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Investigating “Good Moral Character” for Liquor License Applications

Benjamin J. Kweskin¹

I. BACKGROUND

Since the repeal of prohibition, nearly every state has adopted a morality test on whether a person is fit to hold a liquor license. Missouri is no exception, adopting good moral character through § 311.060, RSMo in 1939. Eighty-three years later, on August 30, 2022, the Missouri Division of Alcohol and Tobacco Control codified a definition of “good moral character” limiting the inquiry to “honesty, fairness, and respect for the rights of others and for the laws of the state and nation.”² This definition appears to nod to both Missouri’s Administrative Hearing Commission as well as other regulated industries’ coded rules.³ Nebraska adopts a similar, but negative, standard using the phrase “not of good character” as an investigation determining whether the applicant has a lack of good faith or honesty of purpose.⁴ Despite no guidance from the 21st Amendment, states have come to similar conclusions about what “good moral character” actually means. Regardless of broad language like “honesty,” “respect,” “fairness,” and “good faith,” the outcomes are surprisingly consistent nationwide and vary only on the fringes.

The history of liquor control has shown instances of both overreach by regulators to find immorality where perhaps none, or not enough, existed and equally extreme examples of patience for immoral behavior by licensees. Where one state may find an assault to be immoral *per se*, another is not so quick to make the leap. Even the question of *who* disqualifies an application based on a lack of good moral character varies between the states.⁵ Some states require that the applicant’s spouse be of good moral character,⁶ while other states have no such requirement. The limits and variations between states

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2. Mo. Code Regs. tit.11, § 70-2.020(5) (2023).

3. *Masons’ Place, LLC v. Supervisor of Alcohol & Tobacco Control*, Mo. Admin. 08-0631 LC (July 17, 2009).

4. *C & L Co. v. Neb. Liquor Control Comm’n*, 190 Neb. 91, 93 206 N.W.2d 49, 51 (1973).

5. *See e.g.* Neb. Rev. Stat. 53-125. (“It shall be prima facie evidence that when a spouse is ineligible to receive a liquor license the applicant is also ineligible to receive a liquor license.”).

6. *Id.*

may seem endless to the casual observer. This paper seeks to find the bounds of “good moral character” from across the country to better understand trends in who can, and who cannot, obtain a liquor license.

II. HISTORIC PROBLEM

A look at whether a person has the requisite character to sell alcohol did not begin with passing of the 21st Amendment. The sale and consumption of alcohol has long been considered an immoral act by many. Temperance activist and Presbyterian minister, Lyman Beecher, contextualized the liquor industry in an 1827 sermon:

It is not too much to be hoped, that the entire business of the nation by land and by sea, shall yet move on without the aid of ardent spirits, and by the impulse alone of temperate freemen. This would cut off one of the most fruitful occasions of intemperance, and give to our morals and to our liberties, and earthly immortality.⁷

Even though there were “fruitful occasions of intemperance,” as Beecher put it, the hope of complete temperance was the only assured way to morality. Still, Beecher recognized that the liquor industry was strong, and unlikely to yield to moral considerations.

States, like Beecher and other temperance activists of the time, also worried about the moral issues surrounding the sale of liquor and those who consumed it. On one hand, the liquor industry bore the fruit of successful business, including tax revenue and job creation. On the other hand, liquor was associated with many societal ills, including degradation of the family unit, gambling, and prostitution. Long before prohibition, states attempted to balance the inherent moral failures of liquor against the real and potential economic successes of the liquor industry. Toward that goal, States widely began adopting tests of good moral character for an individual to enter the arena.

North Carolina’s Supreme Court wrestled with the question of good moral character in 1844 at the retail tier of the three-tier-system (separating retail, wholesale, and manufacturers in liquor control). The North Carolina legislature required that liquor licensees provide

7. LYMAN BEECHER, SIX SERMONS ON THE NATURE, OCCASIONS, SIGNS, EVILS, AND REMEDY OF INTEMPERANCE 91 (1827), <https://dp.la/item/4bab241ae8ebd637ec2a1ff072582d76>.

