SYNOPSIS
Creates new permits to allow certain restaurants to sell alcoholic beverages and allows for issuance of additional alcoholic beverage licenses; provides tax credit under corporate business tax and gross income tax for loss in value to certain alcoholic beverage licenses.

CURRENT VERSION OF TEXT
As reported by the Assembly Appropriations Committee on October 22, 2018, with amendments.

(Sponsorship Updated As Of: 6/11/2019)
AN ACT concerning the sale of alcoholic beverages in certain restaurants, creating tax credits, supplementing and amending various sections of Title 33 of the Revised Statutes, and supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and Title 54A of the New Jersey Statutes.

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

1. (New section) The Legislature finds and declares that:
   a. Under current law, a municipality may not issue a new plenary retail consumption license unless and until the combined total number of such licenses existing in the municipality is fewer than one for each 3,000 of its population according to the most recent estimates issued by the U.S. Bureau of the Census.
   b. As a result of this restriction, there is an insufficient number or complete lack of available plenary retail consumption licenses in many municipalities, thereby unnecessarily inflating the value of existing consumption licenses and forcing prospective restaurateurs to purchase a license at an exorbitant price or operate without a license.
   c. The presence of new restaurants serving alcoholic beverages in a municipality often promotes real estate development, contributes to the municipal revitalization, and enhances the overall quality of life for residents and visitors.
   d. However, the introduction of a new restaurant license that is not subject to a population formula may cause existing plenary retail consumption licenses to lose value, thus creating the need to compensate certain existing license holders by issuing tax credits.
   e. The State of New Jersey has a legitimate government interest in promoting business by issuing tax credits to the holders of plenary retail consumption licenses to compensate them for the devaluation of their licenses.
   f. In order to foster and encourage economic development and growth in this State, it is appropriate to create a new restaurant license that would permit the licensee to sell alcoholic beverages for consumption on the premises and to provide financial compensation to certain plenary retail consumption licensees who already have established businesses and paid market value for their licenses. 1

2. R.S.33:1-12 is amended to read as follows:
   33:1-12. Class C licenses shall be subdivided and classified as follows:
   Plenary retail consumption license. 1. The holder of this license...
shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises; but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. The holder of this license shall be permitted to conduct consumer wine, beer and spirits tasting events and samplings for a fee or on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale, at an entertainment facility as defined in R.S.33:1-1, having a seating capacity for no less than 4,000 patrons, of mercantile items traditionally associated with the type of event or program held at the site; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons, or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages; or, in commercial bowling establishments, the retail sale or rental of bowling accessories and the retail sale from vending machines of candy, ice cream and nonalcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than $250 and not more than $2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or $500, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail consumption license shall be granted within its respective municipality.

The holder of this license shall be permitted to obtain a restricted brewery license issued pursuant to subsection 1c. of R.S.33:1-10 and to operate a restricted brewery immediately adjoining the licensed premises in accordance with the restrictions set forth in that subsection. All fees related to the issuance of both licenses shall be paid in accordance with statutory law.
Seasonal retail consumption license. 2. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises, during the summer season from May 1 until November 14, inclusive, or during the winter season from November 15 until April 30, inclusive; but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons; or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at [75%] 75 percent of the fee fixed by said board or body for plenary retail consumption licenses. The governing board or body of each municipality may, by ordinance, enact that no seasonal retail consumption license shall be granted within its respective municipality.

Plenary retail distribution license. 3. a. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption off the licensed premises, but only in original containers; except that licensees shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d).

The governing board or body of each municipality may, by ordinance, enact that this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which any other mercantile business is carried on, except that any such ordinance, heretofore or hereafter adopted, shall not prohibit the retail sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel
identified with the name of the establishment licensed under the
provisions of this act; cigars, cigarettes, packaged crackers, chips,
nuts and similar snacks, ice, and nonalcoholic beverages as
accessory beverages to alcoholic beverages. The fee for this license
shall be fixed by the governing board or body of the municipality in
which the licensed premises are situated, by ordinance, at not less
than $125 and not more than $2,500. No ordinance shall be enacted
which shall raise or lower the fee to be charged for this license by
more than 20 percent from that charged in the preceding/license year or $500.00 $500, whichever is the lesser. The
governing board or body of each municipality may, by ordinance,
enact that no plenary retail distribution license shall be granted
within its respective municipality.

Limited retail distribution license. 3. b. The holder of this
license shall be entitled, subject to rules and regulations, to sell any
unchilled, brewed, malt alcoholic beverages in quantities of not less
than 72 fluid ounces for consumption off the licensed premises, but
only in original containers; provided, however, that this license
shall be issued only for premises operated and conducted by the
licensee as a bona fide grocery store, meat market, meat and
grocery store, delicatessen, or other type of bona fide food store at
which groceries or other foodstuffs are sold at retail; and provided
further that this license shall not be issued except for premises at
which the sale of groceries or other foodstuffs is the primary and
principal business and at which the sale of alcoholic beverages is
merely incidental and subordinate thereto. The fee for this license
shall be fixed by the governing body or board of the municipality in
which the licensed premises are situated, by ordinance, at no
less than $31 and not more than $63. The governing board or body of
each municipality may, by ordinance, enact that no limited retail
distribution license shall be granted within its respective
municipality.

Plenary retail transit license. 4. The holder of this license shall
be entitled, subject to rules and regulations, to sell any alcoholic
beverages, for consumption only, on railroad trains, airplanes,
limosines and boats, while in transit. The fee for this license for
use by a railroad or air transport company shall be $375, for use by
the owners of limosines shall be $31 per vehicle, and for use on a
boat shall be $63 on a boat 65 feet or less in length, $125 on a boat
more than 65 feet in length but not more than 110 feet in length,
and $375 on a boat more than 110 feet in length; such boat lengths
shall be determined in the manner prescribed by the Bureau of
Customs of the United States Government or any federal agency
successor thereto for boat measurement in connection with issuance
of marine documents. A license issued under this provision to a
railroad or air transport company shall cover all railroad cars and
planes operated by any such company within the State of New
Jersey. A license for a boat or limousine issued under this
provision shall apply only to the particular boat or limousine for
which issued, and shall permit the purchase of alcoholic beverages
for sale or service in a boat or limousine to be made from any Class
A and B licensee or from any Class C licensee whose license
privilege permits the sale of alcoholic beverages in original
containers for off-premises consumption. An interest in a plenary
retail transit license issued in accordance with this section shall be
excluded in determining the maximum number of retail licenses
permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

Club license. 5. The holder of this license shall be entitled,
subject to rules and regulations, to sell any alcoholic beverages but
only for immediate consumption on the licensed premises and only
to bona fide club members and their guests. The fee for this license
shall be fixed by the governing board or body of the municipality in
which the licensed premises are situated, by ordinance, at not less
than $63 and not more than $188. The governing board or body of
each municipality may, by ordinance, enact that no club licenses
shall be granted within its respective municipality. Club licenses
may be issued only to such corporations, associations and
organizations as are operated for benevolent, charitable, fraternal,
social, religious, recreational, athletic, or similar purposes, and not
for private gain, and which comply with all conditions which may
be imposed by the Director of the Division of Alcoholic Beverage
Control by rules and regulations.

The provisions of section 23 of P.L.2003, c.117 amendatory of
this section shall apply to licenses issued or transferred on or after
July 1, 2003, and to license renewals commencing on or after July
1, 2003.

Restricted restaurant license (R1). 6. The holder of this license
shall be entitled, subject to rules and regulations, to sell any
alcoholic beverages for consumption by the glass or other open
receptacle in or upon the premises of a restaurant with a minimum
square footage of 1,500 and a maximum square footage of 6,000
and maintains a full-service kitchen with a minimum square footage
of 500 regularly and principally used for the purpose of providing
food to customers. The full-service kitchen shall be adequately
equipped for the preparation and serving of food and shall have, at
minimum, a dishwasher, range, sink, oven, refrigerator, and
countertop. A licensed premises under the provisions of this
paragraph shall encompass not more than one physical address.
Alcoholic beverages only shall be sold in connection with the sale
of food and served at a table by an employee of the restaurant.

The holder of this license shall not provide a bar area for
customers of the restaurant to congregate and consume alcoholic
beverages but may provide a service bar at which alcoholic
beverages are prepared for service to customers at a table. An
employee of the restaurant may be stationed at the service bar to
prepare drinks for customers, but shall only transfer alcoholic
beverages to wait staff employed by the restaurant to be delivered to restaurant patrons who are seated or are waiting to be seated at a table; an employee preparing drinks at the service bar shall be prohibited from directly transferring alcoholic beverages to restaurant patrons. The restaurant operated by the licensee shall offer to customers a standard printed menu or menu board system or similar signage featuring a list of meals with separate prices listed adjacent to each meal, or for parties of 10 restaurant patrons or greater, the restaurant may offer a full course menu with a limited number of meal choices for a fixed price. The holder of this license may not sell or transfer the license.

