

SENATE, No. 4120

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 12, 2021

Sponsored by:

Senator MICHAEL L. TESTA, JR.

District 1 (Atlantic, Cape May and Cumberland)

SYNOPSIS

Makes various changes to law governing limited breweries.

CURRENT VERSION OF TEXT

As introduced.



S4120 TESTA

2

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

3

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

6

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

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

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

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

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

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

Matter underlined thus is new matter.

S4120 TESTA

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

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

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

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

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

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

30 For the purposes of this subsection **["sampling"]**:

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

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

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

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

S4120 TESTA

1 "On-site tour" means any form of engagement with brewery
2 visitors on the licensed premises that communicates information
3 about the brewery and the brewing process and shall apply to an
4 initial and subsequent visit to a limited brewery.

5 "Product" means any malt alcoholic beverage that is produced on
6 the premises licensed under this subsection.

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

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

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

S4120 TESTA

1 subsection shall not be construed to limit or restrict the rights and
2 privileges granted by the plenary retail consumption license held by
3 the holder of the restricted brewery license issued pursuant to this
4 subsection.

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

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

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

S4120 TESTA

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

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

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

S4120 TESTA

1 manufacture between 30,000 and 50,000 gallons per annum, \$375;
2 to so manufacture between 2,500 and 30,000 gallons per annum,
3 \$250; to so manufacture between 1,000 and 2,500 gallons per
4 annum, \$125; to so manufacture less than 1,000 gallons per annum,
5 \$63. No farm winery license shall be held by the holder of a plenary
6 winery license or be situated on a premises licensed as a plenary
7 winery.

8 The holder of this license shall also have the right to sell and
9 distribute his products to retailers licensed in accordance with this
10 chapter, except that the holder of this license shall not use a
11 common carrier for such distribution. The fee for this additional
12 privilege shall be \$100. The holder of this license shall have the
13 right to sell his products in original packages at retail to consumers
14 in 15 salesrooms apart from the winery premises for consumption
15 on or off the premises, and for sampling purposes for consumption
16 on the premises, at a fee of \$250 for each salesroom. Licensees
17 shall not jointly control and operate salesrooms. Additionally, the
18 holder of this license may ship not more than 12 cases of wine per
19 year, subject to regulation, to any person within or without this
20 State over 21 years of age for personal consumption and not for
21 resale. A case of wine shall not exceed a maximum of nine liters. A
22 copy of the original invoice shall be available for inspection by
23 persons authorized to enforce the alcoholic beverage laws of this
24 State for a minimum period of three years at the licensed premises
25 of the winery. For the purposes of this subsection, "sampling"
26 means the selling at a nominal charge or the gratuitous offering of
27 an open container not exceeding one and one-half ounces of any
28 wine.

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

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

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

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

S4120 TESTA

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

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

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

35 Out-of-State winery license. 2e. Provided that the applicant
36 does not produce more than 250,000 gallons of wine per year, the
37 holder of a valid winery license issued in any other state may make
38 application to the director for this license. The holder of this license
39 shall have the right to sell and distribute his products to wholesalers
40 licensed in accordance with this chapter and to sell such wine at
41 retail in original packages in 16 salesrooms apart from the winery
42 premises for consumption on or off the premises at a fee of \$250 for
43 each salesroom. Licensees shall not jointly control and operate
44 salesrooms. The annual fee for this license shall be \$938. A copy
45 of a current license issued by another state shall accompany the
46 application. The holder of this license also shall have the right to
47 sell and distribute his products to retailers licensed in accordance
48 with this chapter, except that the holder of this license shall not use

1 a common carrier for such distribution. The fee for this additional
2 privilege shall be graduated as follows: a licensee who
3 manufactures more than 150,000 gallons, but not in excess of
4 250,000 gallons per annum, \$1,000; a licensee who manufactures
5 more than 100,000 gallons, but not in excess of 150,000 gallons per
6 annum, \$500; a licensee who manufactures more than 50,000
7 gallons, but not in excess of 100,000 gallons per annum, \$250; a
8 licensee who manufactures 50,000 gallons or less per annum, \$100.
9 Additionally, the holder of this license may ship not more than 12
10 cases of wine per year, subject to regulation, to any person within or
11 without this State over 21 years of age for personal consumption
12 and not for resale. A case of wine shall not exceed a maximum of
13 nine liters. A copy of the original invoice shall be available for
14 inspection by persons authorized to enforce the alcoholic beverage
15 laws of this State for a minimum period of three years at the
16 licensed premises of the winery.

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

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

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

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

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

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

19 As used in this subsection:

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

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

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

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

43 Limited distillery license. 3b. The holder of this license shall
44 be entitled, subject to rules and regulations, to manufacture and
45 bottle any alcoholic beverages distilled from fruit juices and rectify,
46 blend, treat, mix, compound with wine and add necessary
47 sweetening and flavor to make cordial or liqueur, and to sell and
48 distribute to wholesalers and retailers licensed in accordance with

1 this chapter, and to sell and distribute without this State to any
2 persons pursuant to the laws of the places of such sale and
3 distribution and to warehouse these products. The fee for this
4 license shall be \$3,750.

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

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

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

47 Rectifier and blender license. 4. The holder of this license
48 shall be entitled, subject to rules and regulations, to rectify, blend,

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

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

16 The provisions of section 21 of P.L.2003, c.117 amendatory of
17 this section shall apply to licenses issued or transferred on or after
18 July 1, 2003, and to license renewals commencing on or after July
19 1, 2003.

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

21

22 2. This act shall take effect immediately.

23

24

25

STATEMENT

26

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

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

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

1 races; limited brewery anniversary celebrations; and holiday
2 celebrations.

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

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

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