

## NJEDA Small Business Liquor License Grant Frequently Asked Questions

### **GENERAL INFORMATION:**

What is the Small Business Liquor License Grant (SBLLG)?

- The [NJEDA Small Business Liquor License Grant](#) (SBLLG) is a grant program that will provide funding to eligible NJ small businesses that have obtained a previously inactive Plenary Retail Consumption License. This \$10 million pilot product is part of the suite of programs offered under the Main Street Recovery Finance Program established through the Economic Recovery Act.
- The program will reimburse eligible NJ small businesses 50%, up to \$100,000, of the purchase price of a previously inactive Plenary Retail Consumption License purchased within 12 months prior to application. The effective date of the municipal resolution approving transfer of the license is considered to be the purchase date.
- The product aligns with legislation P.L. 2023, c. 290 regarding inactive Plenary Retail Consumption Licenses and supports the growth and success of NJ small businesses by assisting with purchase of a recently acquired license.
- The program is expected to launch in Fall/Winter 2025.

### **ELIGIBILITY:**

Who can apply?

- Non-profit and for-profit entities that meet the SBA's definition of a small business and rent or own and operate from a NJ based commercial facility and meet the eligibility criteria outlined on the program web page at <https://www.njeda.gov/small-business-liquor-license-grant/>.

Your small business may be eligible if you:

- Own and possess a previously inactive Class C Plenary Retail Consumption License at time of application that was purchased within 12 months prior to application submission. The effective date of the municipal resolution approving transfer of the license is considered to be the purchase date. The [NJ Division of Alcoholic Beverage Control](#) (ABC) determines if the license was previously inactive.
- Are in compliance with ABC statutes and regulations prior to approval, as determined by the ABC.
- Rent or own and operate from a NJ based commercial facility.
- Were open and operating for at least 12 months prior to application submission date.
- Meet the Small Business Administration (SBA) definition of a small business based on NAICS industry classification at the time of application. NAICS Code on the most recent tax filing will be used to make eligibility determination.
- Are able to provide a current [Business Assistance or Incentive Clearance Certificate](#) (tax clearance certificate) from the NJ Division of Taxation prior to approval.
- Are able to provide a NJ [WR30](#) reflecting employment for the quarter prior to application submission date.

What makes my small business **not eligible**?

- Applicant business is not located in a NJ based commercial facility.
- Applicant transferred the license between entities with common ownership are not eligible.
- Applicant is not in compliance with ABC statutes and regulations, as determined by ABC.
- Landlords and real estate holding entities are not eligible.
- Applicant was not open and operating for 12 months prior to application submission date or is not currently open and operating.
- Applicant is unable to provide most recent federal tax filings.
- Applicant is unable to provide a current [Business Assistance or Incentive Clearance Certificate](#) (tax clearance certificate) from the NJ Division of Taxation.
- Applicant is unable to provide a [WR-30](#) from the NJ Division of Taxation for the quarter prior to the application submission date.
- Applicant or other related entity is not in compliance with the NJ Division of Alcoholic Beverage Control ABC Act, statute and regulations prior to approval.

- Applicant is not in good standing with NJ Department of Labor, and NJ Department of Environmental Protection prior to approval, as determined by these agencies.
- Applicant is in default with other NJEDA or State assistance and/or is unable to certify that it is in good standing.
- Applicant has already received a Small Business Liquor License Grant under the same EIN.
- NJ State law prohibits most cannabis license and certification holders from receiving or continuing to receive an economic incentive from the NJEDA, including the SBLLG. If the applicant, or any person who controls the applicant or owns or controls more than 1 percent of the stock of the applicant, has applied for or received a license or certification from the NJ Cannabis Regulatory Commission (NJ-CRC), the applicant is not eligible for the program and should not proceed with an application. If an applicant meets this criterion the application will be declined.

Businesses that are engaged in the following are **not eligible** for funding:

- Conduct or purveyance of “adult” (i.e., pornographic, lewd, prurient, obscene or otherwise similarly disreputable) activities, services, products or materials (including nude or semi-nude performances or the sale of sexual aids or devices); any auction or bankruptcy or fire or “lost-our-lease” or “going-out-of-business” or similar sale; sales by transient merchants, Christmas tree sales or other outdoor storage; or any activity constituting a nuisance.

