, is now archaic.”⁸¹

Figure 13 on the next page shows the contrast in license availability between the 10 constrained and unconstrained municipalities with the most remaining available licenses, sorted by population size.⁸²

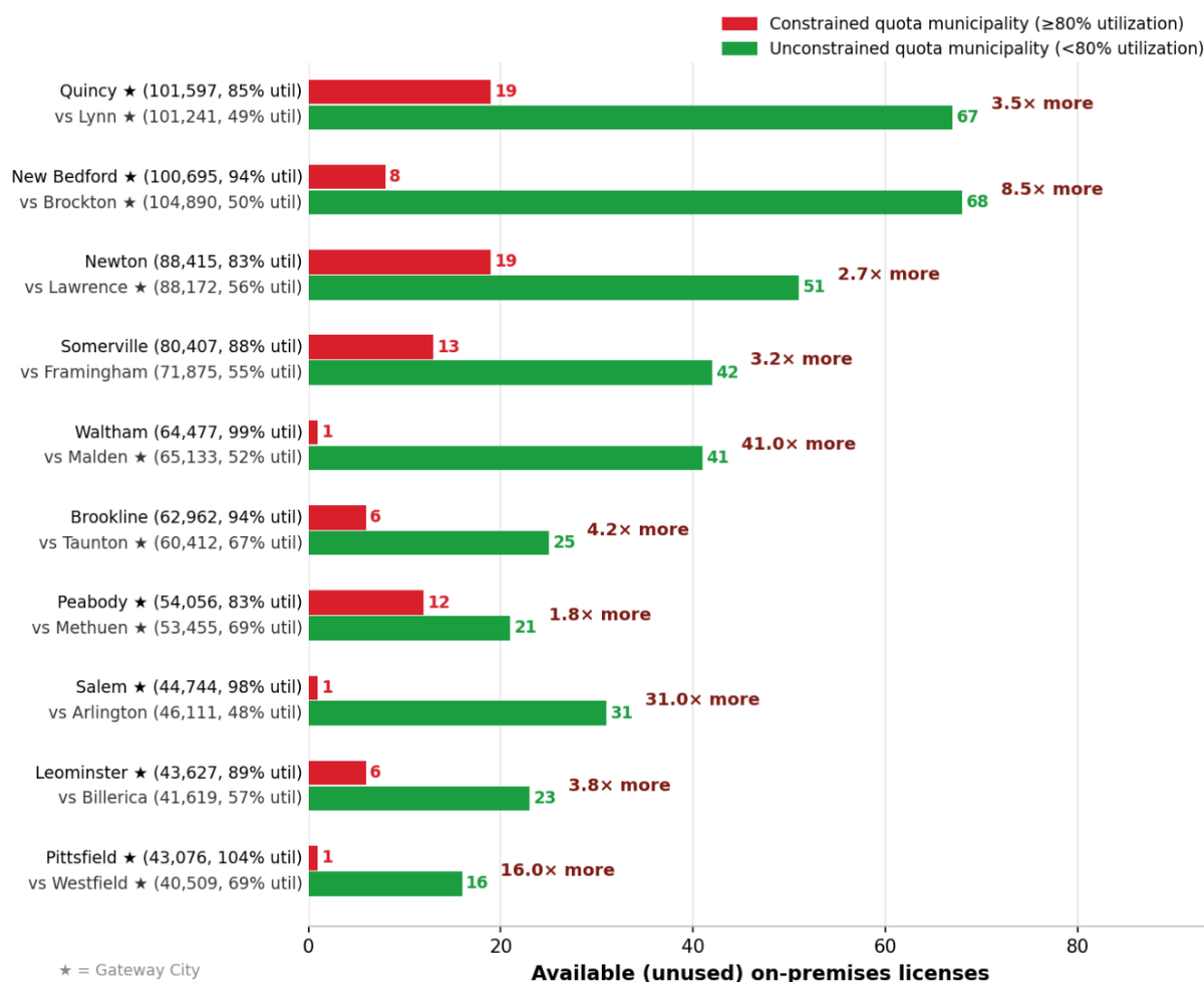
This comparison illustrates that municipalities of similar population have vastly different license utilization rates.

Waltham (64,477 residents, 99% utilization) has one on-premises license available, while similarly sized Malden (65,133 residents, 52% utilization) has 41. Salem (44,744 residents, 98% utilization) has one on-premises license available, while Arlington (46,111 residents, 48% utilization) has 31. These pairs show directly why population alone is not a sufficient measure of demand: The formula treats Waltham and Malden, and Salem and Arlington, nearly identically, yet one municipality in each pair has exhausted its allocation while the other has a significant number of licenses available.

81 DLM Interviews, 2026.

82 Available licenses are allocated licenses minus issued licenses—the unfilled headroom under the § 17 cap that a municipality could grant without special legislation.

Figure 13. Constrained and Unconstrained Municipalities by Available Licenses⁸³



83 ABCC fiscal year 2024 annual quota reports, compiled by DLM. Constrained quota municipality is defined as a quota municipality with combined on-premises license utilization at or above 80%. The top 20 are selected by absolute count of available licenses (allocated minus issued). Allocated licenses are the number of on-premises licenses a municipality is statutorily eligible to issue under MGL c. 138, § 17, calculated by applying the § 17 population-based formula to the municipality's decennial-census population. Issued licenses are on-premises licenses the municipality has actually granted to a specific licensee.

Constrained municipalities share common characteristics. They tend to be larger population centers with higher densities.⁸⁴ They have well-established commercial districts, strong hospitality sectors, tourism economies, or lively restaurant scenes that sustain robust demand for on-premises licenses.⁸⁵ Examples include Boston (98.7% license utilization),⁸⁶ Waltham (98.8%), Salem (98.2%), Holyoke (98.0%), New Bedford (93.9%), Brookline (93.8%), and, among towns, Chatham (100%) and Hadley (89%).⁸⁷

Somerville illustrates how far license demand can outrun the quota formula. In 2015, the city only had 5 available licenses.⁸⁸ In its home rule petition filed that same year, Somerville sought 65 additional on-premises licenses to ease the constraints on restaurant and commercial development, demonstrating that the quota formula

84 Analysis of 2023 US Census Bureau population estimates and density data for the 302 quota municipalities. Constrained municipalities (on-premises license utilization of 80% or higher) had a median population of 24,756 and median density of 1,441 residents per square mile, compared with 8,344 and 424 residents per square mile for unconstrained municipalities.

85 DLM Survey, 2025–2026; DLM Interviews, 2026. Several of the constrained municipalities named are statutorily designated as Gateway Municipalities with concentrated commercial and hospitality activity, including Holyoke, New Bedford, and Salem (MGL c. 23A, § 3A). Boston’s constrained on-premises market has likewise been documented in press coverage of its license shortage (Jess McDonald and Maria Sacchetti, “Boston Restaurant Owners Fight for Affordable Liquor Licenses,” *Boston Globe*, January 15, 2024).

86 St. 2024, c. 202, authorized the City of Boston to grant up to 213 additional on-premises licenses: up to 195 across 13 designated ZIP codes (up to 5 per ZIP code annually over three years), 3 in Oak Square, and 15 for community spaces and nonprofit organizations, and raised Boston’s base cap from 665 to 677. All of the new licenses are non-transferable and restricted to specific neighborhoods or uses. Because they do not count against the § 17 formula quota, Boston remains at 98.7% utilization of its formula allocation.

87 Utilization rates are calculated as the ratio of issued on-premises quota licenses to the total allocated under the § 17 formula: $\text{issued} \div \text{allocated} \times 100$, expressed as a percentage. Exception licenses are excluded because they represent licenses above the statutory quota; including them would obscure the constraint that necessitated the petition. The combined utilization rate aggregates All-Alcohol and Wine-and-Malt quotas for each municipality. Data source: ABCC fiscal year 2024 annual quota reports, ABCC fiscal year 2024 active-license extract and 2023 estimated population from the US Census Bureau.

88 Lannan, Katie. Restaurant Boom in Somerville Behind Local Request for Dozens More Liquor Licenses. State House News, Boston, September 15, 2015. Analysis of MGL c. 138, § 17 applied to Somerville’s 2010 decennial census population of 75,754, the enumeration governing the city’s quota in 2015. The formula allocated 82 All-Alcohol and 16 Wine-and-Malt on-premises licenses, a total of 98. The count of licenses then available is as stated in the city’s home rule petition record described in the following footnote. For comparison, Somerville’s 2020 population of 81,045 yields a current allocation of 105 on-premises licenses, against 96 issued on the formula track and 52 held under special legislation.

does not support demand driven by factors other than population.⁸⁹ The Legislature ultimately authorized 50 new licenses.⁹⁰

The demand-side pattern observed in Somerville repeats across other municipalities. For instance, Northampton, described by a municipal employee as “the former restaurant mecca of Western Massachusetts,” has operated above quota for decades.⁹¹ While the quota formula allocates 37 on-premises licenses to Northampton, the city has 64 issued licenses, including special legislation and other exception licenses. Demand drove repeated home rule petitions; most recently, after a lottery in which only one of four prospective licensees obtained a license, municipal leadership pressed for additional relief and secured a package of seven special legislation licenses in 2023.⁹²

A license holder in Pittsfield described the demand-side reality plainly in the survey: “Many want to grow downtown businesses and are limited as to what businesses they can court based on quotas. Potential tenants will move on to a municipality where they can more easily open their business.”⁹³ A Tyngsborough municipal official has seen prospective businesses go elsewhere when no license is available.⁹⁴

The formula disproportionately disadvantages larger municipalities; the statutory minimums result in more licenses per capita allocated to smaller municipalities.

In the second part of this Finding, license utilization numbers are broken down by the following increments identified in the quota formula tied to population: municipalities

89 Somerville’s home rule petition, approved by the Board of Aldermen and Mayor Joseph Curtatone and sponsored in the Legislature by Representative Denise Provost, requested 65 additional on-premises liquor licenses. The Legislature ultimately authorized 50 additional licenses—35 all-Alcohol and 15 Wine-and-Malt licenses—in An Act Further Regulating the Sale of Alcoholic Beverages in the City of Somerville, St. 2016, c. 142. The licenses were phased in over multiple tranches; most were restricted to designated Transformative and Enhancement Areas, while a smaller number were issued as location-specific, non-transferable licenses. Quota utilization is based on calculation using data from the ABCC fiscal year 2024 annual quota reports.

90 An Act Further Regulating the Sale of Alcoholic Beverages in the City of Somerville, St. 2016, c. 142.

91 DLM Interviews, 2026.

92 DLM Interviews, 2026; St. 2023, c. 76. See also, e.g., St. 2016, c. 109, and St. 2014, c. 126.

93 DLM Survey, 2025–2026.

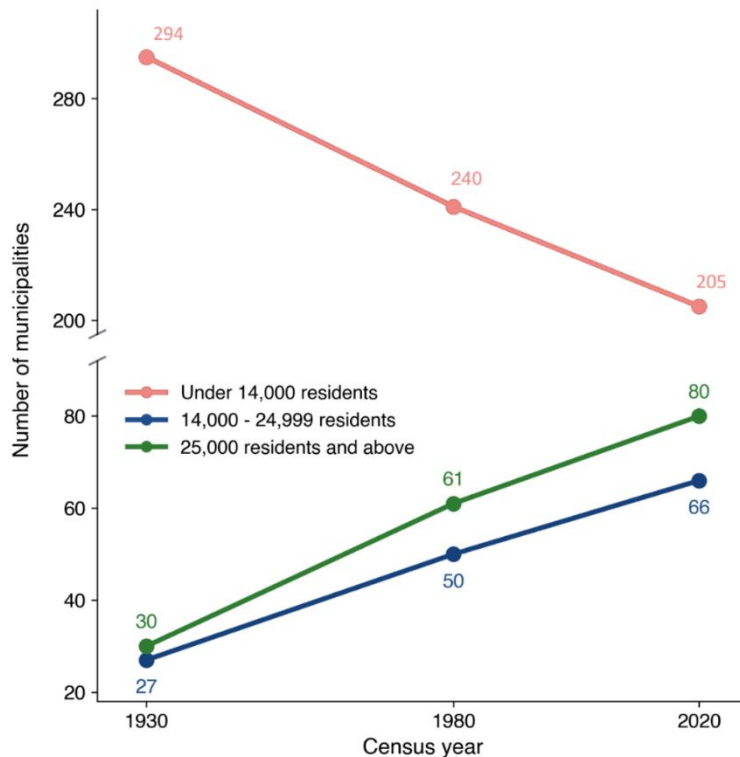
94 DLM Interviews, 2026.

with fewer than 14,000 residents, municipalities between 14,000 and 25,000 residents, and municipalities with over 25,000 residents.

The quota formula was written for the Massachusetts of 1933, when 294 municipalities (84%) had fewer than 14,000 residents and were allocated the statutory minimum of 14 All-Alcohol and 5 Wine-and-Malt licenses.⁹⁵ The formula's design reflected that reality. In the decades since, the Commonwealth has experienced substantial population growth, development, and urbanization: Two-thirds of residents now live in municipalities of 25,000 residents or more. By the most recent decennial census in 2020, the number of municipalities with fewer than 14,000 residents had fallen to 205 (58%), while the number with 25,000 or more residents had more than doubled to 80 (23%). See Figure 14 on the next page. The 80 municipalities with more than 25,000 residents in 2020 were home to approximately 4.69 million residents (66.7% of the population of the Commonwealth).

95 According to the closest census data from 1930, 294 municipalities (84%) had fewer than 14,000 residents, 27 municipalities (8%) had between 14,000 and 25,000 residents, and 30 municipalities (9%) had over 25,000 residents.

Figure 14. Change in Number of Municipalities Statewide by Population Category

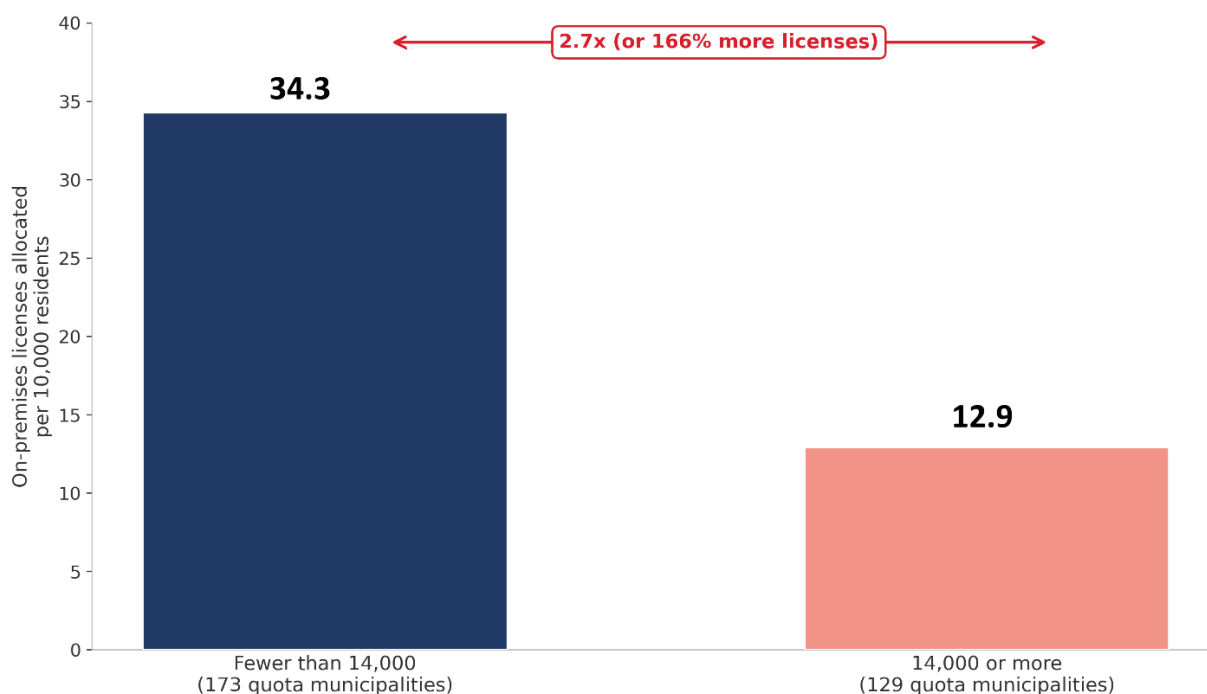


Despite these demographic shifts, the quota formula remains unchanged. The formula's 19-license minimum allocation (14 All-Alcohol and 5 Wine-and-Malt licenses) disadvantages municipalities that have grown in population since 1933. This outdated formula results in quota municipalities with fewer than 14,000 residents being allocated **2.7x** more licenses per 10,000 residents than larger quota municipalities.⁹⁶ More specifically, quota municipalities with fewer than 14,000 residents are allocated 34.3 on-premises licenses per 10,000 residents, compared with 12.9 in municipalities

96 As of the ABCC fiscal year 2024 annual quota reports, the 173 quota municipalities with fewer than 14,000 residents have a median quota allocation of 3.43 on-premises licenses per 1,000 residents (34.3 per 10,000), and 129 quota municipalities with 25,000 or more have a median of 1.29 per 1,000 (12.9 per 10,000). The 166% difference in license allocation between municipalities with fewer than and more than 14,000 residents is calculated as follows: $\left(\frac{34.3 - 12.9}{12.9} \right) \times 100 \approx 166\%$; same comparison as a multiple: $\left(\frac{34.3}{12.9} \right) \approx 2.7x$.

of 14,000 or more—166% more licenses.⁹⁷ Figure 15 below illustrates this uneven license distribution across these population categories.

Figure 15. The Minimum Allocation Advantage⁹⁸

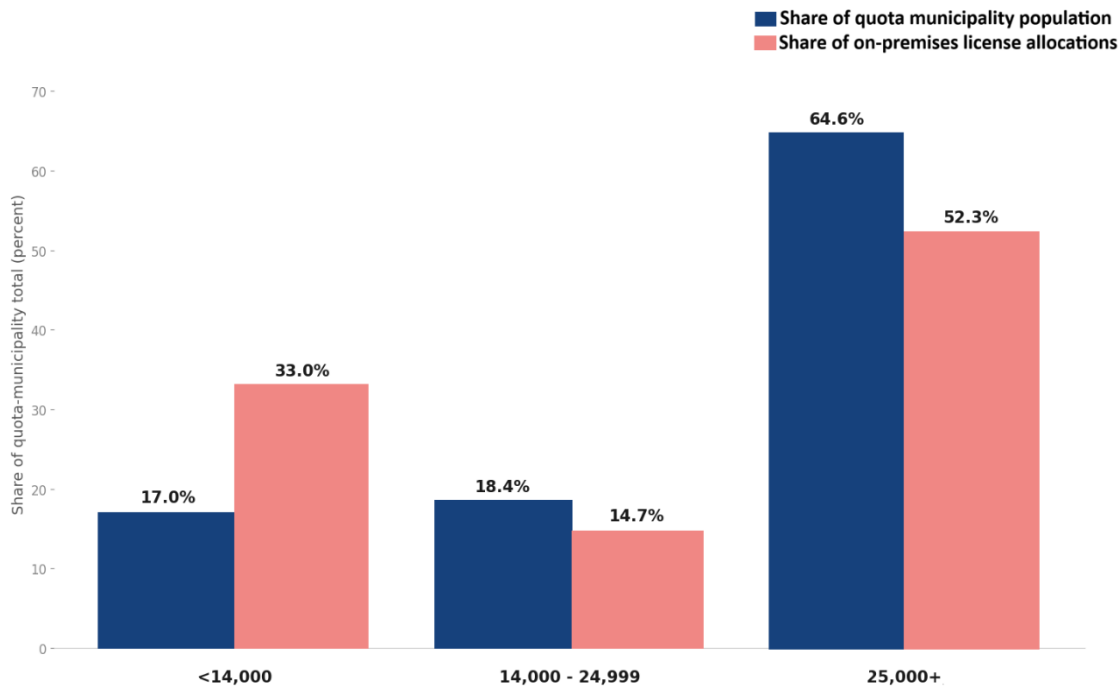


The disconnect between the quota formula and current demographics is even more apparent when comparing license and population shares. Across quota municipalities, those with fewer than 14,000 residents account for 17.0% of the population but hold 33.0% of the licenses that the formula allocates, while municipalities of 25,000 or more account for 64.6% of the population but hold only 52.3%. The formula allocates a disproportionately larger share of licenses to smaller municipalities. See Figure 16 on the next page.

97 Figures are medians. This study reports the median rather than the average because a small number of very small municipalities receive the statutory minimum allocation spread across few residents, producing extreme per-resident ratios.

98 Figures are medians. This study reports the median rather than the average because a small number of very small municipalities receive the statutory minimum allocation spread across few residents, producing extreme per-resident ratios. See Footnote 87 on the construction of these figures and [Appendix B](#).

Figure 16. The Allocation Mismatch—Population Share vs License Share⁹⁹instrument



The evidence in this Finding points to a paradox in the population-based quota formula: scarcity in municipalities where prospective licensees want to open establishments and unused capacity in other municipalities. The quota formula was calibrated to the 1933 municipal landscape and yet has been applied, unchanged in its essentials, to present-day commercial reality, resulting in a supply and demand mismatch that impedes economic growth. Municipal officials describe the mismatch from inside the system. A Longmeadow town official wrote that basing the allocation on population “does not take into account communities that have universities (where students may not be considered residents) or a community that has a robust commercial or economic sector where the daily population increases.”¹⁰⁰

⁹⁹ Among quota municipalities, license share is the share of quota formula-allocated licenses.

¹⁰⁰ DLM Survey, 2025–2026.

2. The 1978–1984 exemption window created an inequitable two-tier system: 26 municipalities with local control and 302 municipalities restricted by the state-imposed quota formula.

Of the 351 municipalities in Massachusetts, 26 are not subject to the quota formula for on-premises licenses.¹⁰¹ These 26 municipalities obtained control under legislation that authorized a limited group of municipalities to issue on-premises licenses irrespective of the quota.¹⁰² The window closed in 1985 with no subsequent opportunity for municipalities to obtain comparable quota flexibility.¹⁰³

The result is a two-tiered licensing system:

- **Local-control municipalities:** 26 municipalities that set their own on-premises license counts without reference to the quota formula, subject to local approval, ABCC review, and operating, enforcement, suspension, and revocation rules that apply to all on-premises licensees
- **Quota municipalities:** 302 municipalities that continue to be allocated on-premises licenses under the quota formula and may exceed that allocation only by securing special legislation from the Legislature, discussed in detail in [Finding 4](#).

The two-tier system is the result of a historical eligibility rule. Only municipalities that had granted seasonal on-premises licenses before January 1, 1978, were eligible to become local-control municipalities. That rule favored places with established seasonal increases in population, so local-control municipalities are disproportionately Cape Cod, coastal, and Berkshire resort communities (see Figure 17 below). Notably, only 3 of the 26 Gateway Cities (Barnstable, Haverhill, and Worcester) are local-control

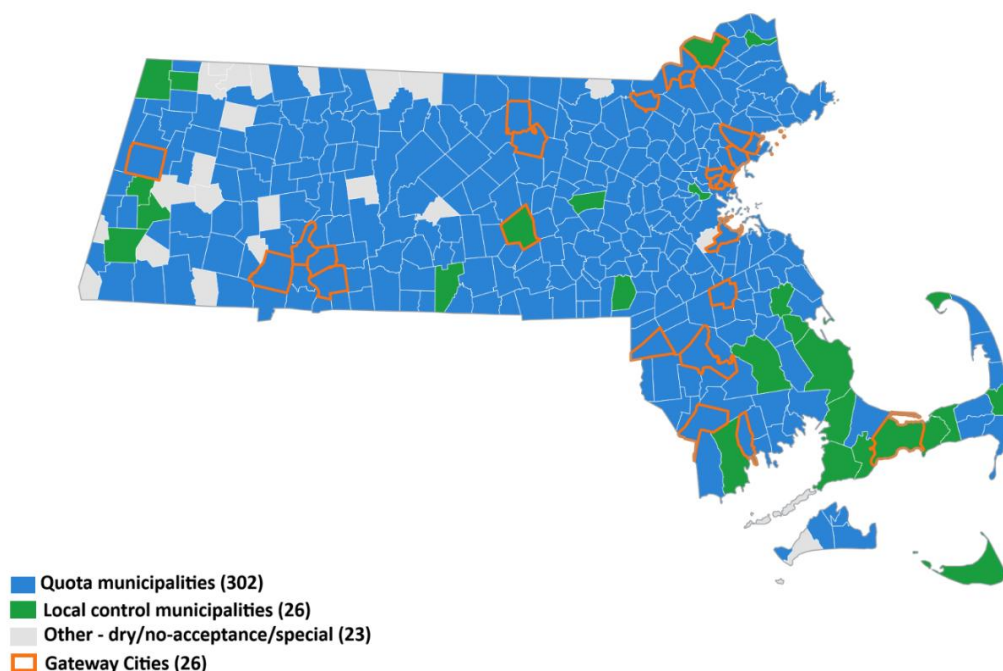
101 ABCC fiscal year 2024 annual quota reports; the 26 local-control municipalities are listed in [Appendix B](#).

102 St. 1978, c. 377, § 2 (authorizing municipalities that had granted seasonal on-premises licenses before January 1, 1978, and voted to accept the original MGL c. 138, § 17A, to issue on-premises licenses irrespective of the § 17 quota; that exemption is now preserved by MGL c. 138, § 17C, the current § 17A having been substituted by St. 1984, c. 491).

103 St. 1984, c. 491 (effective January 9, 1985), preventing municipalities that had not accepted the original MGL c. 138, § 17A, before January 1, 1985, from doing so thereafter; the grandfathered exemption for municipalities that had accepted it is codified at MGL c. 138, § 17C. If the window were open today with the same criteria, there would be 66 quota municipalities eligible because they issue seasonal licenses, 44% of which are currently constrained (having already issued 80% or more of their allocated licenses). Notably, this is more than double the 21% of overall quota municipalities that are constrained.

municipalities.¹⁰⁴ This is particularly concerning where barriers to liquor license access may exacerbate the challenges already faced by Gateway Cities—municipalities that have been designated by the Commonwealth for targeted economic development.

Figure 17. Two-Tier Licensing System



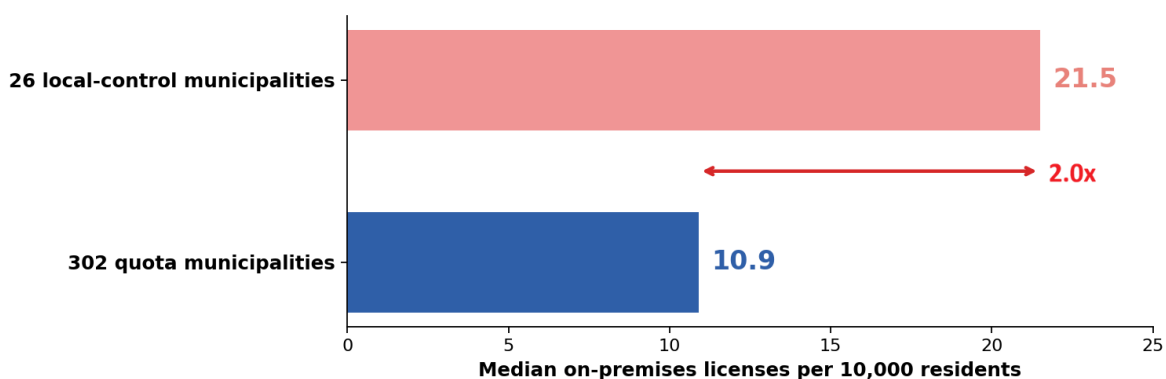
This Finding compares the two tiers of the Massachusetts liquor licensing system in two ways. First, it compares the number of on-premises licenses local-control and quota municipalities issue per 10,000 residents. Second, it applies the quota formula to the 26 local-control municipalities to calculate how many licenses those municipalities would be allocated if the state-imposed population-based quota applied to them today.

104 MGL c. 23A, § 3A. Twenty-six Gateway Cities are currently designated; three (Barnstable, Haverhill, Worcester) operate under local-control authority and 23 remain subject to the § 17 quota formula.

Local-control municipalities issue approximately twice as many on-premises licenses per resident as quota municipalities, and they issue substantially more than the quota formula would have allocated to them.

This study's analysis shows that local-control municipalities issue substantially more on-premises licenses than quota municipalities. The 26 local-control municipalities issue 21.5 on-premises licenses per 10,000 residents, compared with 10.9 in the quota municipalities—twice as many licenses per resident (see Figure 18 below).¹⁰⁵

Figure 18. License Issuance, Local-Control vs. Quota Municipalities¹⁰⁶



The gap in license issuance between quota municipalities and local-control municipalities is powered by local-control municipalities as a group and not driven by a small number of high-issuing local-control outliers.¹⁰⁷

¹⁰⁵ The 21.5 and 10.9 amounts are medians. This study reports the median rather than the average because a small number of very small municipalities receive disproportionately high per-resident allocations and would inflate a simple average.

¹⁰⁶ Calculations are based on median values; includes special legislation and other exception licenses to compare total licenses in use. This is an on-the-street access measure: A special legislation or other exception license serves customers the way a quota formula license does.

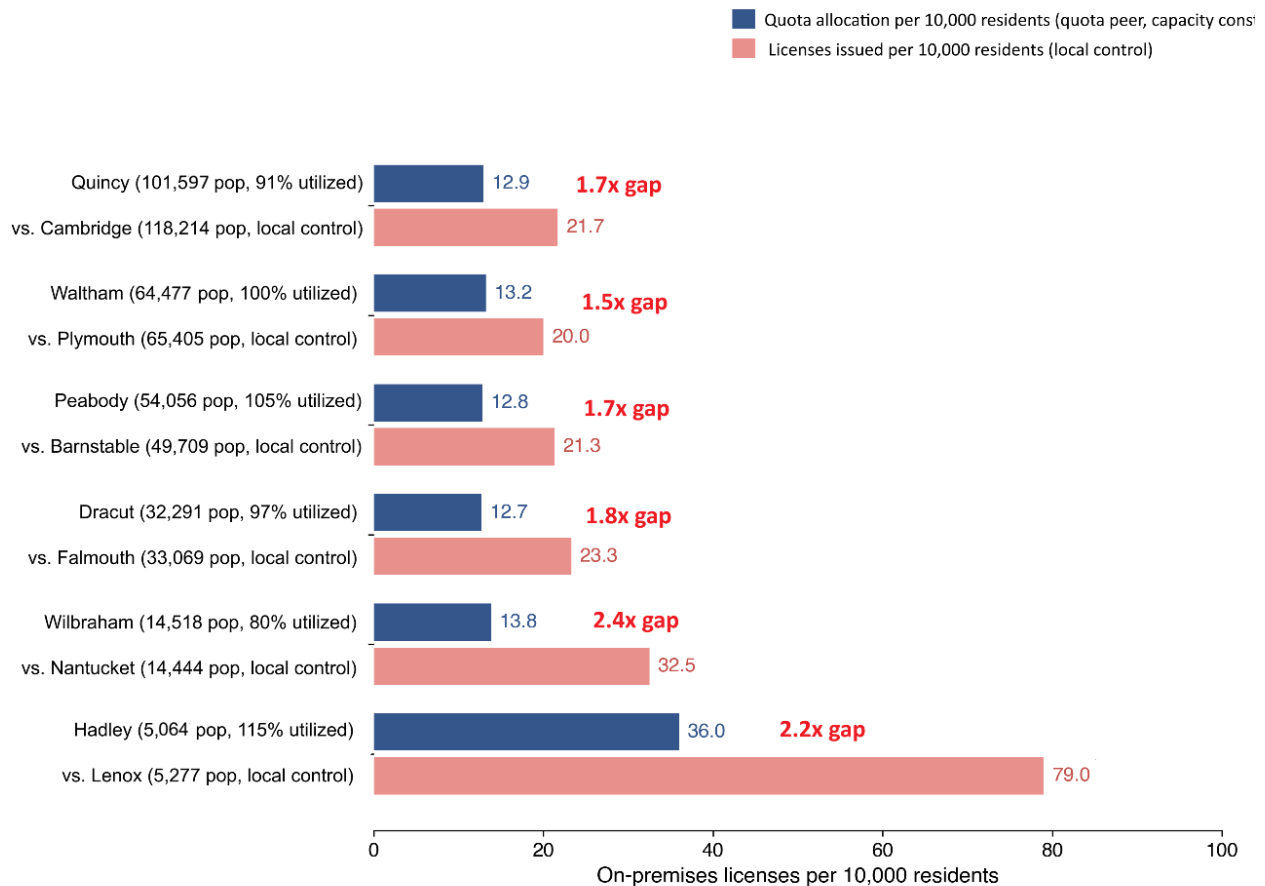
¹⁰⁷ Analysis of the ABCC fiscal year 2024 annual quota reports, the ABCC fiscal year 2024 active-license extract, and 2023 US Census population: Three local-control municipalities sit far above the rest on licenses issued per 10,000 residents—Provincetown (97.1), Lenox (79.0), and Great Barrington (58.4), each a small resort community for which the service population greatly exceeds the resident population. Excluding all 3, the 23 remaining local-control municipalities issue a median of 20.0 on-premises licenses per 10,000 residents against 10.9 in quota municipalities, a ratio of 1.84 to 1 compared with 1.97 to 1 for the full group of 26. The difference remains statistically significant (Mann-Whitney U = 5,384, $p < 0.001$). The comparison is therefore not an artifact of the three highest municipalities.

To illustrate differential outcomes between the two tiers, this study compared quota municipalities at or above 80% license utilization with local-control municipalities of comparable population across various population levels.¹⁰⁸ Figure 19 on the next page compares the quota municipality's *allocated* licenses under the formula with its local-control peer's *issued* licenses. Allocated licenses provide the appropriate benchmark for quota municipalities because they represent the maximum number of licenses quota municipalities may issue without special legislation and approximate the limits local-control municipalities would face if subject to the quota formula. Figure 19 illustrates that local-control municipalities issue 1.5 to 2.4 times as many on-premises licenses per resident as the quota allocates, further evidencing that demand outpaces allocation under the formula.¹⁰⁹

108 Constrained quota municipalities—those issuing at 80% or more of their § 17 allocation—were selected for the matched-pair comparison to provide the closest comparison: Because these municipalities face a binding quota constraint, contrasting their issuance with that of demographically similar local-control municipalities isolates the effect of the quota itself. See [Appendix B](#) for matched-pair methodology.

109 Each local-control municipality is paired with the nearest-population constrained quota peer. The 26 local-control municipalities include none with populations between approximately 66,000 and 118,000; pairs are therefore shown at the population sizes that exist. A note on what these comparisons can and cannot show: Eligibility for the 1978–1984 window turned on prior seasonal licensing, so the 26 local-control municipalities are disproportionately resort and tourism economies with strong restaurant demand. Their higher issuance therefore cannot be read as a causal estimate of what local control would produce elsewhere. What the comparison documents is narrower and sufficient: Municipalities with authority to respond to local demand do respond, expanding where demand supports it and holding back where it does not (5 of the 26 issue fewer licenses than the formula would allow), while quota municipalities facing documented demand cannot respond without an act of the Legislature.

Figure 19. Matched-Pair Comparison of Local-Control and Constrained Quota Municipalities¹¹⁰



Applying the quota formula to local-control municipalities shows the practical value of local-control authority.

Having established the gap in license access by comparing matched-pair local-control and constrained quota municipalities, the analysis now considers how local-control municipalities would have been limited by the quota formula. If the quota formula applied, the 26 local-control municipalities would have been allocated a combined total of 1,205 on-premises licenses (hypothetical quota allocation).¹¹¹ Under local control, those 26 municipalities actually issue 1,562 on-premises licenses, 357 (30%) more licenses than the quota formula would have allocated.¹¹²

Twenty-one of the 26 local-control municipalities issue more on-premises licenses than the quota formula would have allocated. In Figure 20 on the next page, each row compares the hypothetical quota allocation with licenses currently issued by each local-control municipality. The figure illustrates the benefit of local control versus the limitations of the quota formula, both by raw numbers and percentages. By raw numbers, Cambridge (+104 licenses above the hypothetical quota allocation), Plymouth (+46), Barnstable (+43), and Falmouth (+35) have benefited the most from local control.¹¹³ By percentages, the gap between hypothetical quota allocation and currently issued licenses is widest in smaller resort communities like Nantucket (+135%), Great Barrington (+121%), Lenox (+111%), and Provincetown (+89%), which have benefited substantially from their local control status.

