

ASSEMBLY, No. 3765

STATE OF NEW JERSEY
220th LEGISLATURE

INTRODUCED MAY 2, 2022

Sponsored by:

Assemblywoman BETH SAWYER

District 3 (Cumberland, Gloucester and Salem)

SYNOPSIS

Establishes farm brewery and winery-brewery beverage license.

CURRENT VERSION OF TEXT

As introduced.



A3765 SAWYER

2

1 AN ACT concerning certain alcoholic beverage manufacturing
2 licenses and amending R.S.33:1-10.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. R.S.33:1-10 is amended to read as follows:

8 33:1-10. Class A licenses shall be subdivided and classified as
9 follows:

10 Plenary brewery license. 1a. The holder of this license shall
11 be entitled, subject to rules and regulations, to brew any malt
12 alcoholic beverages and to sell and distribute his products to
13 wholesalers and retailers licensed in accordance with this chapter,
14 and to sell and distribute without this State to any persons pursuant
15 to the laws of the places of such sale and distribution, and to
16 maintain a warehouse; provided, however, that the delivery of this
17 product by the holder of this license to retailers licensed under this
18 title shall be from inventory in a warehouse located in this State
19 which is operated under a plenary brewery license. The fee for this
20 license shall be \$10,625.

21 Limited brewery license. 1b. The holder of this license shall
22 be entitled, subject to rules and regulations, to brew any malt
23 alcoholic beverages in a quantity to be expressed in said license,
24 dependent upon the following fees and not in excess of 300,000
25 barrels of 31 fluid gallons capacity per year and to sell and
26 distribute this product to wholesalers and retailers licensed in
27 accordance with this chapter, and to sell and distribute without this
28 State to any persons pursuant to the laws of the places of such sale
29 and distribution, and to maintain a warehouse; provided, however,
30 that the delivery of this product by the holder of this license to
31 retailers licensed under this title shall be from inventory in a
32 warehouse located in this State which is operated under a limited
33 brewery license. The holder of this license shall be entitled to sell
34 this product at retail to consumers on the licensed premises of the
35 brewery for consumption on the premises, but only in connection
36 with a tour of the brewery, or for consumption off the premises in a
37 quantity of not more than 15.5 fluid gallons per person, and to offer
38 samples for sampling purposes only pursuant to an annual permit
39 issued by the director. The holder of this license shall not sell food
40 or operate a restaurant on the licensed premises. The fee for this
41 license shall be graduated as follows:

42 to so brew not more than 50,000 barrels of 31 liquid gallons
43 capacity per annum, \$1,250;

44 to so brew not more than 100,000 barrels of 31 fluid gallons
45 capacity per annum, \$2,500;

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

A3765 SAWYER

1 to so brew not more than 200,000 barrels of 31 fluid gallons
2 capacity per annum, \$5,000;

3 to so brew not more than 300,000 barrels of 31 fluid gallons
4 capacity per annum, \$7,500.

5 For the purposes of this subsection, "sampling" means the selling
6 at a nominal charge or the gratuitous offering of an open container
7 not exceeding four ounces of any malt alcoholic beverage. For the
8 purposes of this subsection, "product" means any malt alcoholic
9 beverage that is produced on the premises licensed under this
10 subsection.

