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LEGISLATIVE FISCAL ESTIMATE: No

A5125 (2R)

INTRODUCED BILL: (Includes sponsor(s) statement)	Yes	
REPRINT(S):	Yes	AOF 3/20/25 1R AHO 6/19/25 2R
TECHNICAL REVIEW OF BILL:	No	
COMMITTEE STATEMENT:	ASSEMBLY:	Yes Oversight, Reform and Federal Relations Housing
	SENATE:	No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	No
LEGISLATIVE FISCAL ESTIMATE:	No
VETO MESSAGE:	No
GOVERNOR'S PRESS RELEASE ON SIGNING:	Yes
LEGISLATOR STATEMENT:	Yes

FOLLOWING WERE PRINTED:

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REPORTS:	No
HEARINGS:	Yes

Committee Meeting of SENATE LAW AND PUBLIC SAFETY COMMITTEE
December 16, 2024 <https://hdl.handle.net/10929/146697>

NEWSPAPER ARTICLES:	No
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CL/MMcB

P.L. 2025, CHAPTER 131, *approved August 21, 2025*
Senate, No. 3944 (*Fourth Reprint*)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
3 supplementing Title 33 of the Revised Statutes¹.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to read
9 as follows:

10 1. The governing board or body of any municipality, upon the
11 approval of the Director of the Division of Alcoholic Beverage
12 Control, may issue a plenary retail consumption license to a nonprofit
13 corporation exempt from federal income tax under section 501(c)(3) of
14 the Internal Revenue Code , including a disregarded entity of the
15 corporation that is a single-member limited liability corporation
16 disregarded for federal income tax purposes pursuant to 26 C.F.R. Part
17 301, which regularly operates as an art-house movie theater or
18 conducts musical ⁴**[or theatrical]**⁴ performances ⁴**[or]** , theatrical
19 productions,⁴ concerts ⁴, or other public entertainment events⁴ for
20 which admission is charged. ²¹The governing board or body of any
21 municipality, upon the approval of the Director of the Division of
22 Alcoholic Beverage Control, also may issue a plenary retail
23 consumption license to a municipality or county for use in connection
24 with a premises which regularly operates as an art-house movie theater
25 or conducts musical or theatrical performances or concerts for which
26 admission is charged.¹²

27 A license issued pursuant to this section shall be used in
28 connection with ⁴**[a]**⁴ premises ⁴**[with]** that have⁴ a seating capacity
29 of ⁴at least⁴ 1,000 persons ⁴**[or more that is]** and are⁴ primarily used
30 to ⁴**[conduct musical or theatrical performances or concerts]** host
31 musical performances, theatrical productions, concerts, or other public
32 entertainment events⁴.

33 The license shall authorize the sale of alcoholic beverages by the
34 nonprofit corporation or its restaurant operator ²¹**[who]** or a county
35 or municipality which¹ who² has been approved pursuant to

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted December 19, 2024.

²Senate SBA committee amendments adopted February 3, 2025.

³Assembly AOF committee amendments adopted March 20, 2025.

⁴Assembly AHO committee amendments adopted June 19, 2025.

procedures established by the Division of Alcoholic Beverage Control for consumption on the licensed premises:

a. during the two hours immediately preceding performances ⁴or public entertainment events⁴;

b. during performances ⁴or public entertainment events⁴, including intermission; and

c. during the two hours immediately following performances ⁴or public entertainment events⁴.

For the purposes of this section [.] :

⁴["Performance" shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading or other artistic or cultural exhibition.]²

"Licensed premises" shall include the premises where the⁴
²["musical or theatrical"]² ⁴["performance"]⁴ ²["or concert"]² ⁴["is held and any adjacent premises"]⁴ ²["owned and"]² ⁴["operated by the licensee."]⁴

"Art-house movie theater" means a theater that is principally used for the purpose of showing motion pictures and is operated by a nonprofit arts organization ²["or a county or municipality"]¹,² which demonstrates a commitment to enriching its local community by providing opportunities for participation in the arts, offering arts education opportunities, and promoting regional economic prosperity.

⁴"Licensed premises" shall include the premises where the performance or public entertainment event is held and any adjacent premises operated by the licensee.

"Performance" shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading, or other artistic or cultural exhibition.

"Public entertainment event" shall include a sporting event, a simulcast, or other social, charitable, or athletic event.⁴

A license issued under the provisions of this section shall not be counted in determining the number of licenses under P.L.1947, c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

⁴At the option of the nonprofit licensee, revenue generated by a concessionaire within or adjacent to the licensed premises may be used to support or subsidize the theater's performances or public entertainment events held at the licensed premises.

For the purposes of this section, the division shall not differentiate for the purposes of approving a nonprofit applicant operating in a publicly-owned or nonprofit arts organization-owned theater or art-house movie theater or performing arts center.⁴

(cf: P.L.2023, c.104, s.1)

2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to read as follows:

2. The governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage

Control, may issue a plenary retail consumption license to a nonprofit corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code , including a disregarded entity of the corporation that is a single-member limited liability corporation disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301, which regularly operates as an art-house movie theater or conducts musical ⁴[or theatrical]⁴ performances ⁴[or] , theatrical productions,⁴ concerts ⁴, or other public entertainment events⁴ for which admission is charged. ²¹The governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control, also may issue a plenary retail consumption license to a municipality or county for use in connection with a premises which regularly operates as an art-house movie theater or conducts musical or theatrical performances or concerts for which admission is charged.¹²

A license issued pursuant to this section shall be used in connection with a premises with a seating capacity of 50 persons or more but less than 1,000 persons that is primarily used to ⁴[conduct musical or theatrical performances or concerts] host musical performances, theatrical productions, concerts, or other public entertainment events⁴.

The license shall authorize the sale of alcoholic beverages by the nonprofit corporation or its restaurant operator ²¹[who] or a county or municipality which¹] who² has been approved pursuant to procedures established by the Division of Alcoholic Beverage Control for consumption on the licensed premises:

- a. during the two hours immediately preceding performances ⁴or public entertainment events⁴;
- b. during performances ⁴or public entertainment events⁴, including intermission; and
- c. for not more than 15 performances in a calendar year, during the two hours immediately following performances ⁴or public entertainment events⁴.

For the purposes of this section **[,]**:

⁴²“Performance” shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading or other artistic or cultural exhibition.²

"Licensed premises" shall include the premises where the⁴ ²[musical or theatrical]² ⁴[performance]⁴ ²[or concert]² ⁴[is held and any adjacent premises]⁴ ²[owned and]² ⁴[operated by the licensee.]⁴

"Art-house movie theater" means a theater that is principally used for the purpose of showing motion pictures and is operated by a nonprofit arts organization ²¹or a county or municipality ,]² which demonstrates a commitment to enriching its local community by

1 providing opportunities for participation in the arts, offering arts
2 education opportunities, and promoting regional economic prosperity.

3 ⁴"Licensed premises" shall include the premises where the
4 performance or public entertainment event is held and any adjacent
5 premises operated by the licensee.

6 "Performance" shall include the showing of any motion picture,
7 musical concert, theatrical play, dance recital, literature reading, or
8 other artistic or cultural exhibition.

9 "Public entertainment event" shall include a sporting event, a
10 simulcast, or other social, charitable, or athletic event.⁴

11 A license issued under the provisions of this section shall not be
12 counted in determining the number of licenses under P.L.1947, c.94
13 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

14 ⁴At the option of the nonprofit licensee, revenue generated by a
15 concessionaire within or adjacent to the licensed premises may be used
16 to support or subsidize the theater's performances or public
17 entertainment events held at the licensed premises.

18 For the purposes of this section, the division shall not differentiate
19 for the purposes of approving a nonprofit applicant operating in a
20 publicly-owned or nonprofit arts organization-owned theater or art-
21 house movie theater or performing arts center.⁴

22 (cf: P.L.2023, c.104, s.2)

23
24 ²[¹3. a. As used in this section, "licensed premises" means a
25 private theater entity used for the purpose of showing motion pictures
26 or where concerts or musical or theatrical performances are held and
27 any adjacent premises owned and operated by the licensee.

28 b. It shall be lawful for the governing board or body of a
29 municipality, upon the approval of the Director of the Division of
30 Alcoholic Beverage Control, to issue a plenary retail consumption
31 license for use in connection with a licensed premises as defined in
32 subsection a. of this section that was incorporated on or prior to the
33 effective date of this act.

34 The plenary retail consumption license shall allow a private entity,
35 including a corporation, or its restaurant operator which has been
36 approved pursuant to procedures established by the Division of
37 Alcoholic Beverage Control to sell alcoholic beverages for
38 consumption on the licensed premises during the one hour
39 immediately preceding a motion picture, concert, or musical or
40 theatrical performance and during performances, including
41 intermission.

42 A plenary retail consumption license only shall be issued pursuant
43 to this section for use in connection with a premises on which:

44 (1) the space or spaces within the premises that are used for
45 musical, theatrical, or concert performances have a total seating
46 capacity of at least 50 persons but not more than 1,000 persons;

1 (2) the space or spaces within the premises that are used for
2 showing motion pictures have three or less movie screens and a total
3 seating capacity of at least 50 persons but not more than 600 persons.

4 c. A license issued under the provisions of this section shall not
5 be counted in determining the number of licenses under P.L.1947, c.94
6 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
7 seq.).¹²

8
9 ²3. a. The governing board or body of any municipality, upon the
10 approval of the Director of the Division of Alcoholic Beverage
11 Control, may issue a plenary retail consumption license to an eligible
12 business entity operating as a community theater for which admission
13 is charged, and for which the premises meet the standards required in
14 subsection b. of this section.

15 b. A license issued pursuant to this section shall be used only in
16 connection with a premises in which:

17 (1) the space or spaces within the premises that are used for
18 showing performances of musical concerts, theatrical plays, dance
19 recitals, literature readings⁴,⁴ or other artistic or cultural exhibitions
20 contain one or more stages with viewer seating areas having a total
21 seating capacity of at least 50 persons but not more than 1,000 persons
22 and do not contain any movie screens for showing performances of
23 motion pictures; or

24 (2) the space or spaces within the premises that are used for
25 showing performances of motion pictures contain no more than
26 ³~~three~~ ⁵five³ movie screens with viewer seating areas having a total
27 seating capacity of at least 50 persons but not more than 600 persons;
28 or

29 (3) the space or spaces within the premises that are used for
30 showing performances have a total seating capacity of at least 50
31 persons but not more than 1,500 persons, contain at least one but not
32 more than ³~~three~~ ⁵five³ movie screens for showing motion pictures,
33 and contain at least one stage for showing musical concerts, theatrical
34 plays, dance recitals, literature readings or other artistic or cultural
35 exhibitions. The seating capacity of the viewer seating areas located in
36 the space or spaces with a stage or stages shall constitute at least 25
37 ⁴~~[%]~~ ⁴percent⁴ of the total seating capacity.

38 c. The license shall authorize the sale of alcoholic beverages by
39 the eligible business entity who has been approved pursuant to
40 procedures established by the Division of Alcoholic Beverage Control
41 for consumption on the licensed premises only during the one hour
42 immediately preceding a performance and during performances,
43 including intermission.

44 d. For the purposes of this section:

45 ⁴~~["Performance"]~~ ⁴"Performance" shall include the showing of any motion picture,
46 musical concert, theatrical play, dance recital, literature reading or
47 other artistic or cultural exhibition.

1 "Licensed premises" shall include the premises where the
2 performance is held and any adjacent premises operated by the
3 licensee.

4 "Eligible business entity" shall include any corporation, company,
5 partnership, sole proprietorship or person, including any person or
6 entity owning 10% or more of the shares thereof, that:

7 (1) is not listed or traded on a stock exchange; and

8 (2) is not owned, or partially owned, by a corporation or other
9 entity listed or traded on a stock exchange; and

10 (3) does not own, or partially own, any other plenary retail
11 consumption license issued by the Division of Alcoholic Beverage
12 Control; and

13 (4) does not include as a shareholder a person or entity that owns
14 10% or more of the shares of the eligible business entity and that
15 owns, or partially owns, any other plenary retail consumption license
16 issued by the Division of Alcoholic Beverage Control.】⁴

17 "Community theater" shall mean a theater that is used for the
18 purpose of showing performances of motion pictures, musical
19 concerts, theatrical plays, dance recitals, literature readings or other
20 artistic or cultural exhibitions and is owned and operated by an eligible
21 business entity.

22 ⁴"Eligible business entity" shall include any corporation, company,
23 partnership, sole proprietorship or person, including any person or
24 entity owning 10 percent or more of the shares thereof, that:

25 (1) is not listed or traded on a stock exchange;

26 (2) is not owned, or partially owned, by a corporation or other
27 entity listed or traded on a stock exchange;

28 (3) does not own, or partially own, any other plenary retail
29 consumption license issued by the Division of Alcoholic Beverage
30 Control; and

31 (4) does not include as a shareholder a person or entity that owns
32 10 percent or more of the shares of the eligible business entity and that
33 owns, or partially owns, any other plenary retail consumption license
34 issued by the Division of Alcoholic Beverage Control.

35 "Licensed premises" shall include the premises where the
36 performance is held and any adjacent premises operated by the
37 licensee.

38 "Performance" shall include the showing of any motion picture,
39 musical concert, theatrical play, dance recital, literature reading or
40 other artistic or cultural exhibition.⁴

41 e. A license issued under the provisions of this section shall not be
42 counted in determining the number of licenses under P.L.1947, c.94
43 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
44 seq.).²

45
46 ¹**[3.] 4.¹** This act shall take effect immediately.

1 _____
2
3 Provides that certain non-profit corporation alcoholic beverage
4 theater licensees include disregarded entities of such corporations;
5 allows certain community theaters to sell alcoholic beverages.

CHAPTER 131

AN ACT concerning certain alcoholic beverage licenses, amending P.L.1985, c.151 and P.L.2019, c.466, and supplementing Title 33 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to read as follows:

C.33:1-19.7 Plenary retail consumption license, issuance to certain nonprofit corporations.

1. The governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control, may issue a plenary retail consumption license to a nonprofit corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, including a disregarded entity of the corporation that is a single-member limited liability corporation disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301, which regularly operates as an art-house movie theater or conducts musical performances, theatrical productions, concerts, or other public entertainment events for which admission is charged.

A license issued pursuant to this section shall be used in connection with premises that have a seating capacity of at least 1,000 persons and are primarily used to host musical performances, theatrical productions, concerts, or other public entertainment events.

The license shall authorize the sale of alcoholic beverages by the nonprofit corporation or its restaurant operator who has been approved pursuant to procedures established by the Division of Alcoholic Beverage Control for consumption on the licensed premises:

- a. during the two hours immediately preceding performances or public entertainment events;
- b. during performances or public entertainment events, including intermission; and
- c. during the two hours immediately following performances or public entertainment events.

For the purposes of this section:

"Art-house movie theater" means a theater that is principally used for the purpose of showing motion pictures and is operated by a nonprofit arts organization which demonstrates a commitment to enriching its local community by providing opportunities for participation in the arts, offering arts education opportunities, and promoting regional economic prosperity.

"Licensed premises" shall include the premises where the performance or public entertainment event is held and any adjacent premises operated by the licensee.

"Performance" shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading, or other artistic or cultural exhibition.

"Public entertainment event" shall include a sporting event, a simulcast, or other social, charitable, or athletic event.

