

ASSEMBLY, No. 5550

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 5, 2021

Sponsored by:

Assemblyman RONALD S. DANCER

District 12 (Burlington, Middlesex, Monmouth and Ocean)

SYNOPSIS

Permits holders of certain alcohol manufacturing licenses to offer retail memberships to customers.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning retail memberships and alcohol manufacturing
2 and amending R.S.33:1-1 and 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.33:1-1 is amended to read as follows:

8 33:1-1. For the purpose of this chapter, the following words and
9 terms shall be deemed to have the meanings herein given to them:

10 a. "Alcohol." Ethyl alcohol, hydrated oxide of ethyl or neutral
11 spirits from whatever source or by whatever process produced.

12 b. "Alcoholic beverage." Any fluid or solid capable of being
13 converted into a fluid, suitable for human consumption, and having
14 an alcohol content of more than one-half of one per centum (1/2 of
15 1%) by volume, including alcohol, beer, lager beer, ale, porter,
16 naturally fermented wine, treated wine, blended wine, fortified
17 wine, sparkling wine, distilled liquors, blended distilled liquors and
18 any brewed, fermented or distilled liquors fit for use for beverage
19 purposes or any mixture of the same, and fruit juices.

20 c. "Building." A structure of which licensed premises are or
21 may be a part, including all rooms, cellars, outbuildings,
22 passageways, closets, vaults, yards, attics, and every part of the
23 structure of which the licensed premises are a part, and of any other
24 structure to which there is a common means of access, and any
25 other appurtenances.

26 d. "Commissioner." The Director of the Division of Alcoholic
27 Beverage Control.

28 e. "Container." Any glass, can, bottle, vessel or receptacle of
29 any material whatsoever used for holding alcoholic beverages,
30 which container is covered, corked or sealed in any manner
31 whatsoever.

32 f. "Eligible." The status of a person who is a citizen of the
33 United States, a resident of this State, of good moral character and
34 repute, and of legal age.

35 g. "Governing board or body." The board or body which
36 governs a municipality, including a board of aldermen in
37 municipalities so governed; but in every municipality having a
38 board of public works which exercises general licensing powers
39 such board shall be considered as the governing board or body.

40 h. "Importing." The act of bringing or causing to be brought
41 any alcoholic beverage into this State.

42 i. "Illicit beverage." Any alcoholic beverage manufactured,
43 distributed, bought, sold, bottled, rectified, blended, treated,
44 fortified, mixed, processed, warehoused, possessed or transported in
45 violation of this chapter, or on which any federal tax or tax imposed

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 by the laws of this State has not been paid; and any alcoholic
2 beverage possessed, kept, stored, owned or imported with intent to
3 manufacture, sell, distribute, bottle, rectify, blend, treat, fortify,
4 mix, process, warehouse or transport in violation of the provisions
5 of this chapter.
- 6 j. "Licensed building." Any building containing licensed
7 premises.
- 8 k. "Licensed premises." Any premises for which a license
9 under this chapter is in force and effect.
- 10 l. "Magistrate." The Superior Court or municipal court.
- 11 m. "Manufacturer." Any person who, directly or indirectly,
12 personally or through any agency whatsoever, engages in the
13 making or other processing whatsoever of alcoholic beverages.
- 14 n. "Municipality." Any city, town, township, village, or
15 borough, including a municipality governed by a board of
16 commissioners or improvement commission, but excluding a
17 county.
- 18 o. "Municipal board." The municipal board of alcoholic
19 beverage control as established by this chapter.
- 20 p. "Officer." Any sheriff, deputy sheriff, constable, police
21 officer, member of the Division of State Police, or any other person
22 having the power to execute a warrant for arrest, or any inspector or
23 investigator of the Division of Alcoholic Beverage Control.
- 24 q. "Original container." Any container in which an alcoholic
25 beverage has been delivered to a retail licensee.
- 26 r. "Person." Any natural person or association of natural
27 persons, association, trust company, partnership, corporation,
28 organization, or the manager, agent, servant, officer, or employee of
29 any of them.
- 30 s. "Premises." The physical place at which a licensee is or may
31 be licensed to conduct and carry on the manufacture, distribution or
32 sale of alcoholic beverages, but not including vehicular
33 transportation.
- 34 t. "Restaurant." An establishment regularly and principally
35 used for the purpose of providing meals to the public, having an
36 adequate kitchen and dining room equipped for the preparing,
37 cooking and serving of food for its customers and in which no other
38 business, except such as is incidental to such establishment, is
39 conducted.
- 40 u. "Retailer." Any person who sells alcoholic beverages to
41 consumers.
- 42 v. "Rules and regulations." The rules and regulations
43 established from time to time by the director.
- 44 w. "Sale." Every delivery of an alcoholic beverage otherwise
45 than by purely gratuitous title, including deliveries from without
46 this State and deliveries by any person without this State intended
47 for shipment by carrier or otherwise into this State and brought
48 within this State, or the solicitation or acceptance of an order for an

