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No

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Yes

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VETO MESSAGE:

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Yes

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P.L. 2018, CHAPTER 147, *approved December 17, 2018*
Senate Substitute (*First Reprint*) for
Senate, No. 1958

1 AN ACT concerning seasonal retail consumption licenses and
2 amending R.S.33:1-12.

3

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

6

7 1. R.S.33:1-12 is amended to read as follows:

8 33:1-12. Class C licenses shall be subdivided and classified as
9 follows:

10 Plenary retail consumption license. 1. The holder of this license
11 shall be entitled, subject to rules and regulations, to sell any
12 alcoholic beverages for consumption on the licensed premises by
13 the glass or other open receptacle, and also to sell any alcoholic
14 beverages in original containers for consumption off the licensed
15 premises; but this license shall not be issued to permit the sale of
16 alcoholic beverages in or upon any premises in which a grocery,
17 delicatessen, drug store or other mercantile business is carried on,
18 except as hereinafter provided. The holder of this license shall be
19 permitted to conduct consumer wine, beer and spirits tasting events
20 and samplings for a fee or on a complimentary basis pursuant to
21 conditions established by rules and regulations of the Division of
22 Alcoholic Beverage Control, provided however, that the holder of
23 this license complies with the terms and conditions set forth in
24 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules
25 and regulations established from time to time by the director, the
26 holder of this license shall be permitted to sell alcoholic beverages
27 in or upon the premises in which any of the following is carried on:
28 the keeping of a hotel or restaurant including the sale of mercantile
29 items incidental thereto as an accommodation to patrons; the sale, at
30 an entertainment facility as defined in R.S.33:1-1, having a seating
31 capacity for no less than 4,000 patrons, of mercantile items
32 traditionally associated with the type of event or program held at
33 the site; the sale of distillers', brewers' and vintners' packaged
34 merchandise prepacked as a unit with other suitable objects as gift
35 items to be sold only as a unit; the sale of novelty wearing apparel
36 identified with the name of the establishment licensed under the
37 provisions of this section; the sale of cigars, cigarettes, packaged
38 crackers, chips, nuts and similar snacks and ice at retail as an
39 accommodation to patrons, or the retail sale of nonalcoholic
40 beverages as accessory beverages to alcoholic beverages; or, in

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 September 13, 2018.

1 commercial bowling establishments, the retail sale or rental of
2 bowling accessories and the retail sale from vending machines of
3 candy, ice cream and nonalcoholic beverages. The fee for this
4 license shall be fixed by the governing board or body of the
5 municipality in which the licensed premises are situated, by
6 ordinance, at not less than \$250 and not more than \$2,500. No
7 ordinance shall be enacted which shall raise or lower the fee to be
8 charged for this license by more than 20% from that charged in the
9 preceding license year or \$500.00, whichever is the lesser. The
10 governing board or body of each municipality may, by ordinance,
11 enact that no plenary retail consumption license shall be granted
12 within its respective municipality.

13 The holder of this license shall be permitted to obtain a restricted
14 brewery license issued pursuant to subsection 1c. of R.S.33:1-10
15 and to operate a restricted brewery immediately adjoining the
16 licensed premises in accordance with the restrictions set forth in
17 that subsection. All fees related to the issuance of both licenses
18 shall be paid in accordance with statutory law.

19 Seasonal retail consumption license. 2. (1) The holder of this
20 license shall be entitled, subject to rules and regulations, to sell any
21 alcoholic beverages for consumption on the licensed premises by
22 the glass or other open receptacle, and also to sell any alcoholic
23 beverages in original containers for consumption off the licensed
24 premises, during the summer season from May 1 until November
25 14, inclusive, or during the winter season from November 15 until
26 April 30, inclusive **;** but this**].**

27 (2) In addition, the director shall issue to the holder of this
28 license, upon request ¹by the licensee¹, one-day permits that shall
29 entitle the license holder to sell alcoholic beverages for
30 consumption on the licensed premises during the season when the
31 license holder is not authorized to sell alcoholic beverages pursuant
32 to subparagraph (1) of this subsection. The number of one-day
33 permits issued to a licensee pursuant to this subsection shall not
34 exceed an aggregate of ¹~~23~~ 14¹ permits in one calendar year. A
35 one-day permit issued pursuant to this subsection shall be valid for
36 24 consecutive hours. The fee for each ¹one-day¹ permit shall be
37 ¹~~150~~ \$500¹.

38 ¹The governing body of the municipality in which the licensed
39 premises is situated may place reasonable conditions upon a one-
40 day permit for the purpose of maintaining public safety on the
41 licensed premises and immediately surrounding area. The costs
42 associated with the reasonable conditions placed on the one-day
43 permit shall be assumed by the holder of this license.¹

44 (3) This license shall not be issued to permit the sale of alcoholic
45 beverages in or upon any premises in which a grocery, delicatessen,
46 drug store or other mercantile business is carried on, except as

1 hereinafter provided. Subject to such rules and regulations
2 established from time to time by the director, the holder of this
3 license shall be permitted to sell alcoholic beverages in or upon the
4 premises in which any of the following is carried on: the keeping
5 of a hotel or restaurant including the sale of mercantile items
6 incidental thereto as an accommodation to patrons; the sale of
7 distillers', brewers' and vintners' packaged merchandise prepacked
8 as a unit with other suitable objects as gift items to be sold only as a
9 unit; the sale of novelty wearing apparel identified with the name of
10 the establishment licensed under the provisions of this section; the
11 sale of cigars, cigarettes, packaged crackers, chips, nuts and similar
12 snacks and ice at retail as an accommodation to patrons; or the retail
13 sale of nonalcoholic beverages as accessory beverages to alcoholic
14 beverages. The fee for this license shall be fixed by the governing
15 board or body of the municipality in which the licensed premises
16 are situated, by ordinance, at 75% of the fee fixed by said board or
17 body for plenary retail consumption licenses. The governing board
18 or body of each municipality may, by ordinance, enact that no
19 seasonal retail consumption license shall be granted within its
20 respective municipality.

21 Plenary retail distribution license. 3. a. The holder of this license
22 shall be entitled, subject to rules and regulations, to sell any
23 alcoholic beverages for consumption off the licensed premises, but
24 only in original containers; except that licensees shall be permitted
25 to conduct consumer wine, beer, and spirits tasting events and
26 samplings on a complimentary basis pursuant to conditions
27 established by rules and regulations of the Division of Alcoholic
28 Beverage Control, provided however, that the holder of this license
29 complies with the terms and conditions set forth in section 3 of
30 P.L.2009, c.216 (C.33:1-12d).

31 The governing board or body of each municipality may, by
32 ordinance, enact that this license shall not be issued to permit the
33 sale of alcoholic beverages in or upon any premises in which any
34 other mercantile business is carried on, except that any such
35 ordinance, heretofore or hereafter adopted, shall not prohibit the
36 retail sale of distillers', brewers' and vintners' packaged
37 merchandise prepacked as a unit with other suitable objects as gift
38 items to be sold only as a unit; the sale of novelty wearing apparel
39 identified with the name of the establishment licensed under the
40 provisions of this act; cigars, cigarettes, packaged crackers, chips,
41 nuts and similar snacks, ice, and nonalcoholic beverages as
42 accessory beverages to alcoholic beverages. The fee for this license
43 shall be fixed by the governing board or body of the municipality in
44 which the licensed premises are situated, by ordinance, at not less
45 than \$125 and not more than \$2,500. No ordinance shall be enacted
46 which shall raise or lower the fee to be charged for this license by
47 more than 20% from that charged in the preceding license year or

1 \$500.00, whichever is the lesser. The governing board or body of
2 each municipality may, by ordinance, enact that no plenary retail
3 distribution license shall be granted within its respective
4 municipality.

5 Limited retail distribution license. 3. b. The holder of this license
6 shall be entitled, subject to rules and regulations, to sell any
7 unchilled, brewed, malt alcoholic beverages in quantities of not less
8 than 72 fluid ounces for consumption off the licensed premises, but
9 only in original containers; provided, however, that this license
10 shall be issued only for premises operated and conducted by the
11 licensee as a bona fide grocery store, meat market, meat and
12 grocery store, delicatessen, or other type of bona fide food store at
13 which groceries or other foodstuffs are sold at retail; and provided
14 further that this license shall not be issued except for premises at
15 which the sale of groceries or other foodstuffs is the primary and
16 principal business and at which the sale of alcoholic beverages is
17 merely incidental and subordinate thereto. The fee for this license
18 shall be fixed by the governing body or board of the municipality in
19 which the licensed premises are situated, by ordinance, at not less
20 than \$31 and not more than \$63. The governing board or body of
21 each municipality may, by ordinance, enact that no limited retail
22 distribution license shall be granted within its respective
23 municipality.