Prior to issuing licenses pursuant to this paragraph, the governing board or body of the municipality shall adopt an ordinance or resolution authorizing the issuance of restricted restaurant licenses within its borders. The ordinance or resolution may establish the days and times during which the licensee is permitted to sell alcoholic beverages for consumption on the licensed premises and shall limit the sale of alcoholic beverages to one hour prior to the service of food until one hour after the service of food has ended. The hours during which the ordinance permits the holder of a restricted restaurant license to sell alcoholic beverages may differ from the hours during which other consumption or distribution licensees within the municipality are permitted to sell alcoholic beverages.

The governing board or body of the municipality shall issue restricted restaurant licenses for use in connection with a restaurant in accordance with this subsection. The issuance of a restricted beer and wine license shall not permit the licensee to operate without complying with all applicable zoning ordinances.

The restriction in section 2 of P.L.1947, c.94 (C.33:1-12.14) concerning the number of retail consumption licenses that may be issued in a municipality shall not be applicable to the license issued under this subsection. A municipality that prohibits the sale of alcoholic beverages within its borders may establish by ordinance or resolution that a restricted restaurant license may be issued in the municipality.

The initial fee and annual renewal fee for this license shall be $3,000 for a restaurant with a square footage of 1,500 to 3,000, and $10,000 for a restaurant with a square footage of 3,001 to 6,000. The initial fee and annual renewal fee for this license shall be distributed in the following manner:

1. $2,500 shall be paid to the municipality wherein the restaurant is located and if the restaurant is located within the boundaries of two or more municipalities, the fee shall be divided equally among those municipalities;

2. The remainder of the fee shall be paid to the Director of the Division of Taxation to be used solely for the purposes of offsetting the costs associated with issuing tax credits pursuant to section 6 of
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and section 7 of P.L. , c. (pending before the Legislature as this bill). After the Division of Taxation is reimbursed for costs associated with issuing tax credits pursuant to section 6 of P.L., c. (pending before the Legislature as this bill) and section 7 of P.L., c. (pending before the Legislature as this bill), the full fee shall be paid to the municipality in the same manner as provided under paragraph (1) of this subsection. In addition, the holder of a restricted restaurant license shall pay upon renewal of the license any applicable renewal fees which are otherwise required to be paid to the Director of the Division of Alcoholic Beverage Control by the holder of a plenary retail consumption license.

Restricted beer and wine license (R2). 7. The holder of this license shall be entitled, subject to rules and regulations, to sell any beer or wine by the can, bottle or other sealed receptacle used for holding alcoholic beverages for consumption in or upon the premises of a restaurant with a minimum square footage of 1,500 and a maximum square footage of 6,000 and maintains a full-service kitchen with a minimum square footage of 500 regularly and principally used for the purpose of providing food to customers. The full-service kitchen shall be adequately equipped for the preparation and serving of food and shall have, at a minimum, a dishwasher, range, sink, oven, refrigerator, and countertop. A licensed premises under the provisions of this paragraph shall encompass not more than one physical address.

The holder of this license shall not provide a bar area for customers of the restaurant to congregate and consume alcoholic beverages. In addition, the holder of this license shall not provide a service bar. Alcoholic beverages only may be sold in connection with the service of food and served at a table by an employee of the restaurant. The restaurant operated by the licensee shall offer to customers a standard printed menu or menu board system or similar signage featuring a list of meals with separate prices listed adjacent to each meal, or for parties of 10 restaurant patrons or greater, the licensee may offer a full course menu with a limited number of meal choices for a fixed price. The holder of this license may not sell or transfer the license.

Prior to issuing licenses pursuant to this paragraph, the governing board or body of the municipality shall adopt an ordinance or resolution authorizing the issuance of restricted restaurant licenses within its borders. The ordinance or resolution may establish the days and times during which the licensee is permitted to sell alcoholic beverages for consumption on the licensed premises and shall limit the sale of alcoholic beverages to one hour prior to the service of food until one hour after the service of food has ended. The hours during which the ordinance permits the holder of a restricted restaurant license to sell alcoholic
beverages may differ from the hours during which other
consumption or distribution licensees within the municipality are
permitted to sell alcoholic beverages.

The governing board or body of the municipality shall issue
restricted beer and wine licenses for use in connection with a
restaurant in accordance with this subsection. The issuance of a
restricted beer and wine license shall not permit the licensee to
operate without complying with all applicable zoning ordinances.
The restriction in section 2 of P.L.1947, c.94 (C.33:1-12.14)
concerning the number of retail consumption licenses that may be
issued in a municipality shall not be applicable to the license issued
under this paragraph. A municipality that prohibits the sale of
alcoholic beverages within its borders may establish by ordinance
or resolution that a restricted beer and wine license may be issued in
the municipality.

The initial fee and annual renewal fee for this license shall be
$1,500 for a restaurant with a square footage of 1,500 to 3,000 and
$5,000 for a restaurant with a square footage of 3,001 to 6,000. The
initial fee and annual renewal fee for this license shall be distributed
in the following manner:

(1) $1,250 shall be paid to the municipality wherein the
restaurant is located, and if the restaurant is located within the
boundaries of two or more municipalities, the fee shall be divided
equally among those municipalities;

(2) The remainder of the fee shall be paid to the Director of the
Division of Taxation to be used solely for the purposes of offsetting
the costs associated with issuing tax credits pursuant to section 6 of
P.L. , c. (C. ) (pending before the Legislature as this bill) and
section 7 of P.L. , c. (C. ) (pending before the Legislature as
this bill). After the Division of Taxation is reimbursed for costs
associated with issuing tax credits pursuant to section 6 of P.L. ,
c. (C. ) (pending before the Legislature as this bill) and section
7 of P.L. , c. (C. ) (pending before the Legislature as this
bill), the full fee shall be paid to the municipality in the same
manner as provided under paragraph (1) of this subsection.

In addition, the holder of a restricted beer and wine license shall
pay upon renewal of the license any applicable renewal fees which
are otherwise required to be paid to the Director of the Division of
Alcoholic Beverage Control by the holder of a plenary retail
consumption license.

Sporting facility license. 6. The holder of this license shall be
entitled, subject to rules and regulations, to sell at retail or to serve
any alcoholic beverages as the owner, operator, lessee, or
concessionaire of a sporting facility by the glass or other receptacle
or in original containers only on the premises of the sporting
facility.

Notwithstanding any other provision of Title 33 of the Revised
Statutes and subject to conditions established by the director, the
holder of this license may share direction and control of the premises to be licensed and share proceeds and profits from the sale of alcoholic beverages with the owner, operator, concessionaire, or lessee of the facility. The holder of this license shall be permitted to conduct consumer wine, beer, and spirits tasting events and samplings for a fee or on a complimentary basis provided, however, the license holder complies with the provisions of section 3 of P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated thereto. Notwithstanding any law, rule or regulation to the contrary, the holder of this license shall be entitled to establish an all-inclusive area within the licensed sporting facility, provided the all-inclusive area is limited to one area within the sporting facility for each game or event and the capacity of the all-inclusive area does not exceed 500 persons.

The fee for this license shall be $2,500 for venues with a capacity of less than 7,500 persons; $5,000 for venues with a capacity of not less than 7,500 persons but not more than 14,999 persons; $7,500 for venues with a capacity of not less than 15,000 persons but not more than 22,499 persons; and $10,000 for venues with a capacity of 22,500 persons or more.

For the purposes of this subsection:

"Sporting facility" means a stadium, arena, team training facility, or similar venue located on public property where alcoholic beverages are served or sold at retail for consumption on the premises by the glass or other open receptacle or in original containers.

"Team training facility" shall include team offices and team headquarters.

(cf: P.L.2015, c.86, s.1)¹

¹1. (New section) a. “Restaurant district” means:

(1) an urban enterprise zone designated pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.) or P.L.2001, c.347 (C.52:27H-66.2 et al.);

(2) a downtown business improvement zone designated pursuant to P.L.1998, c.115 (C.40:56-71.1 et seq.);

(3) a pedestrian mall or pedestrian mall improvement or special improvement district as defined in section 2 of P.L.1972, c.134 (C.40:56-66);

(4) a transit oriented development as defined by section 2 of P.L.2011, c.149 (C.34:1B-243);

(5) an area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6);

(6) an area determined to be in need of rehabilitation pursuant to section 14 of P.L.1992, c.79 (C.40A:12A-14); or

(7) any area designated by statute following the effective date of this act which authorizes a municipality to adopt a zoning ordinance.
for the purpose of improvement, development, redevelopment, rehabilitation, or revitalization.

b. The governing board or body of a municipality may issue a special restricted restaurant permit which shall entitle the permit holder to sell any alcoholic beverage for consumption by the glass or other open receptacle in or upon the premises of a restaurant as defined in subsection t. of R.S.33:1-1 that is located within a restaurant district as defined in subsection a. of this section and has a minimum gross square footage of 800 and a maximum gross square footage of 4,500.

c. The holder of a special restricted restaurant permit only shall sell alcoholic beverages in connection with the sale of food and served at a table by an employee of the restaurant. The holder of this permit shall not provide a bar area for customers of the restaurant to congregate and consume alcoholic beverages but may provide a service bar at which alcoholic beverages are prepared for service to customers at a table. An employee of the restaurant may be stationed at the service bar to prepare drinks for customers, but shall only transfer alcoholic beverages to wait staff employed by the restaurant to be delivered to restaurant patrons who are seated or are waiting to be seated at a table; an employee preparing drinks at the service bar shall be prohibited from directly transferring alcoholic beverages to restaurant patrons.