1 alcoholic beverage, and including exchange, barter, traffic in,
2 keeping and exposing for sale, serving with meals, delivering for
3 value, peddling, possessing with intent to sell, and the gratuitous
4 delivery or gift of any alcoholic beverage by any licensee.

5 x. "Unlawful alcoholic beverage activity." The manufacture,
6 sale, distribution, bottling, rectifying, blending, treating, fortifying,
7 mixing, processing, warehousing or transportation of any alcoholic
8 beverage in violation of this chapter, or the importing, owning,
9 possessing, keeping or storing in this State of alcoholic beverages
10 with intent to manufacture, sell, distribute, bottle, rectify, blend,
11 treat, fortify, mix, process, warehouse or transport alcoholic
12 beverages in violation of this chapter, or the owning, possessing,
13 keeping or storing in this State of any implement or paraphernalia
14 for the manufacture, sale, distribution, bottling, rectifying, blending,
15 treating, fortifying, mixing, processing, warehousing or
16 transportation of alcoholic beverages with intent to use the same in
17 the manufacture, sale, distribution, bottling, rectifying, blending,
18 treating, fortifying, mixing, processing, warehousing or
19 transportation of alcoholic beverages in violation of this chapter, or
20 to aid or abet another in the manufacture, sale, distribution, bottling,
21 rectifying, blending, treating, fortifying, mixing, processing,
22 warehousing or transportation of alcoholic beverages in violation of
23 this chapter, or the aiding or abetting of another in any of the
24 foregoing activities.

25 y. "Unlawful property." All illicit beverages and all
26 implements, vehicles, vessels, airplanes, and paraphernalia for the
27 manufacture, sale, distribution, bottling, rectifying, blending,
28 treating, fortifying, mixing, processing, warehousing or
29 transportation of illicit beverages used in the manufacture, sale,
30 distribution, bottling, rectifying, blending, treating, fortifying,
31 mixing, processing, warehousing or transportation of illicit
32 beverages or owned, possessed, kept or stored with intent to use the
33 same in the manufacture, sale, distribution, bottling, rectifying,
34 blending, treating, fortifying, mixing, processing, warehousing or
35 transportation of illicit beverages, whether such use be by the
36 person owning, possessing, keeping, or storing the same, or by
37 another with the consent of such person; and all alcoholic
38 beverages, fixtures and personal property located in or upon any
39 premises, building, yard or inclosure connected with a building, in
40 which an illicit beverage is found, possessed, stored or kept.

41 z. "Wholesaler." Any person who sells an alcoholic beverage
42 for the purpose of resale either to a licensed wholesaler or to a
43 licensed retailer, or both.

44 aa. "Limousine." A motor vehicle used in the business of
45 carrying passengers for hire to provide prearranged passenger
46 transportation at a premium fare on a dedicated, nonscheduled,
47 charter basis that is not conducted on a regular route, or is furnished
48 without fare as an accommodation for a patron in connection with

1 other business purposes, and with a seating capacity in no event of
2 more than 14 passengers, not including the driver, provided, that
3 such a motor vehicle shall not have a seating capacity in excess of
4 four passengers, not including the driver, beyond the maximum
5 passenger seating capacity of the vehicle, not including the driver,
6 at the time of manufacture. This shall not include taxicabs, hotel or
7 airport shuttles and buses, buses employed solely in transporting
8 school children or teachers to and from school, vehicles owned and
9 operated directly or indirectly by businesses engaged in the practice
10 of mortuary science when those vehicles are used exclusively for
11 providing transportation related to the provision of funeral services
12 or vehicles owned and operated without charge or remuneration by
13 a business entity for its own purposes.

14 bb. "Entertainment facility" is a privately-owned facility in
15 which athletic, commercial, cultural, or artistic events are featured.

16 cc. "Powdered alcohol." Any powder or crystalline substance
17 containing alcohol, as defined in subsection a. of this section,
18 produced for human consumption.