24 Plenary retail transit license. 4. The holder of this license shall be
25 entitled, subject to rules and regulations, to sell any alcoholic
26 beverages, for consumption only, on railroad trains, airplanes,
27 limousines and boats, while in transit. The fee for this license for
28 use by a railroad or air transport company shall be \$375, for use by
29 the owners of limousines shall be \$31 per vehicle, and for use on a
30 boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat
31 more than 65 feet in length but not more than 110 feet in length,
32 and \$375 on a boat more than 110 feet in length; such boat lengths
33 shall be determined in the manner prescribed by the Bureau of
34 Customs of the United States Government or any federal agency
35 successor thereto for boat measurement in connection with issuance
36 of marine documents. A license issued under this provision to a
37 railroad or air transport company shall cover all railroad cars and
38 planes operated by any such company within the State of New
39 Jersey. A license for a boat or limousine issued under this
40 provision shall apply only to the particular boat or limousine for
41 which issued, and shall permit the purchase of alcoholic beverages
42 for sale or service in a boat or limousine to be made from any Class
43 A and B licensee or from any Class C licensee whose license
44 privilege permits the sale of alcoholic beverages in original
45 containers for off-premises consumption. An interest in a plenary
46 retail transit license issued in accordance with this section shall be

1 excluded in determining the maximum number of retail licenses
2 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

3 Club license. 5. The holder of this license shall be entitled,
4 subject to rules and regulations, to sell any alcoholic beverages but
5 only for immediate consumption on the licensed premises and only
6 to bona fide club members and their guests. The fee for this license
7 shall be fixed by the governing board or body of the municipality in
8 which the licensed premises are situated, by ordinance, at not less
9 than \$63 and not more than \$188. The governing board or body of
10 each municipality may, by ordinance, enact that no club licenses
11 shall be granted within its respective municipality. Club licenses
12 may be issued only to such corporations, associations and
13 organizations as are operated for benevolent, charitable, fraternal,
14 social, religious, recreational, athletic, or similar purposes, and not
15 for private gain, and which comply with all conditions which may
16 be imposed by the Director of the Division of Alcoholic Beverage
17 Control by rules and regulations.

18 The provisions of section 23 of P.L.2003, c.117 amendatory of
19 this section shall apply to licenses issued or transferred on or after
20 July 1, 2003, and to license renewals commencing on or after July
21 1, 2003.

22 Sporting facility license. 6. The holder of this license shall be
23 entitled, subject to rules and regulations, to sell at retail or to serve
24 any alcoholic beverages as the owner, operator, lessee, or
25 concessionaire of a sporting facility by the glass or other receptacle
26 or in original containers only on the premises of the sporting
27 facility.

28 Notwithstanding any other provision of Title 33 of the Revised
29 Statutes and subject to conditions established by the director, the
30 holder of this license may share direction and control of the
31 premises to be licensed and share proceeds and profits from the sale
32 of alcoholic beverages with the owner, operator, concessionaire, or
33 lessee of the facility. The holder of this license shall be permitted
34 to conduct consumer wine, beer, and spirits tasting events and
35 samplings for a fee or on a complimentary basis provided, however,
36 the license holder complies with the provisions of section 3 of
37 P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated
38 thereto. Notwithstanding any law, rule or regulation to the
39 contrary, the holder of this license shall be entitled to establish an
40 all-inclusive area within the licensed sporting facility, provided the
41 all-inclusive area is limited to one area within the sporting facility
42 for each game or event and the capacity of the all-inclusive area
43 does not exceed 500 persons.

44 The fee for this license shall be \$2,500 for venues with a
45 capacity of less than 7,500 persons; \$5,000 for venues with a
46 capacity of not less than 7,500 persons but not more than 14,999
47 persons; \$7,500 for venues with a capacity of not less than 15,000

1 persons but not more than 22,499 persons; and \$10,000 for venues
2 with a capacity of 22,500 persons or more.

3 For the purposes of this subsection:

4 "Sporting facility" means a stadium, arena, team training facility,
5 or similar venue located on public property where alcoholic
6 beverages are served or sold at retail for consumption on the
7 premises by the glass or other open receptacle or in original
8 containers.

9 "Team training facility" shall include team offices and team
10 headquarters.

11 (cf: P.L.2015, c.86, s.1)

12

13 2. This act shall take effect immediately.

14

15

16

17

18 Establishes permit to allow seasonal retail consumption license
19 holders to sell alcoholic beverages during certain off-season dates.

SENATE, No. 1958

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 22, 2018

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator NICHOLAS P. SCUTARI

District 22 (Middlesex, Somerset and Union)

Co-Sponsored by:

Senators Diegnan and Weinberg

SYNOPSIS

Requires seasonal retail consumption alcoholic beverage license holder to exchange license for full-year consumption license.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/8/2018)

S1958 GOPAL, SCUTARI

2

1 AN ACT concerning alcoholic beverage licenses and amending
2 R.S.33:1-12.

3

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

6

7 1. R.S.33:1-12 is amended to read as follows:

8 33:1-12. Class C licenses shall be subdivided and classified as
9 follows:

10 Plenary retail consumption license. 1. The holder of this license
11 shall be entitled, subject to rules and regulations, to sell any
12 alcoholic beverages for consumption on the licensed premises by
13 the glass or other open receptacle, and also to sell any alcoholic
14 beverages in original containers for consumption off the licensed
15 premises; but this license shall not be issued to permit the sale of
16 alcoholic beverages in or upon any premises in which a grocery,
17 delicatessen, drug store or other mercantile business is carried on,
18 except as hereinafter provided. The holder of this license shall be
19 permitted to conduct consumer wine, beer and spirits tasting events
20 and samplings for a fee or on a complimentary basis pursuant to
21 conditions established by rules and regulations of the Division of
22 Alcoholic Beverage Control, provided however, that the holder of
23 this license complies with the terms and conditions set forth in
24 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules
25 and regulations established from time to time by the director, the
26 holder of this license shall be permitted to sell alcoholic beverages
27 in or upon the premises in which any of the following is carried on:
28 the keeping of a hotel or restaurant including the sale of mercantile
29 items incidental thereto as an accommodation to patrons; the sale, at
30 an entertainment facility as defined in R.S.33:1-1, having a seating
31 capacity for no less than 4,000 patrons, of mercantile items
32 traditionally associated with the type of event or program held at
33 the site; the sale of distillers', brewers' and vintners' packaged
34 merchandise prepacked as a unit with other suitable objects as gift
35 items to be sold only as a unit; the sale of novelty wearing apparel
36 identified with the name of the establishment licensed under the
37 provisions of this section; the sale of cigars, cigarettes, packaged
38 crackers, chips, nuts and similar snacks and ice at retail as an
39 accommodation to patrons, or the retail sale of nonalcoholic
40 beverages as accessory beverages to alcoholic beverages; or, in
41 commercial bowling establishments, the retail sale or rental of
42 bowling accessories and the retail sale from vending machines of
43 candy, ice cream and nonalcoholic beverages. The fee for this
44 license shall be fixed by the governing board or body of the
45 municipality in which the licensed premises are situated, by

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 ordinance, at not less than \$250 and not more than \$2,500. No
2 ordinance shall be enacted which shall raise or lower the fee to be
3 charged for this license by more than 20% from that charged in the
4 preceding license year or \$500.00, whichever is the lesser. The
5 governing board or body of each municipality may, by ordinance,
6 enact that no plenary retail consumption license shall be granted
7 within its respective municipality.

8 The holder of this license shall be permitted to obtain a restricted
9 brewery license issued pursuant to subsection 1c. of R.S.33:1-10
10 and to operate a restricted brewery immediately adjoining the
11 licensed premises in accordance with the restrictions set forth in
12 that subsection. All fees related to the issuance of both licenses
13 shall be paid in accordance with statutory law.

14 Seasonal retail consumption license. 2. **【**The holder of this
15 license shall be entitled, subject to rules and regulations, to sell any
16 alcoholic beverages for consumption on the licensed premises by
17 the glass or other open receptacle, and also to sell any alcoholic
18 beverages in original containers for consumption off the licensed
19 premises, during the summer season from May 1 until November
20 14, inclusive, or during the winter season from November 15 until
21 April 30, inclusive; but this license shall not be issued to permit the
22 sale of alcoholic beverages in or upon any premises in which a
23 grocery, delicatessen, drug store or other mercantile business is
24 carried on, except as hereinafter provided. Subject to such rules
25 and regulations established from time to time by the director, the
26 holder of this license shall be permitted to sell alcoholic beverages
27 in or upon the premises in which any of the following is carried on:
28 the keeping of a hotel or restaurant including the sale of mercantile
29 items incidental thereto as an accommodation to patrons; the sale of
30 distillers', brewers' and vintners' packaged merchandise prepacked
31 as a unit with other suitable objects as gift items to be sold only as a
32 unit; the sale of novelty wearing apparel identified with the name of
33 the establishment licensed under the provisions of this section; the
34 sale of cigars, cigarettes, packaged crackers, chips, nuts and similar
35 snacks and ice at retail as an accommodation to patrons; or the retail
36 sale of nonalcoholic beverages as accessory beverages to alcoholic
37 beverages. The fee for this license shall be fixed by the governing
38 board or body of the municipality in which the licensed premises
39 are situated, by ordinance, at 75% of the fee fixed by said board or
40 body for plenary retail consumption licenses. The governing board
41 or body of each municipality may, by ordinance, enact that no
42 seasonal retail consumption license shall be granted within its
43 respective municipality. **】**

44 On and after the effective date of P.L. , c. (pending before
45 the Legislature as this bill), the director shall not issue a seasonal
46 retail consumption license. Within 60 months following the
47 effective date of P.L. , c. (pending before the Legislature as this
48 bill), a licensee who held this license prior to the effective date of

1 P.L. , c. (C.) (pending before the Legislature as this bill).
2 shall have the option to surrender the license to the issuing
3 authority, which shall exchange the license for a plenary retail
4 consumption license. On the first day of the 60th month following
5 the effective date of P.L. , c. (pending before the Legislature as
6 this bill), a licensee who held this license prior to the effective date
7 of P.L. , c. (C.) (pending before the Legislature as this
8 bill), seasonal retail consumption licensees shall be required to
9 surrender the license to the issuing authority, which shall exchange
10 the license for a plenary retail consumption license.

