

SENATE, No. 784

STATE OF NEW JERSEY 221st LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2024 SESSION

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

Introduced Pending Technical Review by Legislative Counsel.



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.

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

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

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

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

1 malt substitute alcoholic beverage product. For the purposes of this
2 subsection, "product" means any malt or malt substitute alcoholic
3 beverage that is produced on the premises licensed under this
4 subsection.

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

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

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

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

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

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

27 The license shall be issued only when the winery at which such
28 fermented wines and fruit juices are manufactured is located and
29 constructed upon a tract of land exclusively under the control of the
30 licensee, provided that the licensee is actively engaged in growing
31 and cultivating an area of not less than three acres on or adjacent to
32 the winery premises and on which are growing grape vines or fruit
33 to be processed into wine or fruit juice; and provided, further, that
34 for the first five years of the operation of the winery such fermented
35 wines and fruit juices shall be manufactured from at least 51
36 percent grapes or fruit grown in the State and that thereafter they
37 shall be manufactured from grapes or fruit grown in this State at
38 least to the extent required for labeling as "New Jersey Wine" under
39 the applicable federal laws and regulations. The containers of all
40 wine sold to consumers by such licensee shall have affixed a label
41 stating such information as shall be required by the rules and
42 regulations of the Director of the Division of Alcoholic Beverage
43 Control. The fee for this license shall be **【**graduated as follows: to
44 so manufacture between 30,000 and 50,000 gallons per annum,
45 \$375; to so manufacture between 2,500 and 30,000 gallons per
46 annum, \$250; to so manufacture between 1,000 and 2,500 gallons
47 per annum, \$125; to so manufacture less than 1,000 gallons per
48 annum, \$63**】** set by the director by rules and regulations and

1 graduated based on the number of gallons produced by the licensee
2 per annum. No farm winery license shall be held by the holder of a
3 plenary winery license or be situated on a premises licensed as a
4 plenary winery.

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

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

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

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

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

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

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

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

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

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

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

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

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

37 Cidery and meadery license. 2f. The holder of this license shall
38 be entitled, subject to rules and regulations, to manufacture hard
39 cider and mead and to sell and distribute these products to
40 wholesalers and retailers licensed in accordance with this chapter,
41 and to sell and distribute without this State to any persons pursuant
42 to the laws of the places of such sale and distribution, and to
43 maintain a warehouse. The holder of this license shall be entitled
44 to sell these products at retail to consumers on the licensed premises
45 for consumption on or off the premises and to offer any person not
46 more than four one-and-one-half ounce samples per calendar day of
47 either cider or mead for sampling purposes only. **【**The holder of this
48 license shall be permitted to offer for sale or make the gratuitous

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

27 The fee for this license shall be **【\$938】** set by the director by
28 rules and regulations.

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

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

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

1 As used in this subsection:

2 "Hard cider" means a fermented alcoholic beverage derived
3 primarily from apples, pears, apple juice concentrate and water, or
4 pear juice concentrate and water, which may include spices, herbs,
5 honey, or other flavoring, and which contains at least one half of
6 one percent but less than eight and one half percent alcohol by
7 volume.

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

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

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

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

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

1 gallons per annum, \$625; to so bottle and rebottle without limit as
2 to amount, \$1,250.

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

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

1 except when the host is the holder of this license, may bring the
2 host's own wine and malt or malt substitute alcoholic beverages not
3 produced on the licensed premises to the event. A social affair
4 permit holder or host of a private party, held on or off the licensed
5 premises, may hire an employee of the holder of this license to pour
6 any distilled alcoholic beverage that is produced on the licensed
7 premises and to provide educational commentary about the distilled
8 alcoholic beverage that is produced on the licensed premises. The
9 holder of this license may offer for sale suitable gift items and
10 novelty wearing apparel identified with the name of the holder of
11 this license. A holder of this license who certifies that not less than
12 51 percent of the raw materials used in the production of distilled
13 alcoholic beverages under this section are grown in this State or
14 purchased from providers located in this State may, consistent with
15 all applicable federal laws and regulations, label these distilled
16 alcoholic beverages as "New Jersey Distilled." The fee for this
17 license shall be **[\$938]** set by the director through rules and
18 regulations.

