

SENATE, No. 3020

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED OCTOBER 19, 2020

Sponsored by:

Senator VIN GOPAL

District 11 (Monmouth)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

Co-Sponsored by:

Senators Corrado, Oroho and O'Scanlon

SYNOPSIS

Allows craft distilleries to sell mixed drinks and mixed drink ingredients for consumption off licensed premises; authorizes direct shipping by craft distilleries.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/18/2021)

1 AN ACT concerning distillery licenses and amending R.S.33:1-10.

2

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

5

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

7 33:1-10. Class A licenses shall be subdivided and classified as
8 follows:

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

20 Limited brewery license. 1b. The holder of this license shall
21 be entitled, subject to rules and regulations, to brew any malt
22 alcoholic beverages in a quantity to be expressed in said license,
23 dependent upon the following fees and not in excess of 300,000
24 barrels of 31 fluid gallons capacity per year and to sell and
25 distribute this product to wholesalers and retailers licensed in
26 accordance with this chapter, and to sell and distribute without this
27 State to any persons pursuant to the laws of the places of such sale
28 and distribution, and to maintain a warehouse; provided, however,
29 that the delivery of this product by the holder of this license to
30 retailers licensed under this title shall be from inventory in a
31 warehouse located in this State which is operated under a limited
32 brewery license. The holder of this license shall be entitled to sell
33 this product at retail to consumers on the licensed premises of the
34 brewery for consumption on the premises, but only in connection
35 with a tour of the brewery, or for consumption off the premises in a
36 quantity of not more than 15.5 fluid gallons per person, and to offer
37 samples for sampling purposes only pursuant to an annual permit
38 issued by the director. The holder of this license shall not sell food
39 or operate a restaurant on the licensed premises. The fee for this
40 license shall be graduated as follows:

41 to so brew not more than 50,000 barrels of 31 liquid gallons
42 capacity per annum, \$1,250;

43 to so brew not more than 100,000 barrels of 31 fluid gallons
44 capacity per annum, \$2,500;

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 so brew not more than 200,000 barrels of 31 fluid gallons
2 capacity per annum, \$5,000;

3 to so brew not more than 300,000 barrels of 31 fluid gallons
4 capacity per annum, \$7,500.

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

11 Restricted brewery license. 1c. The holder of this license shall
12 be entitled, subject to rules and regulations, to brew any malt
13 alcoholic beverages in a quantity to be expressed in such license not
14 in excess of 10,000 barrels of 31 gallons capacity per year.
15 Notwithstanding the provisions of R.S.33:1-26, the director shall
16 issue a restricted brewery license only to a person or an entity
17 which has identical ownership to an entity which holds a plenary
18 retail consumption license issued pursuant to R.S.33:1-12, provided
19 that such plenary retail consumption license is operated in
20 conjunction with a restaurant regularly and principally used for the
21 purpose of providing meals to its customers and having adequate
22 kitchen and dining room facilities, and that the licensed restaurant
23 premises is immediately adjoining the premises licensed under this
24 subsection. The holder of this license shall be entitled to sell or
25 deliver the product to that restaurant premises. The holder of this
26 license also shall be entitled to sell and distribute the product to
27 wholesalers licensed in accordance with this chapter. The fee for
28 this license shall be \$1,250, which fee shall entitle the holder to
29 brew up to 1,000 barrels of 31 liquid gallons per annum. The
30 licensee also shall pay an additional \$250 for every additional 1,000
31 barrels of 31 fluid gallons produced. The fee shall be paid at the
32 time of application for the license, and additional payments based
33 on barrels produced shall be paid within 60 days following the
34 expiration of the license term upon certification by the licensee of
35 the actual gallons brewed during the license term. No more than 10
36 restricted brewery licenses shall be issued to a person or entity
37 which holds an interest in a plenary retail consumption license. If
38 the governing body of the municipality in which the licensed
39 premises will be located should file a written objection, the director
40 shall hold a hearing and may issue the license only if the director
41 finds that the issuance of the license will not be contrary to the
42 public interest. All fees related to the issuance of both licenses shall
43 be paid in accordance with statutory law. The provisions of this
44 subsection shall not be construed to limit or restrict the rights and
45 privileges granted by the plenary retail consumption license held by
46 the holder of the restricted brewery license issued pursuant to this
47 subsection.

