



FREQUENTLY ASKED QUESTIONS

Possible Referendum Reversing the Prohibition on the Sale of Alcohol

1. WHAT WOULD BE A REASON BEHIND ISSUING A CONSUMPTION LICENSE FOR THE BUSINESS ZONE ON NEW JERSEY AVENUE?

A purpose would be aid in the creation of a thriving “downtown” 4 to 6 block area located on New Jersey Avenue where the former Wildwood Crest Train Station was located between Sweet Briar and Aster Roads and several blocks in either direction. Because Cape May County has announced plans to reconstruct the portion of New Jersey Avenue from Rambler to Cresse in 2022/2023, the Borough has been exploring ways to successfully revitalize this area and create a “downtown” inclusive of retail shops, restaurants and other amenities for local residents and tourists to enjoy. One of the keys to a successful downtown as identified by the world renowned planner, Roger Brooks, is an anchor business such a restaurant offering alcoholic beverages with outdoor seating.

The County of Cape May is planning to reconstruct New Jersey Avenue which is a county road. There will be a one time opportunity to have the County fund improvements that will involve the business district and particularly the part of the business district that used to be the train station between Sweet Briar and Aster Roads. The Borough has consulted experts in the area of downtown redevelopments, including Roger Brooks, who recommends establishment of an anchor business in the district which is critical to the success of any revitalization efforts. This is also an opportunity to arrest the continuing withering away of local business in the Crest that have closed or relocated over the last several decades.

2. CAN THE BOROUGH REGULATE WHERE A CONSUMPTION LICENSE CAN BE LOCATED?

Yes, the Borough can regulate by zoning ordinances where a business with a liquor license can be located and can also place that restriction in the license itself at the time such a license is created by ordinance.

3. WHAT OTHER TYPES OF REGULATIONS COULD THE BOROUGH PLACE ON A CONSUMPTION LICENSE?

The Borough can require that the license be used in a restaurant and could limit the service of alcohol to table service only. It can also regulate the time of day or night during which alcohol can be served and has wide latitude to regulate the conduct of any business and the nature and condition of the premises upon which any business is conducted. Any establishment licensed could be required to serve food and close at 11p.m.

4. IF A REFERENDUM QUESTION IS PLACED ON THE BALLOT AND PASSES REVERSING THE PROHIBITION, HOW MANY LIQUOR LICENSES COULD BE ISSUED?

State law limits the number of consumption licenses that could be issued based on the population of the Borough which would be one license, and it also limits the number of liquor store licenses that could be issued to one. The state legislature since 1947 has limited the number of licenses that a municipality could issue based upon population; the population cap now stands at 3000 per each consumption license and 7500 for a retail store license.

5. IS THERE ANY EXCEPTION TO THE POPULATION REQUIREMENTS FOR THE NUMBER OF CONSUMPTION LICENSES THAT COULD BE ISSUED?

Yes, there is only one exception, the Borough could issue consumption licenses to hotels or motels that contain a minimum of 100 sleeping rooms for on premises consumption of alcohol which could also be restricted to being in a restaurant.

6. COULD LICENSES BE ISSUED TO SELL ALCOHOL ON THE BEACH?

No, the license can be restricted to the location of the downtown business district. In addition, it would not be possible to locate the consumption license on the beach as there is no privately owned beach property in the Borough and no alcohol is permitted on the beaches in Wildwood Crest.

7. IS THERE A BENEFIT TO ISSUING LICENSES TO RESTAURANTS LOCATED IN HOTELS AND MOTELS?

Repeal of the referendum would also give the Borough the option in the future to issue consumption licenses to hotels or motels with over 100 sleeping rooms and could also require such hotel or motel to have a restaurant. The exception to the population cap for hotels and motels exists because of the unique service hotels and motels provide for tourist accommodation and the tourist industry which in turn generally serves the best economic interests of the community. The development of higher, more modern tourist infrastructure is critical to the future of the Borough, not only to maintain the resort economy, but to extend the tourist season with attractive resort facilities containing updated and expanded lodging and restaurants in newly developed or renovated structures. This is necessary in order to satisfy the needs of an increasingly sophisticated vacationing public, to keep pace with the ever-changing tourist marketplace, and compete with other destinations that already feature modern resort hotels with high concept public spaces, themed restaurants and other amenities. Additionally, such redeveloped hotels/motels will support the Wildwoods Convention Center which promotes a longer season and more year-round economy.

8. COULD THERE BE ANY OTHER TYPES OF ALCOHOL SALES PERMITTED IN THE BOROUGH?

Reversal of the prohibition of the sale of alcohol would allow the Borough to issue one day permits, or what are known as "catering permits" for one day events, such as weddings, graduations, and fundraisers or other one-time events at which alcohol could be sold.

The Borough could also issue "club licenses" to non-profit organizations which would be limited to their membership. Examples of such organizations are the Elks, the Lions which relocated out of the Crest, or the Yacht Club in the Marine Commercial Zone.

9. HOW DOES A REFERENDUM GET PLACED ON THE BALLOT AS A PUBLIC QUESTION TO REPEAL THE CURRENT PROHIBITION OF THE SALE OF ALCOHOL IN THE BOROUGH?

