

ASSEMBLY, No. 4518

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED SEPTEMBER 22, 2022

Sponsored by:

Assemblyman STERLEY S. STANLEY

District 18 (Middlesex)

Assemblyman DANIEL R. BENSON

District 14 (Mercer and Middlesex)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

SYNOPSIS

Establishes and codifies certain privileges for limited and restricted brewery license holders.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 9/22/2022)

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

21 Limited brewery license 1b. The holder of this license shall be
22 entitled, subject to rules and regulations, to brew any malt alcoholic
23 beverages in a quantity to be expressed in said license, dependent
24 upon the following fees and not in excess of 300,000 barrels of 31
25 fluid gallons capacity per year and to sell and distribute this product
26 to wholesalers and retailers licensed in accordance with this
27 chapter, and to sell and distribute without this State to any persons
28 pursuant to the laws of the places of such sale and distribution, and
29 to maintain a warehouse; provided, however, that the delivery of
30 this product by the holder of this license to retailers licensed under
31 this title shall be from inventory in a warehouse located in this State
32 which is operated under a limited brewery license. The holder of
33 this license shall be entitled to sell this product at retail to
34 consumers on the licensed premises of the brewery for consumption
35 on the premises, **【but only in connection with a tour of the**
36 **brewery,】** or **【for consumption off the premises】** in a quantity of
37 not more than 15.5 fluid gallons per person for consumption off the
38 premises, and to offer samples for sampling purposes **【only**
39 **pursuant to an annual permit issued by the director】**. If the holder
40 of this license holds a bonded warehouse bottling license issued
41 pursuant to subsection 5 of this section, product brewed in
42 accordance with this subsection and transferred to a bonded
43 warehouse for bottling and storage may be sold at retail and offered
44 for sampling on the licensed premises of the brewery by the holder

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.

1 of this license. **【The holder of this license shall not sell food or**
2 **operate a restaurant on the licensed premises.】**

3 The holder of this license shall be entitled to serve customers
4 tableside utilizing servers or wait staff employed by the holder of
5 this license. The holder of this license shall be entitled to serve malt
6 alcoholic beverages for on-premise consumption in outdoor spaces
7 that are a part of an approved outdoor space utilizing a permanent
8 or portable tap system located in the approved outdoor space.
9 Pourers and servers employed by the holder of this license shall be
10 certified by an industry-recognized server training program.

11 The holder of this license shall be permitted to offer for sale or
12 make the gratuitous offering of de minimis food items including,
13 but no limited to, packaged crackers, chips, nuts, and similar snacks
14 to consumers. The license holder may sell non-alcoholic beverages,
15 whether or not manufactured by the license holder. The license
16 holder also may coordinate with a food vendor for the provision of
17 food on the licensed premises and provide menus to consumers for
18 the sale of food.

19 The holder of this license may offer for sale suitable gift items
20 and novelty wearing apparel identified with the name of the
21 licensed limited brewery.

22 The holder of this license shall be entitled to hold an unlimited
23 number of on-premises special events, for which the license holder
24 may sell tickets or charge a cover fee for attendance. The holder of
25 the license shall not be required to obtain a permit or provide
26 electronic notification to the division of on-premises special events.

27 The holder of this license shall be entitled to hold an unlimited
28 number of off-premises special events through a permit issued by
29 the director for each off-premises special event. An off-premises
30 special event permit may be issued for an event that is held for up to
31 three consecutive days. The holder of this license shall be entitled
32 to coordinate with food vendors for the provision of food at off-
33 premises events. If an off-premises special event is to be held on a
34 publicly-owned or controlled property, the holder of the license
35 shall be required to obtain the consent of the political subdivision
36 that owns or controls the property or the chief law enforcement
37 officer of the law enforcement agency that has jurisdiction over the
38 property.

39 The holder of this license shall be entitled to hold an unlimited
40 number of private parties per year to occur on the licensed premises
41 including, but not limited to, birthdays, weddings, anniversaries,
42 civic and political functions, professional and trade association
43 events, or class reunions and alumni events. The holder of this
44 license shall be entitled to provide vendor lists for private parties
45 for the provision of food, provided that there is no exclusive
46 business arrangement with any particular restaurant or vendor.
47 Subject to the consent of the limited brewery licensee, the host of a
48 private party may provide wine or malt alcoholic beverages

1 purchased off the licensed premises to be served at the private
2 party. A host of a private party may hire the employee of a limited
3 brewery to pour the alcoholic beverages served at the party. The
4 holder of the license shall not be required to obtain a permit or
5 provide electronic notification to the division of a private party.

