

**LEGISLATIVE AFFAIRS REPORT  
NEW JERSEY LICENSED BEVERAGE ASSOCIATION  
WEDNESDAY, FEBRUARY 16, 2010  
TRENTON, NEW JERSEY**

**by – Barbara McConnell, Legislative Representative**

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### **New Jersey – “A Fiscal State of Emergency”**

On February 11, 2010, Governor Christie declared a “fiscal state of emergency” in a speech to a Joint Session of the Legislature, and laid out about \$1.5 billion in spending cuts, including freezing \$475 million in aid to school districts, \$62.1 million in support for public colleges and \$12.6 million in hospital aid. And, he told New Jersey Transit that the state could not continue to fund them at the same level – and, that they essentially needed to “clean up their act and take a look at their rich labor contracts”. He also said, “*the budget passed less than eight months ago, in June of last year, contained all the same worn out tricks of the trade that have become common place in Trenton, that have driven our citizens to anger and frustration and our state to the edge of bankruptcy.*” The Governor estimated that anticipated revenues for this fiscal year were \$2.2 billion short. Take a look at this:

- Sales Tax Revenue down 5.5%
- Unemployment over 10%;
- Corporation Business Tax down 8 percent; and
- \$800 million in additional spending was done by the previous administration on “their way out the door”.

As expected, Democrats and special interest groups are upset and disagree with the Governor’s plan, but the business community is very supportive that the Governor is doing what they believe it takes to get New Jersey’s fiscal house in order.

### **Study Shows Exodus of Wealth from New Jersey**

A Boston College study released last week showed that from 2004 through 2008, \$70 billion in wealth left New Jersey, while the state’s charitable capacity declined by \$1.13 billion. Dennis Bone, Chairman of the New Jersey Chamber of Commerce said, “This study makes it crystal clear that New Jersey’s tax policies are resulting in a significant decline in the state’s wealth.”

### **214<sup>th</sup> Legislature Acts on numerous Alcohol Beverage Related Bills**

- **Direct Wine Shipments to NJ Consumers** – Legislation sponsored by Senate President Stephen Sweeney and Senator Brian Stack would allow New Jersey consumers to receive direct shipments from wineries was released by the Senate Law and Public Safety Committee. NJLBA testified against the legislation as “*another legislative measure that*

*would drive a nail in existing licensee's coffin; and create unfair competition.*" NJLBA also pointed out the potential loss of sales tax, excise tax, and difficulty of keeping mail order alcohol out of the hands of underage drinkers. It is interesting to note that the N. J. Package Store Association and New Jersey Restaurant Association remained "neutral" on the bill. The Department of Agriculture; and BYOB's were in favor of the bill!

- **Serving of Alcohol at Bingo Games** – Legislation to permit bars and restaurants to serve alcohol at Bingo Games on premises was reported out of the Assembly Law and Public Safety Committee. NJLBA appeared before the Committee and expressed their strong support.
- **SCR49 – Lesniak/Van Drew** – Proposes constitutional amendment authorizing the Legislature to allow in-person wagering and account wagering on sports events at Atlantic City casinos and at racetracks. Reported out of committee and now goes to the Senate. Trenton hopes that sports betting will help New Jersey's racetracks, and help the casinos to recover some of the 18% decrease in revenues they are experiencing.

**NJLBA Promotes Video Lottery on Train to DC** – During the annual train trip to Washington, DC, sponsored by the New Jersey Chamber of Commerce, representatives of NJLBA spoke to several legislators about the need to legalize Video Lottery in New Jersey's bars, and taverns as a way to boost business in these establishments, as well as bring in new and additional revenue to the state for Property Tax Relief.

### **Assemblyman Burzichelli Invited to Speak to Licensees in Gloucester and Camden Counties**

Assemblyman Burzichelli, Deputy Speaker of the Assembly, has been invited to speak to on-premises consumption licensees on February 24 at the Valley Brook Country Club – owned by Ron Jaworski - in Blackwood, New Jersey

### **NJLBA Invited to Appear Before the Assembly Regulatory Oversight Committee**

NJLBA received an e-mail from Majority Leader Joe Cryan saying that he would welcome input from NJLBA on regulatory issues that have impacted the small bars and taverns.

**REMINDER:** Please provide NJLBA with two or three regulatory issues that you feel should be changed, or that are over-burdensome.

### **Fire Code Reminder**

If you have not responded to an inquiry sent to you or posted on NJLBA's Website regarding the New Jersey Fire Code and its impact on you, please do so in order that we can present these findings to the Regulatory Oversight Committee, and the Committee that is looking into the Department of Community Affairs.