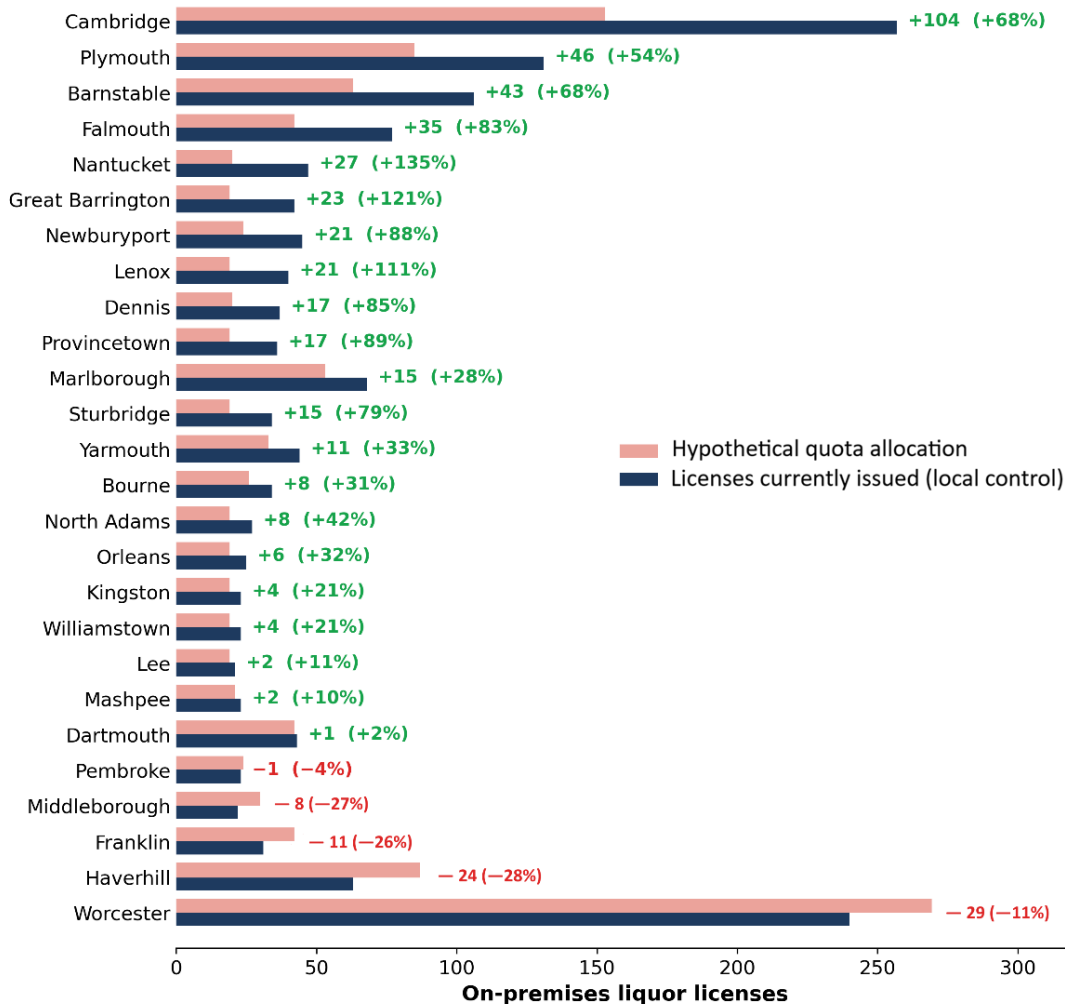
110 The local-control bars count licenses issued, including special legislation and other exception licenses. They are included because they are licenses in use, the supply that a resident or a prospective licensee actually encounters. The quota bars are the § 17 allotment, which never includes exceptions. Sensitivity analysis demonstrates that removing exception licenses from the local-control counts does not close the gap: Cambridge has 5 exception licenses among 257 issued; the rate falls from 21.7 to 21.3 per 10,000 residents, still 1.7 times Quincy's allotment of 12.9. Falmouth has 4 exception licenses among 77 issued; the rate falls from 23.3 to 22.1, still 1.7 times Dracut's allotment of 12.7. Plymouth has 13 exception licenses among 131 issued; the rate falls from 20.0 to 18.0, still 1.4 times Waltham's allotment of 13.2. Across these three pairs the multiples are 1.5 to 1.8 times with exceptions included, and 1.4 to 1.7 times without them.

111 To measure license access gap at a system level, the quota formula's 19-license on-premises minimum (14 All-Alcohol and 5 Wine-and-Malt) and the per-1,000-resident schedule are applied to each local-control municipality's 2023 population to compute the hypothetical quota allocation; full methodology appears in [Appendix B](#).

112 Hypothetical quota allocation analysis: Section 17 on-premises allocation computed as $\max(14, \lceil \text{population}/1,000 \rceil) + \max(5, \lceil \text{population}/5,000 \rceil)$ for each local-control municipality at the population recorded in DLM's dataset. Aggregate across the 26 local-control municipalities = 1,205 licenses; aggregate currently issued = 1,562 licenses. Full methodology appears in [Appendix B](#). Currently issued counts include exception licenses, consistent with the license-access metric used throughout Findings 2 and 3. Local-control municipalities issue on-premises licenses without special legislation; the special legislation (home rule) relief available to quota municipalities is examined separately in [Finding 4](#). Population figures for all per-resident rates and the hypothetical quota allocation analysis are the 2023 municipal population estimates published by the Department of Revenue, Division of Local Services, Data Analytics and Resources Bureau, "Population By Municipality and Year," Municipal Databank, accessed September 13, 2026, <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=Socioeconomic.Population.Population>. These figures are the US Census Bureau's annual Population Estimates Program estimates for July 1, 2023—US Census Bureau, *Vintage 2023 Population Estimates: City and Town Population Totals*, Massachusetts, released May 2024, <https://www.census.gov/newsroom/press-kits/2024/subcounty-population-estimates.html>.

113 Per-municipality gap analysis, on-premises licenses, ABCC fiscal year 2024 annual quota reports.

Figure 20. Hypothetical Quota Allocation vs. Currently Issued Licenses for Local-Control Municipalities



The analysis also demonstrates that local-control municipalities exercise discretion and that local control does not automatically lead to license issuance beyond what the quota formula would have allocated. In fact, five local-control municipalities—Franklin, Haverhill, Middleborough, Pembroke, and Worcester—issue fewer on-premises licenses than the quota formula would allow.

The hypothetical quota allocation analysis shows the benefit of local control in responding to local conditions. Officials and business operators in local-control municipalities describe this authority as a practical economic-development asset,

allowing a community to calibrate license supply to downtown recovery, tourism, transit-oriented development, and seasonal demand rather than to a fixed resident count. A Cambridge restaurant owner stated that “the field feels leveled in Cambridge,” referring to the equal opportunity for obtaining a license in local-control Cambridge versus trying to obtain a license in a constrained quota municipality.¹¹⁴ A Haverhill municipal employee wrote that “local governments have a clearer understanding of their community’s needs than the state legislature and are better equipped to determine what works best and fits their community’s needs,” and a Nantucket official noted that “a little more flexibility to allow more or less on-premise licenses by the municipality would be very useful.”¹¹⁵

Local-control municipalities that have issued licenses in excess of what the quota would have allocated were able to do so without needing special legislation. In contrast, quota municipalities—particularly constrained quota municipalities—are subject to the lengthy, complicated, and uncertain home rule petition process. In the absence of special legislation via the home rule petition process, prospective licensees may be forced to rely on an expensive secondary market or reconsider location, negatively impacting economic growth in quota municipalities. [Finding 4](#) discusses these barriers in further detail.

In summary, the 1978–1984 exemption window created an inequitable two-tier system: local-control municipalities that manage their own on-premises license supply and quota municipalities that must request permission from the Legislature for additional on-premises licenses. Municipalities that were able to take advantage of the temporary exemption window have experienced more than four decades of local flexibility, unlike quota municipalities that cannot freely respond to changing demand driven by factors such as tourism, commercial activity, downtown redevelopment, and strategic planning.

114 DLM Interviews, 2026.

115 DLM Survey, 2025–2026.

3. License access rises with municipal wealth.¹¹⁶

This Finding examines whether on-premises license access varies by municipal wealth across Massachusetts. The quota formula allocates licenses by resident population alone and does not account for differences in municipal tax base, commercial activity, or local economic conditions. The analysis in this Finding tests whether municipal wealth-associated patterns nevertheless emerge in license access—first among the 302 quota municipalities¹¹⁷ and 26 local-control municipalities¹¹⁸ combined (the outcome-based sample), then isolating the 302 quota municipalities, and finally isolating the 26 local-control municipalities.¹¹⁹

To evaluate whether on-premises license access varies by municipal wealth, this study compares Massachusetts municipalities along a statewide scale of equalized valuation (EQV) per capita, commonly used as a standard measure of municipal wealth.¹²⁰

116 License access is expressed as on-premises licenses issued per 10,000 residents. License access includes both quota allocation and special legislation licenses for quota municipalities and reflects municipalities' actual issuance practice: It is the per-capita rate consumers and prospective applicants experience, not the per-capita rate the quota permits.

117 Quota municipalities are subject to the state-imposed population-based quota under MGL c. 138, § 17.

118 Local-control municipalities are authorized to grant on-premises licenses "in addition to, and irrespective of" the state-imposed population-based quota. St. 1978, c. 377, § 2. See [Finding 2](#).

119 The analysis in this Finding counts on-premises licenses currently issued, which include special legislation and other exception licenses. It does not separately model special legislation access, which is examined in [Finding 4](#).

120 EQV is the full and fair cash value of all taxable property within a municipality, established biennially by the Massachusetts Department of Revenue's Division of Local Services. Per-capita normalization uses 2023 US Census population to be aligned with EQV data. EQV is preferred over income or local-receipts measures because it captures the underlying property-tax base independent of municipal tax-rate decisions or year-to-year revenue volatility. The Department of Revenue uses EQV as its principal interlocal wealth comparator.

The 328 municipalities in the outcome-based sample are sorted by EQV per capita and divided into four equal groups (n = 82 per wealth quartile).¹²¹ Table 2 defines the EQV per capita range for each wealth quartile. The same EQV per capita ranges are used in each of the three analyses, meaning the number of municipalities within wealth quartiles for [Analysis B](#) and for [Analysis C](#) are unequal.

Table 2. Statewide wealth quartiles¹²²

Wealth quartile	EQV per Capita Range	Number of Municipalities
Q1 (Lowest)	\$76,427–\$177,434	82
Q2	\$177,435–\$231,944	82
Q3	\$231, 945–\$328, 158	82
Q4 (Highest)	\$328, 159–\$2,837,676	82

The following three analyses demonstrate that license access rises with municipal wealth and that the extent of license access disparity between the lowest and highest wealth municipalities is exacerbated by the two-tier licensing system.

121 The 328-municipality outcome-based sample consists of the 302 quota municipalities subject to MGL c. 138, § 17, plus the 26 local-control municipalities exempted under the 1978–1984 statutory window. 23 Massachusetts municipalities are outside the scope of this study and are not included in the outcome sample: (1) 14 municipalities for which no data was provided by ABCC: Florida, Heath, Leyden, Middlefield, Monroe, Monterey, New Braintree, Pelham, Peru, Rowe, Royalston, Tolland, Warwick, and Washington; (2) 8 dry municipalities: Alford, Chilmark, Dunstable, Gosnold, Hawley, Montgomery, Mount Washington, and Westhampton; and (3) Milton, which maintains a local prohibition specifically on All-Alcohol licenses while permitting other license categories. See the ABCC fiscal year 2024 annual quota reports and the ABCC fiscal year 2024 active-license extract.

122 EQV per capita is used as the measure of municipal wealth. EQV is the full and fair cash value of all taxable property in a municipality. Unlike assessed valuations, which vary based on local assessment practices, EQV is equalized across municipalities to enable direct comparison. EQV per capita is calculated by dividing the total EQV by the municipality’s 2023 census population. This analysis uses the most recent Department of Revenue–published EQV figures available at the time of data collection. EQV per capita was calculated for the 328 outcome-based sample municipalities (302 quota + 26 local control).

Analysis A. On-premises license access across the outcome-based sample (n = 328)

Across the 328 quota and local-control municipalities, license access rises with municipal wealth—the wealthiest quartile issues substantially more on-premises licenses per resident than the least wealthy quartile. See Table 3 below.

Table 3. Analysis A—On-premises License Access by Wealth Quartile, Outcome-Based Sample (n = 328)

Wealth Quartile	EQV per Capita Range	Number of Municipalities (Quota + Local-Control)	Licenses Issued per 10,000 Residents ¹²³
Q1 (Lowest)	\$76,427–\$177,434	82	12.2
Q2	\$177,435–\$231,944	82	12.4
Q3	\$231,945–\$328,158	82	13.6
Q4 (Highest)	\$328,159–\$2,837,676	82	19.3

The 82 municipalities in the lowest wealth quartile (Q1) issue an average of 12.2 on-premises licenses per 10,000 residents; the 82 municipalities in the highest wealth quartile (Q4) issue an average of 19.3: **58% more** than Q1.

The difference across wealth quartiles is statistically significant, meaning the pattern is strong enough that it is unlikely to be explained by chance alone.¹²⁴ This does not mean municipal wealth by itself causes higher license access, but it does show a meaningful correlation between wealth and license access.¹²⁵

123 Calculations are group averages—the arithmetic mean of the municipal rates within each wealth quartile—and include special legislation and other exception licenses. Medians follow the same pattern, rising from 10.8 licenses per 10,000 residents in the lowest wealth quartile to 15.3 in the highest across the full sample, and from 10.8 to 13.6 within the quota group, so the gradient is not the product of a few high-outlier municipalities.

124 Quartile figures are arithmetic means of on-premises licenses per 10,000 residents within each wealth quartile of the n = 328 outcome-based sample. The significance statement reflects a nonparametric Kruskal–Wallis test across the quartiles.

125 Kruskal-Wallis H-test of on-premises licenses per 10,000 residents across the four wealth quartiles, full n = 328 outcome sample: $H = 13.6$, $df = 3$, $p = 0.004$; Spearman rank correlation $\rho = 0.18$, $p = 0.001$. This study used rank-based tests because the license-access distribution is right-skewed. Re-running the quartile test on all 351 municipalities (assigning zero access to the 23 that issue no on-premises licenses) yields the same direction and significance ($H = 9.2$, $p = 0.027$). The methodological decision was made to use quartiles to ensure that each comparison group includes enough municipalities to support reliable statistical analysis.

Analysis B. On-premises license access across quota municipalities (n=302)

Narrowing the analysis to the 302 quota municipalities shows that the wealth-access gap persists within the quota framework. Although all 302 municipalities are subject to the same quota formula, the highest wealth quartile (Q4) issues 37% more licenses per resident than the lowest wealth quartile (Q1) (see Table 4). This difference is statistically significant, meaning a gap this large would rarely appear by chance if wealth and license access were unrelated; therefore, the pattern is a real feature of the data rather than an artifact of which municipalities happen to fall in each wealth quartile. It does not establish that wealth causes the difference.¹²⁶

Table 4. Analysis B—On-premises License Access by Wealth Quartile, 302 Quota Municipalities

Wealth Quartile	EQV per Capita Range	Number of Municipalities (Quota)	Licenses Issued per 10,000 Residents ¹²⁷
Q1 (Lowest)	\$76,427–\$177,434	79	12.2
Q2	\$177,435–\$231,944	78	11.9
Q3	\$231,945–\$328,158	75	12.7
Q4 (Highest)	\$328,159–\$2,837,676	70	16.7

The highest wealth quartile (Q4) quota municipalities issue 37% more licenses than the lowest wealth quartile (Q1) quota municipalities (compared to the outcome-based sample disparity of 58% in [Analysis A](#)).

¹²⁶ The Mann-Whitney U test is a non-parametric statistical analysis used to compare on-premises licenses per 10,000 residents between highest wealth quartile and lowest wealth quartile among the 302 quota municipalities, using statewide EQV per capita quartile boundaries. The Q4 median (13.6 per 10,000 residents) exceeds the Q1 median (10.8), and the difference is statistically significant at the 5% level (Mann-Whitney U = 3,310, p = 0.038; a Welch's t-test of the means yields the same conclusion, p = 0.028). This study used a rank-based test because the license-access distribution is right skewed and not approximately normal. A Kruskal-Wallis test across all four quartiles within the quota sample does not reach the 5% level (H = 6.50, df = 3, p = 0.090), and a Spearman rank correlation between wealth and license access is small but significant (rho = 0.12, p = 0.040). Read together, these results indicate that the within-quota difference is concentrated at the top of the wealth distribution rather than distributed evenly across it—the pattern the special legislation analysis in [Finding 4](#) describes.

¹²⁷ Calculations are group averages—the arithmetic mean of the municipal rates within each group—and include special legislation and other exception licenses. Medians follow the same pattern, so the results are not driven by a few high-outlier municipalities.

Analysis C. On-premises license access across local-control municipalities (n = 26)

The 26 local-control municipalities obtained local control status during the 1978–1984 statutory window described in [Finding 2](#). Eligibility for the window turned on a municipality’s prior issuance of seasonal on-premises licenses and a local vote; it did not turn on municipal wealth. This analysis examines where the 26 local-control municipalities are distributed among the wealth quartiles.

Of the 26 local-control municipalities, 3 (12%) sit in the lowest wealth quartile (Q1), 4 (15%) in Q2, 7 (27%) in Q3, and 12 (46%) in the highest wealth quartile (Q4). See Table 5 below. Nineteen of the 26—approximately three-quarters—sit in the top half of the wealth distribution. If the 26 local-control municipalities were distributed evenly across the four wealth quartiles, each wealth quartile would contain 6 or 7 local-control municipalities ($26 \div 4 = 6.5$). The observed distribution is significantly skewed toward higher wealth quartiles.¹²⁸

Table 5. Analysis C—Distribution of Local-Control Municipalities Across Wealth Quartiles (n = 26)

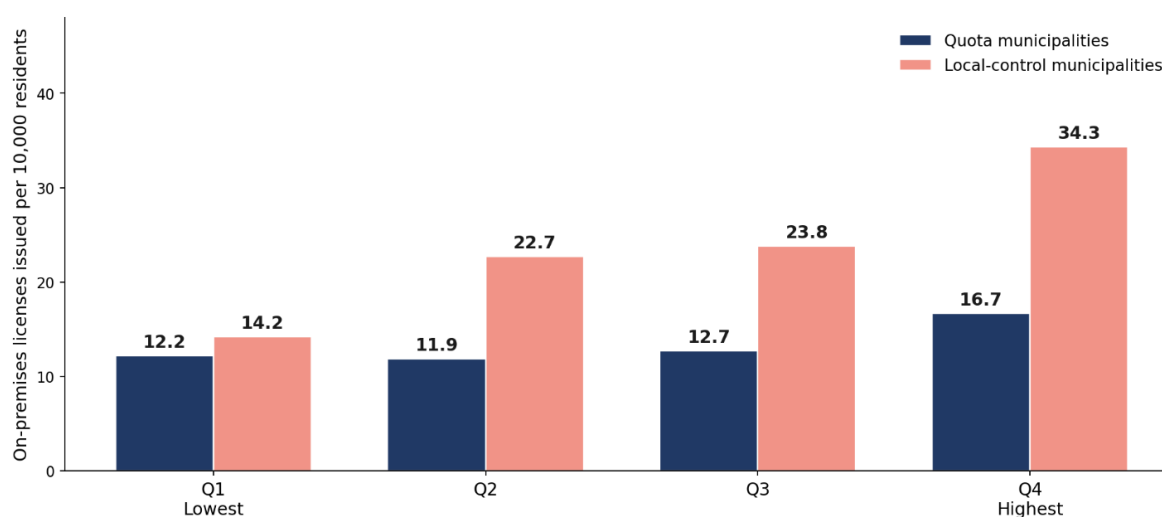
Wealth Quartile	EQV per Capita Range	Number of Municipalities (Local-Control)	Licenses Issued per 10,000 Residents ¹²⁹
Q1 (Lowest)	\$76,427–\$177,434	3	14.2
Q2	\$177,435–\$231,944	4	22.7
Q3	\$231, 945–\$328,158	7	23.8
Q4 (Highest)	\$328, 159–\$2,837,676	12	34.3
Total		26	

128 Distribution of the 26 local-control municipalities across the four statewide wealth quartiles (3 / 4 / 7 / 12 for Q1–Q4). Twelve of the 26 (46%) fall in Q4, compared with the 25% implied by a uniform distribution, and 19 of 26 fall in the wealthiest 50% (Q3 and Q4).

129 Calculations are group averages—the arithmetic mean of the municipal rates within each group—and include special legislation and other exception licenses. Medians follow the same pattern, so the results are not driven by a few high-outlier municipalities.

Within the local-control group, license access again rises with municipal wealth. The three local-control municipalities in Q1 issue an average of 14.2 on-premises licenses per 10,000 residents; the twelve in Q4 issue an average of 34.3. In each wealth quartile, the average local-control municipality issues more on-premises licenses per resident than the average quota municipality. Figure 21 below compares the data in [Table 4](#) and [Table 5](#) to illustrate the difference in issued licenses between local-control and quota municipalities by wealth quartile.

Figure 21. Local-Control vs. Quota Municipalities by Wealth Quartile¹³⁰



As the three analyses demonstrate, license access rises with municipal wealth. Further, as shown in [Analysis C](#), local-control municipalities both (1) issue more on-premises licenses per 10,000 residents than quota municipalities at every wealth quartile and (2) sit disproportionately in higher wealth quartiles. Including them in the analysis therefore widens the wealth-access gap—the 58% disparity in [Analysis A](#) is the combined effect of license access rising with wealth among quota municipalities ([Analysis B](#)) and the concentration of local-control municipalities in higher wealth quartiles ([Analysis C](#)).

¹³⁰ Calculations are group averages—the arithmetic mean of the municipal rates within each group—and include special legislation and other exception licenses. Medians follow the same pattern, so the results are not driven by a few high-outlier municipalities.

4. The two current relief pathways for constrained quota municipalities are marked by access barriers, unpredictability, and inconsistent outcomes.

As discussed in [Finding 1](#), the paradox of scarcity and surplus produces a licensing environment where prospective business owners can readily obtain a license in some municipalities while they face barriers that require the Legislature’s approval or substantial capital in others. This Finding examines the pathways available when licenses in a particular quota municipality are insufficient to meet demand.

Prospective licensees have two options for pursuing licenses beyond quota, discussed in detail in this Finding:

1. requesting that the municipality file a home rule petition to obtain additional licenses via special legislation (ranging from a single, location-specific license for a particular applicant to a batch of licenses to support larger economic development projects) or
2. purchasing a license from an existing holder on the private secondary market.

Stakeholders described the home rule petition pathway as lengthy, opaque, and relationship-dependent, and the secondary market pathway as often carrying a steep markup—assuming a license is even for sale since the state keeps no central, public list.

When neither pathway works, prospective licensees may relocate to another municipality or state, taking their capital elsewhere, or abandon their plans altogether. Interviewees and survey respondents confirmed these outcomes in practice. Tyngsborough, a town of 12,475 just south of the New Hampshire border, had no on-premises licenses available in 2017 and again in 2023. According to a Tyngsborough municipal official, “Businesses usually call the town before they buy land or sign anything, and if the town says no license is available, those businesses simply move on to Lowell or Nashua.”¹³¹ A municipal employee from the City of Lawrence explained, “I think the process is kind of cumbersome and it’s a lot of work. Often operators just don’t do it.”¹³²

¹³¹ DLM Interviews, 2026.

¹³² DLM Interviews, 2026.

4.1 The home rule petition process, with respect to liquor licensing is opaque, slow, and relationship-dependent, and special legislation licenses are concentrated in wealthier municipalities.

When a quota municipality needs more on-premises licenses than the state formula allocates, its only pathway is a home rule petition to the Massachusetts Legislature.¹³³ Municipal officials or business owners must work with state legislators to draft petition language, navigate committee hearings, and secure floor votes in both chambers. Special legislation licenses are typically tied to specific premises and often carry conditions or restrictions. Success depends on factors beyond market demand: familiarity with opaque and lengthy legislative procedure, relationships with and between municipal and state officials, and administrative capacity. Moreover, access to licenses via special legislation rises with municipal wealth, raising additional equity concerns.

The home rule petition process is opaque and slow, with no statutory deadline.

The process has a municipal and state legislative component. A municipality or business owner must work with state legislators to draft petition language, secure local authorization, navigate committee hearings, and obtain floor votes in both chambers of the Legislature before the Governor signs the resulting special act. An Amherst municipal employee described the burden on municipalities in pursuing home rule petitions as “a ton of work and effort from many different parties.”¹³⁴

While the home rule process is outlined in this Finding, no public legislative guidance could be found that would allow a potential licensee or municipality to understand how to navigate the process or that would outline the criteria for a successful petition for additional liquor licenses. Further, there is no centralized, searchable record of past and pending liquor license home rule petitions, their outcomes, and the reasons for approval, denial, or amendment.¹³⁵ The absence of published criteria and accessible

133 MGL c. 138 § 17; Art. 89 of the Amendments to the Massachusetts Constitution (Home Rule Amendment).

134 DLM Survey, 2025–2026.

135 Review of the Massachusetts legislative website found no published procedure or evaluation criteria for license-related home rule petitions, and petition status fragmented across legislative records. See [Finding 5](#) and [Appendix C](#).

records is examined further in [Finding 5](#). A Revere municipal employee called the process clumsy—anything that moves through the Legislature takes a long time, and each municipality must draft its own request, secure local votes, and work through its delegation: “Everybody sort of seems to have to reinvent the wheel.”¹³⁶

A recurring theme appearing in survey and interview responses is the lengthiness of the process and the negative economic impact of delays on the prospective licensee. On the municipal side, a petition must be drafted, authorized by the local governing body, and filed—steps that can take months or years, irrespective of the municipality’s form of government.¹³⁷ The legislative side is more consistent—consistently long. Once the petition reaches Beacon Hill, there is no statutory obligation for the Legislature to act and no deadline for action.¹³⁸ Committee and floor action can add months to the process.¹³⁹ Progress depends heavily on the municipality’s administrative capacity and the willingness of the municipality’s legislative delegation to champion the petition.

Example timelines range from approximately six months to multiple years: Fairhaven’s 2024 single-license petition moved from filing to enactment in about 6 months;¹⁴⁰ Montague’s 2015–2016 single-license petition took about 10 months;¹⁴¹ and Boston’s 2023–2024 multi-license package was enacted roughly 18 months after the

136 DLM Interviews, 2026.

137 DLM Survey, 2025–2026, home rule petition detail. Reported municipal-side durations ranged from a few months to several years and did not track form of government: Tyngsborough (town meeting) reported the process “generally not very long (4-8 months),” while Watertown (city council) reported a public process beginning May 15, 2012, and concluding in a unanimous council vote on May 10, 2015.

138 Under the Home Rule Amendment, Mass. Const. amend. art. LXXXIX, § 8, and the Home Rule Procedures Act, MGL c. 43B, a municipal home rule petition for a special law must be enacted by the General Court; neither imposes any deadline for, or obligation of, legislative action.

139 DLM Survey, 2025–2026, home rule petition detail. Reported total durations, municipal and legislative combined, clustered at roughly a year.

140 An Act Authorizing the Town of Fairhaven to Grant an Additional License for the Sale of All Alcoholic Beverages to Be Drunk on the Premises, St. 2024, c. 317, approved January 3, 2025, <https://malegislature.gov/Laws/SessionLaws/Acts/2024/Chapter317>.

141 An Act Authorizing the Town of Montague to Grant an Additional License for the Sale of All Alcoholic Beverages to Be Drunk on the Premises, St. 2016, c. 136, approved July 8, 2016, <https://malegislature.gov/Laws/SessionLaws/Acts/2016/Chapter136>.

underlying petition received local approval.¹⁴² Watertown submitted its petition to its delegation on May 11, 2015, and the Governor signed the resulting act on April 8, 2016—roughly eleven months, during which the municipality made repeated trips to the State House to lobby individual committee chairs.¹⁴³ Municipalities reporting total durations most often described as about a year: Milford, “4 months to close to a year”; Avon, “approximately one year”; Chelmsford, “about a year”; Northampton, “close to a year, 9–12 months.”¹⁴⁴

Home rule timelines are often incompatible with how restaurants finance, lease, and launch. Representative McKenna described commercial reality: An applicant needs “a little bit of legislative know-how, and patience and the ability to tell your financing, ‘we’ve got to wait 18 months for this bill to pass before we can sell a drink.’”¹⁴⁵ Of the process itself, he said, “the bureaucratic process is not quick. It’s not nimble.”¹⁴⁶ Prospective licensees do not sign leases, raise capital, or hire staff members on legislative calendars. The delay is financial, as well as administrative: A prospective licensee holding real estate, financing, and labor commitments during a yearlong wait absorbs those costs without being able to serve alcohol.

Interviewees also described a subtler concern with how the relief provided via home rule petition is often designed. Special legislation frequently ties additional licenses to a specific corridor, parcel, or development concept. Representative McKenna explained the legislative rationale: Petitions tied to an identified business and location look more reasonable and are easier to advance, because the Legislature does not like to hand a municipality a stack of unused authority that it can keep in a drawer, and

142 An Act Authorizing Additional Licenses for the Sale of Alcoholic Beverages to Be Drunk on the Premises in the City of Boston, St. 2024, c. 202, approved September 11, 2024, <https://malegislature.gov/Laws/SessionLaws/Acts/2024/Chapter202>.

143 DLM Survey, 2025–2026. An Act Authorizing the Town of Watertown to Grant Additional Licenses for the Sale of Alcoholic Beverages, St. 2016, c. 73, approved April 8, 2016. The 15 licenses were sought as part of the municipality’s 2011 Economic Development Plan.

144 DLM Survey, 2025–2026, home rule petition detail.

145 DLM Interviews, 2026: Representative Joseph D. McKenna, member of the Joint Committee on Consumer Protection and Professional Licensure and repeat sponsor of liquor license reform legislation.

146 *Id.*

lawmakers want to know who is applying, where the license would be used, and what kind of establishment is involved.¹⁴⁷ The practice is visible in the special legislation resulting from home rule petitions: Chapter 142 of the Acts of 2016 confined Somerville’s special legislation licenses to designated Transformative and Enhancement Areas, and Chapter 202 of the Acts of 2024 tied Boston’s special legislation licenses to specified ZIP codes and neighborhoods.¹⁴⁸ Municipal officials worry that such licenses can prove unusable if the underlying project fails to materialize or demand settles elsewhere in the municipality—authorized on paper, but not deployable where live demand exists. An example is seen in Tyngsborough where a municipal official reported the receipt of three special legislation licenses in 2024, which were restricted to a largely built-out corridor but remain unissued because no applicant has come forward for the designated location.¹⁴⁹

A lack of publicly available information, combined with politically mediated inputs and restricted outputs, is what interviewees most often have in mind when they describe the home rule pathway as opaque. A lack of rules and criteria produces a system in which local officials and legislators have wide latitude over which requests advance and for whom. Given the opacity of the home rule petition process, outcomes turn heavily on relationships and on access to people who already understand how the process works: legislative staff, committee counsel, former officials, and licensing attorneys.

The home rule petition process is relationship-dependent.

Interviewees consistently described the home rule petition process as governed less by transparent rules than by personal relationships, committee preferences, and political bargaining. Success can depend on relationships among prospective licensees, municipal leaders, and legislative delegations.¹⁵⁰ Success can also depend on views on

¹⁴⁷ *Id.*

¹⁴⁸ An Act Further Regulating the Sale of Alcoholic Beverages in the City of Somerville, St. 2016, c. 142, §§ 3 and 5; An Act Authorizing Additional Licenses for the Sale of Alcoholic Beverages to Be Drunk on the Premises in the City of Boston, St. 2024, c. 202.

¹⁴⁹ DLM Interviews, 2026.

¹⁵⁰ DLM Survey, 2025–2026, DLM Interviews, 2026.

license expansion and the preferences and priorities of legislative leaders and committees reviewing the petition—none of which appear in any written criteria available to applicants.

An example of unexplained disparate treatment of requests is illustrated by Tyngsborough’s petition for three *unrestricted* licenses in 2024, which stalled.¹⁵¹ As reported by a municipal official, “Town Meeting approved a home rule petition granting three (3) additional all alcohol on-premises licenses. The home rule petition, which passed unanimously, did not restrict the licenses to specific locations. Twice previously, the State Legislature approved similar language.”¹⁵² With respect to the 2024 petition, however, the Joint Committee on Consumer Protection and Professional Licensure required restricting the licenses to specific areas in order to advance the legislation to a hearing.¹⁵³ The town ultimately accepted three location-restricted licenses, even though the town’s counsel and committee staff members agreed that the law does not require such a condition.¹⁵⁴

A Revere municipal employee noted that “Home rule petitions are a clumsy and time-consuming tool. Most home rule petitions are generated by politicians for political reasons, which are not always consonant with fairness or equity. Those people most in need of fairness and equity are probably not even aware that a home rule petition is an option.”¹⁵⁵ Representative McKenna explained that outcomes often turn, not on demonstrated demand, but on whether a municipality has calibrated its request to what committee leadership will accept—a pattern of strategic under-asking that

151 An Act Authorizing the Town of Tyngsborough to Grant Additional Licenses for the Sale of All Alcoholic Beverages to Be Drunk on the Premises, H.4907, 193rd Gen. Court (2024) (as filed by Representative Colleen M. Garry and Senator Edward J. Kennedy on petition of the town), <https://malegislature.gov/Bills/193/H4907>. The bill as filed placed no geographic restriction on the three licenses. It was reported out as a new draft, H.5094, <https://malegislature.gov/Bills/193/H5094>, and enacted as St. 2024, c. 322, which confines the licenses to establishments in the Business 3 General Shopping district north of the Tyngsborough bridge along Middlesex Road.

152 DLM Interviews, 2026. No published criteria govern the decision, and no appeal lies from the outcome, unlike a license denial by a local licensing authority, which may be appealed to ABCC under MGL c. 138, § 67.

153 *Id.*

154 *Id.*

155 DLM Interviews, 2026.

advantages municipalities and legislative delegations with longer-standing relationships on Beacon Hill.¹⁵⁶

In his words, “whether intentional or not, the House Committee on Consumer Protection maintains an outsized influence over this marketplace, and it feels as though there is an unwillingness to surrender that authority.”¹⁵⁷

Special legislation licenses authorized under home rule are concentrated in wealthier municipalities with more resources.

The home rule pathway requires municipalities to draft a petition, move it through local approval, and follow it at the State House across a legislative session. Given the complexity and lack of standardized procedural guidance available to the public, this process advantages well-resourced municipalities.

In interviews, respondents described the challenges faced by under-resourced municipalities. A municipal employee from Revere described running a one-person office and explained that many municipalities appear to rely on a single staff member for liquor licensing.¹⁵⁸ A Lawrence employee described the administrative capacity challenges: “We only have one licensing clerk, and that’s it,” for an office that handles more than 250 liquor license matters a year.¹⁵⁹

This study analyzed 706 special legislation on-premises licenses (8% of all on-premises licenses) obtained via home rule petition, held by 97 municipalities.¹⁶⁰ Table 6 sorts

156 DLM Interviews, 2026: Representative Joseph D. McKenna, member of the Joint Committee on Consumer Protection and Professional Licensure and repeat sponsor of liquor license reform legislation.