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

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

11 Plenary winery license. 2a. Provided that the holder is
12 engaged in growing and cultivating grapes or fruit used in the
13 production of wine on at least three acres on, or adjacent to, the
14 winery premises, the holder of this license shall be entitled, subject
15 to rules and regulations, to produce any fermented wines, and to
16 blend, fortify and treat wines, and to sell and distribute his products
17 to wholesalers licensed in accordance with this chapter and to
18 churches for religious purposes, and to sell and distribute without
19 this State to any persons pursuant to the laws of the places of such
20 sale and distribution, and to maintain a warehouse, and to sell his
21 products at retail to consumers on the licensed premises of the
22 winery for consumption on or off the premises and to offer samples
23 for sampling purposes only. The fee for this license shall be \$938.
24 A holder of this license who produces not more than 250,000
25 gallons per year shall also have the right to sell and distribute his
26 products to retailers licensed in accordance with this chapter, except
27 that the holder of this license shall not use a common carrier for
28 such distribution. The fee for this additional privilege shall be
29 graduated as follows: a licensee who manufactures more than
30 150,000 gallons, but not in excess of 250,000 gallons per annum,
31 \$1,000; a licensee who manufactures more than 100,000 gallons,
32 but not in excess of 150,000 gallons per annum, \$500; a licensee
33 who manufactures more than 50,000 gallons, but not in excess of
34 100,000 gallons per annum, \$250; a licensee who manufactures
35 50,000 gallons or less per annum, \$100. A holder of this license
36 who produces not more than 250,000 gallons per year shall have the
37 right to sell such wine at retail in original packages in 15
38 salesrooms apart from the winery premises for consumption on or
39 off the premises and for sampling purposes for consumption on the
40 premises, at a fee of \$250 for each salesroom. Licensees shall not
41 jointly control and operate salesrooms. Additionally, the holder of
42 this license who produces not more than 250,000 gallons per year
43 may ship not more than 12 cases of wine per year, subject to
44 regulation, to any person within or without this State over 21 years
45 of age for personal consumption and not for resale. A case of wine
46 shall not exceed a maximum of nine liters. A copy of the original
47 invoice shall be available for inspection by persons authorized to
48 enforce the alcoholic beverage laws of this State for a minimum

1 period of three years at the licensed premises of the winery. For the
2 purposes of this subsection, "sampling" means the selling at a
3 nominal charge or the gratuitous offering of an open container not
4 exceeding one and one-half ounces of any wine.

5 A holder of this license who produces not more than 250,000
6 gallons per year shall not own, either in whole or in part, or hold,
7 either directly or indirectly, any interest in a winery that produces
8 more than 250,000 gallons per year. In addition, a holder of this
9 license who produces more than 250,000 gallons per year shall not
10 own, either in whole or in part, or hold, either directly or indirectly,
11 any interest in a winery that produces not more than 250,000
12 gallons per year. For the purposes of this subsection, "product"
13 means any wine that is produced, blended, fortified, or treated by
14 the licensee on its licensed premises situated in the State of New
15 Jersey. For the purposes of this subsection, "wine" shall include
16 "hard cider" and "mead" as defined in this section.

17 Farm winery license. 2b. The holder of this license shall
18 be entitled, subject to rules and regulations, to manufacture any
19 fermented wines and fruit juices in a quantity to be expressed in
20 said license, dependent upon the following fees and not in excess of
21 50,000 gallons per year and to sell and distribute his products to
22 wholesalers and retailers licensed in accordance with this chapter
23 and to churches for religious purposes and to sell and distribute
24 without this State to any persons pursuant to the laws of the places
25 of such sale and distribution, and to maintain a warehouse and to
26 sell at retail to consumers for consumption on or off the licensed
27 premises and to offer samples for sampling purposes only. The
28 license shall be issued only when the winery at which such
29 fermented wines and fruit juices are manufactured is located and
30 constructed upon a tract of land exclusively under the control of the
31 licensee, provided that the licensee is actively engaged in growing
32 and cultivating an area of not less than three acres on or adjacent to
33 the winery premises and on which are growing grape vines or fruit
34 to be processed into wine or fruit juice; and provided, further, that
35 for the first five years of the operation of the winery such fermented
36 wines and fruit juices shall be manufactured from at least 51
37 percent grapes or fruit grown in the State and that thereafter they
38 shall be manufactured from grapes or fruit grown in this State at
39 least to the extent required for labeling as "New Jersey Wine" under
40 the applicable federal laws and regulations. The containers of all
41 wine sold to consumers by such licensee shall have affixed a label
42 stating such information as shall be required by the rules and
43 regulations of the Director of the Division of Alcoholic Beverage
44 Control. The fee for this license shall be graduated as follows: to so
45 manufacture between 30,000 and 50,000 gallons per annum, \$375;
46 to so manufacture between 2,500 and 30,000 gallons per annum,
47 \$250; to so manufacture between 1,000 and 2,500 gallons per
48 annum, \$125; to so manufacture less than 1,000 gallons per annum,

