

IT STARTS ALL OVER AGAIN - 2016

With New Jersey's 216th Legislative Session breathing its last gasp at noon on Tuesday, January 12th, there is no time for reflection as the 217th began right on its heels at 12:01. There is no rest for the weary.

Once again, New Jersey's beleaguered hospitality sector was, and remains, firmly in the crosshairs of a couple of the Legislature's most aggressive players. Assembly Majority Leader Lou Greenwald (D-Camden) and Assemblyman John Burzichelli (D-Gloucester) continue their drumbeat for radical changes to New Jersey's time-tested system of alcoholic beverage regulation. It is anticipated that Mr. Burzichelli will, once again, introduce his R1/R2 bill to create an unlimited amount of new, inexpensive retail consumption licenses, as well as one additional Plenary Retail Consumption License for every single town in the State of New Jersey. This radical departure from common sense and fairness is destined to destroy thousands of family-owned businesses and to severely dilute the value of the surviving businesses. Oh.....and the price tag to compensate existing licensees is at least \$2.6 Billion.

In a recent interview about his priorities in the dawning legislative session, Assemblyman Burzichelli said "(H)opefully this is the year." Burzichelli said he is seeing "a really wide base of support among municipalities" looking for economic development, "because restaurants bring people, and the liquor license plays a big role in a restaurant's success." FYI- New Jersey leads the nation in the ratio of liquor licenses to population at 1:1300. New Jersey has one license for every 1300 census persons (that includes children!) In addition, we already know from history that New Jersey, which currently has about 7500 consumption licenses, had 15,000 such licenses in the mid-1980s. The total gallonage sold did not go up when there were twice as many retail outlets and the gallonage did not go down as the retailer bankruptcies and shuttered doors piled up over the last 30 years. If the license to sell alcohol is a monopoly – as repeatedly asserted by Mr. Burzichelli and Mr. Greenwald – how have free market forces so devastated the retailer ranks? It just ain't so.

Mr. Greenwald, meanwhile, is once again pushing a radical and economically ill-advised licensing scheme that, as it has done in other states, promises to devastate New Jersey's family-owned liquor stores and deliver a deluge of global chains. Family businesses and tax revenues will be destroyed, forever, if Mr. Greenwald's repeated attempts to eliminate New Jersey's Two License Law finds a green light. Looking ahead to the new legislative session, Mr. Greenwald stated "(W)e'll continue to reintroduce it until it finally passes and becomes law."

In addition to these two major threats, a host of destructive legislation is pending, including efforts by craft brewers to own restaurants – blasting our three-tier system in a blaze of tied houses. Seemingly innocuous changes like this truly

threaten our entire system – a system that has proved highly successful in regulating a tough industry and in collecting the precious tax dollar for our collective benefit.

What can we do to ensure that these ill-conceived and destructive policies do not become law?

1. **Give some thought to which elected officials you know:** while Senators and Assemblyman are critical, so too are councilmen, mayors, freeholders and county executives. All elected officials at the county and local levels are key influencers in the legislative process. A mayor brings real credibility to a legislator when she demonstrates that a wine and beer licensing bill will hurt local businesses and destabilize her downtown. Prepare a list of your key contacts and communicate this information to Diane Weiss (NJLBA), Juan and/or myself.
2. **Contribute to your trade association PAC.** If you have been a contributor, it is in your self-interest to write a larger check. If you have not made an NJLBA PAC contribution, please take a hard look at the challenges immediately ahead and make the decision to join the effort. Write a check.
3. **Do your best to recruit new NJLBA Members.** United We Stand. The NJLBA will assist you in every way possible to provide the reasons why it makes sense to join – including being at your side while you make the membership pitch.
4. **Answer calls to action when they come.** While the NJLBA Executive Board is dedicated and effective, it certainly helps our cause when we fill the Statehouse corridors with an overflowing crowd of impacted and angry licensees. Most times, we receive as little as 3 days notice to mobilize against bad bills. We need you to turn out and to fill your car with as many licensees as you can legally fit.

Get involved!