

SENATE, No. 3675

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 28, 2023

Sponsored by:

Senator GORDON M. JOHNSON

District 37 (Bergen)

SYNOPSIS

Makes various revisions to alcoholic beverage licensing laws pertaining to certain retailers and manufacturers; provides tax credit under corporate business tax and gross income tax to certain retail licensees.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning certain alcoholic beverage licenses,
2 establishing tax credits, and amending and supplementing
3 various parts of the statutory law.

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

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

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

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

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

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 issued pursuant to subsection 5 of this section, product brewed in
2 accordance with this subsection and transferred to a bonded
3 warehouse for bottling and storage may be sold at retail and offered
4 for sampling on the licensed premises of the brewery by the holder
5 of this license. The holder of this license **【shall not sell food or**
6 **operate a restaurant on the licensed premises】** may sell non-
7 alcoholic beverages, sell food or operate a restaurant on the licensed
8 premises, or may coordinate with any food vendor, including food
9 trucks, for the provision of food on the licensed premises or at off-
10 premises events. The holder of this license may participate in an
11 unlimited number of off-premises events, including private parties,
12 festivals, and tasting events, subject to obtaining a permit from the
13 director. The holder of this license may also hold an unlimited
14 number of events on the licensed premises, which shall be
15 scheduled in advance thereof and may be limited by invitation or
16 open to the general public. Subject to the consent of the holder of
17 this license, a host of a private event held on the licensed premises,
18 except when the host is the holder of this license, may bring the
19 host's own wine and malt or malt substitute alcoholic beverages not
20 produced on the licensed premises to the event. A social affair
21 permit holder or host of a private party, held on or off the licensed
22 premises, may hire an employee of the holder of this license to pour
23 any malt or malt substitute alcoholic beverage that is produced on
24 the licensed premises and provide educational commentary about
25 the malt or malt substitute alcoholic beverage that is produced on
26 the licensed premises. The holder of this license may offer for sale
27 suitable gift items and novelty wearing apparel identified with the
28 name of the holder of this license. The fee for this license shall be

29 **【graduated as follows:**

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

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

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

36 to so brew not more than 300,000 barrels of 31 fluid gallons
37 capacity per annum, \$7,500**】** set by the director by rules and
38 regulations and graduated based on the number of barrels produced
39 by the licensee per annum.

40 For the purposes of this subsection, "sampling" means the selling
41 at a nominal charge or the gratuitous offering of an open container
42 not exceeding four **【ounces】** three-ounce samples of any malt or
43 malt substitute alcoholic beverage. For the purposes of this
44 subsection, "product" means any malt or malt substitute alcoholic
45 beverage that is produced on the premises licensed under this
46 subsection.

47 Restricted brewery license. 1c. The holder of this license shall be
48 entitled, subject to rules and regulations, to brew any malt or malt

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

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

40 Following the effective date of P.L. , c. (pending before the
41 Legislature as this bill), the holder of this license may convert this
42 license to a limited brewery license for a fee to be set by, and
43 payable to, the director pursuant to rule or regulation.

44 For the purposes of this subsection, "sampling" means the selling
45 at a nominal charge or the gratuitous offering of an open container
46 not exceeding four **[ounces]** three-ounce samples of any malt or
47 malt substitute alcoholic beverage product. For the purposes of this
48 subsection, "product" means any malt or malt substitute alcoholic

1 beverage that is produced on the premises licensed under this
2 subsection.

3 Plenary winery license. 2a. Provided that the holder is engaged
4 in growing and cultivating grapes or fruit used in the production of
5 wine on at least three acres on, or adjacent to, the winery premises,
6 the holder of this license shall be entitled, subject to rules and
7 regulations, to produce any fermented wines, and to blend, fortify
8 and treat wines, and to sell and distribute his products to
9 wholesalers licensed in accordance with this chapter and to
10 churches for religious purposes, and to sell and distribute without
11 this State to any persons pursuant to the laws of the places of such
12 sale and distribution, and to maintain a warehouse, and to sell his
13 products at retail to consumers on the licensed premises of the
14 winery for consumption on or off the premises and to offer any
15 person not more than four one-and-one-half ounce samples per
16 calendar day for sampling purposes only. The holder of this license
17 may sell “happy hour” or specially priced wines produced by the
18 licensee on the licensed premises. The holder of this license may
19 sell non-alcoholic beverages, sell food or operate a restaurant on the
20 licensed premises, or may coordinate with any food vendor,
21 including food trucks, for the provision of food on the licensed
22 premises or at off-premises events. The holder of this license may
23 participate in an unlimited number of off-premises events, including
24 private parties, festivals, and tasting events, subject to obtaining a
25 permit from the director. The holder of this license may also hold
26 an unlimited number of events on the licensed premises, which shall
27 be scheduled in advance and may be limited by invitation or open to
28 the general public. Subject to the consent of the holder of this
29 license, a host of a private event held on the licensed premises,
30 except when the host is the holder of this license, may bring the
31 host’s own wine and malt or malt substitute alcoholic beverages not
32 produced on the licensed premises to the event. A social affair
33 permit holder or host of a private party, held on or off the licensed
34 premises, may hire an employee of the holder of this license to pour
35 any wine that is produced on the licensed premises and to provide
36 educational commentary about the wine that is produced on the
37 licensed premises. The holder of this license may offer for sale
38 suitable gift items and novelty wearing apparel identified with the
39 name of the holder of this license.

40 The fee for this license shall be **[\$938]** set by the director by
41 rules and regulations. A holder of this license who produces not
42 more than 250,000 gallons per year shall also have the right to sell
43 and distribute his products to retailers licensed in accordance with
44 this chapter, except that the holder of this license shall not use a
45 common carrier for such distribution. The fee for this additional
46 privilege shall be **[**graduated as follows: a licensee who
47 manufactures more than 150,000 gallons, but not in excess of
48 250,000 gallons per annum, \$1,000; a licensee who manufactures

1 more than 100,000 gallons, but not in excess of 150,000 gallons per
2 annum, \$500; a licensee who manufactures more than 50,000
3 gallons, but not in excess of 100,000 gallons per annum, \$250; a
4 licensee who manufactures 50,000 gallons or less per annum, \$100】
5 set by the director by rules and regulations and graduated based on
6 the number of gallons produced by the licensee per annum. A
7 holder of this license who produces not more than 250,000 gallons
8 per year shall have the right to sell such wine at retail in original
9 packages in 15 salesrooms apart from the winery premises for
10 consumption on or off the premises and for sampling purposes for
11 consumption on the premises, at a fee 【of \$250】 set by the director
12 by rules and regulations 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 four 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 be
38 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 any person not more than four one and one-
48 half ounce samples per calendar day for sampling purposes only.

1 The holder of this license may permit “happy hour” or specially
2 priced wines produced by the licensee to be sold on the licensed
3 premises. The holder of this license may sell non-alcoholic
4 beverages, sell food or operate a restaurant on the licensed
5 premises, or may coordinate with any food vendor, including food
6 trucks, for the provision of food on the licensed premises or at off-
7 premises events. The holder of this license may participate in an
8 unlimited number of off-premises events, including private parties,
9 festivals, and tasting events, subject to obtaining a permit from the
10 director. The holder of this license may also hold an unlimited
11 number of events on the licensed premises, which shall be
12 scheduled in advance and may be limited by invitation or open to
13 the general public. Subject to the consent of the holder of this
14 license, a host of a private event held on the licensed premises,
15 except when the host is the holder of this license, may bring the
16 host’s own wine and malt or malt substitute alcoholic beverages not
17 produced on the licensed premises to the event. A social affair
18 permit holder or host of a private party, held on or off the licensed
19 premises, may hire an employee of the holder of this license to pour
20 any wine that is produced on the licensed premises and to provide
21 educational commentary about the wine that is produced on the
22 licensed premises. The holder of this license may offer for sale
23 suitable gift items and novelty wearing apparel identified with the
24 name of the holder of this license.

