



NEW JERSEY LIQUOR STORE ALLIANCE
2016 LEGISLATIVE UPDATE

Brief Overview of Assembly Bill 1797 (formerly A-2002):

A-1797 (Greenwald/Spencer/Sumter), Removes plenary retail distribution license limit for grocery stores and allow them to operate up to 10 licenses with co-mingled sales of both alcoholic beverages and grocery food products under the same roof and same register system.

Status Assembly Bill 2002:

- Since introduced on January 16, 2014, there has been no further movement on the bill. Following its introduction, A2002 was referred to the Assembly Regulatory Oversight Committee. For the past three years, **The New Jersey Liquor Store Alliance has aggressively opposed this legislation.** The NJLSA has lobbied against any such legislation, and remains steadfast in its positioning against A2002.
- In the **2016-2017** Session the bill number was re-introduced as Assembly Bill #1727. On January 27, 2016 this bill was referred to the Assembly Regulatory Oversight Committee. **The NJLSA continues to oppose this legislation which we anticipate will be aggressively on the move in the 2017 full legislative election cycle as well as the post-election Lame Duck Session.**

The NJLSA opposes this legislation which is the greatest threat to our retail licenses!

The key to winning this battle will be a coordinated strategy comprised of independent licensees uniting and locking solidarity arms with our fellow retail associations in the Off-Premise and On-Premise sectors as well as our beer, wine & spirit wholesale partners. There are also scores of other industry affiliates who support us, because they depend on local State-based independent businesses to support them.

On the other side of this battle line is a well-funded, well-organized and well-represented group of out-of-state chains and in-State developers who all have an insatiable appetite for expanding their market share at our expense. In the end, if they had their way our State would be over-run by Super Walmart centers, warehouse clubs and every grocery store selling alcoholic beverages.

In recent years, license limit battles were lost in Connecticut, Massachusetts and Tennessee where the retail associations failed to gain needed support of retail licenses until it was too late. The NJLSA was working closely with our national affiliate the AMERICAN BEVERAGE LICENSES (ABL) to help the independent licensees in the above States, but their failure to unite their licensees led to a competitive landscape that is now being over-run by grocery stores and big box retailers that have the necessary resources to squeeze out local independent businesses.

Most recently in Colorado, where their longstanding single license limit had been under attack for more than a decade by large interstate grocery chains and Walmart -- almost every retail license in the state stood up to defend their livelihoods via their retail trade associations. They were successful in reaching a compromise that will take 20 years to fully implement and that was a very acceptable compromise!

If you depend on your license to provide for your family and have been sitting on the sidelines THE TIME TO GET CONNECTED TO YOUR FUTURE AND THE NJLSA IS NOW!

Brief Overview of Senate Bill 782 (formerly S-2487):

S-2487 (Sarlo) establishes requirements for sale of alcoholic beverages for off-premise consumption by certain plenary retail distribution licensees and retail consumption licenses. This bill places certain restrictions on retailers who sell alcoholic beverages to consumers for off-premises consumption. Specifically, the bill regulates the manner in which alcoholic beverages are sold in mercantile businesses and retail food stores, and prohibits a retailer who acquires a new license from being located within 2,500 feet of another licensed retail premises as well as from comingling the sales of alcoholic beverages with traditional grocery food products. The bill also establishes certain age and residency requirements for persons applying for a retail distribution license.

Status of Senate Bill 2487:

- Although this bill was introduced on October 14, 2014 and referred to Senate Law and Public Safety Committee, there has been no further movement on the bill.
- In the **2016-2017** session the bill number was changed to Senate Bill 782. The bill was introduced on January 12, 2016 and was referred to Senate Law and Public Safety Committee

The NJLSA fully supports this legislation which establishes a genuine level playing field and recognizes that the retail sale of alcoholic beverages must be regulated responsively & fairly!

Brief Overview of Senate Bill 781 (Formerly S-2443):

S-2443 (Sarlo) revises population formula for issuance of certain plenary retail consumption licenses. This bill revises the formula for issuing 44 Retail Distribution Licenses in municipalities where Broad C 32 licenses are present and being utilized for the sale of package goods for Off-premise consumption. These licenses can also be used by bars and restaurants for the sale of alcoholic beverages for On-premise consumption.

Under current law, a municipality may issue one plenary retail consumption license for each 3,000 members of its population. A municipality may issue one plenary retail distribution license for each 7,500 of its population; this is the license issued to liquor stores and package goods stores. Under the provisions of this bill, plenary retail consumption licenses with broad package privileges would be counted with plenary retail distribution licenses for purposes of the statutory population limitation.

In recent years, the NJLSA has repeatedly been confronted by cash strapped municipalities looking to fill budget gaps through the issuance and sale of new liquor licenses for package stores where Broad C licenses were operating as package stores, but technically not calculated as package stores. Even though Broad C 32 licenses were the only licenses issue for package goods prior to 1947 they were subsequently included only in the consumption license population calculation (even when only being utilized as a package goods off-premise consumption license).

Status of Senate Bill 2443:

- Although this bill was introduced on October 9, 2014 and referred to Senate Law and Public Safety Committee, there has been no further movement on the bill.
- In the **2016-2017** Session the bill number was changed to Senate Bill 781. The bill was introduced on January 12, 2016 and referred to the Senate Law and Public Safety Committee.

The NJLSA fully supports this legislation which establishes a genuine level playing field and would prevent municipalities from issuing new 44 licenses when 32 licenses are present!