A license issued under the provisions of this section shall not be counted in determining the number of licenses under P.L.1947, c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

At the option of the nonprofit licensee, revenue generated by a concessionaire within or adjacent to the licensed premises may be used to support or subsidize the theater's performances or public entertainment events held at the licensed premises.

For the purposes of this section, the division shall not differentiate for the purposes of approving a nonprofit applicant operating in a publicly owned or nonprofit arts organization-owned theater or art-house movie theater or performing arts center.

2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to read as follows:

C.33:1-19.8 Issuance, retail consumption license, certain nonprofit corporations.

2. The governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control, may issue a plenary retail consumption license to a nonprofit corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code, including a disregarded entity of the corporation that is a single-member limited liability corporation disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301, which regularly operates as an art-house movie theater or conducts musical performances, theatrical productions, concerts, or other public entertainment events for which admission is charged.

A license issued pursuant to this section shall be used in connection with a premises with a seating capacity of 50 persons or more, but less than 1,000 persons that is primarily used to host musical performances, theatrical productions, concerts, or other public entertainment events.

The license shall authorize the sale of alcoholic beverages by the nonprofit corporation or its restaurant operator who has been approved pursuant to procedures established by the Division of Alcoholic Beverage Control for consumption on the licensed premises:

- a. during the two hours immediately preceding performances or public entertainment events;
- b. during performances or public entertainment events, including intermission; and
- c. for not more than 15 performances in a calendar year, during the two hours immediately following performances or public entertainment events.

For the purposes of this section:

"Art-house movie theater" means a theater that is principally used for the purpose of showing motion pictures and is operated by a nonprofit arts organization which demonstrates a commitment to enriching its local community by providing opportunities for participation in the arts, offering arts education opportunities, and promoting regional economic prosperity.

"Licensed premises" shall include the premises where the performance or public entertainment event is held and any adjacent premises operated by the licensee.

"Performance" shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading, or other artistic or cultural exhibition.

"Public entertainment event" shall include a sporting event, a simulcast, or other social, charitable, or athletic event.

A license issued under the provisions of this section shall not be counted in determining the number of licenses under P.L.1947, c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

At the option of the nonprofit licensee, revenue generated by a concessionaire within or adjacent to the licensed premises may be used to support or subsidize the theater's performances or public entertainment events held at the licensed premises.

For the purposes of this section, the division shall not differentiate for the purposes of approving a nonprofit applicant operating in a publicly owned or nonprofit arts organization-owned theater or art-house movie theater or performing arts center.

C.33:1-19.9 Plenary retail consumption license, community theater.

3. a. The governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control, may issue a plenary retail consumption license to an eligible business entity operating as a community theater for which admission is charged and for which the premises meet the standards required in subsection b. of this section.

b. A license issued pursuant to this section shall be used only in connection with a premises in which:

(1) the space or spaces within the premises that are used for showing performances of musical concerts, theatrical plays, dance recitals, literature readings, or other artistic or cultural exhibitions contain one or more stages with viewer seating areas having a total seating capacity of at least 50 persons, but not more than 1,000 persons and do not contain any movie screens for showing performances of motion pictures; or

(2) the space or spaces within the premises that are used for showing performances of motion pictures contain no more than five movie screens with viewer seating areas having a total seating capacity of at least 50 persons but not more than 600 persons; or

(3) the space or spaces within the premises that are used for showing performances have a total seating capacity of at least 50 persons, but not more than 1,500 persons; contain at least one, but not more than five movie screens for showing motion pictures; and contain at least one stage for showing musical concerts, theatrical plays, dance recitals, literature readings, or other artistic or cultural exhibitions. The seating capacity of the viewer seating areas located in the space or spaces with a stage or stages shall constitute at least 25 percent of the total seating capacity.

c. The license shall authorize the sale of alcoholic beverages by the eligible business entity who has been approved pursuant to procedures established by the Division of Alcoholic Beverage Control for consumption on the licensed premises only during the one hour immediately preceding a performance and during performances, including intermission.

d. For the purposes of this section:

"Community theater" shall mean a theater that is used for the purpose of showing performances of motion pictures, musical concerts, theatrical plays, dance recitals, literature readings, or other artistic or cultural exhibitions and is owned and operated by an eligible business entity.

"Eligible business entity" shall include any corporation, company, partnership, sole proprietorship, or person, including any person or entity owning 10 percent or more of the shares thereof, that:

(1) is not listed or traded on a stock exchange;

(2) is not owned, or partially owned, by a corporation or other entity listed or traded on a stock exchange;

(3) does not own, or partially own, any other plenary retail consumption license issued by the Division of Alcoholic Beverage Control; and

(4) does not include as a shareholder a person or entity that owns 10 percent or more of the shares of the eligible business entity and that owns, or partially owns, any other plenary retail consumption license issued by the Division of Alcoholic Beverage Control.

"Licensed premises" shall include the premises where the performance is held and any adjacent premises operated by the licensee.

"Performance" shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading, or other artistic or cultural exhibition.

e. A license issued under the provisions of this section shall not be counted in determining the number of licenses under P.L.1947, c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

4. This act shall take effect immediately.

Approved August 21, 2025.

SENATE, No. 3944

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 9, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/9/2024)

1 AN ACT concerning certain alcoholic beverage licenses and
2 amending P.L.1985, c.151 and P.L.2019, c.466.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to
8 read as follows:

9 1. The governing board or body of any municipality, upon the
10 approval of the Director of the Division of Alcoholic Beverage
11 Control, may issue a plenary retail consumption license to a
12 nonprofit corporation exempt from federal income tax under section
13 501(c)(3) of the Internal Revenue Code , including a disregarded
14 entity of the corporation that is a single-member limited liability
15 corporation disregarded for federal income tax purposes pursuant to
16 26 C.F.R. Part 301, which regularly operates as an art-house movie
17 theater or conducts musical or theatrical performances or concerts
18 for which admission is charged. A license issued pursuant to this
19 section shall be used in connection with a premises with a seating
20 capacity of 1,000 persons or more that is primarily used to conduct
21 musical or theatrical performances or concerts.

22 The license shall authorize the sale of alcoholic beverages by the
23 nonprofit corporation or its restaurant operator who has been
24 approved pursuant to procedures established by the Division of
25 Alcoholic Beverage Control for consumption on the licensed
26 premises:

- 27 a. during the two hours immediately preceding performances;
28 b. during performances, including intermission; and
29 c. during the two hours immediately following performances.

30 For the purposes of this section **[,]** :

31 "Licensed premises" shall include the premises where the
32 musical or theatrical performance or concert is held and any
33 adjacent premises owned and operated by the licensee.

34 "Art-house movie theater" means a theater that is principally
35 used for the purpose of showing motion pictures and is operated by
36 a nonprofit arts organization, which demonstrates a commitment to
37 enriching its local community by providing opportunities for
38 participation in the arts, offering arts education opportunities, and
39 promoting regional economic prosperity.

40 A license issued under the provisions of this section shall not be
41 counted in determining the number of licenses under P.L.1947, c.94
42 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
43 seq.).

44 (cf: P.L.2023, c.104, s.2)

EXPLANATION – Matter enclosed in bold-faced brackets **[thus] in the above bill is not enacted and is intended to be omitted in the law.**

Matter underlined thus is new matter.

1 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
2 read as follows:

3 2. The governing board or body of any municipality, upon the
4 approval of the Director of the Division of Alcoholic Beverage
5 Control, may issue a plenary retail consumption license to a
6 nonprofit corporation exempt from federal income tax under section
7 501(c)(3) of the Internal Revenue Code , including a disregarded
8 entity of the corporation that is a single-member limited liability
9 corporation disregarded for federal income tax purposes pursuant to
10 26 C.F.R. Part 301, which regularly operates as an art-house movie
11 theater or conducts musical or theatrical performances or concerts
12 for which admission is charged. A license issued pursuant to this
13 section shall be used in connection with a premises with a seating
14 capacity of 50 persons or more but less than 1,000 persons that is
15 primarily used to conduct musical or theatrical performances or
16 concerts.

17 The license shall authorize the sale of alcoholic beverages by the
18 nonprofit corporation or its restaurant operator who has been
19 approved pursuant to procedures established by the Division of
20 Alcoholic Beverage Control for consumption on the licensed
21 premises:

- 22 a. during the two hours immediately preceding performances;
23 b. during performances, including intermission; and
24 c. for not more than 15 performances in a calendar year, during
25 the two hours immediately following performances.

26 For the purposes of this section **[,]** :

27 "Licensed premises" shall include the premises where the
28 musical or theatrical performance or concert is held and any
29 adjacent premises owned and operated by the licensee.

30 "Art-house movie theater" means a theater that is principally
31 used for the purpose of showing motion pictures and is operated by
32 a nonprofit arts organization, which demonstrates a commitment to
33 enriching its local community by providing opportunities for
34 participation in the arts, offering arts education opportunities, and
35 promoting regional economic prosperity.

36 A license issued under the provisions of this section shall not be
37 counted in determining the number of licenses under P.L.1947, c.94
38 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
39 seq.).

40 (cf: P.L.2023, c.104, s.2)

41

42 3. This act shall take effect immediately.

43

44

45

STATEMENT

46

47 This bill clarifies that holders of plenary retail consumption
48 licenses for nonprofit theaters include disregarded entities of certain
49 nonprofit corporations.

1 Under current law, a municipalities are authorized to issue
2 special plenary retail consumption licenses, known as “theater
3 licenses,” to nonprofit corporations, exempt from federal income
4 tax under section 501(c)(3) of the Internal Revenue Code that
5 conduct musical or theatrical performances or concerts on the
6 licensed premises. This bill clarifies that nonprofit corporations
7 eligible for the license include “disregarded entities” that are single-
8 member limited liability corporations disregarded for federal
9 income tax purposes pursuant to 26 C.F.R. Part 301.

[First Reprint]

SENATE, No. 3944

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 9, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows municipalities, counties, and certain small private theaters to acquire alcoholic beverage retail license.

CURRENT VERSION OF TEXT

As amended by the Senate on December 19, 2024.



(Sponsorship Updated As Of: 12/9/2024)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
 2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
 3 supplementing Title 33 of the Revised Statutes¹.
 4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*
 7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to read
 9 as follows:

10 1. The governing board or body of any municipality, upon the
 11 approval of the Director of the Division of Alcoholic Beverage
 12 Control, may issue a plenary retail consumption license to a nonprofit
 13 corporation exempt from federal income tax under section 501(c)(3) of
 14 the Internal Revenue Code , including a disregarded entity of the
 15 corporation that is a single-member limited liability corporation
 16 disregarded for federal income tax purposes pursuant to 26 C.F.R. Part
 17 301, which regularly operates as an art-house movie theater or
 18 conducts musical or theatrical performances or concerts for which
 19 admission is charged. ¹The governing board or body of any
 20 municipality, upon the approval of the Director of the Division of
 21 Alcoholic Beverage Control, also may issue a plenary retail
 22 consumption license to a municipality or county for use in connection
 23 with a premises which regularly operates as an art-house movie theater
 24 or conducts musical or theatrical performances or concerts for which
 25 admission is charged.¹

26 A license issued pursuant to this section shall be used in
 27 connection with a premises with a seating capacity of 1,000 persons or
 28 more that is primarily used to conduct musical or theatrical
 29 performances or concerts.

30 The license shall authorize the sale of alcoholic beverages by the
 31 nonprofit corporation or its restaurant operator ¹**[who]** or a county or
 32 municipality which¹ has been approved pursuant to procedures
 33 established by the Division of Alcoholic Beverage Control for
 34 consumption on the licensed premises:

- 35 a. during the two hours immediately preceding performances;
- 36 b. during performances, including intermission; and
- 37 c. during the two hours immediately following performances.

38 For the purposes of this section **[,]** :

39 "Licensed premises" shall include the premises where the musical
 40 or theatrical performance or concert is held and any adjacent premises
 41 owned and operated by the licensee.

42 "Art-house movie theater" means a theater that is principally used
 43 for the purpose of showing motion pictures and is operated by a
 44 nonprofit arts organization ¹or a county or municipality¹, which

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted December 19, 2024.

1 demonstrates a commitment to enriching its local community by
2 providing opportunities for participation in the arts, offering arts
3 education opportunities, and promoting regional economic prosperity.

4 A license issued under the provisions of this section shall not be
5 counted in determining the number of licenses under P.L.1947, c.94
6 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).
7 (cf: P.L.2023, c.104, s.2)

8
9 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to read
10 as follows:

11 2. The governing board or body of any municipality, upon the
12 approval of the Director of the Division of Alcoholic Beverage
13 Control, may issue a plenary retail consumption license to a nonprofit
14 corporation exempt from federal income tax under section 501(c)(3) of
15 the Internal Revenue Code , including a disregarded entity of the
16 corporation that is a single-member limited liability corporation
17 disregarded for federal income tax purposes pursuant to 26 C.F.R. Part
18 301, which regularly operates as an art-house movie theater or
19 conducts musical or theatrical performances or concerts for which
20 admission is charged. ¹The governing board or body of any
21 municipality, upon the approval of the Director of the Division of
22 Alcoholic Beverage Control, also may issue a plenary retail
23 consumption license to a municipality or county for use in connection
24 with a premises which regularly operates as an art-house movie theater
25 or conducts musical or theatrical performances or concerts for which
26 admission is charged.¹

27 A license issued pursuant to this section shall be used in
28 connection with a premises with a seating capacity of 50 persons or
29 more but less than 1,000 persons that is primarily used to conduct
30 musical or theatrical performances or concerts.

31 The license shall authorize the sale of alcoholic beverages by the
32 nonprofit corporation or its restaurant operator ¹**【who】** or a county or
33 municipality which¹ has been approved pursuant to procedures
34 established by the Division of Alcoholic Beverage Control for
35 consumption on the licensed premises:

- 36 a. during the two hours immediately preceding performances;
37 b. during performances, including intermission; and
38 c. for not more than 15 performances in a calendar year, during
39 the two hours immediately following performances.

40 For the purposes of this section **【, 】**:

41 "Licensed premises" shall include the premises where the musical
42 or theatrical performance or concert is held and any adjacent premises
43 owned and operated by the licensee.

44 "Art-house movie theater" means a theater that is principally used
45 for the purpose of showing motion pictures and is operated by a
46 nonprofit arts organization ¹or a county or municipality¹, which
47 demonstrates a commitment to enriching its local community by

1 providing opportunities for participation in the arts, offering arts
2 education opportunities, and promoting regional economic prosperity.

3 A license issued under the provisions of this section shall not be
4 counted in determining the number of licenses under P.L.1947, c.94
5 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).
6 (cf: P.L.2023, c.104, s.2)
7

8 ¹3. a. As used in this section, “licensed premises” means a private
9 theater entity used for the purpose of showing motion pictures or
10 where concerts or musical or theatrical performances are held and any
11 adjacent premises owned and operated by the licensee.

12 b. It shall be lawful for the governing board or body of a
13 municipality, upon the approval of the Director of the Division of
14 Alcoholic Beverage Control, to issue a plenary retail consumption
15 license for use in connection with a licensed premises as defined in
16 subsection a. of this section that was incorporated on or prior to the
17 effective date of this act.

18 The plenary retail consumption license shall allow a private entity,
19 including a corporation, or its restaurant operator which has been
20 approved pursuant to procedures established by the Division of
21 Alcoholic Beverage Control to sell alcoholic beverages for
22 consumption on the licensed premises during the one hour
23 immediately preceding a motion picture, concert, or musical or
24 theatrical performance and during performances, including
25 intermission.

