

CHAPTER 290

AN ACT concerning alcoholic beverage licensing, supplementing Title 33 of the Revised Statutes, and amending R.S.33:1-10, P.L.1977, c.246, and P.L.1947, c.94.

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

C.33:1-10b Definitions; craft manufacturer's license holder, serve tableside, employed wait staff.

1. a. As used in this section:

"Craft manufacturer's license" means a limited brewery license, cidery and meadery license, and craft distillery license issued pursuant to R.S.33:1-10.

"Off-premises special events" means special events that take place at a location other than on the licensed premises or the sidewalk, parking lot, or other area owned by the licensee that is adjacent to or adjoining the licensed premises and shall include, but not be limited to: beer, music, and arts festivals; civic events; foot races, bike races, and other athletic events; craft manufacturers' anniversary celebrations; and holiday celebrations.

"On-premises special event" means an event that is open to the public and held on the licensed premises or the sidewalk, parking lot, or other area owned by the licensee that is adjacent to or adjoining the licensed premises. An on-premises special event shall include, but not be limited to: trivia and quiz games; paint and sip; craftmaking; pop up shops; DJs, live music, amplified music, and open mic; televised or streamed sporting events; educational events and seminars; movies and theatrical events; animal adoption, to the extent permitted by local ordinance; yoga and exercise classes; and games of skill.

"Private party" means 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 reserved to be occupied only by the hosts or guests of the private party, or by closure of the licensed premises to the public for the duration of the private party.

b. The holder of a craft manufacturer's license shall be entitled to sell and serve customers tableside utilizing servers or wait staff employed by the license holder. The license holder shall be entitled to serve the licensee's products for on-premises consumption in outdoor spaces approved by the municipality. A craft manufacturer that serves alcoholic beverages in outdoor spaces may utilize a permanent or portable tap system located in the approved outdoor space. Pourers and servers employed by a craft manufacturer's license holder shall be certified by an industry-recognized server training program.

c. The holder of a craft manufacturer's license shall be permitted to offer for sale or make the gratuitous offering of de minimis food items including, but not limited to, packaged crackers, chips, nuts, and similar snacks to customers. The license holder may sell non-alcoholic beverages, whether or not manufactured by the license holder. The license holder also may coordinate with a food vendor for the provision of food on the licensed premises and provide menus to customers for the sale of food.

The holder of a craft manufacturer's license may offer for sale suitable gift items and novelty wearing apparel identified with the name of the craft manufacturer, or to promote the craft beverage industry.

d. The holder of a craft manufacturer's license shall be entitled to hold an unlimited number of on-premises special events, for which the license holder may sell tickets or charge a cover fee for attendance. The license holder shall not be required to obtain a permit or provide electronic notification to the division of on-premises special events.

e. The holder of a craft manufacturer's license shall be entitled to annually hold not more than 25 off-premises special events authorized by a permit issued by the director for each off-

premises special event. An off-premises special event permit may be issued for an event that is held for a maximum of three consecutive days. The license holder shall be entitled to coordinate with food vendors for the provision of food at off-premises events. If an off-premises special event is to be held on a publicly owned or controlled property, the license holder shall be required to obtain the consent of the political subdivision that owns or controls the property or the chief law enforcement officer of the law enforcement agency that has jurisdiction over the property.

f. The holder of a craft manufacturer's license shall be entitled to hold an unlimited number of private parties per year to occur on the licensed premises including, but not limited to, birthdays, weddings, anniversaries, civic and political functions, professional and trade association events, or class reunions and alumni events. The license holder shall be entitled to coordinate with food vendors for the provision of food at private parties. Subject to the consent of the licensee, the host of a private party may provide wine and malt alcoholic beverages purchased off the licensed premises to be served at the private party. A host of a private party may hire an employee of the craft manufacturer license holder to pour the alcoholic beverages served at the party. The license holder shall not be required to obtain a permit or provide electronic notification to the director of private parties.

g. The holder of a craft manufacturer's license shall be entitled to hold on the licensed premises not more than 25 social affair events hosted by the holder of a social affair permit issued pursuant to R.S.33:1-74. Subject to the consent of the license holder, the holder of the social affair permit may sell and serve any wine and malt alcoholic beverages for on-premises consumption only, provided the wine and malt alcoholic beverages are obtained in accordance with regulations promulgated by the director governing the issuance of social affair permits. A host of a social affair permitted event may hire employees or agents of the licensee to pour the alcoholic beverages served at the event. The holder of this license shall be entitled to sell the products manufactured pursuant to the license for consumption off the craft manufacturer's premises during a social affair permitted event.