11 A person who exchanges this license for a plenary retail
12 consumption license shall pay the annual fee established by the
13 issuing authority for holding a plenary retail consumption license.
14 The governing board or body of the municipality in which the
15 licensed premises is situated shall not prohibit the holder of this
16 license from converting it in accordance with this subsection or
17 limit the licensee from exercising the same privileges as the holder
18 of a plenary retail consumption license. A person who converts
19 this license shall be entitled to sell alcoholic beverages on the same
20 days and during the same hours as other plenary retail consumption
21 license holders within the same municipality.

22 For 60 months following the date that the license is exchanged, a
23 person who exchanges a license pursuant to this subsection may
24 transfer the plenary retail consumption license, but shall be
25 prohibited from transferring the license for a value greater than the
26 amount paid by the licensee to initially acquire the seasonal retail
27 consumption license. On the first day of the 61st month following
28 the date that the license was exchanged, a person who exchanges a
29 license pursuant to this section may transfer the plenary retail
30 consumption license for profit, provided that 15 percent of the
31 profit shall be donated to a nonprofit or charitable organization
32 dedicated to preventing alcohol abuse or encouraging safe driving.
33 The person who transfers the plenary retail consumption license
34 shall not be employed by, or have a financial interest in, the
35 nonprofit or charitable organization receiving the donation.

36 Plenary retail distribution license. 3. a. The holder of this license
37 shall be entitled, subject to rules and regulations, to sell any
38 alcoholic beverages for consumption off the licensed premises, but
39 only in original containers; except that licensees shall be permitted
40 to conduct consumer wine, beer, and spirits tasting events and
41 samplings on a complimentary basis pursuant to conditions
42 established by rules and regulations of the Division of Alcoholic
43 Beverage Control, provided however, that the holder of this license
44 complies with the terms and conditions set forth in section 3 of
45 P.L.2009, c.216 (C.33:1-12d).

46 The governing board or body of each municipality may, by
47 ordinance, enact that this license shall not be issued to permit the
48 sale of alcoholic beverages in or upon any premises in which any

1 other mercantile business is carried on, except that any such
2 ordinance, heretofore or hereafter adopted, shall not prohibit the
3 retail sale of distillers', brewers' and vintners' packaged
4 merchandise prepacked as a unit with other suitable objects as gift
5 items to be sold only as a unit; the sale of novelty wearing apparel
6 identified with the name of the establishment licensed under the
7 provisions of this act; cigars, cigarettes, packaged crackers, chips,
8 nuts and similar snacks, ice, and nonalcoholic beverages as
9 accessory beverages to alcoholic beverages. The fee for this license
10 shall be fixed by the governing board or body of the municipality in
11 which the licensed premises are situated, by ordinance, at not less
12 than \$125 and not more than \$2,500. No ordinance shall be enacted
13 which shall raise or lower the fee to be charged for this license by
14 more than 20% from that charged in the preceding license year or
15 \$500.00, whichever is the lesser. The governing board or body of
16 each municipality may, by ordinance, enact that no plenary retail
17 distribution license shall be granted within its respective
18 municipality.

19 Limited retail distribution license. 3. b. The holder of this license
20 shall be entitled, subject to rules and regulations, to sell any
21 unchilled, brewed, malt alcoholic beverages in quantities of not less
22 than 72 fluid ounces for consumption off the licensed premises, but
23 only in original containers; provided, however, that this license
24 shall be issued only for premises operated and conducted by the
25 licensee as a bona fide grocery store, meat market, meat and
26 grocery store, delicatessen, or other type of bona fide food store at
27 which groceries or other foodstuffs are sold at retail; and provided
28 further that this license shall not be issued except for premises at
29 which the sale of groceries or other foodstuffs is the primary and
30 principal business and at which the sale of alcoholic beverages is
31 merely incidental and subordinate thereto. The fee for this license
32 shall be fixed by the governing body or board of the municipality in
33 which the licensed premises are situated, by ordinance, at not less
34 than \$31 and not more than \$63. The governing board or body of
35 each municipality may, by ordinance, enact that no limited retail
36 distribution license shall be granted within its respective
37 municipality.

38 Plenary retail transit license. 4. The holder of this license shall be
39 entitled, subject to rules and regulations, to sell any alcoholic
40 beverages, for consumption only, on railroad trains, airplanes,
41 limousines and boats, while in transit. The fee for this license for
42 use by a railroad or air transport company shall be \$375, for use by
43 the owners of limousines shall be \$31 per vehicle, and for use on a
44 boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat
45 more than 65 feet in length but not more than 110 feet in length,
46 and \$375 on a boat more than 110 feet in length; such boat lengths
47 shall be determined in the manner prescribed by the Bureau of
48 Customs of the United States Government or any federal agency

1 successor thereto for boat measurement in connection with issuance
2 of marine documents. A license issued under this provision to a
3 railroad or air transport company shall cover all railroad cars and
4 planes operated by any such company within the State of New
5 Jersey. A license for a boat or limousine issued under this
6 provision shall apply only to the particular boat or limousine for
7 which issued, and shall permit the purchase of alcoholic beverages
8 for sale or service in a boat or limousine to be made from any Class
9 A and B licensee or from any Class C licensee whose license
10 privilege permits the sale of alcoholic beverages in original
11 containers for off-premises consumption. An interest in a plenary
12 retail transit license issued in accordance with this section shall be
13 excluded in determining the maximum number of retail licenses
14 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

15 Club license. 5. The holder of this license shall be entitled,
16 subject to rules and regulations, to sell any alcoholic beverages but
17 only for immediate consumption on the licensed premises and only
18 to bona fide club members and their guests. The fee for this license
19 shall be fixed by the governing board or body of the municipality in
20 which the licensed premises are situated, by ordinance, at not less
21 than \$63 and not more than \$188. The governing board or body of
22 each municipality may, by ordinance, enact that no club licenses
23 shall be granted within its respective municipality. Club licenses
24 may be issued only to such corporations, associations and
25 organizations as are operated for benevolent, charitable, fraternal,
26 social, religious, recreational, athletic, or similar purposes, and not
27 for private gain, and which comply with all conditions which may
28 be imposed by the Director of the Division of Alcoholic Beverage
29 Control by rules and regulations.

30 The provisions of section 23 of P.L.2003, c.117 amendatory of
31 this section shall apply to licenses issued or transferred on or after
32 July 1, 2003, and to license renewals commencing on or after July
33 1, 2003.

34 Sporting facility license. 6. The holder of this license shall be
35 entitled, subject to rules and regulations, to sell at retail or to serve
36 any alcoholic beverages as the owner, operator, lessee, or
37 concessionaire of a sporting facility by the glass or other receptacle
38 or in original containers only on the premises of the sporting
39 facility.

40 Notwithstanding any other provision of Title 33 of the Revised
41 Statutes and subject to conditions established by the director, the
42 holder of this license may share direction and control of the
43 premises to be licensed and share proceeds and profits from the sale
44 of alcoholic beverages with the owner, operator, concessionaire, or
45 lessee of the facility. The holder of this license shall be permitted
46 to conduct consumer wine, beer, and spirits tasting events and
47 samplings for a fee or on a complimentary basis provided, however,
48 the license holder complies with the provisions of section 3 of

1 P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated
2 thereto. Notwithstanding any law, rule or regulation to the
3 contrary, the holder of this license shall be entitled to establish an
4 all-inclusive area within the licensed sporting facility, provided the
5 all-inclusive area is limited to one area within the sporting facility
6 for each game or event and the capacity of the all-inclusive area
7 does not exceed 500 persons.

8 The fee for this license shall be \$2,500 for venues with a
9 capacity of less than 7,500 persons; \$5,000 for venues with a
10 capacity of not less than 7,500 persons but not more than 14,999
11 persons; \$7,500 for venues with a capacity of not less than 15,000
12 persons but not more than 22,499 persons; and \$10,000 for venues
13 with a capacity of 22,500 persons or more.

14 For the purposes of this subsection:

15 "Sporting facility" means a stadium, arena, team training facility,
16 or similar venue located on public property where alcoholic
17 beverages are served or sold at retail for consumption on the
18 premises by the glass or other open receptacle or in original
19 containers.

20 "Team training facility" shall include team offices and team
21 headquarters.

22 (cf: P.L.2015, c.86, s.1)

23

24 2. Section 5 of P.L.1947, c.94 (C.33:1-12.17) is repealed.

25

26 3. This act shall take effect on the first day of the fourth month
27 next following the date of enactment.

28

29

30

STATEMENT

31

32 This bill requires the Director of the Division of Alcoholic
33 Beverage Control to cease issuing seasonal retail consumption
34 licenses. Under the bill, the holder of a seasonal retail consumption
35 license would have five years during which the licensee may
36 exchange the license for a plenary retail consumption license, which
37 would permit the licensee to sell alcoholic beverages for
38 consumption on the licensed premises throughout the entire year.
39 After five years, the issuing authorities would be required to
40 exchange all seasonal retail consumption licenses for plenary retail
41 consumption licenses.

42 A person required to exchange a seasonal retail consumption
43 license would have the same privileges and be entitled to sell
44 alcoholic beverages during the same times and days as other plenary
45 retail consumption license holders in the same municipality. In
46 addition, a person who exchanges a license would be required to
47 pay the same fees as a plenary retail consumption license holder.

S1958 GOPAL, SCUTARI

8

1 The bill allows a person who exchanges his or her license to
2 transfer the plenary retail consumption license, but prohibits the
3 person from transferring the license for profit for five years
4 following the date of the exchange. After five years, the plenary
5 retail consumption license may be transferred for profit provided
6 that 15 percent of the profit is donated to a nonprofit or charitable
7 organization dedicated to preventing alcohol abuse or encouraging
8 safe driving. A person who transfers the license is prohibited from
9 being employed by or having a financial interest in the nonprofit or
10 charitable organization which receives the donation.