11 Restricted brewery license. 1c. The holder of this license
12 shall be entitled, subject to rules and regulations, to brew any malt
13 alcoholic beverages in a quantity to be expressed in such license not
14 in excess of 10,000 barrels of 31 gallons capacity per year.
15 Notwithstanding the provisions of R.S.33:1-26, the director shall
16 issue a restricted brewery license only to a person or an entity
17 which has identical ownership to an entity which holds a plenary
18 retail consumption license issued pursuant to R.S.33:1-12, provided
19 that such plenary retail consumption license is operated in
20 conjunction with a restaurant regularly and principally used for the
21 purpose of providing meals to its customers and having adequate
22 kitchen and dining room facilities, and that the licensed restaurant
23 premises is immediately adjoining the premises licensed under this
24 subsection. The holder of this license shall be entitled to sell or
25 deliver the product to that restaurant premises. The holder of this
26 license also shall be entitled to sell and distribute the product to
27 wholesalers licensed in accordance with this chapter. The fee for
28 this license shall be \$1,250, which fee shall entitle the holder to
29 brew up to 1,000 barrels of 31 liquid gallons per annum. The
30 licensee also shall pay an additional \$250 for every additional 1,000
31 barrels of 31 fluid gallons produced. The fee shall be paid at the
32 time of application for the license, and additional payments based
33 on barrels produced shall be paid within 60 days following the
34 expiration of the license term upon certification by the licensee of
35 the actual gallons brewed during the license term. No more than 10
36 restricted brewery licenses shall be issued to a person or entity
37 which holds an interest in a plenary retail consumption license. If
38 the governing body of the municipality in which the licensed
39 premises will be located should file a written objection, the director
40 shall hold a hearing and may issue the license only if the director
41 finds that the issuance of the license will not be contrary to the
42 public interest. All fees related to the issuance of both licenses shall
43 be paid in accordance with statutory law. The provisions of this
44 subsection shall not be construed to limit or restrict the rights and
45 privileges granted by the plenary retail consumption license held by
46 the holder of the restricted brewery license issued pursuant to this
47 subsection.

A3765 SAWYER

1 The holder of this license shall be entitled to offer samples of its
2 product for promotional purposes at charitable or civic events off
3 the licensed premises pursuant to an annual permit issued by the
4 director.

5 For the purposes of this subsection, "sampling" means the selling
6 at a nominal charge or the gratuitous offering of an open container
7 not exceeding four ounces of any malt alcoholic beverage product.
8 For the purposes of this subsection, "product" means any malt
9 alcoholic beverage that is produced on the premises licensed under
10 this subsection.

11 Farm brewery license. 1d. The holder of this license shall be
12 entitled, subject to rules and regulations, to brew any malt alcoholic
13 beverages in a quantity to be expressed in the license not in excess of
14 2,000 barrels of 31 fluid gallons per year and to maintain a warehouse
15 and to sell products to consumers for consumption off the licensed
16 premises and to offer samples for sampling purposes only. The license
17 shall be issued only when the brewery at which such malt alcoholic
18 beverages are brewed is located and constructed upon a tract of land
19 exclusively under the control of the licensee, provided the licensee is
20 actively engaged in farming on or adjacent to the brewery premises
21 and is growing and cultivating hops or another product which is used
22 in the production of the malt alcoholic beverages. The fee for this
23 license shall be graduated as follows: to manufacture between 1,200
24 and 2,000 barrels per year, \$300; to manufacture between 100 and
25 1,199 barrels per year, \$200; to manufacture fewer than 100 barrels per
26 year, \$100. For purposes of this subsection, "sampling" means the
27 selling at a nominal charge or the gratuitous offering of an open
28 container not exceeding one and one-half ounces of a malt alcoholic
29 beverage. No individual or entity shall hold more than one farm
30 brewery license.

31 Plenary winery license. 2a. Provided that the holder is
32 engaged in growing and cultivating grapes or fruit used in the
33 production of wine on at least three acres on, or adjacent to, the
34 winery premises, the holder of this license shall be entitled, subject
35 to rules and regulations, to produce any fermented wines, and to
36 blend, fortify and treat wines, and to sell and distribute his products
37 to wholesalers licensed in accordance with this chapter and to
38 churches for religious purposes, and to sell and distribute without
39 this State to any persons pursuant to the laws of the places of such
40 sale and distribution, and to maintain a warehouse, and to sell his
41 products at retail to consumers on the licensed premises of the
42 winery for consumption on or off the premises and to offer samples
43 for sampling purposes only. The fee for this license shall be \$938.
44 A holder of this license who produces not more than 250,000
45 gallons per year shall also have the right to sell and distribute his
46 products to retailers licensed in accordance with this chapter, except
47 that the holder of this license shall not use a common carrier for
48 such distribution. The fee for this additional privilege shall be

