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ADVISORY #2022-13

Subject: Personal Questionnaires and disclosure of principals in license applications

Section 110 of the Alcoholic Beverage Control Law lists the information that must be included with an application to obtain a license. That section also allows the Authority to require additional information or waive the submission of certain categories of information. The Authority is undertaking a review of the application process to eliminate the submission of information that is not critical to the review and determination of the application.

The Authority is modifying the information that must be submitted regarding the principals of the applicant. This advisory explains the information that will now be required for both the original application and any applications made to obtain approve of changes to the principals of the licensed entity. The guidance provided in this advisory will apply to all pending applications as well as applications submitted after the advisory is issued.

Individuals

For an individual applying for a license in their own name, the second page of the application form must list the name, residential address, social security number and date of birth of the individual. The individual must also submit a Personal Questionnaire.

Partnerships

For a partnership applying for a license, the second page of the application form must list the name, residential address, social security number and date of birth of any individual who is a partner. The individual must also submit a Personal Questionnaire.

If one of the partners is another partnership, or a corporation, or limited liability company, the application form must list that partnership, corporation, or limited liability company and the name, residential address, social security number and date of birth of any individual who owns (directly or indirectly) 10% of that partnership, corporation, or limited liability company. Any individual listed must also submit a Personal Questionnaire.

Corporations (For-Profit)

For a corporation applying for a license, the second page of the application form must list the name, residential address, social security number and date of birth of the individuals who hold the following titles (or their equivalent): president; treasurer; secretary; and chief executive officer (if any). Any individual listed must also submit a Personal Questionnaire.

In addition, the form must list the name, residential address, social security number and date of birth of any individual who directly (as a stockholder of the applicant corporation) owns 10% or more of the applicant corporation. Individuals owning less than 10% of the corporation, regardless of the number of individual owners, do not have to be listed. Any individual listed must also submit a Personal Questionnaire.

If one of the stockholders of the applicant corporation is a partnership, or a corporation, or limited liability company, the application form must list that partnership, corporation, or limited liability company and the name, residential address, social security number and date of birth of any individual who, through their ownership of that partnership, corporation, or limited liability company, owns 10% or more of the applicant corporation. Any individual listed must also submit a Personal Questionnaire. Please refer to the "Holding Company" section below for further information on this requirement.

Limited Liability Companies

For a limited liability company applying for a license, the second page of the application form must list the name, residential address, social security number and date of birth of the individuals who are Managing Members of the applicant LLC. Any individual listed must also submit a Personal Questionnaire.

In addition, the form must list the name, residential address, social security number and date of birth of any individual who is a Member of the LLC and owns 10% or more of the applicant corporation. Individual Members owning less than 10% of applicant LLC, regardless of the number of individual Members, do not have to be listed. Any individual listed must also submit a Personal Questionnaire.

If one of the Members of the applicant LLC is a partnership, or a corporation, or limited liability company, the application form must list that partnership, corporation, or limited liability company and the name, residential address, social security number and date of birth of any individual who, through their ownership of that partnership, corporation, or limited liability company, owns 10% or more of the applicant corporation. Any individual listed must also submit a Personal Questionnaire. Please refer to the "Holding Company" section below for further information on this requirement.

Corporations (Non-Profit)

For a non-profit corporation applying for a license, the second page of the application form must list the name, residential address, social security number and date of birth of the individuals who

hold the following titles (or their equivalent): president; treasurer; secretary; and chief executive officer (if any). Any individual listed must also submit a Personal Questionnaire.

If the non-profit is only applying for a club license, the second page of the application form must list the name, residential address, social security number and date of birth of the individual serving as the Alcoholic Beverage Officer. The individual must also submit a Personal Questionnaire.

Trust

For a trust applying for a license, the second page of the application form must list the name, residential address, social security number and date of birth of the individuals who serving as trustees. The individual must also submit a Personal Questionnaire.

Co-Licensee

In some instances, the Authority will require an entity to be included on the license as a “co-licensee.” Examples of co-licensees are managers and other third-party providers that are entitled to more than 10% of the applicant’s revenues. The “co-licensee” will be subject to the disclosure requirement for the co-licensee’s type of entity. For example, if the co-licensee is a limited liability company, the provisions above for a limited liability company must be followed.

Holding Company

For a partnership, a corporation or limited liability company, if the structure includes holding companies, the applicant must include a diagram showing the ownership structure. As noted above, the Authority will require the identification and a Personal Questionnaire of all individuals who, through the ownership structure, own 10% or more of the applicant.

As an example:

- The applicant is a corporation with four individual stockholders (“A”, “B”, “C” & “D”) and one limited liability company (“E”) as a stockholder.
- The percentage of ownership of the applicant corporation is:
 - Individual “A” owns 15%
 - Individual “B” owns 15%
 - Individual “C” owns 5%
 - Individual “D” owns 5%
 - LLC “E” owns 60%, “E” is owned entirely by one individual, “F”

Under this example, “A” & “B” must be listed on the second page of the application form and submit Personal Questionnaires since they are individuals who each directly owns at least 10% of the applicant corporation. In addition, “F” must also be listed on the second page of the application form and submit a Personal Questionnaire since they indirectly own at least 10% of the applicant corporation.

Lender/Donor

Any individual who is providing, directly or indirectly (by gift or loan) 10% or more of the funds being invested in the proposed licensed business must submit a Personal Questionnaire.

Manager

Unless made a condition of the approval of the application, an applicant is not required to identify the manager of the premises and that individual is not required to submit a Personal Questionnaire.

Fingerprints

Fingerprints are required for any individual who must be named on the second page of the application form. For good cause, the Licensing Board can waive the submission of fingerprints.

Proof of Citizenship


The Personal Questionnaire requires the disclosure of the country of citizenship. The applicant will not be required to submit documentation to prove citizenship.

Tied-House and other license eligibility Issues

Applicants are reminded that the elimination of the need to disclose certain information in the application does not relieve the applicant from provisions of the Alcoholic Beverage Control Law that may prohibit a person from holding an interest in a license to traffic in alcoholic beverages.

This matter was heard and determined by the Members of the Authority at a Full Board meeting held on August 31, 2022 before Chairman Vincent Bradley, Commissioner Lily Fan, and Commissioner Greeley Ford. The above written advisory was approved by the Members of the Authority on August 31, 2022.

Dated: 09/01/22


Donald Roper
Secretary to the Authority