19 dd. "Retail membership." A membership program offered by a
20 license holder to customers, which provides discounts or other
21 benefits related to the products manufactured by the license holder
22 in exchange for a membership fee.

23 Any definition herein contained shall apply to the same word in
24 any form. Thus "sell" means to make a "sale" as above defined.
25 (cf: P.L.2015, c.137, s.1)

26

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

28 Class A licenses; subdivisions; fees.

29 33:1-10. Class A licenses shall be subdivided and classified as
30 follows:

31 Plenary brewery license. 1a. The holder of this license shall be
32 entitled, subject to rules and regulations, to brew any malt alcoholic
33 beverages and to sell and distribute his products to wholesalers and
34 retailers licensed in accordance with this chapter, and to sell and
35 distribute without this State to any persons pursuant to the laws of
36 the places of such sale and distribution, and to maintain a
37 warehouse; provided, however, that the delivery of this product by
38 the holder of this license to retailers licensed under this title shall be
39 from inventory in a warehouse located in this State which is
40 operated under a plenary brewery license. The fee for this license
41 shall be \$10,625.

42 Limited brewery license. 1b. The holder of this license shall
43 be entitled, subject to rules and regulations, to brew any malt
44 alcoholic beverages in a quantity to be expressed in said license,
45 dependent upon the following fees and not in excess of 300,000
46 barrels of 31 fluid gallons capacity per year and to sell and
47 distribute this product to wholesalers and retailers licensed in
48 accordance with this chapter, and to sell and distribute without this

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1 State to any persons pursuant to the laws of the places of such sale
2 and distribution, and to maintain a warehouse; provided, however,
3 that the delivery of this product by the holder of this license to
4 retailers licensed under this title shall be from inventory in a
5 warehouse located in this State which is operated under a limited
6 brewery license. The holder of this license shall be entitled to sell
7 this product at retail to consumers on the licensed premises of the
8 brewery for consumption on the premises, but only in connection
9 with a tour of the brewery, or for consumption off the premises in a
10 quantity of not more than 15.5 fluid gallons per person, and to offer
11 samples for sampling purposes only pursuant to an annual permit
12 issued by the director. The holder of this license shall be entitled,
13 subject to rules and regulations, to offer retail memberships to
14 customers. The holder of this license shall not sell food or operate a
15 restaurant on the licensed premises. The fee for this license shall be
16 graduated as follows:

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

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

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

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

25 For the purposes of this subsection, "sampling" means the selling
26 at a nominal charge or the gratuitous offering of an open container
27 not exceeding four ounces of any malt alcoholic beverage. For the
28 purposes of this subsection, "product" means any malt alcoholic
29 beverage that is produced on the premises licensed under this
30 subsection.

31 Restricted brewery license. 1c. The holder of this license shall be
32 entitled, subject to rules and regulations, to brew any malt alcoholic
33 beverages in a quantity to be expressed in such license not in excess
34 of 10,000 barrels of 31 gallons capacity per year. Notwithstanding
35 the provisions of R.S.33:1-26, the director shall issue a restricted
36 brewery license only to a person or an entity which has identical
37 ownership to an entity which holds a plenary retail consumption
38 license issued pursuant to R.S.33:1-12, provided that such plenary
39 retail consumption license is operated in conjunction with a
40 restaurant regularly and principally used for the purpose of
41 providing meals to its customers and having adequate kitchen and
42 dining room facilities, and that the licensed restaurant premises is
43 immediately adjoining the premises licensed under this subsection.
44 The holder of this license shall be entitled to sell or deliver the
45 product to that restaurant premises. The holder of this license also
46 shall be entitled to sell and distribute the product to wholesalers
47 licensed in accordance with this chapter. The holder of this license
48 shall be entitled, subject to rules and regulations, to offer retail

1 memberships to customers. The fee for this license shall be \$1,250,
2 which fee shall entitle the holder to brew up to 1,000 barrels of 31
3 liquid gallons per annum. The licensee also shall pay an additional
4 \$250 for every additional 1,000 barrels of 31 fluid gallons
5 produced. The fee shall be paid at the time of application for the
6 license, and additional payments based on barrels produced shall be
7 paid within 60 days following the expiration of the license term
8 upon certification by the licensee of the actual gallons brewed
9 during the license term. No more than 10 restricted brewery
10 licenses shall be issued to a person or entity which holds an interest
11 in a plenary retail consumption license. If the governing body of the
12 municipality in which the licensed premises will be located should
13 file a written objection, the director shall hold a hearing and may
14 issue the license only if the director finds that the issuance of the
15 license will not be contrary to the public interest. All fees related to
16 the issuance of both licenses shall be paid in accordance with
17 statutory law. The provisions of this subsection shall not be
18 construed to limit or restrict the rights and privileges granted by the
19 plenary retail consumption license held by the holder of the
20 restricted brewery license issued pursuant to this subsection.