1 \$63. No farm winery license shall be held by the holder of a plenary
2 winery license or be situated on a premises licensed as a plenary
3 winery.

4 The holder of this license shall also have the right to sell and
5 distribute his products to retailers licensed in accordance with this
6 chapter, except that the holder of this license shall not use a
7 common carrier for such distribution. The fee for this additional
8 privilege shall be \$100. The holder of this license shall have the
9 right to sell his products in original packages at retail to consumers
10 in 15 salesrooms apart from the winery premises for consumption
11 on or off the premises, and for sampling purposes for consumption
12 on the premises, at a fee of \$250 for each salesroom. Licensees
13 shall not jointly control and operate salesrooms. Additionally, the
14 holder of this license may ship not more than 12 cases of wine per
15 year, subject to regulation, to any person within or without this
16 State over 21 years of age for personal consumption and not for
17 resale. A case of wine shall not exceed a maximum of nine liters. A
18 copy of the original invoice shall be available for inspection by
19 persons authorized to enforce the alcoholic beverage laws of this
20 State for a minimum period of three years at the licensed premises
21 of the winery. For the purposes of this subsection, "sampling"
22 means the selling at a nominal charge or the gratuitous offering of
23 an open container not exceeding one and one-half ounces of any
24 wine.

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

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

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

36 Wine blending license. 2c. The holder of this license shall
37 be 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 For the purposes of this subsection, "wine" shall include "hard
45 cider" and "mead" as defined in this section.

46 Instructional winemaking facility license. 2d. The
47 holder of this license shall be entitled, subject to rules and
48 regulations, to instruct persons in and provide them with the

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

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

30 Out-of-State winery license. 2e. Provided that the
31 applicant does not produce more than 250,000 gallons of wine per
32 year, the holder of a valid winery license issued in any other state
33 may make application to the director for this license. The holder of
34 this license shall have the right to sell and distribute his products to
35 wholesalers licensed in accordance with this chapter and to sell
36 such wine at retail in original packages in 16 salesrooms apart from
37 the winery premises for consumption on or off the premises at a fee
38 of \$250 for each salesroom. Licensees shall not jointly control and
39 operate salesrooms. The annual fee for this license shall be \$938.
40 A copy of a current license issued by another state shall accompany
41 the application. The holder of this license also shall have the right
42 to sell and distribute his products to retailers licensed in accordance
43 with this chapter, except that the holder of this license shall not use
44 a common carrier for such distribution. The fee for this additional
45 privilege shall be graduated as follows: a licensee who
46 manufactures more than 150,000 gallons, but not in excess of
47 250,000 gallons per annum, \$1,000; a licensee who manufactures
48 more than 100,000 gallons, but not in excess of 150,000 gallons per

1 annum, \$500; a licensee who manufactures more than 50,000
2 gallons, but not in excess of 100,000 gallons per annum, \$250; a
3 licensee who manufactures 50,000 gallons or less per annum, \$100.
4 Additionally, the holder of this license may ship not more than 12
5 cases of wine per year, subject to regulation, to any person within or
6 without this State over 21 years of age for personal consumption
7 and not for resale. A case of wine shall not exceed a maximum of
8 nine liters. A copy of the original invoice shall be available for
9 inspection by persons authorized to enforce the alcoholic beverage
10 laws of this State for a minimum period of three years at the
11 licensed premises of the winery.

