[First Reprint] **SENATE, No. 3915**

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 10, 2021

Sponsored by: Senator VIN GOPAL District 11 (Monmouth)

Co-Sponsored by: Senator Turner

SYNOPSIS

Makes permanent temporary enactment allowing certain alcoholic beverage retailers to sell and deliver alcoholic beverages and mixed drinks; establishes certain sale and delivery privileges for alcoholic beverage manufacturers.

CURRENT VERSION OF TEXT

As reported by the Senate Budget and Appropriations Committee on June 21, 2021, with amendments.



(Sponsorship Updated As Of: 12/2/2021)

AN ACT concerning the sale and delivery of alcoholic beverages, supplementing Title 33 of the Revised Statutes, and amending R.S.33:1-10 and R.S.33:1-12.

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

- 1. (New section) a. The holder of a plenary retail consumption license, plenary retail consumption license used in connection with a hotel or motel, seasonal retail consumption license issued pursuant to R.S.33:1-12, or concessionaire permit shall be entitled to:
- (1) sell on the licensed or permitted premises for consumption off the licensed or permitted premises any alcoholic beverages in original containers or in any other closed and sealed containers or any distilled alcoholic beverages mixed or blended with other alcoholic or nonalcoholic beverages in closed and sealed containers; and
- (2) deliver, by common carrier or otherwise, directly to the residence of a consumer within this State who is 21 years of age or older for consumption off the licensed or permitted premises any alcoholic beverages in original containers or in any other closed and sealed containers or any distilled alcoholic beverages mixed or blended with other alcoholic or nonalcoholic beverages in closed and sealed containers.
- b. Containers in which alcoholic beverages are sold or delivered pursuant to this section shall be affixed with a tamper evident seal and may be of any size, except that containers, other than original containers, in which any distilled alcoholic beverages mixed or blended with other alcoholic or nonalcoholic beverages are sold or delivered pursuant to this section shall have a maximum capacity of 16 fluid ounces.

- ¹[2. (New section) a. As used in this act, "out-of-State craft manufacturer" means the holder of license issued by another state that entitles the licensee to manufacture:
- (1) malt alcoholic beverages in a quantity not to exceed 300,000 barrels of 31 fluid gallons capacity of malt alcoholic beverages per year;
 - (2) wine in a quantity not to exceed 250,000 gallons per year;
- (3) hard cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons capacity per year;
 - (4) mead in a quantity not to exceed 250,000 gallons per year; or
- 44 (5) distilled alcoholic beverages in a quantity not to exceed 45 20,000 gallons per year.

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

- b. An out-of-State craft manufacturer shall be entitled to deliver the licensee's products directly to the residence of a consumer within this State who is 21 years of age or older in original containers for personal consumption and not for resale. A license holder shall transport alcoholic beverages pursuant to this section in a vehicle owned, operated, or otherwise used in connection with the licensed premises.
- c. Any vehicle used by an out-of-State craft manufacturer to deliver alcoholic beverages pursuant to this section shall display a transit insignia issued by the director pursuant to R.S.33:1-28.
- d. Nothing in this section shall be construed to limit or otherwise affect sales or direct shipping privileges otherwise established by statute, rule, or regulation for any license issued pursuant to R.S.33:1-10.11

- 1 [3.] $2.{}^{1}$ R.S.33:1-10 is amended to read as follows:
- 17 33:1-10. Class A licenses shall be subdivided and classified as follows:

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

The holder of this license shall be Limited brewery license. 1b. entitled, subject to rules and regulations, to brew any malt alcoholic beverages in a quantity to be expressed in said license, dependent upon the following fees and not in excess of 300,000 barrels of 31 fluid gallons capacity per year and to sell and distribute this product to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse; provided, however, that the delivery of this product by the holder of this license to retailers licensed under this title shall be from inventory in a warehouse located in this State which is operated under a limited brewery license. The holder of this license shall be entitled to sell this product at retail to consumers on the licensed premises of the brewery for consumption on the premises, but only in connection with a tour of the brewery, or for consumption off the premises in a quantity of not more than 15.5 fluid gallons per person, and to offer samples for sampling purposes only pursuant to an annual permit issued by the director. The holder of this license shall not sell food or operate a restaurant on the licensed premises.