157 Id.

158 DLM Interviews, 2026.

159 DLM Interviews, 2026.

160 ABCC fiscal year 2024 active-license extract: analysis of the special legislation flag carried on each record in the ABCC active-license extract. The flag identifies 719 special legislation on-premises licenses across 101 municipalities and a regional enterprise zone (Devens). Two categories of special legislation licenses are excluded from this analysis: (1) 3 special legislation licenses held by local-control municipalities (Mashpee, Provincetown, Marlborough) under acts passed after 1984 because those municipalities were no longer subject to the quota at the time of passage, meaning the special legislation licenses cannot be read as relief from a quota and (2) 10 special legislation licenses held by 2 municipalities (Milton,

those 97 municipalities into the wealth quartiles established based on the full 328-municipality sample (302 quota and 26 local-control).¹⁶¹ The percentage of municipalities holding at least one special legislation license in each wealth quartile is broadly similar. For example, the Q1 wealth quartile contains 25 municipalities holding at least one special legislation license (30.5% of the 82 total municipalities in Q1), compared to the Q4 wealth quartile, which contains 27 municipalities holding at least one special legislation license (32.9% of the 82 total municipalities in Q4).

What differs sharply is the number of special legislation licenses obtained: an average of 3.2 per municipality in the lowest wealth quartile (Q1), rising to 13.5 in the highest (Q4).

See the last two columns of Table 6 on the next page.

Westhampton) and a regional enterprise zone (Devens), outside the scope of this study (outside of the 328-municipality outcome-based sample). The 7 special legislation licenses obtained by 4 local-control municipalities (Cambridge, Barnstable, Dartmouth, Marlborough) before 1978 are retained because they were quota-bound at the time. The wealth quartile analysis in [Table 6](#) is restricted to the 328 municipality outcome-based sample and to licenses that represent relief from the § 17 quota; the exclusions remove 13 licenses, leaving 706 across 97 municipalities within the 328-municipality outcome-based sample.

¹⁶¹ Quota municipalities are subject to the state-imposed population-based quota under MGL c. 138, § 17. Local-control municipalities are authorized to grant on-premises licenses “in addition to, and irrespective of” the state-imposed population-based quota. St. 1978, c. 377, § 2. See [Finding 2](#).

Table 6. Special Legislation Licenses by Wealth Quartile¹⁶²

Wealth Quartile	EQV per Capita Range	Percentage of Municipalities with Special Legislation Licenses	Number of Municipalities with Special Legislation Licenses	Total Special Legislation Licenses	Licenses per Municipality ¹⁶³
Q1 (Lowest)	\$76,427–\$177,434	30.5%	25	81	3.2
Q2	\$177,435–\$231,944	22.0%	18	103	5.7
Q3	\$231,945–\$328,158	32.9%	27	158	5.9
Q4 (Highest)	\$328,159–\$2,837,676	32.9%	27	364	13.5

Table 6 shows that municipalities across the wealth scale turn to home rule petitions at roughly the same rate, but wealthier municipalities come away with far more licenses. Within the municipalities analyzed, the highest wealth quartile (Q4) holds 364 special legislation licenses (52% of the sample total) while Q1 municipalities hold only 81 (11%). Several factors could contribute to the gap in acquiring special legislation licenses: Wealthier municipalities tend to have more administrative capacity, economic development, and legal staff members; resources to support larger-scale development projects that increase demand for licenses; and continuity of institutional knowledge and established relationships with industry insiders that

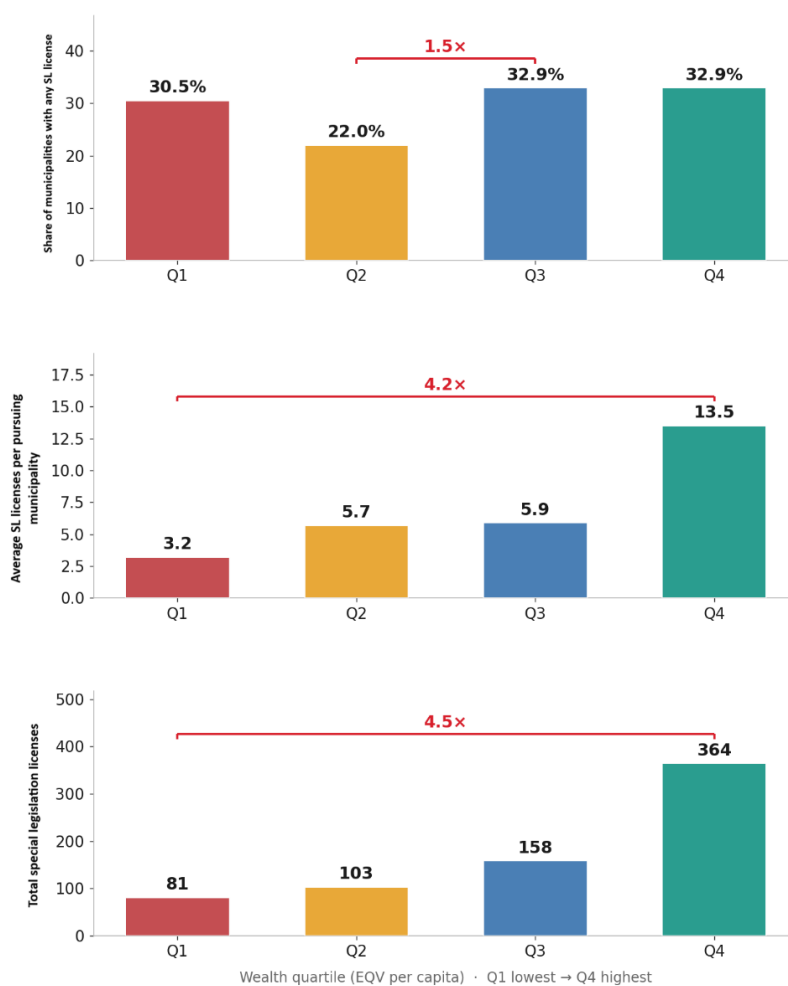
162 Wealth quartiles are based on EQV per capita. All 328 municipalities in the outcome-based sample are ranked by EQV per capita from lowest (Q1) to highest (Q4) and divided into four groups of equal size (82 municipalities). Q1 represents the least wealthy quarter of municipalities; Q4 represents the wealthiest. Counts of licenses and municipalities by quartile are a distribution measure, not a per-10,000-resident rate. The wealth quartiles reflect current EQV (fiscal year 2026), while the special legislation licenses were accumulated over more than four decades, under 227 separate acts since 1978. A municipality's wealth ranking today is not necessarily its ranking when each act passed. Municipal wealth rankings tend to be stable over long periods, however, and the disparity in [Table 3](#)—a four-fold difference in licenses per municipality between the highest and lowest wealth quartiles—is large enough that modest movement between quartiles would not account for it. The table shows a durable association between wealth and special legislation volume, not the wealth of each municipality at the moment each license was granted.

163 Licenses per Municipality is the average number of special legislation on-premises licenses among municipalities that obtained at least one such license in the quartile (total special legislation licenses ÷ municipalities with special legislation licenses). It is not a per-10,000-resident rate. Calculations are group averages—the arithmetic mean of the municipal rates within each group. Medians follow the same pattern, so the results are not driven by a few high-outlier municipalities.

make it easier to advance larger licensing requests.¹⁶⁴ Whatever the factor, the process results in wealthier municipalities obtaining more special legislation licenses.

Figure 22 below plots three dimensions of the special legislation liquor licensing by wealth quartile: the number of municipalities pursuing home rule in each wealth quartile, the average number of licenses obtained per pursuing municipality, and the total number of licenses by wealth quartile.

Figure 22. Special Legislation and Wealth—Three Dimensions*



* In two of these three charts, SL in the y-axis title represents special legislation.

164 DLM Interviews, 2026.

Municipalities in the sample pursue special legislation at a similar rate, but the volume of licenses acquired climbs steeply across the wealth quartiles. The lowest wealth municipalities (Q1) that pursued special legislation secured, on average, 3.2 licenses each (81 total); Q2 municipalities averaged 5.7 (103 total); and Q3 averaged 5.9 (158 total). In comparison, the highest wealth municipalities (Q4) averaged 13.5 licenses each (364 total)—more than four times (322%) the average number of special legislation licenses secured by Q1 municipalities.¹⁶⁵ Wealth correlates with how many special legislation licenses a municipality secures when it pursues special legislation.

The result is that some municipalities, especially those needing relief, but least equipped to pursue that relief, face compounding disadvantages: They lack available licenses to spur economic growth, the businesses to generate revenue that fund municipal services, and the capacity to mount a sustained home rule effort.

4.2 License scarcity in constrained quota municipalities creates a secondary market that commodifies licenses into private assets, artificially inflating prices and creating additional barriers for prospective licensees.

Where licenses are scarce and home rule is not a realistic path, the alternative for prospective licensees is to buy an on-premises license from an existing license holder. While MGL c. 138, § 23, provides that “no holder of . . . a license . . . shall have any property

¹⁶⁵ The comparison in the second chart in [Figure 22](#) is between means per pursuing municipality. Q4 municipalities that pursued special legislation obtained a mean of 13.5 licenses each against 3.2 in Q1. Dividing gives a ratio of 4.2 to 1; expressed as a percentage increase, $(13.5 - 3.2) \div 3.2 = 322\%$. The ratio of quartile totals, shown in the third chart in [Figure 22](#), is larger—364 for Q4 versus 81 for Q1, or 4.5 to 1—because the wealth quartiles contain different numbers of pursuing municipalities. Boston is responsible for 208 of the 364 licenses in Q4; excluding Boston, the Q4 total falls to 156, below Q3’s 158, and the mean per pursuing municipality falls to 6.0. Boston is an outlier: It currently holds 208 of the 366 special legislation licenses in the wealthiest quartile (57%)—a cumulative figure, distinct from the up to 213 additional licenses authorized in the single 2024 session discussed below. The wealth gradient persists but narrows when Boston is excluded—for example, the wealthiest quartile’s per-resident rate falls from 4.7 to 3.0 times that of the poorest, and the per-municipality average from 3.9 to 1.8 times. Statistical significance rests on rank-based tests (Spearman rank correlation and Kruskal-Wallis), which are robust to outliers. See [Appendix B](#) for per-resident and per-municipality breakdowns, significance testing, and Boston-sensitivity detail. The point for this Finding is not the precise size of the gap but its direction: The wealthiest municipalities accumulate the most licenses through the home rule pathway.

right in . . . such license,” the reality in practice is that licenses are often transferred in a private secondary market.

Interviewees described the secondary market as an information-asymmetric environment in which those with the right connections hold structural advantages. There is no centralized database maintained by ABCC or another Commonwealth agency where listings of available licenses for sale and transfer are accessible to the public at large. Without a centralized database, prospective buyers must learn of opportunities through backroom channels, such as word of mouth, from attorneys known for brokering liquor licensing deals, or through other personal or business relationships.

The lack of public information about licenses that are available on the secondary market, and/or inactive licenses that should be available to prospective licensees, contributes to artificial scarcity,¹⁶⁶ price inflation, and access barriers. A Cambridge restaurant owner identified access to capital as the central equity issue: In his experience, lenders’ risk criteria mean first- and second-generation minority operators often cannot borrow enough, at affordable terms, to compete for licenses.¹⁶⁷ Resource asymmetry then compounds the information asymmetry.

Interviewees linked process costs—legal counsel, notice and publication expenses, and time spent navigating unfamiliar requirements—to unequal access to startup capital. A Boston hospitality consultant described a process that “cannot realistically be navigated without a lawyer,” with counsel commonly running \$20,000–\$50,000 before a six-figure license purchase is even on the table.¹⁶⁸ A business owner in Malden put the point directly: The system “favors applicants with deep pockets and political

166 Artificial scarcity refers to the shortage of on-premises liquor licenses created by the state-imposed quota formula, which caps the number of licenses a municipality may issue based solely on a single factor, population, rather than reflecting local demand.

167 DLM Interviews, 2026.

168 DLM Interviews, 2026.

connections and prevents small, first-time, less savvy” operators from competing.¹⁶⁹ The practical result is that well-resourced and well-connected business owners are able to obtain licenses in a market that is inaccessible to those without significant financial resources or established industry relationships, especially first-time or independent business owners.

License scarcity converts a regulatory permission into a private asset class.

Once a license is found, the purchase price is a bargain between buyer and seller, and the deal itself is private. Scarce capacity of licenses leads to an unregulated private market where licenses are treated as commodities (the LLA and ABCC must still approve the transfer, but the review only asks whether the buyer and the premises are suitable). Interviewees described the commodification of licenses in striking terms. A Waltham municipal official observed that “licensees treat the license as their personal property: used for collateral for bank loans, transferred and sold by holder for any amount they want.”¹⁷⁰ An official from Gloucester recounted a license that had been issued at \$2,400 but was changing hands on the secondary market for several orders of magnitude more.¹⁷¹

To make matters worse, inactive or pocket licenses—issued licenses for underlying businesses that have closed or stopped operating—sometimes linger in private hands rather than returning to the municipal pool. A municipal employee from Southwick, a rural, western Massachusetts town, described a licensee whose restaurant had just closed: “He isn’t going to turn the license back in. He’s going to sell it with the business, because the business is worth more” with the license attached.¹⁷² MGL c. 138, § 77, permits, but does not require, LLAs to cancel licenses after a hearing if a licensee ceases to conduct the licensed business. In practice, this discretionary cancellation

¹⁶⁹ DLM Survey, 2025–2026.

¹⁷⁰ DLM Interviews, 2026.

¹⁷¹ DLM Interviews, 2026.

¹⁷² DLM Interviews, 2026.

power goes largely unused: ABCC's records contain issued, active licenses, but no field identifies whether the licensed business is still operating.¹⁷³

A Boston hospitality consultant estimated that 10–15% of Boston's total licenses may be inactive.¹⁷⁴ He also called the market “commodities trading,” a concept previously seen with respect to licenses to operate taxis (medallions). Boston capped the number of taxi medallions for decades, and the resulting scarcity created a secondary market in which a medallion traded for as much as \$700,000 by 2013. When ride-hailing companies entered the market without a comparable cap, that market collapsed: By 2023, a medallion was worth roughly \$20,000. The episode illustrates that the price of a capped license reflects the regulatory limit rather than the value of the underlying business, and that the value substantially dissipates when the limit does.¹⁷⁵

Another unintended consequence of licenses being treated as private assets is rental agreements for operating locations that include licenses. A Cambridge restaurant owner described the mechanism: Some landlords “effectively rent the license to the tenant by charging extra rent over the life of the lease while keeping the license attached to the building.”¹⁷⁶

173 Review of the ABCC fiscal year 2024 active-license extract: All 8,842 on-premises records carry record status “Issued,” expiration status “Active,” and license class “Annual”; no field in the extract distinguishes operating from non-operating licensees.

174 DLM Interviews, 2026.

175 On the Boston taxi medallion parallel: Nelson\Nygaard Consulting Associates, *Taxi Consultant Report* (City of Boston, October 11, 2013), ES-18, <https://www.cityofboston.gov/mayor/pdfs/bostaxiconsultant.pdf> accessed August 17, 2026; Commonwealth of Massachusetts Ride for Hire Task Force, *Final Report* (February 5, 2018), 5, <https://malegislature.gov/Bills/190/SD2533.pdf>, accessed August 17, 2026; Institute for Justice, *Opening Boston's Taxicab Market* (Pioneer Institute Better Government Competition proposal, 1995), 1–4, [Opening Boston's Taxicab Market, by the Institute for Justice](https://www.instituteofjustice.org/publications/opening-boston-taxicab-market), accessed August 17, 2026; HVM Capital, “Boston Taxi Medallion Transfer Prices Since January 2014” (2015), <https://www.hvmcapital.com/articles/Boston%20Medallion%20Transfers%20Since%20Jan%20to%20April%202015.pdf>, accessed August 17, 2026; and Diti Kohli, “After the Ride-Hailing Revolution, the Taxi Industry Is Reinventing Itself,” *Boston Globe*, February 10, 2023, [After the ride-hailing revolution, the taxi industry is reinventing itself](https://www.bostonglobe.com/2023/02/10/business/after-the-ride-hailing-revolution-the-taxi-industry-is-reinventing-itself/), *Boston Globe*, accessed August 17, 2026.

176 DLM Interviews, 2026.

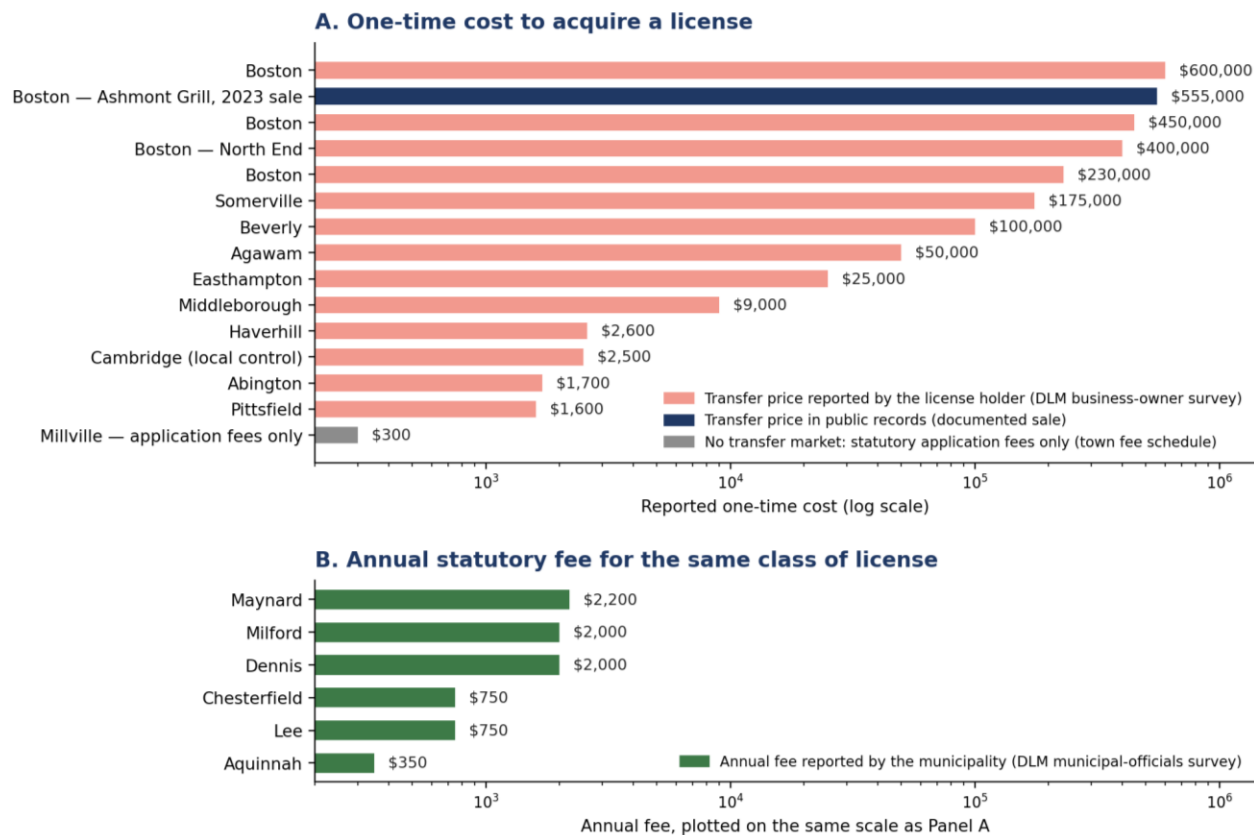
License scarcity drives transfer prices as high as \$600,000 in areas of high demand.

Licenses in secondary market transactions are often valued significantly higher than the original acquisition cost. The scarcity created by state-imposed quotas fuels these inflated purchase prices. In survey responses, business owners reported what they actually paid to acquire a license on the transfer market in seven quota municipalities, with transfer costs reflecting the degree of local scarcity: \$600,000, \$450,000, \$400,000, and \$230,000 in Boston; \$175,000 in Somerville; \$100,000 in Beverly; \$50,000 in Agawam; \$25,000 in Easthampton; and between \$1,600–\$1,700 in Pittsfield and Abington. By comparison, business owners in two local-control municipalities—Cambridge (\$2,500) and Haverhill (\$2,600)—reported costs comparable to licensing fees in those municipalities, consistent with greater license availability under local control rather than quota scarcity.¹⁷⁷ Where licenses remain available, transfers still occur (for example, when a buyer acquires an operating business and its existing license), but prices tend to approximate licensing fees rather than scarcity premiums.

Figure 23 on the next page shows reported one-time costs to acquire a license across 10 municipalities against the annual licensing fees for the same class of license.

177 DLM Survey, 2025–2026. Annual licensing fees reported by municipal officials in survey responses range from \$350 (Aquinnah) to \$2,200 (Maynard).

Figure 23. Reported License Acquisition Costs¹⁷⁸



One business owner reported that they hold two all-alcohol on-premises licenses: one obtained through a new application in Boston at \$3,017, and one acquired by transfer at \$450,000.¹⁷⁹ Another business owner reported acquiring a new on-premises license for \$2,100 in Dorchester.¹⁸⁰ In the same Boston neighborhood of Dorchester, the transfer of independently-owned Ashmont Grill's all-alcohol license sold for 265x the price of a new license. Originally reported as part of a \$650,000 total business and real estate acquisition in 2005, the license alone sold for \$555,000 in 2023 to Back Bay's

¹⁷⁸ DLM Survey, 2025–2026 (reported acquisition costs, n = 13) and DLM Survey, 2025–2026 (reported annual statutory licensing fees, n = 22). Acquisition costs are one-time amounts reported by the purchaser, and annual fees are the recurring municipal charge for the same class of license. The two are plotted on the same axis to show the order-of-magnitude difference between them.

¹⁷⁹ DLM Survey, 2025–2026.

¹⁸⁰ DLM Survey, 2025–2026.

Cactus Club Café, a multi-national restaurant chain with more than 30 locations.¹⁸¹ Rather than remaining in the Dorchester community to support local economic development, the license was sold on the secondary market and transferred to a high-volume chain in the Back Bay. That same year, Mayor Michelle Wu noted that “a full liquor license is going for \$600,000-plus in the City of Boston.”¹⁸² The *Boston Globe* reported that All-Alcohol license sales in Boston in 2023 included a \$600,000 license at the View Boston observatory lounge, \$575,000 at One Congress, and \$550,000 at Hood Park.¹⁸³ However, although transfer prices may be reported to ABCC in license transfer applications, that information is not readily available to the public.

The two relief pathways produce identifiable winners and losers. Fewer public-sector checkpoints in the secondary market pathway may mean faster decisions, but it also means transactions are effectively dominated by whoever can afford to participate, with little accountability. The home rule pathway may result in lower license costs, but it is marked by unpredictability and delay and requires relationships with those in the know. The system favors those positioned to benefit from scarcity: established business owners in quota municipalities insulated from competition and whose license values appreciate on the secondary market, the brokers and attorneys who effect license transfers, and the officials and legislators who retain discretionary control over a valuable permission. The system hurts those least able to absorb delay and cost: prospective licensees who lack substantial capital or who lack the relationships or counsel needed to navigate either pathway, including small, family-owned businesses; first-time business owners; immigrant entrepreneurs who may face language or information-access barriers; and municipalities for which revenue and growth are capped by an inability to meet license demand. Furthermore,

181 Jess McDonald and Maria Sacchetti, “Boston Restaurant Owners Fight for Affordable Liquor Licenses,” *Boston Globe*, January 15, 2024, accessed December 15, 2025, <https://www.bostonglobe.com/2024/01/30/magazine/boston-restaurants-need-liquor-licenses-the-problem-is-getting-one/>.

182 “Creating Equity in Boston’s Liquor License Market,” *Commonwealth Beacon*, accessed January 24, 2026, <https://commonwealthbeacon.org/opinion/creating-equity-in-bostons-liquor-license-market/>, quoting Mayor Michelle Wu.

183 Janelle Nanos, “Who wins and who loses when a liquor license in Boston sells for \$600,000?” *Boston Globe*, June 26, 2023; “Boston restaurant owners fight for affordable liquor licenses,” *Boston Globe*, Jan. 30, 2024. Prices reflect ABCC-recorded transfers reported by the *Boston Globe*.

since on-premises license access rises with municipal wealth ([Finding 3](#)), a relief system that sorts opportunity by capital and connections compounds the existing inequality rather than relieving it. These distributional effects motivate the recommendations in this report.

5. Prospective licensees and the public lack consistent, complete procedural information and data needed to navigate the licensing system at both the municipal and state levels.

At every stage of the licensing process, difficulties in accessing essential procedural information and data create challenges for prospective licensees. In some cases, information is available but not readily accessible; in other cases, information appears to be unavailable. This lack of consistent, complete procedural information and data at all levels—municipal, ABCC, and the state Legislature in connection with home rule petition—presents an access equity issue. Moreover, the lack of publicly accessible information and data creates a barrier to system analysis and meaningful reform.

Applicants report the need to piece together information from municipal websites, local staff members, ABCC’s website, attorneys, peers, and informal networks. The interviews, survey responses, and municipal and state website review show that applicants are not able to easily determine what local and state steps are required to obtain a license, whether licenses are available through the municipality, how to navigate the home rule process, or how to locate and obtain an existing license on the secondary market. This information gap can be especially burdensome for first-time applicants, smaller businesses, applicants for whom English is a second language, and applicants looking to establish in municipalities with fewer administrative resources.

This Finding considers existing procedural information and data available at the municipal and state levels in the Commonwealth and in other states.

5.1 A lack of uniform data collection, reporting, and website content standards prevents statewide market analysis and fosters relationship dependency in liquor licensing.

Before an applicant can apply for an on-premises license, the applicant must first understand the licensing process. Applicants report a need for clarity in local procedures, hearing requirements, and notice rules; access to more data, including license availability and cost; identified contacts for assistance during the process; and language support.¹⁸⁴

Since the state does not specify what information and data should be provided, municipalities maintain their own website content, and what an applicant finds online varies in format and depth from one municipality to the next. A sample of municipal websites was reviewed to see what that variation looks like in practice, including the websites of the Commonwealth’s three most populous municipalities, Boston (quota municipality), Springfield (quota municipality), and Worcester (local-control municipality), as well as the websites of Southwick and Palmer—two quota municipalities with under 20,000 residents and no quota All-Alcohol licenses remaining.¹⁸⁵

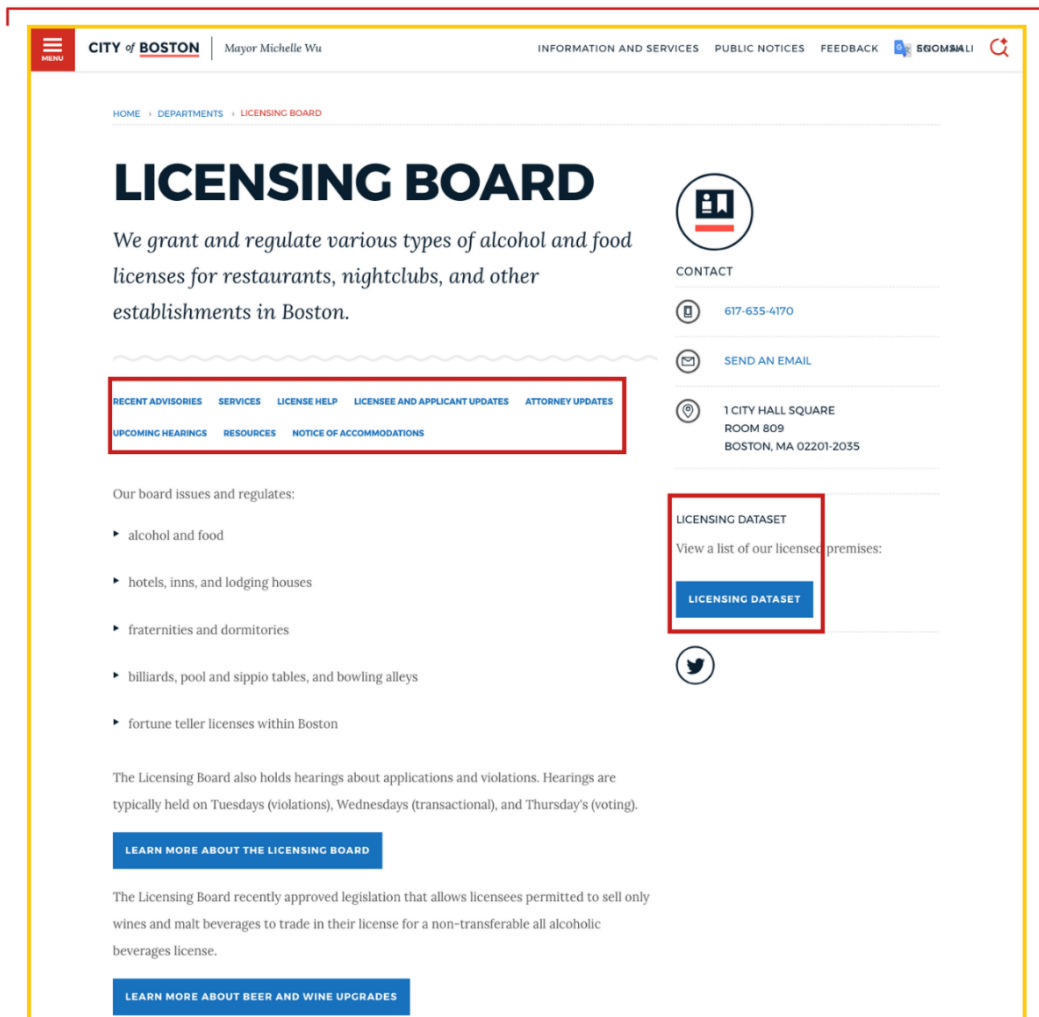
Boston’s website includes a step-by-step application guide, hearing schedules, advisories, licensing materials in seven languages, and a downloadable dataset of active licenses with locations.¹⁸⁶ See Figure 24 on the next page.

184 DLM Survey, 2025–2026; DLM Interviews, 2026: needs identified across open-ended survey responses and interviews with applicants and municipal officials.

185 Views of the municipal websites were captured by dated screenshot. Quota municipalities are subject to the state-imposed population-based quota under MGL c. 138, § 17. Local-control municipalities are authorized to grant on-premises licenses “in addition to, and irrespective of” the state-imposed population-based quota. St. 1978, c. 377, § 2. See [Finding 2](#).

186 See <https://www.boston.gov/departments/licensing-board/apply-alcoholic-beverages-retail-license>.

Figure 24. City of Boston Licensing Board Website¹⁸⁷



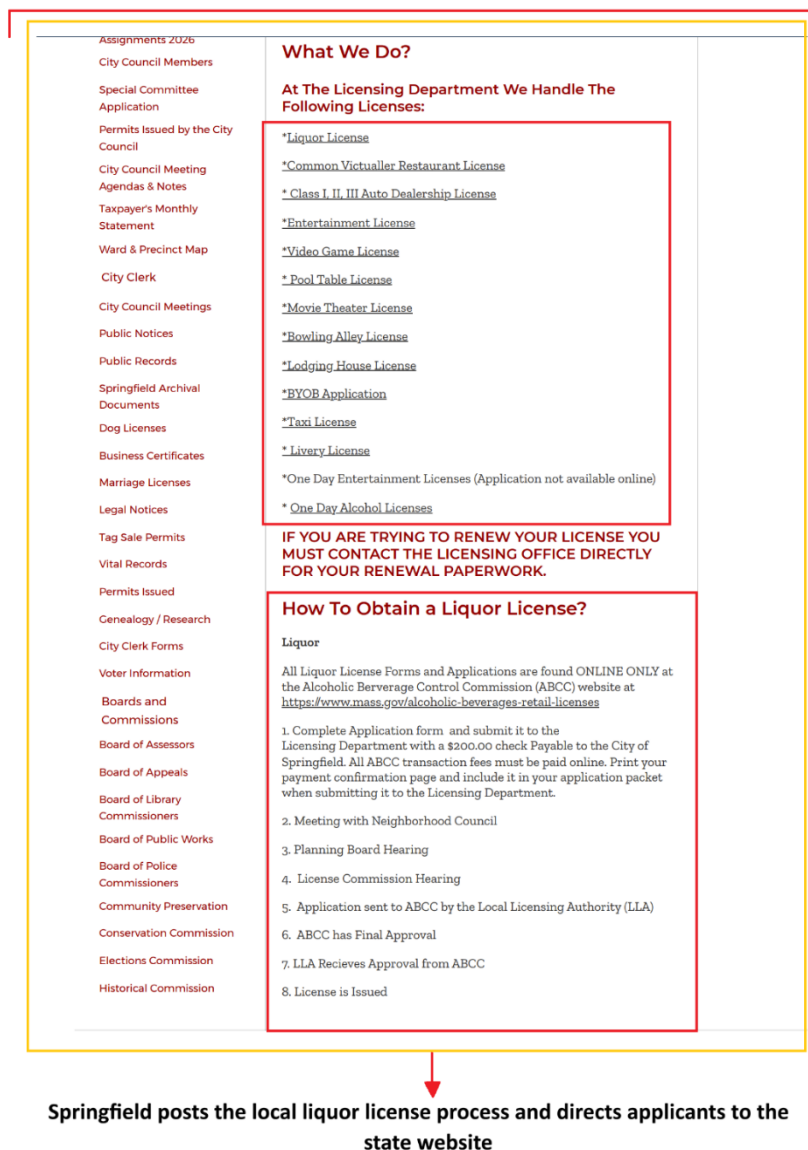
Boston provides procedural guidance and a public dataset of licensed premises

Springfield, also a quota municipality, gives applicants a clear starting point with downloadable PDF guides to each license type and its License Commission rules and directs applicants to the state website for additional information.¹⁸⁸ See Figure 25 on the next page.

¹⁸⁷ City of Boston Licensing Board, "Apply for an Alcoholic Beverages Retail License," accessed August 9, 2026, <https://www.boston.gov/departments/licensing-board/apply-alcoholic-beverages-retail-license>.

¹⁸⁸ City of Springfield, "Process to Obtain Each License Type," See <https://www.springfield-ma.gov/cos/licensing-department>.

Figure 25. City of Springfield Licensing Board Website¹⁸⁹



Worcester's website provides links to the state website and a permit center that users can contact for assistance.¹⁹⁰ It also publishes public notice requirements, rules and regulations, a contact address for reporting concerns, and its most recently updated

¹⁸⁹ City of Springfield, Licensing Department, <https://www.springfield-ma.gov/cos/licensing-department> (last accessed September 16, 2026).

¹⁹⁰ City of Worcester License Commission, "License Commission," accessed August 9, 2026, <https://www.worcesterma.gov/inspections/license-commission>.

count of issued licenses (even though, as a local-control municipality, its on-premises licenses are not limited by the state-imposed population-based quota).¹⁹¹ See Figure 26 below and Figure 27 on the next page.

Figure 26. City of Worcester Licensing Board Website¹⁹²

PERMITS & LICENSING

- [State of Massachusetts ABCC Website](#) for Fillable Applications & Information

Please contact the License Commission Office at 508-799-1198 ext 33009 or email license@worcesterma.gov if you have questions about which ABCC form to use. There are City of Worcester forms that are also required in addition to the ABCC forms.

The Massachusetts Alcoholic Beverages Control Commission (ABCC) requires that all information on liquor license applications **must be typed** or it will not be accepted. The forms are fillable PDF forms. No staples in the application or any of the back up items as all items must be scanned.

Applicants must schedule an appointment with staff for application to be reviewed prior to filing to ensure that application is complete and all forms have been filled out properly.

For information on all online city permits, licenses and fees, visit the [Permit/License Center](#).

Applications:

- [Automatic Amusement](#)
- [Bottle Service](#)
- [Common Victualer \(Food\) License](#) • Apply Online
- [Farmers Market](#)
- [Gas Station License](#) • Apply Online
- [Lodging House](#) • Apply Online
- [Marijuana Retail License](#) • Apply Online
- [Newsracks on Public Ways Placement](#)
- [One-Day Entertainment License](#)
- [Outdoor Dining](#)
- [Pool Table/Bowling Alley](#)
- [Retail Marijuana](#)
- [Shooting Gallery](#)
- [Special \(One-Day\) License Multiple Event](#)
- [Yearly Entertainment License](#) • Apply Online

Please note the following:

- The Common Victualer (Food) License and Lodging House (New or Renewal) are available on our online permitting portal.
- If needed, certified [abutters lists](#) should be obtained from the City's Assessing Office, Room 209, City Hall for a small fee. Please contact Assessing at least one week in advance to ensure timely receipt.

