

ASSEMBLY, No. 1103

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Makes various changes to law governing limited breweries.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT concerning limited brewery licenses and amending
2 R.S.33:1-10.

3

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

6

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

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

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

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

43 The holder of this license shall not sell food or operate a
44 restaurant on the licensed premises. The fee for this license shall be
45 graduated as follows:

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

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

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

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

7 The holder of this license may hold on-site special events on the
8 licensed premises of a limited brewery that is open to the general
9 public. The licensee also may hold off-site special events that are
10 open to the general public. The licensee shall notify the director at
11 least 10 days in advance of the date of an on-site special event and
12 shall notify the director and municipality in which an off-site
13 special event is taking place at least 21 days in advance of the date
14 of the off-site special event. The notification shall include: the
15 name and address of the limited brewery; the date, time, and
16 description of the event; the estimated number of attendees; whether
17 there will be a cover charge; the event security plan to prevent
18 consumption of alcoholic beverages by persons under the legal age
19 to consume alcoholic beverages; and the name, address, and other
20 contact information for any outside vendor providing entertainment.

21 A cover charge imposed by the licensee to attend an on-site or
22 off-site special event shall not include any free or discounted
23 alcoholic beverages and an attendee shall not be required to
24 purchase an alcoholic beverage as a condition of entry. If an
25 outside vendor charges a fee, an attendee shall directly pay the
26 licensee the fee to attend the event and the licensee shall pay the fee
27 to the outside vendor.

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

29 "Crowler" means a fillable and machine-sealable beer can used
30 to package malt alcoholic beverages for off-premises consumption
31 commonly sold at limited and restricted breweries, which does not
32 hold more than 32 ounces of beer.

33 "Growler" means a glass, ceramic, or stainless steel jug used to
34 transport malt alcoholic beverages for off-premises consumption
35 commonly sold at limited or restricted breweries, which does not
36 hold more than 128 ounces of beer.

37 "Off-site special event" shall include, but not be limited to, beer,
38 music, or arts festivals; civic events; athletic events; limited
39 brewery anniversary celebrations; and holiday celebrations.

40 "On-site special event" includes, but is not limited to: trivia and
41 quizzes; paint and sip craft making; live music and open
42 microphone; live televised sporting events; educational events and
43 seminars; movie or theatrical events; animal adoption events to the
44 extent permitted by local ordinance; yoga and similar classes; and
45 private parties.

46 "On-site tour" means any form of engagement with brewery
47 visitors on the licensed premises that communicates information

1 about the brewery and the brewing process and shall apply to an
2 initial and subsequent visit to a limited brewery.

3 “Product” means any malt alcoholic beverage that is produced on
4 the premises licensed under this subsection.

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

10 “Virtual tour” means the simulation of an existing location
11 through sequential videos or still images, which may be enhanced
12 with text, images, audio, video, or animation, to recreate a realistic
13 representation of reality.

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

1 the holder of the restricted brewery license issued pursuant to this
2 subsection.

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

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

13 Plenary winery license. 2a. Provided that the holder is
14 engaged in growing and cultivating grapes or fruit used in the
15 production of wine on at least three acres on, or adjacent to, the
16 winery premises, the holder of this license shall be entitled, subject
17 to rules and regulations, to produce any fermented wines, and to
18 blend, fortify and treat wines, and to sell and distribute his products
19 to wholesalers licensed in accordance with this chapter and to
20 churches for religious purposes, and to sell and distribute without
21 this State to any persons pursuant to the laws of the places of such
22 sale and distribution, and to maintain a warehouse, and to sell his
23 products at retail to consumers on the licensed premises of the
24 winery for consumption on or off the premises and to offer samples
25 for sampling purposes only. The fee for this license shall be \$938.
26 A holder of this license who produces not more than 250,000
27 gallons per year shall also have the right to sell and distribute his
28 products to retailers licensed in accordance with this chapter, except
29 that the holder of this license shall not use a common carrier for
30 such distribution. The fee for this additional privilege shall be
31 graduated as follows: a licensee who manufactures more than
32 150,000 gallons, but not in excess of 250,000 gallons per annum,
33 \$1,000; a licensee who manufactures more than 100,000 gallons,
34 but not in excess of 150,000 gallons per annum, \$500; a licensee
35 who manufactures more than 50,000 gallons, but not in excess of
36 100,000 gallons per annum, \$250; a licensee who manufactures
37 50,000 gallons or less per annum, \$100. A holder of this license
38 who produces not more than 250,000 gallons per year shall have the
39 right to sell such wine at retail in original packages in 15
40 salesrooms apart from the winery premises for consumption on or
41 off the premises and for sampling purposes for consumption on the
42 premises, at a fee of \$250 for each salesroom. Licensees shall not
43 jointly control and operate salesrooms. Additionally, the holder of
44 this license who produces not more than 250,000 gallons per year
45 may ship not more than 12 cases of wine per year, subject to
46 regulation, to any person within or without this State over 21 years
47 of age for personal consumption and not for resale. A case of wine
48 shall not exceed a maximum of nine liters. A copy of the original