The petition can be initiated by a committee of five members of the public who will oversee the petition process and present the petition to the governing body when the required number of signatures is collected. The number of signatures equal to fifteen percent of the registered voters who voted in the last general election would have to be collected on a petition that would be presented to the governing body. The governing body would then be required by statute to adopt a resolution requesting the Cape May County Clerk to place a question on the ballot for the next general election.

10. WHAT IS THE REFERENDUM QUESTION THAT COULD APPEAR ON THE BALLOT AT THE GENERAL ELECTION?

There are two likely referendum questions that could appear on the ballot. The following referendum questions would permit the sale of alcohol only for consumption on the premises that is licensed for such sales:

“Shall the retail sale of all kinds of alcoholic beverages, for consumption on the licensed premises by the glass or other open receptacle pursuant to chapter one of the Title Intoxicating Liquors of the Revised Statutes (s. 33:1-1 et seq.), be permitted in this municipality?”

Another referendum question would permit the sale of alcohol for consumption and would also permit a liquor store license:

“Shall the sale of all alcoholic beverages at retail, except for consumption on railroad trains, airplanes and boats, and the issuance of any retail licenses, except as aforesaid, pursuant to chapter one of the Title Intoxicating Liquors of the Revised Statutes (§ 33:1-1 et seq.), be permitted in this municipality?”

11. HOW MANY VOTES DOES IT TAKE TO PASS THE REFERENDUM QUESTION?

A majority of the legal voters who voted on the referendum question would have to vote “yes” for the referendum to be approved.

12. IF THE REFERENDUM QUESTION IS APPROVED, IS THE BOROUGH REQUIRED TO ISSUE ANY LIQUOR LICENSES?

No, the Borough is not required by law to issue any type of liquor license if the referendum passes and can choose not to do so.

13. HOW CAN A LIQUOR LICENSE BE SOLD?

A liquor license can be auctioned to the highest bidder with a minimum bid amount determined by the Borough. Thereafter, the Borough may charge a renewal fee of between \$250 and \$2,500 each year.

14. WHAT COULD THE BOROUGH DO WITH THE PROCEEDS FROM THE SALE?

The proceeds from the sale of the license could be dedicated to a fund (a Chapter 159 fund) for senior community programs and center improvements. The Borough could appoint a senior committee to help determine where and how to spend funds or a dedicated fund for recreational and or beach improvements.

15. WHAT IF NO ONE BIDS ON THE LICENSE?

If no one bids on the license, then the license would not be sold and it may be put out to bid again. There is no time period in which the license must be auctioned and it could be sold on the first bid attempt or it may take several bid attempts.

16. DID THE BOROUGH EVER HAVE LIQUOR LICENSES IN THE PAST?

Yes, at one time in 1940 the Borough had a consumption license and a liquor store license owned by Billy's Dock for the premises known as 207 West Sweet Briar Road and Irwin Green, Trading as Crest Liquor Store, for the premises located at 5909 New Jersey Avenue. The Borough also passed an ordinance in May of 1940 limiting the number of licenses that could have been issued within the Borough to no more than two consumption licenses and one distribution license outstanding within the Borough of Wildwood Crest at the same time. Also, in 1940 the referendum passed prohibiting the sale of alcohol in Wildwood Crest, but in 1947 the state legislature passed a law with a population cap that limited the number of licenses that could be issued based upon population.

17. WHEN WAS THE SALE OF ALCOHOL PROHIBITED IN THE BOROUGH?

The referendum prohibiting the sale of alcohol in the Borough was approved at the November 5, 1940 general election, by a vote of 329 in favor of the ban and 117 in support of the status quo.

18. COULD THE BOROUGH PROHIBIT TAKE OUT OF ALCOHOLIC BEVERAGES OFF A PROPERTY THAT IS LICENSED TO SELL ALCOHOL?

State law permits patrons to take-out only brewed malts and wine in sealed containers, no liquor or spirits may be sold for off premises consumption, no separate store area is permitted, and any sale of wine or beer must be from the main public room.

19. WOULD THE REPEAL OF THE PROHIBITION ALLOW WINERIES TO SELL THEIR WINE AT RESTAURANTS THAT DO NOT HAVE A CONSUMPTION LICENSE?

Yes, under State law, Farm, and Out-of-State wineries licensed with the State of New Jersey have the privilege of operating an additional winery out/salesroom at a non-licensed premise in New Jersey. A person would be permitted to purchase a bottle of wine from a restaurant rather than purchase it elsewhere and bring it to the restaurant.

20. WOULD THE ISSUANCE OF A CONSUMPTION LICENSE AFFECT CURRENT BYOB REGULATIONS?

No, currently the Borough does not prohibit the consumption of alcohol on private property. Only the consumption of alcohol in public places is prohibited. Current restaurants that offer BYOB would remain the same and BYOB's will still be permitted in the Borough if the referendum passes. The only difference is that BYOB's will have to stop the consumption of alcohol at the same time licensed premises do. Also, restaurants will be able to sell wine from local wineries and brewed malts from wineries and breweries licensed by the State of New Jersey.