HAVE A QUESTION?

- + What is a license?
- + Who issues restaurant licenses and package store licenses?
- + How many classifications of retail licenses exists?
- + Are there any qualifications for being granted a retail liquor license?
- + Are license applicants barred from holding a liquor license if they have been convicted of a crime?

Worcester provides direct ABCC links to applications and FAQs for prospective licensees.

¹⁹¹ Id.

¹⁹² City of Worcester, License Commission, <https://www.worcesterma.gov/inspections/license-commission> (last accessed July 12, 2026).

Figure 27. City of Worcester Licensing Board Website¹⁹³

The screenshot displays the City of Worcester Licensing Board Website. It features three main sections: 'RULES & REGULATIONS', 'REPORT A CONCERN', and 'RESOURCES'. The 'RULES & REGULATIONS' section contains a list of links to various advisory and regulatory documents. The 'REPORT A CONCERN' section provides instructions on how to report a concern and includes a 'Report a Concern' link. The 'RESOURCES' section displays four cards for 'Abutter Notification Guidelines & Affidavit (Liquor)', 'Certificate of Compliance with the Workers' Compensation Act', 'Certificate of Compliance with Worcester Revised Ordinance Regarding Revenue Collection', and 'Liquor License Quota - As of 7/15/26'. Each card has a 'View' link. A 'LIVE CHAT' button is visible in the bottom right corner of the resources section.

RULES & REGULATIONS

- [ABCC Advisory - Non-Consensual Drugging](#)
- [Legal Holidays and Observances 2026](#)
- [Bottle Service](#)
- [Dispensers & Sellers of Alcoholic Beverages Training](#)
- [Entertainment License](#)
- [Entertainment License Application Guide](#)
- [Lodging House](#)
- [Off-Premises Alcohol](#)
- [On-Premises Alcohol](#)
- [Suspension Guidelines for Compliance Checks for Off-Premises Licenses](#)
- [Outdoor Dining Regulations](#)
- [ABCC Advisory - Mixed Drinks To-Go](#)
- [ABCC Advisory - Outdoor Alcoholic Beverage Table Service Areas](#)
- [ABCC Advisory - Outdoor Dining Area Guidelines](#)
- [Employer's Guide to Workers' Compensation](#)

REPORT A CONCERN

To report a concern regarding a licensed establishment (restaurant, bar, nightclub), please contact License Commission staff at license@worcesterma.gov.
[Report a Concern](#)

- Describe the location, date/time and nature of the complaint.
- Provide your name and contact info (optional, but recommended).

RESOURCES

Abutter Notification Guidelines & Affidavit (Liquor) View	Certificate of Compliance with the Workers' Compensation Act (NOTE: Please Notarize) View	Certificate of Compliance with Worcester Revised Ordinance Regarding Revenue Collection View	Liquor License Quota - As of 7/15/26 View
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[LIVE CHAT](#)

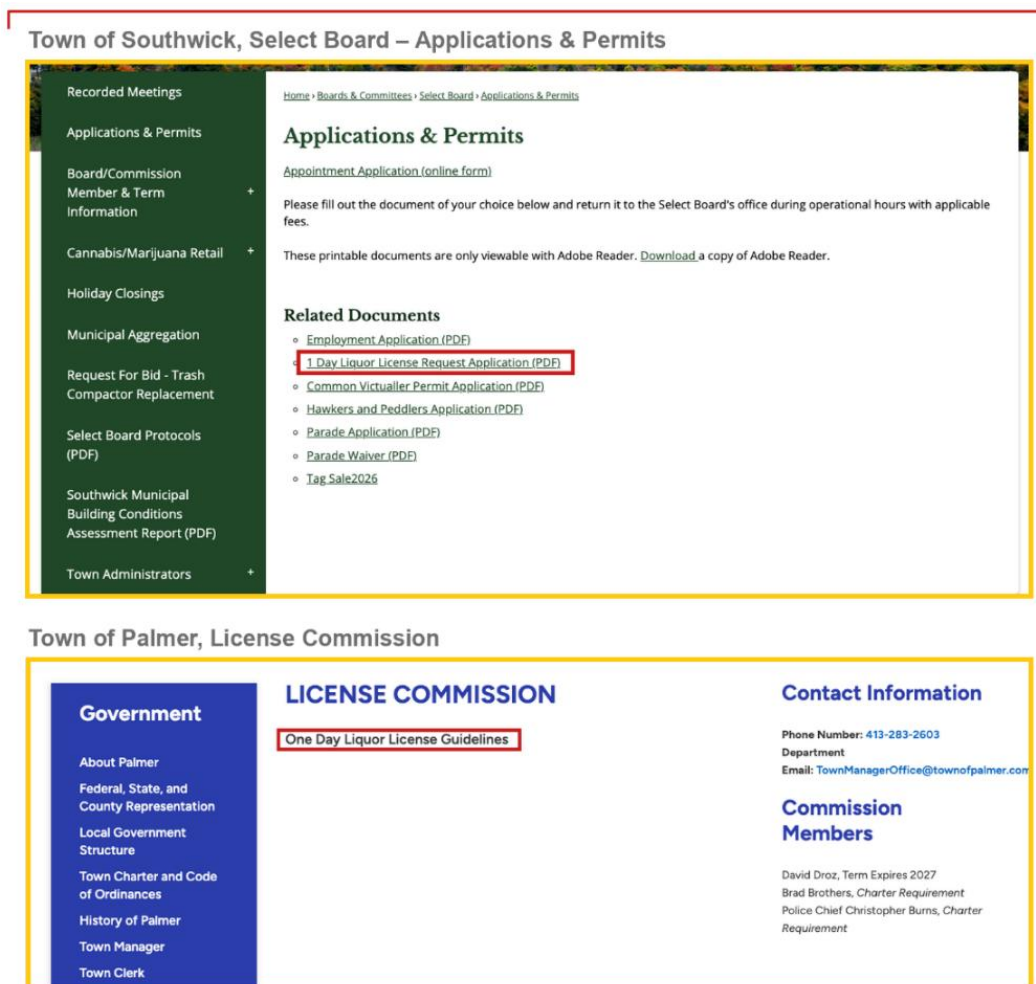
Worcester publishes licensee rules and regulations, reporting information, and several resources including license availability.

¹⁹³ City of Worcester, License Commission, <https://www.worcesterma.gov/inspections/license-commission> (last accessed July 12, 2026).

Southwick and Palmer, two quota municipalities with fewer than 20,000 residents, which have issued every All-Alcohol license the formula allocates, illustrate the position of smaller municipalities for which the licensing function sits with a general-purpose board rather than a dedicated licensing office. Southwick's Select Board website provides applications for one-day licenses, and Palmer's License Commission page provides one-day license guidelines.¹⁹⁴ See Figure 28 on the next page.

¹⁹⁴ Analysis of the ABCC fiscal year 2024 annual quota reports and the ABCC fiscal year 2024 active-license extract; utilization excludes special legislation and other exception licenses. Southwick (2023 population 9,195) has issued 14 of 14 allocated All-Alcohol and 5 of 5 Wine-and-Malt licenses (100%); Palmer (2023 population 12,315) has issued 14 of 14 All-Alcohol and 3 of 5 Wine-and-Malt licenses (89.5%) and holds 3 additional All-Alcohol licenses by exception. Both fall in the lowest wealth quartile (Q1) by fiscal year 2026 EQV per capita. Population figures are the 2023 municipal population estimates published by the Department of Revenue, Division of Local Services, Data Analytics and Resources Bureau, "Population By Municipality and Year," Municipal Databank, accessed September 13, 2026, <https://dls.gateway.dor.state.ma.us/reports/rdPage.aspx?rdReport=Socioeconomic.Population.Population>. These figures are the US Census Bureau's annual Population Estimates Program estimates for July 1, 2023—US Census Bureau, *Vintage 2023 Population Estimates: City and Town Population Totals*, Massachusetts, released May 2024, <https://www.census.gov/newsroom/press-kits/2024/subcounty-population-estimates.html>

Figure 28. Licensing websites of Southwick and Palmer¹⁹⁵



Municipalities that lack information technology staff members or other resources would benefit from a statewide database that could deliver helpful information to prospective licensees, such as live license data, which is particularly relevant for constrained quota municipalities or municipalities with a high number of special legislation licenses. Respondents to the DLM survey indicate that continuously

195 Southwickma.Gov. "Applications & Permits | Southwick, MA." <https://www.southwickma.gov/421/Applications-Permits>, (last accessed August 17, 2026). Townofpalmer.Com. "License Commission." <https://www.townofpalmer.com/?SEC=4624F276-58E0-4818-BB6A-FD51DE6B763E>, (last accessed August 17, 2026).

updated license data should be more readily available.¹⁹⁶ Helpful, live license data that could be standardized and centrally collected at the state level includes a map of where issued licenses are located; names of license holders and businesses; types of licenses; classifications of businesses; history and current statuses of licenses; available licenses with information about restrictions, if any; license acquisition costs; and all other information available to ABCC. Moreover, the state does not currently provide website content standards regarding liquor licensing that would benefit potential licensees weighing where to invest, including waiting lists for available licenses, timeline data, municipal contacts, and all other relevant local information.

The website examples show that prospective licensees may encounter very different online informational environments depending on the municipality because there is limited statewide data and no state standardization for website content. Interviews show how these variations in informational environments make the licensing process person-dependent. Complex processes, incomplete written guidance, and a lack of live license data create information asymmetry where some prospective licensees are advantaged by connections with those in the know, such as municipal staff members, ABCC staff members, attorneys, and industry insiders.

When processes are not adequately documented, prospective licensees who lack those connections must rely on whoever will pick up the phone—peers, a helpful clerk, or an industry lawyer. A licensee in Quincy said his most useful guidance came from peers who had been through licensing before and from a city administrative assistant he praised as exactly what a municipal employee should be; he added that ABCC materials exist but remain hard to sort through and would be even harder to sort through for someone navigating the process in a second language.¹⁹⁷

Language access compounds these municipal-level barriers. A municipal employee in Lawrence described the need for plain-language guidance and Spanish-language

¹⁹⁶ DLM Interviews, 2026.

¹⁹⁷ DLM Interviews, 2026.

materials, noting that existing materials do not always translate clearly.¹⁹⁸ Without plain-language guidance accurately translated, applicants with limited English proficiency may face additional barriers in understanding the sequence of steps, documentation requirements, the hearing process, notice obligations, and available licensing pathways.

Relationship dependence also affects prospective licensees when no license is currently available. Applicants are faced with navigating the difficult pathways of a home rule petition or purchasing a license on the secondary market, as discussed in [Finding 4](#). Without connections to industry insiders, some prospective licensees lack information on how to initiate a home rule petition at the municipal level or how to identify potential licenses for sale, including pocket licenses.¹⁹⁹ A Cambridge restaurant owner described the resale market as a small circle of repeat players—“the same lawyers and brokers appear repeatedly”—in which industry insiders are often successful in reacquiring a license when a restaurant fails, while newcomers may have no way to learn when licenses might quietly change hands.²⁰⁰

A lack of clear, consistent, complete, public, and digitized information and live data that can be easily and correctly translated into multiple languages exacerbates the financial barriers identified in [Finding 4](#) and prevents equitable access to the system.

5.2 At the state level, a lack of clear, consistent, and complete procedural information and live statewide data impairs transparency and accountability, creating barriers to equity in liquor licensing.

Interviewees report issues at the state level with the information environments presented by both ABCC and the Legislature, again exacerbating the relationship dependency of a process that already contains significant barriers to equity.

¹⁹⁸ DLM Interviews, 2026.

¹⁹⁹ DLM Interviews, 2026.

²⁰⁰ DLM Interviews, 2026.

The ABCC portal lacks sufficient information for prospective licensees, municipalities, and the public.

Interviewees' accounts of ABCC were mixed and varied by municipality and staff member contact. Some stakeholders described inconsistencies and delays, while others described ABCC as responsive and useful when local paperwork was complete. The variation suggests that applicants and municipalities may receive different levels of guidance depending on their ABCC contact, the type of license involved, and how much institutional knowledge is available at the time. A Lenox town official explained: "ABCC can be very inconsistent. They were dialed in for a period of time where you knew a name and knew they would be a good resource for you. We often said when an alcohol licensing issue came up, 'Oh, let's call so-and-so at ABCC.' They would generally get back to you within a day or two, and you'd get a firm answer or helpful guidance. Then people leave, and that person doesn't work there anymore and the new person may not be as helpful or knowledgeable as the previous person."²⁰¹ When processes are not adequately documented, prospective licensees must rely on knowledge transferred through relationships. Where institutional knowledge is not equally held by all agency staff members, this information asymmetry further perpetuates system inequities.

The reliance on individual ABCC guidance matters because ABCC's website does not provide complete data relevant to prospective licensees and municipalities. Although the website provides certain information, including application forms, frequently asked questions, commission advisories and decisions, and active-license lists, it omits critical information and live, aggregate data across municipalities. The website also does not provide an interactive map of licenses by location, type, or holder. As of July 2026, prospective applicants and municipal officials cannot readily determine, for a specific municipality, whether it is subject to the quota or holds local-control authority; how many licenses the formula allocates and how many additional licenses special legislation has authorized; how many licenses are issued by type and how many remain available; each license's status (active, inactive/pocket, suspended, or

²⁰¹ DLM Interviews, 2026.

revoked) and applicable dates; whether inactive/pocket licenses exist; whether licenses may be available for transfer; what acquisition costs would be, licensing fees, and, where licenses change hands privately, transfer prices; whether a municipality has pending special legislation for additional licenses; and who holds each license and at what address. None of this information is consolidated in one dashboard, and some of it is not publicly available at all.

A review was conducted of three public portals—the Massachusetts ABCC portal, the Maine Bureau of Alcoholic Beverages and Lottery Operations’ portal, and the New York State Liquor Authority’s Open Data portal—on record search and filter capabilities, exportability of results, availability and status of licenses, and whether records were presented in a location map or interactive platform.²⁰² Each state operates a different licensing framework, so no portal transfers wholesale.

The Massachusetts ABCC portal’s licensee search feature allows users to filter by state agency, e.g., ABCC, and license category, e.g., on-premises licenses (see Figure 29 on the next page). Users are then able to download the resulting list as a CSV file. The portal does not, however, publish live, cumulative, aggregate information on available licenses by municipality and statewide, including licenses available for transfer. Logging in to the portal does not expand the public information available. Municipal users described the portal as difficult to navigate. A Hinsdale municipal employee reported that the site “isn’t user-friendly for people who aren’t computer-savvy.”²⁰³ Officials more often identified what the portal does *not* show. A Lee municipal employee asked for additional information regarding application status: Instead of a record simply reading “closed,” it would help to see “Application w/ Investigator” or “Application Moved Ahead to Commission.”²⁰⁴

202 Review of the Massachusetts ABCC portal, the Maine Bureau of Alcoholic Beverages and Lottery Operations’ licensing search, and the New York State Liquor Authority Open Data portal and Liquor Authority Mapping Project, each captured by dated screenshot.

203 DLM Survey, 2025–2026.

204 DLM Survey, 2025–2026.

Figure 29. The Massachusetts ABCC Portal²⁰⁵

The screenshot displays the Massachusetts ABCC Portal interface. At the top, there is a navigation bar with links for 'Home', 'Licenses, Permits and Certificates', and 'Complaints'. Below this, a red box highlights the 'Advanced Search' dropdown menu. The main content area is titled 'Check a Commonwealth Licensee' and includes a sub-header 'Use Check a Commonwealth Licensee to see if a business or individual has a valid license or permit.' A paragraph explains the transition to the new eLIPSE system for the Division of Occupational Licensure. A list of boards is provided, including the Board of Registration of Architects, Board of Registration in Embalming and Funeral Directing, Board of Registration of Landscape Architects, Board of Public Accountancy, Board of Registration of Real Estate Appraisers, Board of State Examiners of Plumbers and Gas Fitters, Board of Registration of Real Estate Brokers and Salespersons, Board of Certification of Operators of Drinking Water Supply Facilities, Board of Registration of Massage Therapy, and Board of Examiners of Sheet Metal Workers. A note states that as of January 1st, 2023, Health Licensing boards have transitioned to DPH. A red box highlights the 'Search for Licensee' form, which includes fields for 'Licensing Entity' and 'License Type' (both dropdown menus), 'License Number', 'First Name', 'Middle Initial', 'Last Name', 'Business Name', 'DBA Name', 'City', 'State', and 'Zip'. Below the form are 'Search' and 'Clear' buttons. A red arrow points from the bottom of the screenshot to the text below.

The ABCC portal allows users to filter by license entity and type. It does not provide information on available licenses statewide.

²⁰⁵ "Mass.Gov Licensing and Permitting Portal," last accessed Sep 23, 2026, <https://elicensing21.mass.gov/CitizenAccess/Default.aspx>.

The Maine Bureau of Alcoholic Beverages and Lottery Operations' portal provides additional search filters, including county and municipality, nine license statuses, 50+ license premise types, custom effective dates (including future active dates), and a special-licenses toggle—beyond those of the Massachusetts ABCC portal (See Figure 30 on the next page).²⁰⁶ Although Maine provides a similar platform to ABCC, with some expanded filters, it is important to note that Maine does not allocate licenses by population, and licenses are nontransferable.²⁰⁷ The Maine Bureau of Alcoholic Beverages and Lottery Operations' portal and the level of information provided, therefore, may be appropriate for the Maine liquor licensing system but insufficient for the Massachusetts liquor licensing system, which is significantly more complex.

206 Maine Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, "Liquor Licensing Search," last accessed October 5, 2026, <https://www.maine.gov/dafs/bablo/liquor-licensing>.

207 Maine does not cap on-premises licenses by population. Licenses require municipal approval at issuance and again at each annual renewal (Me. Rev. Stat. tit. 28-A, §§ 653, 1051), and a license "may not be sold, transferred, assigned or otherwise subject to control by any person other than the licensee" (§ 605).

Figure 30. The Maine Bureau of Alcoholic Beverages and Lottery Operations' Portal²⁰⁸

The screenshot displays the 'License Search' portal. At the top, there's a green header with the Maine state logo. Below it, the title 'License Search' is followed by '153 results'. A search form contains several input fields: 'License Number', 'License Type' (dropdown), 'Status' (dropdown), 'Licensee Name', 'Premises Name', 'Premises Type' (dropdown), 'Municipality', 'County' (dropdown with 'Franklin' selected), 'Effective Date' (dropdown), and 'Include Special Event Licenses' (toggle set to 'No'). A red rectangular box highlights these search filters. To the right, a 'Status' dropdown menu is open, listing options: '(No selection)', 'Active', 'Suspended', 'Revoked', 'Expired', 'Inactive', 'Cancelled', 'Future Active', 'Pending', and 'Temporary'. Below the search form, a list of counties is shown, including Aroostook, Cumberland, Franklin, Hancock, Kennebec, Knox, Lincoln, Oxford, Penobscot, Piscataquis, Sagadahoc, Somerset, Waldo, and Washington. An 'Effective Date' dropdown menu is also open, showing options: '(No selection)', 'Next 30 Days', 'Next 60 Days', 'Last 30 Days', 'Last 60 Days', and 'Custom'. At the bottom of the search form, there are 'SEARCH' and 'CLEAR' buttons. Red arrows indicate the flow from the search filters to the results and from the dropdown menus to their respective options.

Maine allows users to search by county, municipality, 9 license statuses, 50+ license premise types, a custom license effective date and a special event toggle. The data, however, cannot be exported to CSV.

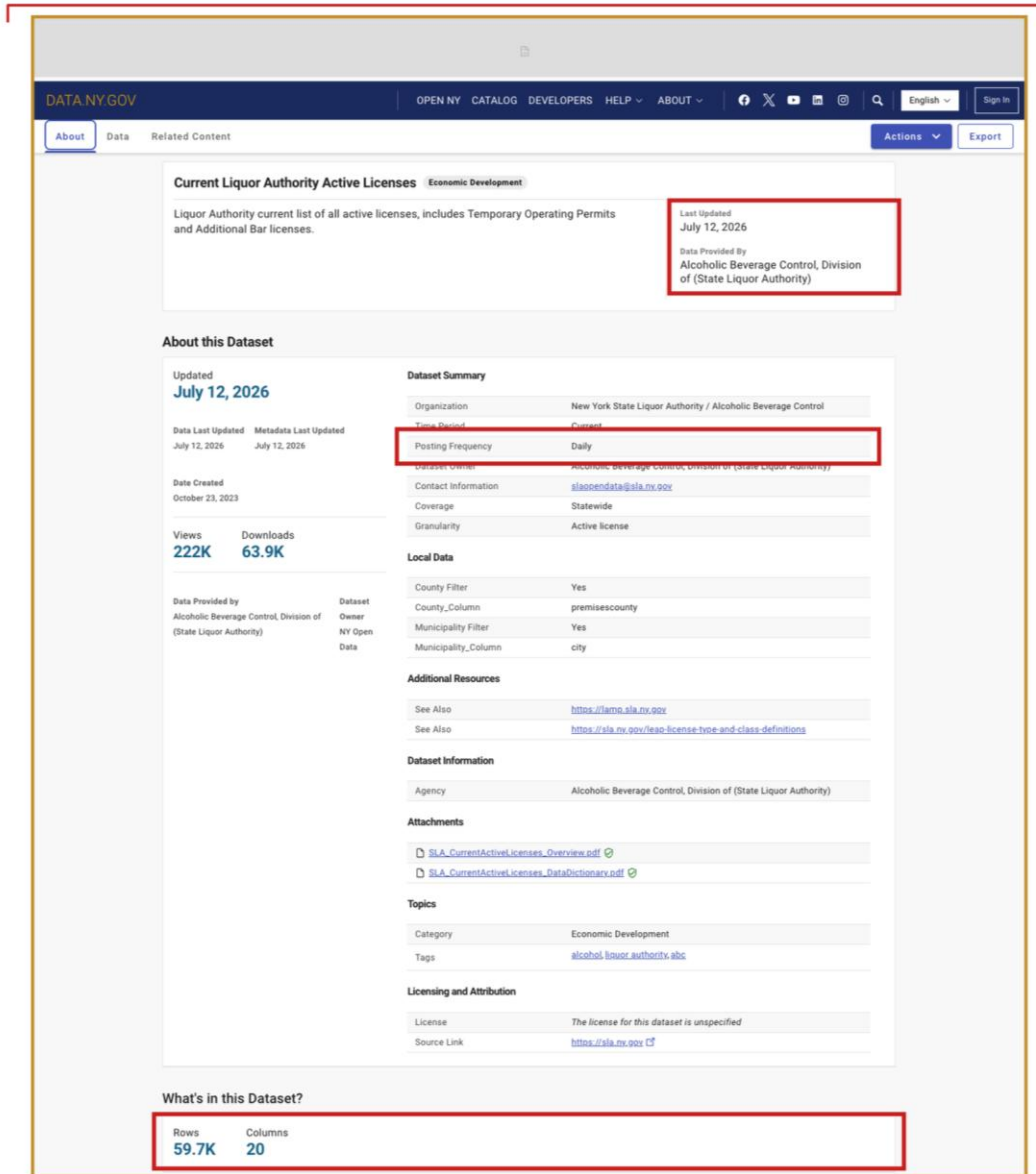
208 Maine Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations, "Liquor Licensing Search," last accessed October 5, 2026, <https://alcohol.maine.gov/prod/webui/#/search/1781237>.

The New York State Liquor Authority's Open Data portal hosts a dataset, updated daily, of every active license, including license class, expiration date, and precise coordinates, and exposes it through a public-facing application programming interface (API).²⁰⁹ The New York State Liquor Authority's Open Data portal underlies the Liquor Authority Mapping Project, a public map of every active and pending license in the state, showing the locations relative to schools and places of worship.²¹⁰ Figure 31 and Figure 32 on the next pages show screenshots of the New York State Liquor Authority's Open Data portal and mapping tool, which place applicants, local officials, regulators, and the public on an equal informational footing.

209 A public API provides direct access to complete, structured, and reusable data; supports automated tools, dashboards, and alerts that can continually monitor performance; promotes consistent access because all users can retrieve the same information; and lets software systems request and exchange data automatically.

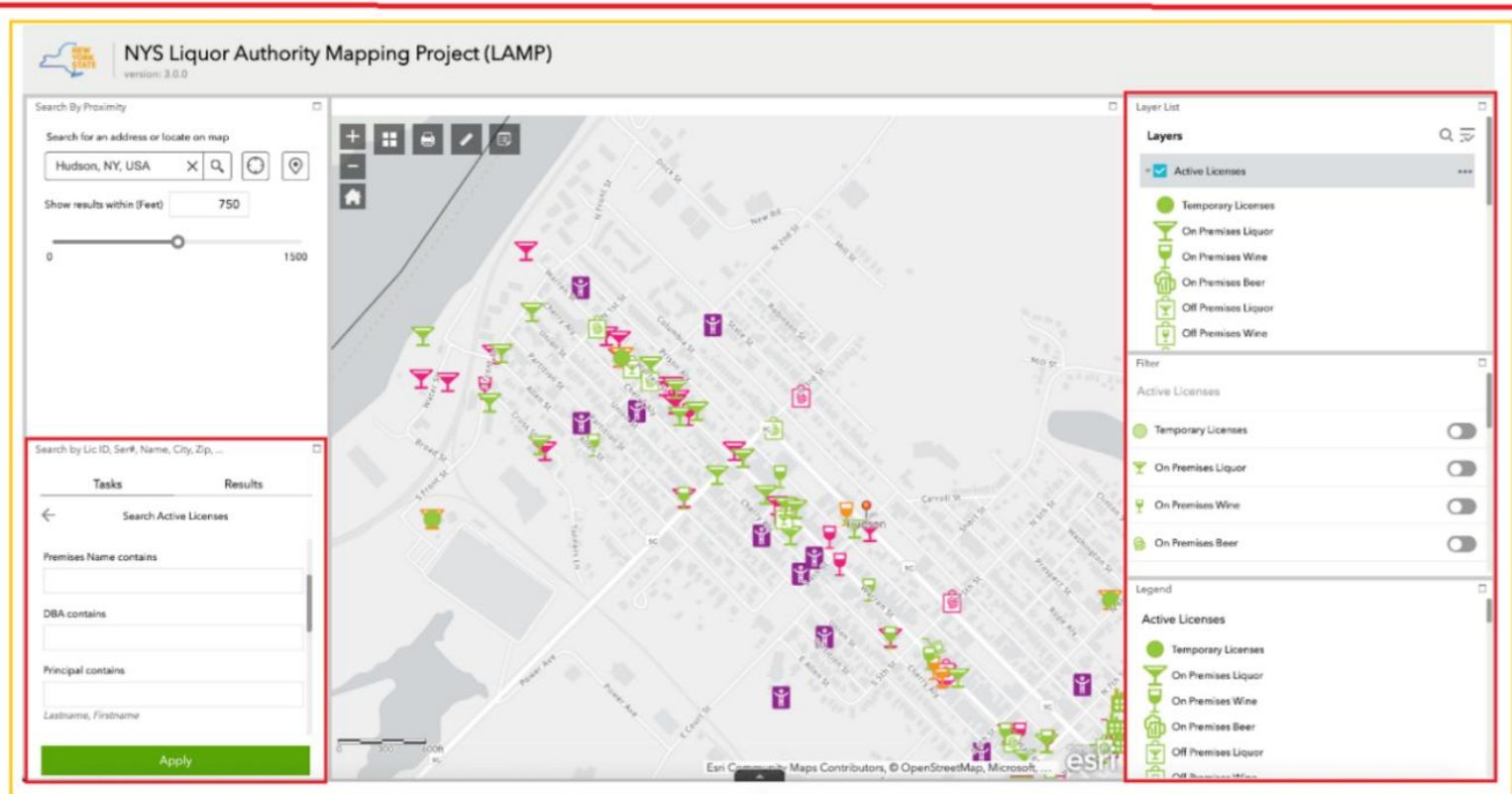
210 "Current Liquor Authority Active Licenses," [Ny.Gov](https://data.ny.gov/Economic-Development/Current-Liquor-Authority-Active-Licenses/9s3h-dpkz/about_data), accessed July 2026, https://data.ny.gov/Economic-Development/Current-Liquor-Authority-Active-Licenses/9s3h-dpkz/about_data. New York does not use a population-based quota; it manages outlet density directly. Under NY Alco. Bev. Cont. Law § 64(7)(a), no on-premises license may be issued for premises "on the same street or avenue and within two hundred feet of a building occupied exclusively as a school, church, synagogue or other place of worship." Under § 64(7)(b), in a city, town, or village with a population of 20,000 or more, no such license may be issued "within five hundred feet of three or more existing premises licensed and operating" for on-premises consumption, unless under § 64(7)(f) the State Liquor Authority, after consultation with the municipality or community board and a public hearing, determines that granting the license would be in the public interest and files its reasons. NY Alco. Bev. Cont. Law § 64(7) (McKinney), New York State Senate, Open Legislation, accessed September 13, 2026, <https://www.nysenate.gov/legislation/laws/ABC/64>. The comparison drawn here concerns the accessibility of licensing information.

Figure 31. New York Liquor Authority Open Data Portal²¹¹



211 "Current Liquor Authority Active Licenses," Ny.Gov, last accessed July 28, 2026, https://data.ny.gov/Economic-Development/Current-Liquor-Authority-Active-Licenses/9s3h-dpkz/about_data.

Figure 32. The New York Liquor Authority Mapping Project²¹²



New York's public LAMP map displays every active, pending, and inactive license by location, with school and place-of-worship overlays and on-/off-premises filters.

212 <https://lamp.sla.ny.gov/>, last accessed July 28, 2026.

These examples show that licensing information and data can be available in real time and be more robust, searchable, transparent, customized, and user-friendly. Specifically, licensing data can be organized not only as individual records but also as a public information system that helps applicants, municipalities, regulators, and the public more easily understand license statuses, locations, and availability.

A review of ABCC's portal identifies deficiencies, including insufficient information about license cost, availability, transferability, and status. Moreover, Massachusetts has no public API, preventing data from being queried or integrated programmatically at scale. These limitations make the system opaque and reinforce barriers to access for prospective licensees, researchers, and the public. The current manual, record-by-record lookup process is outdated and inefficient and obstructs oversight.

The Massachusetts legislative website lacks sufficient information for prospective licensees, municipalities, and the public.

Interviewees and survey respondents noted a lack of clear, consistent, and complete procedural information and data in connection with home rule petitions and liquor licenses under resulting special legislation. A municipal employee from Northampton described the consequence for a municipality that has used the pathway repeatedly: "The process is opaque and undefined."²¹³ A Maynard employee who observed the yearlong trajectory of a home rule petition beginning in late 2024 reported that "it was difficult to understand which offices were involved and at which stage."²¹⁴

A review of the Massachusetts legislative website found no guidance as to the process and no criteria employed by the Legislature for determining the fate of these home rule petitions. Moreover, information regarding the status of past and pending home rule petitions is fragmented across years of legislative records rather than being provided to ABCC for incorporation into a comprehensive, centralized data

²¹³ DLM Survey, 2025–2026

²¹⁴ DLM Survey, 2025–2026.

repository.²¹⁵ An ABCC employee confirmed this information gap in a July 2023 interview, explaining that ABCC does not maintain systemized data on licenses authorized by special legislation—such licenses are associated with individual application files—or home rule petitions that were filed but did not pass.²¹⁶

Together, the municipal and state information environments burden prospective licensees who lack capital and connections. Clear and consistent procedural guidelines, articulated criteria, and complete, searchable live data are necessary for removing access barriers and making the liquor licensing system more equitable.

215 For legislation generally, the Legislature’s public website (malegislature.gov) is oriented to users who already know a bill or docket number; keyword searches return broad, undifferentiated results with limited tools to track a measure’s progress.

216 DLM Interview, 2023.

POLICY RECOMMENDATIONS

This study recommends eliminating the state-imposed population-based quota for on-premises liquor licensing and establishing local control ([Recommendation 1](#)); improving information access, equity, and transparency in on-premises liquor licensing ([Recommendation 4](#)); and addressing the treatment of on-premises liquor licenses as transferable private assets ([Recommendation 5](#)). In the absence of legislative action on [Recommendation 1](#), this study makes alternative proposals to increase equitable access to licenses ([Recommendation 2](#)) and to establish a criteria-based, non-legislative pathway to additional licenses ([Recommendation 3](#)).

[Recommendation 1](#) addresses the supply and demand mismatch created by the state-imposed population-based quota formula ([Finding 1](#)) and the two-tier system resulting from a one-time exemption opportunity for certain municipalities ([Finding 2](#)). [Recommendation 2](#) addresses unequal access to local-control authority ([Finding 2](#)). [Recommendation 3](#) addresses the absence of a procedurally uniform pathway for quota municipalities to obtain additional licenses ([Findings 1](#) and [4](#)). [Recommendation 4](#) addresses transparency and information access at the state and municipal levels ([Finding 5](#)). [Recommendation 5](#) addresses secondary market transferability and scarcity-driven private pricing ([Finding 4](#)). Each recommendation is designed to address equity concerns in license access, including wealth and process disparities ([Findings 3](#) and [4](#)).

1. The Commonwealth should eliminate the state-imposed population-based quota for on-premises liquor licensing and establish local control.

This study recommends eliminating the state-imposed population-based quota for on-premises liquor licensing and establishing local control to remove structural constraints that create artificial scarcity,²¹⁷ impose access barriers, and restrict

²¹⁷ Artificial scarcity refers to the shortage of on-premises liquor licenses created by the state-imposed quota formula, which caps the number of licenses a municipality may issue based solely on a single factor, population, rather than reflecting local demand.

economic growth. It is important to note that this recommendation is about establishing local control to make decisions that reflect local priorities. Local control does not, in and of itself, increase the number of licensed establishments: 5 of the 26 local-control municipalities actually issue fewer on-premises licenses than the quota formula would allocate to them.²¹⁸ Every license in a local-control municipality remains subject to the same ABCC oversight, local public hearing requirements, suitability review, and enforcement rules.

As discussed in [Finding 2](#), Massachusetts has already successfully tested eliminating the quota: Certain municipalities were able to exempt themselves from the formula, securing significant benefits without negatively impacting the Commonwealth. Those 26 local-control municipalities now collectively issue twice as many on-premises licenses per resident as quota municipalities—21.5 licenses per 10,000 residents for a local-control municipality compared to 10.9 for a quota municipality.²¹⁹

It is difficult to justify continuing to operate under an archaic, inequitable two-tier licensing system.

Eliminating the quota will put all municipalities on equal footing, allowing them to choose how to activate neighborhoods, promote cultural vitality, and advance placemaking, while encouraging downtown revitalization and

218 Analysis of § 17 formula applied to 2023 Department of Revenue/Division of Local Services population estimates for each of the 26 local-control municipalities, compared with all on-premises licenses issued (ABCC fiscal year 2024 annual quota reports and ABCC fiscal year 2024 active-license extract). Five municipalities issue fewer licenses than the formula would allocate: Franklin (31 issued against 42 hypothetical quota allocation), Haverhill (63 against 87), Middleborough (22 against 30), Pembroke (23 against 24), and Worcester (240 against 269).

219 Analysis of the ABCC fiscal year 2024 annual quota reports, the ABCC fiscal year 2024 active-license extract, and 2023 Department of Revenue/Division of Local Services population estimates. Values are medians of municipal license issuance rates: 21.5 on-premises licenses per 10,000 residents across the 26 local-control municipalities and 10.9 across the 302 quota municipalities. Issuance rates count all on-premises licenses issued, including special legislation and other exception licenses.

spurring economic growth by strengthening the restaurant and hospitality industries.

Local-control municipalities have collectively issued 30% more licenses than the quota formula would have allocated, while quota municipalities have had to navigate an opaque, unpredictable, insider-controlled home rule petition process to secure additional licenses.²²⁰ Four decades of local control demonstrate that municipalities are capable of exercising discretion and acting deliberately in liquor licensing.

