

ASSEMBLY, No. 3063

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED JUNE 24, 2010

Sponsored by:

Assemblywoman CELESTE M. RILEY

District 3 (Salem, Cumberland and Gloucester)

Assemblyman MATTHEW W. MILAM

District 1 (Cape May, Atlantic and Cumberland)

Assemblyman NELSON T. ALBANO

District 1 (Cape May, Atlantic and Cumberland)

Assemblywoman PAMELA R. LAMPITT

District 6 (Camden)

Assemblywoman ANNETTE QUIJANO

District 20 (Union)

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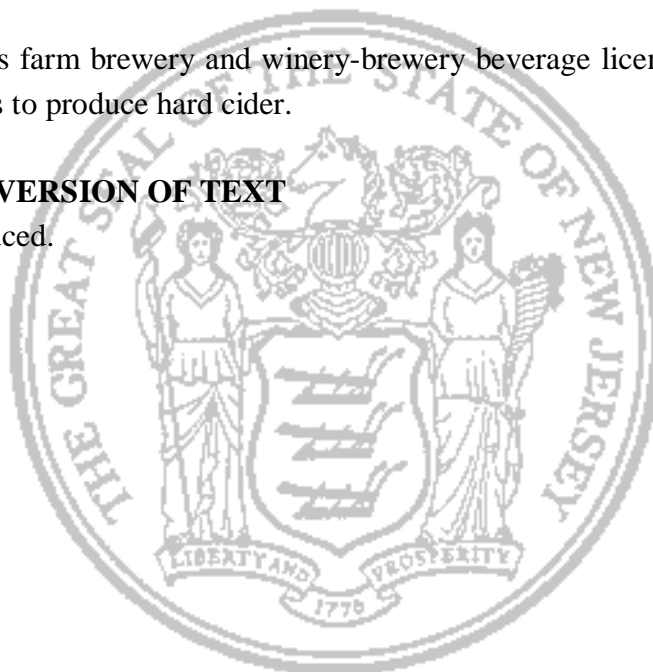
Assemblywomen Vainieri Huttler, McHose, Wagner and Assemblyman Chiusano

SYNOPSIS

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

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 12/14/2010)

A3063 RILEY, MILAM

2

1 AN ACT concerning certain alcoholic beverage manufacturing
2 licenses and amending 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. The fee for this license shall be \$10,625.

17 Limited brewery license. 1b. The holder of this license shall be
18 entitled, subject to rules and regulations, to brew any malt alcoholic
19 beverages in a quantity to be expressed in said license, dependent
20 upon the following fees and not in excess of 300,000 barrels of 31
21 fluid gallons capacity per year and to sell and distribute this product
22 to wholesalers and retailers licensed in accordance with this
23 chapter, and to sell and distribute without this State to any persons
24 pursuant to the laws of the places of such sale and distribution, and
25 to maintain a warehouse. The fee for this license shall be graduated
26 as follows: to so brew not more than 50,000 barrels of 31 fluid
27 gallons capacity per annum, \$1,250; to so brew not more than
28 100,000 barrels of 31 fluid gallons capacity per annum, \$2,500; to
29 so brew not more than 200,000 barrels of 31 fluid gallons capacity
30 per annum, \$5,000; to so brew not more than 300,000 barrels of 31
31 fluid gallons capacity per annum, \$7,500.

32 Restricted brewery license. 1c. The holder of this license shall
33 be entitled, subject to rules and regulations, to brew any malt
34 alcoholic beverages in a quantity to be expressed in such license not
35 in excess of 3,000 barrels of 31 fluid gallons capacity per year.
36 Notwithstanding the provisions of R.S.33:1-26, the director shall
37 issue a restricted brewery license only to a person or an entity
38 which has identical ownership to an entity which holds a plenary
39 retail consumption license issued pursuant to R.S.33:1-12, provided
40 that such plenary retail consumption license is operated in
41 conjunction with a restaurant regularly and principally used for the
42 purpose of providing meals to its customers and having adequate
43 kitchen and dining room facilities, and that the licensed restaurant
44 premises is immediately adjoining the premises licensed as a
45 restricted brewery. The holder of this license shall only be entitled

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 to sell or deliver the product to that restaurant premises. The fee for
2 this license shall be \$1,250, which fee shall entitle the holder to
3 brew up to 1,000 barrels of 31 fluid gallons per annum. The
4 licensee also shall pay an additional \$625 for every additional 1,000
5 barrels of 31 fluid gallons produced. No more than two restricted
6 brewery licenses shall be issued to a person or entity which holds an
7 interest in a plenary retail consumption license. If the governing
8 body of the municipality in which the licensed premises will be
9 located should file a written objection, the director shall hold a
10 hearing and may issue the license only if the director finds that the
11 issuance of the license will not be contrary to the public interest.
12 All fees related to the issuance of both licenses shall be paid in
13 accordance with statutory law.