A3765 SAWYER

1 graduated as follows: a licensee who manufactures more than
2 150,000 gallons, but not in excess of 250,000 gallons per annum,
3 \$1,000; a licensee who manufactures more than 100,000 gallons,
4 but not in excess of 150,000 gallons per annum, \$500; a licensee
5 who manufactures more than 50,000 gallons, but not in excess of
6 100,000 gallons per annum, \$250; a licensee who manufactures
7 50,000 gallons or less per annum, \$100. A holder of this license
8 who produces not more than 250,000 gallons per year shall have the
9 right to sell such wine at retail in original packages in 15
10 salesrooms apart from the winery premises for consumption on or
11 off the premises and for sampling purposes for consumption on the
12 premises, at a fee of \$250 for each salesroom. Licensees shall not
13 jointly control and operate salesrooms. Additionally, the holder of
14 this license who produces not more than 250,000 gallons per year
15 may ship not more than 12 cases of wine per year, subject to
16 regulation, to any person within or without this State over 21 years
17 of age for personal consumption and not for resale. A case of wine
18 shall not exceed a maximum of nine liters. A copy of the original
19 invoice shall be available for inspection by persons authorized to
20 enforce the alcoholic beverage laws of this State for a minimum
21 period of three years at the licensed premises of the winery. For the
22 purposes of this subsection, "sampling" means the selling at a
23 nominal charge or the gratuitous offering of an open container not
24 exceeding one and one-half ounces of any wine.

25 A holder of this license who produces not more than 250,000
26 gallons per year shall not own, either in whole or in part, or hold,
27 either directly or indirectly, any interest in a winery that produces
28 more than 250,000 gallons per year. In addition, a holder of this
29 license who produces more than 250,000 gallons per year shall not
30 own, either in whole or in part, or hold, either directly or indirectly,
31 any interest in a winery that produces not more than 250,000
32 gallons per year. For the purposes of this subsection, "product"
33 means any wine that is produced, blended, fortified, or treated by
34 the licensee on its licensed premises situated in the State of New
35 Jersey. For the purposes of this subsection, "wine" shall include
36 "hard cider" and "mead" as defined in this section.

37 Farm winery license. 2b. The holder of this license shall
38 be entitled, subject to rules and regulations, to manufacture any
39 fermented wines and fruit juices in a quantity to be expressed in
40 said license, dependent upon the following fees and not in excess of
41 50,000 gallons per year and to sell and distribute his products to
42 wholesalers and retailers licensed in accordance with this chapter
43 and to churches for religious purposes and to sell and distribute
44 without this State to any persons pursuant to the laws of the places
45 of such sale and distribution, and to maintain a warehouse and to
46 sell at retail to consumers for consumption on or off the licensed
47 premises and to offer samples for sampling purposes only. The
48 license shall be issued only when the winery at which such

1 fermented wines and fruit juices are manufactured is located and
2 constructed upon a tract of land exclusively under the control of the
3 licensee, provided that the licensee is actively engaged in growing
4 and cultivating an area of not less than three acres on or adjacent to
5 the winery premises and on which are growing grape vines or fruit
6 to be processed into wine or fruit juice; and provided, further, that
7 for the first five years of the operation of the winery such fermented
8 wines and fruit juices shall be manufactured from at least 51
9 percent grapes or fruit grown in the State and that thereafter they
10 shall be manufactured from grapes or fruit grown in this State at
11 least to the extent required for labeling as "New Jersey Wine" under
12 the applicable federal laws and regulations. The containers of all
13 wine sold to consumers by such licensee shall have affixed a label
14 stating such information as shall be required by the rules and
15 regulations of the Director of the Division of Alcoholic Beverage
16 Control. The fee for this license shall be graduated as follows: to so
17 manufacture between 30,000 and 50,000 gallons per annum, \$375;
18 to so manufacture between 2,500 and 30,000 gallons per annum,
19 \$250; to so manufacture between 1,000 and 2,500 gallons per
20 annum, \$125; to so manufacture less than 1,000 gallons per annum,
21 \$63. No farm winery license shall be held by the holder of a plenary
22 winery license or be situated on a premises licensed as a plenary
23 winery.

