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

BY THE INTERIM DIRECTOR:

I. <u>Introduction.</u>

This matter involves recent amendments to N.J.S.A. 33:1-12(6), which expand the limitations on an all-inclusive area within a licensed sporting facility and authorize the Director of the Division of Alcoholic Beverage Control to issue a Special All-Inclusive Area Event Permit to exceed those limitations for a national or international sporting event. See P.L.2025, c.34. An "all-inclusive area" means a secure area within a sporting facility licensed premises where patrons who have purchased all-inclusive tickets to attend an event can consume alcoholic beverages (i.e., the pre-purchase of alcoholic beverages, food, non-alcoholic beverages and other amenities are included in the price of the all-inclusive ticket).

By way of background, N.J.S.A. 33:1-12(6) authorized a sporting facility license and allowed the licensee to "establish an all-inclusive area within the licensed sporting facility, provided the all-inclusive area is limited to one area within the sporting facility for each game or event and the capacity of the all-inclusive area does not exceed 500 persons." Pursuant to the new law, P.L.2025, c.34, enacted on March 12, 2025, the statute has been amended to

allow up to five all-inclusive areas on the approved licensed premises of the sporting facility, provided the total capacity of the all-inclusive area (or areas) for each game or event does not exceed 500 persons or five percent of the sporting facility's capacity, whichever is greater. In addition, the statute as amended allows a licensed facility with a seating capacity of 50,000 or more persons to exceed the new all-inclusive area limitations for a national or international sporting event¹ with a Special All-Inclusive Area Event Permit issued by the Director. Such a permit may be issued only if it is "consistent with the provisions of Title 33 of the Revised Statutes [i.e., the New Jersey Alcoholic Beverage Control Act, N.J.S.A. 33:1-1 to 33:5-5] and any regulations promulgated thereunder." Moreover, the Director may impose special conditions on a Special All-Inclusive Area Event Permit that are necessary and proper to protect the health, safety, and welfare of the public.

I. New All-Inclusive Area Limitations.

The new law expands the limitations on an all-inclusive area, allowing up to five all-inclusive areas on the approved licensed premises of a sporting facility, so long as the total capacity of the area or areas for each game or event does not exceed 500 persons or five percent of the sporting facility's capacity, whichever is greater. By way of example, a licensed sporting facility with a seating capacity of 20,000 is allowed to have up to five all-inclusive

¹ A "national or international sporting event" is defined by the new law (N.J.S.A. 33:1-12(6) as amended) as "a tournament-level professional event governed by a national or international sports federation or governing body, including but not limited to sporting events governed by the National Football League, International Olympic Committee, and the International Federation of Association Football."

areas on the licensed premises and host up to a grand total of 1,000 patrons (i.e., five percent of 20,000) in those all-inclusive areas without the need for any permit, including a Special All-Inclusive Area Event Permit.

Expanding an existing all-inclusive area to include additional areas with additional patrons will likely impact the licensed sporting facility's operations and require additional security. Although a permit is not required if the licensed sporting facility remains within the confines of the new all-inclusive area limitations, pursuant to this Special Ruling, a sporting facility should submit a revised method of operation and security plan for approval by the Division before it expands its all-inclusive area(s) in accordance with the new law. The revised security plan should describe in detail the security protocols for each new or expanded all-inclusive area (e.g., age verification, "pass off" control, etc.). The revised method of operation should describe in detail how all-inclusive tickets will be sold, who will sell the tickets (e.g., licensee, ticket agency, hospitality provider), and what is included with the all-inclusive admission package.²

If a licensed sporting facility intends to maintain its current approved all-inclusive area configuration (i.e., a single all-inclusive area on a sporting facility licensed premises with a maximum capacity of 500 persons), it does not need to revise its method of operation or security plan.

² The Director may impose additional special conditions on the license that specifically address the new all-inclusive area configuration.

II. 2025 FIFA Club World Cup, 2026 FIFA World Cup.

MetLife Stadium, a licensed sporting facility with 82,500 seats in East Rutherford, New Jersey, will be hosting FIFA (Fédération Internationale de Football Association) Club World Cup soccer matches over nine dates between June 15, 2025 and July 13, 2025, including quarterfinal and semifinal matches and the final Club World Cup match. Next year, MetLife Stadium will be hosting FIFA World Cup soccer matches over eight dates between June 13, 2026 and July 19, 2026, including the final World Cup match. It is estimated these two international sporting events will be attended by more than a million visitors and generate billions of dollars in revenue to the regional economy.