6 The holder of this license shall be entitled to hold on the licensed
7 premises not more than 25 social affair events hosted by the holder
8 of a social affair permit issued pursuant to R.S.33:1-74. Subject to
9 the consent of the holder of the limited brewery license, the holder
10 of the social affair permit may sell and serve any wine and malt
11 alcoholic beverages for on-premises consumption only, provided
12 the wine and malt alcoholic beverages are obtained in accordance
13 with regulations promulgated by the director governing the issuance
14 of social affair permits. A host of a social affair permitted event
15 may hire the employees or agents of a limited brewery licensee to
16 pour the alcoholic beverages served at the event. The holder of this
17 license shall be entitled to sell the products manufactured by the
18 limited brewery for consumption off the licensed premises during a
19 social affair permitted event.

20 The fee for this license shall be graduated as follows:

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

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

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

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

29 For the purposes of this subsection **【, "sampling"】** :

30 “Off-premises special events” means special events that take
31 place at a location other than on the licensed premises or the
32 sidewalk, parking lot, or other area owned by the licensee that is
33 adjacent to or adjoining the licensed premises and shall include, but
34 not be limited to:

35 (1) beer, music, and arts festivals;

36 (2) civic events;

37 (3) foot races, bike races, and other athletic events;

38 (4) limited brewery anniversary celebrations; and

39 (5) holiday celebrations.

40 “On-premises special event” means an event that is open to the
41 public and held on the licensed premises or the sidewalk, parking
42 lot, or other area owned by the licensee that is adjacent to or
43 adjoining the licensed premises. An on-premises special event shall
44 include, but not be limited to:

45 (1) trivia and quiz games;

46 (2) paint and sip;

47 (3) craftmaking;

48 (4) pop up shops;

- 1 (5) DJs, live music, amplified music and open mic;
- 2 (6) televised or streamed sporting events;
- 3 (7) educational events and seminars;
- 4 (8) movies and theatrical events;
- 5 (9) animal adoption, to the extent permitted by local ordinance;
- 6 (10) yoga and exercise classes;
- 7 (11) games of skill.

8 “Private party” means an event that is held on the licensed
9 premises and closed to the general public, either by the
10 establishment of a special area of the licensed premises that may be
11 accessed only by the hosts or guests of the private party, or by
12 closure of the licensed premises to the public for the duration of the
13 private party.

14 “Sampling” means the selling at a nominal charge or the
15 gratuitous offering of an open container not exceeding four ounces
16 of any malt alcoholic beverage. For the purposes of this subsection,
17 "product" means any malt alcoholic beverage that is produced on
18 the premises licensed under this subsection.

19 Restricted brewery license. 1c. The holder of this license shall
20 be entitled, subject to rules and regulations, to brew any malt
21 alcoholic beverages in a quantity to be expressed in such license not
22 in excess of **【10,000】** 300,000 barrels of 31 gallons capacity per
23 year. Notwithstanding the provisions of R.S.33:1-26, the director
24 shall issue a restricted brewery license only to a person or an entity
25 which has identical ownership to an entity which holds a plenary
26 retail consumption license issued pursuant to R.S.33:1-12, provided
27 that such plenary retail consumption license is operated in
28 conjunction with a restaurant regularly and principally used for the
29 purpose of providing meals to its customers and having adequate
30 kitchen and dining room facilities, and that the licensed restaurant
31 premises is immediately adjoining the premises licensed under this
32 subsection. The holder of this license shall be entitled to sell or
33 deliver the product to that restaurant premises. The holder of this
34 license also shall be entitled to sell and distribute the product to
35 wholesalers and retailers licensed in accordance with this chapter,
36 and to sell and distribute without this State to any persons pursuant
37 to the laws of those places of such sale and distribution, and to
38 maintain a warehouse; provided, however, that the delivery of this
39 product by the holder of this license to retailers licensed under this
40 title shall be from inventory in a warehouse located in this State
41 which is operated under a restricted brewery license.

