

**LEGISLATIVE AFFAIRS REPORT
NEW JERSEY LICENSED BEVERAGE ASSOCIATION
WEDNESDAY, MARCH 11, 2009
TRENTON, NEW JERSEY**

Corzine Calls for Increase in Alcohol and Cigarette Taxes - During yesterday's Budget Message, Governor Corzine said he would close the anticipated \$7 billion gap in the budget with \$400 billion in cuts to programs, rebates, pension payments, and state worker salaries – the largest of which is a “scaling back of homestead rebates” by \$500 million; \$2 billion in federal aid; and \$1 billion in new revenue. To that end, he is proposing a one-year, only, 5 percent surcharge on income tax liability for residents earning more than \$500,000 per year. And, he calling for “small increases” on liquor, wine, and cigarette taxes that would generate \$30 million in revenue.

Fire Code Regulations - Mike Marsh had to cancel a meeting that was scheduled with New Jersey's Fire Chief, due to snow. The purpose of the meeting was to try and get some clarity as to how the new regulations would be interpreted and enforced. NJLBA and NJRA still has under consideration the option of asking for legislation that would change the definition of “nightclub”.

“Direct Shipping of Wine” - Legislation was scheduled for committee consideration before the Senate Law and Public Safety Committee for Monday, March 3, 2009. Session cancelled because of snow. NJLBA strongly opposes this legislation because it would allow out-of-state wineries, wholesalers, and retailers to ship wine directly to New Jersey consumers. This would certainly have an impact on package stores in New Jersey; and possibly result in a loss of sales tax and excise tax revenues. The organization which is pushing this legislation, “Uncork New Jersey” says the measure is more about providing choices to wine-lovers than impacting existing businesses. New Jersey consumers currently has about 47,000 choices now!

“No” to More Fees for Licenses - NJLBA testified before the Senate Law and Public Safety Committee, stating that legislation to permit municipalities to impose an assessment for costs and attorney fees on a licensee was “an invitation to mischief and would provide a strong and perverse incentive for municipalities to use the law as a revenue generator.” The Committee agreed with NJLBA and held the bill.

Bill to Allow Alcoholic Beverages to be sold during “Bingo” - This bill which was scheduled for consideration on Monday, March 3, was cancelled because of snow. Has not been rescheduled. NJLBA strongly supports.