25 The license shall be issued only when the winery at which such
26 fermented wines and fruit juices are manufactured is located and
27 constructed upon a tract of land exclusively under the control of the
28 licensee, provided that the licensee is actively engaged in growing
29 and cultivating an area of not less than three acres on or adjacent to
30 the winery premises and on which are growing grape vines or fruit
31 to be processed into wine or fruit juice; and provided, further, that
32 for the first five years of the operation of the winery such fermented
33 wines and fruit juices shall be manufactured from at least 51
34 percent grapes or fruit grown in the State and that thereafter they
35 shall be manufactured from grapes or fruit grown in this State at
36 least to the extent required for labeling as "New Jersey Wine" under
37 the applicable federal laws and regulations. The containers of all
38 wine sold to consumers by such licensee shall have affixed a label
39 stating such information as shall be required by the rules and
40 regulations of the Director of the Division of Alcoholic Beverage
41 Control. The fee for this license shall be **【**graduated as follows: to
42 so manufacture between 30,000 and 50,000 gallons per annum,
43 \$375; to so manufacture between 2,500 and 30,000 gallons per
44 annum, \$250; to so manufacture between 1,000 and 2,500 gallons
45 per annum, \$125; to so manufacture less than 1,000 gallons per
46 annum, \$63**】** set by the director by rules and regulations and
47 graduated based on the number of gallons produced by the licensee
48 per annum. No farm winery license shall be held by the holder of a

1 plenary winery license or be situated on a premises licensed as a
2 plenary winery.

3 The holder of this license shall also have the right to sell and
4 distribute his products to retailers licensed in accordance with this
5 chapter, except that the holder of this license shall not use a
6 common carrier for such distribution. The fee for this additional
7 privilege shall be **[\$100]** set by the director by rules and
8 regulations. The holder of this license shall have the right to sell
9 his products in original packages at retail to consumers 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]** set by the director through rules and
13 regulations for each salesroom. Licensees shall not jointly control
14 and operate salesrooms. Additionally, the holder of this license may
15 ship not more than 12 cases of wine per year, subject to regulation,
16 to any person within or without this State over 21 years of age for
17 personal consumption and not for resale. A case of wine shall not
18 exceed a maximum of nine liters. A copy of the original invoice
19 shall be available for inspection by persons authorized to enforce
20 the alcoholic beverage laws of this State for a minimum period of
21 three years at the licensed premises of the winery. For the purposes
22 of this subsection, "sampling" means the selling at a nominal charge
23 or the gratuitous offering of an open container not exceeding four
24 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.

29 Unless otherwise indicated, for the purposes of this subsection,
30 with respect to farm winery licenses, "manufacture" means the
31 vinification, aging, storage, blending, clarification, stabilization and
32 bottling of wine or juice from New Jersey fruit to the extent
33 required by this subsection.

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

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

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

46 Instructional winemaking facility license. 2d. The holder of this
47 license shall be entitled, subject to rules and regulations, to instruct
48 persons in and provide them with the opportunity to participate

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

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

30 Out-of-State winery license. 2e. Provided that the applicant
31 does not produce more than 250,000 gallons of wine per year, the
32 holder of a valid winery license issued in any other state may make
33 application to the director for this license. The holder of this
34 license shall have the right to sell and distribute his products to
35 wholesalers licensed in accordance with this chapter and to sell
36 such wine at retail in original packages in 16 salesrooms apart from
37 the winery premises for consumption on or off the premises at a fee
38 **【of \$250】** set by the director by rules and regulations for each
39 salesroom. Licensees shall not jointly control and operate
40 salesrooms. The annual fee for this license shall be **【\$938】** set by
41 the director by rules and regulations. A copy of a current license
42 issued by another state shall accompany the application. The holder
43 of this license also shall have the right to sell and distribute his
44 products to retailers licensed in accordance with this chapter, except
45 that the holder of this license shall not use a common carrier for
46 such distribution. The fee for this additional privilege shall be
47 **【graduated as follows: a licensee who manufactures more than**
48 **150,000 gallons, but not in excess of 250,000 gallons per annum,**

1 \$1,000; a licensee who manufactures more than 100,000 gallons,
2 but not in excess of 150,000 gallons per annum, \$500; a licensee
3 who manufactures more than 50,000 gallons, but not in excess of
4 100,000 gallons per annum, \$250; a licensee who manufactures
5 50,000 gallons or less per annum, \$100】 set by the director through
6 rules and regulations and graduated based on the number of gallons
7 produced by the licensee per annum. Additionally, the holder of
8 this license may ship not more than 12 cases of wine per year,
9 subject to regulation, to any person within or without this State over
10 21 years of age for personal consumption and not for resale. A case
11 of wine shall not exceed a maximum of nine liters. A copy of the
12 original invoice shall be available for inspection by persons
13 authorized to enforce the alcoholic beverage laws of this State for a
14 minimum period of three years at the licensed premises of the
15 winery.

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

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

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

34 Cidery and meadery license. 2f. The holder of this license shall
35 be entitled, subject to rules and regulations, to manufacture hard
36 cider and mead and to sell and distribute these 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 holder of this license shall be entitled
41 to sell these products at retail to consumers on the licensed premises
42 for consumption on or off the premises and to offer any person not
43 more than four one-and-one-half ounce samples per calendar day of
44 either cider or mead for sampling purposes only. 【The holder of this
45 license shall be permitted to offer for sale or make the gratuitous
46 offering of packaged crackers, chips, nuts, and similar snacks to
47 consumers, but shall not operate a restaurant on the licensed
48 premises.】 The holder of this license may sell "happy hour" or

1 specialty priced hard ciders and meads produced by the licensee on
2 the licensed premises. The holder of this license may sell non-
3 alcoholic beverages, sell food or operate a restaurant on the licensed
4 premises, or may coordinate with any food vendor, including food
5 trucks, for the provision of food on the licensed premises or at off-
6 premises events. The holder of this license may participate in an
7 unlimited number of off-premises events, including private parties,
8 festivals, and tasting events, subject to obtaining a permit from the
9 director. The holder of this license may also hold an unlimited
10 number of events on the licensed premises, which shall be
11 scheduled in advance and may be limited by invitation or open to
12 the general public. Subject to the consent of the holder of this
13 license, a host of a private event held on the licensed premises,
14 except when the host is the holder of this license, may bring the
15 host's own wine and malt or malt substitute alcoholic beverages not
16 produced on the licensed premises to the event. A social affair
17 permit holder or host of a private party, held on or off the licensed
18 premises, may hire an employee of the holder of this license to pour
19 any hard cider and mead that is produced on the licensed premises
20 and to provide educational commentary about the hard cider and
21 mead that is produced on the licensed premises. The holder of this
22 license may offer for sale suitable gift items and novelty wearing
23 apparel identified with the name of the holder of this license.

24 The fee for this license shall be **[\$938]** set by the director by
25 rules and regulations.

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

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

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

46 As used in this subsection:

47 "Hard cider" means a fermented alcoholic beverage derived
48 primarily from apples, pears, apple juice concentrate and water, or

1 pear juice concentrate and water, which may include spices, herbs,
2 honey, or other flavoring, and which contains at least one half of
3 one percent but less than eight and one half percent alcohol by
4 volume.

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

11 "Sampling" means the selling at a nominal charge or the
12 gratuitous offering of an open container not exceeding four
13 **[ounces]** one and one-half ounce samples of hard cider or mead
14 produced on the licensed premises.

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

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

33 Supplementary limited distillery license. 3c. The holder of this
34 license shall be entitled, subject to rules and regulations, to bottle
35 and rebottle, in a quantity to be expressed in said license, dependent
36 upon the following fees, alcoholic beverages distilled from fruit
37 juices by such holder pursuant to a prior plenary or limited distillery
38 license, and to sell and distribute his products to wholesalers and
39 retailers licensed in accordance with this chapter, and to sell and
40 distribute without this State to any persons pursuant to the laws of
41 the places of such sale and distribution, and to maintain a
42 warehouse. The fee for this license shall be graduated as follows:
43 to so bottle and rebottle not more than 5,000 wine gallons per
44 annum, \$313; to so bottle and rebottle not more than 10,000 wine
45 gallons per annum, \$625; to so bottle and rebottle without limit as
46 to amount, \$1,250.