11 A seasonal retail consumption license allows for the sale of
12 alcoholic beverages for on-site consumption for a limited time during
13 the summer or winter season. A license issued during the summer
14 season allows the licensee to serve alcoholic beverages from May 1
15 through November 14. The holder of a winter seasonal license may
16 sell alcoholic beverages from November 15 to April 30.

17 A seasonal license is subject to the same population restrictions as a
18 plenary retail consumption license, and is included in the total number
19 of consumption licenses that a municipality may issue. A municipality
20 may issue one of these licenses -both seasonal and plenary retail
21 consumption- for each 3,000 persons residing in the municipality.
22 Therefore, the bill does not allow for the issuance of new licenses, but
23 rather allows seasonal licensees to sell alcoholic beverages during the
24 entire year.

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO
SENATE SUBSTITUTE FOR
SENATE, No. 1958

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2018

The Assembly Oversight, Reform and Federal Relations Committee reports favorably and with committee amendments the Senate Substitute for Senate Bill No. 1958.

As amended and reported by the committee, the Senate Substitute for Senate Bill No. 1958 allows a seasonal retail consumption license holder to obtain one-day permits to sell alcoholic beverages on off-season dates.

Under current law, the holder of a seasonal retail consumption license is allowed to sell alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle similar to the holder of a plenary retail consumption license, but only during a summer or winter season. The summer seasonal license allows for the sale of alcoholic beverages from May 1 through November 14; the winter seasonal license allows for the sale of alcoholic beverages from November 15 until April 30.

As amended, the substitute requires the Director of the Division of Alcoholic Beverage Control, upon the request of a seasonal retail consumption license holder, to issue one-day permits to sell alcoholic beverages on off-season dates. Under the substitute, a licensee would be allowed to obtain a maximum of 14 one-day permits during a calendar year. A one-day permit would be valid for 24 consecutive hours. As amended, the substitute establishes a fee of \$500 for each one-day permit.

The substitute allows the governing body of a municipality to place reasonable conditions on a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit would be assumed by the seasonal retail consumption license holder.

COMMITTEE AMENDMENTS:

The committee amended the substitute to:

1) clarify that the seasonal retail consumption licensee is required to request the one-day permit prior to its issuance;

2) reduce from 23 to 14 the number of one-day permits that a license holder may annually obtain;

3) allow the governing body of a municipality to place reasonable conditions on a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the conditions are to be assumed by the license holder; and

4) increase from \$150 to \$500 the fee for each one-day permit.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 1958

STATE OF NEW JERSEY

DATED: APRIL 5, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 1958.

This bill requires the Director of the Division of Alcoholic Beverage Control to cease issuing seasonal retail consumption licenses. Under the bill, the holder of a seasonal retail consumption license has five years during which the licensee may exchange the license for a plenary retail consumption license, which permits the licensee to sell alcoholic beverages for consumption on the licensed premises throughout the entire year. After five years, the issuing authorities are required to exchange all seasonal retail consumption licenses for plenary retail consumption licenses.

A person required to exchange a seasonal retail consumption license has the same privileges and is entitled to sell alcoholic beverages during the same times and days as other plenary retail consumption license holders in the same municipality. In addition, a person who exchanges a license is required to pay the same fees as a plenary retail consumption license holder.

The bill allows a person who exchanges a license to transfer the plenary retail consumption license, but prohibits the person from transferring the license for profit for five years following the date of the exchange. After five years, the plenary retail consumption license may be transferred for profit, provided that 15 percent of the profit is donated to a nonprofit or charitable organization dedicated to preventing alcohol abuse or encouraging safe driving. A person who transfers the license is prohibited from being employed by or having a financial interest in the nonprofit or charitable organization which receives the donation.

A seasonal retail consumption license allows for the sale of alcoholic beverages for on-site consumption for a limited time during the summer or winter season. A license issued during the summer season allows the licensee to serve alcoholic beverages from May 1 through November 14, and the holder of a winter seasonal license may sell alcoholic beverages from November 15 to April 30. A seasonal license is subject to the same population restrictions as a plenary retail consumption license and is included in the total number of consumption licenses that a municipality may issue. A municipality may issue one of these licenses for each 3,000 persons residing in the municipality. Therefore, the bill does not allow for the issuance of

new licenses, but rather allows seasonal licensees to sell alcoholic beverages during the entire year.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of licenses annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional six-month period in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.

The bill authorizes the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, to exchange existing seasonal retail consumption licenses, which have an annual renewal fee of \$150, for a plenary retail consumption license which has an annual renewal fee of \$200 – an increase of \$50 annually. The bill may increase or decrease the division's workload depending on the number of seasonal retail consumption licenses exchanged for plenary retail consumption licenses. Depending on the board's resource allocation policies, the added workload may or may not augment State administrative expenditures.

The bill may increase the municipal revenue from the increased annual municipal renewal or transfer fees resulting from the exchange of seasonal retail consumption licenses for plenary retail consumption licenses. These fees may offset the indeterminate increased costs to municipalities to administer, regulate, and enforce the year-round licenses.

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 1958
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: APRIL 12, 2018

SUMMARY

Synopsis: Requires seasonal retail consumption alcoholic beverage license holder to exchange license for full-year consumption license.

Type of Impact: Annual State and Local Revenue and Expenditure Increase.

Agencies Affected: Department of Law and Public Safety; Municipal Government.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual State and Local Cost Increase		Indeterminate	
Annual State and Local Revenue Increase		Indeterminate	

- The OLS finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of licenses annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional six-month period in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.
- The bill authorizes the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, to exchange existing seasonal retail consumption licenses, which have an annual renewal fee of \$150, for a plenary retail consumption license which has an annual renewal fee of \$200 – an increase of \$50 annually. The bill may increase or decrease the division's workload depending on the number of seasonal retail consumption licenses exchanged for plenary retail consumption licenses. Depending on the board's resource allocation policies, the added workload may or may not augment State administrative expenditures.
- The bill may increase the municipal revenue from the increased annual municipal renewal or transfer fees resulting from the exchange of seasonal retail consumption licenses for plenary retail consumption licenses. These fees may offset the indeterminate increased costs to municipalities to administer, regulate, and enforce the year-round licenses.

BILL DESCRIPTION

This bill requires the Director of the Division of Alcoholic Beverage Control to cease issuing seasonal retail consumption licenses. Under the bill, the holder of a seasonal retail consumption license would have five years during which the licensee may exchange the license for a plenary retail consumption license, which would permit the licensee to sell alcoholic beverages for consumption on the licensed premises throughout the entire year. After five years, the issuing authorities would be required to exchange all seasonal retail consumption licenses for plenary retail consumption licenses.

A person required to exchange a seasonal retail consumption license would have the same privileges and be entitled to sell alcoholic beverages during the same times and days as other plenary retail consumption license holders in the same municipality. In addition, a person who exchanges a license would be required to pay the same fees as a plenary retail consumption license holder.

The bill allows a person who exchanges the seasonal license to then transfer the new plenary retail consumption license, but prohibits the person from profiting from this transfer for profit for five years following the date of the exchange. After five years, the plenary retail consumption license may be transferred for profit provided that 15 percent of the profit is donated to a nonprofit or charitable organization dedicated to preventing alcohol abuse or encouraging safe driving. A person who transfers the license is prohibited from being employed by or having a financial interest in the nonprofit or charitable organization which receives the donation.

A seasonal retail consumption license allows for the sale of alcoholic beverages for on-site consumption for a limited time during the summer or winter season. A license issued during the summer season allows the licensee to serve alcoholic beverages from May 1 through November 14. The holder of a winter seasonal license may sell alcoholic beverages from November 15 to April 30.

A seasonal license is subject to the same population restrictions as a plenary retail consumption license, and is included in the total number of consumption licenses that a municipality may issue. A municipality may issue one of these licenses -both seasonal and plenary retail consumption- for each 3,000 persons residing in the municipality. Therefore, the bill does not allow for the issuance of new licenses, but rather would allow current seasonal licensees to sell alcoholic beverages during the entire year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of licenses annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional six-month period in

which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.

State Revenue Impacts: The bill will increase annual State revenue collections after the transfer of the seasonal retail consumption license to the plenary retail consumption license as the fee for this seasonal retail consumption license is 75 percent of the fee established for the plenary retail consumption license. As of 2015 the annual renewal fee for a plenary retail consumption license was \$200. As of May 2015, it was reported that there were seven establishments holding seasonal retail consumption licenses. Although the statute also authorizes a winter season license from November 15 to April 30, no such license has been issued in the State. If the same number of licenses were transferred to year-round plenary retail consumption licenses, it would mean an estimated annual revenue increase of \$350. Additionally, if the license were sold, the State may realize revenue from the transfer fee (\$200 per transfer).

The OLS anticipates that sales by plenary retail consumption licensees may increase with an additional six-months to sell their products, thus increasing the amount of State sales tax collected.

State Expenditure Impacts: The bill may increase or decrease the division's workload depending on the number of licenses issued.

Municipal Revenue Impacts: The bill may increase the municipal revenue from the increased annual municipal renewal or transfer fees resulting from the exchange of seasonal retail consumption licenses for plenary retail consumption licenses.

Pursuant to N.J.S.A. 33:1-12, municipalities may charge an annual fee, established by ordinance, of no less \$250, but no more than \$2,500 for the renewal of a plenary retail consumption license. Currently the seasonal retail consumption license annual renewal fee is 75 percent of the plenary retail consumption license.