26 A plenary retail consumption license only shall be issued pursuant
27 to this section for use in connection with a premises on which:

28 (1) the space or spaces within the premises that are used for
29 musical, theatrical, or concert performances have a total seating
30 capacity of at least 50 persons but not more than 1,000 persons;

31 (2) the space or spaces within the premises that are used for
32 showing motion pictures have three or less movie screens and a total
33 seating capacity of at least 50 persons but not more than 600 persons.

34 c. A license issued under the provisions of this section shall not
35 be counted in determining the number of licenses under P.L.1947, c.94
36 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
37 seq.).¹
38

39 ¹**[3.] 4.**¹ This act shall take effect immediately.

[Second Reprint]

SENATE, No. 3944

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 9, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

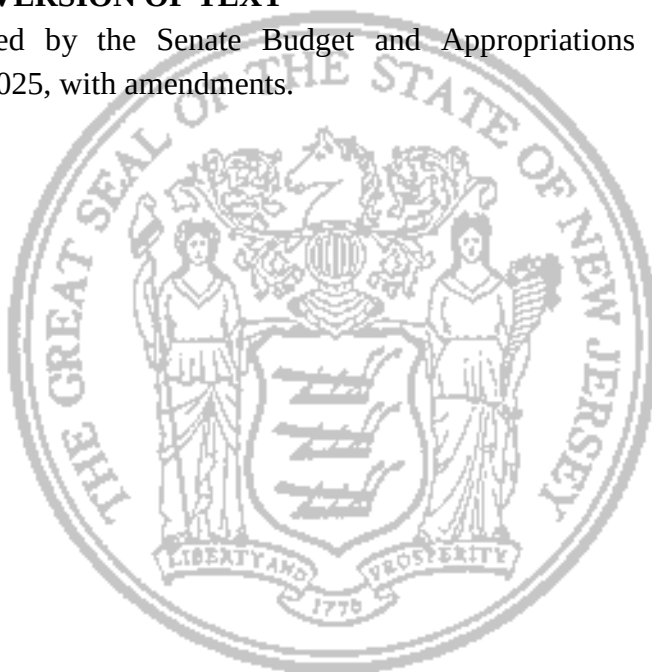
Senators O'Scanlon, Johnson and Wimberly

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on February 3, 2025, with amendments.



(Sponsorship Updated As Of: 2/25/2025)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
 2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
 3 supplementing Title 33 of the Revised Statutes¹.
 4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*
 7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to
 9 read as follows:

10 1. The governing board or body of any municipality, upon the
 11 approval of the Director of the Division of Alcoholic Beverage
 12 Control, may issue a plenary retail consumption license to a
 13 nonprofit corporation exempt from federal income tax under section
 14 501(c)(3) of the Internal Revenue Code , including a disregarded
 15 entity of the corporation that is a single-member limited liability
 16 corporation disregarded for federal income tax purposes pursuant to
 17 26 C.F.R. Part 301, which regularly operates as an art-house movie
 18 theater or conducts musical or theatrical performances or concerts
 19 for which admission is charged. ²**[**¹The governing board or body of
 20 any municipality, upon the approval of the Director of the Division
 21 of Alcoholic Beverage Control, also may issue a plenary retail
 22 consumption license to a municipality or county for use in
 23 connection with a premises which regularly operates as an art-house
 24 movie theater or conducts musical or theatrical performances or
 25 concerts for which admission is charged.¹²

26 A license issued pursuant to this section shall be used in
 27 connection with a premises with a seating capacity of 1,000 persons
 28 or more that is primarily used to conduct musical or theatrical
 29 performances or concerts.

30 The license shall authorize the sale of alcoholic beverages by the
 31 nonprofit corporation or its restaurant operator ²**[**¹**who]** or a
 32 county or municipality which¹**]** who² has been approved pursuant
 33 to procedures established by the Division of Alcoholic Beverage
 34 Control for consumption on the licensed premises:

- 35 a. during the two hours immediately preceding performances;
- 36 b. during performances, including intermission; and
- 37 c. during the two hours immediately following performances.

38 For the purposes of this section **[,]** :

39 ²“Performance” shall include the showing of any motion picture,
 40 musical concert, theatrical play, dance recital, literature reading or
 41 other artistic or cultural exhibition.²

42 "Licensed premises" shall include the premises where the
 43 ²**[**musical or theatrical]² performance ²**[**or concert]² is held and
 44 any adjacent premises ²**[**owned and]² operated by the licensee.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted December 19, 2024.

²Senate SBA committee amendments adopted February 3, 2025.

1 "Art-house movie theater" means a theater that is principally
2 used for the purpose of showing motion pictures and is operated by
3 a nonprofit arts organization ²['or a county or municipality'],²
4 which demonstrates a commitment to enriching its local community
5 by providing opportunities for participation in the arts, offering arts
6 education opportunities, and promoting regional economic
7 prosperity.

8 A license issued under the provisions of this section shall not be
9 counted in determining the number of licenses under P.L.1947, c.94
10 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
11 seq.).

12 (cf: P.L.2023, c.104, s.1)

13
14 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
15 read as follows:

16 2. The governing board or body of any municipality, upon the
17 approval of the Director of the Division of Alcoholic Beverage
18 Control, may issue a plenary retail consumption license to a
19 nonprofit corporation exempt from federal income tax under section
20 501(c)(3) of the Internal Revenue Code , including a disregarded
21 entity of the corporation that is a single-member limited liability
22 corporation disregarded for federal income tax purposes pursuant to
23 26 C.F.R. Part 301, which regularly operates as an art-house movie
24 theater or conducts musical or theatrical performances or concerts
25 for which admission is charged. ²['The governing board or body of
26 any municipality, upon the approval of the Director of the Division
27 of Alcoholic Beverage Control, also may issue a plenary retail
28 consumption license to a municipality or county for use in
29 connection with a premises which regularly operates as an art-house
30 movie theater or conducts musical or theatrical performances or
31 concerts for which admission is charged.¹²

32 A license issued pursuant to this section shall be used in
33 connection with a premises with a seating capacity of 50 persons or
34 more but less than 1,000 persons that is primarily used to conduct
35 musical or theatrical performances or concerts.

36 The license shall authorize the sale of alcoholic beverages by the
37 nonprofit corporation or its restaurant operator ²['[who] or a
38 county or municipality which'] who² has been approved pursuant
39 to procedures established by the Division of Alcoholic Beverage
40 Control for consumption on the licensed premises:

- 41 a. during the two hours immediately preceding performances;
42 b. during performances, including intermission; and
43 c. for not more than 15 performances in a calendar year, during
44 the two hours immediately following performances.

45 For the purposes of this section **[,]** :

46 ²"Performance" shall include the showing of any motion picture,
47 musical concert, theatrical play, dance recital, literature reading or
48 other artistic or cultural exhibition.²

1 "Licensed premises" shall include the premises where the
2 ²~~musical or theatrical~~² performance ²~~or concert~~² is held and
3 any adjacent premises ²~~owned and~~² operated by the licensee.

4 "Art-house movie theater" means a theater that is principally
5 used for the purpose of showing motion pictures and is operated by
6 a nonprofit arts organization ²~~or a county or municipality~~²,
7 which demonstrates a commitment to enriching its local community
8 by providing opportunities for participation in the arts, offering arts
9 education opportunities, and promoting regional economic
10 prosperity.

11 A license issued under the provisions of this section shall not be
12 counted in determining the number of licenses under P.L.1947, c.94
13 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
14 seq.).

15 (cf: P.L.2023, c.104, s.2)

16
17 ²~~1~~³. a. As used in this section, "licensed premises" means a
18 private theater entity used for the purpose of showing motion pictures
19 or where concerts or musical or theatrical performances are held and
20 any adjacent premises owned and operated by the licensee.

21 b. It shall be lawful for the governing board or body of a
22 municipality, upon the approval of the Director of the Division of
23 Alcoholic Beverage Control, to issue a plenary retail consumption
24 license for use in connection with a licensed premises as defined in
25 subsection a. of this section that was incorporated on or prior to the
26 effective date of this act.

27 The plenary retail consumption license shall allow a private entity,
28 including a corporation, or its restaurant operator which has been
29 approved pursuant to procedures established by the Division of
30 Alcoholic Beverage Control to sell alcoholic beverages for
31 consumption on the licensed premises during the one hour
32 immediately preceding a motion picture, concert, or musical or
33 theatrical performance and during performances, including
34 intermission.

35 A plenary retail consumption license only shall be issued pursuant
36 to this section for use in connection with a premises on which:

37 (1) the space or spaces within the premises that are used for
38 musical, theatrical, or concert performances have a total seating
39 capacity of at least 50 persons but not more than 1,000 persons;

40 (2) the space or spaces within the premises that are used for
41 showing motion pictures have three or less movie screens and a total
42 seating capacity of at least 50 persons but not more than 600 persons.

43 c. A license issued under the provisions of this section shall not
44 be counted in determining the number of licenses under P.L.1947, c.94
45 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
46 seq.).¹²

47
48 ²3. a. The governing board or body of any municipality, upon
49 the approval of the Director of the Division of Alcoholic Beverage

1 Control, may issue a plenary retail consumption license to an
2 eligible business entity operating as a community theater for which
3 admission is charged, and for which the premises meet the
4 standards required in subsection b. of this section.

5 b. A license issued pursuant to this section shall be used only in
6 connection with a premises in which:

7 (1) the space or spaces within the premises that are used for
8 showing performances of musical concerts, theatrical plays, dance
9 recitals, literature readings or other artistic or cultural exhibitions
10 contain one or more stages with viewer seating areas having a total
11 seating capacity of at least 50 persons but not more than 1,000
12 persons and do not contain any movie screens for showing
13 performances of motion pictures; or

14 (2) the space or spaces within the premises that are used for
15 showing performances of motion pictures contain no more than
16 three movie screens with viewer seating areas having a total seating
17 capacity of at least 50 persons but not more than 600 persons; or

18 (3) the space or spaces within the premises that are used for
19 showing performances have a total seating capacity of at least 50
20 persons but not more than 1,500 persons, contain at least one but
21 not more than three movie screens for showing motion pictures, and
22 contain at least one stage for showing musical concerts, theatrical
23 plays, dance recitals, literature readings or other artistic or cultural
24 exhibitions. The seating capacity of the viewer seating areas
25 located in the space or spaces with a stage or stages shall constitute
26 at least 25% of the total seating capacity.

27 c. The license shall authorize the sale of alcoholic beverages by
28 the eligible business entity who has been approved pursuant to
29 procedures established by the Division of Alcoholic Beverage
30 Control for consumption on the licensed premises only during the
31 one hour immediately preceding a performance and during
32 performances, including intermission.

33 d. For the purposes of this section:

34 “Performance” shall include the showing of any motion picture,
35 musical concert, theatrical play, dance recital, literature reading or
36 other artistic or cultural exhibition.

37 “Licensed premises” shall include the premises where the
38 performance is held and any adjacent premises operated by the
39 licensee.

40 “Eligible business entity” shall include any corporation,
41 company, partnership, sole proprietorship or person, including any
42 person or entity owning 10% or more of the shares thereof, that:

43 (1) is not listed or traded on a stock exchange; and

44 (2) is not owned, or partially owned, by a corporation or other
45 entity listed or traded on a stock exchange; and

46 (3) does not own, or partially own, any other plenary retail
47 consumption license issued by the Division of Alcoholic Beverage
48 Control; and

1 (4) does not include as a shareholder a person or entity that
2 owns 10% or more of the shares of the eligible business entity and
3 that owns, or partially owns, any other plenary retail consumption
4 license issued by the Division of Alcoholic Beverage Control.
5 “Community theater” shall mean a theater that is used for the
6 purpose of showing performances of motion pictures, musical
7 concerts, theatrical plays, dance recitals, literature readings or other
8 artistic or cultural exhibitions and is owned and operated by an
9 eligible business entity.
10 e. A license issued under the provisions of this section shall not
11 be counted in determining the number of licenses under P.L.1947,
12 c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40
13 et seq.).²
14
15 ¹**[3.]** 4.¹ This act shall take effect immediately.

[Third Reprint]

SENATE, No. 3944

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED DECEMBER 9, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

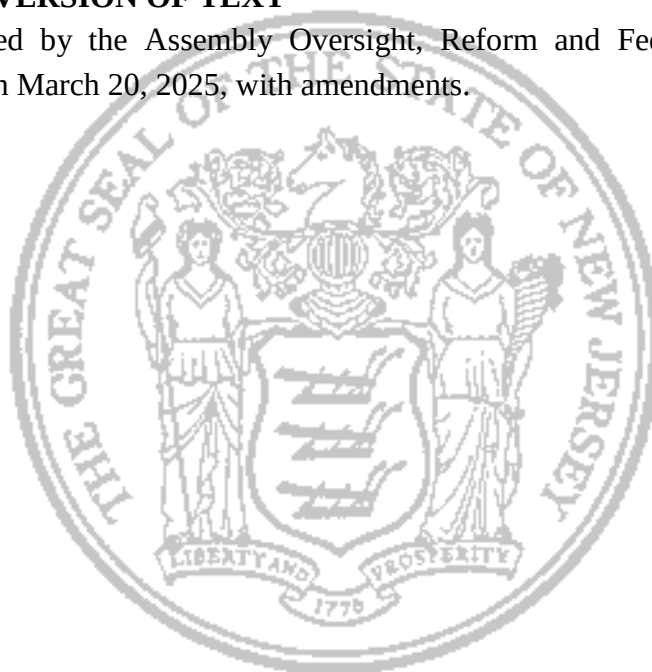
Senators O'Scanlon, Johnson and Wimberly

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages.

CURRENT VERSION OF TEXT

As reported by the Assembly Oversight, Reform and Federal Relations Committee on March 20, 2025, with amendments.



(Sponsorship Updated As Of: 2/25/2025)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
 2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
 3 supplementing Title 33 of the Revised Statutes¹.
 4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
 6 of New Jersey:
 7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to
 9 read as follows:

10 1. The governing board or body of any municipality, upon the
 11 approval of the Director of the Division of Alcoholic Beverage
 12 Control, may issue a plenary retail consumption license to a
 13 nonprofit corporation exempt from federal income tax under section
 14 501(c)(3) of the Internal Revenue Code , including a disregarded
 15 entity of the corporation that is a single-member limited liability
 16 corporation disregarded for federal income tax purposes pursuant to
 17 26 C.F.R. Part 301, which regularly operates as an art-house movie
 18 theater or conducts musical or theatrical performances or concerts
 19 for which admission is charged. ²**[**¹The governing board or body of
 20 any municipality, upon the approval of the Director of the Division
 21 of Alcoholic Beverage Control, also may issue a plenary retail
 22 consumption license to a municipality or county for use in
 23 connection with a premises which regularly operates as an art-house
 24 movie theater or conducts musical or theatrical performances or
 25 concerts for which admission is charged.¹²

26 A license issued pursuant to this section shall be used in
 27 connection with a premises with a seating capacity of 1,000 persons
 28 or more that is primarily used to conduct musical or theatrical
 29 performances or concerts.

30 The license shall authorize the sale of alcoholic beverages by the
 31 nonprofit corporation or its restaurant operator ²**[**¹**[who]** or a
 32 county or municipality which¹**]** who² has been approved pursuant
 33 to procedures established by the Division of Alcoholic Beverage
 34 Control for consumption on the licensed premises:

- 35 a. during the two hours immediately preceding performances;
- 36 b. during performances, including intermission; and
- 37 c. during the two hours immediately following performances.