42 The fee for this license shall be \$1,250, which fee shall entitle
43 the holder to brew up to 1,000 barrels of 31 liquid gallons per
44 annum. The licensee also shall pay an additional \$250 for every
45 additional 1,000 barrels of 31 fluid gallons produced. The fee shall
46 be paid at the time of application for the license, and additional
47 payments based on barrels produced shall be paid within 60 days
48 following the expiration of the license term upon certification by

1 the licensee of the actual gallons brewed during the license term.
2 No more than 10 restricted brewery licenses shall be issued to a
3 person or entity which holds an interest in a plenary retail
4 consumption license. If the governing body of the municipality in
5 which the licensed premises will be located should file a written
6 objection, the director shall hold a hearing and may issue the license
7 only if the director finds that the issuance of the license will not be
8 contrary to the public interest. All fees related to the issuance of
9 both licenses shall be paid in accordance with statutory law. The
10 provisions of this subsection shall not be construed to limit or
11 restrict the rights and privileges granted by the plenary retail
12 consumption license held by the holder of the restricted brewery
13 license issued pursuant to this subsection.

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

18 For the purposes of this subsection, "sampling" means the selling
19 at a nominal charge or the gratuitous offering of an open container
20 not exceeding four ounces of any malt alcoholic beverage product.
21 For the purposes of this subsection, "product" means any malt
22 alcoholic beverage that is produced on the premises licensed under
23 this subsection.

24 Plenary winery license. 2a. Provided that the holder is engaged
25 in growing and cultivating grapes or fruit used in the production of
26 wine on at least three acres on, or adjacent to, the winery premises,
27 the holder of this license shall be entitled, subject to rules and
28 regulations, to produce any fermented wines, and to blend, fortify
29 and treat wines, and to sell and distribute his products to
30 wholesalers licensed in accordance with this chapter and to
31 churches for religious purposes, and to sell and distribute without
32 this State to any persons pursuant to the laws of the places of such
33 sale and distribution, and to maintain a warehouse, and to sell his
34 products at retail to consumers on the licensed premises of the
35 winery for consumption on or off the premises and to offer samples
36 for sampling purposes only. The fee for this license shall be \$938.
37 A holder of this license who produces not more than 250,000
38 gallons per year shall also have the right to sell and distribute his
39 products to retailers licensed in accordance with this chapter, except
40 that the holder of this license shall not use a common carrier for
41 such distribution. The fee for this additional privilege shall be
42 graduated as follows: a licensee who manufactures more than
43 150,000 gallons, but not in excess of 250,000 gallons per annum,
44 \$1,000; a licensee who manufactures more than 100,000 gallons,
45 but not in excess of 150,000 gallons per annum, \$500; a licensee
46 who manufactures more than 50,000 gallons, but not in excess of
47 100,000 gallons per annum, \$250; a licensee who manufactures
48 50,000 gallons or less per annum, \$100. A holder of this license

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

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

30 Farm winery license. 2b. The holder of this license shall be
31 entitled, subject to rules and regulations, to manufacture any
32 fermented wines and fruit juices in a quantity to be expressed in
33 said license, dependent upon the following fees and not in excess of
34 50,000 gallons per year and to sell and distribute his products to
35 wholesalers and retailers licensed in accordance with this chapter
36 and to churches for religious purposes and to sell and distribute
37 without this State to any persons pursuant to the laws of the places
38 of such sale and distribution, and to maintain a warehouse and to
39 sell at retail to consumers for consumption on or off the licensed
40 premises and to offer samples for sampling purposes only. The
41 license shall be issued only when the winery at which such
42 fermented wines and fruit juices are manufactured is located and
43 constructed upon a tract of land exclusively under the control of the
44 licensee, provided that the licensee is actively engaged in growing
45 and cultivating an area of not less than three acres on or adjacent to
46 the winery premises and on which are growing grape vines or fruit
47 to be processed into wine or fruit juice; and provided, further, that
48 for the first five years of the operation of the winery such fermented

1 wines and fruit juices shall be manufactured from at least 51
2 percent grapes or fruit grown in the State and that thereafter they
3 shall be manufactured from grapes or fruit grown in this State at
4 least to the extent required for labeling as "New Jersey Wine" under
5 the applicable federal laws and regulations. The containers of all
6 wine sold to consumers by such licensee shall have affixed a label
7 stating such information as shall be required by the rules and
8 regulations of the Director of the Division of Alcoholic Beverage
9 Control. The fee for this license shall be graduated as follows: to so
10 manufacture between 30,000 and 50,000 gallons per annum, \$375;
11 to so manufacture between 2,500 and 30,000 gallons per annum,
12 \$250; to so manufacture between 1,000 and 2,500 gallons per
13 annum, \$125; to so manufacture less than 1,000 gallons per annum,
14 \$63. No farm winery license shall be held by the holder of a
15 plenary winery license or be situated on a premises licensed as a
16 plenary winery.