The restaurant operated by the permit holder shall not be closed for business between the months of September and May for a period of more than 30 consecutive days. In addition, the restaurant shall offer to customers a standard printed menu or menu board system or similar signage featuring a list of meals with separate prices listed adjacent to each meal, or for parties of 10 restaurant patrons or greater the restaurant may offer a full course menu with a limited number of meal choices for a fixed price. The holder of this permit shall not sell or transfer the permit.

d. Prior to issuing special restricted restaurant permits pursuant to this section, the governing board or body of the municipality shall adopt an ordinance or resolution authorizing the issuance of special restricted restaurant permits within its borders. The ordinance or resolution may establish the days and times during which the permit holder may sell alcoholic beverages for consumption on the restaurant’s premises and shall limit the sale of alcoholic beverages to one hour prior to the service of food until one hour after the service of food has ended. The hours during which the ordinance authorizes the holder of a special restricted restaurant permit to sell alcoholic beverages may differ from the hours during which plenary retail consumption or distribution licensees within the municipality are permitted to sell alcoholic beverages.

The governing board or body shall coordinate with the director pursuant to R.S.33:1-35 to require municipal law enforcement
officers to enforce Title 33 of the Revised Statutes governing the
sale of alcoholic beverages by a special restricted restaurant permit.
If the municipality does not have a municipal law enforcement
agency, any additional enforcement of the provisions of Title 33 of
the Revised Statutes required by the issuance of a special restricted
restaurant permit shall be assumed by the appropriate law
enforcement agency charged with enforcing the laws within the
municipality.

c. A premises for which a permit is issued pursuant to this
section shall encompass not more than one physical address. The
issuance of a special restricted restaurant permit shall not allow the
permit holder to operate without complying with all applicable
zoning ordinances.

d. The governing board or body of the municipality may, by
ordinance or resolution adopted pursuant to subsection d. of this
section, establish the number of special restricted restaurant permits
that may be issued within the borders of the municipality pursuant
to this section. The restriction in section 2 of P.L.1947, c.94
(C.33:1-12.14) concerning the number of retail consumption
licenses that may be issued in a municipality shall not be applicable
to a special restricted restaurant permit issued pursuant to this
section. A municipality that prohibits the sale of alcoholic
beverages within its borders may establish by ordinance or
resolution that a special restricted restaurant permit may be issued
in the municipality.

e. The special restricted restaurant permit shall be issued for a
12 month period and renewed on an annual basis. The initial fee
and annual renewal fee for this permit shall be $7,500 for a
restaurant with a gross square footage of 800 to 2,000, and $10,000
for a restaurant with a gross square footage of 2,001 to 4,500. The
initial fee and annual renewal fee for this permit shall be distributed
in the following manner:

(1) $2,500 shall be paid to the municipality wherein the
restaurant is located and if the restaurant is located within the
boundaries of two or more municipalities, the fee shall be divided
equally among those municipalities;

(2) The remainder of the fee shall be paid to the Director of the
Division of Taxation to be used solely for the purposes of offsetting
the costs associated with issuing tax credits pursuant to section 6 of
P.L. , c. (C. ) (pending before the Legislature as this bill)
and section 7 of P.L. , c. (C. ) (pending before the Legislature
as this bill). After the Division of Taxation is reimbursed for costs
associated with issuing tax credits pursuant to section 6 of P.L. ,
c. (C. ) (pending before the Legislature as this bill) and
section 7 of P.L. , c. (C. ) (pending before the Legislature
as this bill), the full fee shall be paid to the municipality in the same
manner as provided under paragraph (1) of this subsection.
h. In addition, the holder of a special restricted restaurant permit shall pay upon renewal of the permit any applicable renewal fees which are otherwise required to be paid to the Director of the Division of Alcoholic Beverage Control by the holder of a plenary retail consumption license.

i. A special restricted restaurant permit shall not be issued pursuant to this section for use in connection with a premises that is located in a county of the fifth or sixth class having a population less than 200,000 according to the latest federal decennial census.

j. A person who would fail to qualify as a holder of a plenary retail consumption license under Title 33 of the Revised Statutes shall not be authorized to hold an interest in a special restricted restaurant permit issued pursuant to the provisions of this section.

k. Within 12 months following the effective date of this act and annually thereafter, the Director of the Division of Alcoholic Beverage Control shall submit a report to the Governor and the Legislature pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1). The report shall include, but not be limited to, the number of permits issued pursuant to this section; the locations for which the permits are issued; the number of permit suspensions or revocations initiated pursuant to section 4 of P.L.1991, c.164 (C.52:14-19.1) (pending before the Legislature as this bill); any information pertaining to violations committed by a permit holder under Title 2C of the New Jersey Statutes and Title 33 of the Revised Statutes; and the status of pending applications for a tax credit and the number of tax credits approved or denied pursuant to sections 6 and 7 of P.L.____, c. (C.____) (pending before the Legislature as this bill)."  

2. (New section) a. “Restaurant district” means:

(1) an urban enterprise zone designated pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.) or P.L.2001, c.347 (C.52:27H-66.2 et al.);
(2) a downtown business improvement zone designated pursuant to P.L.1998, c.115 (C.40:56-71.1 et seq.);
(3) a pedestrian mall or pedestrian mall improvement or special improvement district as defined in section 2 of P.L.1972, c.134 (C.40:56-66);
(4) a transit oriented development as defined by section 2 of P.L.2011, c.149 (C.34:1B-243);
(5) an area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6);
(6) an area determined to be in need of rehabilitation pursuant to section 14 of P.L.1992, c.9 (C.40A:12A-14); or
(7) any area designated by statute following the effective date of this act which allows a municipality to adopt a zoning ordinance for the purpose of improvement, development, redevelopment, rehabilitation, or revitalization.
b. The governing board or body of a municipality may issue a restricted beer and wine permit which shall entitle the permit holder to sell any beer or wine by the can, bottle, or other sealed receptacle used for holding alcoholic beverages for consumption in or upon the premises of a restaurant as defined in subsection t. of R.S.33:1-1 that is located within a restaurant district as defined in subsection a. of this section and has a minimum gross square footage of 800 and a maximum gross square footage of 4,500.

c. The holder of a restricted beer and wine permit shall not provide a bar area for customers of the restaurant to congregate and consume alcoholic beverages. In addition, the permit holder shall not provide a service bar. Alcoholic beverages only may be sold in connection with the service of food and served at a table by an employee of the restaurant. The restaurant operated by the permit holder shall offer to customers a standard printed menu or menu board system or similar signage featuring a list of meals with separate prices listed adjacent to each meal, or for parties of 10 restaurant patrons or greater the licensee may offer a full course menu with a limited number of meal choices for a fixed price. The holder of this permit shall not sell or transfer the permit. A restaurant for which a permit is issued pursuant to this section shall not be closed for business between the months of September and May for a period of more than 30 consecutive days.

d. Prior to issuing special restricted beer and wine permits pursuant to this section, the governing board or body of the municipality shall adopt an ordinance or resolution authorizing the issuance of restricted beer and wine permits within its borders. The ordinance or resolution may establish the days and times during which the permit holder is permitted to sell alcoholic beverages for consumption on the restaurant’s premises and shall limit the sale of alcoholic beverages to one hour prior to the service of food until one hour after the service of food has ended. The hours during which the ordinance permits the holder of a restricted beer and wine permit to sell alcoholic beverages may differ from the hours during which plenary retail consumption or distribution licensees within the municipality are permitted to sell alcoholic beverages.

