

ASSEMBLY, No. 1540

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

SYNOPSIS

Allows municipalities to revoke and reissue plenary retail consumption licenses that are inactive for five years.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning inactive plenary retail consumption licenses,
2 amending P.L.1977, c.246, and repealing section 3 of P.L.2007,
3 c.351.

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

7
8 1. Section 1 of P.L.1977, c.246 (C.33:1-12.39) is amended to
9 read as follows:

10 1. **【No】** a. A Class C license **【,】** as **【the same is】** defined in
11 R.S.33:1-12 **【,】** shall not be renewed if the **【same】** license has not
12 been actively used in connection with the operation of a licensed
13 premises within a period of **【two】** five years prior to the
14 commencement date of the license period for which the renewal
15 application is filed **【unless the director, for good cause and after a**
16 **hearing, authorizes a further application for one or more renewals**
17 **within a stated period of years; provided, however that, if the】** .

18 b. The issuing authority of a municipality may revoke a license
19 that has not been actively used within the five year period pursuant
20 to subsection a. of this section and reissue the license to another
21 person at public sale in a manner consistent with the provisions of
22 P.L.1975, c.275 (C.33:1-19.1 et seq.) for use at a licensed premises
23 located within the municipality. The use of any plenary retail
24 consumption license issued pursuant to this subsection shall be in a
25 manner consistent with the provisions of Title 33 of the Revised
26 Statutes and any regulations promulgated by the director.

27 c. A license shall not be revoked pursuant to this section if the
28 licensee has been deprived of the use of the licensed premises as a
29 result of eminent domain, fire or other casualty, and establishes by
30 affidavit filed with the director that 【he】 the licensee is making a
31 good faith effort to resume active use of the license in connection
32 with the operation of a licensed 【premise then the period of two
33 years provided for in this section shall be automatically extended
34 for an additional period of】 premises. An affidavit for relief filed
35 pursuant to this subsection may be renewed by the director every
36 two years. Any request for relief under this section shall be
37 accompanied by a nonreturnable filing fee of \$100.00 payable to the
38 director.

39 (cf: P.L.1996, c.127, s.1)

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41 2. Section 3 of P.L.2007, c.351 (C.33:1-24.3) is repealed.

42
43 3. This act shall take effect immediately.

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.

STATEMENT

This bill allows a municipality to revoke a retail consumption license to sell alcoholic beverages that has not been actively used for five years and reissue the license to another person at public sale.

An inactive plenary retail consumption license is a license to sell alcoholic beverages for on premises consumption that is not being used at an open and operating licensed premise. A licensee is required to place the license on “inactive status” when the licensed business closes and the license continues to be held by the licensee of record. Under current law, a municipality may renew an inactive license annually for up to two years following the date it became inactive. If the license has been inactive for more than two years, the licensee is required to file a petition to maintain possession of the license with the Director of the Division of Alcoholic Beverage Control (ABC). The director has the discretion to grant the petition by a special ruling, and there is no limit to the number of special rulings that the director may make with respect to one license.

This bill allows a municipality to revoke a license that has been placed on inactive status for five years and reissue the license at public sale. The five year period would not apply if a licensee is unable to use the licensed premises as a result of eminent domain, fire, or other casualty, and establishes by affidavit filed with the director that the licensee is making a good faith effort to resume active use of the license. A licensee would be required to file the affidavit every two years.

Under section 3 of P.L.2007, c.351 (C.33:1-24.3), only municipalities in which an urban enterprise zone and a Planning Area 1 (Metropolitan), as designated pursuant to the “State Planning Act,” is located may acquire an inactive plenary retail consumption license within the municipality and retain the license for up to five years. Municipalities that meet these criteria are permitted to sell inactive licenses at public auction. This bill repeals section 3 of P.L.2007, c.351 (C.33:1-24.3) and extends the privilege of acquiring and selling inactive plenary retail consumption licenses to all municipalities.