

Title 33.
Chapter 5. (New)
Promotion of
Alcoholic
Beverage Industry
§§1-5
C.33:5-1 to
33:5-5 and
Note to
C.34:1A-48 and
C.52:18A-24

P.L. 2021, CHAPTER 438, *approved January 18, 2022*
Assembly, No. 1293 (*Second Reprint*)

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

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 where these businesses are situated and the State's tourism and
2 hospitality industry as whole.

3 d. Small producers of New Jersey-produced hard cider and
4 mead, which are contributing greater amounts of financial
5 investment and tax revenue to the State and their local communities
6 in recent years, are growing in consumer popularity nationwide,
7 which entail supports the State's agricultural community and
8 vendors through the purchase of New Jersey-sourced products such
9 as apples, other produce, and local honey.

10 e. Travel and tourism is one of the largest employment sectors
11 and highest revenue-generating industries in the State of New
12 Jersey, a vibrant travel and tourism industry is vital to the overall
13 economic well-being of New Jersey's citizens, and a robust craft
14 alcohol beverage industry is crucial to promoting travel and tourism
15 in this State.

16 f. As a result of the COVID-19 pandemic, there exists a
17 heightened sense of fear and hesitancy in people to travel and
18 experience tourism destinations, which has caused tremendous
19 disruption throughout the State's travel and tourism industry,
20 including travel and tourism to the State's craft alcohol beverage
21 industries.

22 g. According to the 2021 report released by the Division of
23 Travel and Tourism, the "Economic Impact of Tourism in New
24 Jersey 2020," the number of people visiting the State dropped by 27
25 percent in 2020, from 116.2 million visitors in 2019 to 84.6 million
26 visitors in 2020. Visitor spending also decreased sharply by 37
27 percent in 2020, from \$46.4 billion in 2019 to \$29.4 billion in 2020.

28 h. The success of the State's craft alcoholic beverage industry,
29 in an international, ultra-competitive marketplace, necessitates
30 dependable and consistent financial resources so that these
31 industries may be collectively supported and promoted on both a
32 domestic and global basis, and to help address evolving industry
33 priorities related to technology innovations, economic and supply
34 chain challenges, food and beverage science research, workforce
35 training and availability issues, and destination marketing trends.²

36
37 ²**[1.] 2.**² As used in P.L. , c. (C.) (pending before the
38 Legislature as this bill):

39 "Account" means the New Jersey Brewery, Cidery, Meadery,
40 and Distillery Industry Promotion Account established pursuant to
41 section 2 of P.L. , c. (C.) (pending before the Legislature as
42 this bill).

43 "Advisory council" means the New Jersey Brewery, Cidery,
44 Meadery, and Distillery Industry Advisory Council established
45 pursuant to section 3 of P.L. , c. (C.) (pending before the
46 Legislature as this bill).

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

4 "Chief executive officer" means the Chief Executive Officer of
 5 the New Jersey Economic Development Authority.

6 "Department" means the Department of State.

7 "Division" means the Division of Travel and Tourism in the
 8 Department of State.

9 "Executive director" means Executive Director of the Division of
 10 Travel and Tourism in the Department of State.

11 "Cider" means a beverage made from the alcoholic fermentation of
 12 the juice of apples, including but not limited to flavored, sparkling
 13 or carbonated cider.

14 "Liquors" means all distilled or rectified spirits, alcohol, brandy,
 15 whisky, rum, gin and all similar distilled alcoholic beverages,
 16 including all dilutions and mixtures of one or more of the foregoing,
 17 such as liqueurs, cordials, and similar compounds, having an
 18 alcoholic content of one-half of one percent (1/2 of 1%) or more by
 19 volume.

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

26 "Qualifying licensee" means a person or entity that holds a
 27 limited brewery license, a restricted brewery license, a cidery and
 28 meadery license, or a craft distillery license issued pursuant to
 29 R.S.33:1-10.