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

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

42 Unless otherwise indicated, for the purposes of this subsection,
43 with respect to farm winery licenses, "manufacture" means the
44 vinification, aging, storage, blending, clarification, stabilization and
45 bottling of wine or juice from New Jersey fruit to the extent
46 required by this subsection.

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

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

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

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

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

43 Out-of-State winery license. 2e. Provided that the applicant
44 does not produce more than 250,000 gallons of wine per year, the
45 holder of a valid winery license issued in any other state may make
46 application to the director for this license. The holder of this
47 license shall have the right to sell and distribute his products to
48 wholesalers licensed in accordance with this chapter and to sell

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

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

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

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

43 Cidery and meadery license. 2f. The holder of this license shall
44 be entitled, subject to rules and regulations, to manufacture hard
45 cider and mead and to sell and distribute these products to
46 wholesalers and retailers licensed in accordance with this chapter,
47 and to sell and distribute without this State to any persons pursuant
48 to the laws of the places of such sale and distribution, and to

1 maintain a warehouse. The holder of this license shall be entitled to
2 sell these products at retail to consumers on the licensed premises
3 for consumption on or off the premises and to offer samples for
4 sampling purposes only. The holder of this license shall be
5 permitted to offer for sale or make the gratuitous offering of
6 packaged crackers, chips, nuts, and similar snacks to consumers, but
7 shall not operate a restaurant on the licensed premises. The fee for
8 this license shall be \$938.

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

18 The holder of this license shall be entitled to manufacture not
19 more than 250,000 gallons of mead per year. The holder of this
20 license may ship not more than 12 cases of mead per year, subject
21 to regulation, to any person within or without this State over 21
22 years of age for personal consumption and not for resale. A case of
23 mead shall not exceed a maximum of nine liters. A copy of the
24 original invoice shall be available for inspection by persons
25 authorized to enforce the alcoholic beverage laws of this State for a
26 minimum period of three years at the licensed premises.

27 As used in this subsection:

28 "Hard cider" means a fermented alcoholic beverage derived
29 primarily from apples, pears, apple juice concentrate and water, or
30 pear juice concentrate and water, which may include spices, herbs,
31 honey, or other flavoring, and which contains at least one half of
32 one percent but less than eight and one half percent alcohol by
33 volume.

34 "Mead" means an alcoholic beverage primarily made from
35 honey, water, and yeast, and which may contain fruit, fruit juices,
36 spices, or herbs added before or after fermentation has completed,
37 except that the ratio of fermentable sugars from fruit or fruit juices
38 shall not exceed 49 percent of the total fermentable sugars used to
39 produce mead.

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

43 Plenary distillery license. 3a. The holder of this license shall be
44 entitled, subject to rules and regulations, to manufacture any
45 distilled alcoholic beverages and rectify, blend, treat and mix, and
46 to sell and distribute his products to wholesalers and retailers
47 licensed in accordance with this chapter, and to sell and distribute
48 without this State to any persons pursuant to the laws of the places

1 of such sale and distribution, and to maintain a warehouse. The fee
2 for this license shall be \$12,500.

3 Limited distillery license. 3b. The holder of this license shall be
4 entitled, subject to rules and regulations, to manufacture and bottle
5 any alcoholic beverages distilled from fruit juices and rectify,
6 blend, treat, mix, compound with wine and add necessary
7 sweetening and flavor to make cordial or liqueur, and to sell and
8 distribute to wholesalers and retailers licensed in accordance with
9 this chapter, and to sell and distribute without this State to any
10 persons pursuant to the laws of the places of such sale and
11 distribution and to warehouse these products. The fee for this
12 license shall be \$3,750.