“the annual proof of a good moral character.”⁸ At that time, North Carolina required county judges to make the determination many regulators make today. In one case heard by the North Carolina high court, the county judges argued that because the act of selling intoxicating liquor is in and of itself immoral, no person could possibly be of good moral character and sell intoxicating liquor. Thus, no license could ever be issued. The applicant argued, because he met the requirements of law, he was entitled to a license.⁹ The Court reasoned:

The two opposite extremes--that there is an absolute right in every person to follow the calling of a retailer, if he chooses, and that the justices are bound to license him, with only the condition that he be . . . of a good moral character; and secondly, that there is an absolute and arbitrary authority in the justices to refuse all persons, however unexceptionable in their lives, and however much such accommodations may be desired by the public or any considerable portion of the public for their convenient refreshment; are, like most extremes, both erroneous, as it seems to us, and founded on a mistake of the intention of the legislature. We cannot say, that they are equally mischievous; for we should, if acting as legislators, much prefer to allow no tipling house, rather than multiply them to the enormous extent of giving a license to every one, who could make out to find two men who would give him a good character. But we think the Legislature meant neither extreme, but the mean between them.¹⁰

To this day, states struggle with the same issues regarding who may hold a liquor license. Even today, it is not true that every good person has a due process right to a future liquor license. But holding a liquor license, in and of itself, should not be determinative of whether a person is of good moral character, at least in a location that legally permits the sale of liquor to the general public.

Broadly, the good moral character test applies across the three-tier system today. However, at least in Pennsylvania, wholesalers

8. Att’y Gen. ex rel. Gillaspie v. Justices of Guilford Cty., 27 N.C. 315, 324 (1844).

9. *Id.* at 320. In the interest of completeness, in 1844, North Carolina had a race and sex requirement for holding a liquor license. Such references have been omitted to avoid offense.

10. *Id.*

were not required to be of good moral character in the 19th Century. The Pennsylvania Supreme Court observed the revenue act creating wholesale licenses “imposes no qualifications upon applicants for wholesale licenses. It does not even require that they shall be citizens of the United States, or that they shall be persons of temperate habits, or good moral character. Where are we to look for these qualifications?”¹¹ The answer was, apparently, “nowhere.” The court ultimately concluded the applicant met the requirements for a license without evaluating the applicant’s moral character.¹² Interestingly, after prohibition, Pennsylvania (for spirits and wine) alongside Alaska, Maryland, Minnesota, and South Dakota adopted government control over the wholesale tier which rendered any moral character requirement for wholesalers in those states a moot point.¹³

At the top tier, even in Pennsylvania in 1889, manufacturer licenses would only be issued to people of good moral character.¹⁴ Alabama probably went the furthest, requiring:

That the applicant shall present to the commission a recommendation in writing, signed by 20 householders and freeholders who are qualified voters of the city or town in which the applicant proposes to engage in the sale or manufacture, stating that they know the applicant; that he is of good moral character; that he has been a resident of Alabama for six months preceding; that he is in all respects a proper person to be licensed; among other things.¹⁵

Thus, pre-prohibition laws understood the importance of reserving the privileges of manufacturing and selling intoxicating liquor only to those people who possess good moral character.

While states are not seriously considering the diametrically opposed viewpoints as existed during the temperance movement, they still struggle with the same values debated centuries ago. The 21st Amendment solidified that states would make the call on the sale and delivery of intoxicating liquor. Hearing the call of the 21st Amendment, states have resolved the discordant views in the harmony of

11. *In re Pollard*, 127 Pa. 507, 519 (1889).

12. *Id.* at 522–23.

13. PA. LIQUOR CONTROL BD., *About Us*, <https://www.lcb.pa.gov/About-Us/Pages/default.aspx>, (last visited September 29, 2023).

14. *In re Prospect Brewing Co.*, 127 Pa. 523, 539 (1889).

15. *State v. Montgomery*, 177 Ala. 212, 238, 59 So. 294, 302 (1912).

investigating the good moral character of those who wish to enter the liquor industry.