New Meadowlands Sportservice, Inc. (New Meadowlands) is the holder of a sporting facility license sited at MetLife Stadium. Pursuant to the new law, New Meadowlands may operate up to five all-inclusive areas and host as many as 4,125 persons within those all-inclusive areas (i.e., five percent of MetLife Stadium's seating capacity) on its licensed premises during the 2025 FIFA Club World Cup and 2026 FIFA World Cup without needing a Special All-Inclusive Area Event Permit, provided that it submits a suitable revised method of operation and security plan in accordance with this Special Ruling. As stated above, the Director may impose additional special conditions on the license that specifically address the new all-inclusive area configuration. In addition, New Meadowlands may exceed the new all-inclusive area limitations if it applies for and receives a Special All-Inclusive Area Event Permit.

The Division expects that New Meadowlands will be the first licensee to apply for a Special All-Inclusive Area Event Permit to accommodate the 2025 FIFA Club World Cup and 2026 FIFA World Cup. Accordingly, this Special Ruling will focus on these upcoming events.

III. Special All-Inclusive Area Event Permit.

Pursuant to P.L.2025, c.34, a Special All-Inclusive Area Event Permit may be issued to the holder of a sporting facility license for a national or international sporting event held at a sporting facility with a total seating capacity of 50,000 or more persons. The permit authorizes a permittee to exceed the new all-inclusive area limitations as provided for in this Special Ruling.

Normally, an all-inclusive area must be located on the approved licensed premises of a sporting facility. However, given the legislative intent of P.L.2025, c.34 and the grand scale of the FIFA events—including the final FIFA World Cup match, the most watched sporting event in the world—a Special All-Inclusive Area Event Permit may authorize the permittee to host an all-inclusive area off the approved licensed premises of the sporting facility, provided the area is within reasonable proximity to the licensed premises (as determined by the Director) and there are safeguards in place to ensure that alcoholic beverages are served in a manner that protects public health, safety and welfare.³ Thus, a Special All-Inclusive Area Event Permit may authorize New Meadowlands to (1) host more than five all-inclusive areas on the approved

³ If the all-inclusive area is off the licensed premises, it must be enclosed, secure, and demarcated by physical barriers to ensure the sale and consumption of alcoholic beverages remain within the permitted area. <u>See</u> Schedule A, para. A(1).

licensed premises during a game or event; (2) host more than 4,125 persons within those all-inclusive areas; and (3) site an all-inclusive area off the licensed premises. Without this permit, New Meadowlands is limited to five all-inclusive areas on the approved licensed premises, and a maximum of 4,125 persons in those areas.

New Meadowlands may apply for Special All-Inclusive Area Event Permits for any or all of the nine dates when MetLife Stadium is hosting a FIFA Club World Cup match in 2025, and for any or all of the eight dates when MetLife Stadium is hosting a FIFA World Cup match in 2026. Permit applications should be submitted at least sixty (60) days in advance of the first event date. For the 2025 FIFA Club World Cup, permit applications should be submitted by April 15, 2025, and for the 2026 FIFA World Cup, permit applications should be submitted by April 13, 2026. A separate permit application shall be filed for each day of the event. Failure to timely submit such application may result in a delay in the application approval process.

As described in detail below and in Schedule A, the permit applicant should submit, at a minimum:

- 1) A detailed map, sketch or diagram of each all-inclusive area, identifying all points of alcohol service and types of alcohol served at each point of sale location.
- 2) A detailed security plan for each all-inclusive area to ensure strict regulatory compliance and public safety.
- 3) A detailed method of operation for each all-inclusive area during each event date.

The fee for a Special All-Inclusive Area Event Permit is \$2,000 per day for each all-inclusive area beyond the five all-inclusive areas allowed under the law, with a total fee not to

exceed \$6,000 per day. Each permit shall remain valid for each day of the national or international sporting event. Thus, Special All-Inclusive Area Event Permits for the 2025 Club World Cup shall be valid for those specified dates between June 15, 2025 and July 13, 2025, and appropriate all-inclusive area fees shall be assessed for each event date. Similarly, Special All-Inclusive Area Event Permits for the 2026 World Cup shall be valid for those specified dates between June 13, 2026 and July 19, 2026, and appropriate fees shall be assessed for each event date.