24 The holder of this license shall also have the right to sell and
25 distribute his products to retailers licensed in accordance with this
26 chapter, except that the holder of this license shall not use a
27 common carrier for such distribution. The fee for this additional
28 privilege shall be \$100. The holder of this license shall have the
29 right to sell his products in original packages at retail to consumers
30 in 15 salesrooms apart from the winery premises for consumption
31 on or off the premises, and for sampling purposes for consumption
32 on the premises, at a fee of \$250 for each salesroom. Licensees
33 shall not jointly control and operate salesrooms. Additionally, the
34 holder of this license may ship not more than 12 cases of wine per
35 year, subject to regulation, to any person within or without this
36 State over 21 years of age for personal consumption and not for
37 resale. A case of wine shall not exceed a maximum of nine liters. A
38 copy of the original invoice shall be available for inspection by
39 persons authorized to enforce the alcoholic beverage laws of this
40 State for a minimum period of three years at the licensed premises
41 of the winery. For the purposes of this subsection, "sampling"
42 means the selling at a nominal charge or the gratuitous offering of
43 an open container not exceeding one and one-half ounces of any
44 wine.

45 A holder of this license who produces not more than 250,000
46 gallons per year shall not own, either in whole or in part, or hold,
47 either directly or indirectly, any interest in a winery that produces
48 more than 250,000 gallons per year.

A3765 SAWYER

7

1 Unless otherwise indicated, for the purposes of this subsection,
2 with respect to farm winery licenses, "manufacture" means the
3 vinification, aging, storage, blending, clarification, stabilization and
4 bottling of wine or juice from New Jersey fruit to the extent
5 required by this subsection.

6 For the purposes of this subsection, "wine" shall include "hard
7 cider" and "mead" as defined in this section.

8 Wine blending license. 2c. The holder of this license shall be
9 entitled, subject to rules and regulations, to blend, treat, mix, and
10 bottle fermented wines and fruit juices with non-alcoholic
11 beverages, and to sell and distribute his products to wholesalers and
12 retailers licensed in accordance with this chapter, and to sell and
13 distribute without this State to any persons pursuant to the laws of
14 the places of such sale and distribution, and to maintain a
15 warehouse. The fee for this license shall be \$625.

16 For the purposes of this subsection, "wine" shall include "hard
17 cider" and "mead" as defined in this section.

18 Instructional winemaking facility license. 2d. The holder of
19 this license shall be entitled, subject to rules and regulations, to
20 instruct persons in and provide them with the opportunity to
21 participate directly in the process of winemaking and to directly
22 assist such persons in the process of winemaking while in the
23 process of instruction on the premises of the facility. The holder of
24 this license also shall be entitled to manufacture wine on the
25 premises not in excess of an amount of 10 percent of the wine
26 produced annually on the premises of the facility, which shall be
27 used only to replace quantities lost or discarded during the
28 winemaking process, to maintain a warehouse, and to offer samples
29 produced by persons who have received instruction in winemaking
30 on the premises by the licensee for sampling purposes only on the
31 licensed premises for the purpose of promoting winemaking for
32 personal or household use or consumption. Wine produced on the
33 premises of an instructional winemaking facility shall be used,
34 consumed or disposed of on the facility's premises or distributed
35 from the facility's premises to a person who has participated
36 directly in the process of winemaking for the person's personal or
37 household use or consumption. The holder of this license may sell
38 mercantile items traditionally associated with winemaking and
39 novelty wearing apparel identified with the name of the
40 establishment licensed under the provisions of this section. The
41 holder of this license may use the licensed premises for an event or
42 affair, including an event or affair at which a plenary retail
43 consumption licensee serves alcoholic beverages in compliance
44 with all applicable statutes and regulations promulgated by the
45 director. The fee for this license shall be \$1,000. For the purposes
46 of this subsection, "sampling" means the gratuitous offering of an
47 open container not exceeding one and one-half ounces of any wine.