As noted above, the licensee is prohibited from transferring the license for profit for five years following the date of the exchange. If a plenary retail consumption license is transferred for profit, 15 percent of the profit is to be donated to a nonprofit or charitable organization. Additionally, the municipality would realize increased revenue from the sale resulting from a transfer fee of 10 to 20 percent of the annual license fee, depending on whether the transfer is place-to-place or a combination of place-to-place and person-to-person.

Municipal Expenditure Impacts: The bill may increase costs to municipalities associated with the administration, regulation, and enforcement of the new year-round licenses.

Additionally, it appears that the establishments holding seasonal retail consumption licenses are located in shore towns. The OLS notes that many of these municipalities may employ additional seasonal law enforcement. The transfer of seasonal licenses to year-round licenses may increase the cost of public safety as there may be increased need for enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE
SENATE SUBSTITUTE FOR
SENATE, No. 1958
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JULY 2, 2018

SUMMARY

- Synopsis:** Establishes permit to allow seasonal retail consumption license holders to sell alcoholic beverages during certain off-season dates.
- Type of Impact:** Annual State and Revenue and Expenditure Increase.
Annual Local Expenditure Increase.
- Agencies Affected:** Department of Law and Public Safety; Municipal Government.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual State and Local Cost Increase		Indeterminate	
Annual State and Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State revenues and State and municipal expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of permits issued annually and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional periods in which the licensee could sell alcoholic beverages and additional costs for the division’s and municipalities’ increased workload.
- The bill authorizes the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, to issue to up to 23 one-day permits per calendar year to seasonal retail consumption licensees, which have a fee of \$150 per permit. The bill may increase or decrease the division’s workload depending on the number of one-day permits issued to seasonal retail consumption licensees. Depending on the board’s resource allocation policies, the added workload may or may not augment State administrative expenditures.
- The bill may increase the municipal expenditures due to increased costs to municipalities to regulate and enforce the year-round licenses.



BILL DESCRIPTION

This bill allows a seasonal retail consumption license holder to obtain a one-day permit to sell alcoholic beverages on off-season dates.

Under current law, the holder of a seasonal retail consumption license is allowed to sell alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle similar to the holder of a plenary retail consumption license, but only during a summer or winter season. The summer seasonal license allows for the sale of alcoholic beverages from May 1 through November 14; the winter seasonal license allows for the sale of alcoholic beverages from November 15 until April 30.

This bill allows a seasonal retail consumption license holder to receive a one-day permit to sell alcoholic beverages on an off-season date. Under the bill, a licensee would be allowed to obtain a maximum of 23 one-day permits during a calendar year. The one-day permit would be valid for 24 consecutive hours. The bill establishes a fee of \$150 for each permit.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in indeterminate increases in annual State revenues and State and municipal expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of permits issued annually and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional periods in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.

State Revenue Impacts: The bill will increase annual State revenue collections from the sale of the one-day permits to seasonal retail consumption licensees. These one-day permits are issued at a fee of \$150 per permit for up to 23 times per year only to seasonal retail consumption licensees. As of May 2015, it was reported that there were seven establishments holding seasonal retail consumption licenses. Although the statute also authorizes a winter season license from November 15 to April 30, no such license has been issued in the State. If each of the seasonal retail consumption licensees applies for the maximum number of one-day permits under this bill, it would mean an estimated annual revenue increase of \$24,150, or \$3,450 per seasonal retail consumption licensee.

The OLS anticipates that sales by plenary retail consumption licensees may increase with an additional 23 days to sell their products, thus increasing the amount of State sales tax collected.

State Expenditure Impacts: The bill may increase or decrease the division's workload depending on the number of permits issued.

Municipal Expenditure Impacts: The bill may increase the municipal expenditures due to increased costs to municipalities to regulate and enforce the additional one-day permits.

Additionally, it appears that the establishments holding seasonal retail consumption licenses are located in shore towns. The OLS notes that many of these municipalities may employ additional seasonal law enforcement. The additional sale of one-day permits may increase the cost of public safety as there may be increased need for enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE SUBSTITUTE FOR SENATE, No. 1958 STATE OF NEW JERSEY 218th LEGISLATURE

DATED: OCTOBER 3, 2018

SUMMARY

- Synopsis:** Establishes permit to allow seasonal retail consumption license holders to sell alcoholic beverages during certain off-season dates.
- Type of Impact:** Annual State and Revenue and Expenditure Increase.
Annual Local Expenditure Increase.
- Agencies Affected:** Department of Law and Public Safety; Municipal Government.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual State and Local Cost Increase		Indeterminate	
Annual State and Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State revenues and State and municipal expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of permits issued annually and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional periods in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.
- The bill authorizes the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, to issue up to 14 one-day permits per calendar year to seasonal retail consumption licensees, which have a fee of \$500 per permit. The bill may increase or decrease the division's workload depending on the number of one-day permits issued to seasonal retail consumption licensees. Depending on the board's resource allocation policies, the added workload may or may not augment State administrative expenditures.
- The bill may increase the municipal expenditures due to increased costs to municipalities for regulation and enforcement during the additional days the licensees may operate.

BILL DESCRIPTION

This bill allows a seasonal retail consumption license holder to obtain one-day permits to sell alcoholic beverages on off-season dates.

Under current law, the holder of a seasonal retail consumption license is allowed to sell alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle similar to the holder of a plenary retail consumption license, but only during a summer or winter season. The summer seasonal license allows for the sale of alcoholic beverages from May 1 through November 14; the winter seasonal license allows for the sale of alcoholic beverages from November 15 until April 30.

This bill allows a seasonal retail consumption license holder to receive a one-day permit to sell alcoholic beverages on an off-season date. Under the bill, a licensee would be allowed to obtain a maximum of 14 one-day permits during a calendar year. The one-day permit would be valid for 24 consecutive hours. The bill establishes a fee of \$500 for each permit.

The bill allows the governing body of a municipality to place reasonable conditions on a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit would be assumed by the seasonal retail consumption license holder.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in indeterminate increases in annual State revenues and State and municipal expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of permits issued annually and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional periods in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.

State Revenue Impacts: The bill will increase annual State revenue collections from the sale of the one-day permits to seasonal retail consumption licensees. These one-day permits are issued at a fee of \$500 per permit for up to 14 times per year only to seasonal retail consumption licensees. As of May 2015, it was reported that there were seven establishments holding seasonal retail consumption licenses. Although the statute also authorizes a winter season license from November 15 to April 30, no such license has been issued in the State. If each of the seasonal retail consumption licensees applies for the maximum number of one-day permits under this bill, it would mean an estimated maximum annual revenue increase of \$49,000, or \$7,000 per seasonal retail consumption licensee.

The OLS anticipates that sales by plenary retail consumption licensees may increase with an additional 14 days to sell their products, thus increasing the amount of State sales tax collected.

State Expenditure Impacts: The bill may increase or decrease the division's workload depending on the number of permits issued.

Municipal Expenditure Impacts: The bill may increase the municipal expenditures due to increased costs to municipalities for regulation and enforcement of the additional one-day permits.

Additionally, it appears that the establishments holding seasonal retail consumption licenses are located in shore towns. The OLS notes that many of these municipalities may employ additional seasonal law enforcement. The additional sale of one-day permits may increase the cost of public safety as there may be increased need for enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

ASSEMBLY, No. 3609

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MARCH 12, 2018

Sponsored by:

Assemblyman RAJ MUKHERJI

District 33 (Hudson)

Assemblywoman YVONNE LOPEZ

District 19 (Middlesex)

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Co-Sponsored by:

**Assemblyman Holley, Assemblywomen Quijano, Sumter, McKnight and
Assemblyman Dancer**

SYNOPSIS

Requires seasonal retail consumption alcoholic beverage license holder to exchange license for full-year consumption license.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/28/2018)

A3609 MUKHERJI, LOPEZ

2

1 AN ACT concerning alcoholic beverage licenses and amending
2 R.S.33:1-12.

3

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

6

7 1. R.S.33:1-12 is amended to read as follows:

8 33:1-12. Class C licenses shall be subdivided and classified as
9 follows:

10 Plenary retail consumption license. 1. The holder of this license
11 shall be entitled, subject to rules and regulations, to sell any
12 alcoholic beverages for consumption on the licensed premises by
13 the glass or other open receptacle, and also to sell any alcoholic
14 beverages in original containers for consumption off the licensed
15 premises; but this license shall not be issued to permit the sale of
16 alcoholic beverages in or upon any premises in which a grocery,
17 delicatessen, drug store or other mercantile business is carried on,
18 except as hereinafter provided. The holder of this license shall be
19 permitted to conduct consumer wine, beer and spirits tasting events
20 and samplings for a fee or on a complimentary basis pursuant to
21 conditions established by rules and regulations of the Division of
22 Alcoholic Beverage Control, provided however, that the holder of
23 this license complies with the terms and conditions set forth in
24 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules
25 and regulations established from time to time by the director, the
26 holder of this license shall be permitted to sell alcoholic beverages
27 in or upon the premises in which any of the following is carried on:
28 the keeping of a hotel or restaurant including the sale of mercantile
29 items incidental thereto as an accommodation to patrons; the sale, at
30 an entertainment facility as defined in R.S.33:1-1, having a seating
31 capacity for no less than 4,000 patrons, of mercantile items
32 traditionally associated with the type of event or program held at
33 the site; the sale of distillers', brewers' and vintners' packaged
34 merchandise prepacked as a unit with other suitable objects as gift
35 items to be sold only as a unit; the sale of novelty wearing apparel
36 identified with the name of the establishment licensed under the
37 provisions of this section; the sale of cigars, cigarettes, packaged
38 crackers, chips, nuts and similar snacks and ice at retail as an
39 accommodation to patrons, or the retail sale of nonalcoholic
40 beverages as accessory beverages to alcoholic beverages; or, in
41 commercial bowling establishments, the retail sale or rental of
42 bowling accessories and the retail sale from vending machines of
43 candy, ice cream and nonalcoholic beverages. The fee for this
44 license shall be fixed by the governing board or body of the
45 municipality in which the licensed premises are situated, by

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.