h. The holder of a craft manufacturer's license shall be entitled to sell the holder's products at a discount for promotional purposes, provide targeted discounts, and establish membership programs that offer discounts, provided that the licensee's products are not sold below the cost of manufacturing the product. Nothing in this subsection shall waive the requirement that the holder of a craft manufacturer's license file a current price list with the division in accordance with rules and regulations.

i. The holder of a craft manufacturer's license shall be entitled to exercise the privileges established pursuant to this section and R.S.33:1-10 regardless of whether the property on which alcoholic beverages are manufactured is owned or leased by the licensee.

j. The holder of a craft manufacturer's license shall be entitled to show or display any televised program on televisions or other screening devices of any number or size on the licensed premises. The televised programs may include any sporting event, including live-televised championship sporting events. The holder of this license may publicly advertise that a televised event will be displayed on the licensed premises in advance thereof. The license holder shall not be required to provide notice to or obtain a permit from the division prior to showing or displaying any televised event.

k. The holder of a craft manufacturer's license who coordinates with a food vendor pursuant to this section, including, but not limited to, a food truck or restaurant, shall not own or operate the food vendor. The holder of a craft manufacturer's license that is used in connection with a licensed premises that is adjoining a food vendor's premises shall have its

own entrance and exit way to and from the licensed premises and shall not have a doorway that allows direct access and egress to the food vendor's premises.

1. The holder of a craft manufacturer's license shall not operate on the same licensed premises as the holder of another craft manufacturer's license. The holder of a craft manufacturer's license shall not jointly control or operate a salesroom with the holder of another craft manufacturer's license.

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

Class A licenses; subdivisions; fees.

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

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

Limited brewery license. 1b. The holder of this license shall be entitled, subject to rules and regulations, to brew any malt alcoholic beverages in a quantity to be expressed in said license, dependent upon the following fees and not in excess of 300,000 barrels of 31 fluid gallons capacity per year and to sell and distribute this product to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse; provided, however, that the delivery of this product by the holder of this license to retailers licensed under this title shall be from inventory in a warehouse located in this State which is operated under a limited brewery license. The holder of this license shall be entitled to sell this product at retail to consumers on the licensed premises of the brewery for consumption on the premises, or in a quantity of not more than 15.5 fluid gallons per person for consumption off the premises, and to offer samples for sampling purposes. The holder of this license shall not be required to pay a fee to the division for the privilege of offering samples pursuant to this section. If the holder of this license holds a bonded warehouse bottling license issued pursuant to subsection 5 of this section, product brewed in accordance with this subsection and transferred to a bonded warehouse for bottling and storage may be sold at retail and offered for sampling on the licensed premises of the brewery by the holder of this license. The holder of this license shall not sell food or operate a restaurant on the licensed premises, but may coordinate with food vendors pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b). The holder of this license shall be entitled to engage in the privileges established pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b).

The fee for this license shall be graduated as follows:

to so brew not more than 50,000 barrels of 31 liquid gallons capacity per annum, \$1,250;
to so brew not more than 100,000 barrels of 31 fluid gallons capacity per annum, \$2,500;
to so brew not more than 200,000 barrels of 31 fluid gallons capacity per annum, \$5,000;
to so brew not more than 300,000 barrels of 31 fluid gallons capacity per annum, \$7,500.

For the purposes of this subsection, "sampling" means the selling at a nominal charge or the gratuitous offering of an open container not exceeding four ounces of any malt alcoholic

beverage. For the purposes of this subsection, "product" means any malt alcoholic beverage that is produced on the premises licensed under this subsection.