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

25 For the purposes of this subsection, "sampling" means the selling
26 at a nominal charge or the gratuitous offering of an open container
27 not exceeding four ounces of any malt alcoholic beverage product.
28 For the purposes of this subsection, "product" means any malt
29 alcoholic beverage that is produced on the premises licensed under
30 this subsection.

31 Plenary winery license. 2a. Provided that the holder is
32 engaged in growing and cultivating grapes or fruit used in the
33 production of wine on at least three acres on, or adjacent to, the
34 winery premises, the holder of this license shall be entitled, subject
35 to rules and regulations, to produce any fermented wines, and to
36 blend, fortify and treat wines, and to sell and distribute his products
37 to wholesalers licensed in accordance with this chapter and to
38 churches for religious purposes, and to sell and distribute without
39 this State to any persons pursuant to the laws of the places of such
40 sale and distribution, and to maintain a warehouse, and to sell his
41 products at retail to consumers on the licensed premises of the
42 winery for consumption on or off the premises and to offer samples
43 for sampling purposes only. The holder of this license shall be
44 entitled, subject to rules and regulations, to offer retail memberships
45 to customers. The fee for this license shall be \$938. A holder of this
46 license who produces not more than 250,000 gallons per year shall
47 also have the right to sell and distribute his products to retailers
48 licensed in accordance with this chapter, except that the holder of

1 this license shall not use a common carrier for such distribution.
2 The fee for this additional privilege shall be graduated as follows: a
3 licensee who manufactures more than 150,000 gallons, but not in
4 excess of 250,000 gallons per annum, \$1,000; a licensee who
5 manufactures more than 100,000 gallons, but not in excess of
6 150,000 gallons per annum, \$500; a licensee who manufactures
7 more than 50,000 gallons, but not in excess of 100,000 gallons per
8 annum, \$250; a licensee who manufactures 50,000 gallons or less
9 per annum, \$100. A holder of this license who produces not more
10 than 250,000 gallons per year shall have the right to sell such wine
11 at retail in original packages in 15 salesrooms apart from the winery
12 premises for consumption on or off the premises and for sampling
13 purposes for consumption on the premises, at a fee of \$250 for each
14 salesroom. Licensees shall not jointly control and operate
15 salesrooms. Additionally, the holder of this license who produces
16 not more than 250,000 gallons per year may ship not more than 12
17 cases of wine per year, subject to regulation, to any person within or
18 without this State over 21 years of age for personal consumption
19 and not for resale. A case of wine shall not exceed a maximum of
20 nine liters. A copy of the original invoice shall be available for
21 inspection by persons authorized to enforce the alcoholic beverage
22 laws of this State for a minimum period of three years at the
23 licensed premises of the winery. For the purposes of this
24 subsection, "sampling" means the selling at a nominal charge or the
25 gratuitous offering of an open container not exceeding one and one-
26 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 samples for sampling purposes only. The
2 holder of this license shall be entitled, subject to rules and
3 regulations, to offer retail memberships to customers. The license
4 shall be issued only when the winery at which such fermented
5 wines and fruit juices are manufactured is located and constructed
6 upon a tract of land exclusively under the control of the licensee,
7 provided that the licensee is actively engaged in growing and
8 cultivating an area of not less than three acres on or adjacent to the
9 winery premises and on which are growing grape vines or fruit to be
10 processed into wine or fruit juice; and provided, further, that for the
11 first five years of the operation of the winery such fermented wines
12 and fruit juices shall be manufactured from at least 51 percent
13 grapes or fruit grown in the State and that thereafter they shall be
14 manufactured from grapes or fruit grown in this State at least to the
15 extent required for labeling as "New Jersey Wine" under the
16 applicable federal laws and regulations. The containers of all wine
17 sold to consumers by such licensee shall have affixed a label stating
18 such information as shall be required by the rules and regulations of
19 the Director of the Division of Alcoholic Beverage Control. The
20 fee for this license shall be graduated as follows: to so manufacture
21 between 30,000 and 50,000 gallons per annum, \$375; to so
22 manufacture between 2,500 and 30,000 gallons per annum, \$250; to
23 so manufacture between 1,000 and 2,500 gallons per annum, \$125;
24 to so manufacture less than 1,000 gallons per annum, \$63. No farm
25 winery license shall be held by the holder of a plenary winery
26 license or be situated on a premises licensed as a plenary winery.