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

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

35 The provisions of section 21 of P.L.2003, c.117 amendatory of
36 this section shall apply to licenses issued or transferred on or after
37 July 1, 2003, and to license renewals commencing on or after July
38 1, 2003.

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

40

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

42 33:1-12. Class C licenses shall be subdivided and classified as
43 follows:

44 Plenary retail consumption license. 1. The holder of this license
45 shall be entitled, subject to rules and regulations, to sell any
46 alcoholic beverages for consumption on the licensed premises by
47 the glass or other open receptacle, and also to sell any alcoholic
48 beverages in original containers for consumption off the licensed

1 premises; but this license shall not be issued to permit the sale of
2 alcoholic beverages in or upon any premises in which a grocery,
3 delicatessen, drug store or other mercantile business is carried on,
4 except as hereinafter provided. The holder of this license shall be
5 permitted to conduct consumer wine, beer and spirits tasting events
6 and samplings for a fee or on a complimentary basis pursuant to
7 conditions established by rules and regulations of the Division of
8 Alcoholic Beverage Control, provided however, that the holder of
9 this license complies with the terms and conditions set forth in
10 section 3 of P.L.2009, c.216 (C.33:1-12d). Subject to such rules
11 and regulations established from time to time by the director, the
12 holder of this license shall be permitted to sell alcoholic beverages
13 in or upon the premises in which any of the following is carried on:
14 the keeping of a hotel or restaurant including the sale of mercantile
15 items incidental thereto as an accommodation to patrons; the sale, at
16 an entertainment facility as defined in R.S.33:1-1, having a seating
17 capacity for no less than 4,000 patrons, of mercantile items
18 traditionally associated with the type of event or program held at
19 the site; the sale of distillers', brewers' and vintners' packaged
20 merchandise prepacked as a unit with other suitable objects as gift
21 items to be sold only as a unit; the sale of novelty wearing apparel
22 identified with the name of the establishment licensed under the
23 provisions of this section; the sale of cigars, cigarettes, packaged
24 crackers, chips, nuts and similar snacks and ice at retail as an
25 accommodation to patrons, or the retail sale of nonalcoholic
26 beverages as accessory beverages to alcoholic beverages; or, in
27 commercial bowling establishments, the retail sale or rental of
28 bowling accessories and the retail sale from vending machines of
29 candy, ice cream and nonalcoholic beverages.

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

1 the number of persons employed by the licensee, but shall initially
2 be as follows: a fee set by the director for microbusinesses, having
3 fewer than 10 employees and annual gross revenue of less than
4 \$1,500,000; a fee set by the director for small businesses, having
5 fewer than 20 employees; and a fee set by the director for all other
6 businesses.

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

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

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

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

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

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

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

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

39 The governing board or body of each municipality may, by
40 ordinance, enact that this license shall not be issued to permit the
41 sale of alcoholic beverages in or upon any premises in which any
42 other mercantile business is carried on, except that any such
43 ordinance, heretofore or hereafter adopted, shall not prohibit the
44 retail sale of distillers', brewers' and vintners' packaged
45 merchandise prepacked as a unit with other suitable objects as gift
46 items to be sold only as a unit; the sale of novelty wearing apparel
47 identified with the name of the establishment licensed under the
48 provisions of this act; cigars, cigarettes, packaged crackers, chips,

1 nuts and similar snacks, ice, and nonalcoholic beverages as
2 accessory beverages to alcoholic beverages. The fee for this license
3 shall be fixed by the governing board or body of the municipality in
4 which the licensed premises are situated, by ordinance, at not less
5 than \$125 and not more than \$2,500. No ordinance shall be enacted
6 which shall raise or lower the fee to be charged for this license by
7 more than ~~【20%】~~ 20 percent from that charged in the preceding
8 license year or \$500.00, whichever is the lesser. The governing
9 board or body of each municipality may, by ordinance, enact that no
10 plenary retail distribution license shall be granted within its
11 respective municipality.

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

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

1 for sale or service in a boat or limousine to be made from any Class
2 A and B licensee or from any Class C licensee whose license
3 privilege permits the sale of alcoholic beverages in original
4 containers for off-premises consumption. An interest in a plenary
5 retail transit license issued in accordance with this section shall be
6 excluded in determining the maximum number of retail licenses
7 permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

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

23 The provisions of section 23 of P.L.2003, c.117 amendatory of
24 this section shall apply to licenses issued or transferred on or after
25 July 1, 2003, and to license renewals commencing on or after July
26 1, 2003.