47 Craft distillery license. 3d. The holder of this license shall be
48 entitled, subject to rules and regulations, to manufacture and bottle

1 not more than 20,000 gallons of distilled alcoholic beverages, to
2 rectify, blend, treat and mix distilled alcoholic beverages, to sell
3 and distribute this product to wholesalers and retailers licensed in
4 accordance with this chapter, and to sell and distribute without this
5 State to any persons pursuant to the laws of the places of such sale
6 and distribution, and to maintain a warehouse. The holder of this
7 license shall be entitled to sell this product at retail to consumers on
8 the licensed premises of the distillery for consumption on the
9 premises **【**, but only in connection with a tour of the distillery, **】** and
10 **【for consumption off the premises】** in a quantity of not more than
11 five liters per person for consumption off the premises. Products
12 sold at retail for consumption on the licensed premises may be
13 mixed into a cocktail with non-alcoholic beverages, mixers, or
14 garnishing. In addition, the holder of this license may offer any
15 person not more than three samples per calendar day for sampling
16 purposes only. For the purposes of this subsection, "sampling"
17 means the gratuitous offering of an open container not exceeding
18 three one-half ounce **【serving】** servings of distilled alcoholic
19 beverage produced on the distillery premises, which may be mixed
20 into a cocktail with non-alcoholic beverages, mixers, or garnishing.
21 If the holder of this license holds a bonded warehouse bottling
22 license issued pursuant to subsection 5 of this section, product
23 manufactured in accordance with this subsection and transferred to
24 a bonded warehouse for bottling and storage may be sold at retail
25 and offered for sampling on the licensed premises of the distillery
26 by the holder of this license. Nothing in this subsection shall be
27 deemed to permit the direct shipment of distilled spirits either
28 within or without this State.

29 The holder of this license may sell "happy hour" or specially
30 priced cocktails with distilled spirits produced by the licensee on
31 the licensed premises. The holder of this license **【shall not sell**
32 **food or operate a restaurant on the licensed premises】** may sell non-
33 alcoholic beverages, sell food or operate a restaurant on the licensed
34 premises, or may coordinate with any food vendor, including food
35 trucks, for the provision of food on the licensed premises or at off-
36 premises events. The holder of this license may participate in an
37 unlimited number of off-premises events, including private parties,
38 festivals, and tasting events, subject to obtaining a permit from the
39 director. The holder of this license may also hold an unlimited
40 number of events on the licensed premises, which shall be
41 scheduled in advance and may be limited by invitation or open to
42 the general public. Subject to the consent of the holder of this
43 license, a host of a private event held on the licensed premises,
44 except when the host is the holder of this license, may bring the
45 host's own wine and malt or malt substitute alcoholic beverages not
46 produced on the licensed premises to the event. A social affair
47 permit holder or host of a private party, held on or off the licensed
48 premises, may hire an employee of the holder of this license to pour

1 any distilled alcoholic beverage that is produced on the licensed
2 premises and to provide educational commentary about the distilled
3 alcoholic beverage that is produced on the licensed premises. The
4 holder of this license may offer for sale suitable gift items and
5 novelty wearing apparel identified with the name of the holder of
6 this license. A holder of this license who certifies that not less than
7 51 percent of the raw materials used in the production of distilled
8 alcoholic beverages under this section are grown in this State or
9 purchased from providers located in this State may, consistent with
10 all applicable federal laws and regulations, label these distilled
11 alcoholic beverages as "New Jersey Distilled." The fee for this
12 license shall be **【\$938】** set by the director through rules and
13 regulations.

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

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

30 The provisions of section 21 of P.L.2003, c.117 amendatory of
31 this section shall apply to licenses issued or transferred on or after
32 July 1, 2003, and to license renewals commencing on or after July
33 1, 2003.

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

35

36 2. R.S.33:1-12 is amended to read as follows:

37 33:1-12. Class C licenses shall be subdivided and classified as
38 follows:

39 Plenary retail consumption license. 1. The holder of this license
40 shall be entitled, subject to rules and regulations, to sell any
41 alcoholic beverages for consumption on the licensed premises by
42 the glass or other open receptacle, and also to sell any alcoholic
43 beverages in original containers for consumption off the licensed
44 premises; but this license shall not be issued to permit the sale of
45 alcoholic beverages in or upon any premises in which a grocery,
46 delicatessen, drug store or other mercantile business is carried on,
47 except as hereinafter provided. The holder of this license shall be
48 permitted to conduct consumer wine, beer and spirits tasting events

1 and samplings for a fee or on a complimentary basis pursuant to
2 conditions established by rules and regulations of the Division of
3 Alcoholic Beverage Control, provided however, that the holder of
4 this license complies with the terms and conditions set forth in
5 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules
6 and regulations established from time to time by the director, the
7 holder of this license shall be permitted to sell alcoholic beverages
8 in or upon the premises in which any of the following is carried on:
9 the keeping of a hotel or restaurant including the sale of mercantile
10 items incidental thereto as an accommodation to patrons; the sale, at
11 an entertainment facility as defined in R.S.33:1-1, having a seating
12 capacity for no less than 4,000 patrons, of mercantile items
13 traditionally associated with the type of event or program held at
14 the site; the sale of distillers', brewers' and vintners' packaged
15 merchandise prepacked as a unit with other suitable objects as gift
16 items to be sold only as a unit; the sale of novelty wearing apparel
17 identified with the name of the establishment licensed under the
18 provisions of this section; the sale of cigars, cigarettes, packaged
19 crackers, chips, nuts and similar snacks and ice at retail as an
20 accommodation to patrons, or the retail sale of nonalcoholic
21 beverages as accessory beverages to alcoholic beverages; or, in
22 commercial bowling establishments, the retail sale or rental of
23 bowling accessories and the retail sale from vending machines of
24 candy, ice cream and nonalcoholic beverages.

25 【The】 Beginning January 1, 2024 and thereafter, an initial State
26 fee for this license shall be fixed by the 【governing board or body
27 of the municipality in which the licensed premises are situated, by
28 ordinance, at not less than \$250 and not more than \$2,500. No
29 ordinance shall be enacted which shall raise or lower the fee to be
30 charged for this license by more than 20% from that charged in the
31 preceding license year or \$500.00, whichever is the lesser】 director
32 pursuant to regulation. A holder of this license on the effective date
33 of P.L. , c. (pending before the Legislature as this bill) shall be
34 subject to an annual State renewal fee of \$200 and to a separate
35 municipal renewal fee set by the governing board or body of the
36 municipality in which the licensed premises are situated, which
37 shall not exceed an amount set by the director by rules and
38 regulations. A person who initially acquires this license on and
39 after January 1, 2024 shall be subject to the initial State fee fixed by
40 the director. The State fee for this license shall be paid to the
41 director, who shall review and update the fee on an annual basis.
42 The State fee for this license shall be graduated, as determined from
43 time to time by the director through rules and regulations, based on
44 the number of persons employed by the licensee, but shall initially
45 be as follows: a fee set by the director for microbusinesses, having
46 fewer than 10 employees and annual gross revenue of less than
47 \$1,500,000; a fee set by the director for small businesses, having

1 fewer than 20 employees; and a fee set by the director for all other
2 businesses.

3 The governing board or body of each municipality may, by
4 ordinance, regulate the number and types of licenses to be issued or
5 enact that no plenary retail consumption license shall be granted
6 within its respective municipality. The governing board or body of
7 each municipality may, by ordinance, establish a separate,
8 municipal initial fee and an annual renewal fee not to exceed
9 amounts set by the director through rules and regulations.

10 The holder of this license shall be permitted to obtain a restricted
11 brewery license issued pursuant to subsection 1c. of R.S.33:1-10
12 and to operate a restricted brewery immediately adjoining the
13 licensed premises in accordance with the restrictions set forth in
14 that subsection. All fees related to the issuance of both licenses
15 shall be paid in accordance with statutory law.

16 Beginning January 1, 2029, the holder of this license, acquired
17 on or after the date of enactment of P.L. , c. (pending before the
18 Legislature as this bill), shall not sell or transfer the license for
19 consideration.