1 For the purposes of this subsection, "wine" shall include "hard
2 cider" and "mead" as defined in this section.

3 Out-of-State winery license. 2e. Provided that the applicant
4 does not produce more than 250,000 gallons of wine per year, the
5 holder of a valid winery license issued in any other state may make
6 application to the director for this license. The holder of this license
7 shall have the right to sell and distribute his products to wholesalers
8 licensed in accordance with this chapter and to sell such wine at
9 retail in original packages in 16 salesrooms apart from the winery
10 premises for consumption on or off the premises at a fee of \$250 for
11 each salesroom. Licensees shall not jointly control and operate
12 salesrooms. The annual fee for this license shall be \$938. A copy
13 of a current license issued by another state shall accompany the
14 application. The holder of this license also shall have the right to
15 sell and distribute his products to retailers licensed in accordance
16 with this chapter, except that the holder of this license shall not use
17 a common carrier for such distribution. The fee for this additional
18 privilege shall be graduated as follows: a licensee who
19 manufactures more than 150,000 gallons, but not in excess of
20 250,000 gallons per annum, \$1,000; a licensee who manufactures
21 more than 100,000 gallons, but not in excess of 150,000 gallons per
22 annum, \$500; a licensee who manufactures more than 50,000
23 gallons, but not in excess of 100,000 gallons per annum, \$250; a
24 licensee who manufactures 50,000 gallons or less per annum, \$100.
25 Additionally, the holder of this license may ship not more than 12
26 cases of wine per year, subject to regulation, to any person within or
27 without this State over 21 years of age for personal consumption
28 and not for resale. A case of wine shall not exceed a maximum of
29 nine liters. A copy of the original invoice shall be available for
30 inspection by persons authorized to enforce the alcoholic beverage
31 laws of this State for a minimum period of three years at the
32 licensed premises of the winery.

33 The licensee shall collect from the customer the tax due on the
34 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
35 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of
36 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"
37 R.S.54:41-1 et seq. The Director of the Division of Taxation in the
38 Department of the Treasury shall promulgate such rules and
39 regulations necessary to effectuate the provisions of this paragraph,
40 and may provide by regulation for the co-administration of the tax
41 due on the delivery of alcoholic beverages pursuant to the
42 "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the
43 administration of the tax due on the sale pursuant to the "Sales and
44 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

45 A holder of this license who produces not more than 250,000
46 gallons per year shall not own, either in whole or in part, or hold,
47 either directly or indirectly, any interest in a winery that produces
48 more than 250,000 gallons per year.

1 For the purposes of this subsection, "wine" shall include "hard
2 cider" and "mead" as defined in this section.

3 Cidery and meadery license. 2f. The holder of this license
4 shall be entitled, subject to rules and regulations, to manufacture
5 hard cider and mead and to sell and distribute these products to
6 wholesalers and retailers licensed in accordance with this chapter,
7 and to sell and distribute without this State to any persons pursuant
8 to the laws of the places of such sale and distribution, and to
9 maintain a warehouse. The holder of this license shall be entitled to
10 sell these products at retail to consumers on the licensed premises
11 for consumption on or off the premises and to offer samples for
12 sampling purposes only. The holder of this license shall be
13 permitted to offer for sale or make the gratuitous offering of
14 packaged crackers, chips, nuts, and similar snacks to consumers, but
15 shall not operate a restaurant on the licensed premises. The fee for
16 this license shall be \$938.

17 The holder of this license shall be entitled to manufacture hard
18 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons
19 capacity per year. With respect to the sale and distribution of hard
20 cider to a wholesaler, the licensee shall be subject to the same
21 statutory and regulatory requirements as a brewer, and hard cider
22 shall be considered a malt alcoholic beverage, for the purposes of
23 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243
24 (C.33:1-93.12 et seq.). The holder of this license shall not directly
25 ship hard cider either within or without this State.

26 The holder of this license shall be entitled to manufacture not
27 more than 250,000 gallons of mead per year. The holder of this
28 license may ship not more than 12 cases of mead per year, subject
29 to regulation, to any person within or without this State over 21
30 years of age for personal consumption and not for resale. A case of
31 mead shall not exceed a maximum of nine liters. A copy of the
32 original invoice shall be available for inspection by persons
33 authorized to enforce the alcoholic beverage laws of this State for a
34 minimum period of three years at the licensed premises. As used in
35 this subsection:

36 "Hard cider" means a fermented alcoholic beverage derived
37 primarily from apples, pears, apple juice concentrate and water, or
38 pear juice concentrate and water, which may include spices, herbs,
39 honey, or other flavoring, and which contains at least one half of
40 one percent but less than eight and one half percent alcohol by
41 volume.