38 For the purposes of this section **[,]** :

39 ²“Performance” shall include the showing of any motion picture,
 40 musical concert, theatrical play, dance recital, literature reading or
 41 other artistic or cultural exhibition.²

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted December 19, 2024.

²Senate SBA committee amendments adopted February 3, 2025.

³Assembly AOF committee amendments adopted March 20, 2025.

1 "Licensed premises" shall include the premises where the
2 ²~~musical or theatrical~~² performance ²~~or concert~~² is held and
3 any adjacent premises ²~~owned and~~² operated by the licensee.

4 "Art-house movie theater" means a theater that is principally
5 used for the purpose of showing motion pictures and is operated by
6 a nonprofit arts organization ²~~or a county or municipality~~¹, ²
7 which demonstrates a commitment to enriching its local community
8 by providing opportunities for participation in the arts, offering arts
9 education opportunities, and promoting regional economic
10 prosperity.

11 A license issued under the provisions of this section shall not be
12 counted in determining the number of licenses under P.L.1947, c.94
13 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
14 seq.).

15 (cf: P.L.2023, c.104, s.1)

16
17 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
18 read as follows:

19 2. The governing board or body of any municipality, upon the
20 approval of the Director of the Division of Alcoholic Beverage
21 Control, may issue a plenary retail consumption license to a
22 nonprofit corporation exempt from federal income tax under section
23 501(c)(3) of the Internal Revenue Code , including a disregarded
24 entity of the corporation that is a single-member limited liability
25 corporation disregarded for federal income tax purposes pursuant to
26 26 C.F.R. Part 301, which regularly operates as an art-house movie
27 theater or conducts musical or theatrical performances or concerts
28 for which admission is charged. ²~~The governing board or body of~~
29 any municipality, upon the approval of the Director of the Division
30 of Alcoholic Beverage Control, also may issue a plenary retail
31 consumption license to a municipality or county for use in
32 connection with a premises which regularly operates as an art-house
33 movie theater or conducts musical or theatrical performances or
34 concerts for which admission is charged.¹²

35 A license issued pursuant to this section shall be used in
36 connection with a premises with a seating capacity of 50 persons or
37 more but less than 1,000 persons that is primarily used to conduct
38 musical or theatrical performances or concerts.

39 The license shall authorize the sale of alcoholic beverages by the
40 nonprofit corporation or its restaurant operator ²~~who~~ ²~~or a~~
41 county or municipality which¹ who² has been approved pursuant
42 to procedures established by the Division of Alcoholic Beverage
43 Control for consumption on the licensed premises:

- 44 a. during the two hours immediately preceding performances;
45 b. during performances, including intermission; and
46 c. for not more than 15 performances in a calendar year, during
47 the two hours immediately following performances.

1 For the purposes of this section **[,]** :

2 ²“Performance” shall include the showing of any motion picture,
3 musical concert, theatrical play, dance recital, literature reading or
4 other artistic or cultural exhibition.²

5 "Licensed premises" shall include the premises where the
6 ²**[musical or theatrical]**² performance ²**[or concert]**² is held and
7 any adjacent premises ²**[owned and]**² operated by the licensee.

8 "Art-house movie theater" means a theater that is principally
9 used for the purpose of showing motion pictures and is operated by
10 a nonprofit arts organization ²**[¹or a county or municipality ,]**²
11 which demonstrates a commitment to enriching its local community
12 by providing opportunities for participation in the arts, offering arts
13 education opportunities, and promoting regional economic
14 prosperity.

15 A license issued under the provisions of this section shall not be
16 counted in determining the number of licenses under P.L.1947, c.94
17 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
18 seq.).
19 (cf: P.L.2023, c.104, s.2)

20
21 ²**[¹3.** a. As used in this section, “licensed premises” means a
22 private theater entity used for the purpose of showing motion pictures
23 or where concerts or musical or theatrical performances are held and
24 any adjacent premises owned and operated by the licensee.

25 b. It shall be lawful for the governing board or body of a
26 municipality, upon the approval of the Director of the Division of
27 Alcoholic Beverage Control, to issue a plenary retail consumption
28 license for use in connection with a licensed premises as defined in
29 subsection a. of this section that was incorporated on or prior to the
30 effective date of this act.

31 The plenary retail consumption license shall allow a private entity,
32 including a corporation, or its restaurant operator which has been
33 approved pursuant to procedures established by the Division of
34 Alcoholic Beverage Control to sell alcoholic beverages for
35 consumption on the licensed premises during the one hour
36 immediately preceding a motion picture, concert, or musical or
37 theatrical performance and during performances, including
38 intermission.

39 A plenary retail consumption license only shall be issued pursuant
40 to this section for use in connection with a premises on which:

41 (1) the space or spaces within the premises that are used for
42 musical, theatrical, or concert performances have a total seating
43 capacity of at least 50 persons but not more than 1,000 persons;

44 (2) the space or spaces within the premises that are used for
45 showing motion pictures have three or less movie screens and a total
46 seating capacity of at least 50 persons but not more than 600 persons.

47 c. A license issued under the provisions of this section shall not
48 be counted in determining the number of licenses under P.L.1947, c.94

1 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
2 seq.).¹²

3 ²3. a. The governing board or body of any municipality, upon
4 the approval of the Director of the Division of Alcoholic Beverage
5 Control, may issue a plenary retail consumption license to an
6 eligible business entity operating as a community theater for which
7 admission is charged, and for which the premises meet the
8 standards required in subsection b. of this section.

9 b. A license issued pursuant to this section shall be used only in
10 connection with a premises in which:

11 (1) the space or spaces within the premises that are used for
12 showing performances of musical concerts, theatrical plays, dance
13 recitals, literature readings or other artistic or cultural exhibitions
14 contain one or more stages with viewer seating areas having a total
15 seating capacity of at least 50 persons but not more than 1,000
16 persons and do not contain any movie screens for showing
17 performances of motion pictures; or

18 (2) the space or spaces within the premises that are used for
19 showing performances of motion pictures contain no more than
20 ³[three] five³ movie screens with viewer seating areas having a
21 total seating capacity of at least 50 persons but not more than 600
22 persons; or

23 (3) the space or spaces within the premises that are used for
24 showing performances have a total seating capacity of at least 50
25 persons but not more than 1,500 persons, contain at least one but
26 not more than ³[three] five³ movie screens for showing motion
27 pictures, and contain at least one stage for showing musical
28 concerts, theatrical plays, dance recitals, literature readings or other
29 artistic or cultural exhibitions. The seating capacity of the viewer
30 seating areas located in the space or spaces with a stage or stages
31 shall constitute at least 25% of the total seating capacity.

32 c. The license shall authorize the sale of alcoholic beverages by
33 the eligible business entity who has been approved pursuant to
34 procedures established by the Division of Alcoholic Beverage
35 Control for consumption on the licensed premises only during the
36 one hour immediately preceding a performance and during
37 performances, including intermission.

38 d. For the purposes of this section:

39 “Performance” shall include the showing of any motion picture,
40 musical concert, theatrical play, dance recital, literature reading or
41 other artistic or cultural exhibition.

42 “Licensed premises” shall include the premises where the
43 performance is held and any adjacent premises operated by the
44 licensee.

45 “Eligible business entity” shall include any corporation,
46 company, partnership, sole proprietorship or person, including any
47 person or entity owning 10% or more of the shares thereof, that:

48 (1) is not listed or traded on a stock exchange; and

1 (2) is not owned, or partially owned, by a corporation or other
2 entity listed or traded on a stock exchange; and

3 (3) does not own, or partially own, any other plenary retail
4 consumption license issued by the Division of Alcoholic Beverage
5 Control; and

6 (4) does not include as a shareholder a person or entity that
7 owns 10% or more of the shares of the eligible business entity and
8 that owns, or partially owns, any other plenary retail consumption
9 license issued by the Division of Alcoholic Beverage Control.

10 “Community theater” shall mean a theater that is used for the
11 purpose of showing performances of motion pictures, musical
12 concerts, theatrical plays, dance recitals, literature readings or other
13 artistic or cultural exhibitions and is owned and operated by an
14 eligible business entity.

15 e. A license issued under the provisions of this section shall not
16 be counted in determining the number of licenses under P.L.1947,
17 c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40
18 et seq.).²

19
20 ¹**[3.]** 4.¹ This act shall take effect immediately.

[Fourth Reprint]

SENATE, No. 3944

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED DECEMBER 9, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblywoman LINDA S. CARTER

District 22 (Somerset and Union)

Co-Sponsored by:

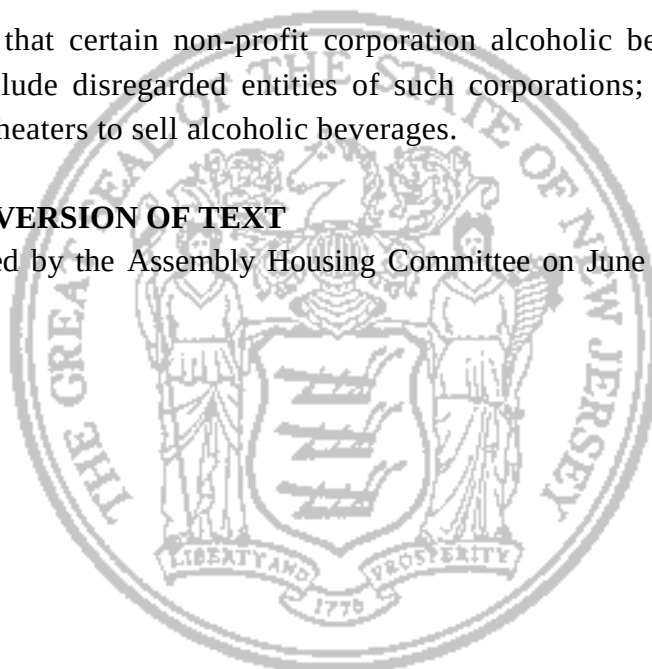
**Senators O'Scanlon, Johnson, Wimberly, Assemblywoman Haider,
Assemblyman Freiman, Assemblywomen Bagolie, Drulis and Morales**

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing Committee on June 19, 2025, with amendments.



(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
3 supplementing Title 33 of the Revised Statutes¹.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to read
9 as follows:

10 1. The governing board or body of any municipality, upon the
11 approval of the Director of the Division of Alcoholic Beverage
12 Control, may issue a plenary retail consumption license to a nonprofit
13 corporation exempt from federal income tax under section 501(c)(3) of
14 the Internal Revenue Code , including a disregarded entity of the
15 corporation that is a single-member limited liability corporation
16 disregarded for federal income tax purposes pursuant to 26 C.F.R. Part
17 301, which regularly operates as an art-house movie theater or
18 conducts musical ⁴**[or theatrical]**⁴ performances ⁴**[or]** , theatrical
19 productions,⁴ concerts ⁴, or other public entertainment events⁴ for
20 which admission is charged. ²**[¹The governing board or body of any**
21 municipality, upon the approval of the Director of the Division of
22 Alcoholic Beverage Control, also may issue a plenary retail
23 consumption license to a municipality or county for use in connection
24 with a premises which regularly operates as an art-house movie theater
25 or conducts musical or theatrical performances or concerts for which
26 admission is charged.¹²

27 A license issued pursuant to this section shall be used in
28 connection with ⁴**[a]**⁴ premises ⁴**[with]** that have⁴ a seating capacity
29 of ⁴at least⁴ 1,000 persons ⁴**[or more that is]** and are⁴ primarily used
30 to ⁴**[conduct musical or theatrical performances or concerts]** host
31 musical performances, theatrical productions, concerts, or other public
32 entertainment events⁴.

33 The license shall authorize the sale of alcoholic beverages by the
34 nonprofit corporation or its restaurant operator ²**[¹who] or a county**
35 or municipality which¹] who² has been approved pursuant to
36 procedures established by the Division of Alcoholic Beverage Control
37 for consumption on the licensed premises:

38 a. during the two hours immediately preceding performances ⁴or
39 public entertainment events⁴;

40 b. during performances ⁴or public entertainment events⁴,
41 including intermission; and

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted December 19, 2024.

²Senate SBA committee amendments adopted February 3, 2025.

³Assembly AOF committee amendments adopted March 20, 2025.

⁴Assembly AHO committee amendments adopted June 19, 2025.

1 c. during the two hours immediately following performances ⁴or
2 public entertainment events⁴.

3 For the purposes of this section **[,]** :

4 ⁴**[**²"Performance" shall include the showing of any motion picture,
5 musical concert, theatrical play, dance recital, literature reading or
6 other artistic or cultural exhibition.²

7 "Licensed premises" shall include the premises where the **]**⁴
8 ²**[**musical or theatrical² ⁴**[**performance⁴ ²**[**or concert² ⁴**[**is held
9 and any adjacent premises⁴ ²**[**owned and² ⁴**[**operated by the
10 licensee.⁴

11 "Art-house movie theater" means a theater that is principally used
12 for the purpose of showing motion pictures and is operated by a
13 nonprofit arts organization ²**[**¹or a county or municipality¹ ²**]** which
14 demonstrates a commitment to enriching its local community by
15 providing opportunities for participation in the arts, offering arts
16 education opportunities, and promoting regional economic prosperity.

17 ⁴"Licensed premises" shall include the premises where the
18 performance or public entertainment event is held and any adjacent
19 premises operated by the licensee.

20 "Performance" shall include the showing of any motion picture,
21 musical concert, theatrical play, dance recital, literature reading, or
22 other artistic or cultural exhibition.

23 "Public entertainment event" shall include a sporting event, a
24 simulcast, or other social, charitable, or athletic event.⁴

25 A license issued under the provisions of this section shall not be
26 counted in determining the number of licenses under P.L.1947, c.94
27 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

28 ⁴At the option of the nonprofit licensee, revenue generated by a
29 concessionaire within or adjacent to the licensed premises may be used
30 to support or subsidize the theater's performances or public
31 entertainment events held at the licensed premises.

32 For the purposes of this section, the division shall not differentiate
33 for the purposes of approving a nonprofit applicant operating in a
34 publicly-owned or nonprofit arts organization-owned theater or art-
35 house movie theater or performing arts center.⁴

36 (cf: P.L.2023, c.104, s.1)

37

38 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to read
39 as follows:

40 2. The governing board or body of any municipality, upon the
41 approval of the Director of the Division of Alcoholic Beverage
42 Control, may issue a plenary retail consumption license to a nonprofit
43 corporation exempt from federal income tax under section 501(c)(3) of
44 the Internal Revenue Code , including a disregarded entity of the
45 corporation that is a single-member limited liability corporation
46 disregarded for federal income tax purposes pursuant to 26 C.F.R. Part
47 301, which regularly operates as an art-house movie theater or

1 conducts musical ⁴~~or theatrical~~⁴ performances ⁴~~or~~ , theatrical
 2 productions,⁴ concerts ⁴, or other public entertainment events⁴ for
 3 which admission is charged. ²¹The governing board or body of any
 4 municipality, upon the approval of the Director of the Division of
 5 Alcoholic Beverage Control, also may issue a plenary retail
 6 consumption license to a municipality or county for use in connection
 7 with a premises which regularly operates as an art-house movie theater
 8 or conducts musical or theatrical performances or concerts for which
 9 admission is charged.¹²

10 A license issued pursuant to this section shall be used in
 11 connection with a premises with a seating capacity of 50 persons or
 12 more but less than 1,000 persons that is primarily used to ⁴~~conduct~~
 13 musical or theatrical performances or concerts host musical
 14 performances, theatrical productions, concerts, or other public
 15 entertainment events⁴.

