

LEGISLATIVE AFFAIRS REPORT
NEW JERSEY LICENSED BEVERAGE ASSOCIATION
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TRENTON, NEW JERSEY

The “Showdown” in Trenton

During the past few weeks, Governor Christie continues to let the state know he’s in charge by his continued strong stance with the New Jersey Education Association over school aid, “merit pay”, and the freezing of salaries; his decision to not re-appoint a Supreme Court Justice in order that he could build a “more conservative court”; telling New Jersey officials that they should not be allowed to have priority in gaining access to concern tickets; hanging tough on his proposed \$32.9 billion budget; and blasting the New Jersey Sports Authority for their spending habits. Here are some press highlights on these issues:

Christie and the NJEA – Last week, Governor Christie sent his Education Commissioner, Bret Schundler to negotiate with the NJEA over a federal grant application, called “Race to the Top” which would bring \$400,000 million in new federal dollars to the state. Prior to the negotiation the NJEA was a lead organizer for a protest rally that drew 35,000 state and local union members to Trenton. After the negotiation ended, Schundler announced that he and the unions had agreed; namely the issue of “Merit Pay”. No sooner than Schundler had made his announcement, the Governor said he could not accept the compromise and asked that Schundler go back and rework the application. An embarrassing situation for Schundler in that Christie said, “this is my administration, I’m responsible for it, and I make the decisions.” Guess cabinet officials aren’t going to have a lot to say in this Administration;

Christie calls NJ Sports Authority a big “money pit”. – On Wednesday of last week, the State Auditor revealed that NJSEA is losing money every day and that it will have to come to the state for a “bailout” of \$32.9 million. The reason: big payroll; fat salaries and benefits; horse racing is dying; the new stadium deal cost the state money; pro teams have fled the Meadowlands; advance payments from Xanadu have been squandered; and now the NJSEA can’t even pay its electric bills.

The Budget Deal – Despite Governor Christie’s painful budget cuts and months of partisan battles over his plan, an agreement is taking shape between Democratic Republican lawmakers that would avert a shutdown of state government and save a handful of popular programs scheduled for elimination. The plan would leave Christie’s \$23.9 billion budget intact and preserve most of the cuts, including the \$820 million in aid to school districts. However, several smaller changes will be made. Money for public libraries; keeping Hagedorn Psychiatric Hospital open; and preserving the blue laws in Bergen County. The interesting twist is the Democrats have agreed to muster enough votes to pass the Republicans’ budget;

however, they are insisting that they write the budget which will allow the democrats some distance from a budget they dislike.

The Supreme Court – Everyone was shocked when the Governor refused to reappoint Justice John Wallace, Jr. to the Supreme Court. And, it has caused an uproar among N. J.'s judicial panel; lawyer groups, and democrats. But, Christie “hangs tough” amidst controversy and recently revealed why he made the decision to remove Wallace from the bench. It was the first phase in a larger scheme to take money out of poor urban school districts and spread it around to wealthier suburbs. “If people wonder why I want to change the Supreme Court, it’s because I don’t have the flexibility to change the school funding formula,” he said. “The Supreme Court theory that if you put more money in schools they are just going to get better. This has proven wrong.”

A “Tidal Wave” of Alcohol Beverage Bills – Recently Senator Jim Beach introduced a package of 5 bills that would have a very negative impact on the alcoholic beverage industry. A coalition of alcoholic beverage representatives, including, Barbara McConnell, NJLBA, met with Senator Beach to discuss these bills and to express our opposition and to convey their impact on the industry:

1. S-1903 – Permits service of beer and wine by certain restaurants. This bill is known as a “restricted restaurant license” which would be issued to restaurants that want to sell beer and wine in connection with service of food for consumption in the restaurant. The fee for the license would be 75% of the annual fee for a plenary retail license. NJLBA strongly opposed this bill and stated that it is enough that we have to compete with the “seasonal retail consumption license; the “Club License”; and the BYOB’s. Senator Beach seemed sympathetic to our position.

2. S-1904 – the two-limit retail license to sell alcoholic beverages. This is known as the Supermarket Economic Development bill, because it would lift the two-license limit and allow each supermarket to obtain up to 10 additional licenses within a 10-year period. This change would certainly put many of New Jersey’s large and small package stores out of business, and the coalition is pulling out all the stops to defeat this bill.

3. S-1905 and S-1906 – These bills would allow a municipality to issue a plenary retail consumption license from a contiguous municipality located in the same county – thus circumventing the population requirements established by law. NJLBA opposes these bills as written.

4. S-1907 – would create a “limited religious retail distribution license” which would allow any food store which sells groceries and other foodstuffs certified as under rabbinical supervision to sell any un-chilled alcoholic beverage that has been certified as kosher. The fee would be between \$31 and \$63.

The Legislative Schedule

The Legislature will continue to meet during the month of June until a Budget is passed. We might expect to see the “two-license” bill be scheduled for a hearing during that time. It is likely the Legislature will adjourn until sometime in September.