The governing board or body shall coordinate with the director pursuant to R.S.33:1-35 to require municipal law enforcement officers to enforce Title 33 of the Revised Statutes governing the sale of alcoholic beverages by a restricted beer and wine permit. If the municipality does not have a municipal law enforcement agency, any additional enforcement of the provisions of Title 33 of the Revised Statutes required by the issuance of a restricted beer and wine permit shall be assumed by the appropriate law enforcement agency charged with enforcing the laws within the municipality.

e. A premises for which a restricted beer and wine permit is issued pursuant to this section shall encompass not more than one
physical address. The issuance of a restricted beer and wine permit shall not allow the permit holder to operate without complying with all applicable zoning ordinances.

f. The governing board or body of the municipality may, by ordinance or resolution adopted pursuant to subsection d. of this section, establish the number of permits that may be issued within the borders of the municipality pursuant to this section. The restriction in section 2 of P.L.1947, c.94 (C.33:1-12.14) concerning the number of retail consumption licenses that may be issued in a municipality shall not be applicable to a permit issued pursuant to this section. A municipality that prohibits the sale of alcoholic beverages within its borders may establish by ordinance or resolution that a restricted beer and wine permit may be issued in the municipality.

g. The restricted beer and wine permit shall be issued for a 12 month period and renewed on an annual basis. The initial fee and annual renewal fee for this permit shall be $3,000 for a restaurant with a gross square footage of 800 to 2,000, and $5,000 for a restaurant with a gross square footage of 2,001 to 4,500. The initial fee and annual renewal fee for this permit shall be distributed in the following manner:

(1) $1,250 shall be paid to the municipality wherein the restaurant is located, and if the restaurant is located within the boundaries of two or more municipalities, the fee shall be divided equally among those municipalities;

(2) The remainder of the fee shall be paid to the Director of the Division of Taxation to be used solely for the purposes of offsetting the costs associated with issuing tax credits pursuant to section 6 of P.L. , c. (C. ) (pending before the Legislature as this bill) and section 7 of P.L., c. (C. ) (pending before the Legislature as this bill). After the Division of Taxation is reimbursed for costs associated with issuing tax credits pursuant to section 6 of P.L., c. (C. ) (pending before the Legislature as this bill) and section 7 of P.L., c. (C. ) (pending before the Legislature as this bill), the full fee shall be paid to the municipality in the same manner as provided under paragraph (1) of this subsection.

h. The holder of a restricted beer and wine permit shall pay upon renewal of the permit any applicable renewal fees which are otherwise required to be paid to the Director of the Division of Alcoholic Beverage Control by the holder of a plenary retail consumption license.

i. A restricted beer and wine permit shall not be issued pursuant to this section for use in connection with a premises that is located in a county of the fifth or sixth class having a population less than 200,000 according to the latest federal decennial census.

j. A person who would fail to qualify as a holder of a plenary retail consumption license under Title 33 of the Revised Statutes
shall not be authorized to hold an interest in a restricted beer and
wine permit issued pursuant to the provisions of this section.

k. Within 12 months following the effective date of this act and
annually thereafter, the director shall submit a report to the
Governor and the Legislature pursuant to section 2 of P.L.1991,
c.164 (C.52:14-19.1). The report shall include, but not be limited
to, the number of permits issued pursuant to this section; the
locations for which the permits are issued; the number of permit
suspensions or revocations initiated pursuant to section 4 of
P.L.1991, c.164 (C.52:14-19.1) (pending before the Legislature as this
bill); any information pertaining to violations committed by a
permit holder under Title 2C of the New Jersey Statutes and Title
33 of the Revised Statutes; and the status of pending applications
for a tax credit and the number of tax credits approved or denied
pursuant to sections 6 and 7 of P.L.1991, c.164 (C.52:14-19.1) (pending
before the Legislature as this bill).

3. Section 2 of P.L.1947, c.94 (C.33:1-12.14) is amended to
read as follows:

a. Except as otherwise provided in this [act] title, no new
plenary retail consumption or seasonal retail consumption license
shall be issued in a municipality unless and until the combined total
number of such licenses existing in the municipality is fewer than
one for each 3,000 of its population according to the most recent
estimates issued by the U.S. Bureau of the Census; provided,
however, in the year that the official federal decennial counts are
received by the Governor, those federal decennial counts shall be
used. No new plenary retail distribution license shall be issued in a
municipality unless and until the number of such licenses existing
in the municipality is fewer than one for each 7,500 of its
population according to the most recent estimates issued by the U.S.
Bureau of the Census; provided, however, in the year that the
official federal decennial counts are received by the Governor,
those federal decennial counts shall be used.

b. (1) A municipality which has adopted a master plan pursuant
to the provisions of section 19 of P.L.1975, c.291 (C.40:55D-28)
may issue a plenary retail consumption license based upon the
population projections for that municipality contained in the master
plan and the schedule set forth in this subsection.

(2) A municipality may issue additional plenary retail
consumption licenses based upon the peak population projection in
the master plan. If the projected peak population supports the
issuance of one or more additional plenary retail consumption
licenses, the municipality may issue one additional license. The
municipality may issue another plenary retail consumption license
whenever there is an increase of 3,000 or more in the population of
the municipality, according to the most recent estimates issued by
the U.S. Bureau of the Census or the official federal decennial
counts in the years those counts are issued, until the maximum number of licenses supported by the projected peak population have been issued.

(cf: PL.1999, c.189, s.1)

4. (New section) a. The holder of a special restricted restaurant [license] permit or restricted beer and wine [license] permit who violates subsections a. through j. of R.S.33:1-31:

(1) for a first offense, shall be subject to a mandatory suspension [in an amount of time determined by the director] of the permit for six months and be liable for a civil penalty of $5,000 which shall be imposed on a holder of a special restricted restaurant [license] permit, and $2,500 which shall be imposed on a holder of a restricted beer and wine [license] permit.

(2) for a second offense, shall be subject to a permanent revocation of the special restricted restaurant [license] permit or restricted beer and wine [license] permit and be liable for a civil penalty of three times the fair market value of a plenary retail consumption license $10,000. The fair market value shall be based upon the average sales price of plenary retail consumption licenses in the municipality in which the licensed premises is located during the five years immediately preceding the effective date of P.L. , c. (pending before the Legislature as this bill). If the licensed premises is located within the boundaries of two or more municipalities, the highest average sale price of the two or more municipalities shall be used. If less than three plenary retail consumption licenses have been sold in the municipality or municipalities, as the case may be, within the previous five years, the municipality or municipalities 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 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 that municipality or municipalities.

A revocation pursuant to this subsection shall render the permit holder and the officers, directors, and each owner, directly or indirectly, of more than 10 percent of the stock of a corporate permit holder ineligible to hold or receive any other special restricted restaurant permit or restricted beer and wine permit for a period of 10 years after the effective date of the revocation. A permit holder who is subject to revocation pursuant this section shall be afforded the same opportunity to appeal the revocation
pursuant to R.S.33:1-31 or any other appeal process afforded to the holder of a plenary retail consumption license.

b. The fines imposed pursuant to this section shall be collected by the director and forwarded to the State Treasurer in accordance with subsection b. of section 14 of P.L.1992, c.188 (C.33:1-4.1).

5. Section 14 of P.L.1992, c.188 (C.33:1-4.1) is amended to read as follows:

14. a. All fees and penalties collected by the Director of the Division of Alcoholic Beverage Control pursuant to the provisions of Title 33 of the Revised Statutes shall be forwarded to the State Treasurer for deposit in a special nonlapsing fund. Monies in the fund shall be used exclusively for the operation of the Alcoholic Beverage Control Enforcement Bureau in the Division of State Police and the Division of Alcoholic Beverage Control and for reimbursement of all additional costs of enforcement of the provisions of Title 33 incurred by the Department of Law and Public Safety.

b. Notwithstanding the provisions of subsection a. of this section, 25 percent of the fines imposed pursuant to section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be collected by the director and forwarded to the State Treasurer to be used for the purposes of 1 [offsetting the costs associated with issuing tax credits pursuant to section 7 of P.L. , c. (C. ) (pending before the Legislature as this bill) and section 8 of P.L. , c. (C. ) (pending before the Legislature as this bill). After the Division of Taxation is reimbursed for up to 75 percent of the projected estimated cost associated with issuing tax credits pursuant to section 6 of P.L. , c. (C. ) (pending before the Legislature as this bill) and section 7 of P.L. , c. (C. ) (pending before the Legislature as this bill), the fines shall be used exclusively for the operation of the Alcoholic Beverage Control Enforcement Bureau in accordance with subsection a. of this section.

1 [The remaining 75 percent of the fines imposed pursuant to section 4 of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be collected by the director and forwarded to the municipality in which the violation occurred.]

(cf: P.L.1992, c.188, s.14)

6. (New section) a. As used in this act, “qualified loss in value” means the loss in value to a taxpayer’s plenary retail consumption license calculated pursuant to paragraph (3) of subsection c. of this section.