16 The license shall authorize the sale of alcoholic beverages by the
 17 nonprofit corporation or its restaurant operator ²¹~~who~~ or a county
 18 or municipality which¹ who² has been approved pursuant to
 19 procedures established by the Division of Alcoholic Beverage Control
 20 for consumption on the licensed premises:

- 21 a. during the two hours immediately preceding performances
 22 ⁴or public entertainment events⁴;
- 23 b. during performances ⁴or public entertainment events⁴,
 24 including intermission; and
- 25 c. for not more than 15 performances in a calendar year, during
 26 the two hours immediately following performances ⁴or public
 27 entertainment events⁴.

28 For the purposes of this section ~~],]~~ :

29 ⁴²“Performance” shall include the showing of any motion picture,
 30 musical concert, theatrical play, dance recital, literature reading or
 31 other artistic or cultural exhibition.²

32 "Licensed premises" shall include the premises where the⁴
 33 ²~~musical or theatrical~~² ⁴~~performance~~⁴ ²~~or concert~~² ⁴~~is held~~
 34 and any adjacent premises⁴ ²owned and² ⁴operated by the
 35 licensee.⁴

36 "Art-house movie theater" means a theater that is principally used
 37 for the purpose of showing motion pictures and is operated by a
 38 nonprofit arts organization ²¹or a county or municipality ,² which
 39 demonstrates a commitment to enriching its local community by
 40 providing opportunities for participation in the arts, offering arts
 41 education opportunities, and promoting regional economic prosperity.

42 ⁴"Licensed premises" shall include the premises where the
 43 performance or public entertainment event is held and any adjacent
 44 premises operated by the licensee.

1 "Performance" shall include the showing of any motion picture,
2 musical concert, theatrical play, dance recital, literature reading, or
3 other artistic or cultural exhibition.

4 "Public entertainment event" shall include a sporting event, a
5 simulcast, or other social, charitable, or athletic event.⁴

6 A license issued under the provisions of this section shall not be
7 counted in determining the number of licenses under P.L.1947, c.94
8 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

9 ⁴At the option of the nonprofit licensee, revenue generated by a
10 concessionaire within or adjacent to the licensed premises may be used
11 to support or subsidize the theater's performances or public
12 entertainment events held at the licensed premises.

13 For the purposes of this section, the division shall not differentiate
14 for the purposes of approving a nonprofit applicant operating in a
15 publicly-owned or nonprofit arts organization-owned theater or art-
16 house movie theater or performing arts center.⁴

17 (cf: P.L.2023, c.104, s.2)

18
19 ²[13. a. As used in this section, "licensed premises" means a
20 private theater entity used for the purpose of showing motion pictures
21 or where concerts or musical or theatrical performances are held and
22 any adjacent premises owned and operated by the licensee.

23 b. It shall be lawful for the governing board or body of a
24 municipality, upon the approval of the Director of the Division of
25 Alcoholic Beverage Control, to issue a plenary retail consumption
26 license for use in connection with a licensed premises as defined in
27 subsection a. of this section that was incorporated on or prior to the
28 effective date of this act.

29 The plenary retail consumption license shall allow a private entity,
30 including a corporation, or its restaurant operator which has been
31 approved pursuant to procedures established by the Division of
32 Alcoholic Beverage Control to sell alcoholic beverages for
33 consumption on the licensed premises during the one hour
34 immediately preceding a motion picture, concert, or musical or
35 theatrical performance and during performances, including
36 intermission.

37 A plenary retail consumption license only shall be issued pursuant
38 to this section for use in connection with a premises on which:

39 (1) the space or spaces within the premises that are used for
40 musical, theatrical, or concert performances have a total seating
41 capacity of at least 50 persons but not more than 1,000 persons;

42 (2) the space or spaces within the premises that are used for
43 showing motion pictures have three or less movie screens and a total
44 seating capacity of at least 50 persons but not more than 600 persons.

45 c. A license issued under the provisions of this section shall not
46 be counted in determining the number of licenses under P.L.1947, c.94
47 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
48 seq.).¹²

1 ²3. a. The governing board or body of any municipality, upon the
2 approval of the Director of the Division of Alcoholic Beverage
3 Control, may issue a plenary retail consumption license to an eligible
4 business entity operating as a community theater for which admission
5 is charged, and for which the premises meet the standards required in
6 subsection b. of this section.

7 b. A license issued pursuant to this section shall be used only in
8 connection with a premises in which:

9 (1) the space or spaces within the premises that are used for
10 showing performances of musical concerts, theatrical plays, dance
11 recitals, literature readings ^{4,4} or other artistic or cultural exhibitions
12 contain one or more stages with viewer seating areas having a total
13 seating capacity of at least 50 persons but not more than 1,000 persons
14 and do not contain any movie screens for showing performances of
15 motion pictures; or

16 (2) the space or spaces within the premises that are used for
17 showing performances of motion pictures contain no more than
18 ³[three] five³ movie screens with viewer seating areas having a total
19 seating capacity of at least 50 persons but not more than 600 persons;
20 or

21 (3) the space or spaces within the premises that are used for
22 showing performances have a total seating capacity of at least 50
23 persons but not more than 1,500 persons, contain at least one but not
24 more than ³[three] five³ movie screens for showing motion pictures,
25 and contain at least one stage for showing musical concerts, theatrical
26 plays, dance recitals, literature readings or other artistic or cultural
27 exhibitions. The seating capacity of the viewer seating areas located in
28 the space or spaces with a stage or stages shall constitute at least 25
29 ⁴[%] percent⁴ of the total seating capacity.

30 c. The license shall authorize the sale of alcoholic beverages by
31 the eligible business entity who has been approved pursuant to
32 procedures established by the Division of Alcoholic Beverage Control
33 for consumption on the licensed premises only during the one hour
34 immediately preceding a performance and during performances,
35 including intermission.

36 d. For the purposes of this section:

37 ⁴["Performance" shall include the showing of any motion picture,
38 musical concert, theatrical play, dance recital, literature reading or
39 other artistic or cultural exhibition.

40 "Licensed premises" shall include the premises where the
41 performance is held and any adjacent premises operated by the
42 licensee.

43 "Eligible business entity" shall include any corporation, company,
44 partnership, sole proprietorship or person, including any person or
45 entity owning 10% or more of the shares thereof, that:

46 (1) is not listed or traded on a stock exchange; and

47 (2) is not owned, or partially owned, by a corporation or other
48 entity listed or traded on a stock exchange; and

1 (3) does not own, or partially own, any other plenary retail
2 consumption license issued by the Division of Alcoholic Beverage
3 Control; and

4 (4) does not include as a shareholder a person or entity that owns
5 10% or more of the shares of the eligible business entity and that
6 owns, or partially owns, any other plenary retail consumption license
7 issued by the Division of Alcoholic Beverage Control.】⁴

8 "Community theater" shall mean a theater that is used for the
9 purpose of showing performances of motion pictures, musical
10 concerts, theatrical plays, dance recitals, literature readings or other
11 artistic or cultural exhibitions and is owned and operated by an eligible
12 business entity.

13 ⁴"Eligible business entity" shall include any corporation, company,
14 partnership, sole proprietorship or person, including any person or
15 entity owning 10 percent or more of the shares thereof, that:

16 (1) is not listed or traded on a stock exchange;

17 (2) is not owned, or partially owned, by a corporation or other
18 entity listed or traded on a stock exchange;

19 (3) does not own, or partially own, any other plenary retail
20 consumption license issued by the Division of Alcoholic Beverage
21 Control; and

22 (4) does not include as a shareholder a person or entity that owns
23 10 percent or more of the shares of the eligible business entity and that
24 owns, or partially owns, any other plenary retail consumption license
25 issued by the Division of Alcoholic Beverage Control.

26 "Licensed premises" shall include the premises where the
27 performance is held and any adjacent premises operated by the
28 licensee.

29 "Performance" shall include the showing of any motion picture,
30 musical concert, theatrical play, dance recital, literature reading or
31 other artistic or cultural exhibition.⁴

32 e. A license issued under the provisions of this section shall not be
33 counted in determining the number of licenses under P.L.1947, c.94
34 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
35 seq.).²

36
37 ¹**[3.]** 4.¹ This act shall take effect immediately.

[Third Reprint]

SENATE, No. 3944

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 9, 2024

Sponsored by:

Senator PAUL A. SARLO

District 36 (Bergen and Passaic)

Senator VIN GOPAL

District 11 (Monmouth)

Co-Sponsored by:

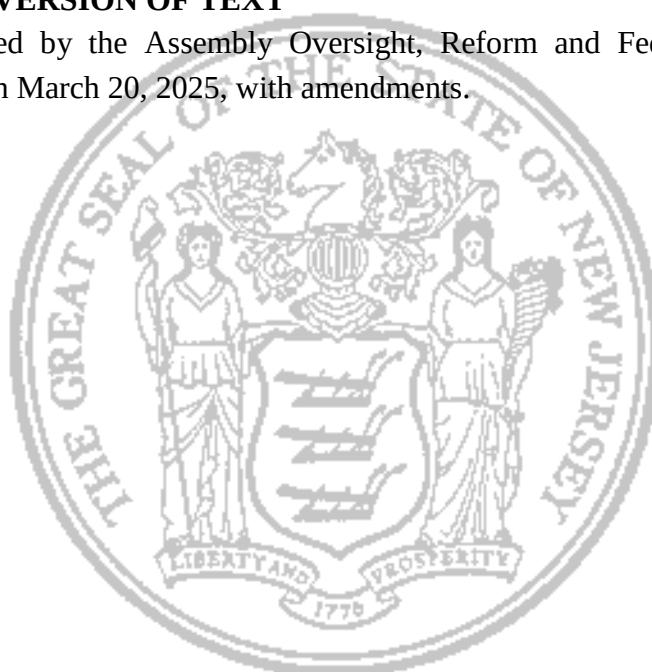
Senators O'Scanlon, Johnson and Wimberly

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages.

CURRENT VERSION OF TEXT

As reported by the Assembly Oversight, Reform and Federal Relations Committee on March 20, 2025, with amendments.



(Sponsorship Updated As Of: 2/25/2025)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
 2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
 3 supplementing Title 33 of the Revised Statutes¹.
 4

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
 6 *of New Jersey:*
 7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to
 9 read as follows:

10 1. The governing board or body of any municipality, upon the
 11 approval of the Director of the Division of Alcoholic Beverage
 12 Control, may issue a plenary retail consumption license to a
 13 nonprofit corporation exempt from federal income tax under section
 14 501(c)(3) of the Internal Revenue Code , including a disregarded
 15 entity of the corporation that is a single-member limited liability
 16 corporation disregarded for federal income tax purposes pursuant to
 17 26 C.F.R. Part 301, which regularly operates as an art-house movie
 18 theater or conducts musical or theatrical performances or concerts
 19 for which admission is charged. ²**[**¹The governing board or body of
 20 any municipality, upon the approval of the Director of the Division
 21 of Alcoholic Beverage Control, also may issue a plenary retail
 22 consumption license to a municipality or county for use in
 23 connection with a premises which regularly operates as an art-house
 24 movie theater or conducts musical or theatrical performances or
 25 concerts for which admission is charged.¹²

26 A license issued pursuant to this section shall be used in
 27 connection with a premises with a seating capacity of 1,000 persons
 28 or more that is primarily used to conduct musical or theatrical
 29 performances or concerts.

30 The license shall authorize the sale of alcoholic beverages by the
 31 nonprofit corporation or its restaurant operator ²**[**¹**[who]** or a
 32 county or municipality which¹**]** who² has been approved pursuant
 33 to procedures established by the Division of Alcoholic Beverage
 34 Control for consumption on the licensed premises:

- 35 a. during the two hours immediately preceding performances;
- 36 b. during performances, including intermission; and
- 37 c. during the two hours immediately following performances.

38 For the purposes of this section **[,]** :

39 ²“Performance” shall include the showing of any motion picture,
 40 musical concert, theatrical play, dance recital, literature reading or
 41 other artistic or cultural exhibition.²

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate floor amendments adopted December 19, 2024.

²Senate SBA committee amendments adopted February 3, 2025.

³Assembly AOF committee amendments adopted March 20, 2025.

1 "Licensed premises" shall include the premises where the
2 ²~~musical or theatrical~~² performance ²~~or concert~~² is held and
3 any adjacent premises ²~~owned and~~² operated by the licensee.

4 "Art-house movie theater" means a theater that is principally
5 used for the purpose of showing motion pictures and is operated by
6 a nonprofit arts organization ²~~or a county or municipality~~¹, ²
7 which demonstrates a commitment to enriching its local community
8 by providing opportunities for participation in the arts, offering arts
9 education opportunities, and promoting regional economic
10 prosperity.

11 A license issued under the provisions of this section shall not be
12 counted in determining the number of licenses under P.L.1947, c.94
13 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
14 seq.).

15 (cf: P.L.2023, c.104, s.1)

16
17 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
18 read as follows:

19 2. The governing board or body of any municipality, upon the
20 approval of the Director of the Division of Alcoholic Beverage
21 Control, may issue a plenary retail consumption license to a
22 nonprofit corporation exempt from federal income tax under section
23 501(c)(3) of the Internal Revenue Code , including a disregarded
24 entity of the corporation that is a single-member limited liability
25 corporation disregarded for federal income tax purposes pursuant to
26 26 C.F.R. Part 301, which regularly operates as an art-house movie
27 theater or conducts musical or theatrical performances or concerts
28 for which admission is charged. ²~~The governing board or body of~~
29 any municipality, upon the approval of the Director of the Division
30 of Alcoholic Beverage Control, also may issue a plenary retail
31 consumption license to a municipality or county for use in
32 connection with a premises which regularly operates as an art-house
33 movie theater or conducts musical or theatrical performances or
34 concerts for which admission is charged.¹²

35 A license issued pursuant to this section shall be used in
36 connection with a premises with a seating capacity of 50 persons or
37 more but less than 1,000 persons that is primarily used to conduct
38 musical or theatrical performances or concerts.

39 The license shall authorize the sale of alcoholic beverages by the
40 nonprofit corporation or its restaurant operator ²~~who~~¹ or a
41 county or municipality which¹ who² has been approved pursuant
42 to procedures established by the Division of Alcoholic Beverage
43 Control for consumption on the licensed premises:

- 44 a. during the two hours immediately preceding performances;
45 b. during performances, including intermission; and
46 c. for not more than 15 performances in a calendar year, during
47 the two hours immediately following performances.

1 For the purposes of this section **[,]** :

2 ²“Performance” shall include the showing of any motion picture,
3 musical concert, theatrical play, dance recital, literature reading or
4 other artistic or cultural exhibition.²

5 "Licensed premises" shall include the premises where the
6 ²**[musical or theatrical]**² performance ²**[or concert]**² is held and
7 any adjacent premises ²**[owned and]**² operated by the licensee.

8 "Art-house movie theater" means a theater that is principally
9 used for the purpose of showing motion pictures and is operated by
10 a nonprofit arts organization ²**[¹or a county or municipality ,]**²
11 which demonstrates a commitment to enriching its local community
12 by providing opportunities for participation in the arts, offering arts
13 education opportunities, and promoting regional economic
14 prosperity.

15 A license issued under the provisions of this section shall not be
16 counted in determining the number of licenses under P.L.1947, c.94
17 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
18 seq.).