1 invoice shall be available for inspection by persons authorized to
2 enforce the alcoholic beverage laws of this State for a minimum
3 period of three years at the licensed premises of the winery. For the
4 purposes of this subsection, "sampling" means the selling at a
5 nominal charge or the gratuitous offering of an open container not
6 exceeding one and one-half ounces of any wine.

7 A holder of this license who produces not more than 250,000
8 gallons per year shall not own, either in whole or in part, or hold,
9 either directly or indirectly, any interest in a winery that produces
10 more than 250,000 gallons per year. In addition, a holder of this
11 license who produces more than 250,000 gallons per year shall not
12 own, either in whole or in part, or hold, either directly or indirectly,
13 any interest in a winery that produces not more than 250,000
14 gallons per year. For the purposes of this subsection, "product"
15 means any wine that is produced, blended, fortified, or treated by
16 the licensee on its licensed premises situated in the State of New
17 Jersey. For the purposes of this subsection, "wine" shall include
18 "hard cider" and "mead" as defined in this section.

19 Farm winery license. 2b. The holder of this license shall be
20 entitled, subject to rules and regulations, to manufacture any
21 fermented wines and fruit juices in a quantity to be expressed in
22 said license, dependent upon the following fees and not in excess of
23 50,000 gallons per year and to sell and distribute his products to
24 wholesalers and retailers licensed in accordance with this chapter
25 and to churches for religious purposes and to sell and distribute
26 without this State to any persons pursuant to the laws of the places
27 of such sale and distribution, and to maintain a warehouse and to
28 sell at retail to consumers for consumption on or off the licensed
29 premises and to offer samples for sampling purposes only. The
30 license shall be issued only when the winery at which such
31 fermented wines and fruit juices are manufactured is located and
32 constructed upon a tract of land exclusively under the control of the
33 licensee, provided that the licensee is actively engaged in growing
34 and cultivating an area of not less than three acres on or adjacent to
35 the winery premises and on which are growing grape vines or fruit
36 to be processed into wine or fruit juice; and provided, further, that
37 for the first five years of the operation of the winery such fermented
38 wines and fruit juices shall be manufactured from at least 51
39 percent grapes or fruit grown in the State and that thereafter they
40 shall be manufactured from grapes or fruit grown in this State at
41 least to the extent required for labeling as "New Jersey Wine" under
42 the applicable federal laws and regulations. The containers of all
43 wine sold to consumers by such licensee shall have affixed a label
44 stating such information as shall be required by the rules and
45 regulations of the Director of the Division of Alcoholic Beverage
46 Control. The fee for this license shall be graduated as follows: to so
47 manufacture between 30,000 and 50,000 gallons per annum, \$375;
48 to so manufacture between 2,500 and 30,000 gallons per annum,

1 \$250; to so manufacture between 1,000 and 2,500 gallons per
2 annum, \$125; to so manufacture less than 1,000 gallons per annum,
3 \$63. No farm winery license shall be held by the holder of a plenary
4 winery license or be situated on a premises licensed as a plenary
5 winery.