III. OUTLINING GOOD MORAL CHARACTER

Courts have long recognized that liquor control, like many regulated industries, requires close attention by governing bodies. “In the eyes of the law the liquor business stands on a different footing from other pursuits and is separated or removed from the natural rights, privileges and immunities of the ordinary citizen.”¹⁶ In that vein, the 21st Amendment empowered the states to regulate liquor closely to ensure an orderly, safe, and fair marketplace. “[B]y its nature the business of dispensing liquor is subject to excesses and abuses it is neither unreasonable nor unlawful for the State to require individual applicants for liquor licenses to be persons ‘of good moral character[.]’”¹⁷

Notwithstanding that clear directive, courts and legislatures have understandably struggled to outline specific good moral character requirements. Recognizing the limitations of its own governing bodies, the Florida Court of Appeals held, “We doubt that the legislature could in its infinite wisdom detail each salient standard for good moral character.”¹⁸ Yet, states have tried.

Without obvious coordination, states have come to similar conclusions about what good moral character *is*. States generally agree on what crimes and bad acts constitute lacking moral character. Many consider the recency of such convictions. However, their processes to determine an applicant’s moral character vary dramatically.

IV. INDIVIDUAL BAD ACTS (CALIFORNIA) VERSUS THE WHOLE PICTURE (MISSOURI)

As Missouri judicial and quasi-judicial bodies unpacked the meaning of good moral character, they took guidance from other states. Borrowing from a Louisiana Supreme Court decision, the Missouri Administrative Hearing Commission found that “a finding of a lack of ‘good moral character’ should not be restricted to those acts

16. *Peppermint Lounge, Inc. v. Wright*, 498 S.W.2d 749, 752 (Mo. 1973) (citing *State v. Wipke*, 345 Mo. 283, 133 S.W.2d 354, 359 (Mo. banc 1939); *Milgram Food Stores, Inc. v. Ketchum*, 384 S.W.2d 510, 514(4) (Mo. 1964); *State v. Quinn*, 426 S.W.2d 917, 921 (Mo. Ct. App. 1968)).

17. *Id.* at 753.

18. *White v. Beary*, 237 So. 2d 263, 265–66 (Fla. Dist. Ct. App. 1970).

that reflect moral turpitude.”¹⁹ Instead, the Missouri Administrative Hearing Commission relied on Florida’s Supreme Court. It found that the inquiry of good moral character “requires an inclusion of acts and conduct which would cause a reasonable man to have substantial doubts about an individual’s honesty, fairness, and respect for the rights of others and for the laws of the state and nation.”²⁰ This finding, predating Missouri’s codified definition, appears to weigh heavily on the state’s Administrative Hearing Commission determinations. *Konecne*’s conclusion that there must be a deeper inquiry than “an act of moral turpitude” harmonizes with earlier Missouri precedent. The Missouri Supreme Court has long held, “The type of offense, the circumstances, the nearness of the arrests to the application and other factors may well be considered to deny an applicant a license.”²¹

Perhaps obviously, the first place to look for an applicant’s good moral character would be an investigation into the applicant’s criminal history. Patrick Maroney, consultant and former Director of the Colorado Liquor Enforcement Division, reported on the importance of background checks for investigating good moral character. He concludes that “[b]ackground checks are an essential part of the liquor license application process.”²² The checks are “vital for many reasons, particularly to protect public health and the safety of patrons and nearby businesses.”²³ California, like many states, requires its licensees to submit to a background check to obtain a license. Each applicant for a liquor license must provide the California Department of Alcoholic Beverage Control with certain information concerning the applicant’s background, crime record, status, and other data.²⁴ Strict regulation of the business of selling alcoholic beverages is public policy of the state, and good moral character of licensees is an important

19. Ronald F. Konecne v. Supervisor of Liquor Control, Mo. Admin. 90-000947LC (Aug. 19, 1990) (*citing with approval* State ex rel. McAvoy v. Louisiana State Board of Medical Examiners, 115 So.2d 833, 839 n. 2 (La. 1959)).

20. *Id.* (*citing* Fla. Bd. of Bar Exam’rs Re: G.W.L., 364 So.2d 454, 458 (Fla. 1978); Bachynsky v. State Dept. of Prof’l Regulation, Bd. of Med. Exam’rs, 471 So.2d 1305, 1310 (Fla. App. 1st Dist. 1985)).