Restricted brewery license. 1c. The holder of this license shall be entitled, subject to rules and regulations, to brew any malt alcoholic beverages in a quantity to be expressed in such license not in excess of 300,000 barrels of 31 gallons capacity per year. Notwithstanding the provisions of R.S.33:1-26, the director shall issue a restricted brewery license only to a person or an entity which has identical ownership to an entity which holds a plenary retail consumption license issued pursuant to R.S.33:1-12, provided that such plenary retail consumption license is operated in conjunction with a restaurant regularly and principally used for the purpose of providing meals to its customers and having adequate kitchen and dining room facilities, and that the licensed restaurant premises is immediately adjoining the premises licensed under this subsection. The holder of this license shall be entitled to sell or deliver the product to that restaurant premises. The holder of this license also shall be entitled to sell and distribute the product to wholesalers and retailers licensed in accordance with this chapter and to sell and distribute without this State to any persons pursuant to the laws of those places of such sale and distribution, and to maintain a warehouse; provided, however, that the delivery of this product by the holder of this license to retailers licensed under this title shall be from inventory in a warehouse located in this State which is operated under a restricted brewery license. The amount of malt alcoholic beverages that may be sold and distributed directly to retailers pursuant to this subsection on an annual basis shall be not more than 50 percent of the product manufactured in that year by the holder of this license. The fee for this license shall be \$1,250, which fee shall entitle the holder to brew up to 1,000 barrels of 31 liquid gallons per annum. The licensee also shall pay an additional \$250 for every additional 1,000 barrels of 31 fluid gallons produced. The fee shall be paid at the time of application for the license, and additional payments based on barrels produced shall be paid within 60 days following the expiration of the license term upon certification by the licensee of the actual gallons brewed during the license term. No more than 10 restricted brewery licenses shall be issued to a person or entity which holds an interest in a plenary retail consumption license. If the governing body of the municipality in which the licensed premises will be located should file a written objection, the director shall hold a hearing and may issue the license only if the director finds that the issuance of the license will not be contrary to the public interest. All fees related to the issuance of both licenses shall be paid in accordance with statutory law. The provisions of this subsection shall not be construed to limit or restrict the rights and privileges granted by the plenary retail consumption license held by the holder of the restricted brewery license issued pursuant to this subsection.

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

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

Farm brewery license. 1d. The holder of this license shall be entitled, subject to rules and regulations, to brew any malt alcoholic beverages in a quantity to be expressed in the license not in excess of 2,500 barrels of 31 fluid gallons per year and to sell products to consumers for consumption off the licensed premises and to offer samples for sampling purposes only. The license shall be issued only when the brewery at which such malt alcoholic beverages are brewed is located and constructed upon a tract of land exclusively under the control of the

licensee, the licensee is actively engaged in farming on or adjacent to the brewery premises, and the malt alcoholic beverages are substantially produced from hops or other ingredients grown or cultivated on that tract of land. The holder of this license shall not sell or offer food for consumption on the licensed premises.

The fee for this license shall be graduated as follows: to manufacture between 1,200 and 2,500 barrels per year, \$300; to manufacture between 100 and 1,199 barrels per year, \$200; to manufacture fewer than 100 barrels per year, \$100. An individual or entity shall not hold more than one farm brewery license.

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

Plenary winery license. 2a. Provided that the holder is engaged in growing and cultivating grapes or fruit used in the production of wine on at least three acres on, or adjacent to, the winery premises, except as otherwise provided in this subsection for certain alternating proprietorship agreements, the holder of this license shall be entitled, subject to rules and regulations, to produce any fermented wines, and to blend, fortify and treat wines, and to sell and distribute his products to wholesalers licensed in accordance with this chapter and to churches for religious purposes, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse, and to sell his products at retail to consumers on the licensed premises of the winery for consumption on or off the premises and to offer samples for sampling purposes only. The fee for this license shall be \$938. A holder of this license who produces not more than 250,000 gallons per year shall also have the right to sell and distribute his products to retailers licensed in accordance with this chapter, except that the holder of this license shall not use a common carrier for such distribution. The fee for this additional privilege shall be graduated as follows: a licensee who manufactures more than 150,000 gallons, but not in excess of 250,000 gallons per annum, \$1,000; a licensee who manufactures more than 100,000 gallons, but not in excess of 150,000 gallons per annum, \$500; a licensee who manufactures more than 50,000 gallons, but not in excess of 100,000 gallons per annum, \$250; a licensee who manufactures 50,000 gallons or less per annum, \$100. A holder of this license who produces not more than 250,000 gallons per year shall have the right to sell such wine at retail in original packages in 15 salesrooms apart from the winery premises for consumption on or off the premises and for sampling purposes for consumption on the premises, at a fee of \$250 for each salesroom. Licensees shall not jointly control and operate salesrooms. Additionally, the holder of this license who produces not more than 250,000 gallons per year may ship not more than 12 cases of wine per year, subject to regulation, to any person within or without this State over 21 years of age for personal consumption and not for resale. A case of wine shall not exceed a maximum of nine liters. A copy of the original invoice shall be available for inspection by persons authorized to enforce the alcoholic beverage laws of this State for a minimum period of three years at the licensed premises of the winery. For the purposes of this subsection, "sampling" means the selling at a nominal charge or the gratuitous offering of an open container not exceeding one and one-half ounces of any wine.