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

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

1 The fee for this license shall be \$2,500 for venues with a
2 capacity of less than 7,500 persons; \$5,000 for venues with a
3 capacity of not less than 7,500 persons but not more than 14,999
4 persons; \$7,500 for venues with a capacity of not less than 15,000
5 persons but not more than 22,499 persons; and \$10,000 for venues
6 with a capacity of 22,500 persons or more.

7 For the purposes of this subsection:

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

13 "Team training facility" shall include team offices and team
14 headquarters.

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

16

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

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

22 Prior to January 1, 2024, the combined total number of such
23 licenses existing in the municipality is fewer than one for each
24 3,000 of its population;

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

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

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

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

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

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

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

1 **b.** No new plenary retail distribution license shall be issued in a
2 municipality unless and until the number of such licenses existing
3 in the municipality is fewer than one for each 7,500 of its
4 population according to the most recent estimates issued by the U.S.
5 Bureau of the Census; provided, however, in the year that the
6 official federal decennial counts are received by the Governor,
7 those federal decennial counts shall be used.

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

9

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

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

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

31

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

34 1. Whenever a municipality is authorized to issue one or more
35 **【**plenary retail consumption, seasonal retail consumption or**】**
36 plenary retail distribution licenses and the governing body
37 determines to permit the issuance thereof, the governing body by
38 resolution may authorize that such license or licenses be issued to
39 the highest qualified bidder therefor and shall conduct a public sale
40 for such purpose or direct that such a sale be conducted by the
41 municipal board of alcoholic beverage control or municipal excise
42 commission in a municipality where such board or commission
43 exists. The governing body by resolution may also prescribe
44 qualifications for prospective bidders **【**including the requirement
45 that a licensee, as a condition of the award of the license, shall
46 operate a restaurant, public accommodation or other facility**】**;
47 provided, however, that no municipal license requirement is

1 contrary or inconsistent with law, rule or regulation. The governing
2 body may, by resolution, fix a minimum bid and conditions of sale
3 with the reservation of the right to reject all bids where the highest
4 bid is not accepted.

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

6

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

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

37

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

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

1 agreement to sell the product of said brewery, winery, distillery,
2 rectifying and blending plant or wholesaler.

3 b. It shall be unlawful for any owner, part owner, stockholder
4 or officer or director of any corporation, or any other person
5 whatsoever, interested in any way whatsoever in the retailing of
6 alcoholic beverages to conduct, own either whole or in part, or to be
7 a shareholder, officer or director of a corporation or association,
8 directly or indirectly, interested in any brewery, winery, distillery,
9 rectifying and blending plant, or wholesaling or importing interest
10 of any kind whatsoever.

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

16 c. Nothing in this section shall prohibit:

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

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

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

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

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

45 No more than **【20%】** 20 percent of the total gross annual
46 revenues of a hotel or motel described in paragraphs (2) and (3)
47 shall be derived from the sale of alcoholic beverages by the hotel or
48 motel. A retail licensee described in paragraphs (2) and (3) shall

1 not purchase or sell any alcoholic beverage product produced or
2 sold by the brewery, winery, distillery, rectifying and blending
3 plant, wholesaler or importer that has any interest in the retail
4 license of the hotel or motel, unless the total of all such products is
5 **【5%】** five percent or less of the total volume of alcoholic beverage
6 products purchased and sold annually by the hotel or motel holding
7 the retail license. The retail licensee shall, within 30 days following
8 the effective date of this act, file with the Division of Alcoholic
9 Beverage Control a list of all alcoholic beverage products which
10 shall not be purchased or sold by the hotel or motel except to the
11 extent permitted herein. Thereafter, the retail licensee shall file a
12 new or amended list with the division within 30 days of any
13 changed circumstances which affect the information on the list.
14 This list shall be made available to the public upon request.