21. Kehr v. Garrett, 512 S.W.2d 186, 193 (Mo. App. 1974).

22. Patrick Maroney, *The Timeless Importance of Alcohol Background Checks* 1, CENTER FOR ALCOHOL POLICY (2022), <https://www.centerforalcoholpolicy.org/wp-content/uploads/2022/12/Background-Check-Report-Final.pdf>.

23. *Id.* at 6.

24. CAL. BUS. & PROF. Code §§ 23950–23958.

aspect of such regulation.²⁵ "Criminal activities may be especially revealing in determining the good moral character required to engage in the business of intoxicating liquor sales."²⁶

Despite California and Missouri's similarities on background check requirements, California's state constitution appears to explicitly refute *Konecne* and *Kehr*'s holding. Article XX, section 22(d) lays plain:

The department shall have the power, in its discretion, to deny, suspend or revoke any specific alcoholic beverages license if it shall determine for good cause that the granting or continuance of such license would be contrary to public welfare or morals, or *that a person seeking or holding a license has violated any law prohibiting conduct involving moral turpitude.*²⁷

Thus, in California, it is the criminal conduct—not the general behavior surrounding the act—that should be considered for evaluating an applicant's morality.

California's law directs the final inquiry on an applicant's morals to the legislature to define, and courts to adjudicate, criminal conduct that involves moral turpitude. Indeed, the California courts review Alcoholic Beverage Control's decisions based on the jurisdiction afforded by the constitution. If the contested conduct is a crime of moral turpitude, the decision will not be disturbed.²⁸ Missouri's laws leave the inquiry to the Division of Alcohol and Tobacco Control, with a check from judicial bodies.²⁹

Review of Missouri's inquiry can be viewed through the lens of a local decision to deny a liquor license. In the late 1970s, the Kansas City Liquor Control Board denied a liquor license application based on a "plea of guilty to the felony of selling fire arms [sic] in the parking lot of the licensed premises, without a license, coupled with the further facts that the firearms were undeniably firearms stolen from

25. *Jacques, Inc. v. State Bd. of Equalization of Cal.*, 318 P.2d 6, 15–16 (Cal. Dist. Ct. App. 1957).

26. *Martin E. Singleton v. Supervisor of Liquor Control*, No. 01-1720 LC (Mo. Admin. Hearing Comm'n 2002) (*citing* *Peppermint Lounge*, 498 S.W.2d 749, 752 (Mo. 1973)).

27. CA CONST. art. XX, § 22 (emphasis added).

28. CA CONST. art. XX, § 22

29. *See Kehr v. Garrett*, 512 S.W.2d 186, 194 (Mo. App. 1974).; *Konecne v. Supervisor of Liquor Control*, No. 90-000947 LC, (Mo. Admin. Hrg. Comm. 1990).

an interstate shipment[.]”³⁰ The Missouri Court of Appeals concluded that the behavior constituted “sufficient evidence to support a finding that the applicant was not a person of good moral character.”³¹ When broken down, neither the sale without a license nor the stealing constituted a lack of good moral character on its own. The combined behavior of stealing the firearms and then illegally selling the contraband in front of the licensed premises were sufficient to find a lack of good moral character through the overall disrespect of the laws of Missouri.

Missouri’s precedents have carefully considered where the line of good moral character should be drawn even with crimes involving moral turpitude. For example,

Getting into a fight is not always evidence of a lack of good moral character. But [Licensee] got drunk, fought one man, resumed punching him again even after the police arrived, and then fought the police to the extent of causing a laceration on one officer’s neck. These circumstances show that [Licensee] lacks good moral character.³²

This wholesale view of moral character is reflected in other regulated industries in Missouri. In reviewing a Board of Healing Arts decision, the Court of Appeals held, “[T]he discretion as to whether the applicant is to be admitted cannot be exercised wisely or even reasonably except as a natural consequence of a consideration and determination of the entire factual congeries.”³³

Missouri then faces a problem that it would appear California and the states that follow the same “moral turpitude” crimes do not face: arrests that lead to no convictions. *Kehr* presents a dated, but nuanced, understanding of how arrests can be treated by the Division of Alcohol and Tobacco Control. In *Kehr*, a woman was denied a liquor license by the Division because she had been arrested multiple times on suspicion of being a prostitute and the fact that she was *referred to*

30. *Mandacina v. Liquor Control Bd. of Rev. of City of Kan. City*, 599 S.W.2d 240, 243 (Mo. Ct. App. 1980).

