

ASSEMBLY, No. 1679

STATE OF NEW JERSEY

INTRODUCED MARCH 4, 1996

By Assemblyman LANCE, Assemblywoman MYERS,  
Assemblyman Gusciora, Assemblywoman Turner,  
Assemblymen Greenwald, Blee and LeFevre

1 AN ACT concerning certain retail privileges for limited brewery  
2 licensees and amending R.S.33:1-10.

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

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

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

10 Plenary brewery license. 1a. The holder of this license shall be  
11 entitled, subject to rules and regulations, to brew any malt alcoholic  
12 beverages and to sell and distribute his products to wholesalers and  
13 retailers licensed in accordance with this chapter, and to sell and  
14 distribute without this State to any persons pursuant to the laws of the  
15 places of such sale and distribution, and to maintain a warehouse. The  
16 fee for this license shall be \$8,500.00.

17 Limited brewery license. 1b. The holder of this license shall be  
18 entitled, subject to rules and regulations, to brew any malt alcoholic  
19 beverages in a quantity to be expressed in said license, dependent upon  
20 the following fees and not in excess of 300,000 barrels of 31 fluid  
21 gallons capacity per year and to sell and distribute his products to  
22 wholesalers and retailers licensed in accordance with this chapter, and  
23 to sell and distribute without this State to any persons pursuant to the  
24 laws of the places of such sale and distribution, and to maintain a  
25 warehouse. The fee for this license shall be graduated as follows: to so  
26 brew not more than 50,000 barrels of 31 fluid gallons capacity per  
27 annum, \$1,000.00; to so brew not more than 100,000 barrels of 31  
28 fluid gallons capacity per annum, \$2,000.00; to so brew not more than  
29 200,000 barrels of 31 fluid gallons capacity per annum, \$4,000.00; to  
30 so brew not more than 300,000 barrels of 31 fluid gallons capacity per  
31 annum, \$6,000.00. The holder of this license shall have the right to  
32 sell his products in original packages at retail to consumers on the

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

Matter underlined thus is new matter.

1 premises for consumption off the premises and to offer samples for  
2 consumption on the premises, under rules prescribed by the division,  
3 for an additional fee of \$200. The holder of this license shall also be  
4 permitted to sell novelty items, including wearing apparel identified  
5 with the name of the establishment licensed under the provisions of  
6 this paragraph.

7       Restricted Brewery License. 1c. The holder of this license shall be  
8 entitled, subject to rules and regulations, to brew any malt alcoholic  
9 beverages in a quantity to be expressed in such license not in excess of  
10 3,000 barrels of 31 fluid gallons capacity per year. Notwithstanding  
11 the provisions of R.S.33:1-26, the director shall issue a restricted  
12 brewery license only to a person or an entity which has identical  
13 ownership to an entity which holds a plenary retail consumption  
14 license issued pursuant to R.S.33:1-12, provided that such plenary  
15 retail consumption license is operated in conjunction with a restaurant  
16 regularly and principally used for the purpose of providing meals to its  
17 customers and having adequate kitchen and dining room facilities, and  
18 that the licensed restaurant premises is immediately adjoining the  
19 premises licensed as a restricted brewery. The holder of this license  
20 shall only be entitled to sell or deliver the product to that restaurant  
21 premises. The fee for this license shall be \$1,000, which fee shall  
22 entitle the holder to brew up to 1,000 barrels of 31 fluid gallons per  
23 annum. The licensee also shall pay an additional \$500 for every  
24 additional 1,000 barrels of 31 fluid gallons produced. No more than  
25 two restricted brewery licenses shall be issued to a person or entity  
26 which holds an interest in a plenary retail consumption license. If the  
27 governing body of the municipality in which the licensed premises will  
28 be located should file a written objection, the director shall hold a  
29 hearing and may issue the license only if the director finds that the  
30 issuance of the license will not be contrary to the public interest. All  
31 fees related to the issuance of both licenses shall be paid in accordance  
32 with statutory law.