A3609 MUKHERJI, LOPEZ

1 ordinance, at not less than \$250 and not more than \$2,500. No
2 ordinance shall be enacted which shall raise or lower the fee to be
3 charged for this license by more than 20% from that charged in the
4 preceding license year or \$500.00, whichever is the lesser. The
5 governing board or body of each municipality may, by ordinance,
6 enact that no plenary retail consumption license shall be granted
7 within its respective municipality.

8 The holder of this license shall be permitted to obtain a restricted
9 brewery license issued pursuant to subsection 1c. of R.S.33:1-10
10 and to operate a restricted brewery immediately adjoining the
11 licensed premises in accordance with the restrictions set forth in
12 that subsection. All fees related to the issuance of both licenses
13 shall be paid in accordance with statutory law.

14 Seasonal retail consumption license. 2. **【**The holder of this
15 license shall be entitled, subject to rules and regulations, to sell any
16 alcoholic beverages for consumption on the licensed premises by
17 the glass or other open receptacle, and also to sell any alcoholic
18 beverages in original containers for consumption off the licensed
19 premises, during the summer season from May 1 until November
20 14, inclusive, or during the winter season from November 15 until
21 April 30, inclusive; but this license shall not be issued to permit the
22 sale of alcoholic beverages in or upon any premises in which a
23 grocery, delicatessen, drug store or other mercantile business is
24 carried on, except as hereinafter provided. Subject to such rules
25 and regulations established from time to time by the director, the
26 holder of this license shall be permitted to sell alcoholic beverages
27 in or upon the premises in which any of the following is carried on:
28 the keeping of a hotel or restaurant including the sale of mercantile
29 items incidental thereto as an accommodation to patrons; the sale of
30 distillers', brewers' and vintners' packaged merchandise prepacked
31 as a unit with other suitable objects as gift items to be sold only as a
32 unit; the sale of novelty wearing apparel identified with the name of
33 the establishment licensed under the provisions of this section; the
34 sale of cigars, cigarettes, packaged crackers, chips, nuts and similar
35 snacks and ice at retail as an accommodation to patrons; or the retail
36 sale of nonalcoholic beverages as accessory beverages to alcoholic
37 beverages. The fee for this license shall be fixed by the governing
38 board or body of the municipality in which the licensed premises
39 are situated, by ordinance, at 75% of the fee fixed by said board or
40 body for plenary retail consumption licenses. The governing board
41 or body of each municipality may, by ordinance, enact that no
42 seasonal retail consumption license shall be granted within its
43 respective municipality. **】**

44 On and after the effective date of P.L. , c. (pending before
45 the Legislature as this bill), the director shall not issue a seasonal
46 retail consumption license. Within 60 months following the
47 effective date of P.L. , c. (pending before the Legislature as this
48 bill), a licensee who held this license prior to the effective date of

1 P.L. , c. (C.) (pending before the Legislature as this bill).
2 shall have the option to surrender the license to the issuing
3 authority, which shall exchange the license for a plenary retail
4 consumption license. On the first day of the 60th month following
5 the effective date of P.L. , c. (pending before the Legislature as
6 this bill), a licensee who held this license prior to the effective date
7 of P.L. , c. (C.) (pending before the Legislature as this
8 bill), seasonal retail consumption licensees shall be required to
9 surrender the license to the issuing authority, which shall exchange
10 the license for a plenary retail consumption license.

11 A person who exchanges this license for a plenary retail
12 consumption license shall pay the annual fee established by the
13 issuing authority for holding a plenary retail consumption license.
14 The governing board or body of the municipality in which the
15 licensed premises is situated shall not prohibit the holder of this
16 license from converting it in accordance with this subsection or
17 limit the licensee from exercising the same privileges as the holder
18 of a plenary retail consumption license. A person who converts this
19 license shall be entitled to sell alcoholic beverages on the same days
20 and during the same hours as other plenary retail consumption
21 license holders within the same municipality.

22 For 60 months following the date that the license is exchanged, a
23 person who exchanges a license pursuant to this subsection may
24 transfer the plenary retail consumption license, but shall be
25 prohibited from transferring the license for a value greater than the
26 amount paid by the licensee to initially acquire the seasonal retail
27 consumption license. On the first day of the 61st month following
28 the date that the license was exchanged, a person who exchanges a
29 license pursuant to this section may transfer the plenary retail
30 consumption license for profit, provided that 15 percent of the
31 profit shall be donated to a nonprofit or charitable organization
32 dedicated to preventing alcohol abuse or encouraging safe driving.
33 The person who transfers the plenary retail consumption license
34 shall not be employed by, or have a financial interest in, the
35 nonprofit or charitable organization receiving the donation.

36 Plenary retail distribution license. 3. a. The holder of this license
37 shall be entitled, subject to rules and regulations, to sell any
38 alcoholic beverages for consumption off the licensed premises, but
39 only in original containers; except that licensees shall be permitted
40 to conduct consumer wine, beer, and spirits tasting events and
41 samplings on a complimentary basis pursuant to conditions
42 established by rules and regulations of the Division of Alcoholic
43 Beverage Control, provided however, that the holder of this license
44 complies with the terms and conditions set forth in section 3 of
45 P.L.2009, c.216 (C.33:1-12d).

46 The governing board or body of each municipality may, by
47 ordinance, enact that this license shall not be issued to permit the
48 sale of alcoholic beverages in or upon any premises in which any

1 other mercantile business is carried on, except that any such
2 ordinance, heretofore or hereafter adopted, shall not prohibit the
3 retail sale of distillers', brewers' and vintners' packaged
4 merchandise prepacked as a unit with other suitable objects as gift
5 items to be sold only as a unit; the sale of novelty wearing apparel
6 identified with the name of the establishment licensed under the
7 provisions of this act; cigars, cigarettes, packaged crackers, chips,
8 nuts and similar snacks, ice, and nonalcoholic beverages as
9 accessory beverages to alcoholic beverages. The fee for this license
10 shall be fixed by the governing board or body of the municipality in
11 which the licensed premises are situated, by ordinance, at not less
12 than \$125 and not more than \$2,500. No ordinance shall be enacted
13 which shall raise or lower the fee to be charged for this license by
14 more than 20% from that charged in the preceding license year or
15 \$500.00, whichever is the lesser. The governing board or body of
16 each municipality may, by ordinance, enact that no plenary retail
17 distribution license shall be granted within its respective
18 municipality.

19 Limited retail distribution license. 3. b. The holder of this license
20 shall be entitled, subject to rules and regulations, to sell any
21 unchilled, brewed, malt alcoholic beverages in quantities of not less
22 than 72 fluid ounces for consumption off the licensed premises, but
23 only in original containers; provided, however, that this license
24 shall be issued only for premises operated and conducted by the
25 licensee as a bona fide grocery store, meat market, meat and
26 grocery store, delicatessen, or other type of bona fide food store at
27 which groceries or other foodstuffs are sold at retail; and provided
28 further that this license shall not be issued except for premises at
29 which the sale of groceries or other foodstuffs is the primary and
30 principal business and at which the sale of alcoholic beverages is
31 merely incidental and subordinate thereto. The fee for this license
32 shall be fixed by the governing body or board of the municipality in
33 which the licensed premises are situated, by ordinance, at not less
34 than \$31 and not more than \$63. The governing board or body of
35 each municipality may, by ordinance, enact that no limited retail
36 distribution license shall be granted within its respective
37 municipality.

38 Plenary retail transit license. 4. The holder of this license shall be
39 entitled, subject to rules and regulations, to sell any alcoholic
40 beverages, for consumption only, on railroad trains, airplanes,
41 limousines and boats, while in transit. The fee for this license for
42 use by a railroad or air transport company shall be \$375, for use by
43 the owners of limousines shall be \$31 per vehicle, and for use on a
44 boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat
45 more than 65 feet in length but not more than 110 feet in length,
46 and \$375 on a boat more than 110 feet in length; such boat lengths
47 shall be determined in the manner prescribed by the Bureau of
48 Customs of the United States Government or any federal agency

1 successor thereto for boat measurement in connection with issuance
2 of marine documents. A license issued under this provision to a
3 railroad or air transport company shall cover all railroad cars and
4 planes operated by any such company within the State of New
5 Jersey. A license for a boat or limousine issued under this
6 provision shall apply only to the particular boat or limousine for
7 which issued, and shall permit the purchase of alcoholic beverages
8 for sale or service in a boat or limousine to be made from any Class
9 A and B licensee or from any Class C licensee whose license
10 privilege permits the sale of alcoholic beverages in original
11 containers for off-premises consumption. An interest in a plenary
12 retail transit license issued in accordance with this section shall be
13 excluded in determining the maximum number of retail licenses
14 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

15 Club license. 5. The holder of this license shall be entitled,
16 subject to rules and regulations, to sell any alcoholic beverages but
17 only for immediate consumption on the licensed premises and only
18 to bona fide club members and their guests. The fee for this license
19 shall be fixed by the governing board or body of the municipality in
20 which the licensed premises are situated, by ordinance, at not less
21 than \$63 and not more than \$188. The governing board or body of
22 each municipality may, by ordinance, enact that no club licenses
23 shall be granted within its respective municipality. Club licenses
24 may be issued only to such corporations, associations and
25 organizations as are operated for benevolent, charitable, fraternal,
26 social, religious, recreational, athletic, or similar purposes, and not
27 for private gain, and which comply with all conditions which may
28 be imposed by the Director of the Division of Alcoholic Beverage
29 Control by rules and regulations.