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31 ²[2.] ^{3,2} a. There is established in the Division of Travel and
 32 Tourism in the Department of State the "New Jersey Brewery,
 33 Cidery, Meadery, and Distillery Industry Promotion Account." All
 34 monies received in this account shall be expended by the executive
 35 director for research and development concerning the ¹limited
 36 brewery, restricted¹ brewery, cidery, meadery, and ¹craft¹ distillery
 37 industries in the State and for the promotion of New Jersey's
 38 ¹limited brewery, restricted¹ brewery, cidery, meadery, and ¹craft¹
 39 distillery industries, ²[consistent with] and in determining how to
 40 expend these monies the executive director shall give due
 41 consideration to² the recommendations of the advisory council
 42 created pursuant to section 3 of P.L. , c. (C.) (pending before
 43 the Legislature as this bill).

44 b. The account shall be credited annually, in an appropriation
 45 by law, with an amount equal to 50 percent of the receipts from the
 46 per gallon tax, as provided for pursuant to R.S.54:43-1, imposed on

1 all sales of beer, cider, mead, and liquors sold by a qualifying
2 licensee during the preceding taxable year.

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

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

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11 ²**[3.] 4.**² a. There is established in the division the “New
12 Jersey Brewery, Cidery, Meadery, and Distillery Industry Advisory
13 Council,” comprising seven members, one of whom shall be the
14 executive director and one of whom shall be the Chief Executive
15 Officer of the New Jersey Economic Development Authority, or
16 their respective designees, who shall serve ex officio and as
17 nonvoting members, and five public members to be appointed by
18 the ²**[Secretary of State]** Governor², following consultation with
19 the executive director and chief executive officer, two of whom
20 shall be representatives of the ¹limited brewery or restricted¹
21 brewery industry, one of whom shall be a representative of the
22 cidery industry, one of whom shall be a representative of the
23 meadery industry, and one of whom shall be a representative of the
24 ¹craft¹ distillery industry. To the maximum extent practicable and
25 feasible, the members appointed from the general public shall be
26 chosen so as to collectively provide wide geographical
27 representation. The members appointed from the general public
28 shall serve for terms of three years and may be reappointed and may
29 serve until a successor has been appointed. Of the public members
30 first appointed, the representatives of the ¹limited brewery or
31 restricted¹ brewery industry shall be appointed for terms of three
32 years, the representatives of the cidery and ¹craft¹ distillery
33 industries shall be appointed for terms of two years, and the
34 representative of the meadery industry shall be appointed for a term
35 of one year. A vacancy in the membership occurring other than by
36 expiration of a term shall be filled in the same manner as the
37 original appointment for the remainder of the unexpired term. The
38 members of the advisory council shall serve without compensation,
39 but the advisory council may, within the limits of funds
40 appropriated or otherwise made available to it, reimburse members
41 for actual expenses necessarily incurred in the discharge of their
42 official duties.

43 b. The advisory council shall organize as soon as its
44 membership has been appointed and shall select a chairman and
45 vice-chairman from among its members and may select a secretary,
46 who need not be a member of the advisory council. The advisory

1 council shall meet twice annually, and at other times as determined
2 by the advisory council.

3 c. It shall be the duty of the advisory council to assess the
4 condition of the 'limited brewery, restricted'¹ brewery, cidery,
5 meadery, and 'craft'¹ distillery industries of the State and to advise
6 the executive director on expenditures from the account for
7 research, development, and promotion of the New Jersey 'limited
8 brewery, restricted'¹ brewery, cidery, meadery, and 'craft'¹ distillery
9 industries.

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

14 e. The ²**[advisory council shall]** Division of Travel and
15 Tourism may² promulgate rules and regulations subject to the
16 approval of the Secretary of State to effectuate the purposes of
17 P.L. , c. (C.) (pending before the Legislature as this bill).
18 The advisory council may employ, prescribe the duties, and fix and
19 pay the compensation of such persons it may deem necessary to
20 carry out the duties of the advisory council within the limits of
21 available appropriations and subject to the approval of the Secretary
22 of State.

23
24 ²**[4.] 5.**² The Director of the Division of Taxation shall certify
25 by March 1 annually to the advisory council the taxable volume of
26 beer, cider, mead, and liquors sold by qualifying licensees during
27 the preceding taxable year.

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29 ²**[5.] 6.**² This act shall take effect immediately.

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