

[First Reprint]
ASSEMBLY, No. 2644

STATE OF NEW JERSEY

INTRODUCED JANUARY 9, 1997

By Assemblywoman MYERS, Assemblyman BUCCO,
Assemblywomen Bark and Crecco

1 AN ACT concerning winery licenses and amending R.S.33:1-10.

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

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

7 33:1-10. Class A licenses shall be subdivided and classified as
8 follows:

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

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

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ALP committee amendments adopted December 11, 1997.

1 Restricted Brewery License. 1c. The holder of this license shall be
2 entitled, subject to rules and regulations, to brew any malt alcoholic
3 beverages in a quantity to be expressed in such license not in excess of
4 3,000 barrels of 31 fluid gallons capacity per year. Notwithstanding
5 the provisions of R.S.33:1-26, the director shall issue a restricted
6 brewery license only to a person or an entity which has identical
7 ownership to an entity which holds a plenary retail consumption
8 license issued pursuant to R.S.33:1-12, provided that such plenary
9 retail consumption license is operated in conjunction with a restaurant
10 regularly and principally used for the purpose of providing meals to its
11 customers and having adequate kitchen and dining room facilities, and
12 that the licensed restaurant premises is immediately adjoining the
13 premises licensed as a restricted brewery. The holder of this license
14 shall only be entitled to sell or deliver the product to that restaurant
15 premises. The fee for this license shall be \$1,000, which fee shall
16 entitle the holder to brew up to 1,000 barrels of 31 fluid gallons per
17 annum. The licensee also shall pay an additional \$500 for every
18 additional 1,000 barrels of 31 fluid gallons produced. No more than
19 two restricted brewery licenses shall be issued to a person or entity
20 which holds an interest in a plenary retail consumption license. If the
21 governing body of the municipality in which the licensed premises will
22 be located should file a written objection, the director shall hold a
23 hearing and may issue the license only if the director finds that the
24 issuance of the license will not be contrary to the public interest. All
25 fees related to the issuance of both licenses shall be paid in accordance
26 with statutory law.

27 ¹Farm brewery license. 1d. The holder of this license shall be
28 entitled, subject to rules and regulations, to brew any malt alcoholic
29 beverages in a quantity to be expressed in the license not in excess of
30 2,000 barrels of 31 fluid gallons per year and to maintain a warehouse
31 and to sell his products to consumers for consumption off the licensed
32 premises and to offer samples for sampling purposes only. The license
33 shall be issued only when the brewery at which such malt alcoholic
34 beverages are brewed is located and constructed upon a tract of land
35 exclusively under the control of the licensee, provided the licensee is
36 actively engaged in growing and cultivating on or adjacent to the
37 brewery premises an area of not less than three acres of hops or 10
38 acres of barley which are to be processed into malt alcoholic
39 beverages. For the first five years of the operation of the brewery, at
40 least 51 percent of the hops or barley used in the manufacture of its
41 malt alcoholic beverages shall be grown in this State. Thereafter, at
42 least 75 percent of the hops or barley used in the manufacture of these
43 beverages shall be grown in this State. The fee for this license shall be
44 graduated as follows: to manufacture between 1,200 and 2,000 barrels
45 per year, \$300; to manufacture between 100 and 1,199 barrels per year,
46 \$200; to manufacture fewer than 100 barrels per year, \$100. For

1 purposes of this subsection, "sampling" means the selling at a nominal
2 charge or the gratuitous offering of an open container not exceeding
3 one and one-half ounces of a malt alcoholic beverage.¹

4 Plenary winery license. 2a. Provided that the holder is engaged in
5 growing and cultivating grapes or fruit used in the production of wine
6 on at least three acres on, or adjacent to, the winery premises, the
7 holder of this license shall be entitled, subject to rules and regulations,
8 to produce any fermented wines, and to blend, fortify and treat wines,
9 and to sell and distribute his products to wholesalers and retailers
10 licensed in accordance with this chapter and to churches for religious
11 purposes, and to sell and distribute without this State to any persons
12 pursuant to the laws of the places of such sale and distribution, and to
13 maintain a warehouse, and to sell his products at retail to consumers
14 on the licensed premises of the winery for consumption on or off the
15 premises and to offer samples for sampling purposes only. The fee for
16 this license shall be \$750.00. The holder of this license shall also have
17 the right to sell such wine at retail in original packages in five
18 salesrooms apart from the winery premises for consumption on or off
19 the premises and for sampling purposes for consumption on the
20 premises, at a fee of \$200.00 for each salesroom. Additionally, subject
21 to rules and regulations, one salesroom per county may be jointly
22 controlled and operated by at least two plenary or farm winery
23 licensees for the sale of the products of any plenary or farm winery
24 licensee for consumption on or off the premises and for consumption
25 on the licensed premises for sampling purposes, at an additional fee of
26 \$500.00 per county salesroom. For the purposes of this subsection,
27 "sampling" means the selling at a nominal charge or the gratuitous
28 offering of an open container not exceeding one and one-half ounces
29 of any wine.