33       Plenary winery license. 2a. Provided that the holder is engaged in  
34 growing and cultivating grapes or fruit used in the production of wine  
35 on at least three acres on, or adjacent to, the winery premises, the  
36 holder of this license shall be entitled, subject to rules and regulations,  
37 to produce any fermented wines, and to blend, fortify and treat wines,  
38 and to sell and distribute his products to wholesalers and retailers  
39 licensed in accordance with this chapter and to churches for religious  
40 purposes, and to sell and distribute without this State to any persons  
41 pursuant to the laws of the places of such sale and distribution, and to  
42 maintain a warehouse, and to sell his products at retail to consumers  
43 on the licensed premises of the winery for consumption on or off the  
44 premises and to offer samples for sampling purposes only. The fee for  
45 this license shall be \$750.00. The holder of this license shall also have  
46 the right to sell such wine at retail in original packages in five

1 salesrooms apart from the winery premises for consumption on or off  
2 the premises and for sampling purposes for consumption on the  
3 premises, at a fee of \$200.00 for each salesroom. Additionally, subject  
4 to rules and regulations, one salesroom per county may be jointly  
5 controlled and operated by at least two plenary or farm winery  
6 licensees for the sale of the products of any plenary or farm winery  
7 licensee for consumption on or off the premises and for consumption  
8 on the licensed premises for sampling purposes, at an additional fee of  
9 \$500.00 per county salesroom. For the purposes of this subsection,  
10 "sampling" means the selling at a nominal charge or the gratuitous  
11 offering of an open container not exceeding one and one-half ounces  
12 of any wine.

13 For the purposes of this subsection, "product" means any wine that  
14 is produced, blended, fortified, or treated by the licensee on its  
15 licensed premises situated in the State of New Jersey.

16 Any holder of a plenary winery license who sold wine which was  
17 produced, bottled, and labeled by that holder in a place other than its  
18 licensed New Jersey premises between July 1, 1992 and June 30, 1993,  
19 may continue to sell that wine provided no more than 25,000 cases,  
20 each case consisting of 12 750 milliliter bottles or the equivalent, are  
21 sold in any single license year. This privilege shall terminate upon, and  
22 not survive, any transfer of the license to another person or entity  
23 subsequent to the effective date of this 1993 amendatory act or any  
24 transfer of stock of the licensed corporation other than to children,  
25 grandchildren, parents, spouses or siblings of the existing  
26 stockholders.

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

1 they shall be manufactured from grapes or fruit grown in this State at  
2 least to the extent required for labeling as "New Jersey Wine" under  
3 the applicable federal laws and regulations. The containers of all wine  
4 sold to consumers by such licensee shall have affixed a label stating  
5 such information as shall be required by the rules and regulations of  
6 the Director of the Division of Alcoholic Beverage Control. The fee  
7 for this license shall be graduated as follows: to so manufacture  
8 between 30,000 and 50,000 gallons per annum, \$300.00; to so  
9 manufacture between 2,500 and 30,000 gallons per annum, \$200.00;  
10 to so manufacture between 1,000 and 2,500 gallons per annum,  
11 \$100.00; to so manufacture less than 1,000 gallons per annum, \$50.00.  
12 No farm winery license shall be held by the holder of a plenary winery  
13 license or be situated on a premises licensed as a plenary winery.

14 The holder of this license shall also have the right to sell his  
15 products in original packages at retail to consumers in five salesrooms  
16 apart from the winery premises for consumption on or off the  
17 premises, and for sampling purposes for consumption on the premises,  
18 at a fee of \$200.00 for each salesroom. Additionally, subject to rules  
19 and regulations, one salesroom per county may be jointly controlled  
20 and operated by at least two plenary or farm winery licensees for the  
21 sale of the products of any plenary or farm winery licensee for  
22 consumption on or off the premises and for consumption on the  
23 licensed premises for sampling purposes, at an additional fee of  
24 \$500.00 per county salesroom. For the purposes of this subsection,  
25 "sampling" means the selling at a nominal charge or the gratuitous  
26 offering of an open container not exceeding one and one-half ounces  
27 of any wine.