15 For purposes of this subsection "hotel" or "motel" means an
16 establishment containing at least 100 guest room accommodations
17 where the relationship between the occupants thereof and the owner
18 or operator of the establishment is that of innkeeper and guest.
19 (cf: P.L.1993, c.216, s.3)

20

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

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

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

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

41 d. **【Notwithstanding subsection a. of this section, a person with**
42 **an】** An expired Class C license, as to which 【was】 a timely renewal
43 was not filed and as to which relief pursuant to subsection a. of this
44 section was either not timely requested or was denied, shall not
45 **【renewed within the five years immediately preceding the**
46 **enactment of P.L.2010, c.14, but who pays the municipal and State**
47 **renewal fees for each year for which a timely renewal application**

1 was not filed, may file for issuance of a new license in accordance
2 with subsection a. of this section within six months of the effective
3 date of P.L.2010, c.14] be subject to renewal once the time period
4 set forth in subsections a. and b. of this section has elapsed and the
5 time for appeal from the director's determination has expired or, if
6 an appeal from the director's determination has been taken, such
7 relief has been denied.

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

15 f. Any Class C license reissued pursuant to subsection e. of
16 this section shall be of the same license type as the expired license
17 and shall be used in a manner consistent with the provisions of Title
18 33 of the Revised Statutes and any regulations promulgated by the
19 director.

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

21
22 9. Section 1 of P.L.1977, c.246 (C.33:1-12.39) is amended to
23 read as follows:

24 1. **[No]** a. The governing board or body of a municipality
25 may renew a Class C license [,] as [the same is] defined in
26 R.S.33:1-12, [shall be renewed if the same] regardless of whether
27 the license has been actively used in connection with the operation
28 of a licensed premises.

29 b. The governing board or body of a municipality may deny the
30 renewal of a Class C license that has not been actively used in
31 connection with the operation of a licensed premises within a period
32 of two years prior to the commencement date of the license period
33 for which the renewal application is filed [unless the director, for
34 good cause and] if, after a hearing, [authorizes a further application
35 for one or more renewals within a stated period of years ; provided,
36 however that,] it finds that the holder of the license has not made a
37 good faith effort to resume active use of the license.

38 c. The governing board or body of a municipality shall not
39 deny the renewal of an inactive Class C license pursuant to
40 subsection b. of this section if the licensee establishes by affidavit
41 filed with and approved by the governing board or body that the
42 licensee has been deprived of the use of the licensed premises as a
43 result of eminent domain [,] or fire or other casualty [, and
44 establishes by affidavit filed with the that is making a good faith
45 effort to resume active use of the license in connection with the
46 operation of a licensed premise then the period of two years
47 provided for in this section shall be automatically extended for an

1 additional period of **】**. A governing board or body that approves an
2 affidavit for relief filed pursuant to this subsection shall extend the
3 renewal period of the license for an additional two years.

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

6 d. At any time prior to January 1, 2029, an inactive Class C
7 license that has been denied renewal pursuant to subsection b. of
8 this section may be reissued in a manner consistent with the
9 provisions of P.L.1975, c.275 (C.33:1-19.1 et seq.) as amended by
10 P.L. , c. (pending before the Legislature as this bill), for use at a
11 licensed premises located within the municipality. The use of a
12 plenary retail consumption license issued pursuant to this
13 subsection shall be in a manner consistent with the provisions of
14 Title 33 of the Revised Statutes and any regulations promulgated by
15 the director.

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

21
22 10. (New section) a. For the privilege period beginning on or
23 after January 1 next following the effective date of this act, a
24 taxpayer, who holds a plenary retail consumption license on the
25 effective date of this act, shall be allowed a credit against the tax
26 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) in
27 the following amounts:

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

33 (2) the holder of a plenary retail consumption license on the
34 effective date of this act with taxable sales at the licensed premises
35 of more than \$1,500,000 in any one of the three calendar years
36 preceding the effective date of this act but did not exceed
37 \$2,900,000 in any one of the three calendar years preceding the
38 effective date of this act, shall be allowed a credit in the amount of
39 \$40,000; and

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

45 b. The order of priority of the application of the tax credit
46 allowed pursuant to this section, and any other credits allowed
47 against the tax imposed pursuant to section 5 of P.L.1945, c.162
48 (C.54:10A-5) for a privilege period, shall be as prescribed by the

1 director. Notwithstanding the minimum tax schedule imposed
2 pursuant to subsection (e) of section 5 of P.L.1945, c.162
3 (C.54:10A-5), if the amount of the tax credit allowed exceeds the
4 amount of corporation business tax otherwise due pursuant to
5 section 5 of P.L.1945, c.162 (C.54:10A-5), the amount of excess
6 shall be treated as a refundable overpayment except that interest
7 shall not be paid pursuant to section 7 of P.L.1992, c.175 (C.54:49-
8 15.1) on the amount of overpayment attributable to the tax credit
9 allowed pursuant to this section.

