STATE OF NEW JERSEY DEPARTMENT OF LAW AND PUBLIC SAFETY DIVISION OF ALCOHOLIC BEVERAGE CONTROL

IN THE MATTER OF THE TEMPORARY	`
EXTENSION OF COOPERATIVE PURCHASING	
AND SOLICITOR PERMITS AND TRANSIT	`
INSIGNIAS DUE TO STATE OF EMERGENCY	`
IN RESPONSE TO COVID-19 PANDEMIC	,
	,

AO 2020-03
ORDER AUTHORIZING EXTENSION
OF COOPERATIVE PURCHASING
AND SOLICITOR PERMITS AND
TRANSIT INSIGNIAS THROUGH
SEPTEMBER 30, 2020

BY THE ACTING DIRECTOR:

In response to the public health hazard posed by the novel Coronavirus disease ("COVID-19"), Governor Philip D. Murphy exercised his Constitutional powers and issued Executive Order No. 103 (2020) ("EO No. 103") on March 9, 2020, which declared both a Public Health Emergency and State of Emergency. The alcoholic beverage industry in New Jersey has been significantly affected by the public health pandemic. The Division has taken steps throughout this time to assist licensees and permittees in navigating the situation in order to maintain a stable marketplace. In furtherance of this, the Division authorizes the extension of Cooperative Purchasing and Solicitor Permits and Transit Insignias through September 30, 2020, as explained below.

Pursuant to the Alcoholic Beverage Control Act, N.J.S.A. 33:1-1 to 4.1, and the implementing regulations (collectively, the "ABC Act"), the Director's "power to regulate the sale of intoxicating liquors is 'practically limitless," R & R Mktg., L.L.C. v. Brown-Forman Corp., 158 N.J. 170, 176 (1999). The Director has the authority to make such general rules and regulations and such special rulings and findings "as may be necessary for the proper regulation and control of the manufacturer, sale and distribution of alcoholic beverages ..., and [to] alter, amend, repeal and publish the same from time to time." N.J.S.A. 33:1-39. The Director also has the authority to issue permits to provide for contingencies not expressly provided for in the ABC Act. N.J.S.A. 33:1-74.

The Division issues numerous permits in the exercise of its authority to regulate alcoholic beverages to protect the health, safety and welfare of the people of this State. N.J.S.A. 33:1-3.1(b)(1).

On April 1, 2020, because travel and business restrictions related to the State of Emergency made it difficult or impossible for certain permit holders to extend their permits, the Director issued an Administrative Order extending certain permits until the State of Emergency is lifted. The four permits impacted were the *Ad-Interim*, Temporary Authorization to Operate (TAPs), Minor Employment and "Blanket" Employment permits. The Division determined that extending these permits was necessary in order to maintain stability in the industry, to avoid undue hardship on licensees, and for good cause. *See* AO 2020-01 Order Authorizing Extension of Certain Permits During State of Emergency.

On April 13, 2020, the Director issued another Administrative Order that authorized the extension of all 2019-2020 municipally- and state-issued licenses and most permits from June 30, 2020 through September 30, 2020. The Division concluded that, due to the State of Emergency and Public Health Emergency, many licensees would not be able to take all of the necessary steps to renew their licenses and permits by June 30, 2020. Therefore, to avoid the almost certain shutdown of the alcoholic beverage industry, the Director exercised his broad authority under N.J.S.A. 33:1-39 and extended the current 2019-2020 license term until September 30, 2020. This determination was based on the Division's conclusion that such action was needed to stabilize the industry, that uniformity in the expiration date for all classes of licenses and permits was essential to avoid confusion among licensees, and that a single expiration date was necessary for the Division's administrative implementation. *See* N.J.S.A. 33:1-3.1; AO 2020-02 Order Authorizing Extension of 2019-2020 Municipal and State Licenses and Permits Through Wednesday, September 30, 2020.

The Division has reviewed its remaining annual permits and has identified additional permits that are due to expire this summer: Cooperative Purchasing Permits (expire July 31, 2020); Solicitor Permits (expire August 31, 2020); and Transit Insignias (expire August 31, 2020). These permits are typically issued to licensees on an annual basis and authorize certain activities that are not otherwise included in their license privileges. Therefore, the Division needs to ensure that the underlying licenses are renewed by the municipal issuing authority or the Division before these permits can be renewed. Accordingly, the Division has determined to extend the expiration dates of these permits through September 30, 2020, to coincide with the extended expiration date of the underlying licenses. This determination is consistent with the authority of the Director to ensure a properly functioning and stable alcoholic beverage marketplace. The extension also provides for uniform and effective administration of the renewal and licensing procedures.

For these reasons, the Director has found that good cause exists to temporarily extend the expiration dates of Cooperative Purchasing and Solicitor Permits and Transit Insignias through September 30, 2020. In order to continue the uninterrupted activities authorized by these permits, licensees must take the necessary and appropriate steps to complete the license and permit renewal processes by September 30, 2020.

Accordingly, IT IS on this 25th day of June, 2020, hereby ORDERED that

- 1. Cooperative Purchasing Permits (N.J.A.C. 13:2-26.1), for all retail licensees currently operating pursuant thereto, that currently expire on July 31, 2020, are extended through Wednesday, September 30, 2020;
- 2. Solicitor Permits, as provided for in N.J.A.C. 13:2-16.1 to 16.17, that currently expire on August 31, 2020, are extended through Wednesday, September 30, 2020;

3. Transit Insignias, as provided for in N.J.A.C. 13:2-20.1 to 20.11, that currently expire on

August 31, 2020, are extended through Wednesday, September 30, 2020;

4. The Division will not act upon the renewal of these permits and transit insignias until it

has verified that the licensee has submitted its 2020-2021 license renewal. See AO 2020-

02 Order Authorizing Extension of 2019-2020 Municipal and State Licenses and Permits

Through Wednesday, September 30, 2020;

5. The extension of the permits and transit insignias granted herein may be withdrawn or

modified should the facts or circumstances of the public health crisis change; and

6. The Director may issue additional Orders to clarify and address problems not anticipated

by this Order.

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JAMES B. GRAZIANO ACTING DIRECTOR

DATED: June 25, 2020

JBG/ABC