13 Supplementary limited distillery license. 3c. The holder of this
14 license shall be entitled, subject to rules and regulations, to bottle
15 and rebottle, in a quantity to be expressed in said license, dependent
16 upon the following fees, alcoholic beverages distilled from fruit
17 juices by such holder pursuant to a prior plenary or limited distillery
18 license, and to sell and distribute his products to wholesalers and
19 retailers licensed in accordance with this chapter, and to sell and
20 distribute without this State to any persons pursuant to the laws of
21 the places of such sale and distribution, and to maintain a
22 warehouse. The fee for this license shall be graduated as follows:
23 to so bottle and rebottle not more than 5,000 wine gallons per
24 annum, \$313; to so bottle and rebottle not more than 10,000 wine
25 gallons per annum, \$625; to so bottle and rebottle without limit as
26 to amount, \$1,250.

27 Craft distillery license. 3d. The holder of this license shall be
28 entitled, subject to rules and regulations, to manufacture not more
29 than 20,000 gallons of distilled alcoholic beverages, to rectify,
30 blend, treat and mix distilled alcoholic beverages, to sell and
31 distribute this product to wholesalers and retailers licensed in
32 accordance with this chapter, and to sell and distribute without this
33 State to any persons pursuant to the laws of the places of such sale
34 and distribution, and to maintain a warehouse. The holder of this
35 license shall be entitled to sell this product at retail to consumers on
36 the licensed premises of the distillery for consumption on the
37 premises, but only in connection with a tour of the distillery, and
38 for consumption off the premises in a quantity of not more than five
39 liters per person. In addition, the holder of this license may offer
40 any person not more than three samples per calendar day for
41 sampling purposes only. For the purposes of this subsection,
42 "sampling" means the gratuitous offering of an open container not
43 exceeding one-half ounce serving of distilled alcoholic beverage
44 produced on the distillery premises. If the holder of this license
45 holds a bonded warehouse bottling license issued pursuant to
46 subsection 5 of this section, product manufactured in accordance
47 with this subsection and transferred to a bonded warehouse for
48 bottling and storage may be sold at retail and offered for sampling

1 on the licensed premises of the distillery by the holder of this
2 license. Nothing in this subsection shall be deemed to permit the
3 direct shipment of distilled spirits either within or without this
4 State.

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

13 Rectifier and blender license. 4. The holder of this license shall
14 be entitled, subject to rules and regulations, to rectify, blend, treat
15 and mix distilled alcoholic beverages, and to fortify, blend, and
16 treat fermented alcoholic beverages, and prepare mixtures of
17 alcoholic beverages, and to sell and distribute his products to
18 wholesalers and retailers licensed in accordance with this chapter,
19 and to sell and distribute without this State to any persons pursuant
20 to the laws of the places of such sale and distribution, and to
21 maintain a warehouse. The fee for this license shall be \$7,500.

22 Bonded warehouse bottling license. 5. The holder of this license
23 shall be entitled, subject to rules and regulations, to bottle alcoholic
24 beverages in bond on behalf of all persons authorized by federal and
25 State law and regulations to withdraw alcoholic beverages from
26 bond. The fee for this license shall be \$625. This license shall be
27 issued only to persons holding permits to operate Internal Revenue
28 bonded warehouses pursuant to the laws of the United States.

29 The provisions of section 21 of P.L.2003, c.117 amendatory of
30 this section shall apply to licenses issued or transferred on or after
31 July 1, 2003, and to license renewals commencing on or after July
32 1, 2003.

33 (cf: P.L.2021, c.407, s.1)

34

35 2. This act shall take effect immediately.

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37

38

STATEMENT

39

40 This bill grants certain privileges to the holders of limited and
41 restricted brewery licenses. In addition, privileges currently held by
42 limited brewery licensees are clarified and codified by the
43 provisions of the bill.

44 Under current law, the holder of a limited brewery license is
45 entitled to brew and distribute beer to retailers and manufacturers,
46 but is limited in the amount of beer that he or she may brew in one
47 year. The holder of a restricted brewery license is entitled to brew
48 beer and operate a restaurant provided the licensee also holds a

1 Class C consumption license generally issued to bars and
2 restaurants.

3 Under the bill, the holder of a limited brewery license would be
4 entitled to serve customers tableside utilizing servers or wait staff
5 employed by the holder of this license. The limited brewery license
6 holder also would be entitled to serve malt alcoholic beverages for
7 on-premise consumption in outdoor spaces that are a part of an
8 approved outdoor space utilizing a permanent or portable tap
9 system located in the approved outdoor space. Pourers and servers
10 employed by the restricted brewery are to be certified by an
11 industry-recognized server training program.