6 The holder of this license shall also have the right to sell and
7 distribute his products to retailers licensed in accordance with this
8 chapter, except that the holder of this license shall not use a
9 common carrier for such distribution. The fee for this additional
10 privilege shall be \$100. The holder of this license shall have the
11 right to sell his products in original packages at retail to consumers
12 in 15 salesrooms apart from the winery premises for consumption
13 on or off the premises, and for sampling purposes for consumption
14 on the premises, at a fee of \$250 for each salesroom. Licensees
15 shall not jointly control and operate salesrooms. Additionally, the
16 holder of this license may ship not more than 12 cases of wine per
17 year, subject to regulation, to any person within or without this
18 State over 21 years of age for personal consumption and not for
19 resale. A case of wine shall not exceed a maximum of nine liters. A
20 copy of the original invoice shall be available for inspection by
21 persons authorized to enforce the alcoholic beverage laws of this
22 State for a minimum period of three years at the licensed premises
23 of the winery. For the purposes of this subsection, "sampling"
24 means the selling at a nominal charge or the gratuitous offering of
25 an open container not exceeding one and one-half ounces of any
26 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
2 this license shall be entitled, subject to rules and regulations, to
3 instruct persons in and provide them with the opportunity to
4 participate directly in the process of winemaking and to directly
5 assist such persons in the process of winemaking while in the
6 process of instruction on the premises of the facility. The holder of
7 this license also shall be entitled to manufacture wine on the
8 premises not in excess of an amount of 10 percent of the wine
9 produced annually on the premises of the facility, which shall be
10 used only to replace quantities lost or discarded during the
11 winemaking process, to maintain a warehouse, and to offer samples
12 produced by persons who have received instruction in winemaking
13 on the premises by the licensee for sampling purposes only on the
14 licensed premises for the purpose of promoting winemaking for
15 personal or household use or consumption. Wine produced on the
16 premises of an instructional winemaking facility shall be used,
17 consumed or disposed of on the facility's premises or distributed
18 from the facility's premises to a person who has participated
19 directly in the process of winemaking for the person's personal or
20 household use or consumption. The holder of this license may sell
21 mercantile items traditionally associated with winemaking and
22 novelty wearing apparel identified with the name of the
23 establishment licensed under the provisions of this section. The
24 holder of this license may use the licensed premises for an event or
25 affair, including an event or affair at which a plenary retail
26 consumption licensee serves alcoholic beverages in compliance
27 with all applicable statutes and regulations promulgated by the
28 director. The fee for this license shall be \$1,000. For the purposes
29 of this subsection, "sampling" means the gratuitous offering of an
30 open container not exceeding one and one-half ounces of any wine.

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 license
37 shall have the right to sell and distribute his products to wholesalers
38 licensed in accordance with this chapter and to sell such wine at
39 retail in original packages in 16 salesrooms apart from the winery
40 premises for consumption on or off the premises at a fee of \$250 for
41 each salesroom. Licensees shall not jointly control and operate
42 salesrooms. The annual fee for this license shall be \$938. A copy
43 of a current license issued by another state shall accompany the
44 application. The holder of this license also shall have the right to
45 sell and distribute his products to retailers licensed in accordance
46 with this chapter, except that the holder of this license shall not use
47 a 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 Additionally, the holder of this license may ship not more than 12
8 cases of wine per year, subject to regulation, to any person within or
9 without this State over 21 years of age for personal consumption
10 and not for resale. A case of wine shall not exceed a maximum of
11 nine liters. A copy of the original invoice shall be available for
12 inspection by persons authorized to enforce the alcoholic beverage
13 laws of this State for a minimum period of three years at the
14 licensed premises of the winery.

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

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

33 Cidery and meadery license. 2f. The holder of this license
34 shall be entitled, subject to rules and regulations, to manufacture
35 hard cider and mead and to sell and distribute these products to
36 wholesalers and retailers licensed in accordance with this chapter,
37 and to sell and distribute without this State to any persons pursuant
38 to the laws of the places of such sale and distribution, and to
39 maintain a warehouse. The holder of this license shall be entitled to
40 sell these products at retail to consumers on the licensed premises
41 for consumption on or off the premises and to offer samples for
42 sampling purposes only. The holder of this license shall be
43 permitted to offer for sale or make the gratuitous offering of
44 packaged crackers, chips, nuts, and similar snacks to consumers, but
45 shall not operate a restaurant on the licensed premises. The fee for
46 this license shall be \$938.

47 The holder of this license shall be entitled to manufacture hard
48 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons

1 capacity per year. With respect to the sale and distribution of hard
2 cider to a wholesaler, the licensee shall be subject to the same
3 statutory and regulatory requirements as a brewer, and hard cider
4 shall be considered a malt alcoholic beverage, for the purposes of
5 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243
6 (C.33:1-93.12 et seq.). The holder of this license shall not directly
7 ship hard cider either within or without this State.

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

17 As used in this subsection:

18 "Hard cider" means a fermented alcoholic beverage derived
19 primarily from apples, pears, apple juice concentrate and water, or
20 pear juice concentrate and water, which may include spices, herbs,
21 honey, or other flavoring, and which contains at least one half of
22 one percent but less than eight and one half percent alcohol by
23 volume.

