

33:1-19.3 to 33:1-19.6

LEGISLATIVE HISTORY CHECKLIST

NJSA 33:1-19.3 to 33:1-19.6 (Liquor licenses--requires municipality to sell at public sale)

LAWS 1981 CHAPTER 416

Bill No. A543

Sponsor(s) Riley and others

Date Introduced Pre-filed

Committee: Assembly Municipal Government

Senate Law, Public Safety and Defense

Amended during passage Yes  ~~XX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly June 16, 1980

Senate Dec 14, 1981

Date of approval January 9, 1982

Following statements are attached if available:

Sponsor statement Yes  ~~XX~~ (Below)

Committee Statement: Assembly ~~XX~~ No

Senate Yes ~~XX~~

Fiscal Note ~~XX~~ No

Veto Message ~~XX~~ No

Message on signing ~~XX~~ No

Following were printed:

Reports ~~XX~~ No

Hearings ~~XX~~ No

Sponsors' statement

This bill authorizes a municipality to conduct a public auction for any additional liquor licenses, as a result of any Federal census, to the highest qualified bidder.

6/22/81

PP

CHAPTER 416 LAWS OF N. J. 1981  
APPROVED 1-9-82

[OFFICIAL COPY REPRINT]  
ASSEMBLY, No. 543

# STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblymen RILEY, BORNHEIMER, Assemblywoman KALIK,  
Assemblymen SCHWARTZ and BLYNN

AN ACT concerning alcoholic beverage control.

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

1 1. Whenever **\*[as a result of any Federal census]\*** a municipi-  
2 pality is authorized to issue one or more **\*[additional]\*** plenary  
3 retail consumption, seasonal retail consumption or plenary retail  
4 distribution licenses and the governing body determines to permit  
5 the issuance thereof, the governing body by resolution may **\*[deter-**  
6 **mine]\*** *\*authorize\** that such license or licenses be issued to the  
7 highest qualified bidder therefor and **\*[may]\*** *\*shall\** conduct a  
8 public **\*[auction]\*** *\*sale\** for such purpose or direct that such **\*[an**  
9 **auction]\*** *\*a sale\** be **\*[held]\*** *\*conducted\** by the municipal board  
10 of alcoholic beverage control or municipal excise commission in a  
11 municipality where such board or commission exists. *\*The govern-*  
12 *ing body by resolution may also prescribe qualifications for pro-*  
13 *spective bidders including the requirement that a licensee, as a*  
14 *condition of the award of the license, shall operate a restaurant,*  
15 *public accommodation or other facility, provided however, that no*  
16 *municipal license requirement is contrary or inconsistent with law,*  
17 *rule or regulation. The governing body may, by resolution, fix a*  
18 *minimum bid and conditions of sale with the reservation of the right*  
19 *to reject all bids where the highest bid is not accepted.\**

1 2. If a governing body determines to conduct **\*[an auction]\*** *\*a*  
2 *sale\** pursuant to this act notice thereof and an invitation to bid  
3 shall be published in a newspaper circulating generally in the  
4 municipality by not less than two insertions, *\*to be published not*  
5 *less than\** 1 week apart, **\*[the second of which shall be made not]\***  
6 *\*and none to be published\** less than 30 days prior to the date of the  
7 **\*[auction]\*** *\*sale\**. The notice shall also **\*[provide]\*** *\*specify\**  
8 that any prospective bidder shall apply and qualify for a license  
9 prior to the **\*[auction]\*** *\*sale\*, that proof of qualification for a*

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

10 license shall be included with the bid, and that all bids shall be  
 11 sealed. The notice shall also specify, as determined by governing  
 12 body resolution, the minimum acceptable bid, any special require-  
 13 ments for prospective licensees, general conditions of sale including  
 14 the statement that the municipality reserves the right to reject all  
 15 bids where the highest bid is not accepted. The notice shall specify  
 16 the time and place at which bids shall be received and opened and  
 17 that all prospective bidders shall qualify no later than 5 business  
 18 days prior to the opening of bids. The agent for the municipal  
 19 governing body, municipal board of alcoholic beverage control, or  
 20 municipal excise commission, as the case may be, shall 5 days prior  
 21 to opening the bids, publicly announce those applicants who meet  
 22 the qualifications for bidding as fixed by law, rules and regulations,  
 23 and resolution. No bid shall be opened from or on behalf of any  
 24 prospective bidder who does not qualify. No bid shall be considered  
 25 which does not contain proof of qualification.\*

26 \***[The governing body of a municipality may prescribe additional**  
 27 qualifications for prospective bidders not inconsistent with those  
 28 established by law or regulation. At the time of the conduct of  
 29 the auction those prospective bidders who meet the qualifications  
 30 fixed by law, regulation and municipal ordinance shall be announced  
 31 and no bid shall be accepted from or on behalf of a bidder who  
 32 has not made application and qualified.