Can my business receive more than one SBLLG?

- Applicants are eligible to receive **one** SBLLG per Employer Identification Number (EIN) and one award per license for the life of the program.
- Entities operating in multiple locations under a single EIN are limited to **one** application under the sole EIN.

If I received a Small Business Liquor License Grant (SBLLG), am I still eligible for the Small Business Improvement Grant (SBLG) or a Small Business Improvement Grant (SBIG)?

- Yes, applicants are eligible to receive funding under both grant programs for the same business location and/or EIN.

Am I getting the grant money upfront prior to purchasing an inactive Class C Plenary Retail Consumption License?

- No, you must own and possess a previously inactive Class C Plenary Retail Consumption License at time of application with a purchase date no more than 12 months prior to application. The effective date of the municipal resolution approving transfer of the license is considered to be the purchase date. The NJ Division of Alcoholic Beverage Control (ABC) determines if the license was previously inactive.
- Funds will be disbursed following execution of a grant agreement.

How do I receive the grant money?

- Funds will be disbursed to the applicant via check, after the grant agreement is signed and returned to the NJEDA.

Do I have to own the license?

- Applicant entity must own the license; or, in the alternative, a separate holding company that is the co-applicant may own the license for the applicant’s exclusive use.

Do I have to operate from the facility on my application?

- Yes, the applicant entity must rent or own and operate from a NJ based commercial facility and own the license or, in the alternative, a separate holding company that is the co-applicant may own the license for the applicant’s exclusive use.

If I am renting my commercial location, do I need to notify my landlord of my application?

- Yes, if the applicant’s space is leased the landlord must certify that the applicant entity their tenant. The [Land Certification Form](#) used for this purpose is available for download at the time of application.

Can my landlord apply for this program?

- No, landlords and real estate holding entities are not eligible; the grant is only for occupying and operating small business owners.

How long do I need to remain in the facility?

- Applicant must remain in and operate from the location for at least 5 years following execution of the grant agreement. **Non-compliance with this requirement will result in repayment of the grant to the NJEDA.**

Can I be approved for the Small Business Liquor License Grant again in the future?

- No, Applicants are limited to one award per EIN. Applicants operating from multiple locations under a single EIN would be limited to one application for the life of the program.

Is there a minimum purchase price for the license?

- No, there is no minimum purchase price.

How much money will my small business be reimbursed?

- The grant will reimburse NJ small businesses up to 50% of the cost of the inactive license, not to exceed \$100,000.
- Only the purchase of the license is eligible; no other costs associated with that purchase are eligible.

My business has multiple locations, can I apply for all locations?

- Applicants are eligible to receive only **one** SBLLG per EIN for the life of the program.
- Entities operating in multiple locations under a single EIN are limited to **one** application under the sole EIN.

How much will it cost me to apply for the SBLLG?

- There is no fee unless your application is approved. The approval fee of \$500 will be due at the time of approval and prior to execution of the grant.

## **APPLICATION PROCESS**

When can I apply?

- The program is expected to launch in Fall/Winter 2025.
- Applications will be accepted and reviewed on a rolling basis (first come first served as applications are completed) for 3 years or until funds are exhausted, whichever comes first.
- The application must be submitted no later than 12 months from the license purchase date. The effective date of the municipal resolution approving transfer of the license is considered to be the purchase date.

How do I get my tax clearance certificate?

- A current [Business Assistance or Incentive Clearance Certificate](#) (tax clearance certificate) from the NJ Division of Taxation prior is required to be approved for this grant.
- [How to obtain your tax clearance certificate.](#)

What types of documentation is accepted to demonstrate payment for the license?

- Copy of the license
- Municipal resolution approving license transfer
- Purchase agreement
- Proof of payment for license

What types of additional documentation will be needed during the review process?