30 The provisions of section 23 of P.L.2003, c.117 amendatory of
31 this section shall apply to licenses issued or transferred on or after
32 July 1, 2003, and to license renewals commencing on or after July
33 1, 2003.

34 Sporting facility license. 6. The holder of this license shall be
35 entitled, subject to rules and regulations, to sell at retail or to serve
36 any alcoholic beverages as the owner, operator, lessee, or
37 concessionaire of a sporting facility by the glass or other receptacle
38 or in original containers only on the premises of the sporting
39 facility.

40 Notwithstanding any other provision of Title 33 of the Revised
41 Statutes and subject to conditions established by the director, the
42 holder of this license may share direction and control of the
43 premises to be licensed and share proceeds and profits from the sale
44 of alcoholic beverages with the owner, operator, concessionaire, or
45 lessee of the facility. The holder of this license shall be permitted
46 to conduct consumer wine, beer, and spirits tasting events and
47 samplings for a fee or on a complimentary basis provided, however,
48 the license holder complies with the provisions of section 3 of

1 P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated
2 thereto. Notwithstanding any law, rule or regulation to the
3 contrary, the holder of this license shall be entitled to establish an
4 all-inclusive area within the licensed sporting facility, provided the
5 all-inclusive area is limited to one area within the sporting facility
6 for each game or event and the capacity of the all-inclusive area
7 does not exceed 500 persons.

8 The fee for this license shall be \$2,500 for venues with a
9 capacity of less than 7,500 persons; \$5,000 for venues with a
10 capacity of not less than 7,500 persons but not more than 14,999
11 persons; \$7,500 for venues with a capacity of not less than 15,000
12 persons but not more than 22,499 persons; and \$10,000 for venues
13 with a capacity of 22,500 persons or more.

14 For the purposes of this subsection:

15 "Sporting facility" means a stadium, arena, team training facility,
16 or similar venue located on public property where alcoholic
17 beverages are served or sold at retail for consumption on the
18 premises by the glass or other open receptacle or in original
19 containers.

20 "Team training facility" shall include team offices and team
21 headquarters.

22 (cf: P.L.2015, c.86, s.1)

23

24 2. Section 5 of P.L.1947, c.94 (C.33:1-12.17) is repealed.

25

26 3. This act shall take effect on the first day of the fourth month
27 next following the date of enactment.

28

29

30

STATEMENT

31

32 This bill requires the Director of the Division of Alcoholic
33 Beverage Control to cease issuing seasonal retail consumption
34 licenses. Under the bill, the holder of a seasonal retail consumption
35 license would have five years during which the licensee may
36 exchange the license for a plenary retail consumption license, which
37 would permit the licensee to sell alcoholic beverages for
38 consumption on the licensed premises throughout the entire year.
39 After five years, the issuing authorities would be required to
40 exchange all seasonal retail consumption licenses for plenary retail
41 consumption licenses.

42 A person required to exchange a seasonal retail consumption
43 license would have the same privileges and be entitled to sell
44 alcoholic beverages during the same times and days as other plenary
45 retail consumption license holders in the same municipality. In
46 addition, a person who exchanges a license would be required to
47 pay the same fees as a plenary retail consumption license holder.

1 The bill allows a person who exchanges his or her license to
2 transfer the plenary retail consumption license, but prohibits the
3 person from transferring the license for profit for five years
4 following the date of the exchange. After five years, the plenary
5 retail consumption license may be transferred for profit provided
6 that 15 percent of the profit is donated to a nonprofit or charitable
7 organization dedicated to preventing alcohol abuse or encouraging
8 safe driving. A person who transfers the license is prohibited from
9 being employed by or having a financial interest in the nonprofit or
10 charitable organization which receives the donation.

11 A seasonal retail consumption license allows for the sale of
12 alcoholic beverages for on-site consumption for a limited time during
13 the summer or winter season. A license issued during the summer
14 season allows the licensee to serve alcoholic beverages from May 1
15 through November 14. The holder of a winter seasonal license may
16 sell alcoholic beverages from November 15 to April 30.

17 A seasonal license is subject to the same population restrictions as a
18 plenary retail consumption license, and is included in the total number
19 of consumption licenses that a municipality may issue. A municipality
20 may issue one of these licenses -both seasonal and plenary retail
21 consumption- for each 3,000 persons residing in the municipality.
22 Therefore, the bill does not allow for the issuance of new licenses, but
23 rather allows seasonal licensees to sell alcoholic beverages during the
24 entire year.

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3609

STATE OF NEW JERSEY

DATED: SEPTEMBER 13, 2018

The Assembly Oversight, Reform and Federal Relations Committee reports favorably the Assembly Committee Substitute for Assembly Bill No. 3609.

As reported by the committee, the Assembly Committee Substitute for Assembly Bill No. 3609 allows a seasonal retail consumption license holder to obtain one-day permits to sell alcoholic beverages on off-season dates. Under current law, the holder of a seasonal retail consumption license is allowed to sell alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle similar to the holder of a plenary retail consumption license, but only during a summer or winter season. The summer seasonal license allows for the sale of alcoholic beverages from May 1 through November 14; the winter seasonal license allows for the sale of alcoholic beverages from November 15 until April 30.

This substitute requires the Director of the Division of Alcoholic Beverage Control, upon the request of a seasonal retail consumption license holder, to issue one-day permits to sell alcoholic beverages on off-season dates. Under the substitute, a licensee would be allowed to obtain a maximum of 14 one-day permits during a calendar year. A one-day permit would be valid for 24 consecutive hours. The substitute establishes a fee of \$500 for each one-day permit.

The substitute allows the governing body of a municipality to place reasonable conditions on a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit would be assumed by the seasonal retail consumption license holder.

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3609
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: JULY 2, 2018

SUMMARY

Synopsis: Requires seasonal retail consumption alcoholic beverage license holder to exchange license for full-year consumption license.

Type of Impact: Annual State and Local Revenue and Expenditure Increase.

Agencies Affected: Department of Law and Public Safety; Municipal Government.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual State and Local Cost Increase		Indeterminate	
Annual State and Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of licenses annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional six-month period in which the licensee could sell alcoholic beverages and additional costs for the division’s and municipalities’ increased workload.
- The bill authorizes the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, to exchange existing seasonal retail consumption licenses, which have an annual renewal fee of \$150, for a plenary retail consumption license which has an annual renewal fee of \$200 – an increase of \$50 annually. The bill may increase or decrease the division’s workload depending on the number of seasonal retail consumption licenses exchanged for plenary retail consumption licenses. Depending on the board’s resource allocation policies, the added workload may or may not augment State administrative expenditures.
- The bill may increase the municipal revenue from the increased annual municipal renewal or transfer fees resulting from the exchange of seasonal retail consumption licenses for plenary

retail consumption licenses. These fees may offset the indeterminate increased costs to municipalities to administer, regulate, and enforce the year-round licenses.

BILL DESCRIPTION

This bill requires the Director of the Division of Alcoholic Beverage Control to cease issuing seasonal retail consumption licenses. Under the bill, the holder of a seasonal retail consumption license would have five years during which the licensee may exchange the license for a plenary retail consumption license, which would permit the licensee to sell alcoholic beverages for consumption on the licensed premises throughout the entire year. After five years, the issuing authorities would be required to exchange all seasonal retail consumption licenses for plenary retail consumption licenses.

A person required to exchange a seasonal retail consumption license would have the same privileges and be entitled to sell alcoholic beverages during the same times and days as other plenary retail consumption license holders in the same municipality. In addition, a person who exchanges a license would be required to pay the same fees as a plenary retail consumption license holder.

The bill allows a person who exchanges the seasonal license to then transfer the new plenary retail consumption license, but prohibits the person from profiting from this transfer for profit for five years following the date of the exchange. After five years, the plenary retail consumption license may be transferred for profit provided that 15 percent of the profit is donated to a nonprofit or charitable organization dedicated to preventing alcohol abuse or encouraging safe driving. A person who transfers the license is prohibited from being employed by or having a financial interest in the nonprofit or charitable organization which receives the donation.

A seasonal retail consumption license allows for the sale of alcoholic beverages for on-site consumption for a limited time during the summer or winter season. A license issued during the summer season allows the licensee to serve alcoholic beverages from May 1 through November 14. The holder of a winter seasonal license may sell alcoholic beverages from November 15 to April 30.

A seasonal license is subject to the same population restrictions as a plenary retail consumption license, and is included in the total number of consumption licenses that a municipality may issue. A municipality may issue one of these licenses -both seasonal and plenary retail consumption- for each 3,000 persons residing in the municipality. Therefore, the bill does not allow for the issuance of new licenses, but rather would allow current seasonal licensees to sell alcoholic beverages during the entire year.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from

the total number of licenses annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional six-month period in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.

State Revenue Impacts: The bill will increase annual State revenue collections after the transfer of the seasonal retail consumption license to the plenary retail consumption license as the fee for this seasonal retail consumption license is 75 percent of the fee established for the plenary retail consumption license. As of 2015 the annual renewal fee for a plenary retail consumption license was \$200. As of May 2015, it was reported that there were seven establishments holding seasonal retail consumption licenses. Although the statute also authorizes a winter season license from November 15 to April 30, no such license has been issued in the State. If the same number of licenses were transferred to year-round plenary retail consumption licenses, it would mean an estimated annual revenue increase of \$350. Additionally, if the license were sold, the State may realize revenue from the transfer fee (\$200 per transfer).

