

R.S. 33:1-12.20

June 21, 1973

LEGISLATIVE NOTES ON R.S. 33:1-12.20
(1968 Amendment)

copy 2

L.1968 - chap. 359 - S498

Mar. 11 - Introduced by Dumont and others.

No Statement of bill.

Not amended during passage.

Conditionally vetoed by Governor (copy enclosed).

Passed over Governor's objections.

No hearings or reports on this law, but it is mentioned in:

974.90

L767

1969a

New Jersey Legislature. Senate Commission on
Revision and Amendment of Laws.

Public hearing re issuance of alcoholic
beverage licenses-Senate Resolution No.3 (p.41).

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Encl.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

November 15, 1968

SENATE BILL NO. 498

To the Senate:

Pursuant to Article V, Section 1, paragraph 14(b) of the Constitution, I herewith return Senate Bill No. 498, with my objections, for reconsideration.

This bill would amend and supplement Section 33:1-12 of the Alcoholic Beverage Law (as supplemented by Chapter 94 of the Laws of 1947) to: (1) permit municipalities to grant retail liquor licenses to motels, as distinct from hotels; and (2) increase the minimum number of sleeping rooms required as a precondition to licensure pursuant to this section from 50 to 100 rooms. If approved by me the bill would take effect January 1, 1969.

It should be noted at the outset that just four years ago the Legislature passed Senate Bill No. 247 of 1964, which would have increased the minimum number of rooms required for licensure under N.J.S.A. 33:1-12.20 from 50 rooms to 100 rooms. I was reliably assured then, as indeed I have been recently, that the economics of hotel-motel industry were such that establishments of 50 rooms or less -- each with an initial construction cost of \$8,000.-\$13,000. -- were the predominant mode of construction. Four years ago, and all the more so today, complete meal and beverage service is a sine qua non of a financially successful hotel or motel. In the absence of any credible showing of destructive competitive practices, my approval of Senate Bill No. 247 (1964) would have required an initial investment from prospective hotel-motel operators twice that proven most financially sound. Such a result would have served merely to depress, rather than sustain or stimulate, the hotel-motel industry so essential to the continued vitality of New Jersey's resort economy. Accordingly, my assessment of the patent anti-competitive tendencies of Senate Bill No. 247 (1964) -- absent assurances of other protections for the public interest -- prompted me to file Senate Bill No. 247 (1964) in the State Library without my approval on March 8, 1965.

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

Senate Bill No. 498

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The passage of time has amply borne out the conclusions I drew four years ago with respect to Senate Bill No. 247 (1964). Moreover, I have not been presented any evidence whatsoever which demonstrates that those conclusions do not also hold true today. Accordingly I still conclude that an increase in the minimum number of rooms required for licensure under Section 33:1-12.20 of the Alcoholic Beverage Law from 50 to 100 rooms is not warranted. To the extent, then, that Senate Bill No. 498 (1968) provides for such an increase, I must withhold my approval of Senate Bill No. 498 (1968) in its present form.

To the extent, however, that Senate Bill No. 498 (1968) clarifies the eligibility of motels -- as distinct from hotels -- for licensure under Section 33:1-12.20 of the Alcoholic Beverage Law, I heartily endorse the bill. The enactment of such provisions is wholly consistent with other recent legislative enactments -- such as P.L. 1967, c.76 and P.L. 1968, c.296 -- which recognize that hotels and motels are different juridical entities. In addition, these provisions of Senate Bill No. 498 (1968) will also provide legislative sanction for the long-standing and sound, common-sense construction by the Division of Alcoholic Beverage Control of the Department of Law and Public Safety of the term "hotel" as it appears in Section 33:1-12.20 of the Alcoholic Beverage Law. My approval of these provisions of Senate Bill No. 498 (1968) will moot a legal question that obviously could not have been foreseen by the original draftsmen of the Alcoholic Beverage Law.

For these reasons, I return herewith Senate Bill No. 498 and recommend that it be amended as follows:

On page 1, section 1, line 5, delete "100" and insert in lieu thereof "50".

On page 1, section 1, line 6, delete "100" and insert in lieu thereof "50".

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EXECUTIVE DEPARTMENT

Senate Bill No. 498

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Delete section 2 in its entirety.

On page 1, section 3, line 1, delete "3." and insert
"2."

Respectfully,

/S/ RICHARD J. HUGHES

GOVERNOR

[SEAL]

Attest:

/S/ ALAN J. KARCHER

Acting Secretary to the Governor

PUBLIC HEARING

before

SENATE COMMITTEE ON REVISION AND
AMENDMENT OF LAWS

[Re Issuance of Alcoholic Beverage
Licenses - Senate Resolution No. 3]

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NEW JERSEY STATE LIBRARY,

MAY 20 1969

185 W. State Street
Trenton, N. J.

Held:

March 19, 1969
Assembly Chamber
State House
Trenton, New Jersey

MEMBER OF COMMITTEE PRESENT:

Senator Alfred N. Beadleston,
Acting Chairman

974.90

L767

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* * * *

Testimony by Edward A. Costigan:

evil forces. Something should be done about loans and a full disclosure should be made of any interests whether it be a legal or beneficial or equitable interest, because one who loans may control. We always know this.

It would seem, too, in this respect you might even look further into motel operations - not that I know of any or that I suspicion any - but a motel is a rather extravagant undertaking, and you know it provides an exception to the issuing limitations. One may have a license in a motel or hotel if he provides suitability, fitness of character and other requirements in accordance with the application and investigation; and may be a license holder if he fulfills the statutory requirements as to a certain number of rooms -

SENATOR BEADLESTON: Fifty.

MR. COSTIGAN: Right. It's 100 now. The bill has been improved, as we consider it. It used to be 50 and it went through these houses a few times, and now, last year, the Governor signed it, as I understand it, for 100. It was vetoed a couple of times by Governor Hughes and then was finally passed over his veto. And, of course, we are in concert with you there. Mr. Buckwell worked very hard on that. I wrote the original one for 250 but that was away out the window.

I don't know, Mr. Chairman, except for those three points - the 10 per cent rule, some laxity perhaps in municipal investigative measures, and perhaps heavy financial requirements in motel building today - whether or not there would be any real evils in our industry. I don't think the industry is

highly suspicious at all of any great or serious organized criminal involvement. I know if you look at some of our most serious crimes, and we are especially worried about narcotics, you will find very few instances of this, and this is the present biggest danger in our young society, if not in society in general. But the taverns cannot be identified with it except perhaps once in a while by some isolated examples.

SENATOR BEADLESTON: Assuming that you took liquor, you wouldn't need the drugs, and vice versa.

MR. COSTIGAN: That's the way I feel about it personally.

I am privileged to be a school teacher at Rider College and I often attempt to promote the virtues of Johnny Walker Black as opposed to "pot," where the students are twenty-one and we can sit around a round table. I think that no good can come of narcotics and yet alcohol isn't a real evil.

I would like to state, too, in that connection, Mr. Chairman, that I don't think it is profitable enough for real organized crime to get involved in. No doubt some gamblers drink, mostly wine, I hear, but it would seem that the retail level of the alcoholic beverage industry is not profitable enough for organized gambling.

SENATOR BEADLESTON: You would agree, would you not, sir, if I may ask some questions, that it is a business of a nature that requires extreme control and discretion by the State of New Jersey and the issuing authority?

MR. COSTIGAN: Indeed I would, sir.