31. *Id.*

32. *Masons’ Place v. Supervisor of Alcohol and Tobacco Control*, No. 08-0631 LC (Mo. Admin. Hearing Comm’n 2009).

33. *State Bd. of Registration for Healing Arts v. Finch*, 514 S.W.2d 608, 614 (Mo. Ct. App. 1974) (relying on RSMo. 334.100 (1969) to overturn the Board of Healing Arts’ denial of a license to practice medicine based on a single conviction as evidence of “bad moral character.”).

a clinic that specialized in venereal diseases. The courts had no tolerance for this view of good moral character.

[W]e are convinced that to deny a liquor-by-the-drink license to an applicant who had been arrested four or five times suspected of prostitution in the remote past and never convicted and who had merely been referred to a clinic with no showing of positive diagnosis and who has had no contact with the law in the eleven years prior to the application for a license is, as the trial court held, arbitrary and unreasonable.³⁴

Simply put, even in Missouri's regime, the law has always treated arrests differently than convictions.³⁵

V. COLORADO'S BLENDED APPROACH

Building on the other two states' approaches, Colorado's rules and regulations seem to merge Missouri's and California's processes.

The liquor licensing authority may consider whether the applicant or licensee:

1. . . . has knowingly submitted false applications, made willful misrepresentations and/or knowingly committed fraudulent acts;
2. . . . a criminal history of crimes of moral turpitude . . . includ[ing] but not be limited to, fraud, forgery, murder, burglary, robbery, arson, kidnapping, sexual assault, illegal drugs or narcotics convictions;
3. . . . has had previous alcohol beverage licenses denied or revoked as a result of violations of law, resulting in a finding of bad moral character by any licensing authority;
4. . . . has been found to be currently delinquent in the payment of any state or local taxes related to a business;

34. *Kehr v. Garrett*, 512 S.W.2d 186, 193–94 (Mo. Ct. App. 1974).

35. *Id.* at 193.

5. . . . has an established pattern of multiple statutory violations which resulted in the revocation or denial of any other professional license.

6. [has a] finding of a person who is not of good moral character by any licensing authority.³⁶

Colorado looks to certain crimes or misdeeds as individual disqualifying acts, but other behaviors must be looked at on the whole or in the context of a pattern. This is comparable to, but more specific than, Missouri’s inquiry in *Kehr*. It is also unlike California’s requirements in that it provides more flexibility for regulators to find trends in behavior for some offenses.

VI. THE REPUTATION + FINANCIAL STANDING APPROACH (IOWA)

Iowa presents a separate model from California and Missouri that time-bars felony convictions and considers both *reputation* and *financial standing*.³⁷ Like many states, Iowa has adopted the good moral character test.

In Iowa, an applicant is considered to be of ‘good moral character’ if he or she meets the following criteria:

1. Is a U.S. citizen and an Iowa resident, or incorporated to do business in the state. The corporation must be registered and in good standing with the Iowa Secretary of State’s office.
2. Has no felony convictions. If there is a felony conviction that is more than five years old and the applicant’s rights of citizenship have been restored, the applicant may be eligible for a license.
3. Has not had any financial interest in a license that was revoked during the past two years.

36. 1 CCR 203-2 C.R.S. 47-310(E).

37. *Diwan, LLC v. Iowa Dep’t of Com. Alcoholic Beverage Div.*, 789 N.W.2d 165 (Iowa Ct. App. 2010) (finding Alcoholic Beverage Division’s use of tax liens was appropriate information to consider in good moral character).