20 Seasonal retail consumption license. 2. (1) The holder of this
21 license shall be entitled, subject to rules and regulations, to sell any
22 alcoholic beverages for consumption on the licensed premises by
23 the glass or other open receptacle, and also to sell any alcoholic
24 beverages in original containers for consumption off the licensed
25 premises, during the summer season from May 1 until November
26 14, inclusive, or during the winter season from November 15 until
27 April 30, inclusive.

28 (2) In addition, the director shall issue to the holder of this
29 license, upon request by the licensee, one-day permits that shall
30 entitle the license holder to sell alcoholic beverages for
31 consumption on the licensed premises during the season when the
32 license holder is not authorized to sell alcoholic beverages pursuant
33 to subparagraph (1) of this subsection. The number of one-day
34 permits issued to a licensee pursuant to this subsection shall not
35 exceed an aggregate of 14 permits in one calendar year. A one-day
36 permit issued pursuant to this subsection shall be valid for 24
37 consecutive hours. The fee for each one-day permit shall be \$500.

38 The governing body of the municipality in which the licensed
39 premises is situated may place reasonable conditions upon a one-
40 day permit for the purpose of maintaining public safety on the
41 licensed premises and immediately surrounding area. The costs
42 associated with the reasonable conditions placed on the one-day
43 permit shall be assumed by the holder of this license.

44 (3) This license shall not be issued to permit the sale of
45 alcoholic beverages in or upon any premises in which a grocery,
46 delicatessen, drug store or other mercantile business is carried on,
47 except as hereinafter provided. Subject to such rules and
48 regulations established from time to time by the director, the holder

1 of this license shall be permitted to sell alcoholic beverages in or
2 upon the premises in which any of the following is carried on: the
3 keeping of a hotel or restaurant including the sale of mercantile
4 items incidental thereto as an accommodation to patrons; the sale of
5 distillers', brewers' and vintners' packaged merchandise prepacked
6 as a unit with other suitable objects as gift items to be sold only as a
7 unit; the sale of novelty wearing apparel identified with the name of
8 the establishment licensed under the provisions of this section; the
9 sale of cigars, cigarettes, packaged crackers, chips, nuts and similar
10 snacks and ice at retail as an accommodation to patrons; or the retail
11 sale of nonalcoholic beverages as accessory beverages to alcoholic
12 beverages. 【The】 Beginning January 1, 2024 and thereafter, a State
13 fee for this license shall be fixed by the 【governing board or body
14 of the municipality in which the licensed premises are situated, by
15 ordinance,】 director at 【75%】 75 percent of the fee fixed by 【said
16 board or body】 the director for plenary retail consumption licenses.
17 The governing board or body of each municipality may, by
18 ordinance, establish a separate, municipal initial fee and an annual
19 renewal fee not to exceed at 75 percent of the fee fixed by the board
20 or body for a plenary retail consumption license. The governing
21 board or body of each municipality may, by ordinance, enact that no
22 seasonal retail consumption license shall be granted within its
23 respective municipality.

24 Plenary retail distribution license. 3. a. The holder of this
25 license shall be entitled, subject to rules and regulations, to sell any
26 alcoholic beverages for consumption off the licensed premises, but
27 only in original containers; except that licensees shall be permitted
28 to conduct consumer wine, beer, and spirits tasting events and
29 samplings on a complimentary basis pursuant to conditions
30 established by rules and regulations of the Division of Alcoholic
31 Beverage Control, provided however, that the holder of this license
32 complies with the terms and conditions set forth in section 3 of
33 P.L.2009, c.216 (C.33:1-12d).

34 The governing board or body of each municipality may, by
35 ordinance, enact that this license shall not be issued to permit the
36 sale of alcoholic beverages in or upon any premises in which any
37 other mercantile business is carried on, except that any such
38 ordinance, heretofore or hereafter adopted, shall not prohibit the
39 retail sale of distillers', brewers' and vintners' packaged
40 merchandise prepacked as a unit with other suitable objects as gift
41 items to be sold only as a unit; the sale of novelty wearing apparel
42 identified with the name of the establishment licensed under the
43 provisions of this act; cigars, cigarettes, packaged crackers, chips,
44 nuts and similar snacks, ice, and nonalcoholic beverages as
45 accessory beverages to alcoholic beverages. The fee for this license
46 shall be fixed by the governing board or body of the municipality in
47 which the licensed premises are situated, by ordinance, at not less
48 than \$125 and not more than \$2,500. No ordinance shall be enacted

1 which shall raise or lower the fee to be charged for this license by
2 more than ~~【20%】~~ 20 percent from that charged in the preceding
3 license year or \$500.00, whichever is the lesser. The governing
4 board or body of each municipality may, by ordinance, enact that no
5 plenary retail distribution license shall be granted within its
6 respective municipality.

7 Limited retail distribution license. 3. b. The holder of this
8 license shall be entitled, subject to rules and regulations, to sell any
9 unchilled, brewed, malt or malt substitute alcoholic beverages in
10 quantities of not less than 72 fluid ounces for consumption off the
11 licensed premises, but only in original containers; provided,
12 however, that this license shall be issued only for premises operated
13 and conducted by the licensee as a bona fide grocery store, meat
14 market, meat and grocery store, delicatessen, or other type of bona
15 fide food store at which groceries or other foodstuffs are sold at
16 retail; and provided further that this license shall not be issued
17 except for premises at which the sale of groceries or other
18 foodstuffs is the primary and principal business and at which the
19 sale of alcoholic beverages is merely incidental and subordinate
20 thereto. The fee for this license shall be fixed by the governing
21 body or board of the municipality in which the licensed premises
22 are situated, by ordinance, at not less than \$31 and not more than
23 \$63. The governing board or body of each municipality may, by
24 ordinance, enact that no limited retail distribution license shall be
25 granted within its respective municipality.

26 Plenary retail transit license. 4. The holder of this license shall
27 be entitled, subject to rules and regulations, to sell any alcoholic
28 beverages, for consumption only, on railroad trains, airplanes,
29 limousines and boats, while in transit. The fee for this license for
30 use by a railroad or air transport company shall be \$375, for use by
31 the owners of limousines shall be \$31 per vehicle, and for use on a
32 boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat
33 more than 65 feet in length but not more than 110 feet in length,
34 and \$375 on a boat more than 110 feet in length; such boat lengths
35 shall be determined in the manner prescribed by the Bureau of
36 Customs of the United States Government or any federal agency
37 successor thereto for boat measurement in connection with issuance
38 of marine documents. A license issued under this provision to a
39 railroad or air transport company shall cover all railroad cars and
40 planes operated by any such company within the State of New
41 Jersey. A license for a boat or limousine issued under this
42 provision shall apply only to the particular boat or limousine for
43 which issued, and shall permit the purchase of alcoholic beverages
44 for sale or service in a boat or limousine to be made from any Class
45 A and B licensee or from any Class C licensee whose license
46 privilege permits the sale of alcoholic beverages in original
47 containers for off-premises consumption. An interest in a plenary
48 retail transit license issued in accordance with this section shall be

1 excluded in determining the maximum number of retail licenses
2 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

3 Club license. 5. The holder of this license shall be entitled,
4 subject to rules and regulations, to sell any alcoholic beverages but
5 only for immediate consumption on the licensed premises and only
6 to bona fide club members and their guests. The fee for this license
7 shall be fixed by the governing board or body of the municipality in
8 which the licensed premises are situated, by ordinance, at not less
9 than \$63 and not more than \$188. The governing board or body of
10 each municipality may, by ordinance, enact that no club licenses
11 shall be granted within its respective municipality. Club licenses
12 may be issued only to such corporations, associations and
13 organizations as are operated for benevolent, charitable, fraternal,
14 social, religious, recreational, athletic, or similar purposes, and not
15 for private gain, and which comply with all conditions which may
16 be imposed by the Director of the Division of Alcoholic Beverage
17 Control by rules and regulations.

18 The provisions of section 23 of P.L.2003, c.117 amendatory of
19 this section shall apply to licenses issued or transferred on or after
20 July 1, 2003, and to license renewals commencing on or after July
21 1, 2003.