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

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

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

30 Cidery and meadery license. 2f. The holder of this
31 license shall be entitled, subject to rules and regulations, to
32 manufacture hard cider and mead and to sell and distribute these
33 products to wholesalers and retailers licensed in accordance with
34 this chapter, and to sell and distribute without this State to any
35 persons pursuant to the laws of the places of such sale and
36 distribution, and to maintain a warehouse. The holder of this
37 license shall be entitled to sell these products at retail to consumers
38 on the licensed premises for consumption on or off the premises and
39 to offer samples for sampling purposes only. The holder of this
40 license shall be permitted to offer for sale or make the gratuitous
41 offering of packaged crackers, chips, nuts, and similar snacks to
42 consumers, but shall not operate a restaurant on the licensed
43 premises. The fee for this license shall be \$938.

44 The holder of this license shall be entitled to manufacture hard
45 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons
46 capacity per year. With respect to the sale and distribution of hard
47 cider to a wholesaler, the licensee shall be subject to the same
48 statutory and regulatory requirements as a brewer, and hard cider

1 shall be considered a malt alcoholic beverage, for the purposes of
2 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243
3 (C.33:1-93.12 et seq.). The holder of this license shall not directly
4 ship hard cider either within or without this State.

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

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

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

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

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

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

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

15 Craft distillery license. 3d. The holder of this license shall
16 be entitled, subject to rules and regulations, to manufacture not
17 more than 20,000 gallons of distilled alcoholic beverages, to rectify,
18 blend, treat and mix distilled alcoholic beverages, to sell and
19 distribute this product to wholesalers and retailers licensed in
20 accordance with this chapter, and to sell and distribute without this
21 State to any persons pursuant to the laws of the places of such sale
22 and distribution, and to maintain a warehouse. The holder of this
23 license shall be entitled to sell this product at retail to consumers on
24 the licensed premises of the distillery for consumption on the
25 premises, but only in connection with a tour of the distillery, and
26 for consumption off the premises in a quantity of not more than five
27 liters per person. In addition, the holder of this license may offer
28 any person not more than three samples per calendar day for
29 sampling purposes only. For the purposes of this subsection,
30 "sampling" means the gratuitous offering of an open container not
31 exceeding one-half ounce serving of distilled alcoholic beverage
32 produced on the distillery premises. **【Nothing in this subsection**
33 **shall be deemed to permit the direct shipment of distilled spirits**
34 **either within or without this State.】**

35 The holder of this license may ship within this State, by common
36 carrier or otherwise, not more than twenty liters of distilled spirits
37 for personal consumption and not for resale per year to any person
38 over the age of 21. The license holder also may ship by common
39 carrier or otherwise distilled spirits for personal consumption and
40 not for resale to any person over 21 years of age residing out-of-
41 State in any amount allowed by the jurisdiction to which the
42 distilled spirits are shipped. A copy of the original invoice shall be
43 available for inspection by persons authorized to enforce the
44 alcoholic beverage laws of this State for a minimum period of three
45 years at the licensed premises of the distillery.

46 The holder of this license shall be entitled to sell on the licensed
47 premises for consumption off the licensed premises distilled
48 alcoholic beverages that are manufactured on the licensed premises

1 and mixed or blended with other alcoholic or nonalcoholic
2 beverages and sold in closed and sealed containers.

3 The holder of this license shall be entitled to sell on the licensed
4 premises for consumption off the licensed premises distilled
5 alcoholic beverages that are manufactured on the licensed premises
6 and sold in original containers and accompanied by one or more
7 nonalcoholic beverages or food stuffs that may be combined by the
8 consumer to prepare a mixed drink. Any food stuffs sold pursuant
9 to the subsection shall be sold only as a mixed drink ingredient and
10 not as a separate meal.

11 Containers in which distilled alcoholic beverages mixed with
12 other alcoholic or nonalcoholic beverages are sold pursuant to this
13 section shall be affixed with a tamper evident seal and have a
14 maximum capacity of 16 fluid ounces.