b. A taxpayer who is certified as a qualified holder of a plenary retail consumption license shall be allowed a credit against the corporation business tax imposed pursuant to section 5 of P.L.1945,
1 c.162 (C.54:10A-5). The amount of the credit shall be equal to the
2 qualified loss in value to the taxpayer’s license, and shall be taken
3 over a five-year period, in five annual installments, at the rate of
4 one-fifth the total amount of the taxpayer’s credit for each privilege
5 period of the taxpayer, beginning with the privilege period in which
6 the taxpayer is certified as a qualified holder of a plenary retail
7 consumption license by the Director of the Division of Alcoholic
8 Beverage Control in the Department of Law and Public Safety in
9 accordance with subsection ‘[b.] c.1’ of this section.
10 c. (1) To be certified as a qualified holder of a plenary retail
11 consumption license, a taxpayer shall make and file an application
12 for certification with the Director of the Division of Alcoholic
13 Beverage Control within five years of the effective date of P.L.    
14 c. (C.        ) (pending before the Legislature as this bill). The
15 application shall be made on forms furnished by the Director of the
16 Division of Alcoholic Beverage Control, and shall require the
17 taxpayer to demonstrate: the location of the premises operated in
18 connection with the license; the number of years the taxpayer has
19 held the license; the original amount paid by the taxpayer for the
20 privilege of holding the license; and the purpose to which the
21 license has been used by the taxpayer.
22 (2) The Director of the Division of Alcoholic Beverage Control
23 shall review each application made and filed in accordance with
24 paragraph (1) of this subsection and make a determination regarding
25 the issuance of a certification within 180 days of the date a
26 complete application is filed. The determination shall be made
27 based upon the Director of the Division of Alcoholic Beverage
28 Control’s finding that: the taxpayer acquired the license prior to the
29 date of enactment of P.L.    , c. (C.        ) (pending before the
30 Legislature as this bill); the taxpayer held the license in an active
31 status prior to the effective date of P.L.    , c. (C.        ) (pending
32 before the Legislature as this bill); and the license is used directly
33 by the taxpayer to sell alcoholic beverages for consumption on a
34 licensed premises in accordance with the provisions of R.S.33:1-12.
35 (3) The Director of the Division of Alcoholic Beverage Control
36 shall, at the time a determination regarding the issuance of a
37 certification is made, establish the qualified loss in value to the
38 taxpayer’s license. To establish the qualified loss in value, the
39 taxpayer shall issue to the director two separate independent
40 appraisals of the taxpayer’s plenary retail consumption license. The
41 appraisals shall demonstrate the fair market value of the license
42 prior to the date of enactment of P.L.    , c. (C.        ) (pending
43 before the Legislature as this bill) and the fair market value of the
44 license at the time taxpayer files an application for certification
45 with the Director of the Division of Alcoholic Beverage Control.
46 The difference between fair market value of the license prior to the
47 date of enactment of P.L.    , c. (C.        ) (pending before the
48 Legislature as this bill) and the fair market value of the license at
the time the taxpayer files an application for certification shall represent the qualified loss in value to the taxpayer’s license.

To assist in assessing the qualified loss in value to a license, the Director of the Division of Alcoholic Beverage Control may appoint an advisory committee composed of representatives with knowledge and experience in the appraisal of alcoholic beverage licenses in this State. The director or the advisory committee, as the case may be, shall have the authority to review, approve, or disapprove appraisals issued by the taxpayer.

The fair market value of the license prior to the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be based upon the average sales price of plenary retail consumption licenses in the municipality in which the licensed premises is located during the five years immediately preceding the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill). If the licensed premises is located within the boundaries of two or more municipalities, the fair market value shall be based on the average sale price of plenary retail consumption licenses issued in the municipality in which the structure of licensed premises is primarily situated. If less than three plenary retail consumption licenses have been sold in the municipality or municipalities, as the case may be, within the previous five years, the taxpayer shall obtain an appraisal, at the taxpayer’s expense, to determine the appropriate fair market value of the license. The appraisal process shall include an examination of previous transactions in the 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 that municipality or municipalities, as the case may be.

The fair market value of the license at the time that the taxpayer files an application for certification shall be based on an appraisal, obtained at the taxpayer’s expense, to determine the appropriate value of the license. The appraisal shall include, but not be limited to, an examination of the following:

(a) the average sales price of plenary retail consumption licenses in the municipality in which the licensed premises is located following the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill);

(b) the number of special restricted restaurant licenses and restricted beer and wine licenses issued in the municipality in which the licensed premises is located following the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill); and

(c) whether the municipality in which the licensed premises is located has undertaken comprehensive plans for future development that would most likely necessitate the issuance of
special restricted restaurant [licenses] permits and restricted beer and wine [licenses] permits.

If a single plenary retail consumption license is used in connection with the operation of multiple restaurants or other establishments located on the same licensed premises, the qualified loss in value established under this paragraph shall be divided by the number of restaurants or establishments operating in connection with that plenary retail consumption license.

(4) The Director of the Division of Alcoholic Beverage Control shall issue a written certification to each taxpayer that has made and filed an application that has been reviewed, approved, or disapproved in accordance with paragraphs (2) and (3) of this subsection within 10 days of the date the determination is made. The written certification shall include a detailed explanation of the fair market value of the taxpayer’s license established in accordance with paragraph (3) of this subsection. The division shall submit to a taxpayer whose application is disapproved a detailed statement explaining the reasons for which the appraisals did not adequately reflect the qualified loss in value. Each taxpayer issued a certification shall include a copy of the written certification, along with the detailed explanation of the qualified loss in value to the taxpayer’s license, when filing a return that includes a claim for the credit allowed in accordance with this section.

(5) The Director of the Division of Alcoholic Beverage Control shall provide a copy of each written certification issued in accordance with paragraph (4) of this subsection to the Director of the Division of Taxation in the Department of the Treasury within 10 days of the date the certification is issued, and shall prepare a report regarding the administration of the certification process established in accordance with this subsection. The report shall specify: the number of applications made and filed; the number of certifications issued; and the qualified loss in value to each license for which a certification is issued. The report shall be submitted to the Governor, the State Treasurer, and the Legislature, in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), within 450 days of the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill).

d. The order of priority of the application of an annual installment of the credit allowed pursuant to this section and any other credit allowed against the corporation business tax for a privilege period shall be as prescribed by the Director of the Division of Taxation in the Department of the Treasury. The amount of an annual installment of the credit applied under this section against the corporation business tax for a privilege period, together with any other annual installment and any other credits allowed against the corporation business tax, shall not reduce the tax liability of the taxpayer to an amount less than the statutory minimum provided in subsection (e) of section 5 of P.L.1945, c.162
(C.54:10A-5). No amount of the qualified loss in value to the
taxpayer’s license that is used as the basis of the credit allowed
pursuant to this section shall be allowed as an amount used to
calculate a loss or expense of the taxpayer or otherwise reduce or
offset that taxpayer’s liability for tax pursuant to any other
exclusion, deduction, or credit allowed under the corporation
business tax. The amount of an annual installment of the credit
allowable under this section which cannot be applied for a privilege
period due to the limitations of this subsection may be carried
forward, if necessary, to the earliest available use within the 20
privilege periods immediately following the privilege period for
which the credit is allowed.

e. A taxpayer may, upon issuance of a certification as a
qualified holder of a plenary retail consumption license by the
Director of the Division of Alcoholic Beverage Control in
accordance with subsection c. of this section, make and file an
application to the Director of the Division of Taxation for a tax
credit transfer certificate in lieu of the taxpayer being allowed an
annual installment of the credit or any amount of an annual
installment of the credit that may be taken against the corporation
business tax liability of the taxpayer. The Director of the Division
of Taxation may prescribe the form and manner by which a
taxpayer may make and file a separate application in connection
with each annual installment of the credit or any amount of each
annual installment of the credit, and may consult with the Director
of the Division of Alcoholic Beverage Control in reviewing and
approving any application for a tax credit transfer certificate of a
taxpayer. The tax credit transfer certificate, upon issuance thereof
by the Director of the Division of Taxation, may be sold or
assigned, in whole or in part, to any other taxpayer that may have a
corporation business tax or a gross income tax liability, in exchange
for private financial assistance to be provided by the purchaser or
assignee to the taxpayer that is allowed a credit under this section.
The certificate issued to the taxpayer shall include a statement
waiving the taxpayer’s right to claim that amount of the annual
installment of the credit against the corporation business tax that the
taxpayer has elected to sell or assign. The sale or assignment of any
amount of a tax credit transfer certificate allowed under this
subsection shall not be exchanged for consideration received by the
taxpayer of less than 75 percent of the transferred credit amount.
Any amount of a tax credit transfer certificate used by a purchaser
or assignee against a corporation business tax liability shall be
subject to the same limitations and conditions that apply to the use
of a credit pursuant to subsection d. of this section. Any amount of
a tax credit transfer certificate obtained by a purchaser or assignee
under this section may be applied against the purchaser’s or
assignee’s gross income tax liability and shall be subject to the same
limitations and conditions that apply to the use of a credit pursuant
to subsection d. of section 7 of P.L. , c. (C. ) (pending before the Legislature as this bill).

f. (1) If, in the five-year period beginning with the privilege period in which the taxpayer is certified as a qualified holder of a plenary retail consumption license, the taxpayer sells or transfers any part of the taxpayer’s interest in the license to another person, the taxpayer shall forfeit that portion of the taxpayer’s credit that is equal to the amount of consideration received by the taxpayer from the sale or transfer of the license. The forfeited portion shall first reduce the balance of any annual installment of a credit of the taxpayer that is allowed but that has not been applied against the tax liability of the taxpayer, or converted into a tax credit transfer certificate and sold or assigned to another taxpayer in accordance with subsection e. of this section, during the privilege period in which the sale or transfer of the license occurs, and then shall reduce the balance of any future annual installment of a credit of a taxpayer who is allowed but that has not been applied, or converted and sold or assigned to another taxpayer, beginning with future annual installments allowed during the privilege period immediately following the privilege period in which the sale or transfer occurs. If, after being used to reduce future annual installments, the forfeited portion exceeds the amount of any allowable credit remaining, the taxpayer shall repay the amount of that excess to the Director of the Division of Taxation; provided however, that if the taxpayer converted an annual installment of the credit or any amount of an annual installment of the credit into a tax credit transfer certificate in accordance with subsection d. of this section, the amount of the excess required to be repaid to the Director of the Division of Taxation shall be reduced, if necessary, in proportion to the amount of consideration received by the taxpayer from the sale or assignment of the tax credit transfer certificate.