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

33 Any holder of a plenary winery license who sold wine which was
34 produced, bottled, and labelled by that holder in a place other than its
35 licensed New Jersey premises between July 1, 1992 and June 30, 1993,
36 may continue to sell that wine provided no more than 25,000 cases,
37 each case consisting of 12 750 milliliter bottles or the equivalent, are
38 sold in any single license year. This privilege shall terminate upon, and
39 not survive, any transfer of the license to another person or entity
40 subsequent to the effective date of this 1993 amendatory act or any
41 transfer of stock of the licensed corporation other than to children,
42 grandchildren, parents, spouses or siblings of the existing
43 stockholders.

44 Farm winery license. 2b. The holder of this license shall be
45 entitled, subject to rules and regulations, to manufacture any
46 fermented wines [and] , fruit juices and fermented cider with an

1 alcohol content which exceeds regulated levels, in a quantity to be
2 expressed in said license, dependent upon the following fees and not
3 in excess of 50,000 gallons per year and to sell and distribute his
4 products to wholesalers and retailers licensed in accordance with this
5 chapter and to churches for religious purposes and to sell and
6 distribute without this State to any persons pursuant to the laws of the
7 places of such sale and distribution, and to maintain a warehouse and
8 to sell at retail to consumers for consumption on or off the licensed
9 premises and to offer samples for sampling purposes only. The license
10 shall be issued only when the winery at which such fermented wines
11 [and] _ fruit juices and fermented cider are manufactured is located
12 and constructed upon a tract of land exclusively under the control of
13 the licensee, provided that the licensee is actively engaged in growing
14 and cultivating an area of not less than three acres on or adjacent to
15 the winery premises and on which are growing grape vines or fruit to
16 be processed into wine [or] _ fruit juice or cider; and provided,
17 further, that for the first five years of the operation of the winery such
18 fermented wines [and] _ fruit juice and cider shall be manufactured
19 from at least 51% grapes or fruit grown in the State and that thereafter
20 [they] the fermented wine and fruit juices shall be manufactured from
21 grapes or fruit grown in this State at least to the extent required for
22 labeling as "New Jersey Wine" under the applicable federal laws and
23 regulations. The containers of all wine sold to consumers by such
24 licensee shall have affixed a label stating such information as shall be
25 required by the rules and regulations of the Director of the Division of
26 Alcoholic Beverage Control. The fee for this license shall be graduated
27 as follows: to so manufacture between 30,000 and 50,000 gallons per
28 annum, \$300.00; to so manufacture between 2,500 and 30,000 gallons
29 per annum, \$200.00; to so manufacture between 1,000 and 2,500
30 gallons per annum, \$100.00; to so manufacture less than 1,000 gallons
31 per annum, \$50.00. No farm winery license shall be held by the holder
32 of a plenary winery license or be situated on a premises licensed as a
33 plenary winery.

34 The holder of this license shall also have the right to sell his
35 products in original packages at retail to consumers in five salesrooms
36 apart from the winery premises for consumption on or off the
37 premises, and for sampling purposes for consumption on the premises,
38 at a fee of \$200.00 for each salesroom. Additionally, subject to rules
39 and regulations, one salesroom per county may be jointly controlled
40 and operated by at least two plenary or farm winery licensees for the
41 sale of the products of any plenary or farm winery licensee for
42 consumption on or off the premises and for consumption on the
43 licensed premises for sampling purposes, at an additional fee of
44 \$500.00 per county salesroom. For the purposes of this subsection,
45 "sampling" means the selling at a nominal charge or the gratuitous
46 offering of an open container not exceeding one and one-half ounces

1 of any wine or cider.

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

7 Wine blending license. 2c. The holder of this license shall be
8 entitled, subject to rules and regulations, to blend, treat, mix, and
9 bottle fermented wines and fruit juices with non-alcoholic beverages,
10 and to sell and distribute his products to wholesalers and retailers
11 licensed in accordance with this chapter, and to sell and distribute
12 without this State to any persons pursuant to the laws of the places of
13 such sale and distribution, and to maintain a warehouse. The fee for
14 this license shall be \$500.00.