The OLS anticipates that sales by plenary retail consumption licensees may increase with an additional six-months to sell their products, thus potentially increasing the amount of State sales tax collected.

State Expenditure Impacts: The bill may increase or decrease the division's workload depending on the number of licenses issued.

Municipal Revenue Impacts: The bill may increase the municipal revenue from the increased annual municipal renewal or transfer fees resulting from the exchange of seasonal retail consumption licenses for plenary retail consumption licenses.

Pursuant to N.J.S.A. 33:1-12, municipalities may charge an annual fee, established by ordinance, of no less \$250, but no more than \$2,500 for the renewal of a plenary retail consumption license. Currently the seasonal retail consumption license annual renewal fee is 75 percent of the plenary retail consumption license.

As noted above, the licensee is prohibited from transferring the license for profit for five years following the date of the exchange. If a plenary retail consumption license is transferred for profit, 15 percent of the profit is to be donated to a nonprofit or charitable organization. Additionally, the municipality would realize increased revenue from the sale resulting from a transfer fee of 10 to 20 percent of the annual license fee, depending on whether the transfer is place-to-place or a combination of place-to-place and person-to-person.

Municipal Expenditure Impacts: The bill may increase costs to municipalities associated with the administration, regulation, and enforcement of the new year-round licenses.

Additionally, it appears that the establishments holding seasonal retail consumption licenses are located in shore towns. The OLS notes that many of these municipalities may employ additional seasonal law enforcement. The transfer of seasonal licenses to year-round licenses may increase the cost of public safety as there may be increased need for enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3609
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: OCTOBER 1, 2018

SUMMARY

- Synopsis:** Establishes permit to allow seasonal retail consumption license holders to sell alcoholic beverages during certain off-season dates.
- Type of Impact:** Annual State and Revenue and Expenditure Increase.
Annual Local Expenditure Increase.
- Agencies Affected:** Department of Law and Public Safety; Municipal Government.

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
Annual State and Local Cost Increase		Indeterminate	
Annual State and Local Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State revenues and State and municipal expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of permits issued annually and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional periods in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.
- The bill authorizes the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, to issue up to 14 one-day permits per calendar year to seasonal retail consumption licensees, which have a fee of \$500 per permit. The bill may increase or decrease the division's workload depending on the number of one-day permits issued to seasonal retail consumption licensees. Depending on the board's resource allocation policies, the added workload may or may not augment State administrative expenditures.
- The bill may increase the municipal expenditures due to increased costs to municipalities for regulation and enforcement during the additional days the licensees may operate.

BILL DESCRIPTION

This bill allows a seasonal retail consumption license holder to obtain one-day permits to sell alcoholic beverages on off-season dates.

Under current law, the holder of a seasonal retail consumption license is allowed to sell alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle similar to the holder of a plenary retail consumption license, but only during a summer or winter season. The summer seasonal license allows for the sale of alcoholic beverages from May 1 through November 14; the winter seasonal license allows for the sale of alcoholic beverages from November 15 until April 30.

This bill allows a seasonal retail consumption license holder to receive a one-day permit to sell alcoholic beverages on an off-season date. Under the bill, a licensee would be allowed to obtain a maximum of 14 one-day permits during a calendar year. The one-day permit would be valid for 24 consecutive hours. The bill establishes a fee of \$500 for each permit.

The bill allows the governing body of a municipality to place reasonable conditions on a one-day permit for the purpose of maintaining public safety on the licensed premises and immediately surrounding area. The costs associated with the reasonable conditions placed on the one-day permit would be assumed by the seasonal retail consumption license holder.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in indeterminate increases in annual State revenues and State and municipal expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the total number of permits issued annually and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections which would be offset by expenditures for increased regulation and enforcement during the additional periods in which the licensee could sell alcoholic beverages and additional costs for the division's and municipalities' increased workload.

State Revenue Impacts: The bill will increase annual State revenue collections from the sale of the one-day permits to seasonal retail consumption licensees. These one-day permits are issued at a fee of \$500 per permit for up to 14 times per year only to seasonal retail consumption licensees. As of May 2015, it was reported that there were seven establishments holding seasonal retail consumption licenses. Although the statute also authorizes a winter season license from November 15 to April 30, no such license has been issued in the State. If each of the seasonal retail consumption licensees applies for the maximum number of one-day permits under this bill, it would mean an estimated maximum annual revenue increase of \$49,000, or \$7,000 per seasonal retail consumption licensee.

The OLS anticipates that sales by plenary retail consumption licensees may increase with an additional 14 days to sell their products, thus increasing the amount of State sales tax collected.

State Expenditure Impacts: The bill may increase or decrease the division's workload depending on the number of permits issued.

Municipal Expenditure Impacts: The bill may increase the municipal expenditures due to increased costs to municipalities for regulation and enforcement of the additional one-day permits.

Additionally, it appears that the establishments holding seasonal retail consumption licenses are located in shore towns. The OLS notes that many of these municipalities may employ additional seasonal law enforcement. The additional sale of one-day permits may increase the cost of public safety as there may be increased need for enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

*Analyst: Kristin Brunner Santos
Senior Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

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Newark, N.J.

Governor Murphy Takes Action on Legislation

12/17/2018

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

A360 (Chiaravalloti, Danielsen, Mukherji/Pou, Cruz-Perez) – Prohibits consumer reporting agencies from charging certain fees related to security freezes on consumer reports.

A1039 (Houghtaling, Dancer, Andrzejczak, Space, Taliaferro/Gopal, Oroho) – Directs the Division of Travel and Tourism to publish on its website information of farm-to-table restaurants.

A2182 (DeAngelo, Wimberly, Quijano/Scutari, Singleton) – Establishes an apprenticeship requirement to qualify for an electrical contractor's license.

A3112 (Benson, Mukherji, Karabinchak/Beach, Oroho) – Authorizes local units of government subject to "Local Public Contracts Law" and "Public School Contracts Law" to use electronic procurement technologies.

A3731 (Tully, Swain, Wimberly/Lagana) – Establishes "County Code Pilot Program" for certain counties.

A4102 (Johnson, DeAngelo/Weinberg) – Allows cigar bars and lounges to renew lapsed exemption from ban on indoor smoking under certain circumstances.

S724 (Greenstein, Diegnan/Pinkin, Giblin, Jasey) – Allows pharmacy interns and pharmacy externs to administer certain vaccines under direct supervision of pharmacist and requires reporting of certain vaccine administrations.

S869 (Sweeney, Cunningham, Oroho/Jimenez, Lagana, Vainieri Huttie, Benson) – Permits establishment by county and four-year institutions of higher education of three plus one degree programs for receipt of baccalaureate degree after spending three years at county college and one year at senior institution.

S870 (Sweeney, Cunningham/Jasey, Schaer, Calabrese) – Establishes Dual Enrollment Study Commission.

S1869 (Scutari/Caputo, Holley) – Prohibits sale of certain alarm business signs and decals.

S1958 (Gopal, Scutari/Mukherji, Lopez, DeAngelo) – Establishes permit to allow seasonal retail consumption license holders to sell alcoholic beverages during certain off-season dates.

S2397 (Gopal/Schaer, Karabinchak, Pinkin) – Requires institutions of higher education to provide alternative arrangements to students unable to complete certain assignments by regular due date or register for courses because of day of religious observance.

S2839 (Gopal, Oroho, Greenstein/Houghtaling, Zwicker, DeAngelo) – Makes General Fund supplemental appropriation of \$250,000 to New Jersey Manufacturing Extension Program, Inc.

[Copy of Statement on S2839](#)

S2845 (Vitale/Spearman, Mejia, Lopez) – Amends Fiscal Year 2019 appropriations act to revise increase in Work

First New Jersey benefits.

SJR18 (Pou, Greenstein/Murphy) – Establishes "Commission to Review Constructive Sentences of Life Imprisonment on Juvenile Offenders."

Additionally, Governor Murphy announced that he has conditionally vetoed the following bills:

A4342 (Tully, Swain, Benson, Jones/Lagana) – Requires public school student to carry identification card at school-sponsored, off-campus activities and requires principal to keep list of students on school buses used for school-sponsored activities in case of emergencies.

[Copy of Statement on A4342](#)

S393 (Madden, Singleton/DeAngelo, Murphy, Verrelli) – Establishes Talent Network Program in DOLWD.

[Copy of Statement on S393](#)

S1697 (Sarlo, Oroho/DeAngelo, Lagana, Space) – Exempts fuel used for operation of certain school buses from petroleum products gross receipts tax and motor fuel tax; clarifies tax treatment of certain dyed fuel thereunder; clarifies determination of taxable estates of certain decedents.

[Copy of Statement on S1697](#)

S2531 (Beach/Jones) – Allows county governing body in certain counties to abolish offices of superintendent and deputy superintendent of elections and transfer functions to county board of elections.

[Copy of Statement on S2531](#)

Governor Murphy also announced that he has absolute vetoed the following bills:

S2455 (Sweeney, Oroho/Murphy, McKnight, Mosquera) – Transfers county college employees and retirees from membership in SEHBP to membership in SHBP.

[Copy of Statement on S2455](#)

S3074 (Lagana/Pintor Marin, Greenwald) - Provides for procurement by State of pharmacy benefits manager, automated reverse auction services, and claims adjudication services.

[Copy of Statement on S3074](#)

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