(2) If, in the 15-year period beginning with the fifth privilege period immediately following the privilege period in which the taxpayer is certified as a qualified holder of a plenary retail consumption license, the taxpayer sells or transfers any part of the taxpayer’s interest in the license to another person, the taxpayer shall forfeit that portion of the taxpayer’s credit that is equal to the amount of consideration received by the taxpayer from the sale or transfer of the license. The forfeited portion shall first reduce the balance of any tax credit carryforward from a prior privilege period that is allowed but that has not been applied against the tax liability of the taxpayer during the privilege period in which the sale or transfer of the license occurs, and then shall reduce the balance of any tax credit carryforward from a prior privilege period that otherwise would have been applied against future tax liabilities of the taxpayer. If, after being used to reduce carryforwards from prior privilege periods, the forfeited portion exceeds the amount of any allowable credit remaining, the taxpayer shall repay the amount of
that excess to the Director of the Division of Taxation subject to the following limitations:

(a) if the taxpayer is required to repay the amount of any excess as a result of the sale or transfer of the taxpayer’s license occurring in the first five years of the 15-year period, the amount of the excess shall be multiplied by 0.75 to determine the amount of the excess required to be repaid to the Director of the Division of Taxation;

(b) if the taxpayer is required to repay the amount of any excess as a result of the sale or transfer of the taxpayer’s license occurring in the second five years of the 15-year period, the amount of the excess shall be multiplied by 0.50 to determine the amount of the excess required to be repaid to the Director of the Division of Taxation; and

(c) if the taxpayer is required to repay the amount of any excess as a result of the sale or transfer of the taxpayer’s license occurring in the third five years of the 15-year period, the amount of the excess shall be multiplied by 0.25 to determine the amount of the excess required to be repaid to the Director of the Division of Taxation.

In addition, if the taxpayer converted the credit or any amount of the credit into a tax credit transfer certificate in accordance with subsection d. of this section, the amount of the excess required to be repaid to the Director of the Division of Taxation shall be further reduced, if necessary, in proportion to the amount of consideration received by the taxpayer from the sale or assignment of the tax credit transfer certificate.

(3) The amount of excess required to be repaid to the Director of the Division of Taxation pursuant to paragraph (1) or (2) of this subsection shall be a deficiency with respect to the payment of a State tax. The Director of the Division of Taxation shall have all rights, powers and duties authorized under the State Uniform Tax Procedure Law, R.S.54:48-1 et seq., to ensure payment, collection, or recovery of the deficiency, and the taxpayer shall be afforded all protections, rights, and remedies allowed under R.S.54:48-1 et seq. to challenge, protest, or appeal the deficiency or any determination or decision made in connection with the deficiency.

The holder of a plenary retail consumption license that has been inactive for more than two years immediately preceding the effective date of P.L. , c. (pending before the Legislature as this bill) shall not be eligible for the tax credit issued pursuant to this section.

7. (New section) a. As used in this act, “qualified loss in value” means the loss in value to a taxpayer’s plenary retail consumption license calculated pursuant to paragraph (3) of subsection c. of this section.
b. A taxpayer who is certified as a qualified holder of a plenary retail consumption license shall be allowed a credit against the tax imposed pursuant to the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1 et seq. The amount of the credit shall be equal to the qualified loss in value to the taxpayer’s license and shall be taken over a five-year period, in five annual installments, at the rate of one-fifth the total amount of the taxpayer’s credit for each taxable year of the taxpayer, beginning with the taxable year in which the taxpayer is certified as a qualified holder of a plenary retail consumption license by the Director of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety in accordance with subsection \([b.1]\) of this section.

c. (1) To be certified as a qualified holder of a plenary retail consumption license, a taxpayer shall make and file an application for certification with the Director of the Division of Alcoholic Beverage Control within five years of the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill). The application shall be made on forms furnished by the Director of the Division of Alcoholic Beverage Control, and shall require the taxpayer to demonstrate: the location of the premises operated in connection with the license; the number of years the taxpayer has held the license; the original amount paid by the taxpayer for the privilege of holding the license; and the purpose to which the license has been used by the taxpayer.

(2) The Director of the Division of Alcoholic Beverage Control shall review each application made and filed in accordance with paragraph (1) of this subsection and make a determination regarding the issuance of a certification within 180 days of the date a complete application is filed. The determination shall be made based upon the Director of the Division of Alcoholic Beverage Control’s finding that: the taxpayer acquired the license prior to the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill); the taxpayer held the license in an active status prior to the effective date of P.L. , c. (C. ) (pending before the Legislature as this bill); and the license is used directly by the taxpayer to sell alcoholic beverages for consumption on a licensed premises in accordance with the provisions of R.S.33:1-12.

(3) The Director of the Division of Alcoholic Beverage Control shall, at the time a determination regarding the issuance of a certification is made, establish the loss in value to the taxpayer’s license. To establish the qualified loss in value, the taxpayer shall issue to the director two separate independent appraisals of the taxpayer’s plenary retail consumption license. The appraisals shall demonstrate the fair market value of the license prior to the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill) and the fair market value of the license at the time the taxpayer files an application for certification with the Director of the Division of Alcoholic Beverage Control. The difference
between the fair market value of the license prior to the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill) and the fair market value of the license at the time the taxpayer files an application for certification shall represent the qualified loss in value to the taxpayer’s license.

To assist in assessing the qualified loss in value to a license, the Director of the Division of Alcoholic Beverage Control may appoint an advisory committee composed of representatives with knowledge and experience in the appraisal of alcoholic beverage licenses in this State. The director or the advisory committee, as the case may be, shall have the authority to review, approve, or disapprove appraisals issued by the taxpayer.

The fair market value of the license prior to the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill) shall be based upon the average sales price of plenary retail consumption licenses in the municipality in which the licensed premises is located during the five years immediately preceding the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill). If the licensed premises is located within the boundaries of two or more municipalities, the fair market value shall be based on the average sale price of plenary retail consumption licenses issued in the municipality in which the structure of licensed premises is primarily situated. If less than three plenary retail consumption licenses have been sold in the municipality or municipalities, as the case may be, within the previous five years, the taxpayer shall obtain an appraisal, at the taxpayer’s expense, to determine the appropriate fair market value of the license. The appraisal process shall include an examination of previous transactions in the 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 that municipality or municipalities, as the case may be.

The fair market value of the license at the time that the taxpayer files an application for certification shall be based on an appraisal, obtained at the taxpayer’s expense, to determine the appropriate value of the license. The appraisal shall include, but not be limited to, an examination of the following:

(a) the average sales price of plenary retail consumption licenses in the municipality in which the licensed premises is located following the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill);

(b) the number of special restricted restaurant licenses and restricted beer and wine licenses issued in the municipality in which the licensed premises is located following the date of enactment of P.L. , c. (C. ) (pending before the Legislature as this bill); and
(c) whether the municipality in which the licensed premises is located has undertaken comprehensive plans for future development that would most likely necessitate the issuance of special restricted restaurant licenses and restricted beer and wine licenses.

If a single plenary retail consumption license is used in connection with the operation of multiple restaurants or other establishments located on the same licensed premises, the qualified loss in value established under this paragraph shall be divided by the number of restaurants or establishments operating in connection with that plenary retail consumption license.

(4) The Director of the Division of Alcoholic Beverage Control shall issue a written certification to each taxpayer that has made and filed an application that has been reviewed, approved, or disapproved in accordance with paragraphs (2) and (3) of this subsection within 10 days of the date the determination is made. The written certification shall include a detailed explanation of the qualified loss in value to the taxpayer’s license established in accordance with paragraph (3) of this subsection. The division shall submit to a taxpayer whose application is disapproved a detailed statement explaining the reasons for which the appraisals did not adequately reflect the qualified loss in value. Each taxpayer issued a certification shall include a copy of the written certification, along with the detailed explanation of the fair market value of the taxpayer’s license, when filing a return that includes a claim for the credit allowed in accordance with this section.