4. Has 'financial standing' and a 'good reputation' indicating that the applicant will comply with all laws and rules governing the license.³⁸

Iowa's regulations paint with an even broader brush. Some of the factors evaluated apply to the underlying business:

- (1) A pattern or practice of sales of alcoholic beverages to persons under the legal age . . .
- (2) A pattern or practice . . . of violating alcoholic beverages laws and regulations for which corrective action has been taken since the previous license or permit was issued.
- (3) Sales to intoxicated persons.
- (4) Licensee or permittee convictions for violations of laws relating to operating a motor vehicle while under the influence of drugs or alcohol and the recency of such convictions.
- (5) Licensee or permittee misdemeanor convictions and the recency of such convictions.
- (6) A pattern or practice . . . of failing to cooperate with [a law enforcement official].
- (7) A pattern or practice by the licensee or permittee of violating local ordinances established by the local authority . . .
- (8) A pattern or practice by the licensee or permittee of failing to report any change in the ownership or interest of the business . . .³⁹

Missouri has many similar requirements in its Liquor Control Law. Interestingly, Iowa's regulations specifically point to the recency of convictions for driving while under the influence and misdemeanors. For sales to minors, violating alcoholic beverage laws, failing to cooperate with law enforcement, violating local ordinances,

38. See *Licensing Requirements*, Iowa Dept. of Rev. Alcohol & Tax Operations Div., <https://abd.iowa.gov/licensing/licensing-requirements> (last visited Sept. 8, 2023).

39. Iowa Admin. Code r. 185-4(123) (2023).

and failing to report a change in ownership, the division seeks a “pattern or practice” to determine good moral character.

Iowa’s reputation plus financial standing approach presents fascinating results that appear unique to Iowa cases. It is hard to imagine any state finding, as a matter of law, that failing to pay municipal water services would be sufficient to say a person lacks the good moral character required for a liquor license. But, on the denial of a renewed application, the Court of Appeals of Iowa upheld the Iowa Alcoholic Beverage Division’s denial where:

The persistent failure on the part of [Licensee] to make prompt payments for the municipal services it relied on to continue its enterprise clearly impugns [Licensee]’s financial standing and reputation as defined by the agency regulation. Thus, we find no error in the agency’s determination that [Licensee]’s persistent history of utility payment delinquencies alone justifies the Council’s denial and the agency’s affirmance of that denial[.]”⁴⁰

Again, contrasting with *Kehr*, Missouri’s courts might shy away from considering delinquent payments alone as an immoral act absent some tie to the sale of intoxicating liquor. Missouri does have a requirement, independent of the good moral character inquiry, that retailers cannot have licenses or renewals issued to them if they owe debt to a wholesaler.⁴¹ States who have adopted Missouri’s wholesale inquiry might question whether the failing to pay was an indicator of some larger picture of immoral character.

VII. VIOLATING ORDINANCES (TENNESSEE)

Tennessee had a history of denying liquor license applications on morality grounds where approval of the application would result in a local ordinance violation. It may seem intuitive that a person who violates an ordinance could be questioned for their good moral character. But a single ordinance violation may not be sufficient today. In 1947, Tennessee “officials of a municipality ha[d] the right to refuse to grant a certificate of good moral character, notwithstanding the absence of moral turpitude, if the issuance of such certificate would

40. *Talisman, Inc. v. Iowa Alcoholic Beverage Div.*, 695 N.W.2d 505 (Iowa Ct. App. 2005).

41. *See* MO. REV. STAT. § 311.265.

make it legally possible to violate a legally authorized ordinance regulating the sale of intoxicating liquor within the boundaries of the municipality."⁴² Such a holding suggests that all other showings of good moral character can be set aside where the issuance of a license would violate a lawful ordinance. Indeed, the Tennessee courts held firm to this position in the challenges that followed.⁴³

This issue came to a head thirty years later. A licensee sought to move his business from one part of Chattanooga to another. When applying for a new business license, the City of Chattanooga refused to issue a certificate of good moral character citing that it would violate a local ordinance restricting zones in Chattanooga from operating too many liquor establishments. In essence, it would be illegal to open the establishment in the second location. The Tennessee Alcoholic Beverage Commission believed that it had to refuse to issue a liquor license based on Chattanooga's refusal to issue the certificate. The Tennessee high court had choice words.

