

SENATE, No. 2951

STATE OF NEW JERSEY

220th LEGISLATURE

INTRODUCED JUNE 29, 2022

Sponsored by:
Senator VIN GOPAL
District 11 (Monmouth)

SYNOPSIS

Allows wineries to obtain brewery-winery sublicense; establishes farm brewery license.

CURRENT VERSION OF TEXT

As introduced.



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 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 brewery,
36 or for consumption off the premises in a quantity of not more than
37 15.5 fluid gallons per person, and to offer samples for sampling
38 purposes only pursuant to an annual permit issued by the director.
39 If the holder of this license holds a bonded warehouse bottling
40 license issued pursuant to subsection 5 of this section, product
41 brewed in accordance with this subsection and transferred to a
42 bonded warehouse for bottling and storage may be sold at retail and
43 offered for sampling on the licensed premises of the brewery by the
44 holder of this license. The holder of this license shall not sell food

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 or operate a restaurant on the licensed premises. The fee for this
2 license shall be graduated as follows:

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

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

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

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

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

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

1 shall be paid in accordance with statutory law. The provisions of
2 this subsection shall not be construed to limit or restrict the rights
3 and privileges granted by the plenary retail consumption license
4 held by the holder of the restricted brewery license issued pursuant
5 to this subsection.

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

10 For the purposes of this subsection, "sampling" means the selling
11 at a nominal charge or the gratuitous offering of an open container
12 not exceeding four ounces of any malt alcoholic beverage product.
13 For the purposes of this subsection, "product" means any malt
14 alcoholic beverage that is produced on the premises licensed under
15 this subsection.

16 Farm brewery license. 1d. The holder of this license shall be
17 entitled, subject to rules and regulations, to brew any malt alcoholic
18 beverages in a quantity to be expressed in the license not in excess of
19 2,500 barrels of 31 fluid gallons per year and to maintain a warehouse
20 and to sell products to consumers for consumption off the licensed
21 premises and to offer samples for sampling purposes only. The license
22 shall be issued only when the brewery at which such malt alcoholic
23 beverages are brewed is located and constructed upon a tract of land
24 exclusively under the control of the licensee, provided the licensee is
25 actively engaged in farming on or adjacent to the brewery premises
26 and is growing and cultivating hops or another product which is used
27 in the production of the malt alcoholic beverages.

28 The fee for this license shall be graduated as follows: to
29 manufacture between 1,200 and 2,500 barrels per year, \$300; to
30 manufacture between 100 and 1,199 barrels per year, \$200; to
31 manufacture fewer than 100 barrels per year, \$100.

32 For purposes of this subsection, "sampling" means the selling at a
33 nominal charge or the gratuitous offering of an open container not
34 exceeding one and one-half ounces of a malt alcoholic beverage. No
35 individual or entity shall hold more than one farm brewery license.

36 Plenary winery license. 2a. Provided that the holder is engaged
37 in growing and cultivating grapes or fruit used in the production of
38 wine on at least three acres on, or adjacent to, the winery premises,
39 the holder of this license shall be entitled, subject to rules and
40 regulations, to produce any fermented wines, and to blend, fortify
41 and treat wines, and to sell and distribute his products to
42 wholesalers licensed in accordance with this chapter and to
43 churches for religious purposes, and to sell and distribute without
44 this State to any persons pursuant to the laws of the places of such
45 sale and distribution, and to maintain a warehouse, and to sell his
46 products at retail to consumers on the licensed premises of the
47 winery for consumption on or off the premises and to offer samples
48 for sampling purposes only. The fee for this license shall be \$938.

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

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

42 Farm winery license. 2b. The holder of this license shall be
43 entitled, subject to rules and regulations, to manufacture any
44 fermented wines and fruit juices in a quantity to be expressed in
45 said license, dependent upon the following fees and not in excess of
46 50,000 gallons per year and to sell and distribute his products to
47 wholesalers and retailers licensed in accordance with this chapter
48 and to churches for religious purposes and to sell and distribute

