



## Testimony Calls for NJ liquor License Laws Reform

By: Leah Mishkin, March 21, 2019

The liquor license laws in New Jersey haven't changed much since Prohibition.

“One small move in the wrong direction can irreparably damage many existing license holders, families, individuals that are struggling to make a living in this state,” said Assemblyman Brian Rumpf.

Kashmir Gill owns a handful of gas stations with convenient stores across the state.

“With the increase in smoking age, our cigarette sales are out the window, carbonated sales is down because parents don't want their kids to drink soda, so the opportunities at the gas station and retail outlets have gone down big time,” said Gill.

Gill says the opportunity to sell beer and wine would be a game changer — something currently illegal under New Jersey law. Sal Risalvato represents convenience stores. He'd like to see a new type of liquor license made available to convenience stores, particularly those associated with gas stations.

“I'd like to point out that in the other states of the country, that 80 percent of the convenience stores, and I underline we're convenient stores, sell beer and wine. We're not asking to be able to become a liquor store and sell all kinds of liquor,” said Risalvato.

In New Jersey any corporate entity can't own more than two liquor licenses. There was testimony Thursday trying to get that cap raised to 10.

“Back in 2015 we acquired 71 A&P stores, the company went bankrupt,, they were going out of business, 5 of which had grandfathered liquor licenses,” said Bill Crosby, vice president of Operations for ACME Markets. “We purchased those stores with the anticipation of being able to activate the licenses.”

Crosby says because they already had two in play, they were unable to use the A&P licenses.

“Alcohol has become part of the food shopping experience and New Jersey consumers want to see beer, wine and spirits in their supermarkets,” said Michael DeLoreto, the attorney representing the New Jersey Food Council and the Retailers for Responsible Liquor Licensing.

Because there are only roughly 9,000 liquor licenses in circulation in the state, people have been paying hundreds of thousands of dollars, and in some cases over a million, to get their hands on one. Those people believe they are at risk of losing their investment if the system is flooded with more licenses.

Current license holders say you can’t all of a sudden change the system without compensation. Members of the Beer Wholesalers Association also voiced concern.

“In 2011, the state of Washington underwent massive deregulation. That has led to an increase in liquor stores from 328 to over 1,700. At the same time prices increased to more than 15 percent and fewer brands were available. Small liquor stores began failing, small producers lost money, and shoplifting and underage drinking have increased,” said Michael Halfacre, executive director of Beer Wholesalers Association of NJ.

As the chairman said, it’s a topic 71 years in the making. They plan on having another hearing to continue the conversation.