22 Sporting facility license. 6. The holder of this license shall be
23 entitled, subject to rules and regulations, to sell at retail or to serve
24 any alcoholic beverages as the owner, operator, lessee, or
25 concessionaire of a sporting facility by the glass or other receptacle
26 or in original containers only on the premises of the sporting
27 facility.

28 Notwithstanding any other provision of Title 33 of the Revised
29 Statutes and subject to conditions established by the director, the
30 holder of this license may share direction and control of the
31 premises to be licensed and share proceeds and profits from the sale
32 of alcoholic beverages with the owner, operator, concessionaire, or
33 lessee of the facility. The holder of this license shall be permitted
34 to conduct consumer wine, beer, and spirits tasting events and
35 samplings for a fee or on a complimentary basis provided, however,
36 the license holder complies with the provisions of section 3 of
37 P.L.2009, c.216 (C.33:1-12d) and rules and regulations promulgated
38 thereto. Notwithstanding any law, rule or regulation to the contrary,
39 the holder of this license shall be entitled to establish an all-
40 inclusive area within the licensed sporting facility, provided the all-
41 inclusive area is limited to one area within the sporting facility for
42 each game or event and the capacity of the all-inclusive area does
43 not exceed 500 persons.

44 The fee for this license shall be \$2,500 for venues with a
45 capacity of less than 7,500 persons; \$5,000 for venues with a
46 capacity of not less than 7,500 persons but not more than 14,999
47 persons; \$7,500 for venues with a capacity of not less than 15,000

1 persons but not more than 22,499 persons; and \$10,000 for venues
2 with a capacity of 22,500 persons or more.

3 For the purposes of this subsection:

4 "Sporting facility" means a stadium, arena, team training facility,
5 or similar venue located on public property where alcoholic
6 beverages are served or sold at retail for consumption on the
7 premises by the glass or other open receptacle or in original
8 containers.

9 "Team training facility" shall include team offices and team
10 headquarters.

11 (cf: P.L.2018, c.147, s.1)

12
13 3. Section 2 of P.L.1947, c.94 (C.33:1-12.14) is amended to
14 read as follows:

15 2. a. Except as otherwise provided in this act, no new plenary
16 retail consumption or seasonal retail consumption license shall be
17 issued in a municipality unless and until:

18 Prior to January 1, 2024, the combined total number of such
19 licenses existing in the municipality is fewer than one for each
20 3,000 of its population;

21 On and after January 1, 2024 but prior to January 1, 2025, the
22 combined total number of such licenses existing in the municipality
23 is fewer than one for each 2,700 of its population;

24 On and after January 1, 2025 but prior to January 1, 2026, the
25 combined total number of such licenses existing in the municipality
26 is fewer than one for each 2,430 of its population;

27 On and after January 1, 2026 but prior to January 1, 2027, the
28 combined total number of such licenses existing in the municipality
29 is fewer than one for each 2,187 of its population;

30 On and after January 1, 2027 but prior to January 1, 2028, the
31 combined total number of such licenses existing in the municipality
32 is fewer than one for each 1,968 of its population;

33 On and after January 1, 2028 but prior to January 1, 2029, the
34 combined total number of such licenses existing in the municipality
35 is fewer than one for each 1,771 of its population; and

36 On and after January 1, 2029, there shall be no limitation on the
37 combined total number of plenary retail consumption or seasonal
38 retail consumption licenses existing in a municipality.

39 A municipality's population shall be determined according to the
40 most recent estimates issued by the U.S. Bureau of the Census;
41 provided, however, in the year that the official federal decennial
42 counts are received by the Governor, those federal decennial counts
43 shall be used.

44 b. No new plenary retail distribution license shall be issued in a
45 municipality unless and until the number of such licenses existing
46 in the municipality is fewer than one for each 7,500 of its
47 population according to the most recent estimates issued by the U.S.
48 Bureau of the Census; provided, however, in the year that the

1 official federal decennial counts are received by the Governor,
2 those federal decennial counts shall be used.

3 (cf: P.L.1999, c.189, s.1)

4
5 4. Section 1 of P.L.1975, c.275 (C.33:1-19.1) is amended to
6 read as follows:

7 1. Whenever a municipality is authorized to issue one or more
8 new or additional **【**plenary retail consumption, seasonal retail
9 consumption or**】** plenary retail distribution licenses **【**or a plenary
10 retail consumption license acquired pursuant to section 3 of
11 P.L.2007, c.351 (C.33:1-24.3)**】** and the governing body by
12 resolution determines to permit the issuance thereof, the governing
13 body shall cause to be published a notice of the proposed issuance
14 of said license or licenses and that applications therefor will be
15 accepted by the governing body or in municipalities having a
16 municipal board of alcoholic beverage control or municipal excise
17 commission, by the board or commission, as the case may be. The
18 notice shall specify a time and date after which no further
19 applications will be accepted. The notice shall be published in a
20 newspaper circulating generally in the municipality by not less than
21 two insertions, 1 week apart, the second of which shall be made not
22 less than 30 days prior to the time and date specified in the notice as
23 the time and date after which no further applications will be
24 accepted.

25 (cf: P.L.2007, c.351, s.4)

26
27 5. Section 1 of P.L.1981, c.416 (C.33:1-19.3) is amended to
28 read as follows:

29 1. Whenever a municipality is authorized to issue one or more
30 **【**plenary retail consumption, seasonal retail consumption or**】**
31 plenary retail distribution licenses and the governing body
32 determines to permit the issuance thereof, the governing body by
33 resolution may authorize that such license or licenses be issued to
34 the highest qualified bidder therefor and shall conduct a public sale
35 for such purpose or direct that such a sale be conducted by the
36 municipal board of alcoholic beverage control or municipal excise
37 commission in a municipality where such board or commission
38 exists. The governing body by resolution may also prescribe
39 qualifications for prospective bidders **【**including the requirement
40 that a licensee, as a condition of the award of the license, shall
41 operate a restaurant, public accommodation or other facility**】**;
42 provided, however, that no municipal license requirement is
43 contrary or inconsistent with law, rule or regulation. The governing
44 body may, by resolution, fix a minimum bid and conditions of sale
45 with the reservation of the right to reject all bids where the highest
46 bid is not accepted.

47 (cf: P.L.1981, c.416, s.1)

1 6. (New section) a. Whenever a municipality determines to
2 issue one or more plenary retail consumption or seasonal retail
3 consumption licenses, the governing body shall cause to be
4 published a notice of the proposed issuance of the license or
5 licenses and that applications therefor will be accepted by the
6 governing body or in municipalities having a municipal board of
7 alcoholic beverage control or municipal excise commission, by the
8 board or commission, as the case may be. The notice shall specify a
9 time and date after which no further applications will be accepted.

10 b. If the number of prospective licensees exceeds the number
11 of licenses a municipality determines to issue, then the governing
12 body by resolution may authorize that the license or licenses be
13 issued to the highest qualified bidder therefor, subject to restrictions
14 that may be imposed by the director through rules and regulations,
15 and shall conduct a public sale for that purpose or direct that the
16 sale be conducted by the municipal board of alcoholic beverage
17 control or municipal excise commission in a municipality where a
18 board or commission exists. The governing body by resolution may
19 also prescribe qualifications for prospective bidders, including the
20 requirement that a licensee, as a condition of the award of the
21 license, shall operate a restaurant, public accommodation, or other
22 facility; provided, however, that no municipal license requirement
23 is contrary or inconsistent with law, rule, or regulation. The
24 governing body may, by resolution, fix a minimum bid and
25 conditions of sale with the reservation of the right to reject all bids
26 where the highest bid is not accepted. The sale shall be conducted
27 in accordance with the provisions of sections 2 through 4 of
28 P.L.1981, c.416 (C.33:1-19.4 through C.33:1-19.6). The amounts
29 paid pursuant to this subsection shall be in addition to any State or
30 municipal license fee required to be paid by the licensee.