- Current [Tax Clearance Certificate](#) (no older than 6 months from date issued) for applicant and co-applicant if applicable
- Formation documents for applicant and co-applicant if applicable
- Certificate of Alternate Name or Registration of Alternate Name for applicant and co-applicant
- *(Only for businesses that use a Doing Business As (DBA) Name)*
- Federal income tax filings for 3 most recent consecutive years, if available
- *(include accepted, filed extensions if applicable, if you have been in business for less than 3 years provide as many returns as filed)*

- NJ [WR-30](#), payroll report or equivalent information for the quarter prior to the application submission date
- Fully completed [Landlord Certification Form](#) for businesses operating from a leased location
- Applicant's current executed lease or deed evidencing site control of the relevant property
- Fully completed [Sectarian/Religiously Affiliated Not-For-Profit Questionnaire](#) with all additional documentation detailed on page 3 of Questionnaire for applicant and co-applicant
- *(Only for businesses that are involved in religious activities or are religiously affiliated.)*
- Fully completed [Certification of Non-involvement in Activities in Russia or Belarus](#) for applicant and co-applicant
- *(Only for grant awards over \$25,000.)*
- Applicant's or co-applicant's previously inactive Class C Plenary Retail Consumption License issued by the NJ Division of Alcoholic Beverage Control (ABC) with purchase date within 12 months prior to application. The effective date of the municipal resolution approving transfer of the license is considered to be the purchase date.
- Municipal Resolution approving acquisition of previously inactive Class C Plenary Retail Consumption License
- Purchase agreement for applicant's Class C Plenary Retail Consumption License
- *(Agreement should be specific to purchase of the license, and should not include other parts of the transaction such as the purchase of real estate, equipment, etc.)*

How will I know the status of my application?

- NJEDA staff will review all applications for completeness and eligibility and follow-up with you via email.
- The application reviewer will communicate with you throughout the process.
- Any missing/incomplete documentation or needed clarifications must be provided within 10 business days of notification to prevent withdraw of your application.
- You may check the status of your application at any time by logging in to the [NJEDA Application Center](#) with the user name and password you used to submit your application

## **GRANT DISBURSEMENT**

How are the grants disbursed?

- Applicants who are approved for grants will be required to pay an approval fee of \$500. After the fee is paid, the NJEDA will send the grant agreement via e-mail.
- Funds will be disbursed to the applicant via check after the grant agreement is signed and returned to the NJEDA.

Do I have to pay taxes on the amount awarded for the Small Business Liquor License Grant?

- The NJEDA does not provide tax guidance and would recommend you contact your tax professional as every business is structured differently.

## **FEES**

Are there any fees associated with this grant?

- An approval fee of \$500 is due at time of approval and prior to execution of grant agreement.

## **WAGE AND REPORTING REQUIREMENTS**

What is the minimum wage requirement?

- Applicants are expected to pay their employees (part-time and full-time) the higher of \$15 an hour or 120% of minimum wage.
- Regularly tipped employees are not required to be paid \$15/hour but must be paid at least 120% of the minimum wage rate.
- [NJ Department of Labor & Workforce Development Wage and Hour Compliance FAQs \(for Workers\)](#)
- This would be required for the term of the grant agreement per section 5 of P.L. 1966, c. 113 (N.J.S.A. 34:11-56a4) if applicant has employees.
- **Non-compliance with this requirement will result in repayment of the grant to the NJEDA.**

What annual reporting will be required and for how long?

- To demonstrate compliance with program requirements, businesses and not for profit organizations that receive a Small Business Liquor License Grant will need to provide annual documentation, as requested, to verify the following:
  - Business ownership/operation requirements
  - Occupancy requirements (Landlord Certification)
  - Minimum wage requirements ([WR-30](#) filed with the NJ Division of Taxation for the quarter prior to the application submission date or current payroll report)
  - Licensing requirements
  - ABC Act, statutes and regulations requirements
- **Non-compliance with these requirements will result in repayment of the grant to the NJEDA.**
  - Post-closing documents can be found at [NJEDA Small Business Liquor License Grant](#)

### **TARGETED FUNDING**

Are any funds set aside for historically disadvantaged communities?

- 40% of the program pool or \$4 million will be reserved for applicant businesses located in eligible NJ Opportunity Zone census tracts. This funding will be set aside for 2 years from the date the application is made available to the public. Any portion of the reserve that is not used by that date will be made available to all applicants.
- To determine if your business is located within an OZ census tract use the [NJEDA Location Review App](#) and select “Qualified Opportunity Zone”.

### **ADDITIONAL QUESTIONS?**

Please email [smallbusinessservices@njeda.gov](mailto:smallbusinessservices@njeda.gov).