Before any permit is issued, the permittee may be required to provide a bond, certified check, or the equivalent to the Division in an amount to be determined by the Director after a complete review of the permit application and taking into account the size, scope, and conditions of the national or international sporting event and compliance history of the sporting facility licensee. This approach is consistent with the Division's practices involving other large-scale events, large audiences, and alcohol consumption.

Following a complete review of the permit application, the Director will determine additional conditions on Special All-Inclusive Area Event Permits that are necessary and proper to protect the health, safety, and welfare of the public. An appropriate number of all-inclusive areas (and maximum patron capacity per all-inclusive area) will be authorized and conditions imposed in accordance with the Alcoholic Beverage Control Act. The minimum conditions are outlined below in Schedule A.

IV. <u>Pass-Through of Alcoholic Beverage Sales.</u>

As a related matter, a licensed sporting facility is authorized by statute to share the proceeds from the sale of alcoholic beverages with the owner, operator, concessionaire, or lessee of the sporting facility, subject to conditions imposed by the Director. N.J.S.A. 33:1-12(6). However, as with all retail licensees, a licensed sporting facility should retain control of all aspects of alcoholic beverage commerce at all times, including product selection, pricing, service, and collection of the sales proceeds.

Regardless of whether a licensed sporting facility obtains a Special All-Inclusive Area Permit, it can use a ticket agency, hospitality provider, or other unlicensed entity to sell all-inclusive tickets to games and events. However, an unlicensed entity may act only as a "pass-through"—that is, the alcoholic beverage portion of the proceeds from the sale of the all-inclusive tickets must pass through the ticket agency, hospitality provider, or entity and flow to the licensee.⁴

In order to ensure the proper pass-through and flow of alcoholic beverage sales proceeds, all licensed sporting facilities should submit a post-event accounting to the Division within 60 days after a game or event involving the sale of all-inclusive tickets.

⁴ After the licensee collects all of the proceeds from the sale of alcoholic beverages, it may share the proceeds with the owner, operator, concessionaire, or lessee of the sporting facility, subject to conditions imposed by the Director. N.J.S.A. 33:1-12(6).

The Director may modify the terms of this Special Ruling and any permit issued thereunder as necessary to promote the health, safety, and welfare of the citizens of New Jersey.

KIRSTIN L. KRUEGER INTERIM DIRECTOR

Dated: March 28, 2025

SCHEDULE A

APPLICATION FOR A SPECIAL ALL-INCLUSIVE AREA EVENT PERMIT FOR A NATIONAL OR INTERNATIONAL EVENT AT A LICENSED SPORTING FACILITY WITH A SEATING CAPACITY OF 50,000 OR MORE PERSONS

A. Application

An application for a Special All-Inclusive Area Event Permit should include, at a minimum, the following information:

- 1. For each sporting event date, a detailed map, sketch or diagram of each all-inclusive area in the licensed sporting facility, identifying all points of alcohol service and types of alcohol served at each point of sale location. If the all-inclusive area is sited off the approved licensed premises of the licensed sporting facility, it must be enclosed, secure, demarcated by physical barriers, and within reasonable proximity to the approved licensed premises of the sporting facility.
- 2. A detailed security plan to ensure strict regulatory compliance and public safety in each all-inclusive area. The security plan must provide, at a minimum: age verification, "pass-off" control, prevention of intoxication, identification of security personnel/police, duties, numbers of personnel, and availability of medical emergency assistance.
- 3. A detailed explanation of the "flow" of ticket proceeds (including proceeds from the sale of alcoholic beverages).
- 4. A detailed method of operation provided by the applicant that includes, but not limited to:
 - a. Dates and times of each sporting event date;
 - b. How tickets are sold, pricing of tickets, types of tickets;
 - Schedule of all activities that are taking place in each all-inclusive area during each sporting event date (e.g. private dinners, tasting events, hospitality tents, etc.);
 - d. Explanation and description of sponsorship offerings, if any (e.g. VIP tickets, hospitality tents, etc.);

- e. What is included with admission to sporting event date (e.g., food and alcoholic beverages). If different admission packages are available, please describe each (including all-inclusive area admission package);
- f. How alcoholic beverages will be sold (all-inclusive or prepaid ticket, cash bar or other alternative method of sale if applicable);
- g. Types of alcoholic beverages dispensed and pour/cup size for each;
- h. Estimated number of employees selling/serving alcoholic beverages in the all-inclusive areas:
- i. List of security staff monitoring the sale, service and consumption of alcoholic beverages in each all-inclusive area;
- j. Description of training each employee selling/serving alcoholic beverages receives;
- k. When and where the alcoholic beverages are being stored; and
- 1. How many people are expected to be in each all-inclusive area.
- 5. Copies of all contracts or agreements with third parties (e.g., FIFA, TicketMaster, BEYOND Hospitality, etc.).