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

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

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

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

27

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

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

39 (2) the holder of a plenary retail consumption license on the
40 effective date of this act with taxable sales at the licensed premises
41 of more than \$1,500,000 in any one of the three calendar years
42 preceding the effective date of this act but did not exceed
43 \$2,900,000 in any one of the three calendar years preceding the
44 effective date of this act, shall be allowed a credit in the amount of
45 \$40,000; and

46 (3) the holder of a plenary retail consumption license on the
47 effective date of this act with taxable sales at the licensed premises,
48 which in any one of the three calendar years preceding the effective

- 1 date of this act exceeded \$2,900,000, shall be allowed a credit in the
2 amount of \$30,000.
- 3 b. The order of priority of the application of the credit allowed
4 pursuant to this section, and any other credits allowed against the
5 tax imposed pursuant to N.J.S.54A:1-1 et seq. for a taxable year,
6 shall be as prescribed by the director. If the amount of the credit
7 allowed exceeds the amount of gross income tax otherwise due
8 pursuant to the “New Jersey Gross Income Tax Act,” N.J.S.54A:1-1
9 et seq. the amount of excess shall be treated as a refund of an
10 overpayment of tax in accordance with N.J.S.54A:9-7; provided,
11 however, that subsection (f) of that section, concerning the
12 allowance of interest, shall not apply.
- 13 c. (1) A taxpayer that is classified as a partnership for federal
14 income tax purposes shall not be allowed a credit under this section
15 directly, but the amount of credit of a taxpayer in respect of a
16 distributive share of partnership income under the “New Jersey
17 Gross Income Tax Act,” N.J.S.54A:1-1 et seq., shall be determined
18 by allocating to the taxpayer that proportion of the credit acquired
19 by the partnership that is equal to the taxpayer’s share, whether or
20 not distributed, of the total distributive income or gain of the
21 partnership for its taxable year ending within or with the taxpayer’s
22 taxable year.
- 23 (2) A New Jersey S Corporation shall not be allowed a credit
24 under this section directly, but the amount of the tax credit of a
25 taxpayer in respect of a pro rata share of S Corporation income,
26 shall be determined by allocating to the taxpayer that proportion of
27 the tax credit acquired by the New Jersey S Corporation that is
28 equal to the taxpayer’s share, whether or not distributed, of the total
29 pro rata share of S Corporation income of the New Jersey S
30 Corporation for its privilege period ending within or with the
31 taxpayer’s taxable year.
- 32 d. The Director may request such information from a taxpayer
33 and from the Division of Alcohol and Beverage Control as
34 necessary to determine a taxpayer’s eligibility for a tax credit.
- 35 e. A taxpayer shall be ineligible for a credit under this section
36 if the taxpayer holds a plenary retail consumption license on the
37 effective date of this act but did not have taxable sales at the
38 licensed premises in each of the last three calendar years preceding
39 the effective date of this act.
- 40 f. A taxpayer shall not be allowed a credit under this section
41 for the same plenary retail consumption license for which a tax
42 credit was allowed under section 10 of P.L. , c. (C.)
43 (pending before the Legislature as this bill).
- 44 g. As used in this section, “taxable sales” means the total
45 amount of the receipts from all sales taxable under the “Sales and
46 Use Tax Act,” P.L.1966, c.30 (C.54:32B-1 et seq.), excluding
47 amounts subject to the hotel and motel occupancy fee imposed
48 pursuant to section 1 of P.L.2003, c.114 (C.54:32D-1).