19 (cf: P.L.2023, c.104, s.2)

20

21 ²**[¹3.** a. As used in this section, “licensed premises” means a
22 private theater entity used for the purpose of showing motion pictures
23 or where concerts or musical or theatrical performances are held and
24 any adjacent premises owned and operated by the licensee.

25 b. It shall be lawful for the governing board or body of a
26 municipality, upon the approval of the Director of the Division of
27 Alcoholic Beverage Control, to issue a plenary retail consumption
28 license for use in connection with a licensed premises as defined in
29 subsection a. of this section that was incorporated on or prior to the
30 effective date of this act.

31 The plenary retail consumption license shall allow a private entity,
32 including a corporation, or its restaurant operator which has been
33 approved pursuant to procedures established by the Division of
34 Alcoholic Beverage Control to sell alcoholic beverages for
35 consumption on the licensed premises during the one hour
36 immediately preceding a motion picture, concert, or musical or
37 theatrical performance and during performances, including
38 intermission.

39 A plenary retail consumption license only shall be issued pursuant
40 to this section for use in connection with a premises on which:

41 (1) the space or spaces within the premises that are used for
42 musical, theatrical, or concert performances have a total seating
43 capacity of at least 50 persons but not more than 1,000 persons;

44 (2) the space or spaces within the premises that are used for
45 showing motion pictures have three or less movie screens and a total
46 seating capacity of at least 50 persons but not more than 600 persons.

47 c. A license issued under the provisions of this section shall not
48 be counted in determining the number of licenses under P.L.1947, c.94

1 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
2 seq.).¹²

3 ²3. a. The governing board or body of any municipality, upon
4 the approval of the Director of the Division of Alcoholic Beverage
5 Control, may issue a plenary retail consumption license to an
6 eligible business entity operating as a community theater for which
7 admission is charged, and for which the premises meet the
8 standards required in subsection b. of this section.

9 b. A license issued pursuant to this section shall be used only in
10 connection with a premises in which:

11 (1) the space or spaces within the premises that are used for
12 showing performances of musical concerts, theatrical plays, dance
13 recitals, literature readings or other artistic or cultural exhibitions
14 contain one or more stages with viewer seating areas having a total
15 seating capacity of at least 50 persons but not more than 1,000
16 persons and do not contain any movie screens for showing
17 performances of motion pictures; or

18 (2) the space or spaces within the premises that are used for
19 showing performances of motion pictures contain no more than
20 ³three five³ movie screens with viewer seating areas having a
21 total seating capacity of at least 50 persons but not more than 600
22 persons; or

23 (3) the space or spaces within the premises that are used for
24 showing performances have a total seating capacity of at least 50
25 persons but not more than 1,500 persons, contain at least one but
26 not more than ³three five³ movie screens for showing motion
27 pictures, and contain at least one stage for showing musical
28 concerts, theatrical plays, dance recitals, literature readings or other
29 artistic or cultural exhibitions. The seating capacity of the viewer
30 seating areas located in the space or spaces with a stage or stages
31 shall constitute at least 25% of the total seating capacity.

32 c. The license shall authorize the sale of alcoholic beverages by
33 the eligible business entity who has been approved pursuant to
34 procedures established by the Division of Alcoholic Beverage
35 Control for consumption on the licensed premises only during the
36 one hour immediately preceding a performance and during
37 performances, including intermission.

38 d. For the purposes of this section:

39 “Performance” shall include the showing of any motion picture,
40 musical concert, theatrical play, dance recital, literature reading or
41 other artistic or cultural exhibition.

42 “Licensed premises” shall include the premises where the
43 performance is held and any adjacent premises operated by the
44 licensee.

45 “Eligible business entity” shall include any corporation,
46 company, partnership, sole proprietorship or person, including any
47 person or entity owning 10% or more of the shares thereof, that:

48 (1) is not listed or traded on a stock exchange; and

- 1 (2) is not owned, or partially owned, by a corporation or other
2 entity listed or traded on a stock exchange; and
3 (3) does not own, or partially own, any other plenary retail
4 consumption license issued by the Division of Alcoholic Beverage
5 Control; and
6 (4) does not include as a shareholder a person or entity that
7 owns 10% or more of the shares of the eligible business entity and
8 that owns, or partially owns, any other plenary retail consumption
9 license issued by the Division of Alcoholic Beverage Control.
10 “Community theater” shall mean a theater that is used for the
11 purpose of showing performances of motion pictures, musical
12 concerts, theatrical plays, dance recitals, literature readings or other
13 artistic or cultural exhibitions and is owned and operated by an
14 eligible business entity.
15 e. A license issued under the provisions of this section shall not
16 be counted in determining the number of licenses under P.L.1947,
17 c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40
18 et seq.).²
19
20 ¹**[3.] 4.¹** This act shall take effect immediately.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

[Third Reprint]

SENATE, No. 3944

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 19, 2025

The Assembly Housing Committee reports favorably and with committee amendments Senate Bill No. 3944 (3R).

As amended, this bill clarifies that holders of plenary retail consumption licenses for nonprofit art house movie theaters include disregarded entities of certain nonprofit corporations. Specifically, the bill clarifies that nonprofit corporations eligible for the license include “disregarded entities” that are single-member limited liability corporations disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301. Under current law, a plenary retail consumption license allows for the sale of alcoholic beverages for consumption on the licensed premises.

In addition, the amended bill allows a municipality to issue a plenary retail consumption license to an eligible business entity for use in connection with certain “community theaters.” Under the bill, the license holder would be entitled to sell alcoholic beverages for consumption on the licensed premises only during specified times. The bill defines “community theater” as a theater that is used for the purpose of showing performances of motion pictures, musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions and is owned and operated by an eligible business entity.

Under the bill, the license may only be used in connection with a community theater in which the space or spaces within a premises used for showing performances:

- of musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions contain one or more stages with viewer seating areas having a total seating capacity of at least 50 persons but not more than 1,000 persons and do not contain any movie screens for showing performances of motion pictures;
- of motion pictures contain no more than three movie screens with viewer seating areas having a total seating capacity of at least 50 persons but not more than 600 persons; or

- having a total seating capacity of at least 50 persons but not more than 1,500 persons, containing at least one but not more than three movie screens for showing motion pictures, and containing at least one stage for showing musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions. The seating capacity of the viewer seating areas located in the space or spaces with a stage or stages are to constitute at least 25 percent of the total seating capacity.

As amended and reported by the committee, Senate Bill No. 3944 (3R) is identical to Assembly Bill No. 5125 (1R), as was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- broaden the forms of events that are eligible for a consumption license to include "public entertainment events," defined to include sporting events, simulcasts, or other social, charitable, or athletic events;
- permit certain concessionaires to allocate a share of revenue to support or subsidize a theater's performances or public entertainment events held at a licensed premises;
- clarify the eligibility for a consumption license of facilities that may be publicly-owned, but operated by a qualified entity; and
- adjust definitions subsections to order alphabetically, and make other technical changes.

SENATE LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

SENATE, No. 3944

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2024

The Senate Law and Public Safety Committee reports favorably Senate Bill No. 3944.

As reported by the committee, this bill clarifies that holders of plenary retail consumption licenses for nonprofit theaters include disregarded entities of certain nonprofit corporations.

Under current law, a municipalities are authorized to issue special plenary retail consumption licenses, known as “theater licenses,” to nonprofit corporations, exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code that conduct musical or theatrical performances or concerts on the licensed premises. This bill clarifies that nonprofit corporations eligible for the license include “disregarded entities” that are single-member limited liability corporations disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

SENATE, No. 3944

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 2025

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 3944 (1R).

As amended, this bill clarifies that holders of plenary retail consumption licenses for nonprofit art house movie theaters include disregarded entities of certain nonprofit corporations. Specifically, the bill clarifies that nonprofit corporations eligible for the license include “disregarded entities” that are single-member limited liability corporations disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301. Under current law, a plenary retail consumption license allows for the sale of alcoholic beverages for consumption on the licensed premises.

In addition, the amended bill allows a municipality to issue a plenary retail consumption license to an eligible business entity for use in connection with certain “community theaters.” Under the bill, the license holder would be entitled to sell alcoholic beverages for consumption on the licensed premises only during the one hour immediately preceding a performance and during performances, including intermission. The bill defines “community theater” as a theater that is used for the purpose of showing performances of motion pictures, musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions and is owned and operated by an eligible business entity.

Under the bill, the license may only be used in connection with a community theater in which the space or spaces within a premises used for showing performances:

- of musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions contain one or more stages with viewer seating areas having a total seating capacity of at least 50 persons but not more than 1,000 persons and do not contain any movie screens for showing performances of motion pictures;
- of motion pictures contain no more than three movie screens with viewer seating areas having a total seating capacity of at least 50 persons but not more than 600 persons; or

- having a total seating capacity of at least 50 persons but not more than 1,500 persons, containing at least one but not more than three movie screens for showing motion pictures, and containing at least one stage for showing musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions. The seating capacity of the viewer seating areas located in the space or spaces with a stage or stages are to constitute at least 25 percent of the total seating capacity.

COMMITTEE AMENDMENTS

The committee amended the bill to:

- (1) remove from the bill provisions allowing a county or municipality to hold a plenary retail consumption license for use in connection with a premises which regularly operates as an art-house movie theater or conducts musical or theatrical performances or concerts for which admission is charged;
- (2) revise the seating requirements and qualifications for which a community theater would be eligible to receive a plenary retail consumption license; and
- (3) establish definitions for the terms, “eligible business entity,” “performance,” “licensed premises,” and “community theater.”

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.

STATEMENT TO

SENATE, No. 3944

with Senate Floor Amendments
(Proposed by Senator SARLO)

ADOPTED: DECEMBER 19, 2024

Senate Bill No. 3944 clarifies that holders of plenary retail consumption licenses for nonprofit art house movie theaters include disregarded entities of certain nonprofit corporations. Specifically, the bill clarifies that nonprofit corporations eligible for the license include “disregarded entities” that are single-member limited liability corporations disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301. Under current law, a plenary retail consumption license allows for the sale of alcoholic beverages on the licensed premises.

These Senate amendments provide that a county or municipality also may hold a plenary retail consumption license for use in connection with a premises which regularly operates as an art-house movie theater or conducts musical or theatrical performances or concerts for which admission is charged.

In addition, the Senate amendments allow the governing body of a municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control (ABC), to issue a plenary retail consumption license for use in connection with a private theater entity that is used for the purpose of showing motion pictures or where live musical or theatrical performances or concerts are performed. The Senate amendment limit the sale of alcoholic beverages to the one hour immediately preceding a motion picture, concert, or musical or theatrical performance and during performances, including intermission. A license only would be issued for a premises used for musical, theatrical, or concert performances that have a total seating capacity of at least 50 persons but not more than 1,000 persons. For a premises used for showing motion pictures, the license only would be issued in connection with a premises that has three or less movie screens and a total seating capacity of at least 50 persons but not more than 600 persons.

ASSEMBLY, No. 5125

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 12, 2024

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblywoman LINDA S. CARTER

District 22 (Somerset and Union)

Co-Sponsored by:

Assemblywoman Haider

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/20/2025)

1 AN ACT concerning certain alcoholic beverage licenses and
2 amending P.L.1985, c.151 and P.L.2019, c.466.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to
8 read as follows:

9 1. The governing board or body of any municipality, upon the
10 approval of the Director of the Division of Alcoholic Beverage
11 Control, may issue a plenary retail consumption license to a
12 nonprofit corporation exempt from federal income tax under section
13 501(c)(3) of the Internal Revenue Code , including a disregarded
14 entity of the corporation that is a single-member limited liability
15 corporation disregarded for federal income tax purposes pursuant to
16 26 C.F.R. Part 301, which regularly operates as an art-house movie
17 theater or conducts musical or theatrical performances or concerts
18 for which admission is charged. A license issued pursuant to this
19 section shall be used in connection with a premises with a seating
20 capacity of 1,000 persons or more that is primarily used to conduct
21 musical or theatrical performances or concerts.

22 The license shall authorize the sale of alcoholic beverages by the
23 nonprofit corporation or its restaurant operator who has been
24 approved pursuant to procedures established by the Division of
25 Alcoholic Beverage Control for consumption on the licensed
26 premises:

- 27 a. during the two hours immediately preceding performances;
28 b. during performances, including intermission; and
29 c. during the two hours immediately following performances.

30 For the purposes of this section **[,]** :

31 "Licensed premises" shall include the premises where the
32 musical or theatrical performance or concert is held and any
33 adjacent premises owned and operated by the licensee.

34 "Art-house movie theater" means a theater that is principally
35 used for the purpose of showing motion pictures and is operated by
36 a nonprofit arts organization, which demonstrates a commitment to
37 enriching its local community by providing opportunities for
38 participation in the arts, offering arts education opportunities, and
39 promoting regional economic prosperity.

40 A license issued under the provisions of this section shall not be
41 counted in determining the number of licenses under P.L.1947, c.94
42 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
43 seq.).

44 (cf: P.L.2023, c.104, s.2)

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
2 read as follows:

3 2. The governing board or body of any municipality, upon the
4 approval of the Director of the Division of Alcoholic Beverage
5 Control, may issue a plenary retail consumption license to a
6 nonprofit corporation exempt from federal income tax under section
7 501(c)(3) of the Internal Revenue Code , including a disregarded
8 entity of the corporation that is a single-member limited liability
9 corporation disregarded for federal income tax purposes pursuant to
10 26 C.F.R. Part 301, which regularly operates as an art-house movie
11 theater or conducts musical or theatrical performances or concerts
12 for which admission is charged. A license issued pursuant to this
13 section shall be used in connection with a premises with a seating
14 capacity of 50 persons or more but less than 1,000 persons that is
15 primarily used to conduct musical or theatrical performances or
16 concerts.

17 The license shall authorize the sale of alcoholic beverages by the
18 nonprofit corporation or its restaurant operator who has been
19 approved pursuant to procedures established by the Division of
20 Alcoholic Beverage Control for consumption on the licensed
21 premises:

- 22 a. during the two hours immediately preceding performances;
23 b. during performances, including intermission; and
24 c. for not more than 15 performances in a calendar year, during
25 the two hours immediately following performances.

26 For the purposes of this section **[,]** :

27 "Licensed premises" shall include the premises where the
28 musical or theatrical performance or concert is held and any
29 adjacent premises owned and operated by the licensee.

30 "Art-house movie theater" means a theater that is principally
31 used for the purpose of showing motion pictures and is operated by
32 a nonprofit arts organization, which demonstrates a commitment to
33 enriching its local community by providing opportunities for
34 participation in the arts, offering arts education opportunities, and
35 promoting regional economic prosperity.

36 A license issued under the provisions of this section shall not be
37 counted in determining the number of licenses under P.L.1947, c.94
38 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
39 seq.).

40 (cf: P.L.2023, c.104, s.2)

41

42 3. This act shall take effect immediately.

1 STATEMENT

2

3 This bill clarifies that holders of plenary retail consumption
4 licenses for nonprofit theaters include disregarded entities of certain
5 nonprofit corporations.

6 Under current law, a municipalities are authorized to issue
7 special plenary retail consumption licenses, known as “theater
8 licenses,” to nonprofit corporations, exempt from federal income
9 tax under section 501(c)(3) of the Internal Revenue Code that
10 conduct musical or theatrical performances or concerts on the
11 licensed premises. This bill clarifies that nonprofit corporations
12 eligible for the license include “disregarded entities” that are single-
13 member limited liability corporations disregarded for federal
14 income tax purposes pursuant to 26 C.F.R. Part 301.