33 The governing body may, by resolution, fix a minimum bid and  
 34 conditions of sale with the reservation of the right to reject all  
 35 bids where the highest bid is not accepted. Notice of such reserva-  
 36 tions shall be included in the notice of intent to conduct an  
 37 auction.]\*

1 3. Upon the \***[conduct of an auction]**\* *\*conclusion of a sale\**  
 2 the issuing authority shall issue a license to the highest qualified  
 3 bidder therefor upon payment of his bid and the license fee, or shall  
 4 reject all bids if the highest bid is not accepted. \***[An auction]**\*  
 5 *\*A sale\** may be postponed or canceled at any time prior to the  
 6 opening of \***[bidding]**\* *\*the bids\**. Funds derived from the conduct  
 7 of \***[an auction]**\* *\*a sale\** shall be remitted to the municipal  
 8 treasurer for the general uses of the municipality.

1 4. Nothing in this act shall limit or restrict any issuing authority  
 2 in the reasonable exercise of any of its powers over the issuance  
 3 of alcoholic beverage licenses and no appeal shall lie from any  
 4 action of the issuing authority under the provisions of this act  
 5 except where the ground for such appeal is that the appellant had  
 6 qualified as a bidder and submitted a higher bid than the successful  
 7 applicant.

1 5. This act shall take effect immediately.

ASSEMBLY, No. 543

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1980 SESSION

By Assemblymen RILEY, BORNHEIMER, Assemblywoman KALIK,  
Assemblymen SCHWARTZ and FLYNN

AN ACT concerning alcoholic beverage control.

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

1 1. Whenever as a result of any Federal census a municipality  
2 is authorized to issue one or more additional plenary retail con-  
3 sumption, seasonal retail consumption or plenary retail distribu-  
4 tion licenses and the governing body determines to permit the  
5 issuance thereof, the governing body by resolution may determine  
6 that such license or licenses be issued to the highest qualified bidder  
7 therefor and may conduct a public auction for such purpose or  
8 direct that such an auction be held by the municipal board of al-  
9 coholic beverage control or municipal excise commission in a mu-  
10 nicipality where such board or commission exists.

1 2. If a governing body determines to conduct an auction pursuant  
2 to this act notice thereof and an invitation to bid shall be published  
3 in a newspaper circulating generally in the municipality by not  
4 less than two insertions, 1 week apart, the second of which shall  
5 be made not less than 30 days prior to the date of the auction. The  
6 notice shall also provide that any prospective bidder shall apply  
7 and qualify for a license prior to the auction.

8 The governing body of a municipality may prescribe additional  
9 qualifications for prospective bidders not inconsistent with those  
10 established by law or regulation. At the time of the conduct of  
11 the auction those prospective bidders who meet the qualifications  
12 fixed by law, regulation and municipal ordinance shall be announced  
13 and no bid shall be accepted from or on behalf of a bidder who  
14 has not made application and qualified.

15 The governing body may, by resolution, fix a minimum bid and  
16 conditions of sale with the reservation of the right to reject all  
17 bids where the highest bid is not accepted. Notice of such reserva-  
18 tions shall be included in the notice of intent to conduct an auction.

1 3. Upon the conduct of an auction the issuing authority shall  
2 issue a license to the highest qualified bidder therefor upon pay-  
3 ment of his bid and the license fee, or shall reject all bids if the  
4 highest bid is not accepted. An auction may be postponed or can-  
5 celed at any time prior to the opening of bidding. Funds derived  
6 from the conduct of an auction shall be remitted to the municipal  
7 treasurer for the general uses of the municipality.

1 4. Nothing in this act shall limit or restrict any issuing authority  
2 in the reasonable exercise of any of its powers over the issuance  
3 of alcoholic beverage licenses and no appeal shall lie from any  
4 action of the issuing authority under the provisions of this act  
5 except where the ground for such appeal is that the appellant had  
6 qualified as a bidder and submitted a higher bid than the successful  
7 applicant.

1 5. This act shall take effect immediately.

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#### STATEMENT

This bill authorizes a municipality to conduct a public auction  
for any additional liquor licenses, as a result of any Federal census,  
to the highest qualified bidder.

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ASSEMBLY COMMITTEE AMENDMENTS TO  
**ASSEMBLY, No. 543**

**STATE OF NEW JERSEY**

ADOPTED MAY 5, 1980

Amend page 1, section 1, line 1, omit "as a result of any Federal census".

Amend page 1, section 1, line 2, omit "additional".

Amend page 1, section 1, line 5, omit "determine", insert "authorize".

Amend page 1, section 1, line 7, omit "may", insert "shall"; omit "auction", insert "sale".

Amend page 1, section 1, line 8, omit "an auction", insert "a sale"; omit "held", insert "conducted".

Amend page 1, section 1, line 10, after "exists.", insert "The governing body by resolution may also prescribe qualifications for prospective bidders including the requirement that a licensee, as a condition of the award of the license, shall operate a restaurant, public accommodation or other facility, provided however, that no municipal license requirement is contrary or inconsistent with law, rule or regulation. The governing body may, by resolution, fix a minimum bid and conditions of sale with the reservation of the right to reject all bids where the highest bid is not accepted.".

Amend page 1, section 2, line 1, omit "an auction", insert "a sale".