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

An applicant for a plenary winery license or the holder of a plenary winery license may apply to the director for approval to enter into an agreement with a host New Jersey winery to use the host's equipment and space in an alternating proprietorship for production of wine, provided that the applicant or holder has obtained approval of the proposed alternating proprietorship arrangement from the Alcohol and Tobacco Tax and Trade Bureau. The director shall approve the agreement if the director determines that the Alcohol and Tobacco Tax and Trade Bureau has approved the agreement and the agreement does not violate any applicable New Jersey alcohol licensing and taxation laws and related regulations or special rulings of the director. The director shall approve or deny the application no later than 180 days after receipt of the application, unless the applicant agrees to an extension.

An applicant for a plenary winery license who also applies to the director to enter into an alternating proprietorship agreement pursuant to this subsection shall, upon approval by the director of both applications, be permitted to grow and cultivate grapes or fruit used in the production of wine on at least three acres within a five-mile radius of the host winery premises.

For the purposes of this subsection, "product" means any wine that is produced, blended, fortified, or treated by the licensee on its licensed premises situated in the State of New Jersey. For the purposes of this subsection, "wine" shall include "hard cider" and "mead" as defined in this section.

Farm winery license. 2b. The holder of this license shall be entitled, subject to rules and regulations, to manufacture any fermented wines and fruit juices in a quantity to be expressed in said license, dependent upon the following fees and not in excess of 50,000 gallons per year and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter and to churches for religious purposes and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse and to sell at retail to consumers for consumption on or off the licensed premises and to offer samples for sampling purposes only. The license shall be issued only when the winery at which such fermented wines and fruit juices are manufactured is located and constructed upon a tract of land exclusively under the control of the licensee, provided that the licensee is actively engaged in growing and cultivating an area of not less than three acres on or adjacent to the winery premises and on which are growing grape vines or fruit to be processed into wine or fruit juice, except in the case of certain alternating proprietorship agreements, as provided in this subsection; and provided, further, that for the first five years of the operation of the winery such fermented wines and fruit juices shall be manufactured from at least 51 percent grapes or fruit grown in the State and that thereafter they shall be manufactured from grapes or fruit grown in this State at least to the extent required for labeling as "New Jersey Wine" under the applicable federal laws and regulations. The containers of all wine sold to consumers by such licensee shall have affixed a label stating such information as shall be required by the rules and regulations of the Director of the Division of Alcoholic Beverage Control. The fee for this license shall be graduated as follows: to so manufacture between 30,000 and 50,000 gallons per annum, \$375; to so manufacture between 2,500 and 30,000 gallons per annum, \$250; to so manufacture between 1,000 and 2,500 gallons per annum, \$125; to so manufacture less than 1,000 gallons per annum, \$63. No farm winery license shall be held by the holder of a plenary winery license.

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

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

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

An applicant for a farm winery license or the holder of a farm winery license may apply to the director for approval to enter into an agreement with a host New Jersey winery to use the host's equipment and space in an alternating proprietorship for production of wine, provided that the applicant or holder has obtained approval of the proposed alternating proprietorship arrangement from the Alcohol and Tobacco Tax and Trade Bureau. The director shall approve the agreement if the director determines that the Alcohol and Tobacco Tax and Trade Bureau has approved the agreement and the agreement does not violate any applicable New Jersey alcohol licensing and taxation laws and related regulations or special rulings of the director. The director shall approve or deny the application no later than 180 days after receipt of the application, unless the applicant agrees to an extension.

An applicant for a farm winery license who also applies to the director to enter into an alternating proprietorship agreement pursuant to this subsection shall, upon approval by the director of both applications, be permitted to grow and cultivate grapes or fruit used in the production of wine on at least three acres within a five-mile radius of the host winery premises.