1 without this State to any persons pursuant to the laws of the places
2 of such sale and distribution, and to maintain a warehouse and to
3 sell at retail to consumers for consumption on or off the licensed
4 premises and to offer samples for sampling purposes only. The
5 license shall be issued only when the winery at which such
6 fermented wines and fruit juices are manufactured is located and
7 constructed upon a tract of land exclusively under the control of the
8 licensee, provided that the licensee is actively engaged in growing
9 and cultivating an area of not less than three acres on or adjacent to
10 the winery premises and on which are growing grape vines or fruit
11 to be processed into wine or fruit juice; and provided, further, that
12 for the first five years of the operation of the winery such fermented
13 wines and fruit juices shall be manufactured from at least 51
14 percent grapes or fruit grown in the State and that thereafter they
15 shall be manufactured from grapes or fruit grown in this State at
16 least to the extent required for labeling as "New Jersey Wine" under
17 the applicable federal laws and regulations. The containers of all
18 wine sold to consumers by such licensee shall have affixed a label
19 stating such information as shall be required by the rules and
20 regulations of the Director of the Division of Alcoholic Beverage
21 Control. The fee for this license shall be graduated as follows: to so
22 manufacture between 30,000 and 50,000 gallons per annum, \$375;
23 to so manufacture between 2,500 and 30,000 gallons per annum,
24 \$250; to so manufacture between 1,000 and 2,500 gallons per
25 annum, \$125; to so manufacture less than 1,000 gallons per annum,
26 \$63. No farm winery license shall be held by the holder of a
27 plenary winery license or be situated on a premises licensed as a
28 plenary winery.

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

1 an open container not exceeding one and one-half ounces of any
2 wine.

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

7 Unless otherwise indicated, for the purposes of this subsection,
8 with respect to farm winery licenses, "manufacture" means the
9 vinification, aging, storage, blending, clarification, stabilization and
10 bottling of wine or juice from New Jersey fruit to the extent
11 required by this subsection.

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

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

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

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

1 compliance with all applicable statutes and regulations promulgated
2 by the director. The fee for this license shall be \$1,000. For the
3 purposes of this subsection, "sampling" means the gratuitous
4 offering of an open container not exceeding one and one-half
5 ounces of any wine.

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

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

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

1 administration of the tax due on the sale pursuant to the "Sales and
2 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

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

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

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

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

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

41 As used in this subsection:

42 "Hard cider" means a fermented alcoholic beverage derived
43 primarily from apples, pears, apple juice concentrate and water, or
44 pear juice concentrate and water, which may include spices, herbs,
45 honey, or other flavoring, and which contains at least one half of
46 one percent but less than eight and one half percent alcohol by
47 volume.

1 "Mead" means an alcoholic beverage primarily made from
2 honey, water, and yeast, and which may contain fruit, fruit juices,
3 spices, or herbs added before or after fermentation has completed,
4 except that the ratio of fermentable sugars from fruit or fruit juices
5 shall not exceed 49 percent of the total fermentable sugars used to
6 produce mead.

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

10 Winery-brewery sublicense. 2g. The holder of a plenary winery
11 license or a farm winery license, provided that the licensee is
12 engaged in farming on or adjacent to the winery premises and is
13 growing and cultivating hops or another product used in the
14 production of malt alcoholic beverages, shall be entitled, subject to
15 rules and regulations, to brew any malt alcoholic beverages in a
16 quantity expressed in the license not in excess of 3,500 barrels of 31
17 fluid gallons capacity per year. The fee for this sublicense shall be
18 \$750. The holder of this sublicense shall be entitled to maintain a
19 warehouse and to sell these products at retail to consumers for
20 consumption off the licensed premises and to offer samples for
21 sampling purposes only.

22 For purposes of this subsection, "sampling" means the selling at
23 a nominal charge or the gratuitous offering of an open container not
24 exceeding one and one-half ounces of any malt alcoholic beverage.

25 No individual or entity shall hold more than one winery-brewery
26 sublicense.

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

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

45 Supplementary limited distillery license. 3c. The holder of this
46 license shall be entitled, subject to rules and regulations, to bottle
47 and rebottle, in a quantity to be expressed in said license, dependent
48 upon the following fees, alcoholic beverages distilled from fruit

1 juices by such holder pursuant to a prior plenary or limited distillery
2 license, and to sell and distribute his products to wholesalers and
3 retailers licensed in accordance with this chapter, and to sell and
4 distribute without this State to any persons pursuant to the laws of
5 the places of such sale and distribution, and to maintain a
6 warehouse. The fee for this license shall be graduated as follows:
7 to so bottle and rebottle not more than 5,000 wine gallons per
8 annum, \$313; to so bottle and rebottle not more than 10,000 wine
9 gallons per annum, \$625; to so bottle and rebottle without limit as
10 to amount, \$1,250.