(5) The Director of the Division of Alcoholic Beverage Control shall provide a copy of each written certification issued in accordance with paragraph (4) of this subsection to the Director of the Division of Taxation in the Department of the Treasury within 10 days of the date the certification is issued, and shall prepare a report regarding the administration of the certification process established in accordance with this subsection. The report shall specify: the number of applications made and filed; the number of certifications issued; and the qualified loss in value to each license for which a certification is issued. The report shall be submitted to the Governor, the State Treasurer, and the Legislature, in accordance with section 2 of P.L.1991, c.164 (C.52:14-19.1), within 450 days of the effective date of P.L., c. (C. ) (pending before the Legislature as this bill).

d. (1) The order of priority of the application of an annual installment of the credit allowed pursuant to this section and any other credit allowed against the gross income tax for a taxable year shall be as prescribed by the Director of the Division of Taxation in the Department of the Treasury. The amount of an annual installment of the credit applied under this section against the gross income tax for a taxable year, together with any other annual installment and any other credits allowed against the gross income
tax, shall not reduce the tax liability of the taxpayer to an amount
less than zero. No amount of the qualified loss in value to the
taxpayer’s license that is used as the basis of the credit allowed
pursuant to this section shall be allowed as an amount used to
calculate a loss or expense of the taxpayer or otherwise reduce or
offset that taxpayer’s liability for tax pursuant to any other
exclusion, deduction, or credit allowed under the gross income tax.
The amount of an annual installment of the credit allowable under
this section which cannot be applied for a taxable year due to the
limitations of this subsection may be carried forward, if necessary,
to the earliest available use within the 20 taxable years immediately
following the taxable year for which the credit is allowed.

(2) A business entity classified as a partnership for federal
income tax purposes shall not be allowed a credit under this section
directly, but the amount of credit of a taxpayer in respect of a
distributive share of entity income, shall be determined by
ALLOCating to the taxpayer that proportion of the credit acquired by
the entity that is equal to the taxpayer's share, whether or not
distributed, of the total distributive income or gain of the entity for
its taxable year ending within or with the taxpayer's taxable year
except as otherwise provided by law. A New Jersey S Corporation
shall not be allowed a credit under this section directly, but the
amount of credit of a taxpayer in respect of a pro rata share of S
Corporation income, shall be determined by allocating to the
taxpayer that proportion of the credit acquired by the New Jersey S
Corporation that is equal to the taxpayer's share, whether or not
distributed, of the total pro rata share of S Corporation income of
the New Jersey S Corporation for its privilege period ending within
or with the taxpayer's taxable year.

e. A taxpayer may, upon issuance of a certification as a
qualified holder of a plenary retail consumption license by the
Director of the Division of Alcoholic Beverage Control in
accordance with subsection c. of this section, make and file an
application to the Director of the Division of Taxation for a tax
credit transfer certificate in lieu of the taxpayer being allowed an
annual installment of the credit or any amount of an annual
installment of the credit that may be taken against the gross income
tax liability of the taxpayer. The Director of the Division of
Taxation may prescribe the form and manner by which a taxpayer
may make and file a separate application in connection with each
annual installment of the credit or any amount of each annual
installment of the credit, and may consult with the Director of the
Division of Alcoholic Beverage Control in reviewing and approving
any application for a tax credit transfer certificate of a
taxpayer. The tax credit transfer certificate, upon issuance thereof
by the Director of the Division of Taxation, may be sold or
assigned, in whole or in part, to any other taxpayer that may have a
corporation business tax or a gross income tax liability, in exchange
for private financial assistance to be provided by the purchaser or
assignee to the taxpayer that is allowed a credit under this section.
The certificate issued to the taxpayer shall include a statement
waiving the taxpayer’s right to claim that amount of the annual
installment of the credit against the gross income tax that the
taxpayer has elected to sell or assign. The sale or assignment of any
amount of a tax credit transfer certificate allowed under this
subsection shall not be exchanged for consideration received by the
taxpayer of less than 75 percent of the transferred credit amount.
Any amount of a tax credit transfer certificate used by a purchaser
or assignee against a gross income tax liability shall be subject to
the same limitations and conditions that apply to the use of a credit
pursuant to subsection d. of this section. Any amount of a tax credit
transfer certificate obtained by a purchaser or assignee under this
section may be applied against the purchaser’s or assignee’s
corporation business tax liability and shall be subject to the same
limitations and conditions that apply to the use of a credit pursuant
to subsection d. of section 6 of P.L. , c. (C. ) (pending
before the Legislature as this bill).

f. (1) If, in the five-year period beginning with the taxable
year in which the taxpayer is certified as a qualified holder of a
plenary retail consumption license, the taxpayer sells or transfers
any part of the taxpayer’s interest in the license to another person,
the taxpayer shall forfeit that portion of the taxpayer’s credit that is
equal to the amount of consideration received by the taxpayer from
the sale or transfer of the license. The forfeited portion shall first
reduce the balance of any annual installment of a credit of the
taxpayer that is allowed but that has not been applied against the tax
liability of the taxpayer, or converted into a tax credit transfer
certificate and sold or assigned to another taxpayer in accordance
with subsection e. of this section, during the taxable year in which
the sale or transfer of the license occurs, and then shall reduce the
balance of any future annual installment of a credit of a taxpayer
who is allowed but that has not been applied, or converted and sold
or assigned to another taxpayer, beginning with future annual
installments allowed during the taxable year immediately following
the taxable year in which the sale or transfer occurs. If, after being
used to reduce future annual installments, the forfeited portion
exceeds the amount of any allowable credit remaining, the taxpayer
shall repay the amount of that excess to the Director of the Division
of Taxation; provided however, that if the taxpayer converted an
annual installment of the credit or any amount of an annual
installment of the credit into a tax credit transfer certificate in
accordance with subsection e. of this section, the amount of the
excess required to be repaid to the director shall be reduced, if
necessary, in proportion to the amount of consideration received by
the taxpayer from the sale or assignment of the tax credit transfer
certificate.
If, in the 15-year period beginning with the fifth taxable year immediately following the taxable year in which the taxpayer is certified as a qualified holder of a plenary retail consumption license, the taxpayer sells or transfers any part of the taxpayer’s interest in the license to another person, the taxpayer shall forfeit that portion of the taxpayer’s credit that is equal to the amount of consideration received by the taxpayer from the sale or transfer of the license. The forfeited portion shall first reduce the balance of any tax credit carryforward from a prior taxable year that is allowed but that has not been applied against the tax liability of the taxpayer during the taxable year in which the sale or transfer of the license occurs, and then shall reduce the balance of any tax credit carryforward from a prior taxable year that otherwise would have been applied against future tax liabilities of the taxpayer. If, after being used to reduce carryforwards from prior taxable years, the forfeited portion exceeds the amount of any allowable credit remaining, the taxpayer shall repay the amount of that excess to the Director of the Division of Taxation subject to the following limitations:

(a) if the taxpayer is required to repay the amount of any excess as a result of the sale or transfer of the taxpayer’s license occurring in the first five years of the 15-year period, the amount of the excess shall be multiplied by 0.75 to determine the amount of the excess required to be repaid to the Director of the Division of Taxation;

(b) if the taxpayer is required to repay the amount of any excess as a result of the sale or transfer of the taxpayer’s license occurring in the second five years of the 15-year period, the amount of the excess shall be multiplied by 0.50 to determine the amount of the excess required to be repaid to the Director of the Division of Taxation; and

(c) if the taxpayer is required to repay the amount of any excess as a result of the sale or transfer of the taxpayer’s license occurring in the third five years of the 15-year period, the amount of the excess shall be multiplied by 0.25 to determine the amount of the excess required to be repaid to the Director of the Division of Taxation.

In addition, if the taxpayer converted the credit or any amount of the credit into a tax credit transfer certificate in accordance with subsection d. of this section, the amount of the excess required to be repaid to the Director of the Division of Taxation shall be further reduced, if necessary, in proportion to the amount of consideration received by the taxpayer from the sale or assignment of the tax credit transfer certificate.

The amount of excess required to be repaid to the Director of the Division of Taxation pursuant to paragraph (1) or (2) of this subsection shall be a deficiency with respect to the payment of a State tax. The Director of the Division of Taxation shall have all
The holder of a plenary retail consumption license that has been inactive for more than two years immediately preceding the effective date of P.L. , c. (pending before the Legislature as this bill) shall not be eligible for the tax credit issued pursuant to this section.

8. R.S.33:1-76 is amended to read as follows:

33:1-76. Anything to the contrary hereinafter notwithstanding, and for the benefit not of property but of persons attendant therein, no license shall be issued for the sale of alcoholic beverages within two hundred feet of any church or public schoolhouse or private schoolhouse not conducted for pecuniary profit, except to manufacturers, wholesalers, hotels, clubs, and fraternal organizations which owned or were actually in possession of the licensed premises on December sixth, one thousand nine hundred and thirty-three December 6, 1933. The protection of this section may be waived at the issuance of the license and at each renewal thereafter, by the duly authorized governing body on authority of such church or school, such and the waiver is to be effective until the date of the next renewal of the license. [Said two hundred] The 200 feet shall be measured in the normal way that a pedestrian would properly walk from the nearest entrance of said church or school to the nearest entrance of the premises sought to be licensed.

The prohibition contained in this section shall not apply to special restricted restaurant licenses or restricted beer and wine licenses issued pursuant to R.S.33:1-12. In addition, the prohibition contained in this section shall not apply to the renewal of any license where no church or schoolhouse was located within two hundred feet of the licensed premises as aforesaid at the time of the issuance of the license, nor to the issuance or renewal, or both, of any license where the premises have been heretofore licensed for the sale of alcoholic beverages or intoxicating liquors, and the church or schoolhouse was constructed or established, or both, during the time said premises were operated under the previous license.