15 The holder of this license shall not sell food [or] aside from
16 foodstuffs sold as a mixed drink ingredient pursuant to this
17 subsection. The holder of this license shall not operate a restaurant
18 on the licensed premises. A holder of this license who certifies that
19 not less than 51 percent of the raw materials used in the production
20 of distilled alcoholic beverages under this section are grown in this
21 State or purchased from providers located in this State may,
22 consistent with all applicable federal laws and regulations, label
23 these distilled alcoholic beverages as "New Jersey Distilled." The
24 fee for this license shall be \$938.

25 Out-of-State Craft Distillery license 3e. Provided that the
26 applicant does not produce more than 20,000 gallons of distilled
27 alcoholic beverages per year, the holder of a valid distillery license
28 issued in any other state may make application to the director for
29 this license.

30 The holder of this license may ship by common carrier or
31 otherwise not more than twenty liters of distilled spirits per year,
32 subject to regulation, to any person within or without this State over
33 21 years of age for personal consumption and not for resale. A
34 copy of the original invoice shall be available for inspection by
35 persons authorized to enforce the alcoholic beverage laws of this
36 State for a minimum period of three years at the licensed premises
37 of the distillery.

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

1 administration of the tax due on the sale pursuant to the "Sales and
2 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

3 The fee for this license shall be \$938.

4 Rectifier and blender license. 4. The holder of this
5 license shall be entitled, subject to rules and regulations, to rectify,
6 blend, treat and mix distilled alcoholic beverages, and to fortify,
7 blend, and treat fermented alcoholic beverages, and prepare
8 mixtures of alcoholic beverages, and to sell and distribute his
9 products to wholesalers and retailers licensed in accordance with
10 this chapter, and to sell and distribute without this State to any
11 persons pursuant to the laws of the places of such sale and
12 distribution, and to maintain a warehouse. The fee for this license
13 shall be \$7,500.

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

22 The provisions of section 21 of P.L.2003, c.117 amendatory of
23 this section shall apply to licenses issued or transferred on or after
24 July 1, 2003, and to license renewals commencing on or after July
25 1, 2003.

26 (cf: P.L.2017, c.80, s.1)

27

28 2. This act shall take effect immediately.

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30

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STATEMENT

32

33 This bill allows craft distilleries to direct ship distilled alcoholic
34 beverages to consumers. In addition, the bill allows craft
35 distilleries to sell mixed drinks and mixed drink ingredients for
36 consumption off the licensed premises.

37 The bill expressly authorizes craft distillery licensees to ship up
38 to 20 liters of distilled spirits per year to any New Jersey resident
39 over 21 years of age for personal consumption and not for resale.
40 In addition, craft distillery licensees would be permitted to ship
41 distilled spirits to out-of-State residents over 21 years of age in
42 amounts allowed by the State jurisdiction to which the distilled
43 spirits are shipped. The bill provides that a copy of the original
44 invoice is to be available for inspection at the licensed premises of
45 the distillery for a minimum period of three years.

46 The bill also establishes an Out-of-State craft distillery license
47 that allows distilleries located in other states to ship up to twenty
48 liters of distilled spirits per year to any New Jersey resident. Under

1 the bill, only out-of-State distilleries that produce less than 20,000
2 gallons of distilled alcoholic beverages would be entitled to hold the
3 license.

4 In addition, the bill makes permanent provisions of
5 P.L.2020, c.33, which temporarily entitles craft distillery licensees
6 to sell for consumption off the licensed mixed drinks and mixed
7 drink ingredients. P.L.2020, c.33 was enacted in response to the
8 COVID-19 pandemic and expires: 1) six months following the date
9 on which the state of emergency has ended; or (2) the date on
10 which the coronavirus-related occupancy or customer seating
11 restrictions no longer apply, whichever date occurs later.
12 Specifically, this bill allows holders of a craft distillery license to
13 sell for consumption off the licensed premises distilled alcoholic
14 beverages that are manufactured on the licensed premises and
15 mixed or blended with other alcoholic or nonalcoholic beverages
16 and sold in closed and sealed containers. The containers in which
17 these mixed drinks are sold are required to have a tamper evident
18 seal and hold no more than 16 fluid ounces. The bill also allows
19 craft distilleries to sell distilled alcoholic beverages in original
20 containers accompanied by one or more nonalcoholic beverages or
21 food stuffs that may be combined by the consumer to prepare a
22 mixed drink.