[First Reprint]

ASSEMBLY, No. 5125

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 12, 2024

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblywoman LINDA S. CARTER

District 22 (Somerset and Union)

Co-Sponsored by:

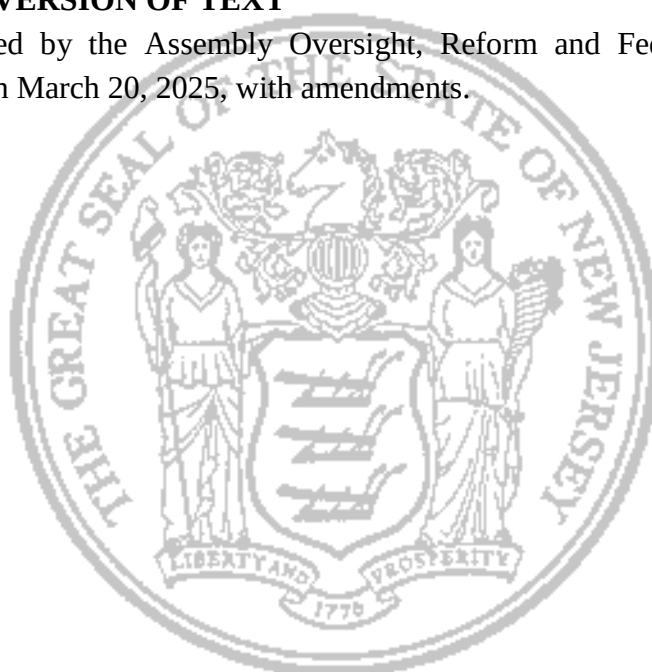
Assemblywoman Haider and Assemblyman Freiman

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages.

CURRENT VERSION OF TEXT

As reported by the Assembly Oversight, Reform and Federal Relations Committee on March 20, 2025, with amendments.



(Sponsorship Updated As Of: 4/10/2025)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
3 supplementing Title 33 of the Revised Statutes¹.
4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:
7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to
9 read as follows:

10 1. The governing board or body of any municipality, upon the
11 approval of the Director of the Division of Alcoholic Beverage
12 Control, may issue a plenary retail consumption license to a
13 nonprofit corporation exempt from federal income tax under section
14 501(c)(3) of the Internal Revenue Code , including a disregarded
15 entity of the corporation that is a single-member limited liability
16 corporation disregarded for federal income tax purposes pursuant to
17 26 C.F.R. Part 301, which regularly operates as an art-house movie
18 theater or conducts musical or theatrical performances or concerts
19 for which admission is charged.

20 A license issued pursuant to this section shall be used in
21 connection with a premises with a seating capacity of 1,000 persons
22 or more that is primarily used to conduct musical or theatrical
23 performances or concerts.

24 The license shall authorize the sale of alcoholic beverages by the
25 nonprofit corporation or its restaurant operator who has been
26 approved pursuant to procedures established by the Division of
27 Alcoholic Beverage Control for consumption on the licensed
28 premises:

- 29 a. during the two hours immediately preceding performances;
30 b. during performances, including intermission; and
31 c. during the two hours immediately following performances.

32 For the purposes of this section **[,]** :

33 ¹“Performance” shall include the showing of any motion picture,
34 musical concert, theatrical play, dance recital, literature reading or
35 other artistic or cultural exhibition.¹

36 "Licensed premises" shall include the premises where the
37 ¹**[musical or theatrical]**¹ performance ¹**[or concert]**¹ is held and
38 any adjacent premises ¹**[owned and]**¹ operated by the licensee.

39 "Art-house movie theater" means a theater that is principally
40 used for the purpose of showing motion pictures and is operated by
41 a nonprofit arts organization ¹**[,]**¹ which demonstrates a
42 commitment to enriching its local community by providing
43 opportunities for participation in the arts, offering arts education
44 opportunities, and promoting regional economic prosperity.

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AOF committee amendments adopted March 20, 2025.

1 A license issued under the provisions of this section shall not be
2 counted in determining the number of licenses under P.L.1947, c.94
3 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
4 seq.).
5 (cf: P.L.2023, c.104, s.2)

6
7 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
8 read as follows:

9 2. The governing board or body of any municipality, upon the
10 approval of the Director of the Division of Alcoholic Beverage
11 Control, may issue a plenary retail consumption license to a
12 nonprofit corporation exempt from federal income tax under section
13 501(c)(3) of the Internal Revenue Code , including a disregarded
14 entity of the corporation that is a single-member limited liability
15 corporation disregarded for federal income tax purposes pursuant to
16 26 C.F.R. Part 301, which regularly operates as an art-house movie
17 theater or conducts musical or theatrical performances or concerts
18 for which admission is charged.

19 A license issued pursuant to this section shall be used in
20 connection with a premises with a seating capacity of 50 persons or
21 more but less than 1,000 persons that is primarily used to conduct
22 musical or theatrical performances or concerts.

23 The license shall authorize the sale of alcoholic beverages by the
24 nonprofit corporation or its restaurant operator who has been
25 approved pursuant to procedures established by the Division of
26 Alcoholic Beverage Control for consumption on the licensed
27 premises:

- 28 a. during the two hours immediately preceding performances;
29 b. during performances, including intermission; and
30 c. for not more than 15 performances in a calendar year, during
31 the two hours immediately following performances.

32 For the purposes of this section **[,]** :

33 ¹“Performance” shall include the showing of any motion picture,
34 musical concert, theatrical play, dance recital, literature reading or
35 other artistic or cultural exhibition.¹

36 "Licensed premises" shall include the premises where the
37 ¹**[musical or theatrical]** performance ¹**[or concert]** is held and
38 any adjacent premises ¹**[owned and]** operated by the licensee.

39 "Art-house movie theater" means a theater that is principally
40 used for the purpose of showing motion pictures and is operated by
41 a nonprofit arts organization ¹**[.]** which demonstrates a
42 commitment to enriching its local community by providing
43 opportunities for participation in the arts, offering arts education
44 opportunities, and promoting regional economic prosperity.

45 A license issued under the provisions of this section shall not be
46 counted in determining the number of licenses under P.L.1947, c.94

1 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
2 seq.).

3 (cf: P.L.2023, c.104, s.2)

4

5 13. a. The governing board or body of any municipality, upon
6 the approval of the Director of the Division of Alcoholic Beverage
7 Control, may issue a plenary retail consumption license to an
8 eligible business entity operating as a community theater for which
9 admission is charged, and for which the premises meet the
10 standards required in subsection b. of this section.

11 b. A license issued pursuant to this section shall be used only in
12 connection with a premises in which:

13 (1) the space or spaces within the premises that are used for
14 showing performances of musical concerts, theatrical plays, dance
15 recitals, literature readings or other artistic or cultural exhibitions
16 contain one or more stages with viewer seating areas having a total
17 seating capacity of at least 50 persons but not more than 1,000
18 persons and do not contain any movie screens for showing
19 performances of motion pictures; or

20 (2) the space or spaces within the premises that are used for
21 showing performances of motion pictures contain no more than five
22 movie screens with viewer seating areas having a total seating
23 capacity of at least 50 persons but not more than 600 persons; or

24 (3) the space or spaces within the premises that are used for
25 showing performances have a total seating capacity of at least 50
26 persons but not more than 1,500 persons, contain at least one but
27 not more than five movie screens for showing motion pictures, and
28 contain at least one stage for showing musical concerts, theatrical
29 plays, dance recitals, literature readings or other artistic or cultural
30 exhibitions. The seating capacity of the viewer seating areas
31 located in the space or spaces with a stage or stages shall constitute
32 at least 25% of the total seating capacity.

33 c. The license shall authorize the sale of alcoholic beverages by
34 the eligible business entity who has been approved pursuant to
35 procedures established by the Division of Alcoholic Beverage
36 Control for consumption on the licensed premises only during the
37 one hour immediately preceding a performance and during
38 performances, including intermission.

39 d. For the purposes of this section:

40 “Performance” shall include the showing of any motion picture,
41 musical concert, theatrical play, dance recital, literature reading or
42 other artistic or cultural exhibition.

43 “Licensed premises” shall include the premises where the
44 performance is held and any adjacent premises operated by the
45 licensee.

46 “Eligible business entity” shall include any corporation,
47 company, partnership, sole proprietorship or person, including any
48 person or entity owning 10% or more of the shares thereof, that:

1 (1) is not listed or traded on a stock exchange; and
2 (2) is not owned, or partially owned, by a corporation or other
3 entity listed or traded on a stock exchange; and
4 (3) does not own, or partially own, any other plenary retail
5 consumption license issued by the Division of Alcoholic Beverage
6 Control; and
7 (4) does not include as a shareholder a person or entity that owns
8 10% or more of the shares of the eligible business entity and that
9 owns, or partially owns, any other plenary retail consumption
10 license issued by the Division of Alcoholic Beverage Control.
11 “Community theater” shall mean a theater that is used for the
12 purpose of showing performances of motion pictures, musical
13 concerts, theatrical plays, dance recitals, literature readings or other
14 artistic or cultural exhibitions and is owned and operated by an
15 eligible business entity.
16 e. A license issued under the provisions of this section shall not
17 be counted in determining the number of licenses under P.L.1947,
18 c.94 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40
19 et seq.).¹
20
21 ¹**[3.] 4.**¹ This act shall take effect immediately.

[Second Reprint]

ASSEMBLY, No. 5125

STATE OF NEW JERSEY

221st LEGISLATURE

INTRODUCED DECEMBER 12, 2024

Sponsored by:

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Assemblywoman LINDA S. CARTER

District 22 (Somerset and Union)

Co-Sponsored by:

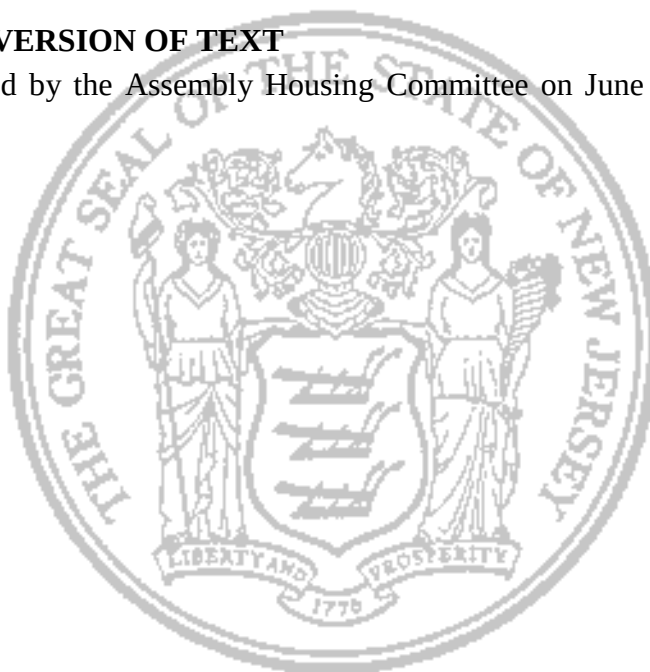
**Assemblywoman Haider, Assemblyman Freiman, Assemblywomen
Bagolie, Drulis and Morales**

SYNOPSIS

Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages.

CURRENT VERSION OF TEXT

As reported by the Assembly Housing Committee on June 19, 2025, with amendments.



(Sponsorship Updated As Of: 6/30/2025)

1 AN ACT concerning certain alcoholic beverage licenses ¹**[and]** ,¹
 2 amending P.L.1985, c.151 and P.L.2019, c.466 ¹, and
 3 supplementing Title 33 of the Revised Statutes¹.
 4

5 **BE IT ENACTED** by the Senate and General Assembly of the State
 6 of New Jersey:
 7

8 1. Section 1 of P.L.1985, c.151 (C.33:1-19.7) is amended to read
 9 as follows:

10 1. The governing board or body of any municipality, upon the
 11 approval of the Director of the Division of Alcoholic Beverage
 12 Control, may issue a plenary retail consumption license to a nonprofit
 13 corporation exempt from federal income tax under section 501(c)(3) of
 14 the Internal Revenue Code , including a disregarded entity of the
 15 corporation that is a single-member limited liability corporation
 16 disregarded for federal income tax purposes pursuant to 26 C.F.R. Part
 17 301, which regularly operates as an art-house movie theater or
 18 conducts musical ²**[or theatrical]**² performances ²**[or]** , theatrical
 19 productions,² concerts ², or other public entertainment events² for
 20 which admission is charged.

21 A license issued pursuant to this section shall be used in
 22 connection with ²**[a]**² premises ²**[with]** that have² a seating capacity
 23 of ²at least² 1,000 persons ²**[or more that is]** and are² primarily used
 24 to ²**[conduct musical or theatrical performances or concerts]** host
 25 musical performances, theatrical productions, concerts, or other public
 26 entertainment events².

27 The license shall authorize the sale of alcoholic beverages by the
 28 nonprofit corporation or its restaurant operator who has been approved
 29 pursuant to procedures established by the Division of Alcoholic
 30 Beverage Control for consumption on the licensed premises:

31 a. during the two hours immediately preceding performances ²or
 32 public entertainment events²;

33 b. during performances ²or public entertainment events²,
 34 including intermission; and

35 c. during the two hours immediately following performances ²or
 36 public entertainment events².

37 For the purposes of this section **[,]** :

38 ²**[¹"Performance" shall include the showing of any motion picture,
 39 musical concert, theatrical play, dance recital, literature reading or
 40 other artistic or cultural exhibition.¹**

41 "Licensed premises" shall include the premises where the ²**]**
 42 ¹**[musical or theatrical]**¹ ²**[performance]**² ¹**[or concert]**¹ ²**[is held**

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
 not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AOF committee amendments adopted March 20, 2025.

²Assembly AHO committee amendments adopted June 19, 2025.

1 and any adjacent premises² ¹owned and¹ ²operated by the
2 licensee.²

3 "Art-house movie theater" means a theater that is principally used
4 for the purpose of showing motion pictures and is operated by a
5 nonprofit arts organization ¹[,]¹ which demonstrates a commitment to
6 enriching its local community by providing opportunities for
7 participation in the arts, offering arts education opportunities, and
8 promoting regional economic prosperity.

9 ²"Licensed premises" shall include the premises where the
10 performance or public entertainment event is held and any adjacent
11 premises operated by the licensee.

12 "Performance" shall include the showing of any motion picture,
13 musical concert, theatrical play, dance recital, literature reading, or
14 other artistic or cultural exhibition.

15 "Public entertainment event" shall include a sporting event, a
16 simulcast, or other social, charitable, or athletic event.²

17 A license issued under the provisions of this section shall not be
18 counted in determining the number of licenses under P.L.1947, c.94
19 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et seq.).

20 ²At the option of the nonprofit licensee, revenue generated by a
21 concessionaire within or adjacent to the licensed premises may be used
22 to support or subsidize the theater's performances or public
23 entertainment events held at the licensed premises.

24 For the purposes of this section, the division shall not differentiate
25 for the purposes of approving a nonprofit applicant operating in a
26 publicly-owned or nonprofit arts organization-owned theater or art-
27 house movie theater or performing arts center.²

28 (cf: P.L.2023, c.104, s.1)

29

30 2. Section 2 of P.L.2019, c.466 (C.33:1-19.8) is amended to
31 read as follows:

32 2. The governing board or body of any municipality, upon the
33 approval of the Director of the Division of Alcoholic Beverage
34 Control, may issue a plenary retail consumption license to a
35 nonprofit corporation exempt from federal income tax under section
36 501(c)(3) of the Internal Revenue Code , including a disregarded
37 entity of the corporation that is a single-member limited liability
38 corporation disregarded for federal income tax purposes pursuant to
39 26 C.F.R. Part 301, which regularly operates as an art-house movie
40 theater or conducts musical ²[or theatrical]² performances ²[or] ,
41 theatrical productions,² concerts ², or other public entertainment
42 events² for which admission is charged.