An application for a Special All-Inclusive Area Event Permit should be submitted at least sixty (60) days in advance of the first event date. For the 2025 FIFA Club World Cup, the application should be submitted by April 15, 2025, and for the 2026 FIFA World Cup, the application should be submitted by April 13, 2026. Failure to timely submit such application may result in a delay in the application approval process.

B. Permit Fees

- 1. The fee for a Special All-Inclusive Area Event Permit is \$2,000 per day for each all-inclusive area beyond the five permitted by statute, with a total fee not to exceed \$6,000 per game or event day.
- 2. A Special All-Inclusive Area Event Permit shall be valid for each day of the national or international sporting event. For the 2025 FIFA Club World Cup, a Special All-Inclusive Area Event Permit shall be valid for those specified dates between June 15, 2025 and July 13, 2025. For the 2026 FIFA World Cup, a Special All-Inclusive Area Event Permit shall be valid for those specified dates between June 13, 2026 and July 19, 2026.
- 3. Appropriate fees shall be assessed for each sporting event date.

C. Special Conditions

A Special All-Inclusive Area Event Permit shall require the Permittee to comply with all existing special conditions on the licensed premises of the sporting facility. In addition, and at a minimum, the following special conditions may be imposed on the permitted all-inclusive areas:

- 1. The Permittee shall at all times be in control of the alcoholic beverage operations at each all-inclusive area;
- 2. Sale, service and consumption of alcoholic beverages shall be confined to the all-inclusive area:
- 3. All alcoholic beverages sold, served or consumed shall be purchased from a New Jersey licensed wholesaler and shall be paid for by the Permittee;
- 4. If the all-inclusive area is sited off the approved licensed premises of the sporting facility, no alcoholic beverages shall be removed from the permitted area:
- 5. No alcoholic beverage containing more than one shot of distilled spirits shall be removed from an all-inclusive area;
- 6. The sale of alcoholic beverages as package goods is prohibited under this permit;
- 7. All deliveries of alcoholic beverages to patrons must be for immediate consumption upon the licensed premises and monitored by employees of the Permittee:
- 8. All alcoholic beverages sold, served, or consumed shall be brand registered, stored securely and purchased in accordance with all Division laws and rules;
- 9. All proceeds from the sale of alcoholic beverages must pass through to the Permittee:
- 10. All alcoholic beverages expenses must be incurred and paid for by the Permittee:
- 11. All pourers/servers shall be eighteen years of age or older and employed by the Permittee;
- 12.All pourers/servers shall receive server training by a nationally recognized organization (e.g. TIPS, /TAMS, ServSafe, SellerServer), and certificates of course completion by each pourer/server shall be readily available for review upon request by the Division of Alcoholic Beverage Control;
- 13. The Permittee will only serve alcoholic beverages in an original container or in unique identifiable glassware;

- 14. The Permittee shall ensure there is an adequate number of waitstaff, managerial staff, alcohol monitoring staff, and security staff employed at each all-inclusive area to prohibit consumption of alcoholic beverages by underage or intoxicated patrons, and to prevent "pass-offs" of alcoholic beverages to underage or intoxicated patrons. Any patron who is suspected to be underage will be denied service of alcoholic beverages if acceptable government-issued identification cannot be produced. Any patron who appears to be intoxicated will be denied service of alcoholic beverages;
- 15.All proceeds from the sale of alcoholic beverages must be remitted to the Permittee within 30 days after the sporting event date;
- 16. Within 60 days after the sporting event date, the Division shall require a Post-Event Accounting, including, but not limited to: all alcoholic beverages that were sold and served; the alcoholic beverage sales generated from each all-inclusive area and remitted to the Permittee; and the number of attendees for each all-inclusive area.