As documented in [Finding 1](#), the quota formula misallocates licenses against demand. Under the quota, 64 municipalities are constrained, having used 80% or more of their allocated licenses. These 64 constrained municipalities are home to approximately 2.5 million residents (41.6% of the quota population) but hold just 7.1% of the total remaining available quota licenses (263 of 3,729).²²¹ Since 1978, when 26 municipalities gained local control, quota municipalities have turned to the Legislature repeatedly to close the gap between supply and demand: At least 227 special acts passed since that date have authorized licenses that remain active today across 101 municipalities.²²² Each consumed municipal and legislative resources and delayed economic development.

Furthermore, [Finding 3](#) demonstrates that wealthier municipalities have greater access to licenses. Not only does license issuance rise with municipal wealth across quota and local-control municipalities, but the inequity is compounded by the concentration of local control in higher-wealth quartiles. With respect to quota

220 Applying the § 17 formula to 2023 Department of Revenue/Division of Local Services population estimates yields 1,205 on-premises licenses across 26 local-control municipalities. Those municipalities have issued 1,562 licenses, a difference of 357 licenses (30%).

221 Analysis of ABCC fiscal year 2024 annual quota reports, ABCC fiscal year 2024 active-license extract, and 2023 US Census population. The 64 constrained municipalities have a combined population of 2,531,376 against 6,081,934 across all 302 quota municipalities. Available licenses are allocated licenses minus issued licenses within each beverage track, summed: 263 of the statewide total of 3,729 remain in constrained municipalities and 3,466 in unconstrained municipalities. Expressed per resident, unconstrained municipalities hold 9.76 available licenses per 10,000 residents against 1.04 in constrained municipalities.

222 Analysis of the special legislation flag carried on each record in the ABCC fiscal year 2024 active-license extract, which also records the authorizing chapter and act. The figure counts distinct acts passed in or after 1978 that authorized licenses still active in ABCC's fiscal year 2024 active-license extract. It, therefore, understates the number of petitions filed: Petitions that failed, and acts for which licenses have since lapsed, are not captured in any dataset available to DLM. As [Finding 5](#) documents, no centralized record of filed home rule petitions and their outcomes exists.

municipalities, wealth also correlates with successfully obtaining additional licenses under a home rule petition. Across the 328 quota and local-control municipalities, the highest-wealth quartile (Q4) issues 58% more licenses per resident than the lowest-wealth quartile (Q1). Moreover, the 73% of local-control municipalities that sit in Q3 and Q4 have EQV per capita between \$237,537 and \$2,817,820, while the remaining 27% fall between \$83,573 and \$221,787, and only three are Gateway Cities.²²³

A comparison of Somerville and New Bedford highlights the license access disparity between similarly situated municipalities. Both are constrained quota municipalities of comparable populations that have exhausted their formula allocations, and, under the formula alone, license access is nearly identical: 11.4 and 12.2 quota licenses per 10,000 residents. Somerville, a Q4 municipality, has obtained 52 licenses through special legislation; New Bedford, a Q1 Gateway City, has obtained only 9. Local control may resolve this differential.

Public safety arguments may be advanced in opposition to this recommendation.²²⁴ However, studies relied upon by public health stakeholders associating high alcohol-outlet density with higher rates of violent crime, impaired driving, and driving fatalities do not account for factors relevant to evaluating the effectiveness of the Commonwealth's state-imposed population-based quota system.²²⁵ A 2006 publication synthesized outlet-density studies from jurisdictions including Los

223 Analysis of Department of Revenue EQV data. Wealth quartiles are constructed on the combined 328-municipality sample; boundaries are \$177,434 (Q1/Q2), \$231,944 (Q2/Q3), and \$328,158 (Q3/Q4). Nineteen of the 26 local-control municipalities fall in Q3 or Q4. The lowest EQV per capita among local-control municipalities is North Adams at \$83,573, and the highest is Nantucket at \$2,817,820. The three Gateway Cities with local-control authority are Barnstable, Haverhill, and Worcester.

224 See 2017 Task Force Report.

225 See Carol Cannon and Maria Carmona, *Alcohol and Violent Crime: What Is the Connection? What Can Be Done?* (National Center for Alcohol Law Enforcement, April 2006); Carla Alexia Campbell et al., "The Effectiveness of Limiting Alcohol Outlet Density As a Means of Reducing Excessive Alcohol Consumption and Alcohol-Related Harms," *American Journal of Preventive Medicine* 37, no. 6 (2009): 556–69, <https://doi.org/10.1016/j.amepre.2009.09.028>; Gruenewald, P. J., & Remer, L. (2006). Changes in outlet densities affect violence rates. *Alcoholism, clinical and experimental research*, 30(7), 1184–1193. <https://doi.org/10.1111/j.1530-0277.2006.00141.x>; Toomey, T. L., et al., (2012). The association between density of alcohol establishments and violent crime within urban neighborhoods. *Alcoholism, clinical and experimental research*, 36(8), 1468–1473. <https://doi.org/10.1111/j.1530-0277.2012.01753.x>.

Angeles, Cleveland, New Orleans, and Newark.²²⁶ It did not, however, analyze the impact of liquor license quotas on public safety, compare public safety outcomes between quota and local-control municipalities, or establish whether elevated crime preceded outlet concentration.²²⁷ A statewide license count based on resident population neither measures nor limits the concentration of establishments within a municipality: Licenses in the Commonwealth’s densest markets cluster block by block under the quota today.²²⁸

The survey put the public safety question to the people closest to the system. Respondents raised valid counterarguments, including that filling vacant storefronts may, in fact, improve street-level safety. A restaurant owner in Orleans explained that “with proper enforcement, there is no issue,” because when a community has “plenty of other restaurants and liquor establishments,” it becomes “much easier to enforce rules on [a] particular establishment without public outcry or concern.”²²⁹ A business owner in Greenfield cautioned that “there is a greater danger to public safety from boarded up businesses,” which may attract crime.²³⁰

There is, however, persuasive evidence of the detrimental impact of the quota on local economic development. Reviewing data from other states in the northeast demonstrates the potential statewide negative implications of the quota formula. In 2022, Massachusetts was home to approximately 6,476 full-service restaurants

226 Carol Cannon and Maria Carmona, *Alcohol and Violent Crime: What Is the Connection? What Can Be Done?* (National Center for Alcohol Law Enforcement, April 2006).

227 Cannon and Carmona, *Alcohol and Violent Crime*, at 1.

228 Analysis of the ABCC fiscal year 2024 active-license extract, which records a street address for each of the 8,841 active on-premises licenses statewide. Within a municipality, issuance concentrates on a small number of streets. In Somerville, the five most-licensed streets account for 49% of 148 licenses; in Salem, 60% of 75; in Provincetown, 21 of 35 licenses (60%) are on Commercial Street alone; Worcester’s Shrewsbury Street holds 31 of the city’s 239; and Boston’s 1,239 on-premises licenses are spread across 310 streets, but Washington, Boylston, Hanover, and Tremont Streets hold between 43 and 55 each. All of these are quota municipalities: Boston operates under the fixed statutory numbers in § 17 rather than the population formula, and the same concentration appears under both. This study also analyzed license concentration in Cambridge, a local control municipality. Cambridge’s 258 on-premises licenses sit on 66 distinct streets, but 78 (30%) of them are on Massachusetts Avenue, and the five most-licensed streets account for 51%. Street names were normalized for suffix variants (Street/St., Avenue/Ave.) before counting. The extract does not record parcel coordinates, so counts are by street rather than by linear distance between premises.

229 DLM Survey, 2025–2026.

230 DLM Survey, 2025–2026.

(9.3 full-service restaurants per 10,000 residents).²³¹ In comparison, Rhode Island supported 10.6 full-service restaurants per 10,000 residents, Maine 10.3, New Hampshire and New York 9.9, Vermont 9.7, and Connecticut 9.5, for an average of 10 restaurants per 10,000 residents.²³² While these differences appear small, an increase in Massachusetts restaurants to this average would mean 490 additional restaurants.²³³ In 2022, full-service restaurants in the Commonwealth employed an average of 19.4 people at \$32,661 compensation and grossed \$1.65 million.²³⁴ Extrapolating these numbers to the additional 490 restaurants illustrates the economic opportunity cost borne by the residents of Massachusetts as a result of the quota system: roughly 9,500 jobs and \$311 million in annual wages. The economic opportunity cost borne by Massachusetts municipalities as a result of the quota system is estimated at \$50 million a year in state meals tax and \$6 million in local-option meals excise tax generated by \$809 million in meals sales.²³⁵

231 US Census Bureau, County Business Patterns 2022, NAICS 722511 (full-service restaurants), state-level establishment counts, <https://www.census.gov/programs-surveys/cbp.html> (dataset cbp22st). Rates per 10,000 residents are computed using US Census Bureau Vintage 2022 state population estimates (NST-EST2022-ALLDATA, July 1, 2022). Establishments and population by state: Massachusetts 6,476 and 6,981,974 (9.3 per 10,000); Rhode Island 1,155 and 1,093,734 (10.6); Maine 1,430 and 1,385,340 (10.3); New Hampshire 1,378 and 1,395,231 (9.9); New York 19,384 and 19,677,151 (9.9); Vermont 630 and 647,064 (9.7); Connecticut 3,450 and 3,626,205 (9.5). The average of 10.0 is the unweighted mean of the six comparison states' rates (9.98); the population-weighted rate for those six is 9.9. Vintage 2022 estimates are used because they are contemporaneous with the CBP reference year; the Vintage 2023 revision would yield 9.8 for New Hampshire and 9.6 for Connecticut.

232 US Census Bureau, County Business Patterns 2022, NAICS 722511, and Vintage 2022 state population estimates, as cited previously. Massachusetts employment and receipts figures are from the 2022 Economic Census, sector 72.

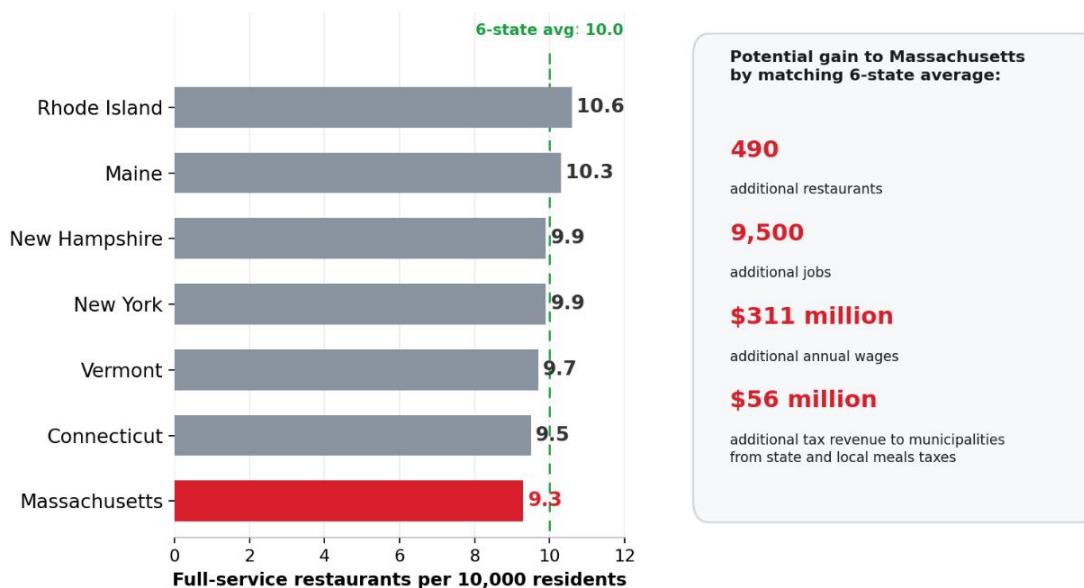
233 Illustrative gap: Closing the gap between the Massachusetts rate (9.3 full-service restaurants per 10,000 residents) and the six-state Northeast average (10.0) would require approximately 490 additional establishments. Employment, wage, sales, and tax extrapolations apply CBP/Massachusetts average full-service restaurant metrics to that restaurant count; they are scale illustrations, not causal estimates of quota repeal. Increasing to Connecticut's rate of 9.5 restaurants per 10,000 residents would result in 170 additional restaurants in Massachusetts; 900 if increasing to Rhode Island's rate

234 Massachusetts full-service restaurants employed 125,838 people in 2022, an average of 19.4 per establishment, at an average annual wage of \$32,661 per establishment (US Census Bureau, "County Business Patterns: 2022," NAICS 722511) and \$1,651,443 in receipts per establishment or \$10.6 billion across 6,427 establishments, which yields approximately 9,500 jobs, \$311 million in wages, and \$809 million in sales; the state sales tax on meals (6.25%, MGL c. 64H) and local option meals excise (0.75%, MGL c. 64L, § 2) applied to that sales figure yield \$50 million and \$6 million respectively. These figures assume new establishments resemble existing ones and are not a forecast of the effect of repealing the quota.

235 Meals are subject to the state sales tax of 6.25% under MGL c. 64H, and 267 municipalities have adopted the 0.75% local option meals excise under MGL c. 64L, § 2. Massachusetts Department of Revenue, Division of Local Services, "Local Option Excise Taxes," accessed July 27, 2026, <https://www.mass.gov/local-option-excise-taxes>. Calculation: Closing the difference between the Massachusetts rate (9.3 per 10,000 residents) and the six-state average (10.0) would require approximately 490 additional establishments; at Connecticut's rate, 167; at Rhode Island's, 897. The employment, wage, sales, and tax figures apply the statewide averages above to that estimate and assume additional establishments would resemble existing ones in size and receipts. The calculation does not account for differences in rents, labor costs, demographics, or other factors across state lines.

Figure 33 below illustrates the potential lost economic opportunity to Massachusetts resulting from the liquor license quota.

Figure 33. Potential Lost Economic Opportunity Resulting from Quota



Previously proposed and pending legislation would implement this recommendation. Section 10 of H.437 and Section 228 of S.3228 provide that “a city or town shall determine the number” of on-premises licenses to be issued by its local licensing authority (LLA), and strike contradictory provisions in MGL c. 138, § 17.²³⁶ Findings 1, 2, and 3 of this report—the supply-demand mismatch created by the 1933 population formula, the inequitable two-tier system, and the correlation between municipal wealth and license access—provide the evidentiary basis that supports implementation.

²³⁶ Representative Joseph D. McKenna, An act returning liquor license control to municipalities, H.437, 194th Gen. Ct. (Mass., 2025); Amendment to An act relative to economic development in the Commonwealth, S.3228, 194th Gen. Ct. (Mass., 2026).

In summary, establishing local control would eliminate the inequitable two-tier system and the structural constraints that create artificial scarcity,²³⁷ placing all municipalities on equal footing. Local control empowers municipalities to grow vibrant economies and reduces wealth and other access barriers for prospective licensees that have been created by the state-imposed population-based quota, making room for small, independent, or first-time business owners. As expressed by a Southwick official, “Our municipality knows the needs of the community and should be the determining factor on how many licenses we believe are sufficient to serve our community.”²³⁸

2. Increase equitable access to licenses by opening recurring windows of opportunity for municipalities to opt out of the state-imposed quota formula.

Finding 2 shows that the 1978–1984 exemption window created a two-tier system in which 26 municipalities have local control over on-premises licensing and 302 municipalities are subject to the quota formula, without taking into account any relevant factors impacting license demand. In the absence of eliminating the state-imposed population-based quota formula, the Legislature should consider immediately opening a window of opportunity for municipalities to obtain local control over on-premises liquor licensing and consider recurring windows to give municipalities flexibility to respond to changing conditions over time, increasing equitable access to licenses.

The process for obtaining local control should be transparent with objective, uniform criteria across municipalities. The Legislature should consider specifying:

- **Eligibility:** All non-local control municipalities should be eligible.
- **Timing:** The initial window should open no later than December 31, 2027, to provide immediate, long-overdue relief. Additional windows should open on a recurring schedule, such as once every 5 years, or every 10 years following the decennial census.

237 Artificial scarcity refers to the shortage of on-premises liquor licenses created by the state-imposed quota formula, which caps the number of licenses a municipality may issue based solely on a single factor, population, rather than reflecting local demand.

238 DLM Survey, 2025–2026.

- **Duration:** Each window should remain open for a period of time that is sufficient to allow all municipalities to receive notice of the opportunity, evaluate local conditions, educate and engage with residents and stakeholders with time for meaningful public input and debate, and participate in accordance with their regular local governance schedules.
- **Approval mechanism:** The local approval process should be determined and specified, e.g., by ballot, town meeting, city council, or other local governance process.

With objective, uniform criteria, municipalities may be better able to evaluate whether the quota formula sufficiently meets their needs based on local factors, which may include tourism, seasonal populations, commercial density, restaurant and hospitality demand, redevelopment, economic-development goals, unmet applicant demand, enforcement capacity, administrative capacity, and community input. Before acting, a municipality may hold public hearings and share relevant information—current quota allocation, licenses issued and available, license utilization, inactive licenses, and application volume—so that residents, business owners, and officials can judge whether the formula aligns with local priorities.

Local control provides municipalities with the flexibility to evaluate license supply locally; it is not a mandate for municipalities to issue more licenses. Under this recommendation, a municipality that accepts local-control authority would still issue licenses through the same local and ABCC processes and licenses would remain subject to enforcement, suspension, and revocation. To preserve accountability, municipalities that accept local-control authority should report license issuance, availability, license utilization, known inactive licenses, and enforcement actions through the statewide platform described in [Recommendation 4](#), on the same cadence required of all municipalities.

The issue is not that every quota municipality needs more licenses or that every municipality will want local-control authority. The issue is that access to local-control authority currently depends on whether a municipality was eligible for and used a temporary statutory process more than four decades ago. This recommendation addresses that equity concern.

3. Establish a criteria-based, non-legislative pathway to obtain additional licenses in conjunction with ABCC.

In the absence of eliminating the state-imposed population-based quota formula, the Legislature should consider establishing a streamlined, procedurally uniform, and objective criteria-based pathway for quota municipalities to obtain additional on-premises licenses without needing to resort to a home rule petition. As discussed in [Finding 4](#), the home rule petition process is opaque and slow, with uncertain outcomes that depend on relationships and municipal capacity. The Legislature should consider acting quickly to make this policy change effective no later than December 31, 2027, and empower and fund ABCC to administer this pathway promptly.

To ensure equity and transparency in this process, objective eligibility criteria for obtaining additional licenses under this pathway should be specified and consistently applied. Criteria may include the following:²³⁹

- whether the municipality is at the quota limit;
- whether the municipality is constrained or has license utilization exceeding a particular percentage;
- whether the municipality has enforcement capacity substantiated by public safety officials;
- whether the municipality has consistent, demonstrated seasonal population fluctuations;
- whether a municipality has environmental justice²⁴⁰ blocks that are not currently served by an on-premises licensed establishment;
- how closely the demographics of existing license holders in a municipality track the municipality's population demographics as reported in the most recent

239 Municipalities that would not be eligible under the objective criteria of this alternative, non-legislative pathway would still have the option to seek a home rule petition.

240 In Massachusetts, an environmental justice population is a neighborhood where one or more of the following criteria are true: (1) the annual median household income is 65% or less of the statewide annual median household income; (2) minorities make up 40% or more of the population; (3) 25% or more of households identify as speaking English less than “very well”; and/or (4) minorities make up 25% or more of the population and the annual median household income of the municipality in which the neighborhood is located does not exceed 150% of the statewide annual median household income, <https://www.mass.gov/info-details/environmental-justice-populations-in-massachusetts>.

census data, to reflect systemic obstacles faced by minority business owners and to promote the municipality's character and cultural identity;

- the percentage of licenses held by other business owners frequently facing systemic obstacles to achieving viable economic status, including women, veterans, service-disabled veterans, people with disabilities, and people in the LGBTQ+ community; and
- the extent to which additional licenses would support first-time and minority license holders, locally owned establishments, and small-scale operators, consistent with the municipality's economic development plan.

In designing eligibility criteria, the Legislature should consider how to address the wealth and information barriers documented in this report.

This study recommends that a uniform and transparent municipal process be publicly available. It would be helpful for prospective licensees to have access to a process, such as the following, in which:

- requests may be raised to the municipality's LLA by any interested party;
- the LLA maintains records of all requests and brings requests to the municipality's governing body;
- the municipality places all requests on a meeting agenda to occur no later than the next regularly scheduled public meeting and gives sufficient public notice;
- the municipality gathers all available evidence as to whether the eligibility criteria are met, to be shared with the public no later than a specified number of days (e.g., seven business days) before the public meeting;
- the municipality provides opportunity for public comment and votes no later than the next regularly scheduled public meeting, in accordance with local law (by ballot, town meeting, city council, or other local governance process); and
- if voted upon favorably, the municipality submits an application to ABCC within a specified timeline (e.g., 30 days) of the vote.

The pathway should also require a uniform and transparent review process by ABCC. The nature of ABCC's review should be ministerial: A determination whether the eligibility criteria are met should be issued in writing within a specified timeline (e.g., 30 days) and made public, through an application portal that is simple,

accessible, multilingual, and mobile-friendly, with document upload and status tracking.

Application records, determinations, and comprehensive municipality-level licensing data (allocation, license issuance, license utilization, home rule petitions, inactive licenses, etc.) should be collected and published through the statewide data platform described in [Recommendation 4](#). The statewide data platform should be searchable and exportable for independent review by the public.

Licenses allocated to the municipality under the new pathway would continue to be issued to licensees in accordance with the ordinary licensing process. Individual applications would remain subject to LLA review, public hearing requirements, public notice where applicable, applicant suitability review, premises review, license conditions, ABCC approval, enforcement, suspension, and revocation.

In summary, this recommendation addresses the quota's misalignment of supply with demand and the obstacles of the currently available relief pathways. The proposed new pathway addresses access and equity concerns by reducing reliance on home rule petitions and establishing an expedited, predictable, transparent process.

4. Improve information access, equity, and transparency in on-premises liquor licensing.

[Finding 5](#) documents that prospective licensees and the public lack consistent, complete procedural information about license availability and the application process. Whatever the Legislature decides about the state-imposed population-based quota, this information gap will persist unless it is addressed directly. Applicants today cannot readily identify how many available licenses their municipality has, how many are active, how many have been transferred, or whether licenses are subject to restriction.

Even state and municipal officials are sometimes confused as to whether a municipality is a quota or a local-control municipality. Two examples expose the magnitude of this institutional knowledge problem. Dartmouth, which exempted

itself from the state-imposed population-based quota, was mischaracterized as a quota municipality in ABCC's records until 2016, when the town assembled its own evidence to prove that it qualified as a local-control municipality.²⁴¹ In 2018, a lawsuit filed by former owners of defunct businesses against the City of Cambridge exposed a similar issue. The suit claimed that municipal officials had misinformed certain prospective business owners that licenses were only available via purchase and transfer from an existing license holder when Cambridge had exempted itself from the quota decades earlier.²⁴²

This recommendation offers three measures to reform and resolve the disconnect in information between the Legislature, ABCC, municipalities, and prospective licensees: a statewide data platform ([4.1](#)), municipal process standards ([4.2](#)), and transparency in the home rule pathway ([4.3](#)).

4.1 A statewide licensing data platform

The Commonwealth should enable and require ABCC to have a centralized, modern data collection platform to collect data consistently from all municipalities and make this data available to the public by producing relevant reports and providing access to searchable, interactive data within the next fiscal year.

Rather than placing the burden on 351 municipalities to determine what to collect and how, the Commonwealth should provide a single, shared platform for municipalities at no cost, in which each field has a required format, municipal dashboards update automatically, and the state view aggregates automatically. Standardizing the data upstream, where it originates, avoids the manual reconciliation this study required and keeps the municipal and state views consistent.

²⁴¹ Gainsboro, Kim S., et al., Alcoholic Beverages Control Commission, Letter to Town of Dartmouth Select Board and Anthony Savastano, Esq., (July 21, 2016).

²⁴² Jacqueline Linnane, et al., v. City of Cambridge, 107 Mass. App. Ct. 1114 (2026).

The state should create a unified, master liquor licensing platform to ensure that licensing data is consistently and transparently provided at both the state and municipal levels. The platform should collect the following data to ensure standardization and deliver it to municipal websites in an automated fashion:

- quota, local control, or other status;
- liquor licensing local options that have been accepted by the municipality, including § 12D conversions;
- the total number of on-premises licenses allocated under the statutory formula, if applicable;
- the number of licenses currently available;
- the number of licenses currently issued, by type and status (whether pursuant to quota, special legislation, or § 12D conversion; whether active, inactive, suspended, revoked, or location-restricted; and whether transferable, with history and dates);
- the identity, contact information, licensed establishment address, and license type of every active licensee;
- enforcement actions;
- licensing fees and transfer prices where available;
- a real-time waiting list for prospective applicants in constrained municipalities;
- a registry of licenses available for transfer, including inactive licenses, with reporting required by the existing holders for posting in the public platform for a specified window of time before a license may be transferred;
- a registry of pending home rule petitions, including filing date, status, sponsor, and associated documents; and
- all other relevant information collected by or available to ABCC.

The state platform should provide a dashboard to municipalities to automatically capture raw license data as it is created locally. Municipalities would use this dashboard to review applications, issue approvals, and manage licensing fees. The system should automatically take the data from the diverse municipal workflows and standardize it behind the scenes into one uniform digital format. Once an action is

taken on a license in the municipal dashboard, the system should automatically update public-facing views at both the state and local levels in real time. The platform should be searchable, exportable, and machine-readable and should be equipped with a publicly accessible API to facilitate independent review and analysis.

4.2 Municipal process standards

Finding 5 documents that applicants who succeed locally often do so because individual municipal staff members walk them through processes that are not detailed and published in writing. The result is a system in which similar applications may receive disparate treatment, depending on who is at the counter and whether the applicant happens to connect with the right person. This study recommends that municipalities increase transparency and equity by establishing and communicating clear processes.

This study recommends that every municipality publish, by the end of the current fiscal year, a clear and uniformly applied licensing process. Municipalities are encouraged to include the following on their websites, in plain language (and, where the local population warrants, in additional languages):

- the full process for obtaining an available on-premises license (including forms, fees, notice requirements, hearing procedures, timelines, etc.);
- objective criteria that the LLA will apply when evaluating an application;
- a waiting list and procedure for when no licenses are available, and an indicator of where a prospective licensee falls on the list;
- the process for initiating a request for additional licenses under any available pathway; and
- contact information for the staff members and elected officials responsible for licensing decisions.

This recommendation eliminates the information access barrier that most significantly impacts those without capital or connections, including first-time applicants, immigrant operators, and small-business owners without counsel.

4.3 Transparency in the Home Rule Petition Process

For as long as home rule remains a license relief pathway, it should operate as a public proceeding rather than a closed-door negotiation. This study recommends the immediate implementation of the following transparency improvements that do not impede legislative authority:

- published, written criteria for evaluating home rule petitions for additional liquor licenses;
- a published, defined process with key steps and timelines;
- a centralized status tracker for every liquor licensing petition (filed, scheduled, heard, voted, signed, or denied, with dates); and
- written rationales for all home rule decisions.

Processes for granting valuable government privileges should operate based on defined, objective criteria and rules, and all steps and decisions should be available to the public. Special legislation liquor licenses under home rule petition should not be awarded behind closed doors, on the basis of unwritten convention or personal relationships.

The reforms included in this recommendation are necessary irrespective of any changes the Legislature may or may not make with respect to on-premises liquor licensing, to eliminate information gaps and asymmetries that benefit some while disadvantaging others. An equitable liquor licensing system cannot exist without increasing information transparency and accessibility.

5. Address the equity and wealth-access barriers created by the secondary market for on-premises liquor licenses.

Finding 4 documents a secondary market in which a regulatory privilege functions as a private asset. While MGL c. 138, § 23, provides that “no holder of . . . a license . . . shall have any property right in . . . such license,” as illustrated in this report, the reality in practice is that licenses are often transferred in a private secondary market. Artificial

scarcity²⁴³ created by the quota system drives the transfer of licenses at exorbitant prices, creating wealth-access barriers.²⁴⁴ This study recommends that the Legislature, therefore, address the equity issues resulting from the transferability of licenses.

Pending bill S.3228 includes previous proposals to establish local control and address license transferability, providing that “all new licenses issued under this section in response to an application filed on or after January 1, 2027 . . . shall be nontransferable” and “if a license issued pursuant to this section is cancelled, revoked or no longer in use by the license holder” or “if a license holder closes or terminates the license holder’s business or sells or transfers the license holder’s business,” the license shall be returned to the licensing authority.²⁴⁵

The evidence in this study supports the enactment of nontransferability provisions. The Legislature should assess the impact of legislative changes, if any, to the liquor licensing system to ensure that identified equity and wealth-access barriers are addressed.

243 Artificial scarcity refers to the shortage of on-premises liquor licenses created by the state-imposed quota formula, which caps the number of licenses a municipality may issue based solely on a single factor, population, rather than reflecting local demand.

244 DLM Survey, 2025–2026: Business owners reported paying between \$1,600 and \$600,000 to acquire a license (n = 13). The annual statutory licensing fees reported by municipal officials for the same class of license range from \$350 in Aquinnah to \$2,200 in Maynard (n = 22). The figures are reported by survey respondents and are examples of local annual fees, not an upper bound on application fees statewide and secondary-market purchase prices. The comparison is offered to show the order-of-magnitude difference between a licensing fee and a secondary-market transfer price, not as a statewide maximum.

245 Amendment to An act relative to economic development in the Commonwealth, S.3228, 194th Gen. Ct. (Mass., 2026); see Representative Joseph D. McKenna, An act returning liquor license control to municipalities, H.437, 194th Gen. Ct. (Mass., 2025).

CLOSING

Massachusetts has debated liquor licensing reform for decades while the licensing system's basic architecture—a population-based formula calibrated in 1933, a permanently closed exemption window, a legislative relief pathway without transparency, and a private market without records—has remained in place. This report documents what that archaic licensing system now produces: licenses that are exhausted where demand is dense and stranded where demand is thin ([Finding 1](#)); municipalities that are inequitably divided into two tiers by a 40-year-old legislative fluke ([Finding 2](#)); license access that rises with municipal wealth ([Finding 3](#)); relief pathways that reward capacity, relationships, and capital ([Finding 4](#)); and an information environment that makes the whole system difficult to navigate and impossible to evaluate ([Finding 5](#)).

There are three primary reforms recommended in this study.

First, this study recommends eliminating the state-imposed population-based quota for on-premises liquor licensing and establishing local control, as municipalities are best positioned to make local decisions ([Recommendation 1](#)). This recommendation is addressed in S.3228, and the evidence assembled in this study supports enactment.

Second, this study recommends addressing the equity and wealth-access barriers created by the secondary market for on-premises liquor licenses. This recommendation is addressed in S.3228, and the evidence assembled in this study supports nontransferability ([Recommendation 5](#)).

Third, this study recommends that the Commonwealth create a centralized data platform, and uniform liquor licensing data collection, reporting, and website content standards, to make, and to assist municipalities in making, the liquor licensing system more transparent and accessible to prospective licensees and the public ([Recommendation 4](#)).

If the House of Representatives or the Administration rejects the reforms recommended both in this evidence-based report and in S.3228, this study offers alternative proposals that, while more limited in effectiveness, would help improve equitable access to the liquor licensing system (Recommendations 2 and 3).

This report supplies the evidence base for robust deliberation of these issues—verified measures of where the current system leaves licenses unused and where it binds, documented accounts of how the relief pathways operate, and recommendations designed so that whichever path the Legislature chooses ensures increased equity and transparency in liquor licensing.



APPENDIX A: RESEARCH METHODS

This appendix explains how this study was conducted: what it set out to answer, what evidence it assembled and in what order, how the evidence streams were checked against one another, and what limitations attach to the study. Method-specific detail appears in the appendices that follow—quantitative methods in [Appendix B](#), survey and interview methods in [Appendix C](#), and the legal context in [Appendix E](#).

A.1 Study scope and objectives

Purpose. This is a municipal impact study conducted under MGL c. 11, § 6B, which directs DLM to examine the effect of state law on municipalities. The question it asks is whether the population-based quota on retail liquor licenses in MGL c. 138, § 17, produces outcomes consistent with its purpose, and what those outcomes mean for municipalities and for people trying to obtain a license.

Principal research questions. (1) Does the population-based quota create supply and demand mismatches? (2) What practical difference does the local-control exemption make for the 26 municipalities that hold it? (3) Does license access vary with municipal wealth? (4) How do the home rule/special legislation and secondary-market pathways work in practice, and for whom? (5) Can prospective licensees and the public find consistent process and availability information?

Licenses examined. This study covers on-premises retail licenses issued under § 12—the licenses held by restaurants, hotels, taverns, and similar establishments—in both the All-Alcohol and Wine-and-Malt tracks. Off-premises licenses under § 15 are outside of the scope. They serve a different market, are allocated under a separate formula, and would not be comparable using any of the measures used here.

Geographic and temporal scope. This study covers all 351 Massachusetts municipalities. Licensing data contains the ABCC fiscal year 2024 annual quota reports, which supply each municipality's annual report of license counts and active licenses as of the fiscal year 2024 ABCC active-license extract. For all population-

dependent analyses in this report—licenses per 10,000 residents, [Finding 1](#) constrained-population totals, [Finding 2](#) rates and the hypothetical quota allocation, [Finding 3](#) access rates, and [Table 1](#) classification populations—population is the 2023 municipal series in DLM’s dataset (Department of Revenue/Division of Local Services estimates based on US Census Bureau population estimates). The § 17 statute itself keys allotments to decennial census populations; historical reconstruction of statutory allocations uses decennial census counts back to 1930. Municipal wealth is fiscal year 2026 EQV, aligned with 2023 populations. Survey fieldwork ran from December 2025 through February 2026; interviews were conducted in 2026.

Boundaries. Three boundaries matter for reading the findings. The licensing data is cross-sectional, so this study documents association and does not estimate change over time or causal effect. This study measures access at the municipal level and does not measure how licenses are distributed among applicants within a municipality. And this study does not audit ABCC or any municipal licensing authority; it takes the administrative records as given and says so where that assumption matters.

A.2 Research Design

The study uses a mixed-method research design. The administrative data establishes how many licenses exist, where they are, and how they correlate with population and wealth. This data cannot show what it costs in time or money to obtain one, why a petition failed, or what a prospective licensee was able to find out before applying. Six evidence streams were used, each answering what the others could not.

1. **Statutory, regulatory, and legislative research.** The § 17 allocation was reconstructed from the statutory text, rather than taken from any secondary description, because secondary sources frequently misstate it. Session laws from 1933 forward were reviewed to identify special legislation. ABCC advisories and decisions, the 2017 Task Force Report, and the legislative history of the 1978–1984 local-control window supplied the regulatory and historical context. This work defined what the quantitative analysis had to measure. See [Appendix D](#).
2. **ABCC licensing data.** The ABCC fiscal year 2024 annual quota reports supply each municipality’s annual license counts. The ABCC fiscal year 2024 active-license extract provides record-level license counts by municipality, type, class, and premises address, together with the flag identifying licenses

obtained by special act. It is the source for every issued-license figure in the report.

3. **Municipal and socioeconomic data.** Population, EQV, and related fiscal/socioeconomic fields are used for wealth and access measures. The Division of Local Services provided socioeconomic data. The Department of Revenue EQV (fiscal year 2026) supplies the wealth measure; 2023 Department of Revenue/Division of Local Services municipal population estimates in the DLM dataset supply the normalization base for licenses per 10,000 and EQV per capita. Administered § 17 allotments used for utilization are the DLM dataset allowed fields. County Business Patterns supplies establishment counts for the interstate comparison.
4. **Quantitative and statistical analysis.** Descriptive and rank-based association testing, described in [Appendix B](#), establishes the distributional patterns on which the findings rest and tests which candidate mechanism carries the wealth gradient.
5. **Municipal and stakeholder survey.** A survey of municipal officials, business owners, and state officials' documents cost, delay, and process experience, which the administrative records do not capture, and supplies the barrier ratings and open-ended commentary used throughout the findings. See [Appendix C](#).
6. **Interviews and stakeholder engagement.** Semi-structured interviews with license holders, municipal officials, legislators, and industry participants supply the process narratives—how a home rule petition moves, what a transfer negotiation looks like—that neither the data nor the survey can reconstruct.