42 "Mead" means an alcoholic beverage primarily made from
43 honey, water, and yeast, and which may contain fruit, fruit juices,
44 spices, or herbs added before or after fermentation has completed,
45 except that the ratio of fermentable sugars from fruit or fruit juices
46 shall not exceed 49 percent of the total fermentable sugars used to
47 produce mead.

1 "Sampling" means the selling at a nominal charge or the
2 gratuitous offering of an open container not exceeding four ounces
3 of hard cider or mead produced on the licensed premises.

4 Winery-brewery sublicense. 2g. The holder of a plenary winery
5 license or a farm winery license, provided that the licensee is
6 engaged in farming on or adjacent to the winery premises and is
7 growing and cultivating hops or another product used in the
8 production of malt alcoholic beverages, shall be entitled, subject to
9 rules and regulations, to brew any malt alcoholic beverages in a
10 quantity expressed in the license not in excess of 3,000 barrels of 31
11 fluid gallons capacity per year. The fee for this sublicense shall be
12 \$750. The holder of this sublicense shall be entitled to maintain a
13 warehouse and to sell these products at retail to consumers for
14 consumption off the licensed premises and to offer samples for
15 sampling purposes only. For purposes of this subsection,
16 "sampling" means the selling at a nominal charge or the gratuitous
17 offering of an open container not exceeding one and one-half
18 ounces of any malt alcoholic beverage. No individual or entity
19 shall hold more than one winery-brewery sublicense.

20 Plenary distillery license. 3a. The holder of this license shall
21 be entitled, subject to rules and regulations, to manufacture any
22 distilled alcoholic beverages and rectify, blend, treat and mix, and
23 to sell and distribute his products to wholesalers and retailers
24 licensed in accordance with this chapter, and to sell and distribute
25 without this State to any persons pursuant to the laws of the places
26 of such sale and distribution, and to maintain a warehouse. The fee
27 for this license shall be \$12,500.

28 Limited distillery license. 3b. The holder of this license shall
29 be entitled, subject to rules and regulations, to manufacture and
30 bottle any alcoholic beverages distilled from fruit juices and rectify,
31 blend, treat, mix, compound with wine and add necessary
32 sweetening and flavor to make cordial or liqueur, and to sell and
33 distribute to wholesalers and retailers licensed in accordance with
34 this chapter, and to sell and distribute without this State to any
35 persons pursuant to the laws of the places of such sale and
36 distribution and to warehouse these products. The fee for this
37 license shall be \$3,750.

38 Supplementary limited distillery license. 3c. The holder of this
39 license shall be entitled, subject to rules and regulations, to bottle
40 and rebottle, in a quantity to be expressed in said license, dependent
41 upon the following fees, alcoholic beverages distilled from fruit
42 juices by such holder pursuant to a prior plenary or limited distillery
43 license, and to sell and distribute his products to wholesalers and
44 retailers licensed in accordance with this chapter, and to sell and
45 distribute without this State to any persons pursuant to the laws of
46 the places of such sale and distribution, and to maintain a
47 warehouse. The fee for this license shall be graduated as follows:
48 to so bottle and rebottle not more than 5,000 wine gallons per

A3765 SAWYER

1 annum, \$313; to so bottle and rebottle not more than 10,000 wine
2 gallons per annum, \$625; to so bottle and rebottle without limit as
3 to amount, \$1,250.