The holder of this license shall be entitled to deliver the licensee's products directly to the residence of a consumer within ¹[or without]¹ this State who is 21 years of age or older in original containers for personal consumption and not for resale. A license holder shall transport alcoholic beverages pursuant to this section in a vehicle owned, operated, or otherwise used in connection with the licensed premises. The license holder shall transport alcoholic beverages in a vehicle that displays a transit insignia issued pursuant to R.S.33:1-28.

The fee for this license shall be graduated as follows:

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

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

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

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

¹IThe holder of this license also shall be entitled to ship by common carrier not more than 12 cases of malt alcoholic beverages per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of malt alcoholic beverages shall not exceed 288 ounces. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the brewery. The fee for this additional shipping privilege shall be \$500.1¹¹

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

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

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

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

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

¹[Out-of-State brewery license. 1d. Provided that the applicant does not produce more than 300,000 barrels of 31 fluid gallons capacity per year, the holder of a brewery license issued in any other state may make application to the director for this license. The holder of this license who produces not more than 300,000 barrels of 31 fluid gallons capacity per year may ship by common carrier not more than 12 cases malt alcoholic beverages per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of malt alcoholic beverages shall not exceed 288 ounces. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the brewery. A copy of a current license issued by another state shall accompany the application. The fee for this privilege shall be \$500.

The licensee shall collect from the customer the tax due on the sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1

1 et seq.) and shall pay the tax due on the delivery of alcoholic beverages pursuant to the "Alcoholic beverage tax law," R.S.54:41-1 2 3 et seq. The Director of the Division of Taxation in the Department of 4 the Treasury shall promulgate such rules and regulations necessary to 5 effectuate the provisions of this paragraph, and may provide by 6 regulation for the co-administration of the tax due on the delivery of 7 alcoholic beverages pursuant to the "Alcoholic beverage tax law," 8 R.S.54:41-1 et seq. with the administration of the tax due on the sale 9 pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 10

et seq.).]¹

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Plenary winery license. 2a. Provided that the holder is engaged in growing and cultivating grapes or fruit used in the production of wine on at least three acres on, or adjacent to, the winery premises, the holder of this license shall be entitled, subject to rules and regulations, to produce any fermented wines, and to blend, fortify and treat wines, and to sell and distribute his products to wholesalers licensed in accordance with this chapter and to churches for religious purposes, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse, and to sell his products at retail to consumers on the licensed premises of the winery for consumption on or off the premises and to offer samples for sampling purposes only. The fee for this license shall be \$938. A holder of this license who produces not more than 250,000 gallons per year shall also have the right to sell and distribute his products to retailers licensed in accordance with this chapter, except that the holder of this license shall not use a common carrier for such distribution. The fee for this additional privilege shall be graduated as follows: a licensee who manufactures more than 150,000 gallons, but not in excess of 250,000 gallons per annum, \$1,000; a licensee who manufactures more than 100,000 gallons, but not in excess of 150,000 gallons per annum, \$500; a licensee who manufactures more than 50,000 gallons, but not in excess of 100,000 gallons per annum, \$250; a licensee who manufactures 50,000 gallons or less per annum, \$100.

A holder of this license who produces not more than 250,000 gallons per year shall have the right to sell such wine at retail in original packages in 15 salesrooms apart from the winery premises for consumption on or off the premises and for sampling purposes for consumption on the premises, at a fee of \$250 for each salesroom. Licensees shall not jointly control and operate salesrooms.

The holder of this license who produces not more than 250,000 gallons per year shall be entitled to deliver the licensee's products directly to the residence of a consumer within ¹[or without] ¹ this State who is 21 years of age or older in original containers for personal consumption and not for resale. A license holder shall transport alcoholic beverages pursuant to this section in a vehicle owned, operated, or otherwise used in connection with the licensed premises.

