

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 4404

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 28, 2026

The Senate Budget and Appropriations Committee reports favorably and with committee amendments Senate Bill No. 4404.

This bill makes various revisions to the law governing the manufacture and sale of alcoholic beverages in this State.

Craft Alcoholic Beverage Manufacturers

Under current law, craft alcoholic beverage manufacturers are entitled to hold certain events and coordinate with food vendors to allow food to be consumed on the licensed premises. A craft manufacturer's license is defined by current law as a limited brewery license, cidery and meadery license, and craft distillery license. This bill defines the phrase "coordinate with food vendors" to mean a licensee, or anyone on the licensee's behalf, directly or indirectly arranging with a food truck, vendor, or restaurant to be present on or off the licensed premises of a craft manufacturer's licensee, provided that the license holder does not own or operate the food truck, vendor, or restaurant and shall not share in the proceeds or profits from the sale of food. The bill also clarifies that the holder of a craft manufacturer's license may sell snacks and non-alcoholic beverages for consumption on and off the licensed premises. In addition, the bill further clarifies that these craft manufacturer's license holders may sell their products by the glass or open container for immediate consumption, sell or gratuitously provide samples for immediate consumption, and sell chilled and unchilled packaged goods or growlers and crowlers for off-premises consumption.

The bill also requires these license holders to obtain the endorsement of the municipal clerk or secretary of the municipal alcoholic beverage control board and the chief of police of the municipality when holding an event on private property.

Farm Brewery Licenses

This bill expands the privileges of farm brewery license holders. Specifically, the bill allows the holder of a farm brewery license to sell its products for consumption on and off the licensed premises. Under

current law, these licensees only may sell products for consumption off the licensed premises.

The bill also allows the holder of a farm brewery license to distribute the license holder's products to alcoholic beverage wholesalers and retailers and to sell and distribute those products to persons outside of the state in accordance with the laws of that state. The license holder would also be entitled to maintain a warehouse.

The bill also allows the farm brewery license holder to coordinate with food vendors and sell and distribute the license holder's products to alcoholic beverage retailers.

The bill also requires these license holders to produce malt alcoholic beverages that contain at least 51 percent of its ingredients from hops, grains or other ingredients grown or cultivated on the tract of the licensee's land.

Renewal of Inactive Alcoholic Beverage Retail Licenses

Current law establishes procedures for transferring inactive Class C licenses, which allow for the retail sales of alcoholic beverages. Under current law, a license that remains inactive for two consecutive license terms is to expire.

This bill allows a governing body to extend this time period if it is satisfied that the licensee is making a good faith effort to activate or transfer the license either within or without the municipality. If the governing board of a municipality denies a licensee's request to extend the expiration date of its inactive license, a licensee may appeal to the Director of the Division of Alcoholic Beverage Control within thirty days after receipt of the notice of denial.

Transfer of Inactive Alcoholic Beverage Retail Licenses

Under current law, contiguous municipalities may transfer inactive plenary retail consumption licenses when the licenses is to be used within a redevelopment, improvement, or revitalization plan. Current law allows municipalities that have reached the population limit placed on the issuance of plenary retail consumption license to issue a request for proposal to acquire an additional plenary retail consumption license from a contiguous municipality.

This bill changes the process of transferring inactive plenary retail consumption licenses. Under the bill, a municipality entitled to issue a new license would be able to offer that license at public sale to the highest bidding governing body of any other municipality in this State. In addition, the bill allows the holder or contract purchaser of an inactive plenary retail consumption license issued by any municipality to apply to the governing bodies of an issuing municipality and a receiving municipality located within the same county or a contiguous municipality not located in the same county to use the license in

connection with a premises located in the receiving municipality. The license only would be used as part of an economic redevelopment plan or in connection with a premises located within a redevelopment, improvement, or revitalization area.

Shopping Malls

Current law authorizes special licenses to be issued to a person or other legal entity for use in connection with a food and beverage establishment located within a shopping mall. The license authorizes the sale of alcoholic beverages for immediate consumption on the operator's premises.

This bill amends the statutory definition of shopping mall to include office spaces with pad sites located on the same parcel or premises as the shopping mall. In addition, the bill amends the shopping mall definition to being both under common ownership “or has ownership interests in common or shares ownership or control among multiple entities.”

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- 1) clarify that the holder of a limited brewery license, cidery and meadery license, and craft distillery license may coordinate with food vendors; as introduced, the bill provided that only limited brewery licensees may coordinate with these vendors; and
- 2) clarify that the holder of a craft manufacturer’s license may sell both chilled and unchilled products for off-premises consumption at off-premises events; as introduced, the bill only specified unchilled products;
- 3) allow the holder of a farm brewery license to sell its products for consumption on and off the licensed premises;
- 4) require farm brewery license holders to produce malt alcoholic beverages that contain at least 51 percent of its ingredients from hops, grains or other ingredients grown or cultivated on the tract of the licensee’s land;
- 5) clarify that a municipality may hold an inactive plenary retail consumption license without the license expiring if the license is held for the purpose of issuing it to a premises located within a redevelopment, improvement, or revitalization area; and
- 6) make other technical and clarifying changes.

FISCAL IMPACT:

Fiscal information for this bill is currently unavailable.