

Tracking Alert — This document references bills you are tracking: A2591

News From The Assembly Democrats

GREENWALD PROPOSES LEGISLATION TO CUT RED TAPE, CREATE JOBS THROUGH LIQUOR LAW REFORM

New Bill Would Modernize State's Liquor Licensing Laws, Stimulate Economy

(VOORHEES) -- Assembly Budget Committee Chairman Louis Greenwald (D-Camden) today announced he has introduced legislation to stimulate New Jersey's economy by modernizing the state's liquor licensing laws. A-2591, known as the "New Jersey Grocery Store Economic Development Act," would gradually expand the sale of beer, wine and other alcoholic beverages in grocery stores that opt to provide that convenience. Current laws only permit two liquor licenses per company or individual.

"These laws are holdovers from a bygone era when only 'mom and pop' corner stores existed," said Greenwald. "My legislation will move our state's liquor licensing laws into the 21st century, creating jobs and stimulating the economy while correcting arcane quirks in our laws."

Notably, A-2591 would not increase the number of liquor licenses a municipality may issue; instead, the legislation would ease an overly restrictive cap on New Jersey businesses, promoting economic growth and job creation.

Greenwald added the legislation would assist businesses and struggling municipalities looking to promote economic growth. "Just as we worked to cut red tape and modernize the state's automobile insurance laws, we must now work to ensure our state's grocery stores aren't held back by liquor licensing laws crafted for a totally different era," said Greenwald. "This legislation will stimulate local economies while providing revenue for our towns and cities."

Specifically, A-2591 would:

- * Gradually increase the current cap of 2 licenses per entity to 10 over a 10-year period
- * Promote economic growth and better community access, encouraging growth of grocery stores in traditionally underserved communities
- * Levy a 10% transfer fee to be paid to municipalities by those purchasing licenses, providing property tax relief to residents
- * Provide an incentive for supermarket retailers that have been growing in other states with less restrictive licensing laws to invest and create jobs in New Jersey
- * Maintain appropriate balance of liquor licenses, by not increasing the number of licenses a municipality may issue

The antiquated two license cap was created nearly fifty years ago to combat price fixing and to fight organized crime. Removing the cap would create greater return on existing licenses and could represent millions of dollars to an existing owner looking to sell a license. In addition, lifting the cap

will open up the market and allow businesses who are at the current two license cap to purchase inactive licenses, which currently have little to no demand because of the cap.

Greenwald called the current cap on grocers "unnecessary, unfair, and overly restrictive" on trade. "In today's tough economic times, we should do everything we can to create jobs and promote economic growth. By cutting regulatory red-tape, we will do just that," Greenwald said.
