SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1299

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 13, 2024

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1299.

As amended, this bill requires certain alcoholic beverage licensees to carry a policy of alcoholic beverage liability insurance, unless the person carries a commercial general liability policy that provides coverage for alcoholic beverage liability. The licensees captured under the bill are: (1) pursuant to R.S.33:1-10, the following Class A licenses: limited brewery license; restricted brewery license; plenary winery license; farm winery license; cidery and meadery license; and craft distillery license; (2) pursuant to R.S.33:1-12, the following Class C licenses: plenary retail consumption license; seasonal retail consumption license; plenary retail consumption license with broad package privilege; plenary retail transit license; club license; sports facility license; and broad "C" license functioning in whole or in part as an on-premise consumption license; and (3) any other license or permit issued by the Director of the Division of Alcoholic Beverage Control or the Division of Gaming Enforcement, or which is created by the Legislature subsequent to the enactment of the bill that permits the holder of the license or permit to sell or serve alcoholic beverages by the drink to the public, including certain specific licenses. The bill requires that persons subject to the provisions of the bill provide proof of the alcoholic beverage liability insurance policy.

This bill provides that the alcoholic beverage liability insurance policy required pursuant to the bill is to be in an amount of not less than $500,000 of coverage.

The purpose of the bill is not to modify existing insurance contract provisions governing liquor sales liability coverages or exclusions, but rather to require sellers to purchase appropriate coverage to protect themselves and their customers.

The failure to meet the requirements of the bill will be grounds for suspension or revocation of the alcoholic beverage license.

This bill was pre-filed for introduction in the 2024-2025 session pending technical review. As reported, the bill includes the changes required by technical review, which has been performed.

COMMITTEE AMENDMENTS:

The committee amended the bill to stipulate that the failure to meet the requirements of the bill will be grounds for suspension or revocation of a license.