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

33 Wine blending license. 2c. The holder of this license shall be  
34 entitled, subject to rules and regulations, to blend, treat, mix, and  
35 bottle fermented wines and fruit juices with non-alcoholic beverages,  
36 and to sell and distribute his products to wholesalers and retailers  
37 licensed in accordance with this chapter, and to sell and distribute  
38 without this State to any persons pursuant to the laws of the places of  
39 such sale and distribution, and to maintain a warehouse. The fee for  
40 this license shall be \$500.00.

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

1 and distribution, and to maintain a warehouse. The fee for this license  
2 shall be \$10,000.00.

3 Limited distillery license. 3b. The holder of this license shall be  
4 entitled, subject to rules and regulations, to manufacture and bottle  
5 any alcoholic beverages distilled from fruit juices and rectify, blend,  
6 treat, mix, compound with wine and add necessary sweetening and  
7 flavor to make cordial or liqueur, and to sell and distribute to  
8 wholesalers and retailers licensed in accordance with this chapter, and  
9 to sell and distribute without this State to any persons pursuant to the  
10 laws of the places of such sale and distribution and to warehouse these  
11 products. The fee for this license shall be \$3,000.00.

12 Supplementary limited distillery license. 3c. The holder of this  
13 license shall be entitled, subject to rules and regulations, to bottle and  
14 rebottle, in a quantity to be expressed in said license, dependent upon  
15 the following fees, alcoholic beverages distilled from fruit juices by  
16 such holder pursuant to a prior plenary or limited distillery license, and  
17 to sell and distribute his products to wholesalers and retailers licensed  
18 in accordance with this chapter, and to sell and distribute without this  
19 State to any persons pursuant to the laws of the places of such sale  
20 and distribution, and to maintain a warehouse. The fee for this license  
21 shall be graduated as follows: to so bottle and rebottle not more than  
22 5,000 wine gallons per annum, \$250.00; to so bottle and rebottle not  
23 more than 10,000 wine gallons per annum, \$500.00; to so bottle and  
24 rebottle without limit as to amount, \$1,000.00.

25 Rectifier and blender license. 4. The holder of this license shall be  
26 entitled, subject to rules and regulations, to rectify, blend, treat and  
27 mix distilled alcoholic beverages, and to fortify, blend, and treat  
28 fermented alcoholic beverages, and prepare mixtures of alcoholic  
29 beverages, and to sell and distribute his products to wholesalers and  
30 retailers licensed in accordance with this chapter, and to sell and  
31 distribute without this State to any persons pursuant to the laws of the  
32 places of such sale and distribution, and to maintain a warehouse. The  
33 fee for this license shall be \$6,000.00.

34 Bonded warehouse bottling license. 5. The holder of this license  
35 shall be entitled, subject to rules and regulations, to bottle alcoholic  
36 beverages in bond on behalf of all persons authorized by federal and  
37 State law and regulations to withdraw alcoholic beverages from bond.  
38 The fee for this license shall be \$500.00. This license shall be issued  
39 only to persons holding permits to operate Internal Revenue bonded  
40 warehouses pursuant to the laws of the United States.

41 (cf: P.L.1993, c.372, s.1)

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43 2. This act shall take effect on the first day of the fifth month after  
44 enactment.

## 1 STATEMENT

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3 This bill is designed to update the law to meet the current brewing  
4 environment. It would give to small breweries the opportunity to  
5 operate with some of the same business privileges now afforded farm  
6 wineries. The microbreweries that would benefit are relatively small,  
7 boutique producers that, like small wineries, offer tours as a natural  
8 part of their role as tourist attractions.

9 This amendment would enable such businesses holding limited  
10 brewery licenses from the State to sell their packaged products to  
11 consumers on the microbrewery premises at retail for consumption off  
12 the premises and to offer samplings under conditions specified by the  
13 Division of Alcoholic Beverage Control. It is intended that the beer  
14 would be sold alongside such items as brewery hats, T-shirts, and  
15 mugs.

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20 Permits limited brewery licensees to sell products at retail and offer  
21 samples.