



RESTAURANT LIQUOR LICENSES

SUMMARY OF ASSEMBLY BILL 3494, AS AMENDED IN THE ASSEMBLY APPROPRIATIONS COMMITTEE ON OCTOBER 22, 2018

Introduced by Assemblyman John Burzichelli

- **Creates a new “R1” Restricted Restaurant Permit**
 - Permits sale of any alcoholic beverages (beer, wine and spirits) by the glass or bottle (a similar but more limited beer & wine – only “R2” permit is also created by A3494—see below)
 - Restaurant must be located in an Urban Enterprise Zone, downtown business improvement district, pedestrian mall or special improvement district, transit oriented development, or a redevelopment or rehabilitation area
 - Restaurant must measure between 800sf and 4,500sf
 - A bar or bar area is prohibited; however, in addition to table service, drinks can be delivered by wait staff from the permitted “service bar” to patrons waiting to be seated
 - Restaurant shall not be closed for business for more than 30 consecutive days between the months of September and May
 - “Dry” towns can opt-in or remain “dry” while towns otherwise permitting the sale of alcoholic beverages cannot opt-out of R1 permits
 - Towns are permitted to issue an unlimited number of R1 permits
 - Permits not available to towns in Cape May County



- Unlike liquor licenses, R1 permits allow the sale of alcoholic beverages within 200 feet of places of worship and schools
- R1 permits cannot be sold or transferred
- Initial fee/annual renewal fee for R1 permit : \$7,500 for restaurants measuring between 800sf and 2,000sf; \$10,000 for restaurants measuring between 2,001sf and 4,500sf
- Creates a new “R2” Restricted Beer & Wine Permit
 - Substantially the same as “R1” permit, with notable exceptions:
 - Limited to sale of beer and wine only
 - No service to waiting area; table service only
 - Initial fee/annual renewal fee for R2 permit: \$3,000 for restaurants measuring between 800sf and 2,000sf; \$5,000 for restaurants measuring between 2,001sf and 4,500sf
- Provides a compensation mechanism for existing Class “C” license holders for any demonstrated “qualified loss in value” of a license resulting from the creation of the new R1 and R2 permits
- Amendment to Class “C” License Scheme
 - Current law only permits a new “C” license to be issued each time a town’s population increases by 3,000 residents; A3494 would allow a town to issue one new C license based on a *projected* population increase of 3,000 residents, provided that the town has adopted a master plan. Town may issue another C license whenever an additional 3,000 residents are added to town’s population, up to the maximum number of licenses supported by the projected peak population in the master plan