12 The bill also removes from current law the requirement that
13 limited breweries provide a tour. Under current law, limited
14 breweries are authorized to sell their product at retail to consumers
15 on the licensed premises for on-site consumption, but only in
16 connection with a tour of the brewery or distillery. Under this bill,
17 consumers would not be required to take a tour of the brewery to
18 purchase beverages for on-site consumption.

19 The bill also allows the limited brewery license holder to offer
20 for sale or make the gratuitous offering of de minimis food items
21 such as, but not limited to, packaged crackers, chips, nuts, and
22 similar snacks to consumers. The license holder would be entitled
23 to sell non-alcoholic beverages regardless of whether the non-
24 alcoholic beverages are manufactured on the license premises.
25 Under the bill, the license holder would be entitled to coordinate
26 with a food vendor for the provision of food on the licensed
27 premises and provide menus to consumers for the sale of food. The
28 bill also clarifies that limited breweries are entitled to offer for sale
29 suitable gift items and novelty wearing apparel identified with the
30 name of the licensed limited brewery.

31 This bill also allows limited breweries to hold an unlimited
32 number of on-premises special events for which the license holder
33 may advertise and charge a cover fee. A license holder would not
34 be required to obtain a permit or provide electronic notification to
35 the Division of Alcoholic Beverage Control (ABC) prior to holding
36 on-premises special events or private parties.

37 In addition, the bill allows limited breweries to hold an unlimited
38 number of off-premises special events by obtaining a permit from
39 the Division of Alcoholic Beverage Control. An off-premises
40 special event permit may be issued for an event that is held for up to
41 three consecutive days. The licensee would be entitled to coordinate
42 with food vendors for the provision of food at off-premises events.
43 If an off-premises special event is held on a publicly-owned or
44 controlled property, the holder of the limited brewery license would
45 be required to obtain the consent of the political subdivision that
46 owns or controls the property or the chief law enforcement officer
47 of the law enforcement agency that has jurisdiction over the
48 property.

1 Under the bill, a limited brewery also would be entitled to hold
2 an unlimited number of private parties per year to occur on the
3 licensed premise including, but not limited to, birthdays, weddings,
4 anniversaries, civic and political functions, professional and trade
5 association events, or class reunions and alumni events. The host of
6 a private party, subject to the brewery's consent, may provide wine
7 or malt alcoholic beverages purchased off the licensed premises to
8 be served at the private party. A private party host may hire the
9 employee of a limited brewery to pour the alcoholic beverages
10 served at the party. The limited brewery would not be required to
11 obtain a permit or provide electronic notification to the division of a
12 private event.

13 The bill also allows organizations operating for civic, religious,
14 educational, charitable, fraternal, social, or recreational purposes,
15 and not for private gain, to obtain a social affair permit to hold an
16 event on the licensed premises of a limited brewery. Under the bill,
17 the holder of a limited brewery license would be entitled to host not
18 more than 25 social affair events on a limited brewery premises.
19 The social affair permit holder may, at the brewery's consent, sell
20 and serve wine and malt alcoholic beverages manufactured off the
21 licensed premises for on-premises consumption only, provided the
22 wine and malt alcoholic beverages. A host of a social affair
23 permitted event may hire the employees or agents of a limited
24 brewery licensee to pour the alcoholic beverages served at the
25 event. The bill allows limited breweries to sell their products for
26 consumption off the licensed premises during a social affair
27 permitted event.

28 Finally, the bill increases annual production limits placed on
29 restricted breweries from 10,000 barrels to 300,000 barrels of 31
30 gallons capacity per year. In addition, restricted breweries would
31 be entitled to sell their products directly to a retailer, rather than
32 through a wholesaler. The bill further allows restricted breweries to
33 maintain a warehouse.

34 This bill is in response, in part, to a recent special ruling issued
35 by the Director of ABC to limit the number of special events and
36 private parties held by limited breweries. It is the sponsor's intent
37 to foster and encourage New Jersey's flourishing craft beer industry
38 and its contribution to the local economy by granting additional
39 privileges and codifying existing privileges for both limited and
40 restricted breweries.