

ASSEMBLY, No. 542

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblyman ROY FREIMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

Assemblyman CLINTON CALABRESE

District 36 (Bergen and Passaic)

Co-Sponsored by:

**Assemblywoman Jaffer, Assemblyman Sampson, Assemblywoman Carter,
Assemblyman Spearman, Assemblywoman Reynolds-Jackson and
Assemblyman Stanley**

SYNOPSIS

Expands permitted sales and activities on licensed premises of certain alcohol manufacturers.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 9/22/2022)

1 AN ACT concerning certain alcohol manufacturers 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 be
22 entitled, subject to rules and regulations, to brew any malt alcoholic
23 beverages in a quantity to be expressed in said license, dependent
24 upon the following fees and not in excess of 300,000 barrels of 31
25 fluid gallons capacity per year and to sell and distribute this product
26 to wholesalers and retailers licensed in accordance with this
27 chapter, and to sell and distribute without this State to any persons
28 pursuant to the laws of the places of such sale and distribution, and
29 to maintain a warehouse; provided, however, that the delivery of
30 this product by the holder of this license to retailers licensed under
31 this title shall be from inventory in a warehouse located in this State
32 which is operated under a limited brewery license. The holder of
33 this license shall be entitled to sell this product at retail to
34 consumers on the licensed premises of the brewery for consumption
35 on the premises **【**, but only in connection with a tour of the
36 brewery,**】** or for consumption off the premises in a quantity of not
37 more than 15.5 fluid gallons per person, and to offer samples for
38 sampling purposes only pursuant to an annual permit issued by the
39 director. The holder of this license shall be entitled to sell at retail
40 products produced by a holder of a plenary winery license who
41 produces not more than 250,000 gallons per year, a farm winery
42 license, cidery and meadery license, or a craft distillery license
43 issued pursuant to this section to consumers on the licensed
44 premises of the brewery for consumption off the premises. The
45 holder of this license shall not sell food or operate a restaurant on

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

Matter underlined thus is new matter.

1 the licensed premises, but the holder may enter into an exclusive
2 business arrangement or otherwise coordinate with a third party
3 restaurant for the restaurant to provide food directly to consumers
4 on the licensed premises. The holder of this license shall be entitled
5 to hold 52 on-premises special events and 52 private parties
6 annually, and shall not be required to obtain a permit for an on-
7 premises special event or a private party from the division or
8 provide notice of an on-premises special event or a private party to
9 the division or any municipal or law enforcement officials prior to
10 holding the event or private party. If the holder of this license
11 allows the host of a private party or the holder of a social affair
12 permit, issued pursuant to R.S.33:1-74, to bring wine or malt
13 alcoholic beverages onto the licensed premises for consumption
14 during the event, the holder of this license shall be entitled to serve
15 the wine or malt alcoholic beverages to guests of the event. The fee
16 for this license shall be graduated as follows:

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

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

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

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

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

26 “On-premises special event” means an event that is open to the
27 public and held on the licensed premises or the sidewalk, parking
28 lot, or other area owned or leased by the licensee that is adjacent to
29 or adjoining the licensed premises. An on-premises special event
30 shall include, but not be limited to:

31 (1) parties, birthdays, weddings, anniversaries, civic and
32 political functions, professional and trade association events, class
33 reunion and alumni events;

34 (2) trivia and quiz games;

35 (3) paint and sip;

36 (4) craftmaking;

37 (5) pop up shops;

38 (6) DJs, live music, and open mic;

39 (7) televised or streamed sporting events;

40 (8) educational events and seminars;

41 (9) movies and theatrical events;

42 (10) animal adoption, to the extent permitted by local
43 ordinance; and

44 (11) yoga and exercise classes.

45 “Private party” means an event that is held on the licensed
46 premises and closed to the general public, either by the
47 establishment of a special area of the licensed premises that may be
48 accessed only by the hosts or guests of the private party, or by

1 closure of the licensed premises to the public for the duration of the
2 private party. Private parties shall include, but not be limited to,
3 events held for birthdays, weddings, anniversaries, civic and
4 political functions, professional and trade association events, class
5 reunion and alumni events.