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

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

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

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

Instructional winemaking facility license. 2d. The holder of this license shall be entitled, subject to rules and regulations, to instruct persons in and provide them with the opportunity to participate directly in the process of winemaking and to directly assist such persons in the process of winemaking while in the process of instruction on the premises of the facility. The holder of this license also shall be entitled to manufacture wine on the premises not in excess of an amount of 10 percent of the wine produced annually on the premises of the facility, which shall be used only to replace quantities lost or discarded during the winemaking process, to

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

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

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

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

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

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

Cidery and meadery license. 2f. The holder of this license shall be entitled, subject to rules and regulations, to manufacture hard cider and mead and to sell and distribute these products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The holder of this license shall be entitled to sell these products at retail to consumers on the licensed premises for consumption on or off the premises and to offer samples for sampling purposes only. The holder of this license shall be permitted to offer for sale or make the gratuitous offering of packaged crackers, chips, nuts, and similar snacks to consumers. The holder of this license shall not operate a restaurant on the licensed premises, but may coordinate with food vendors pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b). The holder of this license shall be entitled to engage in the privileges established pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b). The fee for this license shall be \$938.

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

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

As used in this subsection:

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

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

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

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

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

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

Craft distillery license. 3d. The holder of this license shall be entitled, subject to rules and regulations, to manufacture not more than 20,000 gallons of distilled alcoholic beverages, to rectify, blend, treat and mix distilled alcoholic beverages, to sell and distribute this product to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of the places of such sale and distribution, and to maintain a warehouse. The holder of this license shall be entitled to sell this product at retail to consumers on the licensed premises of the distillery for consumption on the premises and for consumption off the premises in a quantity of not more than five liters per person. In addition, the holder of this license may offer any person not more than three samples per calendar day for sampling purposes only. For the purposes of this subsection, "sampling" means the gratuitous offering of an open container not exceeding one-half ounce serving of distilled alcoholic beverage produced on the distillery premises. If the holder of this license holds a bonded warehouse bottling license issued pursuant to subsection 5 of this section, product manufactured in accordance with this subsection and transferred to a bonded warehouse for bottling and storage may be sold at retail and offered for sampling on the licensed premises of the distillery by the holder of this license. Nothing in this subsection shall be deemed to permit the direct shipment of distilled spirits either within or without this State. The holder of this license shall be entitled to engage in the privileges established pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b).

The holder of this license shall not sell food or operate a restaurant on the licensed premises, but may coordinate with food vendors pursuant to section 1 of P.L.2023, c.290 (C.33:1-10b). A holder of this license who certifies that not less than 51 percent of the raw materials used in the production of distilled alcoholic beverages under this section are grown in this State or purchased from providers located in this State may, consistent with all applicable federal laws and regulations, label these distilled alcoholic beverages as "New Jersey Distilled." The fee for this license shall be \$938.

Rectifier and blender license. 4. The holder of this license shall be entitled, subject to rules and regulations, to rectify, blend, treat and mix distilled alcoholic beverages, and to fortify, blend, and treat fermented alcoholic beverages, and prepare mixtures of alcoholic beverages, and to sell and distribute his products to wholesalers and retailers licensed in accordance with this chapter, and to sell and distribute without this State to any persons pursuant to the laws of

the places of such sale and distribution, and to maintain a warehouse. The fee for this license shall be \$7,500.

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

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

C.33:1-24.3a Definitions; receiving municipality, plenary retail consumption licenses, population limitation, request, additional inactive plenary retail consumption license.

3. a. As used in this act:

“Contiguous” means when municipalities in this State are adjoined by land and share a common boundary line, but does not include municipalities that are separated solely by a river, lake, bay, or other body of water.

“Inactive license” means a plenary retail consumption license that has been placed on inactive status and renewed as authorized by the provisions of section 1 of P.L.1977, c.246 (C.33:1-12.39) for two consecutive license terms.

“Receiving municipality” means a municipality that enters into an agreement to acquire an inactive plenary retail consumption license from a contiguous sending municipality as part of an economic redevelopment plan or in connection with a premises located within a redevelopment, improvement, or revitalization area pursuant to P.L.2023, c.290 (C.33:1-10b et al.).

“Redevelopment, improvement, or revitalization area” means an urban enterprise zone designated pursuant to P.L.1983, c.303 (C.52:27H-60 et seq.) or P.L.2001, c.347 (C.52:27H-66.2 et al.); a downtown business improvement zone designated pursuant to P.L.1998, c.115 (C.40:56-71.1 et seq.); a pedestrian mall or pedestrian mall improvement or special improvement district as defined in section 2 of P.L.1972, c.134 (C.40:56-66); a transit oriented development as defined by section 2 of P.L.2011, c.149 (C.34:1B-243); an area determined to be in need of redevelopment pursuant to sections 5 and 6 of P.L.1992, c.79 (C.40A:12A-5 and 40A:12A-6); or an area determined to be in need of rehabilitation pursuant to section 14 of P.L.1992, c.79 (C.40A:12A-14), or any improvement which is 100 percent new construction, which is an entirely new improvement not previously occupied or used for any purpose.