14 Farm brewery license. 1d. The holder of this license shall be
15 entitled, subject to rules and regulations, to brew any malt alcoholic
16 beverages in a quantity to be expressed in the license not in excess of
17 2,000 barrels of 31 fluid gallons per year and to maintain a warehouse
18 and to sell products to consumers for consumption off the licensed
19 premises and to offer samples for sampling purposes only. The license
20 shall be issued only when the brewery at which such malt alcoholic
21 beverages are brewed is located and constructed upon a tract of land
22 exclusively under the control of the licensee, provided the licensee is
23 actively engaged in farming on or adjacent to the brewery premises
24 and is growing and cultivating hops or another product which is used
25 in the production of the malt alcoholic beverages. The fee for this
26 license shall be graduated as follows: to manufacture between 1,200
27 and 2,000 barrels per year, \$300; to manufacture between 100 and
28 1,199 barrels per year, \$200; to manufacture fewer than 100 barrels per
29 year, \$100. For purposes of this subsection, "sampling" means the
30 selling at a nominal charge or the gratuitous offering of an open
31 container not exceeding one and one-half ounces of a malt alcoholic
32 beverage. No individual or entity shall hold more than one farm
33 brewery license.

34 Plenary winery license. 2a. Provided that the holder is engaged
35 in growing and cultivating grapes or fruit used in the production of
36 wine on at least three acres on, or adjacent to, the winery premises,
37 the holder of this license shall be entitled, subject to rules and
38 regulations, to produce any fermented wines, and to blend, fortify
39 and treat wines, and to sell and distribute his products to
40 wholesalers and retailers licensed in accordance with this chapter
41 and to churches for religious purposes, and to sell and distribute
42 without this State to any persons pursuant to the laws of the places
43 of such sale and distribution, and to maintain a warehouse, and to
44 sell his products at retail to consumers on the licensed premises of
45 the winery for consumption on or off the premises and to offer
46 samples for sampling purposes only. The fee for this license shall
47 be \$938. The holder of this license shall also have the right to sell
48 such wine at retail in original packages in six salesrooms apart from

1 the winery premises for consumption on or off the premises and for
2 sampling purposes for consumption on the premises, at a fee of
3 \$250 for each salesroom. Additionally, subject to rules and
4 regulations, one salesroom per county may be jointly controlled and
5 operated by at least two plenary or farm winery licensees for the
6 sale of the products of any plenary or farm winery licensee for
7 consumption on or off the premises and for consumption on the
8 licensed premises for sampling purposes at an additional fee of
9 \$625 per county salesroom. 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 For the purposes of this subsection, "product" means any wine
14 that is produced, blended, fortified, or treated by the licensee on its
15 licensed premises situated in the State of New Jersey.

16 Any holder of a plenary winery license who sold wine which was
17 produced, bottled, and labelled by that holder in a place other than
18 its licensed New Jersey premises between July 1, 1992 and June 30,
19 1993, may continue to sell that wine provided no more than 25,000
20 cases, each case consisting of 12 750 milliliter bottles or the
21 equivalent, are sold in any single license year. This privilege shall
22 terminate upon, and not survive, any transfer of the license to
23 another person or entity subsequent to the effective date of this
24 1993 amendatory act or any transfer of stock of the licensed
25 corporation other than to children, grandchildren, parents, spouses
26 or siblings of the existing stockholders.

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

1 manufactured from at least 51% grapes or fruit grown in the State
2 and that thereafter **[they]** the wine, fruit juice, and fermented cider
3 shall be manufactured from grapes or fruit grown in this State at
4 least to the extent required for labeling as "New Jersey Wine" under
5 the applicable federal laws and regulations. The containers of all
6 wine sold to consumers by such licensee shall have affixed a label
7 stating such information as shall be required by the rules and
8 regulations of the Director of the Division of Alcoholic Beverage
9 Control. The fee for this license shall be graduated as follows: to so
10 manufacture between 30,000 and 50,000 gallons per annum, \$375;
11 to so manufacture between 2,500 and 30,000 gallons per annum,
12 \$250; to so manufacture between 1,000 and 2,500 gallons per
13 annum, \$125; to so manufacture less than 1,000 gallons per annum,
14 \$63. No farm winery license shall be held by the holder of a
15 plenary winery license or be situated on a premises licensed as a
16 plenary winery.