These streams were used together rather than in parallel. Where a claim rests on more than one, the report cites both. Where it rests on one, the report says which.

A.3 Analytical Approach

This study proceeded in a fixed sequence, and the order matters because each stage conditions the next.

1. Legal and historical review established what the statute allocates, to whom, and with what exceptions, which is what made an independent reconstruction of the quota possible.
2. Data collection and construction assembled the municipality-level dataset and the record-level license extract and validated them against each other.

3. Descriptive analysis reconstructed the § 17 allocation for every municipality, compared it with licenses issued, and identified where the formula binds and where it does not.
4. Comparative and statistical analysis compared local-control with quota municipalities, tested whether license access varies with municipal wealth, and tested the three candidate mechanisms (allocation, utilization, and special legislation) to determine which one carries the gradient.
5. Survey research documented cost, delay, information availability, and process experience across all three stakeholder groups.
6. Interviews followed the survey, drawing partly on respondents who indicated willingness to speak further, and pursued the questions the survey surfaced.
7. Validation and synthesis reconciled the streams, resolved discrepancies against source records, and fixed the language of each finding to what the evidence supports.

A.4 Limitations

The study's principal limitations are summarized below. Limitations specific to the quantitative analysis appear in [B.5](#) and those specific to the stakeholder research in [C.6](#).

1. **The design is observational and cross-sectional.** The report documents association. It does not establish that the quota causes any outcome it describes, and no part of it should be read as claiming so.
2. **Selection into local control.** Eligibility for the 1978–1984 window turned on previous seasonal licensing, so local-control municipalities are disproportionately resort and tourism economies. Their higher issuance cannot be read as an estimate of what local control would produce elsewhere.
3. **No demand measure.** There is no direct measure of latent demand for licenses. Utilization is used as a proxy for constraint and is imperfect: A municipality may issue few licenses because demand is low rather than because it chooses not to.
4. **Transfer prices are self-reported.** Thirteen business owners reported what they paid. These are not market surveys and were not independently verified. No public record of transfer prices exists.
5. **Survey composition.** Municipal officials are substantially over-represented relative to business owners and state officials, and respondents self-selected. Results describe the respondent pool and are not weighted to the population of municipalities.

APPENDIX B: QUANTITATIVE DATA

Appendix B follows a fixed sequence: what data DLM started with (B.1), how observations were classified (B.2), what measures were built from them (B.3), what analyses those measures supported (B.4), and what limits attach to the results (B.5). Each methodological decision is stated once, in the section where it belongs, and cross-referenced elsewhere. Results appear in Findings 1, 2, 3, and 4.

B.1 Data Sources and Dataset Construct

Data Sources

Below are the data sources to support the quantitative analysis.

Dataset	Source	Reference Period	Principal Use
ABCC fiscal year 2024 annual quota reports	ABCC	Fiscal year 2024 licensing cycle. Municipality-level counts as reported by each LLA to ABCC	Allocated (allowed), issued, exception, and available counts by license category and license period. Source of every allocation, utilization, and availability figure in Findings 1, 2, and 3
ABCC fiscal year 2024 active-license extract	ABCC	Extract compiled by DLM as of December 5, 2025 (fiscal year 2024 licensing cycle)	The 8,841 license-level on-premises records: license number, type, class, status, business name and address, the special legislation flag, and the authorizing chapter and act
Municipal-level socioeconomic indicators	Division of Local Services, Department of Revenue	Fiscal year 2023, fiscal year 2026 (Department of Revenue uses 2023 population)	Population, population density, EQV
Decennial census population	US Census Bureau	1930–2020 decennial counts	Statutory formula denominator; historical allocation reconstruction
County Business Patterns	US Census Bureau	2022	Full-service restaurant counts for interstate comparison (Figure 33)
Stakeholder survey	DLM	December 2025–February 2026 (n = 260 cleaned)	Appendix C/Finding qualitative corroboration
Stakeholder interviews	DLM	2026	Process, cost, and information-environment evidence (Appendix C.4)

Data Preparation and Validation

Municipality names were standardized to a single case and hyphenation convention before matching, which resolves the Manchester-by-the-Sea variant and the North/South/East/West compounds. Currency and percentage fields stored as text were coerced to numeric. Records without a municipality value, and county-subdivision records that are not municipalities, were dropped. Utilization values recorded as proportions in some fields and percentages in others were normalized to a single percentage scale.

Licensing records were matched to municipal characteristics on the standardized name. All 351 municipalities matched, and no imputation was required for any variable used in the analysis: Population, EQV per capita, allocated licenses, issued licenses, and the special legislation flag are complete. One entity in the extract, Devens, carries active licenses but is not a municipality; it is a regional enterprise zone administered by MassDevelopment across parts of Ayer, Harvard, and Shirley, with its own licensing authority. It is excluded from every municipal analysis, which is why recomputing a statewide figure from the raw extract will not always match the figure reported here.

No licenses were combined. Section 12 provides that when a licensee surrenders a license and receives a different form of license in its place during the same license year, the two count as one license for § 17 purposes. Because the ABCC extract records only licenses active on the extract date, a replaced license appears once, and no adjustment was needed; each active license number was counted separately, so licenses held by the same owner at separate premises are counted separately. Issued, allocated, exception, and available counts were then checked for arithmetic consistency municipality by municipality, and every value that failed the check was traced to a source record.

Analytical Samples

DLM's dataset covers all 351 municipalities. Three analytical samples are drawn from it, and every figure in the report is reported against the sample on which it was computed.

Twenty-three municipalities are excluded from the scope of this study due to data constraints, dry license status, and license category-specific local prohibition. A municipality for which no data is available or which has voted not to allow on-premises sale has no licensing outcome to measure; carrying its zero forward would depress every per-capita and utilization figure for a reason unrelated to the quota. Retaining them as zeros was considered and rejected on that basis. The consequence is that results describe municipalities that participate in on-premises licensing and cannot be read as statewide averages across all 351 municipalities.

Classification	Number	Definition	Population ²⁴⁶
Quota municipalities	302	Subject to state-imposed population-based quota limits on MGL c. 138, § 12, on-premises licenses	6,081,934
Local-control municipalities	26	Exempt from state-imposed population-based quota limits on MGL c. 138, § 12, on-premises licenses	872,735
Other	23	Excluded from the scope of this study	46,730

B.2 Classification of Municipalities and Licenses

Municipality Classification

Quota-bound (n = 302). Municipalities that grant § 12 on-premises licenses are subject to the § 17 population formula. This is the population the quota actually governs, and the sample used wherever the report describes how the quota operates. Boston is expressly excepted from the population formula and operates under fixed statutory numbers set in § 17 and amended only by special act. It is nonetheless retained in the quota sample because it operates under a state-imposed ceiling amendable only by

246 Massachusetts Department of Revenue, Division of Local Services, Data Analytics and Resources Bureau, “Population By Municipality and Year,” Municipal Databank, 2023 column, accessed September 13, 2026, https://dls-gw.dor.state.ma.us/reports/rdPage.aspx?rdReport=Socioeconomic.Population.population_main, which republishes US Census Bureau, Vintage 2023 Population Estimates: City and Town Population Totals, Massachusetts, released May 2024, <https://www.census.gov/newsroom/press-kits/2024/subcounty-population-estimates.html>. Population figures are the 2023 estimates for each of the 351 Commonwealth municipalities, summed within each classification; the three categories total 7,001,399. These 2023 estimates are used for all per-resident rates in this report.

the Legislature, which is the characteristic the analysis is about. Treating it as its own category was considered and rejected: A single-municipality category supports no inference, and removing the Commonwealth's largest licensing market would understate the system it describes. Boston is an outlier in several analyses, and sensitivity checks are reported in [B.4](#).

Local control (n = 26). Municipalities that grant § 12 on-premises licenses “in addition to, and irrespective of” the § 17 limits, having accepted §§ 17A–17C during the 1978–1984 window. They are the comparison group for [Finding 2](#) and the basis for the hypothetical quota allocation in [Finding 2](#).

Other (n = 23). The “Other” municipalities excluded from the scope of this study include (1) 14 municipalities for which no data was provided by ABCC: Florida, Heath, Leyden, Middlefield, Monroe, Monterey, New Braintree, Pelham, Peru, Rowe, Royalston, Tolland, Warwick, and Washington; (2) eight dry municipalities: Alford, Chilmark, Dunstable, Gosnold, Hawley, Montgomery, Mount Washington, and Westhampton; and (3) Milton, which maintains a local prohibition specifically on All-Alcohol licenses while permitting other license categories.

License Classification

Section 17 allocates two separate categories with separate formulas and separate floors: All-Alcohol licenses and Wine-and-Malt licenses. Wine-and-Malt with a cordials permit is treated as Wine-and-Malt throughout because the cordials permit is an endorsement on a Wine-and-Malt license rather than a distinct allocation under § 17. Wine-only and Malt-only licenses, which together account for 2% of on-premises licenses, are treated the same way.

Whether the two categories are combined depends on what is being measured, and the rule is consistent throughout the report. Allocation and utilization are always computed category by category because the statute allocates that way, and a municipality can be exhausted on All-Alcohol while holding unused Wine-and-Malt capacity. Available licenses are therefore computed within each category and floored

at zero before summing, so a surplus in one category cannot mask a deficit in the other. In DLM's dataset, this is for each category: Issued without special legislation = Total Issued – Total Exception; Available = max(0, Allowed – Issued without special legislation); and Total available = All-Alcohol available + Wine-and-Malt available. This study does not compute total allowed minus total issued across categories, as that nets an All-Alcohol overage against Wine-and-Malt leftovers and understates unused capacity (for example, Webster is at 100% combined utilization but still has 3 unused Wine-and-Malt licenses). License access, by contrast, combines the categories because it measures what a resident or a prospective licensee encounters, and a customer does not experience the two tracks as separate systems.

The combined measure is conservative. Because it treats unused Wine-and-Malt capacity as available supply, it understates the constraint facing a municipality that is fully blocked on All-Alcohol, which is the commercially decisive license for most full-service restaurants.

Seasonal § 12 licenses are granted “in addition to and irrespective of” the § 17 limitation and are therefore excluded from allocation and utilization. They are counted in license access, which includes every active on-premises license.

Special Legislation and Exception Licenses

Special legislation licenses are identified from the flag carried on each record in the ABCC fiscal year 2024 active-license extract, together with the authorizing chapter and act. The municipality-level “total exception” field in DLM's dataset (compiled from the ABCC fiscal year 2024 annual quota reports) is broader—it also captures seasonal and veterans' licenses—and using it would double the municipality count. Every special legislation figure in this report comes from the record-level flag.

These licenses sit outside the § 17 count by operation of the special act that created them, and they are excluded from both the numerator and the denominator of utilization. Including them would obscure the constraint being measured: Boston has received several hundred licenses by special act, and counting those against the

formula would make a heavily constrained city appear to have spare capacity. They are counted in license access, which is the all-license measure. A municipality holding more licenses than its formula allocation is therefore not an error in the data; it is the visible trace of relief already obtained.

Two exclusions are applied to the special legislation analysis specifically. Off-premises licenses are excluded because the report analyzes on-premises licensing only. Licenses held by local-control municipalities under acts passed after 1984 are excluded because those municipalities were no longer subject to the quota when the act passed, and the license cannot be read as relief from a quota. Licenses those municipalities obtained before the 1978–1984 window are retained because they were quota-bound at the time. The flag identifies 719 licenses across 101 municipalities and Devens, an enterprise zone; after these exclusions, there are 716 across 100 municipalities statewide and 706 across 97 municipalities within the outcome-based sample.

Other statutory exceptions—war veterans’ organizations licensed under § 12, restricted airport licenses, and § 19 farmer-series pouring permits—are outside the § 17 count by statute and are treated the same way as seasonal licenses: excluded from allocation and utilization, counted in access.

License access answers how many on-premises pouring rights exist per resident—what municipalities, residents, and prospective licensees encounter—so exception licenses are counted. Utilization answers how tight the § 17 formula is, so the same exception licenses are removed from the utilization numerator (and do not expand “available” formula capacity). The two measures are deliberately paired: [Finding 1](#) isolates formula pressure; Findings [2](#) and [3](#) measure total issued access, including relief already obtained through special legislation and other statutory exceptions.

B.3 Construction of Quotas and Analytical Measures

This section is the dictionary for the quantitative analysis. After reading it, a reader should know exactly what each measure in the findings means and how it was built.

Statutory License Allocation

Section 17 allocates one All-Alcohol license under § 12 for each population unit of 1,000 or additional fraction thereof, plus one further All-Alcohol license for each population unit of 10,000 or fraction thereof above the first 25,000, but not fewer than 14 licenses regardless of population. It separately allocates one Wine-and-Malt license for each population unit of 5,000 or a fraction thereof, but not fewer than five, regardless of population.

Two features of this language govern every allocation figure in the report and are commonly misstated. The 14 and the 5 are floors, not thresholds: The per-1,000 and per-5,000 increments run from the first resident, and the floor applies only where the formula would otherwise yield less. And the 10,000 increment applies only to the population above the first 25,000, not to the total population. A quota established under the section is never reduced because of a loss in population, which is why several municipalities that have shrunk since their peak now show utilization at or above 100%.

Boston is excepted from this formula and operates under fixed statutory numbers. Its allocation is taken from the statute as amended rather than computed.

All formulas used in the report are collected here. Unless a passage is reconstructing a historical statutory allotment, P denotes 2020 Census population when reconstructing statutory allotments and 2023 Department of Revenue/Division of Local Services municipal population estimates for per-resident rates and the local-control comparison in [Finding 2](#); ceil denotes the smallest integer not less than its argument.

Quantity	Formula	Notes
All-Alcohol allocation, § 12	$A_{aa} = \max(\text{ceil}(P/1000) + \text{ceil}(\max(P-25000, 0)/10000), 14)$	Floor of 14 applies regardless of population; second term applies only above 25,000
Wine-and-Malt allocation, § 12	$A_{wm} = \max(\text{ceil}(P/5000), 5)$	Floor of 5
Total on-premises allocation	$A = A_{aa} + A_{wm}$	Boston excepted

Quantity	Formula	Notes
Off-premises All-Alcohol, § 15	$\max(\text{ceil}(P/5000), 2)$	Not analyzed in this report; stated for completeness
License utilization	$U = L_f / A \times 100$	L_f = licenses issued on the formula categories, excluding those granted outside § 17
Available licenses	$V = \max(A_{aa} - L_{aa}, 0) + \max(A_{wm} - L_{wm}, 0)$	Computed within track, then summed, so surplus in one track cannot mask a deficit in the other
License access	$L = L_{\text{total}} / P \times 10000$	L_{total} includes licenses granted outside the formula
Hypothetical quota allocation	$A_{cf} = A(P)$ applied to a local-control municipality	Finding 2
Wealth quartile	Quartile of EQV per capita on the combined 328-municipality sample	Boundaries fixed across analyses
Epsilon-squared effect size	$\epsilon^2 = (H - k + 1) / (n - k)$	H = Kruskal-Wallis statistic, k = groups, n = total observations
Rank-biserial correlation	$r = 2U / (n_1 n_2) - 1$	Effect size for the Mann-Whitney comparison

License Supply and Access Variables

Variable	Construction
Allocated licenses	$\text{ceil}(P/1000) + \text{ceil}(\max(P-25000, 0)/10000)$, floored at 14, plus $\text{ceil}(P/5000)$ floored at 5; P denotes 2020 population when reconstructing statutory allotments and 2023 Department of Revenue/Division of Local Services population for per-resident rates and hypothetical quota allocations.
Issued (formula track)	Total on-premises issued minus licenses granted outside the § 17 formula
License utilization	Issued (formula track) ÷ allocated, expressed as a percentage
Available licenses	Allocated minus issued (formula track), floored at zero within each beverage track
License access	All on-premises licenses issued, including those granted outside the formula, per 10,000 residents
Wealth quartile	Quartile of EQV per capita computed on the combined 328-municipality sample
Hypothetical quota allocation	The § 17 formula applied to a local-control municipality's population
Special legislation count	Count of active on-premises licenses flagged as authorized by special legislation in ABCC records

License counts are expressed per 10,000 residents throughout. Per 1,000—the unit the statute uses—was considered and rejected for presentation because it produces values below three for most municipalities and obscures the differences the report is describing. The choice affects presentation only. No population weighting is applied to municipality-level averages: Each municipality is one observation because the unit of policy is the municipality.

Quota Utilization and Bands

Utilization is issued licenses on the formula track divided by allocated licenses, expressed as a percentage; available capacity is the remainder, computed within the category and floored at zero. Formally, for All-Alcohol (variable aa) and Wine-And-Malt (variable wm) separately:

$$Issued_wo = Issued - Exception; Available_track = \max(0, Allowed - Issued_wo)$$

$$Total\ available = Available_aa + Available_wm; Utilization\ (combined) \\ = (Issued_wo_aa + Issued_wo_wm) \div (Allowed_aa + Allowed_wm).$$

These match DLM dataset fields All_alcohol_Total Available, WM/WMC_Total Available, and total_on_prem_util_w/o_exception.

A municipality is classified as constrained when utilization is at or above 80%. The 64 constrained municipalities have a combined population of exactly 2,531,376 (of 6,081,934 residents in the 302 quota municipalities, or 41.6%). Of the 263 track-floored available licenses in constrained municipalities, 255 are in the high band (80–99%), and 8 are in the at/over band ($\geq 100\%$). The at/over unused licenses are Wine-and-Malt leftovers in municipalities that are at or over on the combined (or All-Alcohol) measure.

The 80% threshold is a judgment, not a statutory category, and the report states it wherever the constrained count appears. It was chosen because, at that point, a municipality has a small enough remaining margin that an ordinary sequence of applications can exhaust it within a licensing cycle. Thresholds of 70%, 75%, 85%, and 90% were computed as well; the sensitivity is reported in [B.4](#). The substantive

conclusions of [Finding 1](#) hold at every threshold tested. The headline count of 64 does not and should always be quoted with its threshold.

Municipal Wealth

Municipal wealth is measured as EQV per capita. EQV is determined biennially by the Department of Revenue on a common basis across municipalities, is the standard comparative measure of municipal fiscal capacity in Massachusetts, and is the measure the Commonwealth itself uses to distribute aid and apportion assessments. Income per capita was considered and rejected as the primary measure because it describes residents rather than the municipal government that operates the licensing process and files home rule petitions.

Municipalities are grouped into wealth quartiles constructed on the combined 328-municipality sample, with the boundaries held fixed across every analysis so the quota and local-control results are comparable. Quartiles were used for the primary analysis because they produce strata large enough—82 municipalities each in the combined sample—to support non-parametric comparison. Because the boundaries are held fixed, the quota and local-control subsamples do not divide evenly across them.

Deciles were computed as a supplemental check and are reported in [B.4](#). They are the reason the report does not claim a smooth wealth gradient: Mean access does not rise monotonically across deciles, and the effect is concentrated in the top decile. A continuous specification was also run and is consistent with the grouped results.

Wealth Quartile	EQV per Capita Range	Combined	Quota	Local Control
Q1 (lowest)	\$76,427–\$177,434	82	79	3
Q2	\$177,434–\$231,944	82	78	4
Q3	\$231,944–\$328,158	82	75	7
Q4 (highest)	\$328,158–\$2,837,676	82	70	12

Other Derived Measures

Population bands group municipalities by the statutory breakpoints—under 14,000, 14,000 to 25,000, and above 25,000—so that the effect of the floors and the over-25,000 increment can be seen separately. The hypothetical quota allocation applies the § 17 formula to each local-control municipality and compares the result with the licenses it actually issues; it is constructed to isolate the effect of the exemption by asking what the same municipality would face under the same statute and is reported in [Finding 2](#). Historical allocation figures apply the same formula to decennial census counts back to 1930.

B.4 Analytical Strategy and Statistical Methods

The analyses are organized by the questions the report asks, not by the tests used. Each test appears with the question it was chosen to answer.

Why Rank-Based Methods

Every principal variable departs materially from normality, and Shapiro-Wilk rejects normality for each at $p < 0.001$. License access is strongly right-skewed, driven by small municipalities where the statutory floors produce very high per-resident values and by resort communities for which the service population far exceeds their residents.

Variable	n	Mean	SD	Median	Skew	Excess Kurtosis	Shapiro-Wilk W	p
Access combined	328	14.39	12.42	11.30	3.47	16.40	0.679	<0.001
Access quota	302	13.28	10.70	10.91	3.59	19.27	0.698	<0.001
Access local	26	27.39	21.22	21.48	2.02	3.60	0.746	<0.001
Utilization quota	302	51.18	30.73	53.74	-0.11	-1.23	0.946	<0.001
EQV combined	328	316,020.46	316,666.83	231,943.50	4.89	29.93	0.512	<0.001
Population combined	328	21,203.26	42,584.14	11,850.00	10.60	148.27	0.351	<0.001

The analysis therefore uses rank-based methods throughout: Kruskal-Wallis for comparisons across more than two groups, Mann-Whitney for pairwise contrasts, Spearman for correlation, and Wilcoxon signed-rank for the paired hypothetical quota allocation. Chi-square goodness-of-fit is used for the categorical question of how local-control municipalities are distributed across wealth quartiles. Medians are reported alongside means wherever the two differ materially, and the significance tests rest on the median pattern rather than the means. Confidence intervals on means are bias-corrected percentile bootstrap intervals from 10,000 resamples, because the normal-theory interval is not trustworthy at this level of skew. Effect sizes are reported as epsilon-squared for Kruskal-Wallis and rank-biserial correlation for Mann-Whitney, because a significant result on 328 observations can still describe a small difference. Welch's t-test appears only as a parametric sensitivity check.

Finding	Null Hypothesis	Test
3, Analysis A	License access per 10,000 residents is distributed identically across wealth quartiles in the combined 328-municipality sample.	Kruskal-Wallis; Mann-Whitney for the Q4–Q1 contrast
3, Analysis B	License access is distributed identically across wealth quartiles within the 302 quota municipalities.	Kruskal-Wallis; Mann-Whitney for Q4–Q1
3, Analysis C	Local-control municipalities are distributed uniformly across wealth quartiles.	Chi-square goodness of fit
2	Local-control and quota municipalities issue the same number of licenses per 10,000 residents.	Mann-Whitney, one-sided
2	Local-control municipalities issue no more licenses than the § 17 formula would allocate to them.	Wilcoxon signed-rank on paired hypothetical quota allocation and actual
4	Licenses obtained by special legislation are distributed identically across wealth quartiles.	Kruskal-Wallis; chi-square on the proportion holding any
3, mechanism	License utilization is unrelated to municipal wealth.	Spearman rank correlation; Kruskal-Wallis across wealth quartiles

Population, Quota, and Utilization

This analysis asks whether the formula allocates licenses where they are wanted. The § 17 allocation was reconstructed for every municipality and compared with licenses issued, then examined by population band to isolate the effect of the statutory floors. The distribution of unused licenses was computed across the utilization bands and cross-tabulated against population, density, and wealth. The comparison that matters is between where available licenses sit and where utilization indicates they are wanted; results are in [Finding 1](#). Constrained municipalities (n = 64 at the ≥80% threshold) account for 2,531,376 residents in the 2023 population; available licenses use the category-floored formulas in B.3.

Local Control Against Quota

This analysis asks whether the exemption changed outcomes. Local-control and quota municipalities are compared on licenses issued per 10,000 residents using a one-sided Mann-Whitney test, and the comparison is repeated at every decile of the distribution to establish whether the gap is general or driven by a few high values. A population-weighted comparison is reported alongside the unweighted one. The § 17 formula is then applied to each local-control municipality and compared against its actual issuance with a Wilcoxon signed-rank test on the paired values. A matched-pair comparison against quota municipalities of similar population and wealth was run as an independent check. Results are in [Finding 2](#).

Wealth and Equity

This analysis asks whether license access varies with municipal wealth and, if so, through which mechanism. Access is compared across wealth quartiles by Kruskal-Wallis, first on the combined 328-municipality sample and then within the 302 quota municipalities alone, with the Q4–Q1 contrast tested by Mann-Whitney. The distribution of local-control municipalities across wealth quartiles is tested by chi-square. Wealth is then related to access continuously by Spearman correlation and re-examined across deciles.

Having established a gradient, the analysis tests the three candidate mechanisms in turn. Allocation is ruled out by construction, since the formula counts only residents. Utilization is tested against wealth by Spearman correlation across the quota municipalities. Special legislation is tested in two ways: whether wealthier municipalities are more likely to hold any such license, by chi-square on the proportion, and whether they hold more of them, by Kruskal-Wallis on the volume. Distinguishing those two questions is what allows the report to say that wealth does not predict whether a municipality seeks relief but does correspond to how much it obtains. Results are in Findings [3](#) and [4](#).

Sensitivity and Robustness

Each principal result was re-run under the alternative specifications in the following table. The table reports the checks that bear on whether a finding survives.

Check	Result
Excluding Boston from the quota sample	Spearman (EQV, access) 0.114 against 0.118 with Boston; Kruskal-Wallis $H = 5.918$, $p = 0.1157$; Q4–Q1 difference +37.0%. Conclusions unchanged.
Wealth deciles instead of quartiles	Spearman (decile rank, access) $\rho = 0.176$, $p = 0.176$, $p = 0.001$. The gradient is not monotonic across deciles; the effect is concentrated in the top decile. This is why the report does not describe a smooth wealth gradient.
Constrained threshold at 70%, 75%, 85%, and 90%	Counts range from 101 to 33 municipalities. Substantive conclusions of Finding 1 hold throughout; the headline count does not, and the threshold is stated wherever the count appears.
Excluding the three highest local-control municipalities	Regime difference remains highly significant ($p < 0.001$); median ratio moves from 1.97 to 1.84.
Continuous wealth measure instead of grouped	Spearman $\rho = 0.180$ ($p = 0.001$) combined; $\rho = 0.118$ ($p = 0.040$) within the quota framework. Consistent with the grouped analyses.

Multiple Comparisons and Statistical Power

The report performs a small number of pre-specified tests corresponding to its findings rather than an exploratory search, so no multiplicity correction is applied as the primary analysis. As a check, a Bonferroni correction across the seven principal tests gives an adjusted threshold of 0.0071. The combined-sample wealth comparison

and the regime comparison survive it; the within-quota omnibus test and the local-control distribution test do not, and the report describes those as patterns rather than as tested results. No comparison within the local-control group across wealth quartiles is reported as a finding, because the strata are too small to report one, with three local-control municipalities in Q1 and four in Q2.

B.5 Quantitative Limitations

1. **Measurement.** Utilization proxies for constraint but does not measure demand. A municipality with spare capacity may face no demand rather than no barrier.
2. **Classification assumptions.** Combining Wine-and-Malt with cordials, and treating Wine-only and Malt-only as Wine-and-Malt, are analytical choices. Both are conservative in the sense that they add capacity to the denominator.
3. **Population-based normalization.** The report's per-10,000 rates use 2023 US Census Bureau Population Estimates (via the Department of Revenue/Division of Local Standards). The resident population is not the population that generates demand in seasonal, commuter, or student communities. Per-resident measures overstate access in resort municipalities and understate it in employment centers.
4. **Wealth measurement.** EQV is a property-value measure. It does not capture income, employment, or fiscal effort, and it is inflated in communities with large second-home bases relative to their year-round population.
5. **Comparability.** Local-control municipalities are not a random sample. Selection into the 1978–1984 window turned on prior seasonal licensing, and the hypothetical quota allocation assumes issuance behavior would have been unchanged under a binding ceiling, which cannot be tested.
6. **Special legislation.** The flag captures acts for which licenses remain active. It does not capture petitions that failed or acts for which licenses have since lapsed, so it understates the number of petitions filed and cannot support any statement about success rates.
7. **Causal inference.** Every relationship reported is an association measured at one point in time across municipalities that differ in many unmeasured ways.

B.6 Municipality Reference Lists

The full membership of each classification is listed in the following table so that any figure in the report can be traced to the municipalities it covers. These lists are

reference material and are placed at the end of this appendix to keep the methodological sequence in B.1 through B.5 continuous.

Local-Control Municipalities (n = 26)

Municipalities exempt from MGL c. 138, § 17, quota limits on § 12 on-premises licenses

#	Municipality	County	Region	Population (2023)	EQV per Capita (Fiscal Year 2026)
1	Barnstable	Barnstable	Cape Cod	49,709	\$528,992
2	Bourne	Barnstable	Cape Cod	20,422	\$392,582
3	Cambridge	Middlesex	Greater Boston	118,214	\$722,243
4	Dartmouth	Bristol	South Coast	33,419	\$254,835
5	Dennis	Barnstable	Cape Cod	14,903	\$876,782
6	Falmouth	Barnstable	Cape Cod	33,069	\$650,356
7	Franklin	Norfolk	MetroWest	33,125	\$257,761
8	Great Barrington	Berkshire	Berkshires	7,194	\$306,123
9	Haverhill	Essex	Merrimack Valley	67,415	\$168,516
10	Kingston	Plymouth	South Shore	13,948	\$246,562
11	Lee	Berkshire	Berkshires	5,694	\$254,555
12	Lenox	Berkshire	Berkshires	5,064	\$379,411
13	Marlborough	Middlesex	MetroWest	41,179	\$221,787
14	Mashpee	Barnstable	Cape Cod	15,396	\$651,648
15	Middleborough	Plymouth	South Shore	24,504	\$180,413
16	Nantucket	Nantucket	Islands	14,444	\$2,817,820
17	Newburyport	Essex	North Shore	18,731	\$395,601
18	North Adams	Berkshire	Berkshires	12,483	\$83,573
19	Orleans	Barnstable	Cape Cod	6,385	\$1,052,573
20	Pembroke	Plymouth	South Shore	18,286	\$237,537
21	Plymouth	Plymouth	South Shore	65,405	\$278,788
22	Provincetown	Barnstable	Cape Cod	3,709	\$1,574,301
23	Sturbridge	Worcester	Central MA	9,928	\$197,168
24	Williamstown	Berkshire	Berkshires	7,385	\$193,022
25	Worcester	Worcester	Central MA	207,621	\$115,659
26	Yarmouth	Barnstable	Cape Cod	25,103	\$432,766

Excluded Municipalities (n = 23)

Municipalities outside the scope of this study

#	Municipality	County	Population (2023)
1	Florida	Berkshire	675
2	Heath	Franklin	720
3	Leyden	Franklin	731
4	Middlefield	Hampshire	392
5	Monroe	Franklin	115
6	Monterey	Berkshire	1,080
7	New Braintree	Worcester	993
8	Pelham	Hampshire	1,265
9	Peru	Berkshire	800
10	Rowe	Franklin	421
11	Royalston	Worcester	1,276
12	Tolland	Hampden	467
13	Warwick	Franklin	776
14	Washington	Berkshire	496
15	Alford	Berkshire	481
16	Chilmark	Dukes	1,232
17	Dunstable	Middlesex	3,408
18	Gosnold	Dukes	67
19	Hawley	Franklin	353
20	Montgomery	Hampden	825
21	Mount Washington	Berkshire	157
22	Westhampton	Hampshire	1,626
23	Milton	Norfolk	28,374

From these excluded municipalities, Alford, Chilmark, Dunstable, Gosnold, Hawley, Montgomery, Mount Washington, and West Hampton voted to prohibit the sale of alcoholic beverages. Milton prohibits All-Alcohol licenses while permitting Wine-and-Malt licenses.