6 “Product” means any malt alcoholic beverage that is produced on
7 the premises licensed under this subsection.

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

13 Restricted brewery license. 1c. The holder of this license shall
14 be entitled, subject to rules and regulations, to brew any malt
15 alcoholic beverages in a quantity to be expressed in such license not
16 in excess of **[10,000 barrels]** 50,000 of 31 gallons capacity per
17 year. Notwithstanding the provisions of R.S.33:1-26, the director
18 shall issue a restricted brewery license only to a person or an entity
19 which has identical ownership to an entity which holds a plenary
20 retail consumption license issued pursuant to R.S.33:1-12, provided
21 that such plenary retail consumption license is operated in
22 conjunction with a restaurant regularly and principally used for the
23 purpose of providing meals to its customers and having adequate
24 kitchen and dining room facilities, and that the licensed restaurant
25 premises is immediately adjoining the premises licensed under this
26 subsection. The holder of this license shall be entitled to sell or
27 deliver the product to that restaurant premises. The holder of this
28 license also shall be entitled to sell and distribute the product to
29 wholesalers licensed in accordance with this chapter. The fee for
30 this license shall be \$1,250, which fee shall entitle the holder to
31 brew up to 1,000 barrels of 31 liquid gallons per annum. The
32 licensee also shall pay an additional \$250 for every additional 1,000
33 barrels of 31 fluid gallons produced. The fee shall be paid at the
34 time of application for the license, and additional payments based
35 on barrels produced shall be paid within 60 days following the
36 expiration of the license term upon certification by the licensee of
37 the actual gallons brewed during the license term. No more than 10
38 restricted brewery licenses shall be issued to a person or entity
39 which holds an interest in a plenary retail consumption license. If
40 the governing body of the municipality in which the licensed
41 premises will be located should file a written objection, the director
42 shall hold a hearing and may issue the license only if the director
43 finds that the issuance of the license will not be contrary to the
44 public interest. All fees related to the issuance of both licenses shall
45 be paid in accordance with statutory law. The provisions of this
46 subsection shall not be construed to limit or restrict the rights and
47 privileges granted by the plenary retail consumption license held by

1 the holder of the restricted brewery license issued pursuant to this
2 subsection.

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

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

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

1 invoice shall be available for inspection by persons authorized to
2 enforce the alcoholic beverage laws of this State for a minimum
3 period of three years at the licensed premises of the winery. A
4 holder of this license who produces not more than 250,000 gallons
5 per year shall be entitled to sell at retail products produced by a
6 holder of a limited brewery license, a farm winery license, cidery
7 and meadery license, or a craft distillery license issued pursuant to
8 this section to consumers on the licensed premises of the winery for
9 consumption off the premises. 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
12 ounces of any wine.

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

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

1 wine sold to consumers by such licensee shall have affixed a label
2 stating such information as shall be required by the rules and
3 regulations of the Director of the Division of Alcoholic Beverage
4 Control. The fee for this license shall be graduated as follows: to so
5 manufacture between 30,000 and 50,000 gallons per annum, \$375;
6 to so manufacture between 2,500 and 30,000 gallons per annum,
7 \$250; to so manufacture between 1,000 and 2,500 gallons per
8 annum, \$125; to so manufacture less than 1,000 gallons per annum,
9 \$63. No farm winery license shall be held by the holder of a plenary
10 winery license or be situated on a premises licensed as a plenary
11 winery.

12 The holder of this license shall also have the right to sell and
13 distribute his products to retailers licensed in accordance with this
14 chapter, except that the holder of this license shall not use a
15 common carrier for such distribution. The fee for this additional
16 privilege shall be \$100. The holder of this license shall have the
17 right to sell his products in original packages at retail to consumers
18 in 15 salesrooms apart from the winery premises for consumption
19 on or off the premises, and for sampling purposes for consumption
20 on the premises, at a fee of \$250 for each salesroom. Licensees
21 shall not jointly control and operate salesrooms. Additionally, the
22 holder of this license may ship not more than 12 cases of wine per
23 year, subject to regulation, to any person within or without this
24 State over 21 years of age for personal consumption and not for
25 resale. A case of wine shall not exceed a maximum of nine liters. A
26 copy of the original invoice shall be available for inspection by
27 persons authorized to enforce the alcoholic beverage laws of this
28 State for a minimum period of three years at the licensed premises
29 of the winery. The holder of this license shall be entitled to sell at
30 retail products produced by a holder of a limited brewery license, a
31 plenary winery license who produces not more than 250,000 gallons
32 per year, cidery and meadery license, or a craft distillery license
33 issued pursuant to this section to consumers on the licensed
34 premises of the winery for consumption off the premises. For the
35 purposes of this subsection, "sampling" means the selling at a
36 nominal charge or the gratuitous offering of an open container not
37 exceeding one and one-half ounces of any wine.

