Two Major Updates for New Jersey Alcoholic Beverage License Holders on Outdoor Dining Rules and New Mandatory Signage for Businesses

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Just in time for the Thanksgiving holiday, New Jersey has taken action on two items that impact the operations of alcoholic beverage licensees. The first action codifies the COVID-era outdoor dining and beverage service rules in statute, while the second requires certain alcoholic beverage licensees to post signs that bring awareness to the risks of human trafficking.

Renewal of Outdoor Dining and Beverage Service Permits

Governor Murphy signed S3608/A4866 into law on November 25, 2024, making permanent the COVID-era outdoor dining permissions for restaurants and certain alcoholic beverage retailers and manufacturers.

Under the new law, the holder of a temporary expansion permit issued by the New Jersey Division of Alcoholic Beverage Control (the "Division") may have its temporary permit converted to an annual permit, which is renewable with the approval of local officials. Owners and operators of these businesses are permitted to use certain outdoor spaces as an extension of their business premises for the purpose of conducting sales of food and beverages, including alcoholic beverages if licensed. This includes the continued use of fixtures such as covered and uncovered patios and decks, tents, canopies, umbrellas, tables, and chairs for outdoor dining.

The enactment of S3608/A-4866 brings to a close four years of temporary outdoor dining rules. Governor Murphy originally signed legislation to expand outdoor dining in 2021 after authorizing the practice in June 2020 due to the COVID-19 pandemic. The 2021 law extended the effective period of permits issued under an ABC special ruling that allowed licensees to expand the premises to serve alcoholic beverages in outdoor spaces. The extension was

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automatic for all permit holders but would have expired on November 30, 2024.

Required Display of Human Trafficking Awareness Signage

The Division issued Advisory Notice 2024-09 on November 22, 2024, informing holders of certain New Jersey alcoholic beverage licenses that they are required to post human trafficking awareness signs. Those entities subject to the jurisdiction of the Division and statutorily required to post the notices are Plenary Retail Consumption Licensees ("33"); Seasonal Retail Consumption Licensees ("34"); Plenary Retail Consumption with Broad Package Privilege Licensees ("32"); Hotel/Motel Licensees ("36"); Special Concessionaire Permittees ("14"); Club Licensees ("31"); and Retail Transit Licensees ("13").

Per the Advisory Notice, the Division has made the signs available online, and licensees are responsible for downloading and printing the signs from the ABC for posting. The Division intends to promulgate regulations requiring the posting of the signs, which includes the ability to enforce the regulations and impose fines for non-compliant establishments.

The posting of these signs stems from recent actions by the New Jersey Commission on Human Trafficking. New Jersey is considered particularly vulnerable to human trafficking due to its location along the I-95 corridor connecting several major metropolitan areas. One of Commission's objectives was to develop a human trafficking public awareness sign to be posted in a place visible to employees and the public at certain establishments where human trafficking is likely to occur. According to the Division, "human trafficking is known to occur in bars, restaurants, hotels, hotel rooms, nightclubs and strip clubs, and these types of establishments are subject to the Division's regulatory jurisdiction."

The FTB Gibbons attorneys practicing in the field of liquor licensing & alcoholic beverage control will continue to monitor developments related to obtaining or converting an outdoor dining permit or compliance with displaying the human trafficking awareness signage.

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