“Sending municipality” means a municipality from which an inactive license is issued pursuant to P.L.2023, c.290 (C.33:1-10b et al.) to the governing body of a contiguous receiving municipality as part of an economic redevelopment plan or in connection with a premises located within a redevelopment, improvement, or revitalization area.

b. A receiving municipality in which the number of plenary retail consumption licenses has reached the population limitation established in section 2 of P.L.1947, c.94 (C.33:1-12.14) may issue a request for proposal to acquire from a license holder an additional inactive plenary retail consumption license that was initially issued by a contiguous sending municipality. The inactive license acquired pursuant to this section shall be used in connection with a premises as part of an economic redevelopment plan or a redevelopment, improvement, or revitalization area. A sending municipality shall not be entitled to transfer a license pursuant to this section unless the sending municipality and receiving municipality are contiguously located.

c. The request for proposal issued pursuant to subsection b. of this section shall specify a time and date after which no further applications from license holders will be accepted. The request shall be published in a newspaper circulating generally throughout the State by not less than two insertions, one week apart, the second of which shall be made not less than 30 days prior to the time and date specified in the notice as the time and date after which no further applications will be accepted. In addition, the request for proposal shall be published by the governing body on the official Internet website of the receiving municipality. The request for proposal shall require that all bids be sealed and remain confidential to other bidders. Notwithstanding the provisions of section 1 of P.L.1981, c. 416 (C.33:1-19.3) the license shall be awarded to the highest qualified bidder.

The request for proposal shall establish a minimum bid amount, which shall be based on the average sale price of the three most recent plenary retail consumption license sales in the receiving municipality or an appraisal completed pursuant to this subsection at the receiving municipality's expense, whichever amount is greater.

The appraisal process shall include an examination of previous transactions in the receiving municipality or surrounding municipalities, as the case may be, and shall reflect what a willing buyer, under no pressure to buy, would pay a willing seller, under no pressure to sell, for a plenary retail consumption license in that municipality or municipalities, as the case may be.

d. The holder of an inactive plenary retail consumption license shall apply to the governing body of the sending municipality for permission to transfer the inactive plenary retail consumption license from the sending municipality prior to the submission of bids in response to the request for proposal. The governing body of the sending municipality may approve the application only by a resolution adopted by a majority vote. The sending municipality shall not require the applicant to disclose the location of the proposed licensed premises.

After the receiving municipality accepts a successful bid, the sending municipality shall submit to the director notice of the intent to transfer a license at least 90 days prior to the transfer. The sending and receiving municipalities shall adopt by majority vote identical resolutions authorizing the transfer of the license. The identical resolutions shall establish the license transfer fee of \$25,000 or more, which shall be paid by the license holder and deposited in the general fund of the sending municipality. Prior to adopting the resolution pursuant to this section, the governing body of both municipalities shall give special consideration as to whether sufficient attempts were made by the license holder to use or transfer the license for use in connection with a premises located in the sending municipality.

e. A receiving municipality that acquires a license pursuant to subsection b. of this section shall be entitled to offer the license at public sale pursuant to P.L.1975, c.275 (C.33:1-19.1 et seq.). A license issued by the receiving municipality to a qualified bidder that is not actively used in connection with the operation of a premises within two years of the issuance date shall expire and shall not be reissued by the receiving municipality. The license holder shall not be entitled to appeal the expiration of the license to the director or a court of law unless the license holder has been deprived of the use of the licensed premises as a result of eminent domain, fire, or other casualty, and establishes by affidavit filed with the director that the license holder is making a good faith effort to resume active use of the license in connection with the operation of a licensed premises.

f. A receiving municipality shall be entitled to acquire one inactive license pursuant to this section in each calendar year but not more than two inactive licenses in five calendar years.

g. A plenary retail consumption license transferred pursuant to this section shall entitle the license holder to sell alcoholic beverages for consumption on the licensed premises, but not for consumption off the licensed premises. Licenses transferred pursuant to this section

shall otherwise be subject to all the provisions of Title 33 of the Revised Statutes, rules and regulations promulgated by the director, and municipal ordinances.

h. A license issued pursuant to this section shall not be included in the total combined population necessary to issue a new plenary retail consumption or seasonal retail consumption license pursuant to section 2 of P.L.1947, c.94 (C.33:1-12.14).