43 A license issued pursuant to this section shall be used in
44 connection with a premises with a seating capacity of 50 persons or
45 more but less than 1,000 persons that is primarily used to ²[conduct
46 musical or theatrical performances or concerts] host musical

1 performances, theatrical productions, concerts, or other public
 2 entertainment events².

3 The license shall authorize the sale of alcoholic beverages by the
 4 nonprofit corporation or its restaurant operator who has been
 5 approved pursuant to procedures established by the Division of
 6 Alcoholic Beverage Control for consumption on the licensed
 7 premises:

8 a. during the two hours immediately preceding performances
 9 or public entertainment events²;

10 b. during performances or public entertainment events²,
 11 including intermission; and

12 c. for not more than 15 performances in a calendar year, during
 13 the two hours immediately following performances or public
 14 entertainment events².

15 For the purposes of this section **[,]** :

16 ²**[**"Performance" shall include the showing of any motion
 17 picture, musical concert, theatrical play, dance recital, literature
 18 reading or other artistic or cultural exhibition.¹

19 "Licensed premises" shall include the premises where the **]**²
 20 ¹**[**musical or theatrical¹ ²**[**performance² ¹**[**or concert¹ ²**[**is held
 21 and any adjacent premises² ¹**[**owned and¹ ²**[**operated by the
 22 licensee.²

23 "Art-house movie theater" means a theater that is principally
 24 used for the purpose of showing motion pictures and is operated by
 25 a nonprofit arts organization ¹**[,]**¹ which demonstrates a
 26 commitment to enriching its local community by providing
 27 opportunities for participation in the arts, offering arts education
 28 opportunities, and promoting regional economic prosperity.

29 ²"Licensed premises" shall include the premises where the
 30 performance or public entertainment event is held and any adjacent
 31 premises operated by the licensee.

32 "Performance" shall include the showing of any motion picture,
 33 musical concert, theatrical play, dance recital, literature reading, or
 34 other artistic or cultural exhibition.

35 "Public entertainment event" shall include a sporting event, a
 36 simulcast, or other social, charitable, or athletic event.²

37 A license issued under the provisions of this section shall not be
 38 counted in determining the number of licenses under P.L.1947, c.94
 39 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
 40 seq.).

41 ²At the option of the nonprofit licensee, revenue generated by a
 42 concessionaire within or adjacent to the licensed premises may be used
 43 to support or subsidize the theater's performances or public
 44 entertainment events held at the licensed premises.

45 For the purposes of this section, the division shall not differentiate
 46 for the purposes of approving a nonprofit applicant operating in a

publicly-owned or nonprofit arts organization-owned theater or art-house movie theater or performing arts center.²

(cf: P.L.2023, c.104, s.2)

¹3. a. The governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control, may issue a plenary retail consumption license to an eligible business entity operating as a community theater for which admission is charged, and for which the premises meet the standards required in subsection b. of this section.

b. A license issued pursuant to this section shall be used only in connection with a premises in which:

(1) the space or spaces within the premises that are used for showing performances of musical concerts, theatrical plays, dance recitals, literature readings ², ² or other artistic or cultural exhibitions contain one or more stages with viewer seating areas having a total seating capacity of at least 50 persons but not more than 1,000 persons and do not contain any movie screens for showing performances of motion pictures; or

(2) the space or spaces within the premises that are used for showing performances of motion pictures contain no more than five movie screens with viewer seating areas having a total seating capacity of at least 50 persons but not more than 600 persons; or

(3) the space or spaces within the premises that are used for showing performances have a total seating capacity of at least 50 persons but not more than 1,500 persons, contain at least one but not more than five movie screens for showing motion pictures, and contain at least one stage for showing musical concerts, theatrical plays, dance recitals, literature readings ², ² or other artistic or cultural exhibitions. The seating capacity of the viewer seating areas located in the space or spaces with a stage or stages shall constitute at least 25 ²~~[%]~~ percent² of the total seating capacity.

c. The license shall authorize the sale of alcoholic beverages by the eligible business entity who has been approved pursuant to procedures established by the Division of Alcoholic Beverage Control for consumption on the licensed premises only during the one hour immediately preceding a performance and during performances, including intermission.

d. For the purposes of this section:

²~~["Performance"~~ shall include the showing of any motion picture, musical concert, theatrical play, dance recital, literature reading or other artistic or cultural exhibition.

"Licensed premises" shall include the premises where the performance is held and any adjacent premises operated by the licensee.

1 "Eligible business entity" shall include any corporation, company,
2 partnership, sole proprietorship or person, including any person or
3 entity owning 10% or more of the shares thereof, that:

4 (1) is not listed or traded on a stock exchange; and

5 (2) is not owned, or partially owned, by a corporation or other
6 entity listed or traded on a stock exchange; and

7 (3) does not own, or partially own, any other plenary retail
8 consumption license issued by the Division of Alcoholic Beverage
9 Control; and

10 (4) does not include as a shareholder a person or entity that owns
11 10% or more of the shares of the eligible business entity and that
12 owns, or partially owns, any other plenary retail consumption license
13 issued by the Division of Alcoholic Beverage Control.】²

14 "Community theater" shall mean a theater that is used for the
15 purpose of showing performances of motion pictures, musical
16 concerts, theatrical plays, dance recitals, literature readings or other
17 artistic or cultural exhibitions and is owned and operated by an eligible
18 business entity.

19 ²"Eligible business entity" shall include any corporation, company,
20 partnership, sole proprietorship or person, including any person or
21 entity owning 10 percent or more of the shares thereof, that:

22 (1) is not listed or traded on a stock exchange;

23 (2) is not owned, or partially owned, by a corporation or other
24 entity listed or traded on a stock exchange;

25 (3) does not own, or partially own, any other plenary retail
26 consumption license issued by the Division of Alcoholic Beverage
27 Control; and

28 (4) does not include as a shareholder a person or entity that owns
29 10 percent or more of the shares of the eligible business entity and that
30 owns, or partially owns, any other plenary retail consumption license
31 issued by the Division of Alcoholic Beverage Control.

32 "Licensed premises" shall include the premises where the
33 performance is held and any adjacent premises operated by the
34 licensee.

35 "Performance" shall include the showing of any motion picture,
36 musical concert, theatrical play, dance recital, literature reading or
37 other artistic or cultural exhibition.²

38 e. A license issued under the provisions of this section shall not be
39 counted in determining the number of licenses under P.L.1947, c.94
40 (C.33:1-12.13 et seq.) or under P.L.1968, c.277 (C.40:48-2.40 et
41 seq.).¹

42
43 ¹**[3.] 4.**¹ This act shall take effect immediately.

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL RELATIONS COMMITTEE

STATEMENT TO **ASSEMBLY, No. 5125**

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 20, 2025

The Assembly Oversight, Reform and Federal Relations Committee reports favorably and with committee amendments Assembly Bill No. 5125.

As amended by the committee, this bill clarifies that holders of plenary retail consumption licenses for nonprofit art house movie theaters include disregarded entities of certain nonprofit corporations. Specifically, the bill clarifies that nonprofit corporations eligible for the license include “disregarded entities” that are single-member limited liability corporations disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301. Under current law, a plenary retail consumption license allows for the sale of alcoholic beverages for consumption on the licensed premises.

In addition, the amended bill allows a municipality to issue a plenary retail consumption license to an eligible business entity for use in connection with certain “community theaters.” Under the bill, the license holder would be entitled to sell alcoholic beverages for consumption on the licensed premises only during the one hour immediately preceding a performance and during performances, including intermission. The bill defines “community theater” as a theater that is used for the purpose of showing performances of motion pictures, musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions and is owned and operated by an eligible business entity.

Under the bill, the license may only be used in connection with a community theater in which the space or spaces within a premises used for showing performances:

- of musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions contain one or more stages with viewer seating areas having a total seating capacity of at least 50 persons but not more than 1,000 persons and do not contain any movie screens for showing performances of motion pictures;

- of motion pictures contain no more than five movie screens with viewer seating areas having a total seating capacity of at least 50 persons but not more than 600 persons; or
- having a total seating capacity of at least 50 persons but not more than 1,500 persons, containing at least one but not more than five movie screens for showing motion pictures, and containing at least one stage for showing musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions. The seating capacity of the viewer seating areas located in the space or spaces with a stage or stages are to constitute at least 25 percent of the total seating capacity.

As reported by the committee, Assembly Bill No. 5125 (1R) is identical to Senate Bill No. 3944 (3R), which was also reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- (1) permit the governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control, to issue a plenary retail consumption license to an eligible business entity operating as a community theater for which admission is charged;
- (2) revise the seating requirements and qualifications for which a community theater would be eligible to receive a plenary retail consumption license;
- (3) specify that the license will authorize the sale of alcoholic beverages only during the one hour immediately preceding a performance and during performances, including intermission;
- (4) specify that a license issued pursuant to this bill will not be counted in determining the number of alcoholic beverage licenses a municipality may have pursuant to current law;
- (5) establish definitions for the terms “community theater,” “eligible business entity,” and “performance”; and
- (6) revise the definition of “licensed premises”.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 5125

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 16, 2025

The Assembly Housing Committee reports favorably and with committee amendments Assembly Bill No. 5125 (1R).

As amended, this bill clarifies that holders of plenary retail consumption licenses for nonprofit art house movie theaters include disregarded entities of certain nonprofit corporations. Specifically, the bill clarifies that nonprofit corporations eligible for the license include “disregarded entities” that are single-member limited liability corporations disregarded for federal income tax purposes pursuant to 26 C.F.R. Part 301. Under current law, a plenary retail consumption license allows for the sale of alcoholic beverages for consumption on the licensed premises.

In addition, the amended bill allows a municipality to issue a plenary retail consumption license to an eligible business entity for use in connection with certain “community theaters.” Under the bill, the license holder would be entitled to sell alcoholic beverages for consumption on the licensed premises only during specified times. The bill defines “community theater” as a theater that is used for the purpose of showing performances of motion pictures, musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions and is owned and operated by an eligible business entity.

Under the bill, the license may only be used in connection with a community theater in which the space or spaces within a premises used for showing performances:

- of musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions contain one or more stages with viewer seating areas having a total seating capacity of at least 50 persons but not more than 1,000 persons and do not contain any movie screens for showing performances of motion pictures;
- of motion pictures contain no more than five movie screens with viewer seating areas having a total seating capacity of at least 50 persons but not more than 600 persons; or

- having a total seating capacity of at least 50 persons but not more than 1,500 persons, containing at least one but not more than five movie screens for showing motion pictures, and containing at least one stage for showing musical concerts, theatrical plays, dance recitals, literature readings or other artistic or cultural exhibitions. The seating capacity of the viewer seating areas located in the space or spaces with a stage or stages are to constitute at least 25 percent of the total seating capacity.

As amended and reported by the committee, Assembly Bill No. 5125 (1R) is identical to Senate Bill No. 3944 (3R), as was also amended and reported by the committee on this date.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- broaden the forms of events that are eligible for a consumption license to include "public entertainment events," defined to include sporting events, simulcasts, or other social, charitable, or athletic events;
- permit certain concessionaires to allocate a share of revenue to support or subsidize a theater's performances or public entertainment events held at a licensed premises;
- clarify the eligibility for a consumption license of facilities that may be publicly-owned, but operated by a qualified entity; and
- adjust definitions subsections to order alphabetically, and make other technical changes.

Governor Phil Murphy

Governor Murphy Takes Action on Legislation

Posted on - 08/21/2025

TRENTON – Today, Governor Murphy signed the following bills into law:

S-3773/A-5506 (Lagana, Wimberly/Verrelli) - Concerns requirements to report separations from employment under employee leasing agreements

S-3944/A-5125 (Sarlo, Gopal/Calabrese, Carter) - Provides that certain non-profit corporation alcoholic beverage theater licensees include disregarded entities of such corporations; allows certain community theaters to sell alcoholic beverages

S-3992/A-5844 (Singleton/Lopez, Stanley, McCoy) - Modifies capital reserve funding requirements for certain planned real estate developments

A-3424/S-1784 (Reynolds-Jackson, Matsikoudis/McKnight, Turner) - Establishes certain program requirements for school counselor certification; outlines role and duties of school counselor; requires professional development for school counselors; establishes position of School Counselor Liaison in DOE

A-5792/S-4590 (Freiman, Drulis, Hutchison, Quijano/Lagana, Scutari) - Provides for workers' compensation coverage of certain counseling services for first responders and provides that certain mental health related communications are confidential

Governor Phil Murphy

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Posted on: September 2, 2025

New Law Championed by Calabrese Expands Opportunities for Community Theaters

Legislation expands licensing eligibility for nonprofit theaters, providing new revenue streams and attracting audiences

(TRENTON) – Legislation sponsored by Assemblyman **Clinton Calabrese** permitting certain nonprofit community theaters to sell alcoholic beverages was recently signed into law. **A5125** ensures that nonprofit community theaters and their affiliated entities are eligible for an alcoholic beverage license. This measure cuts through red tape, making it easier for local theaters to enhance the patron experience and generate revenue to support programming.



The legislation recognizes the vital role community theaters play in enriching cultural life and supporting local economies. By permitting these nonprofit venues to serve alcoholic beverages, the law gives theaters a new source of revenue that can be reinvested in productions, facility improvements, and educational programs.

“Community theaters are a cornerstone of our towns, offering entertainment, education, and opportunities for connection and growth,” **said Assemblyman Calabrese (D-Bergen, Passaic)**. “Allowing them to serve alcoholic beverages gives these venues a new way to stay competitive, attract audiences, and strengthen their role in our local economy. I am proud to have championed this bill and look forward to seeing our theaters thrive.”

The new law is expected to help community theaters attract new audiences and sustain programming, while reinforcing their role as cultural anchors in towns across New Jersey. The bill is also sponsored by Assemblywoman Linda Carter.

Posted on: September 5, 2025

New Law Championed by Carter Helps Community Theaters Thrive

Legislation expands licensing eligibility to nonprofit theaters, giving local arts venues a tool to boost revenue and attract audiences

(PLAINFIELD, NJ) – Legislation sponsored by Assemblywoman **Linda Carter** to allow certain nonprofit community theaters to sell alcoholic beverages was signed into law in late August. **A5125** ensures that nonprofit community theaters and any affiliated entities they operate are eligible for an alcoholic beverage license. By cutting through red tape, the new law gives local theaters a powerful tool to enhance the patron experience, attract new audiences, and generate critical revenue to support arts programming.



Assemblywoman Carter, one of the bill's prime sponsors, worked closely with a local theater in her district to understand the challenges facing small arts organizations and to craft legislation that provides both flexibility and fairness.

"I am especially proud to have worked closely with the local Cranford theater on this bill," **said Assemblywoman Carter (D-Somerset, Union)**. "This collaboration highlights the incredible impact of community voices in shaping state policy. I'm thrilled to see this bill become law so that communities across New Jersey can continue to thrive with vibrant local theaters that inspire their neighbors."

The new law is expected to help community theaters attract new audiences and sustain programming, while reinforcing their role as cultural anchors in towns across New Jersey. The bill is also sponsored by Assemblyman Clinton Calabrese.