15 Winery-brewery sublicense. 2d. The holder of a plenary winery
16 license or a farm winery license, provided that the licensee is engaged
17 in growing and cultivating ¹[barley and] at least three acres of ¹hops
18 ¹or 10 acres of barley ¹used in the production of malt alcoholic
19 beverages ¹[on at least three acres] ¹ on or adjacent to the winery
20 premises, shall be entitled, subject to rules and regulations, to brew
21 any malt alcoholic beverages in a quantity expressed in the license not
22 in excess of 3,000 barrels of 31 fluid gallons capacity per year. The
23 fee for this sublicense shall be \$750. The holder of this sublicense
24 shall be entitled to ¹[sell and distribute malt alcoholic beverages to
25 wholesalers and retailers licensed in accordance with this chapter, and
26 to sell and distribute without this State to any person pursuant to the
27 laws of the places of such sale and distribution, and to] ¹ maintain a
28 warehouse and to sell ¹[malt alcoholic beverages] his products ¹ at
29 retail to consumers for consumption ¹[on or] ¹ off the licensed
30 premises and to offer samples for sampling purposes only. ¹[The
31 holder of this sublicense shall also have the right to sell such malt
32 alcoholic beverages at retail in original packages in five salesrooms
33 apart from the winery premises for consumption on the premises, at a
34 fee of \$200 for each salesroom. Additionally, a salesroom jointly
35 controlled and operated by at least two plenary or farm winery
36 licensees, pursuant to subsection 2b. of this section, may offer for sale
37 the malt alcoholic beverage products of the plenary or farm wineries
38 for consumption on or off the premises and for consumption on the
39 licensed premises for sampling purposes, at an additional fee of \$500
40 per county salesroom, provided the wineries hold sublicenses under
41 this subsection.] For the first five years of the operation of this
42 sublicense, at least 51 percent of the hops or barley used in the
43 manufacture of its malt alcoholic beverages shall be grown in this
44 State. Thereafter, at least 75 percent of the hops or barley used in
45 the manufacture of these beverages shall be grown in this State. ¹ For
46 purposes of this subsection, "sampling" means the selling at a nominal

1 charge or the gratuitous offering of an open container not exceeding
2 ¹[three] one and one-half¹ ounces of any malt alcoholic beverage.

3 Plenary distillery license. 3a. The holder of this license shall be
4 entitled, subject to rules and regulations, to manufacture any distilled
5 alcoholic beverages and rectify, blend, treat and mix, and to sell and
6 distribute his products to wholesalers and retailers licensed in
7 accordance with this chapter, and to sell and distribute without this
8 State to any persons pursuant to the laws of the places of such sale
9 and distribution, and to maintain a warehouse. The fee for this license
10 shall be \$10,000.00.

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

20 Supplementary limited distillery license. 3c. The holder of this
21 license shall be entitled, subject to rules and regulations, to bottle and
22 rebottle, in a quantity to be expressed in said license, dependent upon
23 the following fees, alcoholic beverages distilled from fruit juices by
24 such holder pursuant to a prior plenary or limited distillery license, and
25 to sell and distribute his products to wholesalers and retailers licensed
26 in accordance with this chapter, and to sell and distribute without this
27 State to any persons pursuant to the laws of the places of such sale
28 and distribution, and to maintain a warehouse. The fee for this license
29 shall be graduated as follows: to so bottle and rebottle not more than
30 5,000 wine gallons per annum, \$250.00; to so bottle and rebottle not
31 more than 10,000 wine gallons per annum, \$500.00; to so bottle and
32 rebottle without limit as to amount, \$1,000.00.

33 Rectifier and blender license. 4. The holder of this license shall be
34 entitled, subject to rules and regulations, to rectify, blend, treat and
35 mix distilled alcoholic beverages, and to fortify, blend, and treat
36 fermented alcoholic beverages, and prepare mixtures of alcoholic
37 beverages, and to sell and distribute his products to wholesalers and
38 retailers licensed in accordance with this chapter, and to sell and
39 distribute without this State to any persons pursuant to the laws of the
40 places of such sale and distribution, and to maintain a warehouse. The
41 fee for this license shall be \$6,000.00.

42 Bonded warehouse bottling license. 5. The holder of this license
43 shall be entitled, subject to rules and regulations, to bottle alcoholic
44 beverages in bond on behalf of all persons authorized by federal and
45 State law and regulations to withdraw alcoholic beverages from bond.
46 The fee for this license shall be \$500.00. This license shall be issued

1 only to persons holding permits to operate Internal Revenue bonded
2 warehouses pursuant to the laws of the United States.
3 (cf: P.L.1993, c.372, s.1)

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5 2. This act shall take effect on the first day of the fourth month
6 following enactment.

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11 Establishes winery-brewery beverage license and permits farm wineries
12 to produce hard cider.