17 The holder of this license shall also have the right to sell his
18 products in original packages at retail to consumers in six
19 salesrooms apart from the winery premises for consumption on or
20 off the premises, and for sampling purposes for consumption on the
21 premises, at a fee of \$250 for each salesroom. Additionally, subject
22 to rules and regulations, one salesroom per county may be jointly
23 controlled and operated by at least two plenary or farm winery
24 licensees for the sale of the products of any plenary or farm winery
25 licensee for consumption on or off the premises and for
26 consumption on the licensed premises for sampling purposes only,
27 at an additional fee of \$625 per county salesroom. For the purposes
28 of this subsection, "sampling" means the selling at a nominal charge
29 or the gratuitous offering of an open container not exceeding one
30 and one-half ounces of any wine or fermented cider.

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

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

44 Instructional winemaking facility license. 2d. The holder of this
45 license shall be entitled, subject to rules and regulations, to instruct
46 persons in and provide them with the opportunity to participate
47 directly in the process of winemaking and to directly assist such
48 persons in the process of winemaking while in the process of

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

26 Winery-brewery sublicense. 2e. The holder of a plenary winery
27 license or a farm winery license, provided that the licensee is
28 engaged in farming on or adjacent to the winery premises and is
29 growing and cultivating hops or another product used in the
30 production of malt alcoholic beverages, shall be entitled, subject to
31 rules and regulations, to brew any malt alcoholic beverages in a
32 quantity expressed in the license not in excess of 3,000 barrels of 31
33 fluid gallons capacity per year. The fee for this sublicense shall be
34 \$750. The holder of this sublicense shall be entitled to maintain a
35 warehouse and to sell his products at retail to consumers for
36 consumption off the licensed premises and to offer samples for
37 sampling purposes only. For purposes of this subsection,
38 "sampling" means the selling at a nominal charge or the gratuitous
39 offering of an open container not exceeding one and one-half
40 ounces of any malt alcoholic beverage. No individual or entity
41 shall hold more than one winery-brewery sublicense.

42 Plenary distillery license. 3a. The holder of this license shall be
43 entitled, subject to rules and regulations, to manufacture any
44 distilled alcoholic beverages and rectify, blend, treat and mix, and
45 to sell and distribute his products to wholesalers and retailers
46 licensed in accordance with this chapter, and to sell and distribute
47 without this State to any persons pursuant to the laws of the places

1 of such sale and distribution, and to maintain a warehouse. The fee
2 for this license shall be \$12,500.

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

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

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

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

43 The provisions of section 21 of P.L.2003, c.117 amendatory of
44 this section shall apply to licenses issued or transferred on or after
45 July 1, 2003, and to license renewals commencing on or after July
46 1, 2003.

47 (cf: P.L.2007, c.329, s.1)

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

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STATEMENT

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7 This bill amends R.S.33:1-10 to: (1) establish a winery-brewery
8 sublicense that would permit wineries to produce malt alcoholic
9 beverages for retail sale to consumers for consumption off the
10 licensed premises; (2) authorize farm wineries to produce fermented
11 alcoholic cider, commonly called “hard cider”; and (3) establish a
12 farm brewery license that would permit farm breweries to produce
13 malt alcoholic beverages for retail sale to consumers for
14 consumption off the licensed premises.

15 A farm brewery would operate in much the same manner as a
16 farm winery, using locally grown farm products in brewing malt
17 beverages which would be sold at the farm. A licensee would be
18 required to be actively engaged in farming on or adjacent to the
19 brewery site and to be actively cultivating hops or other products
20 used in the production of the malt alcoholic beverages.

21 A farm brewery licensee would be permitted to brew up to 2,000
22 barrels of malt alcoholic beverages a year for retail sale for
23 consumption off the premises and to offer samples. A graduated
24 license based on volume would range in cost from \$100 to \$300 a
25 year. A single individual or entity would be permitted to hold only
26 one farm brewery license.

27 The winery-brewery sublicense established by the bill would be
28 available to plenary and farm winery licensees, provided they are
29 actively engaged in farming on or adjacent to the winery premises
30 and are growing and cultivating hops or another product used in the
31 production of the malt alcoholic beverages.

32 Under the provisions of the bill, the holder of a winery-brewery
33 sublicense would be permitted to brew up to 3,000 barrels of malt
34 beverages a year and to sell this product at retail for off premises
35 consumption and to offer samples. The bill does not authorize a
36 licensee to sell any malt alcoholic beverages to wholesalers and
37 retailers. The annual fee for this sublicense would be \$750.

38 A winery-brewery licensee would be permitted to hold only one
39 such sublicense under the bill.