1 The license holder shall transport alcoholic beverages in a vehicle that 2 displays a transit insignia issued pursuant to R.S.33:1-28.

Additionally, the holder of this license who produces not more than 250,000 gallons per year may ship ¹[by common carrier] ¹ not more than 12 cases of wine per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of wine shall not exceed a maximum of nine liters. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the winery. For the purposes of this subsection, "sampling" means the selling at a nominal charge or the gratuitous offering of an open container not exceeding one and one-half ounces of any wine.

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

Farm winery license. The holder of this license shall be 2b. entitled, subject to rules and regulations, to manufacture any fermented wines and fruit juices in a quantity to be expressed in said license, dependent upon the following fees and not in excess of 50,000 gallons per year and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter and to churches for religious purposes and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and to sell at retail to consumers for consumption on or off the licensed premises and to offer samples for sampling purposes only. The license shall be issued only when the winery at which such fermented wines and fruit juices are manufactured is located and constructed upon a tract of land exclusively under the control of the licensee, provided that the licensee is actively engaged in growing and cultivating an area of not less than three acres on or adjacent to the winery premises and on which are growing grape vines or fruit to be processed into wine or fruit juice; and provided, further, that for the first five years of the operation of the winery such fermented wines and fruit juices shall be manufactured from at least 51 percent grapes or fruit grown in the State and that thereafter they shall be manufactured from grapes or

- 1 fruit grown in this State at least to the extent required for labeling as
- 2 "New Jersey Wine" under the applicable federal laws and regulations.
- 3 The containers of all wine sold to consumers by such licensee shall
- 4 have affixed a label stating such information as shall be required by
- 5 the rules and regulations of the Director of the Division of Alcoholic
- 6 Beverage Control. The fee for this license shall be graduated as
- 7 follows: to so manufacture between 30,000 and 50,000 gallons per
- 8 annum, \$375; to so manufacture between 2,500 and 30,000 gallons per
- 9 annum, \$250; to so manufacture between 1,000 and 2,500 gallons per
- annum, \$125; to so manufacture less than 1,000 gallons per annum,
- \$63. No farm winery license shall be held by the holder of a plenary
- 12 winery license or be situated on a premises licensed as a plenary

winery.

The holder of this license shall also have the right to sell and distribute his products to retailers licensed in accordance with this chapter, except that the holder of this license shall not use a common carrier for such distribution. The fee for this additional privilege shall be \$100. The holder of this license shall have the right to sell his products in original packages at retail to consumers in 15 salesrooms apart from the winery premises for consumption on or off the premises, and for sampling purposes for consumption on the premises, at a fee of \$250 for each salesroom. Licensees shall not jointly control and operate salesrooms.

The holder of this license shall be entitled to deliver the licensee's products directly to the residence of a consumer within ¹ [or without] ¹ this State who is 21 years of age or older in original containers for personal consumption and not for resale. A license holder shall transport alcoholic beverages pursuant to this section in a vehicle owned, operated, or otherwise used in connection with the licensed premises. The license holder shall transport alcoholic beverages in a vehicle that displays a transit insignia issued pursuant to R.S.33:1-28.

Additionally, the holder of this license may ship ¹ [by common carrier] ¹ not more than 12 cases of wine per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of wine shall not exceed a maximum of nine liters. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the winery. For the purposes of this subsection, "sampling" means the selling at a nominal charge or the gratuitous offering of an open container not exceeding one and one-half ounces of any wine.

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

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

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

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

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

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

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

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

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

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

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

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

The holder of this license shall be entitled to manufacture hard cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons capacity per year. With respect to the sale and distribution of hard cider to a wholesaler, the licensee shall be subject to the same statutory and regulatory requirements as a brewer, and hard cider shall be considered a malt alcoholic beverage, for the purposes of the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243 (C.33:1-93.12 et seq.). [The holder of this license shall not directly ship hard cider either within or without this State.] The holder of this license shall be entitled to manufacture not more than 250,000 gallons of mead per year.