31

32 7. R.S.33:1-43 is amended to read as follows:

33 33:1-43. a. It shall be unlawful for any owner, part owner,
34 stockholder or officer or director of any corporation, or any other
35 person whatsoever interested in any way whatsoever in any
36 brewery, winery, distillery or rectifying and blending plant, or any
37 wholesaler of alcoholic beverages, to conduct, own either in whole
38 or in part, or be directly or indirectly interested in the retailing of
39 any alcoholic beverages in New Jersey except as provided in this
40 chapter, and such interest shall include any payments or delivery of
41 money or property by way of loan or otherwise accompanied by an
42 agreement to sell the product of said brewery, winery, distillery,
43 rectifying and blending plant or wholesaler.

44 b. It shall be unlawful for any owner, part owner, stockholder
45 or officer or director of any corporation, or any other person
46 whatsoever, interested in any way whatsoever in the retailing of
47 alcoholic beverages to conduct, own either whole or in part, or to be
48 a shareholder, officer or director of a corporation or association,

1 directly or indirectly, interested in any brewery, winery, distillery,
2 rectifying and blending plant, or wholesaling or importing interest
3 of any kind whatsoever.

4 No interest in the retailing of alcoholic beverages shall be
5 deemed to exist by reason of the ownership, delivery or loan of
6 interior signs designed for and exclusively used for advertising the
7 product of or product offered for sale by such brewery, winery,
8 distillery or rectifying and blending plant or wholesaler.

9 c. Nothing in this section shall prohibit:

10 (1) The exercise of limited retail privileges by Class A or Class
11 B licensees conferred pursuant to R.S.33:1-10, R.S.33:1-11, by rule
12 or regulation or by special permit issued by the director;

13 (2) Any owner, part owner, stockholder, officer or director of
14 any corporation, or any other person whatsoever interested in any
15 way whatsoever in any brewery, winery, distillery, rectifying and
16 blending plant or any wholesaler of alcoholic beverages, from
17 conducting, owning, either in whole or in part, or being directly or
18 indirectly interested in the retailing of any alcoholic beverages,
19 under any retail consumption license or State issued permit, in
20 conjunction with and as a part of the operations of a hotel or motel;

21 (3) Any owner, part owner, stockholder or officer or director of
22 any corporation, or any other person or corporation interested in
23 any way whatsoever in the retailing of alcoholic beverages, under a
24 retail consumption license or State issued permit, in conjunction
25 with and as a part of the operations of a hotel or motel from
26 conducting, owning, either in whole or in part, or being a
27 shareholder, officer or director of a corporation or association,
28 directly or indirectly interested in any brewery, winery, distillery,
29 rectifying and blending plant, or wholesaling or importing interest
30 of any kind whatsoever; **【or】**

31 (4) The exercise of a restricted brewery license privilege by an
32 immediately adjoining restaurant having a plenary retail
33 consumption license issued under R.S.33:1-12; or

34 (5) The exercise of retail consumption privileges afforded to the
35 holder of a limited brewery license, plenary winery license, farm
36 winery license, craft distillery license, or cidery and meadery
37 license pursuant to R.S.33:1-10.

38 No more than **【20%】** 20 percent of the total gross annual
39 revenues of a hotel or motel described in paragraphs (2) and (3)
40 shall be derived from the sale of alcoholic beverages by the hotel or
41 motel. A retail licensee described in paragraphs (2) and (3) shall
42 not purchase or sell any alcoholic beverage product produced or
43 sold by the brewery, winery, distillery, rectifying and blending
44 plant, wholesaler or importer that has any interest in the retail
45 license of the hotel or motel, unless the total of all such products is
46 **【5%】** five percent or less of the total volume of alcoholic beverage
47 products purchased and sold annually by the hotel or motel holding
48 the retail license. The retail licensee shall, within 30 days following

1 the effective date of this act, file with the Division of Alcoholic
2 Beverage Control a list of all alcoholic beverage products which
3 shall not be purchased or sold by the hotel or motel except to the
4 extent permitted herein. Thereafter, the retail licensee shall file a
5 new or amended list with the division within 30 days of any
6 changed circumstances which affect the information on the list.
7 This list shall be made available to the public upon request.

8 For purposes of this subsection "hotel" or "motel" means an
9 establishment containing at least 100 guest room accommodations
10 where the relationship between the occupants thereof and the owner
11 or operator of the establishment is that of innkeeper and guest.

12 (cf: P.L.1993, c.216, s.3)

13
14 8. Section 6 of P.L.1947, c.94 (C.33:1-12.18) is amended to
15 read as follows:

16 6. a. **【Except as provided in subsection d. of this section, in】**
17 In any case in which a timely renewal was not filed, nothing in this
18 act shall be deemed to prevent the issuance of a new license to a
19 person who files an application therefor within one year following
20 the expiration of the license renewal period, but who pays the
21 municipal and State renewal fees for the year for which a timely
22 renewal application was not filed, if the director shall determine in
23 writing that the applicant's failure to apply for a renewal of his
24 license was due to circumstances beyond his control or other
25 extraordinary circumstances.

26 b. Any request for relief under this section shall be filed not
27 later than one year following the expiration of the license renewal
28 period for the license which was not renewed in a timely manner
29 and shall be accompanied by a nonreturnable filing fee of \$100
30 payable to the director for each license term.

31 c. A new license issued pursuant to this section shall be
32 assigned the same license number as the license which was not
33 renewed in a timely manner.

34 d. **【Notwithstanding subsection a. of this section, a person with**
35 **an】** An expired Class C license, as to which 【was】 a timely renewal
36 was not filed and as to which relief pursuant to subsection a. of this
37 section was either not timely requested or was denied, shall not
38 **【renewed within the five years immediately preceding the**
39 **enactment of P.L.2010, c.14, but who pays the municipal and State**
40 **renewal fees for each year for which a timely renewal application**
41 **was not filed, may file for issuance of a new license in accordance**
42 **with subsection a. of this section within six months of the effective**
43 **date of P.L.2010, c.14】** be subject to renewal once the time period
44 set forth in subsections a. and b. of this section has elapsed and the
45 time for appeal from the director's determination has expired or, if
46 an appeal from the director's determination has been taken, such
47 relief has been denied.

1 e. At any time prior to January 1, 2029, a Class C license that
2 has not been renewed pursuant to this section within five years
3 immediately preceding the enactment of
4 P.L. , c. (C.)(pending before the Legislature as this bill)
5 may be reissued in a manner consistent with the provisions of
6 P.L.1975, c.275 (C.33:1-19.1 et seq.) for use at a licensed premises
7 located within the municipality.

8 f. Any Class C license reissued pursuant to subsection e. of
9 this section shall be of the same license type as the expired license
10 and shall be used in a manner consistent with the provisions of Title
11 33 of the Revised Statutes and any regulations promulgated by the
12 director.

13 (cf: P.L.2010, c.14, s.1)

14
15 9. Section 1 of P.L.1977, c.246 (C.33:1-12.39) is amended to
16 read as follows:

17 1. **【No】** a. The governing board or body of a municipality
18 may renew a Class C license **【,】** as **【the same is】** defined in
19 R.S.33:1-12, **【shall be renewed if the same】** regardless of whether
20 the license has been actively used in connection with the operation
21 of a licensed premises.

22 b. The governing board or body of a municipality may deny the
23 renewal of a Class C license that has not been actively used in
24 connection with the operation of a licensed premises within a period
25 of two years prior to the commencement date of the license period
26 for which the renewal application is filed **【unless the director, for**
27 good cause and**】** if, after a hearing, **【authorizes a further application**
28 for one or more renewals within a stated period of years ; provided,
29 however that,**】** it finds that the holder of the license has not made a
30 good faith effort to resume active use of the license.

31 c. The governing board or body of a municipality shall not
32 deny the renewal of an inactive Class C license pursuant to
33 subsection b. of this section if the licensee establishes by affidavit
34 filed with and approved by the governing board or body that the
35 licensee has been deprived of the use of the licensed premises as a
36 result of eminent domain **【,】** or fire or other casualty **【,** and
37 establishes by affidavit filed with the that is making a good faith
38 effort to resume active use of the license in connection with the
39 operation of a licensed premise then the period of two years
40 provided for in this section shall be automatically extended for an
41 additional period of**】**. A governing board or body that approves an
42 affidavit for relief filed pursuant to this subsection shall extend the
43 renewal period of the license for an additional two years.