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

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

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

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

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

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

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

1 director. The fee for this license shall be \$1,000. For the purposes
2 of this subsection, "sampling" means the gratuitous offering of an
3 open container not exceeding one and one-half ounces of any wine.

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

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

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

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

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

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

9 Cidery and meadery license. 2f. The holder of this license
10 shall be entitled, subject to rules and regulations, to manufacture
11 hard cider and mead and to sell and distribute these products to
12 wholesalers and retailers licensed in accordance with this chapter,
13 and to sell and distribute without this State to any persons pursuant
14 to the laws of the places of such sale and distribution, and to
15 maintain a warehouse. The holder of this license shall be entitled to
16 sell these products at retail to consumers on the licensed premises
17 for consumption on or off the premises and to offer samples for
18 sampling purposes only. The holder of this license shall be entitled,
19 subject to rules and regulations, to offer retail memberships to
20 customers. The holder of this license shall be permitted to offer for
21 sale or make the gratuitous offering of packaged crackers, chips,
22 nuts, and similar snacks to consumers, but shall not operate a
23 restaurant on the licensed premises. The fee for this license shall be
24 \$938.

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

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

43 As used in this subsection:

44 "Hard cider" means a fermented alcoholic beverage derived
45 primarily from apples, pears, apple juice concentrate and water, or
46 pear juice concentrate and water, which may include spices, herbs,
47 honey, or other flavoring, and which contains at least one half of

1 one percent but less than eight and one half percent alcohol by
2 volume.

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

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

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

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

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

44 Craft distillery license. 3d. The holder of this license shall be
45 entitled, subject to rules and regulations, to manufacture not more
46 than 20,000 gallons of distilled alcoholic beverages, to rectify,
47 blend, treat and mix distilled alcoholic beverages, to sell and
48 distribute this product to wholesalers and retailers licensed in

1 accordance with this chapter, and to sell and distribute without this
2 State to any persons pursuant to the laws of the places of such sale
3 and distribution, and to maintain a warehouse. The holder of this
4 license shall be entitled to sell this product at retail to consumers on
5 the licensed premises of the distillery for consumption on the
6 premises, but only in connection with a tour of the distillery, and
7 for consumption off the premises in a quantity of not more than five
8 liters per person. In addition, the holder of this license may offer
9 any person not more than three samples per calendar day for
10 sampling purposes only. For the purposes of this subsection,
11 "sampling" means the gratuitous offering of an open container not
12 exceeding one-half ounce serving of distilled alcoholic beverage
13 produced on the distillery premises. Nothing in this subsection shall
14 be deemed to permit the direct shipment of distilled spirits either
15 within or without this State. The holder of this license shall be
16 entitled, subject to rules and regulations, to offer retail memberships
17 to customers.

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

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

35 Bonded warehouse bottling license. 5. The holder of this
36 license shall be entitled, subject to rules and regulations, to bottle
37 alcoholic beverages in bond on behalf of all persons authorized by
38 federal and State law and regulations to withdraw alcoholic
39 beverages from bond. The fee for this license shall be \$625. This
40 license shall be issued only to persons holding permits to operate
41 Internal Revenue bonded warehouses pursuant to the laws of the
42 United States.

43 The provisions of section 21 of P.L.2003, c.117 amendatory of
44 this section shall apply to licenses issued or transferred on or after
45 July 1, 2003, and to license renewals commencing on or after July
46 1, 2003.

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

1 3. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill entitles holders of certain alcohol manufacturing
7 licenses to offer retail memberships to their customers.

8 The bill permits the holders of a limited brewery, restricted
9 brewery, plenary winery, farm winery, out-of-state winery, cidery
10 and meadery, and craft distillery license to offer retail memberships
11 to their customers. The bill specifies that the retail memberships
12 would be subject to rules and regulations.

13 Under the bill, a “retail membership” is defined as a membership
14 program offered by a license holder to customers, which provides
15 discounts or other benefits related to the products manufactured by
16 the license holder in exchange for a membership fee.