

[Second Reprint]

ASSEMBLY, No. 1293

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman LOUIS D. GREENWALD

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Assemblyman JOHN J. BURZICHELLI

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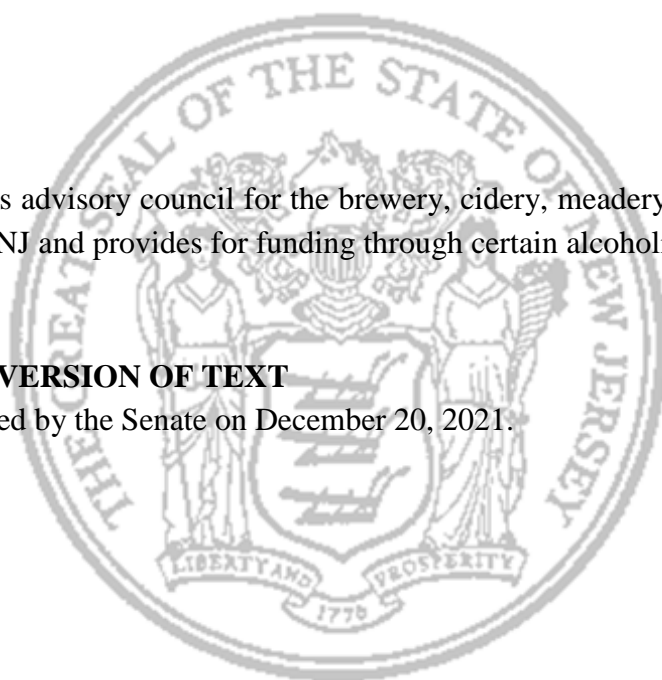
**Assemblyman Calabrese, Assemblywomen DiMaso, N.Munoz, Lampitt,
Assemblymen Freiman, Wirths, Assemblywomen Vainieri Huttle,
Murphy, Assemblyman Houghtaling and Senator Turner**

SYNOPSIS

Establishes advisory council for the brewery, cidery, meadery, and distillery industries in NJ and provides for funding through certain alcoholic beverage tax receipts.

CURRENT VERSION OF TEXT

As amended by the Senate on December 20, 2021.



(Sponsorship Updated As Of: 1/10/2022)

1 AN ACT concerning the promotion of the brewery, cidery, meadery,
2 and distillery industries in the State and supplementing Title 33
3 of the Revised Statutes.
4

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

7
8 ²1. The Legislature finds and declares that:

9 a. It is of significant economic importance to the State of New
10 Jersey and its residents that the State supports the future
11 development, expansion, and continued success of New Jersey's
12 burgeoning craft alcohol beverage industry in a myriad of ways,
13 including direct financial support for industry-related research,
14 development, and promotion activities positively impacting the
15 operation and growth of New Jersey's limited brewery, restricted
16 brewery, cidery, meadery, and craft distillery industries.

17 b. According to recent national industry statistics, New
18 Jersey's craft beer industry is composed of hundreds of small and
19 medium sized businesses impacting the employment and livelihoods
20 of over 8,000 individuals and their families statewide, equating to
21 an over \$1.35 billion annual economic impact in the State. New
22 Jersey's growing craft beer industry of production breweries and
23 brewpubs has become a tourist draw for both in-State and out-of-
24 State visitors, positively impacting State revenue and the economic
25 vitality of host communities and other local business in proximity to
26 many New Jersey craft breweries.

27 c. The State's distilled spirits industry, which supports almost
28 56,000 jobs and generates nearly \$4.7 billion in annual State
29 economic activity, including to New Jersey's local communities and
30 the State in taxes, has experienced noteworthy growth and increased
31 financial investment in the State's local craft distillery sector in
32 recent years which has positively impacted the local communities
33 where these businesses are situated and the State's tourism and
34 hospitality industry as whole.

35 d. Small producers of New Jersey-produced hard cider and
36 mead, which are contributing greater amounts of financial
37 investment and tax revenue to the State and their local communities
38 in recent years, are growing in consumer popularity nationwide,
39 which entail supports the State's agricultural community and
40 vendors through the purchase of New Jersey-sourced products such
41 as apples, other produce, and local honey.