(cf: R.S.33:1-76)

9. R.S.33:1-31 is amended to read as follows:
Any license, whether issued by the director or any other issuing authority, may be suspended or revoked by the director, or the other issuing authority may suspend or revoke any license issued by it, for any of the following causes:

a. Violation of any of the provisions of this chapter;

b. Manufacture, transportation, distribution or sale of alcoholic beverages in a manner or to an extent not permitted by the license or by law;

c. Nonpayment of any excise tax or other payment required by law to be paid to the State Tax Commissioner;

d. Failure to comply with any of the provisions of subtitle 8 of the Title Taxation (s.54:41-1 et seq.);

e. Failure to have at all times a valid, unrevoked permit, license or special tax stamp, or other indicia of payment, of all fees, taxes, penalties and payments required by any law of the United States;

f. Failure to have at all times proper stamps or other proper evidence of payment of any tax required to be paid by any law of this State;

g. Any violation of rules and regulations;

h. Any violation of any ordinance, resolution or regulation of any other issuing authority or governing board or body;

i. Any other act or happening, occurring after the time of making of an application for a license which if it had occurred before said time would have prevented the issuance of the license;

or

j. For any other cause designated by this chapter.

No suspension or revocation of any license shall be made until a five-day notice of the charges preferred against the licensee shall have been given to him personally or by mailing the same by registered mail addressed to him at the licensed premises and a reasonable opportunity to be heard thereon afforded to him.

A suspension or revocation of license shall be effected by a notice in writing of such suspension or revocation, designating the effective date thereof, and in case of suspension, the term of such suspension, which notice may be served upon the licensee personally or by mailing the same by registered mail addressed to him at the licensed premises. Such suspension or revocation shall apply to the licensee and to the licensed premises.

A revocation shall render the licensee and the officers, directors and each owner, directly or indirectly, of more than 10% of the stock of a corporate licensee ineligible to hold or receive any other license, of any kind or class under this chapter, for a period of two years from the effective date of such revocation and a second revocation shall render the licensee and the officers, directors and each owner, directly or indirectly, of more than 10% of the stock of a corporate licensee ineligible to hold or receive any such license at any time thereafter. Any revocation may, in the discretion of the director or other issuing authority as the case may
be, render the licensed premises ineligible to become the subject of any further license, of any kind or class under this chapter, during a period of two years from the effective date of the revocation.

The director may, in his discretion and subject to rules and regulations, accept from any licensee an offer in compromise in such amount as may in the discretion of the director be proper under the circumstances in lieu of any suspension of any license by the director or any other issuing authority. The director also may, in the director’s discretion and subject to rules and regulations, accept from the holder of a special restricted restaurant permit or a restricted beer and wine permit issued pursuant to section 1 or section 2 of P.L. , c. (pending before the Legislature as this bill) a compromise in lieu of any suspension or revocation pursuant to section 4 of P.L. , c. (pending before the Legislature as this bill).

No refund, except as expressly permitted by section 33:1-26 of this Title, shall be made of any portion of a license fee after issuance of a license; but if any licensee, except a seasonal retail consumption licensee, shall voluntarily surrender his license, there shall be returned to him, after deducting as a surrender fee 50% of the license fee paid by him, the prorated fee for the unexpired term; provided, that such licensee shall not have committed any violation of this chapter or of any rule or regulation or done anything which in the fair discretion of the director or other issuing authority, as the case may be, should bar or preclude such licensee from making such claim for refund and that all taxes and other set-offs or counterclaims which shall have accrued and shall have become due and payable to this State or any municipality, or both, have been paid. Such refund, if any, shall be made as of the date of such surrender. The surrender of a license shall not bar proceedings to revoke such license. The refusal of the other issuing authority to grant any refund hereunder shall be subject to appeal to the director within 30 days after notice of such refusal is mailed to or served upon the licensee. Surrenders of retail licenses shall be promptly certified by the issuing authority to the director. Surrender fees shall be accounted for as are investigation fees. If any licensee to whom a refund shall become due under the provisions of this section shall be indebted to the State of New Jersey for any taxes, penalties or interest by virtue of the provisions of subtitle 8 of the Title Taxation (s. 54:41-1 et seq.), it shall be the duty of the issuing authority before making any such refund, upon receipt of a certificate of the State Tax Commissioner evidencing the said indebtedness to the State of New Jersey, to deduct therefrom, and to remit forthwith to the State Tax Commissioner the amount of such taxes, penalties and interest.

In the event of any suspension or revocation of any license by the other issuing authority, the licensee may, within 30 days after the date of service or of mailing of said notice of suspension or of
revocation, upon payment to the director of a nonreturnable filing
fee of $100.00, appeal to the director from the action of the other
issuing authority in suspending or revoking such license which
appeal shall act as a stay of such suspension or revocation pending
the determination thereof unless the director shall otherwise order.
When any person files with any other issuing authority written
complaint against a licensee specifying charges and requesting that
proceedings be instituted to revoke or suspend such license, he may
appeal to the director from its refusal to revoke or suspend such
license or other action taken by it in connection therewith within 30
days from the time of service upon or mailing of notice to him of
such refusal or action. The director shall thereupon fix a time for
the hearing of the appeal and before hearing the same shall give at
least five days' notice of the time so fixed to such licensee, other
issuing authority and appellant.¹

¹10. R.S.33:1-35 is amended to read as follows:

33:1-35. The Director of the Division of Alcoholic Beverage
Control and each other issuing authority may make, or cause to be
made, such investigations as he or it shall deem proper in the
administration of this chapter and of any and all other laws now or
which may hereafter be in force and effect concerning alcoholic
beverages, or the manufacture, distribution or sale thereof, or the
collection of taxes thereon, including the inspection and search of
premises for which the license is sought or has been issued, of any
building containing the same, of licensed buildings, examination of
the books, records, accounts, documents and papers of the licensees
or on the licensed premises.

Every applicant for a license, and every licensee, and every
director, officer, agent and employee of every licensee, shall, on
demand, exhibit to the director or other issuing authority, as the
case may be, or to his or its deputies or investigators, or inspectors
or agents all of the matters and things which the director of the
division or other issuing authority, as the case may be, is hereby
authorized or empowered to investigate, inspect or examine, and to
facilitate, as far as may be in their power so to do, in any such
investigation, examination or inspection, and they shall not in any
way hinder or delay or cause the hindrance or delay of same, in any
manner whatsoever. Investigations, inspections and searches of
licensed premises may be made without search warrant by the
director, his deputies, inspectors or investigators, by each other
issuing authority and by any officer.

For the purpose of any investigation, examination or inspection,
revocation, rule to show cause and every other proceeding
authorized under this chapter or appropriate for its enforcement,
the director, his deputy directors, attorneys and legal assistants
designated to act on his behalf, and each other issuing authority
may examine, under oath, any and all persons whatsoever and compel by subpoena the attendance of witnesses and the production of books, records, accounts, papers and documents of any person or persons and the director, his deputy directors, inspectors and investigators and each other issuing authority may take any oath or affirmation of any person to any deposition, statement, report or application required in the administration of this chapter, or of any and all other laws now or which may hereafter be in force and effect concerning alcoholic beverages, or the manufacture, distribution and the sale thereof, or the collection of taxes thereon.

The director shall authorize law enforcement officers who serve a municipality to coordinate with the Division of Alcoholic Beverage Control to enforce Title 33 of the Revised Statutes governing the sale of alcoholic beverages by a special restricted restaurant permit or a restricted beer and wine permit issued pursuant to section 1 or section 2 of P.L. (pending before the Legislature as this bill). A law enforcement officer authorized to coordinate with the Division of Alcoholic Beverage Control to enforce Title 33 of the Revised Statutes shall receive appropriate training by the division.

The fees of witnesses required to attend before the director or other issuing authority shall be the same as those allowed to witnesses in the Superior Court.

The above enumerations of purposes and powers shall not be construed as exclusive and shall not limit such power to investigate, examine and subpoena for any purpose consonant with the administration and enforcement of this chapter.

If a person subpoenaed to attend any hearing refuses or fails to appear or to be examined, or to answer any question or to produce any books, records, accounts, papers and documents when ordered so to do by the director, the director or other issuing authority, as the case may be, may apply to the Superior Court to compel the person to comply forthwith with the subpoena, direction or order of the director or the other issuing authority, as the case may be.

Each deputy director shall have and exercise all the powers conferred by this chapter upon the director to the extent that the same shall be delegated to him by the director by rules and regulations.

One of such deputy directors shall be designated by the director with power to perform all of the duties of the director in case of his absence or inability to act for any cause and who shall also have authority to so act in the event of the death of the director until a successor has been appointed and qualified.¹

¹11. (New section) The provisions of P.L. , c. (C. ) (pending before the Legislature as this bill) are severable; if any provision, or application of any provision, of
P.L. c. (C.) (pending before the Legislature as this bill) is held invalid by any court, the holding or judgment shall not affect the remaining provisions or applications of the provisions thereof.¹

¹[9.] ¹ This act shall take effect on the first day of the nineteenth month following enactment.