Quota Bound Municipalities (n=302)

Municipalities bound to MGL c. 138, § 17 quota limits on § 12 on-premises licenses

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
1	Abington	Plymouth	16,970	\$193,195
2	Acton	Middlesex	24,029	\$284,449
3	Acushnet	Bristol	10,602	\$186,591
4	Adams	Berkshire	7,995	\$98,794
5	Agawam	Hampden	28,406	\$154,538
6	Amesbury	Essex	17,303	\$227,235
7	Amherst	Hampshire	40,277	\$91,085
8	Andover	Essex	36,485	\$356,875
9	Aquinnah	Dukes	446	\$2,211,660
10	Arlington	Middlesex	46,111	\$344,666
11	Ashburnham	Worcester	6,415	\$178,729
12	Ashby	Middlesex	3,198	\$170,705
13	Ashfield	Franklin	1,690	\$237,063
14	Ashland	Middlesex	18,591	\$246,229
15	Athol	Worcester	11,937	\$117,821
16	Attleboro	Bristol	46,654	\$161,797
17	Auburn	Worcester	16,820	\$196,912
18	Avon	Norfolk	4,725	\$262,414
19	Ayer	Middlesex	8,546	\$223,597
20	Barre	Worcester	5,536	\$141,462
21	Becket	Berkshire	1,921	\$391,223
22	Bedford	Middlesex	14,394	\$394,263
23	Belchertown	Hampshire	15,339	\$154,797
24	Bellingham	Norfolk	17,556	\$232,194
25	Belmont	Middlesex	26,886	\$446,087
26	Berkley	Bristol	6,822	\$196,743
27	Berlin	Worcester	3,425	\$308,544
28	Bernardston	Franklin	2,113	\$159,016
29	Beverly	Essex	42,318	\$254,620
30	Billerica	Middlesex	41,619	\$270,033
31	Blackstone	Worcester	9,210	\$161,343

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
32	Blandford	Hampden	1,204	\$256,742
33	Bolton	Worcester	5,738	\$299,009
34	Boston	Suffolk	653,833	\$369,761
35	Boxborough	Middlesex	5,451	\$321,573
36	Boxford	Essex	8,149	\$354,379
37	Boylston	Worcester	4,972	\$282,034
38	Braintree	Norfolk	38,490	\$268,651
39	Brewster	Barnstable	10,381	\$689,214
40	Bridgewater	Plymouth	28,818	\$183,892
41	Brimfield	Hampden	3,699	\$171,301
42	Brockton	Plymouth	104,890	\$127,532
43	Brookfield	Worcester	3,448	\$130,574
44	Brookline	Norfolk	62,962	\$536,333
45	Buckland	Franklin	1,809	\$166,714
46	Burlington	Middlesex	26,527	\$389,341
47	Canton	Norfolk	24,635	\$335,585
48	Carlisle	Middlesex	5,192	\$482,194
49	Carver	Plymouth	11,675	\$189,253
50	Charlemont	Franklin	1,177	\$164,728
51	Charlton	Worcester	13,391	\$230,005
52	Chatham	Barnstable	6,685	\$1,893,646
53	Chelmsford	Middlesex	36,180	\$256,214
54	Chelsea	Suffolk	38,319	\$165,668
55	Cheshire	Berkshire	3,195	\$140,202
56	Chester	Hampden	1,211	\$146,000
57	Chesterfield	Hampshire	1,173	\$219,667
58	Chicopee	Hampden	54,838	\$106,162
59	Clarksburg	Berkshire	1,640	\$98,605
60	Clinton	Worcester	15,530	\$151,736
61	Cohasset	Norfolk	8,392	\$504,316
62	Colrain	Franklin	1,629	\$138,944
63	Concord	Middlesex	18,086	\$553,232
64	Conway	Franklin	1,762	\$205,156
65	Cummington	Hampshire	819	\$214,923

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
66	Dalton	Berkshire	6,200	\$152,883
67	Danvers	Essex	27,896	\$276,620
68	Dedham	Norfolk	24,968	\$318,727
69	Deerfield	Franklin	5,176	\$207,261
70	Dighton	Bristol	8,182	\$190,074
71	Douglas	Worcester	9,241	\$188,868
72	Dover	Norfolk	5,864	\$614,821
73	Dracut	Middlesex	32,291	\$184,677
74	Dudley	Worcester	11,849	\$141,133
75	Duxbury	Plymouth	16,185	\$461,802
76	East Bridgewater	Plymouth	14,408	\$189,866
77	East Brookfield	Worcester	2,202	\$177,645
78	East Longmeadow	Hampden	16,378	\$174,686
79	Eastham	Barnstable	5,803	\$904,336
80	Easthampton	Hampshire	16,031	\$154,206
81	Easton	Bristol	25,364	\$214,457
82	Edgartown	Dukes	5,268	\$2,837,676
83	Egremont	Berkshire	1,371	\$635,428
84	Erving	Franklin	1,663	\$534,328
85	Essex	Essex	3,694	\$375,138
86	Everett	Middlesex	50,318	\$210,241
87	Fairhaven	Bristol	15,878	\$220,405
88	Fall River	Bristol	93,840	\$108,751
89	Fitchburg	Worcester	41,579	\$116,669
90	Foxborough	Norfolk	18,484	\$245,484
91	Framingham	Middlesex	71,875	\$214,117
92	Freetown	Bristol	9,290	\$248,533
93	Gardner	Worcester	20,974	\$110,885
94	Georgetown	Essex	8,444	\$238,225
95	Gill	Franklin	1,552	\$141,042
96	Gloucester	Essex	29,959	\$374,847
97	Goshen	Hampshire	944	\$233,280
98	Grafton	Worcester	19,975	\$207,208
99	Granby	Hampshire	6,060	\$171,025

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
100	Granville	Hampden	1,525	\$196,547
101	Greenfield	Franklin	17,628	\$126,293
102	Groton	Middlesex	11,277	\$258,444
103	Groveland	Essex	6,743	\$226,901
104	Hadley	Hampshire	5,277	\$266,433
105	Halifax	Plymouth	7,718	\$194,278
106	Hamilton	Essex	7,586	\$310,721
107	Hampden	Hampden	4,913	\$186,096
108	Hancock	Berkshire	739	\$545,567
109	Hanover	Plymouth	14,753	\$300,580
110	Hanson	Plymouth	10,586	\$200,023
111	Hardwick	Worcester	2,664	\$146,815
112	Harvard	Worcester	6,928	\$277,270
113	Harwich	Barnstable	13,595	\$758,256
114	Hatfield	Hampshire	3,319	\$229,729
115	Hingham	Plymouth	24,189	\$437,453
116	Hinsdale	Berkshire	1,896	\$262,247
117	Holbrook	Norfolk	11,284	\$186,118
118	Holden	Worcester	19,934	\$191,193
119	Holland	Hampden	2,565	\$199,581
120	Holliston	Middlesex	15,015	\$265,606
121	Holyoke	Hampden	37,628	\$76,427
122	Hopedale	Worcester	6,028	\$191,671
123	Hopkinton	Middlesex	19,540	\$346,262
124	Hubbardston	Worcester	4,346	\$180,725
125	Hudson	Middlesex	19,904	\$215,357
126	Hull	Plymouth	10,108	\$332,017
127	Huntington	Hampshire	2,071	\$147,233
128	Ipswich	Essex	13,903	\$348,415
129	Lakeville	Plymouth	11,968	\$253,076
130	Lancaster	Worcester	8,802	\$170,123
131	Lanesborough	Berkshire	3,007	\$201,003
132	Lawrence	Essex	88,172	\$94,364
133	Leicester	Worcester	11,066	\$158,734

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
134	Leominster	Worcester	43,627	\$146,548
135	Leverett	Franklin	1,861	\$226,291
136	Lexington	Middlesex	33,882	\$552,286
137	Lincoln	Middlesex	6,889	\$443,322
138	Littleton	Middlesex	10,251	\$312,249
139	Longmeadow	Hampden	15,621	\$197,930
140	Lowell	Middlesex	114,296	\$120,478
141	Ludlow	Hampden	20,845	\$146,219
142	Lunenburg	Worcester	11,851	\$200,412
143	Lynn	Essex	101,241	\$147,334
144	Lynnfield	Essex	13,034	\$390,665
145	Malden	Middlesex	65,133	\$170,965
146	Manchester By The Sea	Essex	5,396	\$666,826
147	Mansfield	Bristol	23,862	\$242,963
148	Marblehead	Essex	20,296	\$468,251
149	Marion	Plymouth	5,292	\$501,379
150	Marshfield	Plymouth	25,765	\$324,098
151	Mattapoissett	Plymouth	6,652	\$426,015
152	Maynard	Middlesex	10,604	\$209,982
153	Medfield	Norfolk	13,088	\$313,637
154	Medford	Middlesex	58,744	\$280,246
155	Medway	Norfolk	13,560	\$268,322
156	Melrose	Middlesex	29,357	\$277,522
157	Mendon	Worcester	6,331	\$247,699
158	Merrimac	Essex	6,718	\$212,869
159	Methuen	Essex	53,455	\$179,738
160	Middleton	Essex	9,849	\$346,584
161	Milford	Worcester	30,257	\$186,655
162	Millbury	Worcester	14,002	\$197,262
163	Millis	Norfolk	9,018	\$247,291
164	Millville	Worcester	3,146	\$151,366
165	Monson	Hampden	8,104	\$144,083
166	Montague	Franklin	8,444	\$151,599
167	Nahant	Essex	3,300	\$443,893

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
168	Natick	Middlesex	36,518	\$346,172
169	Needham	Norfolk	32,157	\$443,945
170	New Ashford	Berkshire	247	\$240,054
171	New Bedford	Bristol	100,695	\$110,535
172	New Marlborough	Berkshire	1,503	\$548,280
173	New Salem	Franklin	1,014	\$175,063
174	Newbury	Essex	6,766	\$413,685
175	Newton	Middlesex	88,415	\$503,981
176	Norfolk	Norfolk	11,594	\$245,656
177	North Andover	Essex	31,615	\$273,452
178	North Attleborough	Bristol	30,943	\$196,664
179	North Brookfield	Worcester	4,724	\$142,897
180	North Reading	Middlesex	16,054	\$311,648
181	Northampton	Hampshire	29,370	\$182,422
182	Northborough	Worcester	15,689	\$289,444
183	Northbridge	Worcester	16,455	\$168,036
184	Northfield	Franklin	2,863	\$241,000
185	Norton	Bristol	19,146	\$204,929
186	Norwell	Plymouth	11,299	\$379,389
187	Norwood	Norfolk	31,230	\$263,990
188	Oak Bluffs	Dukes	5,355	\$1,201,689
189	Oakham	Worcester	1,886	\$179,536
190	Orange	Franklin	7,558	\$115,967
191	Otis	Berkshire	1,619	\$545,243
192	Oxford	Worcester	13,306	\$170,079
193	Palmer	Hampden	12,315	\$114,675
194	Paxton	Worcester	5,016	\$166,995
195	Peabody	Essex	54,056	\$222,205
196	Pepperell	Middlesex	11,710	\$180,573
197	Petersham	Worcester	1,181	\$215,805
198	Phillipston	Worcester	1,724	\$205,657
199	Pittsfield	Berkshire	43,076	\$120,524
200	Plainfield	Hampshire	637	\$198,875
201	Plainville	Norfolk	9,881	\$246,835

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
202	Plympton	Plymouth	2,932	\$268,079
203	Princeton	Worcester	3,508	\$231,882
204	Quincy	Norfolk	101,597	\$239,737
205	Randolph	Norfolk	34,487	\$180,721
206	Raynham	Bristol	15,649	\$215,986
207	Reading	Middlesex	25,428	\$313,923
208	Rehoboth	Bristol	13,313	\$221,288
209	Revere	Suffolk	57,954	\$207,408
210	Richmond	Berkshire	1,401	\$470,486
211	Rochester	Plymouth	5,871	\$270,829
212	Rockland	Plymouth	17,594	\$197,006
213	Rockport	Essex	6,988	\$494,187
214	Rowley	Essex	6,358	\$286,381
215	Russell	Hampden	1,627	\$147,731
216	Rutland	Worcester	9,422	\$164,683
217	Salem	Essex	44,744	\$209,519
218	Salisbury	Essex	9,259	\$294,925
219	Sandisfield	Berkshire	981	\$351,915
220	Sandwich	Barnstable	20,469	\$370,304
221	Saugus	Essex	28,630	\$260,292
222	Savoy	Berkshire	647	\$153,961
223	Scituate	Plymouth	19,297	\$430,873
224	Seekonk	Bristol	15,725	\$225,063
225	Sharon	Norfolk	18,442	\$287,843
226	Sheffield	Berkshire	3,317	\$288,037
227	Shelburne	Franklin	1,878	\$189,409
228	Sherborn	Middlesex	4,409	\$428,335
229	Shirley	Middlesex	6,851	\$158,216
230	Shrewsbury	Worcester	38,889	\$235,454
231	Shutesbury	Franklin	1,721	\$189,098
232	Somerset	Bristol	18,209	\$193,989
233	Somerville	Middlesex	80,407	\$332,880
234	South Hadley	Hampshire	17,992	\$133,421
235	Southampton	Hampshire	6,195	\$182,466

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
236	Southborough	Worcester	10,429	\$364,670
237	Southbridge	Worcester	17,880	\$98,783
238	Southwick	Hampden	9,195	\$171,525
239	Spencer	Worcester	11,920	\$147,388
240	Springfield	Hampden	153,672	\$89,393
241	Sterling	Worcester	8,204	\$224,810
242	Stockbridge	Berkshire	1,994	\$657,374
243	Stoneham	Middlesex	22,854	\$269,393
244	Stoughton	Norfolk	28,962	\$216,959
245	Stow	Middlesex	7,088	\$296,882
246	Sudbury	Middlesex	19,394	\$392,068
247	Sunderland	Franklin	3,636	\$178,457
248	Sutton	Worcester	9,436	\$256,113
249	Swampscott	Essex	15,487	\$320,402
250	Swansea	Bristol	17,375	\$207,353
251	Taunton	Bristol	60,412	\$159,328
252	Templeton	Worcester	8,261	\$140,104
253	Tewksbury	Middlesex	31,243	\$246,488
254	Tisbury	Dukes	4,865	\$1,099,786
255	Topsfield	Essex	6,544	\$321,611
256	Townsend	Middlesex	9,004	\$166,485
257	Truro	Barnstable	2,479	\$1,637,935
258	Tyngsborough	Middlesex	12,475	\$229,936
259	Tyringham	Berkshire	420	\$592,215
260	Upton	Worcester	8,311	\$235,507
261	Uxbridge	Worcester	14,526	\$227,017
262	Wakefield	Middlesex	27,810	\$279,787
263	Wales	Hampden	1,802	\$151,980
264	Walpole	Norfolk	25,964	\$284,704
265	Waltham	Middlesex	64,477	\$316,593
266	Ware	Hampshire	10,067	\$113,078
267	Wareham	Plymouth	23,198	\$256,620
268	Warren	Worcester	5,000	\$123,127
269	Watertown	Middlesex	35,256	\$372,794

#	Municipality	County	Population (2023)	EQV per Capita (Fiscal Year 2026)
270	Wayland	Middlesex	13,752	\$419,066
271	Webster	Worcester	17,593	\$155,601
272	Wellesley	Norfolk	30,733	\$586,124
273	Wellfleet	Barnstable	3,627	\$1,176,938
274	Wendell	Franklin	921	\$148,832
275	Wenham	Essex	4,957	\$279,874
276	West Boylston	Worcester	7,790	\$201,904
277	West Bridgewater	Plymouth	7,681	\$234,703
278	West Brookfield	Worcester	3,844	\$168,533
279	West Newbury	Essex	4,598	\$336,921
280	West Springfield	Hampden	28,424	\$140,007
281	West Stockbridge	Berkshire	1,325	\$495,246
282	West Tisbury	Dukes	3,586	\$1,380,377
283	Westborough	Worcester	22,012	\$290,887
284	Westfield	Hampden	40,509	\$124,243
285	Westford	Middlesex	24,543	\$291,343
286	Westminster	Worcester	8,377	\$209,581
287	Weston	Middlesex	11,645	\$767,431
288	Westport	Bristol	16,461	\$316,754
289	Westwood	Norfolk	16,244	\$448,374
290	Weymouth	Norfolk	59,114	\$226,922
291	Whately	Franklin	1,625	\$231,456
292	Whitman	Plymouth	15,316	\$175,390
293	Wilbraham	Hampden	14,518	\$176,800
294	Williamsburg	Hampshire	2,469	\$173,171
295	Wilmington	Middlesex	23,148	\$326,871
296	Winchendon	Worcester	10,441	\$122,042
297	Winchester	Middlesex	22,837	\$509,454
298	Windsor	Berkshire	815	\$209,288
299	Winthrop	Suffolk	18,319	\$211,444
300	Woburn	Middlesex	41,647	\$298,866
301	Worthington	Hampshire	1,179	\$232,005
302	Wrentham	Norfolk	12,543	\$280,149

APPENDIX C: QUALITATIVE ANALYSIS

C.1 Stakeholder Research Design

The administrative data describes the shape of the licensing system. It does not show what obtaining a license costs in time or money, why an application or a petition failed, or what a prospective licensee could find out before starting. The stakeholder research exists to answer those questions and test whether the patterns in the data correspond to what people inside the system experience.

Three groups were approached because each sees a different part of the system. Municipal officials administer local licensing and file home rule petitions; they can describe the process from the inside and report what their municipality has tried. Business owners apply for, buy, and hold licenses; they are the only source for what a license actually costs and how long it takes. State officials administer the statewide framework. Where the two principal groups disagree, the disagreement is itself evidence, and this report reports them separately rather than pooling them for that reason.

Survey and interview evidence is used to document that experiences occur, to describe their character, and to corroborate patterns the quantitative analysis identifies independently. It is not used to estimate how common anything is.

C.2 Survey Methodology and Respondents

The target population was municipal licensing officials in all 351 municipalities, on-premises license holders and applicants, and state officials with licensing responsibilities. The survey was distributed through municipal and industry channels between December 2025 and February 2026 rather than to a drawn sample, so respondents self-selected into it. Because distribution was by open channel, the number of people who received the invitation is not recorded, and no response rate can be computed.

The instrument combined structured items—yes/no questions and one-to-five rating scales—with open-ended questions inviting respondents to describe their experience in their own words. Rating batteries covered seven potential barriers to obtaining a license (cost, availability, competition, time to obtain, process complexity, location restrictions, and regulatory compliance), five dimensions of the § 12D conversion process, and six factors bearing on license decisions. Open-ended prompts covered cost, fairness and equity, home rule petition experience, ABCC oversight, administrative delay, information availability, and recommendations. The instrument is summarized in [Appendix D](#).

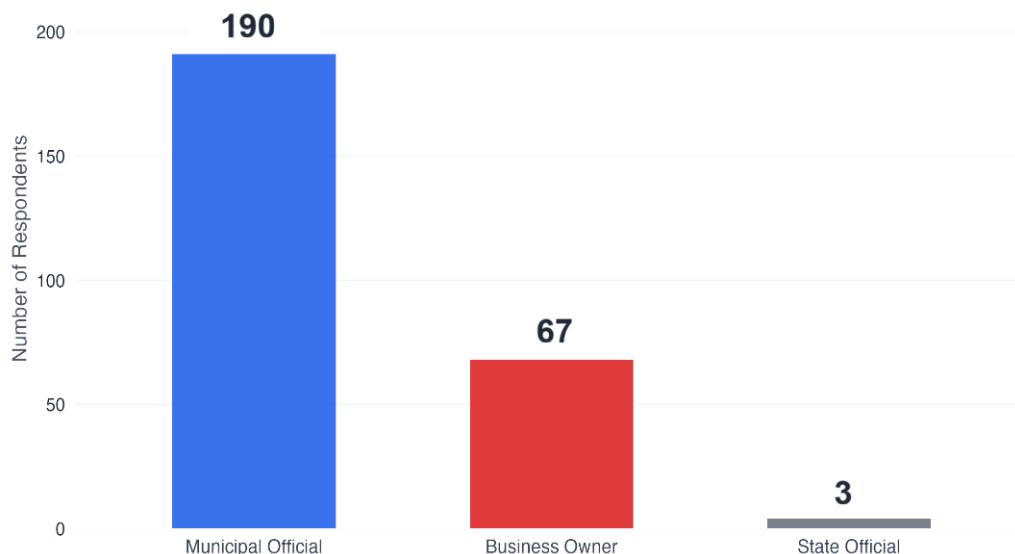
The survey received 260 responses: 190 from municipal officials, 67 from business owners, and 3 from state officials. Among the municipal officials, 160 represent quota-bound non-Gateway municipalities, 13 represent Gateway Cities, and 17 represent local-control municipalities. The municipal officials survey sample covered 43% of the Commonwealth's 351 municipalities.

Responses were exported to a single database and cleaned before analysis. Municipality names were standardized and matched to the classification used in [Appendix B](#) so that a respondent's answers could be read against their municipality's licensing status. Open-ended responses were coded to 12 themes by keyword search, followed by a manual review of every matched response; frequencies are counts of respondents whose text matched a theme, not counts of mentions, so a respondent who raised a theme repeatedly is counted once. Coding was performed by a single analyst, with manual review of every matched response, with extensive peer review. Rating items are reported as means and distributions. No scale scores were constructed, and no inferential testing was performed on survey items.

C.3 Survey Results

The results in Figure 34 are organized by theme and correspond to the findings they support. Percentages are of respondents in the group named, and the group is stated in every case because the two principal groups differ sharply on several items.

Figure 34. Who Responded: 260 Respondents by Role



Thematic Findings

The Cap System and Resale Market

Of the six themes that ran through the survey, this one came up most often. It is also the theme around which the most reform energy concentrates. This section sets out what the cap is, what respondents reported about its consequences, and how the resale market that has grown up around it functions in practice.

Under MGL Chapter 138, each municipality receives a fixed number of on-premises liquor licenses based on its population. Once a municipality has issued all of its allotted licenses, no new licenses are available. A restaurant that wants to open in a municipality with no licenses available cannot simply apply; it must buy a license from an existing holder on the private market or persuade the state Legislature to pass a special bill creating one more. The quantitative analysis confirms that 64 quota-bound municipalities have used 80% or more of their allotted licenses. In these communities, the only path to a license is money or the political resources required to pursue a special bill at the State House.

The survey asked respondents to rate barriers, describe their experiences, and explain their views in their own words. One topic surfaced more often than any other, by a wide margin: the state-imposed cap on on-premises liquor licenses. Out of 260 respondents, 96 (37%) raised supply constraints or the quota system in their open-ended responses. Among municipal officials, 76% confirmed that their municipality’s licenses are subject to quota limits; 13% were unsure—a notable gap in regulatory awareness among the people who administer the system.

Figure 35. What Respondents Talked About Most in Open-Ended Commentary



What respondents said about the quota system depended almost entirely on where they sat. Officials in unconstrained municipalities described a system that works: Applicants pay the fee, file paperwork, and get a license. Officials in constrained municipalities described something fundamentally different:

businesses that could not open, restaurants that left for neighboring towns, and storefronts that stayed vacant because no license was available. Several noted that the population-based formula does not account for tourism, commercial density, or economic need. A coastal tourist town is held to the same per-capita cap as a bedroom community. Business owners focused on the cost of buying a license on the private market, the concentration of licenses among a small number of holders, and the competitive disadvantage of operating without a full liquor license while waiting months or years for one to become available. The quotes that follow this section illustrate each of these experiences.

The scarcity created by the quota has produced a private market for licenses. Business owners who acquired their licenses through the resale market reported what they paid. The prices ranged from \$2,500 in Cambridge (a local-control municipality) to \$600,000 in Boston. Respondents reported paying \$400,000 in Boston's North End, \$175,000 in Somerville, \$100,000 in Beverly, and \$50,000 in Agawam. In a municipality at quota, the cost of entering the market can exceed the startup cost of the business itself.

Sixty-one business owners reported how they acquired their licenses, and some reported using more than one pathway: 19 business owners (31%) acquired a license through a secondary-market transfer, purchasing an existing license from another holder; 9 (15%) went through the home rule petition process; and 35 (57%) obtained a license through a new application alone, a route that is unavailable in municipalities that have exhausted their quota. Taken together, these numbers suggest that the resale market has become the de facto allocation mechanism for licenses in capped municipalities, the way new operators get in. The consequences of this dynamic are inflated costs, barriers to new businesses, the reliance on home rule petitions, and the concentration of licenses among a small number of holders.

The barrier ratings in the survey reinforce this. When business owners rated seven factors as potential barriers to obtaining a license on a 1 to 5 scale, the secondary-market purchase price drew the strongest response: 24% of business

owners rated it a 5 (strongly agree), the highest of any factor, with the highest mean of 3.37 out of 5. A general “other costs” option (3.36), the length of ABCC processing (3.33), and application and processing fees (3.27) followed. These ratings could understate the problem, because business owners who could not afford a license never entered the survey pool; they could also overstate it if owners with especially difficult experiences were more inclined to respond. With respondents self-selecting into the survey, the direction of any bias cannot be determined. The ratings, in short, point back to the same downstream consequence: When the state caps the number of licenses, the only way to get one in a fully allocated municipality is to buy it on the private market.

Cost and Fairness

If the cap is the most frequently cited grievance, the cost-and-fairness numbers are where the survey reveals the deepest split between the two groups closest to the system. This section sets out where the gap is widest and what the open-ended answers suggest is driving it.

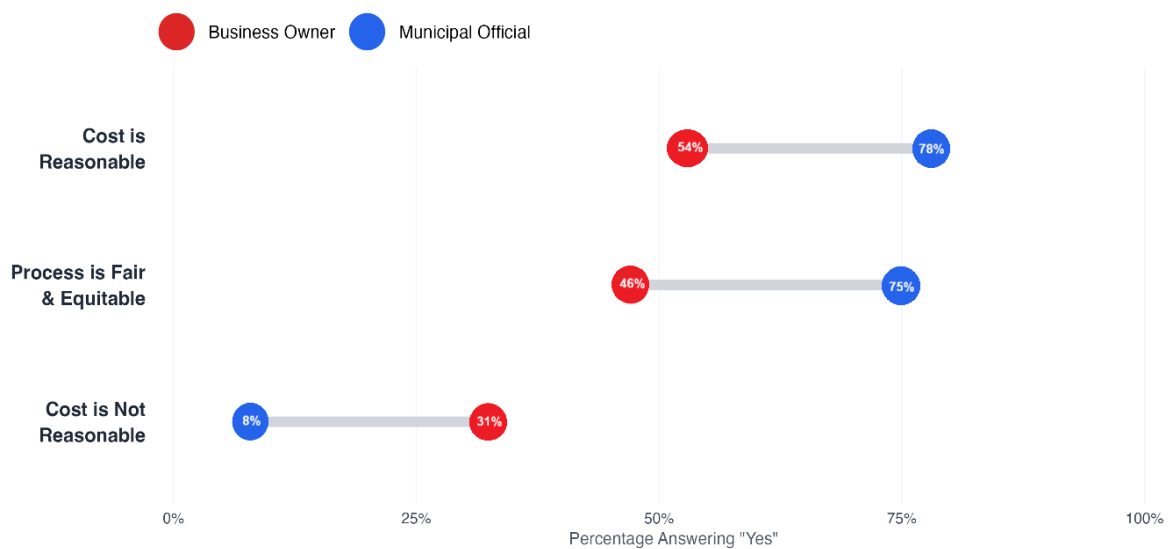
The quota system’s cost consequences do not land equally on the people inside it. The survey asked both municipal officials (n = 190) and business owners (n = 67) the same core questions about cost and fairness. On cost, 78% of municipal officials said the cost of acquiring a license is reasonable; only 54% of business owners agreed (36 of 67), a 24-point gap. Twenty-one business owners (31%) said cost is not reasonable, versus 15 officials (8%). On whether the process is fair and equitable, 75% of officials said “Yes,” compared to just 46% of business owners, a 29-point gap. Seventeen business owners (25%) said it is not fair. These were the widest and most consistent gaps in the entire survey.

The open-ended responses provide a clear answer as to why two groups within the same system would see it so differently. Municipal officials are evaluating the part of the system they run: the application form, the public hearing, and the municipal fee (typically a few hundred dollars). Business owners are evaluating the part they experience: the private-market price of a license (potentially \$500,000 or more),

the legal fees, the months of waiting, and the competitive consequences of not being able to serve alcohol while a rival can. Both groups are describing the same system accurately, but they are describing different parts of it.

The three state officials who responded reinforced these concerns: Two of the three said the process is not fair, and they identified stakeholder opposition, legislative opposition, and lack of public awareness as barriers to reform.

Figure 36. The Perception Gap: Municipal Officials vs. Business Owners on Cost and Fairness



Local and State Processes

The survey asked respondents to evaluate licensing at two distinct altitudes. The local process, which a municipal clerk or licensing board administers, is one thing. The state process, which sits above that and includes ABCC and the home rule petition route, is another. Respondents drew a sharp line between them.

The survey asked municipal officials to rate the efficiency of their local licensing process on a one-to-five scale. The results were strongly positive. Over 80% of municipal officials rate the local licensing process as efficient or very efficient. Only 6% (11 officials) rated it inefficient or very inefficient. On processing time, 45% (86 officials) reported completing applications in one to two months, and

19% (36 officials) in less than one month. These are strong marks for the local piece of the system.

The other piece, the statewide framework that sits above local administration, is where business owners expressed the greatest frustration. Municipal officials most often traced delays to omissions or errors in the applications themselves (106 responses). Among the stages the state and the local authority control, review by ABCC led at 88 responses, followed by scheduling hearings (45) and publishing notice (33); litigation and appeals were rarely cited. The home rule petition process drew the sharpest criticism. (Under that process, a municipality must go through the state Legislature to obtain even a single additional license.) When asked whether that process is fair, 49% (94 officials) answered “Not sure,” 22% (41 officials) said “No,” and only 29% (55 officials) said “Yes.” Of all the officials who responded, 34% report their municipality has engaged with the Legislature on a home rule petition; 30% were unsure.

Business owners confirm this disconnect from the other side. When asked whether they experienced administrative roadblocks that caused delays, 33% (22 of 67) said “Yes”; 6 did not answer the question. Their explanations describe ABCC investigators who failed to process applications, zoning boards that reversed their own decisions, town administrators who did not know how to file paperwork, and month-long waits with no explanation.

Figure 37. Where Delays Occur in the Licensing Process

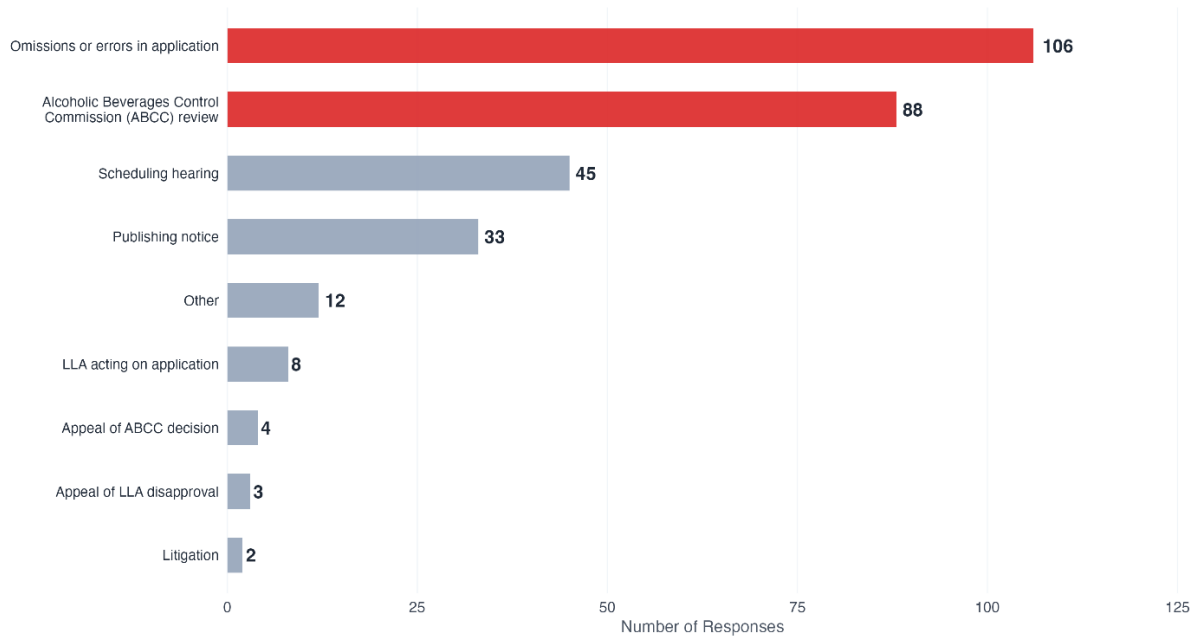


Figure 38. “Does This Factor Pose a Barrier to Obtaining a License?”

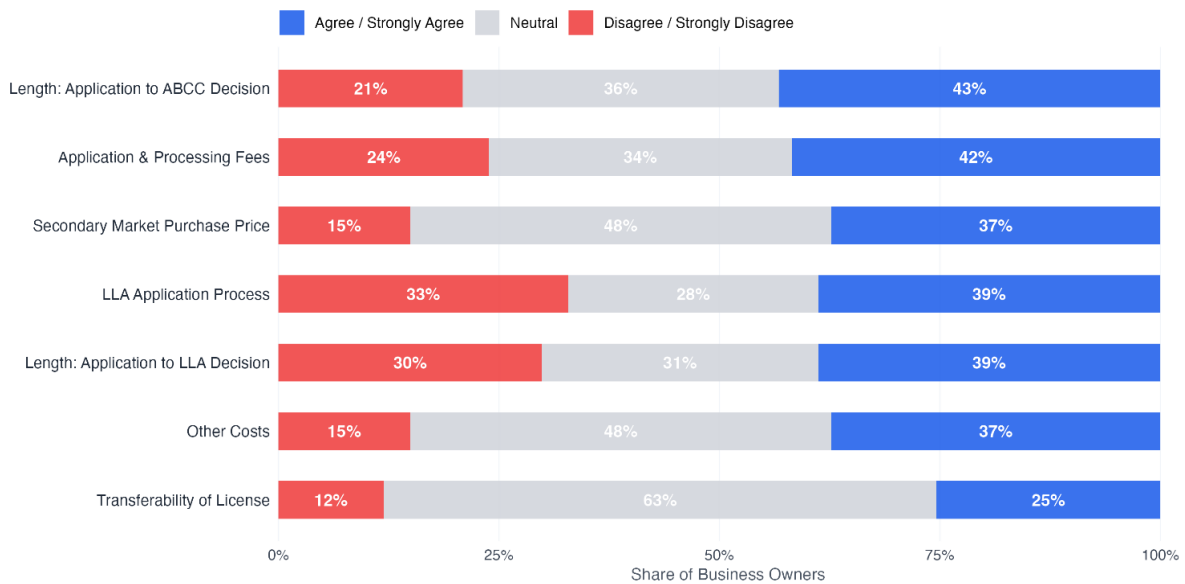
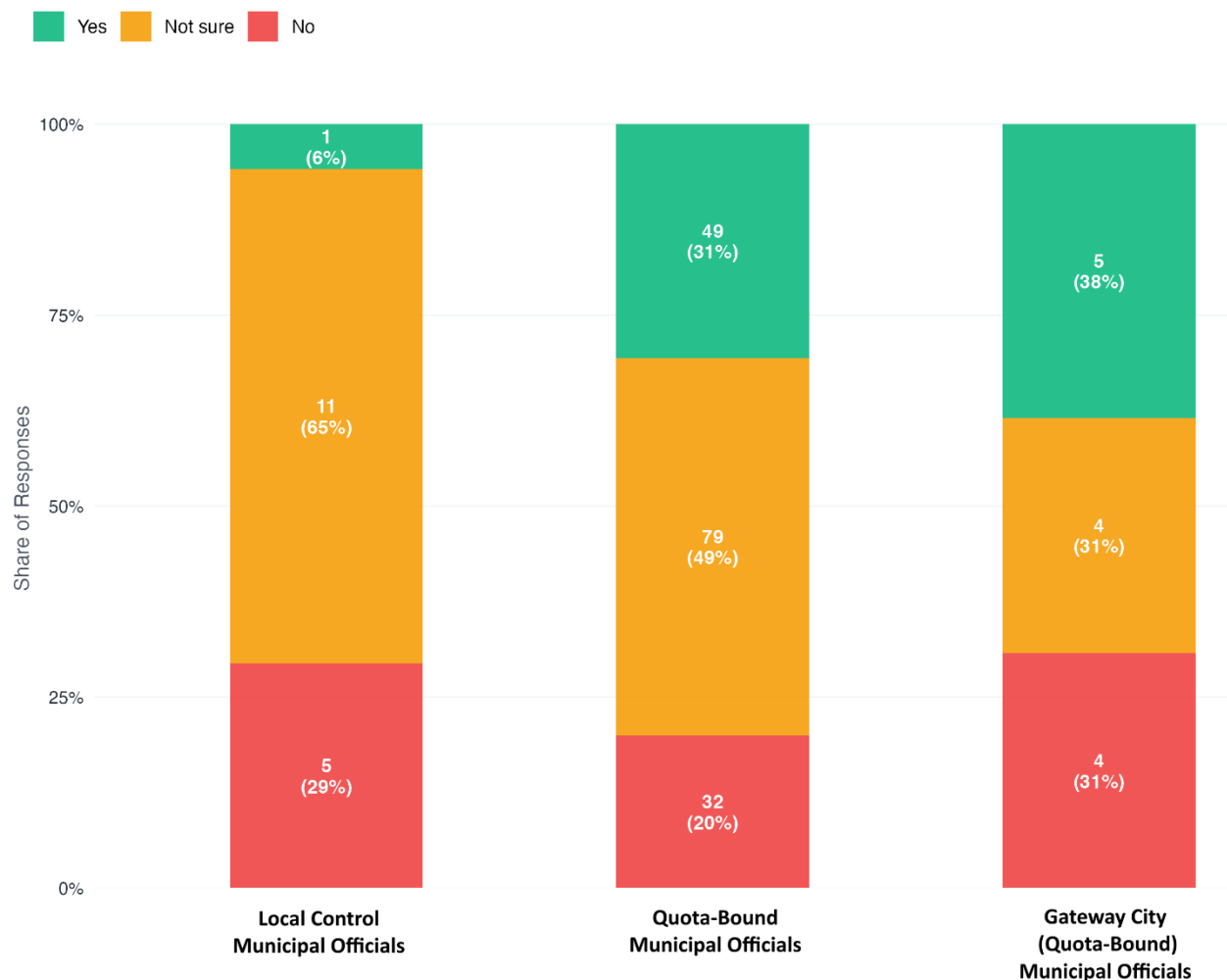


Figure 39. Is the Home Rule Petition Process Fair? Municipal Officials Weigh In



Broad Support for Local Control

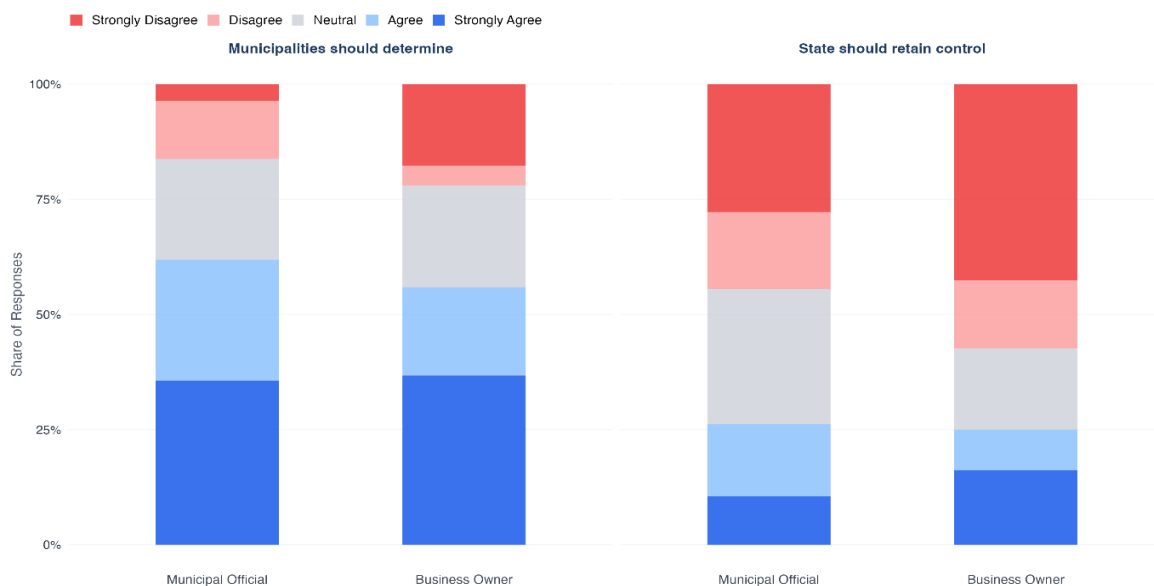
Across the structured ratings and the open-ended answers, one direction kept emerging: Respondents wanted licensing decisions made closer to the communities that live with their consequences. This section sets out how strongly the two main groups expressed that preference.