The holder of this license shall be entitled to deliver the licensee's products directly to the residence of a consumer within ¹ [or without] ¹ this State who is 21 years of age or older in original containers for personal consumption and not for resale. A license holder shall transport alcoholic beverages pursuant to this section in a vehicle owned, operated, or otherwise used in connection with the licensed premises. The license holder shall transport alcoholic beverages in a vehicle that displays a transit insignia issued pursuant to R.S.33:1-28.

The holder of this license may ship ¹[by common carrier] ¹ not more than 12 cases of mead and 12 cases of cider per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of mead or cider shall not exceed a maximum of nine liters. A copy of the original invoice for the sale of mead or cider shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises. The fee for this additional shipping privilege shall be \$500. As used in this subsection:

"Hard cider" means a fermented alcoholic beverage derived primarily from apples, pears, apple juice concentrate and water, or pear juice concentrate and water, which may include spices, herbs,

honey, or other flavoring, and which contains at least one half of one percent but less than eight and one half percent alcohol by volume.

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

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

¹[Out-of-State cidery and meadery license. 1d. Provided that the applicant does not produce more than 50,000 barrels of 31 fluid gallons capacity of cider per year or not more than 250,000 gallons of mead per year, the holder of a cidery or meadery license issued in any other state may make application to the director for this license. The holder of this license may ship not more than 12 cases of mead and 12 cases of cider per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of mead or cider shall not exceed a maximum of nine liters. A copy of the original invoice for the sale of mead or cider shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises. The holder of an Out-of-State winery license shall not be entitled to acquire this license. A copy of a current license issued by another state shall accompany the application. The annual fee for this license shall be \$500.

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

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

46 shall be \$12,500.

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

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

Craft distillery license. 3d. The holder of this license shall be entitled, subject to rules and regulations, to manufacture not more than 20,000 gallons of distilled alcoholic beverages, to rectify, blend, treat and mix distilled alcoholic beverages, to sell and distribute this product to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The holder of this license shall be entitled to sell this product at retail to consumers on the licensed premises of the distillery for consumption on the premises, but only in connection with a tour of the distillery, and for consumption off the premises in a quantity of not more than five liters per person. In addition, the holder of this license may offer any person not more than three samples per calendar day for sampling purposes only. For the purposes of this subsection, "sampling" means the gratuitous offering of an open container not exceeding one-half ounce serving of distilled alcoholic beverage produced on the distillery premises. [Nothing in this subsection shall be deemed to permit the direct shipment of distilled spirits either within or without this State. I Nothing in this subsection shall be deemed to permit the direct shipment of distilled spirits either within or without this State.1

The holder of this license shall be entitled to deliver the licensee's products directly to the residence of a consumer within ¹[or without]¹ this State who is 21 years of age or older in original containers for personal consumption and not for resale. A license holder shall

transport alcoholic beverages pursuant to this section in a vehicle owned, operated, or otherwise used in connection with the licensed premises. The license holder shall transport alcoholic beverages in a vehicle that displays a transit insignia issued pursuant to R.S.33:1-28.

1 The holder of this license may directly ship by common carrier not more than twenty liters of distilled spirits for personal consumption and not for resale per year to any person residing within or without this State who is 21 years of age or older in original containers for personal consumption and not for resale. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the distillery. The fee for the additional shipping privilege shall be \$500. 1

The holder of this license shall be entitled to sell on the licensed premises for consumption ¹ on the licensed premises distilled alcoholic beverages that are manufactured on the licensed premises and mixed or blended with other alcoholic or non-alcoholic beverages. The holder of this license also shall be entitled to sell on the licensed premises for consumption ¹ off the licensed premises distilled alcoholic beverages that are manufactured on the licensed premises and mixed or blended with other alcoholic or nonalcoholic beverages and sold in closed and sealed containers.

The holder of this license shall be entitled to sell on the licensed premises for consumption off the licensed premises distilled alcoholic beverages that are manufactured on the licensed premises and sold in original containers and accompanied by one or more nonalcoholic beverages or food stuffs that may be combined by the consumer to prepare a mixed drink. Any food stuffs sold pursuant to the subsection shall be sold only as a mixed drink ingredient and not as a separate meal.