Amend page 1, section 2, line 4, after "insertions," insert "to be published not less than".

Amend page 1, section 2, lines 4 and 5, omit "the second of which shall be made not", insert "and none to be published".

Amend page 1, section 2, line 5, omit "auction", insert "sale".

Amend page 1, section 2, line 6, omit "provide", insert "specify".

Amend page 1, section 2, line 7, omit "auction", insert "sale, that proof of qualification for a license shall be included with the bid, and that all bids shall be sealed. The notice shall also specify, as determined by governing body resolution, the minimum acceptable bid, any special requirements for prospective licensees, general conditions of sale including the statement that the municipality reserves the right to reject all bids where the highest bid is not accepted. The notice shall specify the time and place at which bids shall be received and opened and that

all prospective bidders shall qualify no later than 5 business days prior to the opening of bids. The agent for the municipal governing body, municipal board of alcoholic beverage control, or municipal excise commission, as the case may be, shall 5 days prior to opening the bids, publicly announce those applicants who meet the qualifications for bidding as fixed by law, rules and regulations, and resolution. No bid shall be opened from or on behalf of any prospective bidder who does not qualify. No bid shall be considered which does not contain proof of qualification.”.

Amend page 1, section 2, lines 8-18, omit these lines in their entirety.

Amend page 2, section 3, line 1, omit “conduct of an auction”, insert “conclusion of a sale”.

Amend page 2, section 3, line 4, omit “An auction”, insert “A sale”.

Amend page 2, section 3, line 5, omit “bidding”, insert “the bids”.

Amend page 2, section 3, line 6, omit “an auction”, insert “a sale”.

SENATE LAW, PUBLIC SAFETY AND DEFENSE  
COMMITTEE

STATEMENT TO  
**ASSEMBLY, No. 543**

[OFFICIAL COPY REPRINT]

**STATE OF NEW JERSEY**

DATED: NOVEMBER 23, 1981

This bill would permit the governing body of any municipality to adopt a resolution authorizing a public sale of one or more authorized plenary retail consumption or plenary retail distribution licenses to the highest qualified bidder or bidders. In municipalities where a municipal board of alcoholic beverage control or a municipal excise commission exists the municipality would be required to direct the board or commission to conduct the sale.

The governing board may prescribe bidder qualifications and may establish a minimum bid.

Proof of qualifications shall be submitted with the bid and qualified bidders are to be announced 5 days before the bids are opened.

The license is required to go to the highest qualified bidder and if not, all bids must be rejected. Funds shall be remitted to the municipal treasurer.

Appeals may only be based on a claim that the appealing bidder submitted a higher bid than the successful applicant.

The New Jersey State League of Municipalities has written to the committee in opposition to the bill. The league legislative committee opposes the bill on the grounds that it would remove the prerogatives of discretion and subjective judgment from the elected officials making up the governing body. The league further felt that a bad precedent would be established by having permits sold "rather than granted as a policy issue in the routine course of governmental business."

The bill passed 64-5 in the General Assembly.



JANUARY 11, 1982

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A-543, sponsored by Assemblyman Dennis L. Riley (D-Gloucester), giving any municipality the option of conducting a public sale for new liquor licenses with the license issued to the highest qualified bidder. The bill also sets forth procedures for screening qualified from unqualified bidders. In municipalities having either an alcoholic beverage control board or an excise commission, the municipality is required to direct the board or commission to conduct a public sale of the licenses.

A-2018, sponsored by Assemblyman Gerald R. Stockman (D-Mercer), prohibiting a member of a board of education from being appointed to any paid office or position unless the member has resigned from the board for at least six months. An exemption is made for offices required by law to be filled by members of the board. This law is similar to the conflict of interest prohibitions governing county freeholders.

A-2061, sponsored by Assemblyman Walter Rand (D-Camden), transferring jurisdiction over pedestrian, bicycling and moped traffic offenses from Juvenile and Domestic Relations Court to municipal courts. The move is expected to raise juvenile awareness of the seriousness of vehicular violations.

A-2127, sponsored by Assemblyman James W. Bornheimer (D-Middlesex), equalizing the reserve requirements for state-chartered savings and loan associations with the recently liberalized requirements for federally-chartered S&L's. A state-chartered S&L must currently maintain a reserve equal to 5-percent of its accounts or deposits; parity with federal law will be achieved by reducing that requirement to 4-percent.

A-2153, sponsored by Assemblyman Thomas H. Paterniti (D-Middlesex), permitting members of a group health plan issued by a commercial insurer to retain full benefits from the plan if they are forced to leave the group plan due to total disability. The bill is designed to provide full health insurance coverage for disabled persons at the same benefit level they had while employed.

A-3744, sponsored by Assemblyman Christopher Jackman (D-Hudson), exempting the earned interest on "all-savers" certificates from the New Jersey Gross Income Tax, up to a maximum of \$1,000.00 for an individual or \$2,000.00 for a couple filing jointly. As with the comparable federal law, 75-percent of the proceeds raised through the issuance of the certificates is dedicated to residential financing.

# # # # #  
27 specifications of buildings or structures to be constructed thereon,

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