44 **【Any request for relief under this section shall be accompanied**
45 **by a nonreturnable filing fee of \$100.00 payable to the director.**】****

46 d. At any time prior to January 1, 2029, an inactive Class C
47 license that has been denied renewal pursuant to subsection b. of

1 this section may be reissued in a manner consistent with the
2 provisions of P.L.1975, c.275 (C.33:1-19.1 et seq.) as amended by
3 P.L. , c. (pending before the Legislature as this bill), for use at a
4 licensed premises located within the municipality. The use of a
5 plenary retail consumption license issued pursuant to this
6 subsection shall be in a manner consistent with the provisions of
7 Title 33 of the Revised Statutes and any regulations promulgated by
8 the director.

9 e. Nothing in this section shall be construed to restrict the
10 authority of a governing board or body of a municipality or the
11 director to issue, renew, or deny a renewal of a license, including
12 but not limited to an inactive Class C license, on any other grounds.
13 (cf: P.L.1996, c.127, s.1)

14
15 10. (New section) a. For the privilege period beginning on or
16 after January 1 next following the effective date of this act, a
17 taxpayer, who holds a plenary retail consumption license on the
18 effective date of this act, shall be allowed a credit against the tax
19 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in
20 the following amounts:

21 (1) the holder of a plenary retail consumption license on the
22 effective date of this act with taxable sales at the licensed premises,
23 which did not exceed \$1,500,000 in any one of the three calendar
24 years preceding the effective date of this act, shall be allowed a
25 credit in the amount of \$50,000;

26 (2) the holder of a plenary retail consumption license on the
27 effective date of this act with taxable sales at the licensed premises
28 of more than \$1,500,000 in any one of the three calendar years
29 preceding the effective date of this act but did not exceed
30 \$2,900,000 in any one of the three calendar years preceding the
31 effective date of this act, shall be allowed a credit in the amount of
32 \$40,000; and

33 (3) the holder of a plenary retail consumption license on the
34 effective date of this act with taxable sales at the licensed premises,
35 which in any one of the three calendar years preceding the effective
36 date of this act exceeded \$2,900,000, shall be allowed a credit in the
37 amount of \$30,000.

38 b. The order of priority of the application of the tax credit
39 allowed pursuant to this section, and any other credits allowed
40 against the tax imposed pursuant to section 5 of P.L.1945, c.162
41 (C.54:10A-5) for a privilege period, shall be as prescribed by the
42 director. Notwithstanding the minimum tax schedule imposed
43 pursuant to subsection (e) of section 5 of P.L.1945, c.162
44 (C.54:10A-5), if the amount of the tax credit allowed exceeds the
45 amount of corporation business tax otherwise due pursuant to
46 section 5 of P.L.1945, c.162 (C.54:10A-5), the amount of excess
47 shall be treated as a refundable overpayment except that interest
48 shall not be paid pursuant to section 7 of P.L.1992, c.175 (C.54:49-

1 15.1) on the amount of overpayment attributable to the tax credit
2 allowed pursuant to this section.

3 c. The Director may request such information from a taxpayer
4 and from the Division of Alcohol and Beverage Control as
5 necessary to determine the taxpayer's eligibility for a tax credit.

6 d. A taxpayer shall be ineligible for a credit under this section
7 if the taxpayer holds a plenary retail consumption license on the
8 effective date of this act but did not have taxable sales at the
9 licensed premises in each of the last three calendar years preceding
10 the effective date of this act.

11 e. A taxpayer shall not be allowed a credit under this section
12 for the same plenary retail consumption license for which a tax
13 credit was allowed under section 11 of P.L. , c. (C.)
14 (pending before the Legislature as this bill).

15 f. As used in this section, "taxable sales" means the total
16 amount of the receipts from all sales taxable under the "Sales and
17 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.), excluding
18 amounts subject to the hotel and motel occupancy fee imposed
19 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1).
20

21 11. (New section) a. For the taxable year beginning January 1
22 next following the effective date of this act, a taxpayer, who holds a
23 plenary retail consumption license on the effective date of this act,
24 shall be allowed a credit against the tax otherwise due for the
25 taxable year under the "New Jersey Gross Income Tax Act,"
26 N.J.S.54A:1-1 et seq., in the following amounts:

27 (1) the holder of a plenary retail consumption license on the
28 effective date of this act with taxable sales at the licensed premises,
29 which did not exceed \$1,500,000 in any one of the three calendar
30 years preceding the effective date of this act, shall be allowed a
31 credit in the amount of \$50,000;

32 (2) the holder of a plenary retail consumption license on the
33 effective date of this act with taxable sales at the licensed premises
34 of more than \$1,500,000 in any one of the three calendar years
35 preceding the effective date of this act but did not exceed
36 \$2,900,000 in any one of the three calendar years preceding the
37 effective date of this act, shall be allowed a credit in the amount of
38 \$40,000; and

39 (3) the holder of a plenary retail consumption license on the
40 effective date of this act with taxable sales at the licensed premises,
41 which in any one of the three calendar years preceding the effective
42 date of this act exceeded \$2,900,000, shall be allowed a credit in the
43 amount of \$30,000.

44 b. The order of priority of the application of the credit allowed
45 pursuant to this section, and any other credits allowed against the
46 tax imposed pursuant to N.J.S.54A:1-1 et seq. for a taxable year,
47 shall be as prescribed by the director. If the amount of the credit
48 allowed exceeds the amount of gross income tax otherwise due

1 pursuant to the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1
2 et seq. the amount of excess shall be treated as a refund of an
3 overpayment of tax in accordance with N.J.S.54A:9-7; provided,
4 however, that subsection (f) of that section, concerning the
5 allowance of interest, shall not apply.

6 c. (1) A taxpayer that is classified as a partnership for federal
7 income tax purposes shall not be allowed a credit under this section
8 directly, but the amount of credit of a taxpayer in respect of a
9 distributive share of partnership income under the “New Jersey
10 Gross Income Tax Act,” N.J.S.54A:1-1 et seq., shall be determined
11 by allocating to the taxpayer that proportion of the credit acquired
12 by the partnership that is equal to the taxpayer’s share, whether or
13 not distributed, of the total distributive income or gain of the
14 partnership for its taxable year ending within or with the taxpayer’s
15 taxable year.

16 (2) A New Jersey S Corporation shall not be allowed a credit
17 under this section directly, but the amount of the tax credit of a
18 taxpayer in respect of a pro rata share of S Corporation income,
19 shall be determined by allocating to the taxpayer that proportion of
20 the tax credit acquired by the New Jersey S Corporation that is
21 equal to the taxpayer’s share, whether or not distributed, of the total
22 pro rata share of S Corporation income of the New Jersey S
23 Corporation for its privilege period ending within or with the
24 taxpayer’s taxable year.

25 d. The Director may request such information from a taxpayer
26 and from the Division of Alcohol and Beverage Control as
27 necessary to determine a taxpayer’s eligibility for a tax credit.

28 e. A taxpayer shall be ineligible for a credit under this section
29 if the taxpayer holds a plenary retail consumption license on the
30 effective date of this act but did not have taxable sales at the
31 licensed premises in each of the last three calendar years preceding
32 the effective date of this act.

33 f. A taxpayer shall not be allowed a credit under this section
34 for the same plenary retail consumption license for which a tax
35 credit was allowed under section 10 of P.L. , c. (C.)
36 (pending before the Legislature as this bill).

37 g. As used in this section, “taxable sales” means the total
38 amount of the receipts from all sales taxable under the “Sales and
39 Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), excluding
40 amounts subject to the hotel and motel occupancy fee imposed
41 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1).

42
43 12. (New section) Notwithstanding the provisions of the
44 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
45 seq.), to the contrary, the director shall adopt, immediately upon
46 filing with the Office of Administrative Law, rules and regulations
47 that the director deems necessary to implement the provisions of
48 **【this act】 P.L. , c. (C.) (pending before the Legislature as**

1 this bill), which rules and regulations shall be effective for a period
2 not to exceed 365 days from the date of the filing. The director
3 shall thereafter amend, adopt, or readopt the rules and regulations in
4 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1
5 et seq.).

