

CHAPTER 101

AN ACT concerning the issuance of alcoholic beverage licenses in special project areas and supplementing Title 33 of the Revised Statutes.

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

C.33:1-12.52 Definitions relative to issuance of alcoholic beverage licenses in special project areas.

1. a. As used in this act:

“Host municipality” means a municipality within a project area.

“Original transferee” means the State, a political subdivision or subdivisions thereof, or a board, commission, authority, or agency established by the State, to which control of a project area has been transferred for purposes of conversion, redevelopment, or revitalization.

“Project area” means an area located within the borders of three municipalities and at which a federally owned or operated military installation was closed or scheduled for closure by recommendation of the federal Base Realignment and Closure Commission on or after May 13, 2005, the control of which has been transferred to an original transferee.

“Special license” means a plenary retail consumption license to sell alcoholic beverages for consumption on the premises issued by a host municipality pursuant to this section.

b. Notwithstanding the provisions of section 2 of P.L.1947, c.94 (C.33:1-12.14), at the request of the original transferee, the issuing authority of a host municipality located within a project area may, by ordinance or resolution, issue special licenses to one or more individual corporations or other types of legal entities operating a hotel, restaurant, or bar on any premises located within a project area as defined in subsection a. of this section. The special licenses may be issued within 36 months following the effective date of this act.

The special licenses shall be issued by the three host municipalities in the following manner:

- (1) The host municipality with the largest population shall issue two licenses;
- (2) The host municipality with the smallest population shall issue four licenses; and
- (3) the remaining host municipality shall issue six licenses.

c. Notwithstanding the provisions of any other law to the contrary, a special license shall be provided for every 100 acres of the project area with 12 special licenses for a project area over 1,000 acres.

d. A host municipality that has not issued a license pursuant to subsection b. of this section as of the first day of the 37th month following the effective date of this act, may have up to two years to transfer the license, for a fee, to another host municipality for issuance within a premises located within a project area. The fee shall be based upon the average sales price of a plenary retail consumption license in the receiving host municipality.

e. The fee for the initial issuance of a license issued pursuant to this section shall be based upon the average sales price of plenary retail consumption licenses in the applicable host municipality or municipalities during the five years immediately preceding the date of enactment of P.L.2018, c.101 (C.33:1-12.52 et seq.). If less than three plenary retail consumption licenses have been sold in the host municipality within the previous five years, the host municipality shall obtain an appraisal, at the applicant’s expense, to determine the appropriate fair market value of the license. The appraisal process shall include an examination of previous transactions in the host municipality or municipalities, as the case may be, and shall reflect what a willing buyer, under no pressure to buy, would pay a willing seller, under no pressure to sell, for a plenary retail consumption license in the host municipality or municipalities.

f. The initial issuance fee established pursuant to this section for a special license shall be reduced by the fair market value of the limitation on transferability, as set forth in subsection g. of this section.

g. (1) A special license issued pursuant to this section shall not be issued to any person who would not qualify as a plenary retail consumption licensee pursuant to Title 33 of the Revised Statutes and rules and regulations of the director.

(2) A special license issued pursuant to this section shall not be issued to any entity under subsection b. of this section that has not completed the mandatory conceptual review process, when applicable, established pursuant to subsection b. of section 17 of P.L.2010, c.51 (C.52:27I-34) and the regulations issued in accordance therewith.

h. If the property upon which the special license will be sited is owned by the original transferee:

(1) the license shall be issued without being designated for a site or licensed premises and shall remain inactive until the property is transferred to a private individual or entity; and

(2) an application for renewal of an inactive special license issued in accordance with paragraph (1) of this subsection shall not be approved by the issuing authority unless accompanied by a letter of consent from the original transferee.

i. A special license issued pursuant to this section shall not be transferred to any premises other than a premises located in the project area until the dissolution of the authority overseeing, administering, and implementing the plan for the project area. Following the dissolution of the authority overseeing administering, and implementing the plan for the project area, the special licenses issued pursuant to this section may be used in connection with any premises located within the host municipality. A special license issued pursuant to this section shall not be transferred out of the issuing municipality except as provided in subsection d. of this section.

j. Any increase in population in the host municipalities resulting from residential development in the project area shall not be included in the total combined population necessary to issue a new plenary retail consumption or seasonal retail consumption license pursuant to section 2 of P.L.1947, c.94 (C.33:1-12.14).

C.33:1-12.53 Letter of consent required.

2. A special license shall not be issued pursuant to section 1 of P.L.2018, c.101 (C.33:1-12.52) unless the application is supported by a letter of consent from the original transferee. The decision by the original transferee to provide a letter of consent shall be based upon consideration of whether the proposed special license will advance the conversion, redevelopment, or revitalization of the project area in accordance with the original transferee's plan for the project area and based upon objective criteria established by the original transferee.

C.33:1-12.54 Regulations.

3. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the Director of the Division of Alcoholic Beverage Control may promulgate regulations necessary to effectuate the provisions of P.L.2018, c.101 (C.33:1-12.52 et seq.).

4. This act shall take effect on the first day of the seventh month after enactment, except the Director of the Division of Alcoholic Beverage Control may take any anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.