42 e. Travel and tourism is one of the largest employment sectors
43 and highest revenue-generating industries in the State of New
44 Jersey, a vibrant travel and tourism industry is vital to the overall
45 economic well-being of New Jersey's citizens, and a robust craft

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly AOF committee amendments adopted March 8, 2021.

²Senate floor amendments adopted December 20, 2021.

1 alcohol beverage industry is crucial to promoting travel and tourism
2 in this State.

3 f. As a result of the COVID-19 pandemic, there exists a
4 heightened sense of fear and hesitancy in people to travel and
5 experience tourism destinations, which has caused tremendous
6 disruption throughout the State’s travel and tourism industry,
7 including travel and tourism to the State’s craft alcohol beverage
8 industries.

9 g. According to the 2021 report released by the Division of
10 Travel and Tourism, the “Economic Impact of Tourism in New
11 Jersey 2020,” the number of people visiting the State dropped by 27
12 percent in 2020, from 116.2 million visitors in 2019 to 84.6 million
13 visitors in 2020. Visitor spending also decreased sharply by 37
14 percent in 2020, from \$46.4 billion in 2019 to \$29.4 billion in 2020.

15 h. The success of the State’s craft alcoholic beverage industry,
16 in an international, ultra-competitive marketplace, necessitates
17 dependable and consistent financial resources so that these
18 industries may be collectively supported and promoted on both a
19 domestic and global basis, and to help address evolving industry
20 priorities related to technology innovations, economic and supply
21 chain challenges, food and beverage science research, workforce
22 training and availability issues, and destination marketing trends.²

23

24 ²[1.] 2.² As used in P.L. , c. (C.) (pending before the
25 Legislature as this bill):

26 “Account” means the New Jersey Brewery, Cidery, Meadery,
27 and Distillery Industry Promotion Account established pursuant to
28 section 2 of P.L. , c. (C.) (pending before the Legislature as
29 this bill).

30 “Advisory council” means the New Jersey Brewery, Cidery,
31 Meadery, and Distillery Industry Advisory Council established
32 pursuant to section 3 of P.L. , c. (C.) (pending before the
33 Legislature as this bill).

34 “Beer” means beer, lager beer, ale, stout, porter, and all similar
35 fermented malt beverages having an alcoholic content of one-half of
36 one percent (1/2 of 1%) or more by volume.

37 “Chief executive officer” means the Chief Executive Officer of
38 the New Jersey Economic Development Authority.

39 “Department” means the Department of State.

40 “Division” means the Division of Travel and Tourism in the
41 Department of State.

42 “Executive director” means Executive Director of the Division of
43 Travel and Tourism in the Department of State.

44 “Cider” means a beverage made from the alcoholic fermentation of
45 the juice of apples, including but not limited to flavored, sparkling
46 or carbonated cider.

47 “Liquors” means all distilled or rectified spirits, alcohol, brandy,
48 whisky, rum, gin and all similar distilled alcoholic beverages,

1 including all dilutions and mixtures of one or more of the foregoing,
2 such as liqueurs, cordials, and similar compounds, having an
3 alcoholic content of one-half of one percent (1/2 of 1%) or more by
4 volume.

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

11 "Qualifying licensee" means a person or entity that holds a
12 limited brewery license, a restricted brewery license, a cidery and
13 meadery license, or a craft distillery license issued pursuant to
14 R.S.33:1-10.

15

16 ²[2.] 3.² a. There is established in the Division of Travel and
17 Tourism in the Department of State the "New Jersey Brewery,
18 Cidery, Meadery, and Distillery Industry Promotion Account." All
19 monies received in this account shall be expended by the executive
20 director for research and development concerning the ¹limited
21 brewery, restricted¹ brewery, cidery, meadery, and ¹craft¹ distillery
22 industries in the State and for the promotion of New Jersey's
23 ¹limited brewery, restricted¹ brewery, cidery, meadery, and ¹craft¹
24 distillery industries, ²[consistent with] and in determining how to
25 expend these monies the executive director shall give due
26 consideration to² the recommendations of the advisory council
27 created pursuant to section 3 of P.L. , c. (C.) (pending before
28 the Legislature as this bill).