11 Craft distillery license. 3d. The holder of this license shall be
12 entitled, subject to rules and regulations, to manufacture not more
13 than 20,000 gallons of distilled alcoholic beverages, to rectify,
14 blend, treat and mix distilled alcoholic beverages, to sell and
15 distribute this product to wholesalers and retailers licensed in
16 accordance with this chapter, and to sell and distribute without this
17 State to any persons pursuant to the laws of the places of such sale
18 and distribution, and to maintain a warehouse. The holder of this
19 license shall be entitled to sell this product at retail to consumers on
20 the licensed premises of the distillery for consumption on the
21 premises, but only in connection with a tour of the distillery, and
22 for consumption off the premises in a quantity of not more than five
23 liters per person. In addition, the holder of this license may offer
24 any person not more than three samples per calendar day for
25 sampling purposes only. For the purposes of this subsection,
26 "sampling" means the gratuitous offering of an open container not
27 exceeding one-half ounce serving of distilled alcoholic beverage
28 produced on the distillery premises. If the holder of this license
29 holds a bonded warehouse bottling license issued pursuant to
30 subsection 5 of this section, product manufactured in accordance
31 with this subsection and transferred to a bonded warehouse for
32 bottling and storage may be sold at retail and offered for sampling
33 on the licensed premises of the distillery by the holder of this
34 license. Nothing in this subsection shall be deemed to permit the
35 direct shipment of distilled spirits either within or without this
36 State.

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

45 Rectifier and blender license. 4. The holder of this license shall
46 be entitled, subject to rules and regulations, to rectify, blend, treat
47 and mix distilled alcoholic beverages, and to fortify, blend, and
48 treat fermented alcoholic beverages, and prepare mixtures of

1 alcoholic beverages, and to sell and distribute his products to
2 wholesalers and retailers licensed in accordance with this chapter,
3 and to sell and distribute without this State to any persons pursuant
4 to the laws of the places of such sale and distribution, and to
5 maintain a warehouse. The fee for this license shall be \$7,500.

6 Bonded warehouse bottling license. 5. The holder of this license
7 shall be entitled, subject to rules and regulations, to bottle alcoholic
8 beverages in bond on behalf of all persons authorized by federal and
9 State law and regulations to withdraw alcoholic beverages from
10 bond. The fee for this license shall be \$625. This license shall be
11 issued only to persons holding permits to operate Internal Revenue
12 bonded warehouses pursuant to the laws of the United States.

13 The provisions of section 21 of P.L.2003, c.117 amendatory of
14 this section shall apply to licenses issued or transferred on or after
15 July 1, 2003, and to license renewals commencing on or after July
16 1, 2003.

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

18
19 2. This act shall take effect on the first day of the third month
20 next following the date of enactment.

21 22 23 24 STATEMENT

25
26 This bill establishes a winery-brewery sublicense that would
27 permit wineries to produce malt alcoholic beverages for retail sale
28 to consumers for consumption off the licensed premises and a farm
29 brewery license that would permit the licensee to produce malt
30 alcoholic beverages for retail sale to consumers for consumption off
31 the licensed premises.

32 A farm brewery would operate in much the same manner as a
33 farm winery, using locally grown farm products in brewing malt
34 beverages which would be sold at the farm. A licensee would be
35 required to be actively engaged in farming on or adjacent to the
36 brewery site and to be actively cultivating hops or other products
37 used in the production of the malt alcoholic beverages.

38 A farm brewery licensee would be permitted to brew up to 2,500
39 barrels of malt alcoholic beverages per year for retail sale for
40 consumption off the premises and to offer samples. A graduated
41 license based on volume would range in cost from \$100 to \$300 a
42 year. A single individual or entity would be permitted to hold only
43 one farm brewery license.

44 The winery-brewery sublicense would be available to plenary
45 and farm winery licensees, provided they are actively engaged in
46 farming on or adjacent to the winery premises and are growing and
47 cultivating hops or another product used in the production of the
48 malt alcoholic beverages.

1 Under the provisions of the bill, the holder of a winery-brewery
2 sublicense would be permitted to brew up to 3,500 barrels of malt
3 beverages per year and to sell this product at retail for off premises
4 consumption and to offer samples. The bill does not authorize a
5 licensee to sell any malt alcoholic beverages to wholesalers and
6 retailers. The annual fee for this sublicense would be \$750.

7 A licensee would be permitted to hold only one winery-brewery
8 sublicense.