1 12. (New section) Notwithstanding the provisions of the
2 “Administrative Procedure Act,” P.L.1968, c.410 (C.52:14B-1 et
3 seq.), to the contrary, the director shall adopt, immediately upon
4 filing with the Office of Administrative Law, rules and regulations
5 that the director deems necessary to implement the provisions of
6 **【this act】** P.L. , c. (C.) (pending before the Legislature as
7 this bill), which rules and regulations shall be effective for a period
8 not to exceed 365 days from the date of the filing. The director
9 shall thereafter amend, adopt, or readopt the rules and regulations in
10 accordance with the requirements of P.L.1968, c.410 (C.52:14B-1
11 et seq.).

12

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

20

21

22

STATEMENT

23

24 This bill makes various revisions to the law governing the sale of
25 alcoholic beverages in this State.

26

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

42

43 Under the bill, craft alcoholic beverage manufacturers also
44 would be entitled to hold an unlimited number of events on licensed
45 premises that are scheduled in advance of the event and limited by
46 invitation or open to the general public. The bill also allows craft
47 alcoholic beverage manufacturers to hold private parties on and off
48 the licensed premises. Under the bill, the host of a private party
would be entitled to provide any alcoholic beverage, including
alcoholic beverages which are not produced by the license holder,

1 provided the host is not the licensee and the licensee consents to the
2 provision of other alcoholic beverages. A social affairs permit
3 holder or host of a private party, held on or off the licensed
4 premises, may hire an employee of the craft manufacturer to pour
5 alcoholic beverages produced on the licensed premises and provide
6 educational commentary about the alcoholic beverages produced on
7 the licensed premises. The bill also allows these craft alcoholic
8 beverage manufacturers to hold “happy hours” and sell suitable gift
9 items and novelty wearing apparel identified with the name of the
10 holder of the license.

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

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

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

- 47 • on and after January 1, 2024 but prior to January 1, 2025, the
48 combined total number of licenses existing in the

- 1 municipality is to be fewer than one for each 2,700 of its
2 population;
- 3 • on and after January 1, 2025 but prior to January 1, 2026, the
4 combined total number of licenses existing in the
5 municipality is to be fewer than one for each 2,430 of its
6 population;
 - 7 • on and after January 1, 2026 but prior to January 1, 2027, the
8 combined total number of licenses existing in the
9 municipality is to be fewer than one for each 2,187 of its
10 population;
 - 11 • on and after January 1, 2027 but prior to January 1, 2028, the
12 combined total number of licenses existing in the
13 municipality is to be fewer than one for each 1,968 of its
14 population;
 - 15 • on and after January 1, 2028 but prior to January 1, 2029, the
16 combined total number of licenses existing in the
17 municipality is fewer than one for each 1,771 of its
18 population; and
 - 19 • on and after January 1, 2029, there is to be no limitation on
20 the combined total number of plenary retail consumption or
21 seasonal retail consumption licenses existing in a
22 municipality.

23 In addition, the bill makes certain revisions to the fees paid by
24 plenary retail consumption license holders and the public notice
25 requirements and procedure to issue additional plenary retail
26 consumption licenses.

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

37 Under this bill, a municipality would have the authority to renew an
38 inactive Class C license to sell alcoholic beverages regardless of
39 whether the license has been actively used in connection with the
40 operation of a licensed premises. In addition, the bill allows a
41 municipality to deny the renewal of an inactive Class C license if the
42 license holder has not made a good faith effort to actively use the
43 license. This bill removes from current law the director’s authority to
44 grant petitions to renew inactive Class C licenses and grants the
45 authority to municipalities to renew these licenses regardless of
46 whether the license is actively used in connection with a premises.
47 Under the bill, the governing municipal board or body also may deny a
48 license renewal application if it finds that the license holder has not

1 made a good faith effort to resume active use of the license. A
2 municipal board or body would be prohibited from denying an
3 application for renewal by a licensee who establishes by affidavit that
4 the licensee has been deprived of the use of the licensed premises as a
5 result of eminent domain or fire or other casualty. The bill allows a
6 municipal board or body that denies a license renewal to reissue the
7 license at public sale in accordance with current law.

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

- 16 • did not exceed \$1,500,000 would be allowed a tax credit in
17 the amount of \$50,000;
- 18 • was between \$1,500,000 and \$2,900,000 would be allowed a
19 tax credit in the amount of \$40,000; and
- 20 • exceeded \$2,900,000 would be allowed a tax credit in the
21 amount of \$30,000.

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