29 b. The account shall be credited annually, in an appropriation
30 by law, with an amount equal to 50 percent of the receipts from the
31 per gallon tax, as provided for pursuant to R.S.54:43-1, imposed on
32 all sales of beer, cider, mead, and liquors sold by a qualifying
33 licensee during the preceding taxable year.

34 c. The account shall also be credited with any monies made
35 available to it from the General Fund or any non-State public or
36 private source.

37 d. The Secretary of State shall include with the annual budget
38 request for the department a request for funds sufficient to carry out
39 the purposes and intent of P.L. , c. (C.) (pending before the
40 Legislature as this bill).

41

42 ²[3.] 4.² a. There is established in the division the "New
43 Jersey Brewery, Cidery, Meadery, and Distillery Industry Advisory
44 Council," comprising seven members, one of whom shall be the
45 executive director and one of whom shall be the Chief Executive
46 Officer of the New Jersey Economic Development Authority, or
47 their respective designees, who shall serve ex officio and as

1 nonvoting members, and five public members to be appointed by
2 the ²**[Secretary of State]** Governor², following consultation with
3 the executive director and chief executive officer, two of whom
4 shall be representatives of the ¹limited brewery or restricted¹
5 brewery industry, one of whom shall be a representative of the
6 cidery industry, one of whom shall be a representative of the
7 meadery industry, and one of whom shall be a representative of the
8 ¹craft¹ distillery industry. To the maximum extent practicable and
9 feasible, the members appointed from the general public shall be
10 chosen so as to collectively provide wide geographical
11 representation. The members appointed from the general public
12 shall serve for terms of three years and may be reappointed and may
13 serve until a successor has been appointed. Of the public members
14 first appointed, the representatives of the ¹limited brewery or
15 restricted¹ brewery industry shall be appointed for terms of three
16 years, the representatives of the cidery and ¹craft¹ distillery
17 industries shall be appointed for terms of two years, and the
18 representative of the meadery industry shall be appointed for a term
19 of one year. A vacancy in the membership occurring other than by
20 expiration of a term shall be filled in the same manner as the
21 original appointment for the remainder of the unexpired term. The
22 members of the advisory council shall serve without compensation,
23 but the advisory council may, within the limits of funds
24 appropriated or otherwise made available to it, reimburse members
25 for actual expenses necessarily incurred in the discharge of their
26 official duties.

27 b. The advisory council shall organize as soon as its
28 membership has been appointed and shall select a chairman and
29 vice-chairman from among its members and may select a secretary,
30 who need not be a member of the advisory council. The advisory
31 council shall meet twice annually, and at other times as determined
32 by the advisory council.

33 c. It shall be the duty of the advisory council to assess the
34 condition of the ¹limited brewery, restricted¹ brewery, cidery,
35 meadery, and ¹craft¹ distillery industries of the State and to advise
36 the executive director on expenditures from the account for
37 research, development, and promotion of the New Jersey ¹limited
38 brewery, restricted¹ brewery, cidery, meadery, and ¹craft¹ distillery
39 industries.

40 d. The advisory council is entitled to call to its assistance and
41 avail itself of the services of such employees of any State, county or
42 municipal department, board, bureau, commission, or agency as it
43 may require and as may be available to it for these purposes.

44 e. The ²**[advisory council shall]** Division of Travel and
45 Tourism may² promulgate rules and regulations subject to the
46 approval of the Secretary of State to effectuate the purposes of
47 P.L. , c. (C.) (pending before the Legislature as this bill).

1 The advisory council may employ, prescribe the duties, and fix and
2 pay the compensation of such persons it may deem necessary to
3 carry out the duties of the advisory council within the limits of
4 available appropriations and subject to the approval of the Secretary
5 of State.

6

7 ²~~[4.]~~ 5.² The Director of the Division of Taxation shall certify
8 by March 1 annually to the advisory council the taxable volume of
9 beer, cider, mead, and liquors sold by qualifying licensees during
10 the preceding taxable year.

11

12 ²~~[5.]~~ 6.² This act shall take effect immediately.