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

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

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

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

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

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

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

43 Out-of-State winery license. 2e. Provided that the applicant
44 does not produce more than 250,000 gallons of wine per year, the
45 holder of a valid winery license issued in any other state may make
46 application to the director for this license. The holder of this license
47 shall have the right to sell and distribute his products to wholesalers
48 licensed in accordance with this chapter and to sell such wine at

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

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

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

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

43 Cidery and meadery license. 2f. The holder of this license shall
44 be entitled, subject to rules and regulations, to manufacture hard
45 cider and mead and to sell and distribute these products to
46 wholesalers and retailers licensed in accordance with this chapter,
47 and to sell and distribute without this State to any persons pursuant
48 to the laws of the places of such sale and distribution, and to

1 maintain a warehouse. The holder of this license shall be entitled to
2 sell these products at retail to consumers on the licensed premises
3 for consumption on or off the premises and to offer samples for
4 sampling purposes only. The holder of this license shall be
5 permitted to offer for sale or make the gratuitous offering of
6 packaged crackers, chips, nuts, and similar snacks to consumers, but
7 shall not operate a restaurant on the licensed premises. The holder
8 of this license may enter into an exclusive business arrangement or
9 otherwise coordinate with a third party restaurant for the restaurant
10 to provide food directly to consumers on the licensed premises. The
11 fee for this license shall be \$938.

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

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

30 The holder of this license shall be entitled to sell at retail
31 products produced by a holder of a limited brewery license, a
32 plenary winery license who produces not more than 250,000 gallons
33 per year, farm winery license, or a craft distillery license issued
34 pursuant to this section to consumers on the licensed premises of
35 the cidery or meadery for consumption off the premises.

36 As used in this subsection:

37 "Hard cider" means a fermented alcoholic beverage derived
38 primarily from apples, pears, apple juice concentrate and water, or
39 pear juice concentrate and water, which may include spices, herbs,
40 honey, or other flavoring, and which contains at least one half of
41 one percent but less than eight and one half percent alcohol by
42 volume.

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

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

4 Plenary distillery license. 3a. The holder of this license shall
5 be entitled, subject to rules and regulations, to manufacture any
6 distilled alcoholic beverages and rectify, blend, treat and mix, and
7 to sell and distribute his products to wholesalers and retailers
8 licensed in accordance with this chapter, and to sell and distribute
9 without this State to any persons pursuant to the laws of the places
10 of such sale and distribution, and to maintain a warehouse. The fee
11 for this license shall be \$12,500.

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

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

36 Craft distillery license. 3d. The holder of this license shall be
37 entitled, subject to rules and regulations, to manufacture not more
38 than 20,000 gallons of distilled alcoholic beverages, to rectify,
39 blend, treat and mix distilled alcoholic beverages, to sell and
40 distribute this product to wholesalers and retailers licensed in
41 accordance with this chapter, and to sell and distribute without this
42 State to any persons pursuant to the laws of the places of such sale
43 and distribution, and to maintain a warehouse. The holder of this
44 license shall be entitled to sell this product at retail to consumers on
45 the licensed premises of the distillery for consumption on the
46 premises [, but only in connection with a tour of the distillery,] and
47 for consumption off the premises in a quantity of not more than five
48 liters per person. In addition, the holder of this license may offer

1 any person not more than three samples per calendar day for
2 sampling purposes only. For the purposes of this subsection,
3 "sampling" means the gratuitous offering of an open container not
4 exceeding one-half ounce serving of distilled alcoholic beverage
5 produced on the distillery premises. The holder of this license shall
6 be entitled to sell at retail products produced by a holder of a
7 limited brewery license, a plenary winery license who produces not
8 more than 250,000 gallons per year, a farm winery license, or
9 cidery and meadery license issued pursuant to this section to
10 consumers on the licensed premises of the distillery for
11 consumption off the premises. Nothing in this subsection shall be
12 deemed to permit the direct shipment of distilled spirits either
13 within or without this State.