Containers in which distilled alcoholic beverages mixed with other alcoholic or nonalcoholic beverages are sold pursuant to this section shall be affixed with a tamper evident seal and have a maximum capacity of 16 fluid ounces.

The holder of this license shall not sell food or operate a restaurant on the licensed premises, aside from foodstuffs sold as a mixed drink ingredient pursuant to this subsection. A holder of this license who certifies that not less than 51 percent of the raw materials used in the production of distilled alcoholic beverages under this section are grown in this State or purchased from providers located in this State may, consistent with all applicable federal laws and regulations, label these distilled alcoholic beverages as "New Jersey Distilled." The fee for this license shall be \$938.

¹[Out-of-State Craft Distillery license 3e. Provided that the applicant does not produce more than 20,000 gallons of distilled alcoholic beverages per year, the holder of a valid distillery license

issued in any other state may make application to the director for this
license.

The holder of this license may ship by common carrier or otherwise not more than twenty liters of distilled spirits per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the distillery. The fee for this license shall be \$500.

The licensee shall collect from the customer the tax due on the sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of alcoholic beverages pursuant to the "Alcoholic beverage tax law," R.S.54:41-1 et seq. The Director of the Division of Taxation in the Department of the Treasury shall promulgate such rules and regulations necessary to effectuate the provisions of this paragraph, and may provide by regulation for the co-administration of the tax due on the delivery of alcoholic beverages pursuant to the "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the administration of the tax due on the sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.). 11

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

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

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

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

¹[4.] 3. R.S. 33:1-12 is amended to read as follows:

45 33:1-12. Class C licenses shall be subdivided and classified as 46 follows:

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Plenary retail consumption license. 1. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle, and also to sell any alcoholic beverages in original containers for consumption off the licensed premises; but this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. The holder of this license shall be permitted to conduct consumer wine, beer and spirits tasting events and samplings for a fee or on a complimentary basis pursuant to conditions established by rules and regulations of the Division of Alcoholic Beverage Control, provided however, that the holder of this license complies with the terms and conditions set forth in section 3 of P.L.2009, c.216 (C.33:1-12d). The holder of this license shall be entitled to sell and deliver alcoholic beverages for consumption off the licensed premises pursuant to section 1 of c. (C.) (pending before the Legislature as this bill).

Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale, at an entertainment facility as defined in R.S.33:1-1, having a seating capacity for no less than 4,000 patrons, of mercantile items traditionally associated with the type of event or program held at the site; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons, or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages; or, in commercial bowling establishments, the retail sale or rental of bowling accessories and the retail sale from vending machines of candy, ice cream and nonalcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$250 and not more than \$2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or \$500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail consumption license shall be granted within its respective municipality.

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

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

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

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

(3) This license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which a grocery, delicatessen, drug store or other mercantile business is carried on, except as hereinafter provided. Subject to such rules and regulations established from time to time by the director, the holder of this license shall be permitted to sell alcoholic beverages in or upon the premises in which any of the following is carried on: the keeping of a hotel or restaurant including the sale of mercantile items incidental thereto as an accommodation to patrons; the sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this section; the sale of cigars, cigarettes, packaged crackers, chips, nuts and similar snacks and ice at retail as an accommodation to patrons; or the retail sale of nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing

board or body of the municipality in which the licensed premises are situated, by ordinance, at 75% of the fee fixed by said board or body for plenary retail consumption licenses. The governing board or body of each municipality may, by ordinance, enact that no seasonal retail consumption license shall be granted within its respective municipality.

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(4) The holder of this license shall be entitled to sell and deliver alcoholic beverages for consumption off the licensed premises pursuant to section 1 of P.L. , c. (C.) (pending before the Legislature as this bill).