4 Craft distillery license. 3d. The holder of this license shall
5 be entitled, subject to rules and regulations, to manufacture not
6 more than 20,000 gallons of distilled alcoholic beverages, to rectify,
7 blend, treat and mix distilled alcoholic beverages, to sell and
8 distribute this product to wholesalers and retailers licensed in
9 accordance with this chapter, and to sell and distribute without this
10 State to any persons pursuant to the laws of the places of such sale
11 and distribution, and to maintain a warehouse. The holder of this
12 license shall be entitled to sell this product at retail to consumers on
13 the licensed premises of the distillery for consumption on the
14 premises, but only in connection with a tour of the distillery, and
15 for consumption off the premises in a quantity of not more than five
16 liters per person. In addition, the holder of this license may offer
17 any person not more than three samples per calendar day for
18 sampling purposes only. For the purposes of this subsection,
19 "sampling" means the gratuitous offering of an open container not
20 exceeding one-half ounce serving of distilled alcoholic beverage
21 produced on the distillery premises. Nothing in this subsection shall
22 be deemed to permit the direct shipment of distilled spirits either
23 within or without this State.

24 The holder of this license shall not sell food or operate a
25 restaurant on the licensed premises. A holder of this license who
26 certifies that not less than 51 percent of the raw materials used in
27 the production of distilled alcoholic beverages under this section are
28 grown in this State or purchased from providers located in this State
29 may, consistent with all applicable federal laws and regulations,
30 label these distilled alcoholic beverages as "New Jersey Distilled."
31 The fee for this license shall be \$938.

32 Rectifier and blender license. 4. The holder of this license
33 shall be entitled, subject to rules and regulations, to rectify, blend,
34 treat and mix distilled alcoholic beverages, and to fortify, blend,
35 and treat fermented alcoholic beverages, and prepare mixtures of
36 alcoholic beverages, and to sell and distribute his products to
37 wholesalers and retailers licensed in accordance with this chapter,
38 and to sell and distribute without this State to any persons pursuant
39 to the laws of the places of such sale and distribution, and to
40 maintain a warehouse. The fee for this license shall be \$7,500.

41 Bonded warehouse bottling license. 5. The holder of this
42 license shall be entitled, subject to rules and regulations, to bottle
43 alcoholic beverages in bond on behalf of all persons authorized by
44 federal and State law and regulations to withdraw alcoholic
45 beverages from bond. The fee for this license shall be \$625. This
46 license shall be issued only to persons holding permits to operate
47 Internal Revenue bonded warehouses pursuant to the laws of the
48 United States.

1 The provisions of section 21 of P.L.2003, c.117 amendatory of
2 this section shall apply to licenses issued or transferred on or after
3 July 1, 2003, and to license renewals commencing on or after July
4 1, 2003.

5 (cf: P.L.2017, c.80, s.1)

6

7 2. This act shall take effect on the first day of the fourth month
8 following enactment.

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10

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STATEMENT

12

13 This bill establishes a winery-brewery sublicense that would
14 permit wineries to produce malt alcoholic beverages for retail sale
15 to consumers for consumption off the licensed premises and
16 establishes a farm brewery license that would permit the licensee to
17 produce malt alcoholic beverages for retail sale to consumers for
18 consumption off the licensed premises.

19 A farm brewery would operate in much the same manner as a
20 farm winery, using locally grown farm products in brewing malt
21 beverages which would be sold at the farm. A licensee would be
22 required to be actively engaged in farming on or adjacent to the
23 brewery site and to be actively cultivating hops or other products
24 used in the production of the malt alcoholic beverages.

25 A farm brewery licensee would be permitted to brew up to 2,000
26 barrels of malt alcoholic beverages per year for retail sale for
27 consumption off the premises and to offer samples. A graduated
28 license based on volume would range in cost from \$100 to \$300 a
29 year. A single individual or entity would be permitted to hold only
30 one farm brewery license.

31 The winery-brewery sublicense established by the committee
32 substitute would be available to plenary and farm winery licensees,
33 provided they are actively engaged in farming on or adjacent to the
34 winery premises and are growing and cultivating hops or another
35 product used in the production of the malt alcoholic beverages.

36 Under the provisions of the committee substitute, the holder of a
37 winery-brewery sublicense would be permitted to brew up to 3,000
38 barrels of malt beverages per year and to sell this product at retail
39 for off premises consumption and to offer samples. The committee
40 substitute does not authorize a licensee to sell any malt alcoholic
41 beverages to wholesalers and retailers. The annual fee for this
42 sublicense would be \$750.

43 A winery-brewery licensee would be permitted to hold only one
44 sublicense under the committee substitute.