4. Section 1 of P.L.1977, c.246 (C.33:1-12.39) is amended to read as follows:

C.33:1-12.39 Active use required for renewal of Class C license; fee.

1. a. On and after the effective date of P.L.2023, c.290 (C.33:1-10b et al.), a Class C license as defined in R.S.33:1-12 shall not be renewed if the license has not been actively used in connection with the operation of a licensed premises within two consecutive license terms. A license that remains inactive at the end of the two-year period shall expire, provided, however, the governing body of a municipality may in its discretion extend the period during which the license may remain inactive for an additional year.

b. Notwithstanding subsection a. of this section, if the licensee has been deprived of the use of the licensed premises as a result of eminent domain, fire, or other casualty, and establishes by affidavit filed with the director that the licensee is making a good faith effort to resume active use of the license in connection with the operation of a licensed premise, the time period provided for in this section shall be automatically extended for an additional period of two license terms.

c. Following the effective date of P.L.2023, c.290 (C.33:1-10b et al.), prior to the expiration of an inactive license pursuant to subsection a. of this section, an inactive license shall be:

(1) actively used by the license holder;

(2) transferred in a private transaction for fair market value to another person who intends to use the license. The transferee shall actively use the license in connection with a premises upon receipt of the license; or

(3) transferred from a sending municipality to a receiving municipality in accordance with section 3 of P.L.2023, c.290 (C.33:1-24.3a).

d. The director shall divide the inactive plenary retail consumption licenses that were placed on inactive status prior to the effective date of P.L.2023, c.290 (C.33:1-10b et al.) into quartiles based on the total length of time that the licenses have been inactive. The licenses shall be transferred pursuant to subsection c. of this section in accordance with the following time schedule:

(1) the quartile that has been inactive for the longest period of time shall be transferred pursuant to subsection c. of this section within one year of the effective date of P.L.2023, c.290 (C.33:1-10b et al.);

(2) the quartile that has been inactive for the second longest period of time shall be transferred pursuant to subsection c. of this section within two years following the effective date of P.L.2023, c.290 (C.33:1-10b et al.);

(3) the quartile that has been inactive for the third longest period of time shall be transferred pursuant to subsection c. of this section within three years following the effective date of P.L.2023, c.290 (C.33:1-10b et al.); and

(4) the quartile that has been inactive for the shortest period of time shall be transferred pursuant to subsection c. of this section within four years following the effective date of P.L.2023, c.290 (C.33:1-10b et al.).

e. Any request for relief under this section shall be accompanied by a nonreturnable filing fee of \$100 payable to the director.

5. Section 6 of P.L.1947, c.94 (C.33:1-12.18) is amended to read as follows:

C.33:1-12.18 Issuance of new license permitted to applicants filing within one year of expiration, fee; Class C license, permitted to lapse, not renewed within eight years, public sale.

6. a. Except as provided in subsection d. of this section, in any case in which a timely renewal was not filed, nothing in this act shall be deemed to prevent the issuance of a new license to a person who files an application therefor within one year following the expiration of the license renewal period, but who pays the municipal and State renewal fees for the year for which a timely renewal application was not filed, if the director shall determine in writing that the applicant's failure to apply for a renewal of his license was due to circumstances beyond his control or other extraordinary circumstances.

b. Any request for relief under this section shall be filed not later than one year following the expiration of the license renewal period for the license which was not renewed in a timely manner and shall be accompanied by a nonreturnable filing fee of \$100 payable to the director for each license term.

c. A new license issued pursuant to this section shall be assigned the same license number as the license which was not renewed in a timely manner.

d. Notwithstanding subsection a. of this section, a person with an expired license which was not renewed within the five years immediately preceding the enactment of P.L.2010, c.14, but who pays the municipal and State renewal fees for each year for which a timely renewal application was not filed, may file for issuance of a new license in accordance with subsection a. of this section within six months of the effective date of P.L.2010, c.14.

e. Notwithstanding the limitation set forth in section 2 of P.L.1947, c.94 (C.33:1-12.14) concerning the number of licenses that may be issued within a municipality, the governing body of a municipality in which an inactive Class C license has been permitted to lapse and has not been renewed within eight years immediately preceding the enactment of P.L.2023, c.290 (C.33:1-10b et al.) may issue a new Class C license at public sale for use at a licensed premises located within the municipality in a manner consistent with the provisions of P.L.1975, c.275 (C.33:1-19.1 et seq.).