14 The holder of this license shall not sell food or operate a
15 restaurant on the licensed premises, but the holder may enter into an
16 exclusive business arrangement or otherwise coordinate with a third
17 party restaurant for the restaurant to provide food directly to
18 consumers on the licensed premises. A holder of this license who
19 certifies that not less than 51 percent of the raw materials used in
20 the production of distilled alcoholic beverages under this section are
21 grown in this State or purchased from providers located in this State
22 may, consistent with all applicable federal laws and regulations,
23 label these distilled alcoholic beverages as "New Jersey Distilled."
24 The fee for this license shall be \$938.

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

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

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

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

47

48 2. This act shall take effect immediately.

STATEMENT

This bill permits certain New Jersey alcohol manufacturers to sell each other's products on-premises for off-premises consumption. The bill also permits the coordination of food service by third party restaurants, permits the hosting of on-premises special events and private parties, eliminates the tour requirement for certain New Jersey alcohol manufacturers, and expands the amount that a restricted brewery may manufacture annually.

Under the bill, limited breweries, plenary wineries that produce less than 250,000 gallons per year, farm wineries, cideries, meaderies, and craft distilleries would be permitted to sell each other's products for consumption off the licensed premises. Under current law, each manufacturer is permitted to sell only its own products.

Additionally, the bill provides that limited breweries, cideries, meaderies, and craft distilleries may enter into exclusive business arrangements or otherwise coordinate with third party restaurants to provide food directly to consumers on the licensed premises. Current law prevents these manufacturers from selling food or operating a restaurant on the licensed premises and the bill leaves this prohibition intact, but clarifies that the manufacturers may make arrangements for on-premises food service by a third party.

The bill also permits limited breweries to host 52 on-premises special events and 52 private parties annually. The bill provides that a limited brewery would not need to obtain a permit from the Division of Alcoholic Beverage Control (ABC) to host an on-premises special event or private party and prior notice of an event or party need not be provided to either ABC or any local government officials, including law enforcement. The bill defines an on-premises special event to include, but not be limited to:

(1) parties, birthdays, weddings, anniversaries, civic and political functions, professional and trade association events, class reunion and alumni events;

(2) trivia and quiz games;

(3) paint and sip;

(4) craftmaking;

(5) pop up shops;

(6) DJs, live music, and open mic;

(7) televised or streamed sporting events;

(8) educational events and seminars;

(9) movies and theatrical events;

(10) animal adoption, to the extent permitted by local ordinance; and

(11) yoga and exercise classes.

A private party is defined by the bill as an event that is held on the licensed premises and closed to the general public, either by the establishment of a special area of the licensed premises that may be

1 accessed only by the hosts or guests of the private party, or by
2 closure of the licensed premises to the public for the duration of the
3 private party. Private parties shall include, but not be limited to,
4 events held for birthdays, weddings, anniversaries, civic and
5 political functions, professional and trade association events, class
6 reunion and alumni events.

7 The bill also provides that if a limited brewery allows the host of
8 a private party or the holder of a social affair permit to bring wine
9 or malt alcoholic beverages onto the licensed premises for
10 consumption by guests of the event, the brewery would be entitled
11 to serve the wine or malt alcoholic beverages to the guests.

12 Additionally, the bill increases the limit that restricted breweries
13 may brew annually to 50,000 barrels. Current law sets this
14 restriction at 10,000 barrels.

15 Finally, the bill removes the tour requirement for limited
16 breweries and craft distilleries. Under current law, these
17 manufacturers are permitted to sell their products for onsite
18 consumption, but only in connection with a tour of the facility.
19 Under the bill, onsite consumption would be permitted without a
20 tour.