The survey asked respondents whether the state should continue to control the number of licenses in each municipality. The results point clearly toward local authority. Among municipal officials, 45% (85 of 190 officials) disagreed or strongly disagreed that the state should retain control; only 26% (50 officials) agreed. When

asked the inverse, whether municipalities should control their own license numbers, 62% (118 officials) agreed or strongly agreed, and only 16% (31 officials) disagreed.

Business owners felt even more strongly: 43% strongly disagreed that the state should retain control, double the 21% share among officials. In the open-ended responses, 32 respondents wrote explicitly that municipalities should decide for themselves how many licenses to issue, and several described the current framework as an outdated relic of the Prohibition era. The most forceful statements came from officials in quota-bound municipalities, who said the cap prevents them from carrying out their own economic development plans.

Figure 40. Should the State Control the Number of Licenses? Both Groups Lean Toward Local Authority

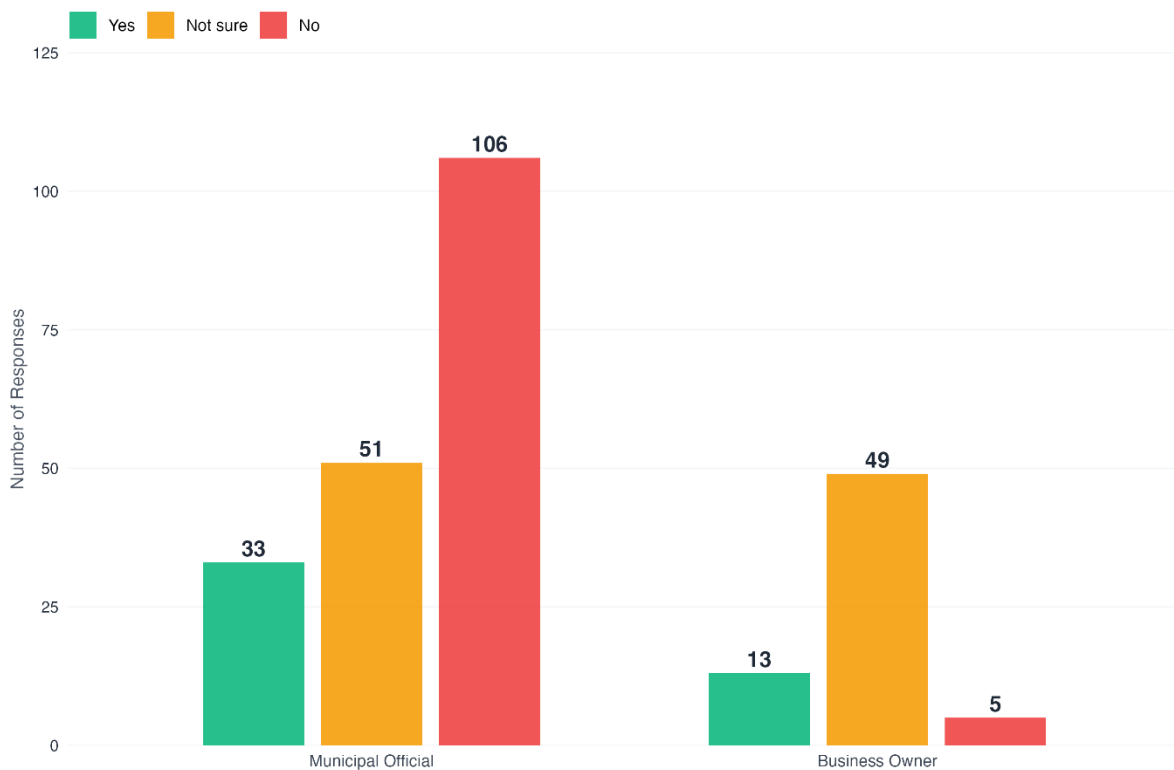


Section 12D

Section 12D of MGL Chapter 138 allows a municipality to let existing Wine-and-Malt license holders convert to All-Alcohol licenses, a way to expand access without touching the quota. But most respondents had never heard of it. Of 67 business owners, 73% (49) were unsure whether any municipality where they hold a license

had adopted it; only 13 said “Yes,” and 5 said “No.” Among those 13, only 2 reported having applied to convert a license. Among municipal officials (n = 190), 56% (106) said their municipality had not adopted it, 27% (51) were unsure, and only 17% (33 officials, from 25 municipalities) said “Yes.” Of the 148 municipalities that answered the follow-up question on future adoption, 81 said their municipality is not currently considering § 12D, 42 did not know, 14 said “Yes” without a timeline, and 11 said “Yes” within 12 months. Of the 8 officials who reported that their LLA had set a specific conversion fee, 5 reported a fee of zero, which suggests that financial barriers are minimal where the statute is actually used. The statute appears underutilized as of this moment. That may reflect a lack of interest, a lack of awareness, or both.

Figure 41. Section 12D Awareness: Most Respondents Are Unsure Whether It Applies to Them

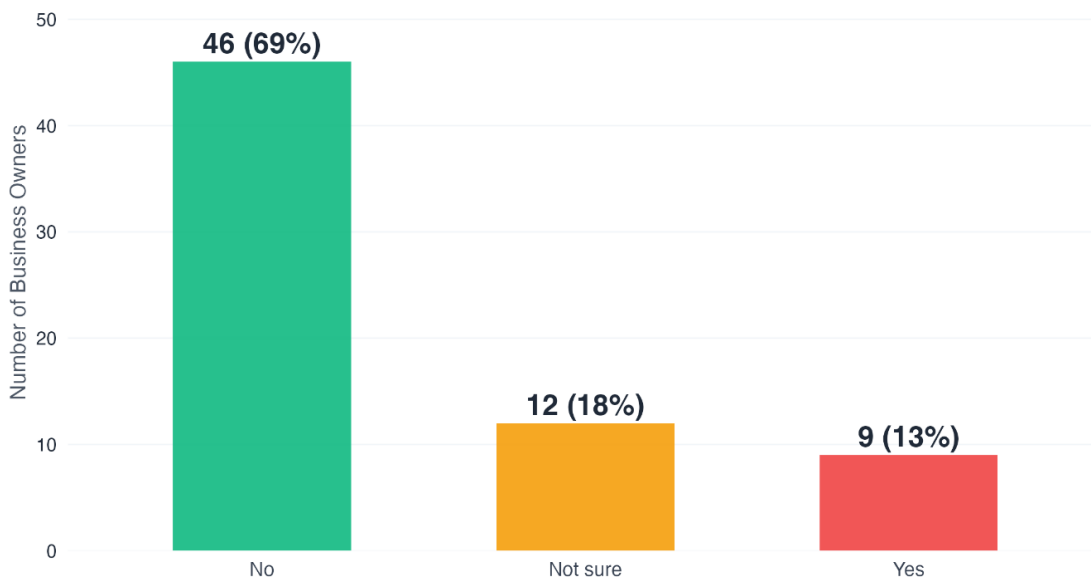


License Expansion Is Not Seen as a Public Safety Risk

One of the longest-standing arguments against expanding the number of liquor licenses is public safety. The survey asked the people closest to the system whether that concern is warranted, and the response was clear.

The survey asked business owners whether increasing the number of on-premises licenses would create a public safety concern. 69% (46 of 67 business owners) said “No,” 13% (9 business owners) said “Yes,” and 18% (12 business owners) were not sure. When asked separately whether their municipality provides responsible oversight, 82% (55 of 67 business owners) said “Yes.” Municipal officials were not asked the safety question directly, but when asked to rate public safety as a factor in their § 12D decisions on a 1 to 5 scale, 66% of municipal officials (125 of 190) chose the neutral midpoint, suggesting that most officials do not view license expansion as a significant safety issue either. Several respondents made the case that more licenses could actually improve safety by filling vacant storefronts and creating competitive pressure on bad actors.

Figure 42. Business Owners on “Would More Licenses Create a Safety Concern?”



C.4 Interview Methodology

Interviews were conducted in 2026. Interview participants were identified in two ways: from survey respondents who indicated willingness to speak further and from a purposive recruitment list built to cover the range of positions in the system. The recruitment list named 29 participants across nine priority tiers: two state legislators, 11 license holders, and 16 municipal officials, including town managers, mayors, councilors, licensing officials, and economic development staff members. Participants were selected to span constrained and unconstrained municipalities, quota and local-control statuses, and both successful and unsuccessful applicants.

Interviews were semi-structured and followed a common written protocol covering six topics: how the participant experiences the current quota and, where applicable, the local-control alternative; the process of obtaining or transferring a license, including cost and elapsed time; the experience of the home rule petition pathway; what information was available and where it was found; the effect of licensing on business formation or municipal development; and what the participant would change. Interviewers followed the protocol but were free to pursue matters a participant raised. The protocol is reproduced in [Appendix D](#).

Responses were recorded in contemporaneous notes and, where available, transcripts. Quotations reproduced in the report were checked against the source record before publication. Where a participant describes a third party's reasoning—for example, what a legislative committee told them—the report attributes the account to the participant.

Interview material was analyzed thematically against the same theme framework used for the open-ended survey responses, so that the two streams could be read together. The theme map was built retrospectively from the interview record rather than coded prospectively and is illustrative rather than a measured distribution.

C.5 Interview Findings and Thematic Analysis

Six themes recur across the interviews and the open-ended survey responses. For each, the account below states who expressed it, what the underlying evidence is, and how it relates to the quantitative or legal findings.

Supply constraint is experienced very differently depending on where a respondent sits. This was the most frequently coded theme, appearing in 96 open-ended responses. Officials in unconstrained municipalities described a system that works: An applicant pays the fee, files the paperwork, and receives a license. Officials in constrained municipalities described businesses that could not open and restaurants that became licensed in neighboring towns. Both accounts are accurate about the municipality making them, and the split corresponds directly to the utilization distribution in [Finding 1](#). This is the clearest instance in the study of qualitative and quantitative evidence describing the same structure from different positions.

Cost is the point of sharpest disagreement between the two groups. Cost was coded in 48 responses, and the two groups are evaluating different things. Municipal officials assess the part of the system they administer: the application, the hearing, and a municipal fee, typically in the hundreds of dollars. Business owners assess the part they encounter, which in a constrained municipality is a secondary-market price. The disagreement is not a contradiction; it is evidence that the cost of a license is invisible to the officials who issue it. Business owners rated cost the highest of the seven barriers.

The home rule pathway is described as opaque rather than hostile. Coded in 63 responses and pursued in most municipal interviews. Participants did not generally report that petitions are denied. They reported that they cannot tell in advance what will succeed, that outcomes turn on committee preference and legislative relationships, and that no written criteria exist. Municipal officials and the legislator who were interviewed agreed on the mechanics and differed on whether the discretion is appropriate. This theme supplies the mechanism that the special legislation analysis in [Finding 4](#) can only describe from the outside.

ABCC oversight draws process complaints rather than substantive ones. Coded in 66 responses. Respondents were largely positive about ABCC staff members, and about the move to digital licensing, and negative about visibility: They cannot see where an application stands, who is handling it, or what remains outstanding. Business owners reported more frustration with the statewide framework than with local administration, while municipal officials rated their own local process highly. This asymmetry is the evidentiary basis for [Recommendation 4](#).

The secondary market is understood as a consequence of scarcity, not as a market failure. Coded in 25 responses and central to the business-owner interviews, license holders in constrained municipalities described licenses as tradeable assets and, in one case, as “commodities trading.” License holders in local-control municipalities described acquisition costs at or near routine fees. Fourteen reported transactions substantiate the pattern; their distribution is set out in [Finding 4](#).

Support for local decision-making is broad and crosses both groups. Coded in 32 responses, with a further 28 coded as regarding the current process as adequate, both groups leaned toward local authority over license numbers, business owners more strongly than officials. The minority position—that state control protects existing investment and guards against oversupply—was expressed clearly enough by municipal officials to be reported as a disagreement rather than a fringe view.

Two areas of genuine disagreement should be recorded. Municipal officials and business owners disagree about whether the process is fair, and the disagreement tracks their position in it rather than their municipality. And respondents disagree about public safety: Most business owners and most municipal officials did not regard additional licenses as a safety concern, but a minority of officials argued that unrestricted licensing would produce outlet density with attendant risks. The report records both.

C.6 Survey and Interview Limitations

1. **Self-selection.** Respondents chose to participate. Those with strong views about licensing are likely over-represented, in both directions.

2. **Composition.** Municipal officials outnumber business owners nearly three to one, so any figure pooled across all respondents would be weighted toward the administrators of the system rather than its applicants. This report reports the groups separately for that reason. Three state officials are too few to characterize that group, and their responses are quoted rather than counted.
3. **Truncation at the point of entry.** Business owners who could not afford a license, or could not obtain one, are largely absent from the pool. Barrier ratings should therefore be read as a floor.
4. **No response rate.** Distribution was by open channel, and the invited population was not recorded, so participation cannot be expressed as a rate, and non-response bias cannot be assessed.
5. Coding and theme mapping methods, and their limits, are described in [C.2](#) and [C.4](#).
6. **Self-reported figures.** Transfer prices, fees, and processing times are as reported by respondents. No public record of transfer prices exists against which they could be verified.
7. **Non-representativeness.** Neither the survey nor the interview set is a probability sample of any population, and no result from either is presented as representative of all municipalities or all license holders.

APPENDIX D: RESEARCH INSTRUMENTS

This appendix summarizes the instruments used in the stakeholder research so that a reader can see exactly what respondents were asked.

D.1 Stakeholder Survey Instrument

The following inventory reconstructs the question set from the response database.

Rating Batteries (Five-Point Scales)

1. Barriers to obtaining a license: cost of license; availability of licenses; competition; time to obtain; process complexity; location restrictions; regulatory compliance; other
2. Section 12D conversion: cost of conversion; availability of conversion; time to convert; process complexity; restrictions on the converted license; other
3. Factors bearing on license decisions: public safety; license market value; community need; economic development; zoning and planning; political considerations; other

Structured Items

4. Municipal officials: role; municipality; whether subject to quota; whether cost is reasonable; whether the process is fair and equitable; processing time; sources of delay; efficiency rating of the local process; whether the state should control license numbers; home rule petition engagement and detail; whether the home rule process is fair; § 12D acceptance, fee adoption, fee amount, and future consideration; availability of licensing information online and municipal website; willingness to be contacted for follow-up
5. Business owners: title and role; licenses held by type and number; acquisition pathway (new application, transfer, or home rule) with municipality, count, and cost for each; whether administrative roadblocks caused delay; § 12D awareness, application, and likelihood; views on ABCC oversight; whether additional licenses would create a public-safety concern

Open-Ended Prompts

6. Cost; fairness and equity; state control of license numbers; home rule petition experience and fairness; ABCC oversight; effect of additional licenses; administrative roadblocks; availability of licensing information; data the Commonwealth should collect; barriers to an inclusive marketplace; recommendations; additional comments

D.2 Interview Protocol

Interviews were semi-structured. The duration of each interview was 30–60 minutes and took place via Teams/phone call. The primary interviewer focused on conversing with the interviewee, while the secondary interviewer took detailed notes with explicit permission from the interviewee at the beginning of the interview. Interviewers followed the below protocol, but pursued matters that a participant raised.

1. How the participant experiences the current quota and, where applicable, the local-control alternative
2. The process of obtaining or transferring a license, including cost and elapsed time
3. Experience of the home rule petition pathway, including what was required locally and at the State House
4. What information was available about licensing, where it was found, and what could not be determined
5. The effect of licensing on business formation, municipal development, or both
6. What the participant would change about the system

Any quotes used in this report from the interviews, and the context surrounding them, were sent to the interviewee for explicit permission prior to publishing.

APPENDIX E: RELEVANT LAWS AND

MGL c. 138, § 12—Licenses authorizing the sale of alcoholic beverages to be drunk on the premises (on-premises licenses)

Section 12. A common victualler duly licensed under chapter one hundred and forty to conduct a restaurant, an innholder duly licensed under said chapter to conduct a hotel, a pub brewer, a continuing care retirement community and a keeper of a tavern as defined by this chapter, in any city or town wherein the granting of licenses under this section to sell all alcoholic beverages or only wines and malt beverages, as the case may be, is authorized by this chapter . . . may be licensed by the local licensing authorities, subject to the prior approval of the commission, to sell to travelers, strangers and other patrons and customers not under twenty-one years of age, such beverages to be served and drunk [on the premises]. . . .

[War veterans' organizations.] The local licensing authorities . . . may, subject to the approval of the commission and irrespective of any limitation of number of licenses contained in section seventeen, issue a license to any corporation the members of which are war veterans . . . to sell such beverages to the members of such post only. . . .

Different licenses issued as aforesaid for any portion of the same license year to the same licensee shall count as one license for the purposes of section seventeen. . . .

[General on-premise license.] In any city or town wherein the granting of licenses under this section to sell alcoholic beverages or wines and malt beverages is authorized, a person may be granted a general on-premise license by the local licensing authorities, subject to the prior approval of the commission, authorizing him to sell alcoholic beverages without food to patrons and customers subject to all other relevant provisions of this chapter.

MGL c. 138, § 17—Number of licenses; quotas

Section 17. Except as otherwise provided in this chapter, the number of licenses issued in any city or town under sections twelve and fifteen and in force and effect at any one time during any license year shall be limited as hereinafter provided:

The local licensing authorities of any city or town, except the city of Boston, may grant one license under the provisions of section twelve for each population unit of one thousand or additional fraction thereof, and, in addition, one such license for each population unit of ten thousand or fraction thereof, over the first twenty-five thousand, but may, regardless of population, grant at least fourteen licenses under said section twelve; and the local licensing authorities may also grant one license under the provisions of section fifteen for each population unit of five thousand

or additional fraction thereof, but may, regardless of population, grant at least two licenses under said section fifteen.

In addition to the number of licenses otherwise authorized . . . [a city or town that has voted to grant all-alcohol licenses] may grant not more than one license for the sale of wines or malt beverages only, or both under section twelve, for each population unit of five thousand or fraction thereof; provided, that in any such city or town, said authorities may grant at least five additional licenses . . . irrespective of its population. . . .

[Boston operates under a separate statutory quota.] The licensing board for the city of Boston may grant 677 licenses for the sale of all alcoholic beverages under section 12. . . .

Notwithstanding the provisions hereof, no quota established hereunder for any city or town shall be decreased because of any loss in population.

The population of any city or town for the purposes of this section shall be that enumerated in the most recent federal census.

Session laws applicable to 26 local-control municipalities

The Acts of 1978

Chap. 377. AN ACT FURTHER REGULATING THE GRANTING OF SEASONAL LICENSES FOR THE SALE OF ALCOHOLIC BEVERAGES TO BE DRUNK ON THE PREMISES.

Whereas, The deferred operation of this act would tend to defeat its purpose which is to provide forthwith for the more equitable distribution of certain alcoholic beverage licenses in resort areas of the commonwealth, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience.

Be it enacted, etc., as follows: . . .

SECTION 2. Said chapter 138 is hereby further amended by adding after said section 17, the following section: -

Section 17A. The local licensing authority of a city or town which granted seasonal licenses under section twelve prior to January the first, nineteen hundred and seventy-eight, and which accepts this section by majority vote of a town meeting if a town, or by majority of the city council if a city, is hereby authorized to grant, in addition to, and irrespective of any limitation of number of licenses contained in section seventeen, but subject to all other provisions of this chapter, additional licenses under section twelve.

The Acts of 1985

Chap. 491. AN ACT RELATIVE TO THE ISSUANCE OF ALCOHOLIC BEVERAGE LICENSES BY CERTAIN LOCAL LICENSING AUTHORITIES.

Be it enacted, etc., as follows: . . .

SECTION 2. Chapter 138 of the General Laws is hereby amended by striking out section 17A, inserted by section 2 of chapter 377 of the acts of 1978, and inserting in place thereof the following two sections:-

Section 17A, In any city or town which accepts the provisions of this section, a local licensing authority which granted seasonal all alcoholic beverage or wine and malt beverage licenses as set forth in section twelve, on or before June thirtieth, nineteen hundred and eighty-four, is hereby authorized to grant, in addition to, the number of licenses which may be issued pursuant to section seventeen, but subject to all other provisions of this chapter, additional all alcoholic beverage licenses at a rate of one such all alcoholic beverage license per year; provided, however, that said additional licenses shall be granted only to holders of said seasonal licenses; provided, further, that the holder of said seasonal license surrenders such license; and provided, further, that the total number of seasonal licenses that the local licensing authority may issue pursuant to said section seventeen shall be reduced by one for each new license issued.

Section 17B. In any city or town which accepts the provisions of this section, a local licensing authority which granted seasonal all alcoholic beverage or wine and malt beverage licenses as set forth in section fifteen, on or before June thirtieth, nineteen hundred and eighty-four, is hereby authorized to grant, in addition to, the number of licenses which may be issued pursuant to section seventeen, but subject to all other provisions of this chapter, additional all alcoholic beverage licenses at a rate of one such all alcoholic beverage license per year; provided, however, that said additional licenses shall be granted only to holders of said seasonal licenses; provided, further, that the holder of said seasonal license surrenders such license; and provided, further, that the total number of seasonal licenses that the local licensing authority may issue pursuant to said section seventeen shall be reduced by one for each new license issued.

SECTION 3. Said chapter 138 is hereby amended by adding the following section:

Section 17C. Any city or town, which has accepted the provisions of section seventeen A of chapter one hundred and thirty-eight of the General Laws, as appearing in section two of chapter three hundred and seventy-seven of the acts of nineteen hundred and seventy-eight, prior to January first, nineteen hundred and eighty-five, is hereby authorized to grant, in addition to and irrespective of any limitations of the number of licenses

contained in section seventeen, additional licenses under section twelve but subject to all other provisions of this chapter.

Excerpts from S.3228 Amendment to An act relative to economic development in the Commonwealth, S.3228, 194th Gen. Ct. (Mass., 2026)

SECTION 221. Section 12 of chapter 138 of the General Laws, as so appearing, is hereby amended by striking out, in lines 119 to 121, inclusive, the words “and irrespective of any limitation of number of licenses contained in section seventeen”.

SECTION 222. Said section 12 of said chapter 138, as so appearing, is hereby further amended by adding the following 3 paragraphs:-

All new licenses issued under this section in response to an application filed on or after January 1, 2027, pursuant to the municipal plan as required by section 17, shall be nontransferable and no licensing authority shall approve the transfer of such license.

If a license issued pursuant to this section is cancelled, revoked or no longer in use by the license holder, the license shall be returned physically, with all of the legal rights, privileges and restrictions pertaining thereto, to the licensing authority.

If a license holder closes or terminates the license holder’s business or sells or transfers the license holder’s business, the license holder shall return the license physically, with all of the legal rights, privileges and restrictions pertaining thereto, to the licensing authority.

SECTION 223. Said chapter 138 is hereby further amended by inserting after section 12D the following new section:

Section 12E. (a) Notwithstanding section 12 or any other general or special law to the contrary, the holder of a restricted airport license as defined in section 17 may, subject to the approval of the Massachusetts Port Authority, sell alcoholic beverages to be drunk on the premises at any time that the airport is open for operations.

(b) Notwithstanding any general or special law to the contrary, the Massachusetts Port Authority may designate 1 or more areas within a passenger terminal, as defined in section 17, in which alcoholic beverages sold by a licensee may be consumed off the licensed premises; provided, however, that the Massachusetts Port Authority shall immediately notify the commission of any area so designated. A licensee operating within the approved area may, subject to the approval of the Massachusetts Port Authority, sell alcoholic beverages for consumption off the licensed premises; provided, however, that alcoholic beverages sold pursuant to this subsection shall not be carried or consumed outside of the designated area.

(c) This section shall not be construed to permit a licensed establishment to sell any type or category of alcohol beyond the type or category of alcohol that the licensed establishment is permitted to sell under the license issued to it by the local licensing authority pursuant to this chapter.

SECTION 224. The first paragraph of section 14 of said chapter 138, as appearing in the 2024 Official Edition, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- Special licenses for the sale of all alcoholic beverages or wine and malt beverages only may be issued, as determined by the municipality, by the local licensing authorities to the responsible manager of any indoor or outdoor activity or enterprise or to the responsible manager of any nonprofit organization conducting any indoor or outdoor activity or enterprise.

SECTION 225. Section 16A of said chapter 138, as so appearing, is hereby amended by striking out, in line 12, the word "so" and inserting in place thereof the following words:- as determined by a municipality to be.

SECTION 226. Said section 16A of said chapter 138, as so appearing, is hereby further amended by striking out, in lines 15 and 16, the words ", to the extent that the same are issuable under section seventeen".

SECTION 227. Said section 16A of said chapter 138, as so appearing, is hereby further amended by striking out, in line 19, the words "for the purposes of section seventeen".

SECTION 228. Section 17 of said chapter 138, as so appearing, is hereby amended by striking out the first 8 paragraphs and inserting in place thereof the following 3 paragraphs:-

A city or town shall determine the number of all alcoholic beverage or wines and malt beverage licenses to be issued by its local licensing authority under sections 12, 14 and 15F, including the number of seasonal licenses; provided, however, that for licenses issued under section 15, cities and towns may grant 1 such license for each population unit of 5,000 or any additional fraction thereof but may, regardless of population, grant at least 2 licenses under said section 15; provided further, that nothing in this section shall limit the city of Boston from granting at least 250 licenses for the sale of all alcoholic beverages under said section 15.

A city or town shall adopt and may amend a plan that is approved by the mayor and city council or select board, which shall determine the process for granting additional licenses; provided, however, that prior to adopting or amending the plan: (i) at least 1 public hearing regarding the plan shall be conducted by the city council, select board or legislative body of the city or town; and (ii) the city or town shall notify the alcoholic beverages control commission of the public hearing.

The mayor and city council or select board of a city or town shall hold a public hearing regarding a license application within 30 days of the date the application is filed.

SECTION 229. Sections 17A to 17C, inclusive, of said chapter 138 are hereby repealed.

SECTION 230. Section 29 of said chapter 138, as appearing in the 2024 Official Edition, is hereby amended by striking out, in lines 22 to 24, inclusive, the words “; but a license issued to a registered pharmacist under said section shall be included in computing the number of licenses that may be granted in any city or town as provided in section seventeen”.

SECTION 231. Said chapter 138 is hereby further amended by inserting after section 33B the following 3 sections:-

Section 33C. In a city or town that accepts this section in the manner provided in section 4 of chapter 4, an establishment holding a license to sell alcohol to be drunk on the premises shall be permitted to sell alcoholic beverages or alcohol at a discounted price, in a manner as approved by the city or town.

Section 33D. In a city or town that accepts this section in the manner provided in section 4 of chapter 4, a common victualler duly licensed under chapter 140 or any person duly licensed under section 12, section 19, section 19C or section 19D to sell all alcoholic beverages or only wines and malt beverages may discount any alcoholic beverages during a specified time period subject to ordinance, by-law, or other limitations of the city and town and; provided, however, that: (i) the prices of alcoholic beverages shall not be changed during the time period during which they are discounted; (ii) alcoholic beverages shall not be discounted between the hours of 10 p.m. and the licensed establishment's closing hour; and (iii) notice of the discount of the alcoholic beverages during the time period specified shall be posted on the licensed premises and on the licensee's publicly available website not less than 3 days prior to the specified time. Authorized persons may advertise events permitted under this statute consistent with local approval.

Section 33E. (a) For the purposes of this section, “licensed establishment” shall mean an establishment holding a license for the sale of alcoholic beverages, whether all alcoholic beverages or wines and malt beverages only, to be drunk on the premises pursuant to this chapter.

(b) In a city or town that accepts this section in the manner provided in section 4 of chapter 4, a local licensing authority may designate areas in that city or town in which alcoholic beverages are permitted to be consumed in public spaces, subject to such restrictions as the city or town may deem appropriate; provided, however, that the local licensing authority shall immediately notify the commission about any areas designated for public consumption of alcoholic beverages after so designating. Alcohol consumed within a designated district shall be limited to alcoholic beverages sold by participating licensed establishments located within the designated district.

(c) A local licensing authority in a city or town may allow a licensed establishment to sell alcoholic beverages for off-premises consumption in districts designated pursuant to this section. Only licensed establishments located within a district designated pursuant to this section may sell alcoholic beverages to be consumed off premises within the district.

(d) This section shall not be construed to permit a licensed establishment to sell any type or category of alcohol beyond the type or category of alcohol that the licensed establishment is permitted to sell under the license issued to it by the local licensing authority pursuant to this chapter.

Representative Joseph D. McKenna, An act returning liquor license control to municipalities, H.437, 194th Gen. Ct. (Mass., 2025)

SECTION 1. Section 12 of chapter 138 of the General Laws, as so appearing, is hereby amended by striking out, in lines 79 to 81, inclusive, the words “, notwithstanding any limitation on the number of licenses the city or town is authorized to grant in section 17,” and inserting in place thereof the following words:- pursuant to the municipal plan as required by section 17.

SECTION 2. Said section 12 of said chapter 138, as so appearing, is hereby further amended by striking out, in lines 107 to 109, inclusive, the words “and irrespective of any limitation of number of licenses contained in section seventeen”.

SECTION 3. The sixth paragraph of said section 12 of said chapter 138, as so appearing, is hereby amended by striking out the second sentence.

SECTION 4. Said section 12 of said chapter 138, as so appearing, is hereby further amended by inserting after the word “antemeridian”, in lines 150 and 155, each time it appears, the following words:- , except in a city or town that is serviced by the Massachusetts Bay Transportation Authority’s late-night service as authorized by chapter 161A if the local governing body of such city or town accepts this provision.

SECTION 5. Said section 12 of said chapter 138, as so appearing, is hereby further amended by adding the following 4 paragraphs:-

All licenses issued under this section pursuant to a new license application that is filed after July 1, 2016 shall be non-transferable and a licensing authority shall not approve the transfer of such license.

If the license granted under this section is cancelled, revoked or no longer in use by the license holder, the license shall be returned physically, with all of the legal rights, privileges and restrictions pertaining thereto to the licensing authority.

If a license holder closes or terminates the license holder's business, or sells or transfers the license holder's business, the license holder shall return the license physically, with all of the legal rights, privileges and restrictions pertaining thereto to the licensing authority. The licensing authority may then in its discretion grant a license to a qualified new applicant at a different location according to the standard for a new license.

A license may be re-issued by the licensing authority at the same location only if an applicant for the license files with the local licensing authority a letter from the department of revenue and any applicable government agency indicating that the license is in good standing with the department and agency and that all applicable taxes, payments, assessments and contributions for unemployment and health insurance have been paid. If a license is granted under this section then cancelled, revoked or no longer in use, and then re-issued to a new applicant at the same location and the prior license holder at that location was reported as delinquent as specified in section 25, the name of the new license applicant shall appear in the place and stead of the former license holder, as of the date of the new license being issued, unless the alcoholic beverages control commission otherwise orders in writing, for good cause, after a hearing with notice to all parties.

SECTION 6. The first paragraph of section 14 of said chapter 138, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- Special licenses for the sale of all alcoholic beverages or wine and malt beverages only, or any of them, may be issued, as determined by the municipality, by the local licensing authorities to the responsible manager of any indoor or outdoor activity or enterprise or to the responsible manager of any nonprofit organization conducting any indoor or outdoor activity or enterprise.

SECTION 7. Section 16A of said chapter 138, as so appearing, is hereby amended by striking out, in line 12, the word "so" and inserting in place thereof the following words:- as determined by a municipality to be.

SECTION 8. Said section 16A of said chapter 138, as so appearing, is hereby further amended by striking out, in lines 15 and 16, the words ", to the extent that the same are issuable under section seventeen".

SECTION 9. Said section 16A of said chapter 138, as so appearing, is hereby further amended by striking out, in line 19, the words "for the purposes of section seventeen".

SECTION 10. Section 17 of said chapter 138, as so appearing, is hereby amended by striking out the introductory paragraph and the first 6 paragraphs and inserting in place thereof the following 3 paragraphs:-

Section 17. A city or town shall determine the number of all alcoholic beverage or wines and malt beverage licenses to be issued by its local licensing authority under sections 12, 14 and 15F, including the number of seasonal licenses; provided, that for licenses issued under section 15,

cities and towns may grant 1 such license for each population unit of 5,000 or any additional fraction thereof but may, regardless of population, grant at least 2 licenses under section 15.

A city or town that seeks to grant additional licenses on or after January 1, 2018 shall adopt a plan that is approved by the mayor, city council or board of selectmen. The plan shall determine the process for granting additional licenses; provided, however, that: (i) at least 1 public hearing regarding the plan shall be conducted by the city council, board of selectmen or governing body of the city or town; and (ii) the city or town shall notify the alcoholic beverages control commission of the public hearing.

The governing body of each city or town shall hold a public hearing regarding a license application within 30 days of the date of the license application.

SECTION 11. Sections 17A to 17C, inclusive, of said chapter 138, as so appearing, are hereby repealed.

SECTION 12. Section 29 of said chapter 138, as so appearing, is hereby amended by striking out, in lines 22 to 24, inclusive, the words “; but a license issued to a registered pharmacist under said section shall be included in computing the number of licenses that may be granted in any city or town as provided in section seventeen”.

SECTION 13. Sections 3, 6, and 10 of chapter 193 of the acts of 2011 are hereby repealed.

SECTION 14. On or after January 1, 2018, the number of licenses then authorized under section 17 of chapter 138 of the General Laws shall continue unless changed by the governing body of a city or town under said section 17 of said chapter 138.

APPENDIX F: RESOURCE/CONTACT LIST

Alcoholic Beverages Control Commission (ABCC)

- Website: <https://www.mass.gov/orgs/alcoholic-beverages-control-commission>
- Phone Number: (617) 727-3040
- Directory: <https://www.mass.gov/info-details/alcoholic-beverages-control-commission-staff-directory-abcc>

The Massachusetts State Legislature (General Court)

- Website: <https://malegislature.gov/>
- Phone Number: (617) 722-2000
- Directory: <https://malegislature.gov/Search/FindMyLegislator>

The Massachusetts Governor's Office

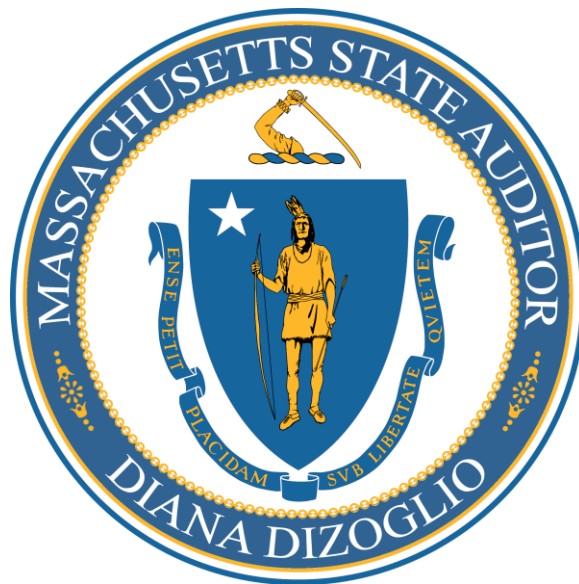
- Website: <https://www.mass.gov/orgs/governor-maura-healey-and-lt-governor-kim-driscoll>
- Phone Number: (617) 725-4005
- Email: constituent.services@state.ma.us

APPENDIX G: ACKNOWLEDGMENTS

**This report was prepared by the
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OFFICE OF THE STATE AUDITOR

DIANA DIZOGLIO



State Auditor Diana DiZoglio serves as the chief accountability officer for Massachusetts state government and its residents.

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