6
7 13. Sections 1 through 3 and sections 7 through 12 of this act
8 shall take effect immediately, but section 1 shall remain inoperative
9 until the effective date of rules and regulations adopted pursuant to
10 section 12 of this act, and sections 10 and 11 shall apply to the
11 privilege period and taxable year beginning on or after January 1
12 next following the date of enactment. Sections 4 through 6 of this
13 act shall take effect on January 1, 2029.

14
15
16 STATEMENT

17
18 This bill makes various revisions to the law governing the sale of
19 alcoholic beverages in this State.

20 The bill grants privileges to the holders of certain craft alcoholic
21 beverage manufacturer licenses. Under the bill, a holder of a
22 limited brewery, plenary winery, farm winery, craft distillery, and
23 cidery and meadery license would be entitled to sell food and hold
24 certain activities and events both on and off the licensed premises.
25 Specifically, the bill allows craft alcoholic manufacturer licensees
26 to sell non-alcoholic beverages and food or operate a restaurant on
27 the licensed premises. The bill also allows these craft alcoholic
28 beverage manufacturers to coordinate with any food vendor,
29 including food trucks, to provide food on the licensed premises or at
30 off-premises events. These craft alcoholic beverage manufacturers
31 also would be entitled to participate in an unlimited number of off-
32 premises events, including private parties, festivals, and tasting
33 events, subject to a permit obtained from the Division of Alcoholic
34 Beverage Control (ABC).

35 Under the bill, craft alcoholic beverage manufacturers also
36 would be entitled to hold an unlimited number of events on licensed
37 premises that are scheduled in advance of the event and limited by
38 invitation or open to the general public. The bill also allows craft
39 alcoholic beverage manufacturers to hold private parties on and off
40 the licensed premises. Under the bill, the host of a private party
41 would be entitled to provide any alcoholic beverage, including
42 alcoholic beverages which are not produced by the license holder,
43 provided the host is not the licensee and the licensee consents to the
44 provision of other alcoholic beverages. A social affairs permit
45 holder or host of a private party, held on or off the licensed
46 premises, may hire an employee of the craft manufacturer to pour
47 alcoholic beverages produced on the licensed premises and provide
48 educational commentary about the alcoholic beverages produced on

1 the licensed premises. The bill also allows these craft alcoholic
2 beverage manufacturers to hold “happy hours” and sell suitable gift
3 items and novelty wearing apparel identified with the name of the
4 holder of the license.

5 The bill also removes from current law the tour requirement for
6 limited brewery and craft distillery license holders. Under current
7 law, these licensees are authorized to sell their products at retail to
8 consumers on the licensed premises for on-site consumption, but
9 only in connection with a tour of the brewery or distillery. Under
10 this bill, consumers would not be required to take a tour of the
11 brewery or distillery to purchase beverages for on-site consumption.

12 The bill also allows the holder of a restricted brewery license to
13 convert the license into a limited brewery license in exchange for a
14 fee established by the ABC. Under current law, a restricted
15 brewery license is only issued to a person who also holds a Class C
16 consumption license, which are generally issued to bars and
17 restaurants. The restricted brewery license allows the licensee to
18 brew the beer, while the Class C license allows the licensee to sell
19 that beer directly to restaurant patrons. This bill allows the holder
20 of a restricted brewery license to convert the license into a limited
21 brewery license, allowing the licensee to sell food or operate a
22 restaurant under the bill. The bill also clarifies that craft distillery
23 licensees are entitled to sell cocktails mixed with non-alcoholic
24 beverages, mixers, or garnishing. In addition, the bill removes from
25 current statutory law the fees paid by craft alcoholic beverage
26 manufacturers and provides that the fee schedule is to be set by
27 rules and regulations promulgated by the ABC.

28 In addition, this bill allows for the issuance of additional plenary
29 retail and seasonal retail consumption licenses, which allow for the
30 consumption of alcoholic beverages on the licensed premises.
31 Under current law, a municipality may issue plenary retail and
32 seasonal retail consumption licenses until the combined total
33 number in the municipality is fewer than one license for each 3,000
34 municipal residents. Because of this restriction, there is a shortage
35 of these licenses in some municipalities. This bill addresses this
36 shortage by allowing the incremental issuance of additional plenary
37 retail consumption licenses over the course of a five year period,
38 after which time the population restriction would no longer exist.
39 The population restriction imposed on the issuance of additional
40 licenses would be adjusted as follows:

- 41 • on and after January 1, 2024 but prior to January 1, 2025, the
42 combined total number of licenses existing in the
43 municipality is to be fewer than one for each 2,700 of its
44 population;
- 45 • on and after January 1, 2025 but prior to January 1, 2026, the
46 combined total number of licenses existing in the
47 municipality is to be fewer than one for each 2,430 of its
48 population;

- 1 • on and after January 1, 2026 but prior to January 1, 2027, the
2 combined total number of licenses existing in the
3 municipality is to be fewer than one for each 2,187 of its
4 population;
- 5 • on and after January 1, 2027 but prior to January 1, 2028, the
6 combined total number of licenses existing in the
7 municipality is to be fewer than one for each 1,968 of its
8 population;
- 9 • on and after January 1, 2028 but prior to January 1, 2029, the
10 combined total number of licenses existing in the
11 municipality is fewer than one for each 1,771 of its
12 population; and
- 13 • on and after January 1, 2029, there is to be no limitation on
14 the combined total number of plenary retail consumption or
15 seasonal retail consumption licenses existing in a
16 municipality.

17 In addition, the bill makes certain revisions to the fees paid by
18 plenary retail consumption license holders and the public notice
19 requirements and procedure to issue additional plenary retail
20 consumption licenses.

21 The bill also changes the procedure for renewing an inactive
22 Class C license. Under current law, an inactive Class C license is a
23 retail license that is not being used at an open and operating licensed
24 premise. A licensee is required to place the license on “inactive
25 status” when the licensed business ceases operation and the license
26 continues to be held by the licensee of record. A municipality may
27 renew an inactive license annually for up to two years following the
28 date it became inactive. If the license has been inactive for more than
29 two years, the licensee is required to file a petition to maintain
30 possession of the license with the Director of the Division of ABC.

31 Under this bill, a municipality would have the authority to renew an
32 inactive Class C license to sell alcoholic beverages regardless of
33 whether the license has been actively used in connection with the
34 operation of a licensed premises. In addition, the bill allows a
35 municipality to deny the renewal of an inactive Class C license if the
36 license holder has not made a good faith effort to actively use the
37 license. This bill removes from current law the director’s authority to
38 grant petitions to renew inactive Class C licenses and grants the
39 authority to municipalities to renew these licenses regardless of
40 whether the license is actively used in connection with a premises.
41 Under the bill, the governing municipal board or body also may deny a
42 license renewal application if it finds that the license holder has not
43 made a good faith effort to resume active use of the license. A
44 municipal board or body would be prohibited from denying an
45 application for renewal by a licensee who establishes by affidavit that
46 the licensee has been deprived of the use of the licensed premises as a
47 result of eminent domain or fire or other casualty. The bill allows a

1 municipal board or body that denies a license renewal to reissue the
2 license at public sale in accordance with current law.

3 Finally, the bill provides a tax credit to persons and entities that
4 held a plenary retail consumption license on or prior to the bill's date
5 of enactment. The tax credit would be issued based on taxable sales
6 made on the licensed premises in the three years preceding the bill's
7 date of enactment. Under the bill, a plenary retail consumption
8 license holder who, on the bill's effective date, had taxable sales in
9 any one of the three preceding calendar years at the licensed
10 premises which:

- 11 • did not exceed \$1,500,000 would be allowed a tax credit in
12 the amount of \$50,000;
- 13 • was between \$1,500,000 and \$2,900,000 would be allowed a
14 tax credit in the amount of \$40,000; and
- 15 • exceeded \$2,900,000 would be allowed a tax credit in the
16 amount of \$30,000.

17 It is the sponsor's intent to create new market opportunities, foster
18 economic growth and development, and encourage New Jersey's
19 flourishing alcoholic beverage industry and its contribution to the
20 local economy by making more retail licenses available and
21 granting additional privileges to this State's alcoholic beverage
22 manufacturing license holders.