The strange notion that a person's 'good moral character' is somehow keyed to the location of his business is at variance with logic and frustrates the English language. In this particular case, it is incredible that there is an insistence that [Licensee] is unquestionably a man of good moral character so long as he does business on Rossville Avenue in downtown, but when he changes his business location he loses his morality, *Ipso facto*, and becomes a heathen on Hixson Pike. This is sheer sophism and legal gimmickry and is the type of reasoning that causes citizens to sneer at the law and scoff at the courts.⁴⁴

Based on this holding, the Tennessee Supreme Court mandated that "actual character investigations of the applicants" must be conducted, rather than simply a review of the violation of individual ordinances.⁴⁵ Thus, Tennessee seems to fall into the same camp as

42. *State ex rel. Veal v. Mayor & Aldermen of Dyersburg*, 195 S.W.2d 11, 12 (Tenn. 1946).

43. *Safier v. Atkins*, 288 S.W.2d 441, 444 (Tenn. 1956).

44. *City of Chattanooga v. Tenn. Alcoholic Beverage Comm'n*, 525 S.W.2d 470, 479 (Tenn. 1975).

45. *Metro. Gov't of Nashville & Davidson Cnty. v. Shacklett*, 554 S.W.2d 601, 608 (Tenn. 1977).

Missouri, requiring an inquiry into the bad acts as they relate to the entirety of the applicant.

VIII. CONCLUSION

Based on a review of state good moral character standards, it may seem like there are 50 completely different standards thanks to the 21st Amendment. An applicant seeking licensure in every state may wonder whether they can meet good moral character in one state but have an automatic disqualification in another. But states seem to fall between Missouri’s and California’s standards on the whole. Neither appears to be better for business, but each standard has its impact on those seeking to enter the liquor industry.

As stated above, Missouri provides more flexibility to the applicant. The standard allows courts to hear evidence not entirely encapsulated by a single criminal conviction. California is the exact opposite: allowing the Alcoholic Beverage Commission to deny an application for a liquor license based on individual bad acts, potentially without any regard for the underlying issues. Applicants may believe Missouri is a safer haven for licensees because Missouri’s Supervisor of Alcohol and Tobacco Control has more discretion in looking at the whole picture while California’s Director of Alcoholic Beverage Control may have less. But California liquor businesses can rely on the predictability of crimes of moral turpitude in determining whether to enter the liquor arena. Missouri’s standard might change as regulator leadership changes.

Between those two extremes, states have been free to add additional terms to the good moral character inquiry. Iowa’s standard seems to sit neatly between Missouri and California as Iowa codified trends and patterns of specific unlawful behavior. Yet Iowa explicitly adds on the additional disqualifier of being financially unsound. Additions like this have real-world consequences to businesses. A financial qualification could add difficulty for new businesses seeking to hold a liquor license in Iowa. Indeed, manufacturing spirits has become more expensive in recent years, increasing the financial risk of opening a new business.⁴⁶

All this information supports the notion that applications for liquor licenses are subject to immense scrutiny with court cases showing

46. Melita Kiely, *The Impact of Rising Inflation on Spirits*, THE SPIRITS BUSINESS (Aug. 7, 2023), <https://www.thespiritsbusiness.com/2023/08/the-impact-of-rising-inflation-on-spirits>.

substantial deference to regulators. Not only must individual owners have good moral character, but often their officers, agents, and even family members must meet the standard. Although national morals have changed, states have shied away from immoral-but-lawful behavior and reputation requirements like Alabama had in the 19th century.⁴⁷ Thus, despite the 21st Amendment allowing states to have such diversity in good moral character tests, it appears that the good moral character test can have predictability.

In California, individual acts will be disqualifying. In Missouri, the Supervisor has the burden to show that a rejected business has ownership or officers that, based on the totality of the circumstances, lack good moral character. And, in Iowa, the inquiry can end by paying the water bill.

47. *State v. Montgomery*, 177 Ala. 212, 238, 59 So. 294, 302 (1912).