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

The governing board or body of each municipality may, by ordinance, enact that this license shall not be issued to permit the sale of alcoholic beverages in or upon any premises in which any other mercantile business is carried on, except that any such ordinance, heretofore or hereafter adopted, shall not prohibit the retail sale of distillers', brewers' and vintners' packaged merchandise prepacked as a unit with other suitable objects as gift items to be sold only as a unit; the sale of novelty wearing apparel identified with the name of the establishment licensed under the provisions of this act; cigars, cigarettes, packaged crackers, chips, nuts and similar snacks, ice, and nonalcoholic beverages as accessory beverages to alcoholic beverages. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$125 and not more than \$2,500. No ordinance shall be enacted which shall raise or lower the fee to be charged for this license by more than 20% from that charged in the preceding license year or \$500.00, whichever is the lesser. The governing board or body of each municipality may, by ordinance, enact that no plenary retail distribution license shall be granted within its respective municipality.

Limited retail distribution license. 3. b. The holder of this license shall be entitled, subject to rules and regulations, to sell any unchilled, brewed, malt alcoholic beverages in quantities of not less than 72 fluid ounces for consumption off the licensed premises, but only in original containers; provided, however, that this license shall be issued only for premises operated and conducted by the

1 licensee as a bona fide grocery store, meat market, meat and 2 grocery store, delicatessen, or other type of bona fide food store at 3 which groceries or other foodstuffs are sold at retail; and provided 4 further that this license shall not be issued except for premises at 5 which the sale of groceries or other foodstuffs is the primary and 6 principal business and at which the sale of alcoholic beverages is 7 merely incidental and subordinate thereto. The fee for this license 8 shall be fixed by the governing body or board of the municipality in 9 which the licensed premises are situated, by ordinance, at not less 10 than \$31 and not more than \$63. The governing board or body of 11 each municipality may, by ordinance, enact that no limited retail 12 distribution license shall be granted within its respective municipality. 13

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Plenary retail transit license. 4. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages, for consumption only, on railroad trains, airplanes, limousines and boats, while in transit. The fee for this license for use by a railroad or air transport company shall be \$375, for use by the owners of limousines shall be \$31 per vehicle, and for use on a boat shall be \$63 on a boat 65 feet or less in length, \$125 on a boat more than 65 feet in length but not more than 110 feet in length, and \$375 on a boat more than 110 feet in length; such boat lengths shall be determined in the manner prescribed by the Bureau of Customs of the United States Government or any federal agency successor thereto for boat measurement in connection with issuance of marine documents. A license issued under this provision to a railroad or air transport company shall cover all railroad cars and planes operated by any such company within the State of New A license for a boat or limousine issued under this provision shall apply only to the particular boat or limousine for which issued, and shall permit the purchase of alcoholic beverages for sale or service in a boat or limousine to be made from any Class A and B licensee or from any Class C licensee whose license privilege permits the sale of alcoholic beverages in original containers for off-premises consumption. An interest in a plenary retail transit license issued in accordance with this section shall be excluded in determining the maximum number of retail licenses permitted under P.L.1962, c.152 (C.33:1-12.31 et seq.).

Club license. 5. The holder of this license shall be entitled, subject to rules and regulations, to sell any alcoholic beverages but only for immediate consumption on the licensed premises and only to bona fide club members and their guests. The fee for this license shall be fixed by the governing board or body of the municipality in which the licensed premises are situated, by ordinance, at not less than \$63 and not more than \$188. The governing board or body of each municipality may, by ordinance, enact that no club licenses shall be granted within its respective municipality. Club licenses

1 may be issued only to such corporations, associations and

2 organizations as are operated for benevolent, charitable, fraternal,

3 social, religious, recreational, athletic, or similar purposes, and not

4 for private gain, and which comply with all conditions which may

be imposed by the Director of the Division of Alcoholic Beverage

6 Control by rules and regulations.

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

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

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

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

with a capacity of 22,500 persons or more.

For the purposes of this subsection:

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

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

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

S3915 [1R] GOPAL 21

- ¹[5. This] 4. Section 1 of this act ¹ shall take effect immediately 1
- ¹and sections 2 and 3 of this act shall take effect on the first day of 2
- the third month next following the date of enactment¹. 3