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Cheers to Supporting the Arts: New Jersey Makes Liquor Licenses Available to Nonprofit Theaters with 50 or More Seats

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On January 21, 2020, New Jersey Governor Phil Murphy signed into law a bill concerning plenary retail consumption (on-site consumption) licenses for nonprofit theaters. The legislation, S1648, amends New Jersey's Alcoholic Beverage Act, which governs Theater Licenses throughout the state, making those licenses available to many more nonprofit theaters going forward.

Previously, only nonprofit theaters with more than 1,000 seats could obtain a Theater License. Under the new law, nonprofit theaters that regularly conduct musical or theatrical performances and have at least 50 seats, among other requirements, are now eligible to apply for a Theater License as well.

Theaters with 1,000 seats or more will continue to be able to serve alcohol for the two hours immediately preceding a show, during a show, and in the two-hour period immediately following a show. The same rules will now also apply to theaters with capacities of 50 to 999 seats, however alcoholic beverages may only be served during the two hours following a performance at these smaller theaters no more than 15 times per year.

Theater Licenses are unique because they are not included in the number of retail consumption licenses that may be issued within a municipality, which is typically only one license per 3,000 people. This restriction makes retail consumption licenses extremely hot commodities that come with big-sticker price tags on the open market. The enactment of S1648 allows nonprofit theaters that meet the qualifications to apply for a license through the municipality, making a liquor license an affordable and plausible option on a nonprofit's limited budget.

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The expansion of Theater Licenses represents an exciting opportunity for local theaters to attract and maintain their audiences while competing with larger theaters. The legislation has been welcomed as a great way to promote the arts and support the nonprofit theaters that bring concerts, musicals, and plays to the people of New Jersey.

Our firm is experienced in assisting clients with navigating the application process for obtaining a liquor license in New Jersey, which can be a complex undertaking. Please contact the authors of this Alert, **Robert S. Goldsmith** and **Brooke Emery**, for additional information regarding liquor licenses for nonprofit theaters or other business entities.