Any Class C license issued pursuant to this subsection shall be of the same license type as the expired license and shall be used in a manner consistent with the provisions of Title 33 of the Revised Statutes and any regulation promulgated by the director.

C.33:1-12.55 Definitions.

6. a. As used in this section:

“Eligible municipality” means a municipality in which at least one shopping mall is located and the number of plenary retail consumption licenses has reached the population limitation established in section 2 of P.L.1947, c.94 (C.33:1-12.14).

“Enforcing agency” means the enforcing agency in any municipality designated to administer and enforce the "State Uniform Construction Code Act" pursuant to section 8 of P.L.1975, c.217 (C. 52:27D-126), and regulations promulgated thereunder.

“Shopping mall” means a standalone, publicly accessible enclosed walkway or hall area that serves to connect retail, entertainment, food and beverage establishments, and office space and:

(1) that is under common ownership or control and connects with or provides access to separate retail establishments, including at least one restaurant or other establishment that serves alcoholic beverages pursuant to a plenary retail consumption license; and

(2) was constructed prior to the effective date of P.L.2023, c.290 (C.33:1-10b et al.) or for which an application for a construction permit has been declared complete by an enforcing agency prior to the effective date of P.L.2023, c.290 (C.33:1-10b et al.).

“Strip mall” means a retail shopping complex that consists of stores, restaurants, or other businesses in adjacent spaces or storefronts in one or more buildings that are connected by a doorway or open onto a common parking lot or outdoor pedestrian walkway.

b. The governing body of an eligible municipality may, by ordinance or resolution, issue within the municipality not more than:

(1) two special licenses to a person or other legal entity for use in connection with a food and beverage establishment located within a shopping mall with a minimum gross square footage of not less than 750,000; and

(2) four special licenses to a person or other legal entity for use in connection with a food and beverage establishment located within a shopping mall with a gross square footage of 1,500,000 or more.

c. A special license issued pursuant to subsection b. of this section shall authorize the sale of alcoholic beverages for immediate consumption on the operator's premises.

d. A person who would fail to qualify as a licensee under Title 33 of the Revised Statutes shall not be permitted to hold an interest in a special license under the provisions of this section.

e. Licenses shall be subject to all the provisions of Title 33 of the Revised Statutes, rules and regulations promulgated by the director, and municipal ordinances.

f. A special license issued pursuant to this section shall not be transferred for use in connection with any premises other than a premises that is operated as a food and beverage establishment located within the same shopping mall.

g. Application for the initial issuance and renewal of each license shall be made to the municipal governing body on an annual basis. The fee for the initial issuance of the license shall be at least \$250,000.

One half of the initial issuance fee for the license shall be paid upon the issuance of the license and the other half of that amount shall be paid one year later. The governing body of the municipality shall establish an annual fee for the license which shall not exceed the fee which may be imposed by a municipality for a plenary retail consumption license pursuant to R.S.33:1-12. The fee for the initial issuance of the license shall be paid to the eligible municipality in which the license is issued.

h. If the individual corporation or entity holding the license determines to transfer a special license issued pursuant to this section, the license shall be sold for the sum paid pursuant to subsection g. of this section. A special license issued pursuant to this section shall not be transferred to the governing body of another municipality or for use in connection with any premises other than a premises that is operated as a food and beverage establishment located within a shopping mall.

i. The director shall not issue a special concessionaire permit for any location or premises which is eligible to obtain a license to serve alcoholic beverages under the provisions of this section.

j. A special license issued pursuant to this section shall not be subject to the population limitation established pursuant to section 2 of P.L.1947, c.94 (C.33:1-12.14). An interest in a special license issued pursuant to this section shall be excluded in determining the maximum

number of plenary retail consumption licenses issued to a person pursuant to P.L.1962, c.152 (C.33:1-12.31 et seq.).

k. The provisions of this section shall not apply to a strip mall as defined in subsection a. of this section.

l. Pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), the director may adopt rules and regulations to effectuate the purposes of this act.

7. Sections 1 and 2 of this act shall take effect immediately and sections 3 through 6 shall take effect on the first day of the seventh month next following the date of enactment, except the Director of the Division of Alcoholic Beverage Control may take anticipatory administrative action in advance thereof as shall be necessary for the implementation of this act.

Approved January 16, 2024.