24 "Mead" means an alcoholic beverage primarily made from
25 honey, water, and yeast, and which may contain fruit, fruit juices,
26 spices, or herbs added before or after fermentation has completed,
27 except that the ratio of fermentable sugars from fruit or fruit juices
28 shall not exceed 49 percent of the total fermentable sugars used to
29 produce mead.

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

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

41 Limited distillery license. 3b. The holder of this license shall
42 be entitled, subject to rules and regulations, to manufacture and
43 bottle any alcoholic beverages distilled from fruit juices and rectify,
44 blend, treat, mix, compound with wine and add necessary
45 sweetening and flavor to make cordial or liqueur, and to sell and
46 distribute to wholesalers and retailers licensed in accordance with
47 this chapter, and to sell and distribute without this State to any
48 persons pursuant to the laws of the places of such sale and

1 distribution and to warehouse these products. The fee for this
2 license shall be \$3,750.

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

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

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

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

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

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

14 The provisions of section 21 of P.L.2003, c.117 amendatory of
15 this section shall apply to licenses issued or transferred on or after
16 July 1, 2003, and to license renewals commencing on or after July
17 1, 2003.

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

19
20 2. This act shall take effect immediately.

21 22 23 STATEMENT

24
25 This bill authorizes limited breweries, commonly referred to as
26 microbreweries, to hold certain on-site and off-site events open to
27 the general public.

28 Under current law, the holder of a limited brewery license is
29 entitled to brew up to 300,000 barrels of 31 fluid gallons capacity
30 per year of malt alcoholic beverages to sell and distribute to
31 wholesalers and retailers. These licensees are authorized to sell
32 their product at retail to consumers on the licensed premises for on-
33 site consumption, but only in connection with a tour of the brewery.

34 This bill specifically authorizes a limited brewery licensee to
35 hold on-site special events open to the general public on the
36 licensed premises of the brewery, as well as off-site special events
37 open to the general public. Under the bill, on-site special events
38 include trivia and quizzes; paint and sip craft making; live music
39 and open microphone; live televised sporting events; educational
40 events and seminars; movie or theatrical events; animal adoption
41 events to the extent permitted by local ordinance; yoga and similar
42 classes; and private parties, such as birthdays, weddings,
43 anniversaries, civic and political functions, professional and trade
44 association events, and class reunion and alumni events. Off-site
45 special events under the bill include beer, music, and arts festivals;
46 civic events; athletic events, such as 5K races, mud runs, and bike
47 races; limited brewery anniversary celebrations; and holiday
48 celebrations.

1 The licensee is required to notify the director at least 10 days in
2 advance of the date of an on-site special event and to notify the
3 director and municipality in which an off-site special event is taking
4 place at least 21 days in advance of the date of the event. The
5 notification is to include: the name and address of the limited
6 brewery; the date, time, and description of the event; the estimated
7 number of attendees; whether there will be a cover charge; the event
8 security plan to prevent consumption of alcoholic beverages by
9 persons under the legal age to consume alcoholic beverages; and the
10 name, address, and other contact information for any outside vendor
11 providing entertainment. A cover charge imposed by the licensee to
12 attend the event may not include any free or discounted alcoholic
13 beverages and an attendee is not to be required to purchase an
14 alcoholic beverage as a condition of entry. If an outside vendor
15 charges a fee, the bill directs that the attendee pay a fee to attend
16 the event to the licensee and the licensee is to pay the fee for the
17 services of the outside vendor.

18 Also under the bill, the requirement that a consumer take a tour
19 of the brewery as a prerequisite to consuming malt alcoholic
20 beverages on the premises can be satisfied by taking either an on-
21 site tour or a virtual tour of the brewery. The bill defines an “on-
22 site tour” as “any form of engagement with brewery visitors on the
23 licensed premises that communicates information about the brewery
24 and the brewing process and shall apply to an initial and subsequent
25 visit to a limited brewery. A “virtual tour” is defined as “the
26 simulation of an existing location through sequential videos or still
27 images, which may be enhanced with text, images, audio, video, or
28 animation, to recreate a realistic representation of reality.”

29 Finally, the bill clarifies that an on-site or virtual tour is not
30 required for the licensee to sell its product at retail for off-premises
31 consumption and that the product may be sold in a keg, sixtel, case,
32 six-pack, growler, or crowler.