

SENATE, No. 4091

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED NOVEMBER 12, 2021

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Permits holders of certain alcohol manufacturing licenses to offer retail memberships to customers.

CURRENT VERSION OF TEXT

As introduced.



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2

1 AN ACT concerning retail memberships and alcohol manufacturing
2 and amending R.S.33:1-1 and 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.33:1-1 is amended to read as follows:

8 33:1-1. For the purpose of this chapter, the following words and
9 terms shall be deemed to have the meanings herein given to them:

10 a. "Alcohol." Ethyl alcohol, hydrated oxide of ethyl or neutral
11 spirits from whatever source or by whatever process produced.

12 b. "Alcoholic beverage." Any fluid or solid capable of being
13 converted into a fluid, suitable for human consumption, and having
14 an alcohol content of more than one-half of one per centum (1/2 of
15 1%) by volume, including alcohol, beer, lager beer, ale, porter,
16 naturally fermented wine, treated wine, blended wine, fortified
17 wine, sparkling wine, distilled liquors, blended distilled liquors and
18 any brewed, fermented or distilled liquors fit for use for beverage
19 purposes or any mixture of the same, and fruit juices.

20 c. "Building." A structure of which licensed premises are or
21 may be a part, including all rooms, cellars, outbuildings,
22 passageways, closets, vaults, yards, attics, and every part of the
23 structure of which the licensed premises are a part, and of any other
24 structure to which there is a common means of access, and any
25 other appurtenances.

26 d. "Commissioner." The Director of the Division of Alcoholic
27 Beverage Control.

28 e. "Container." Any glass, can, bottle, vessel or receptacle of
29 any material whatsoever used for holding alcoholic beverages,
30 which container is covered, corked or sealed in any manner
31 whatsoever.

32 f. "Eligible." The status of a person who is a citizen of the
33 United States, a resident of this State, of good moral character and
34 repute, and of legal age.

35 g. "Governing board or body." The board or body which
36 governs a municipality, including a board of aldermen in
37 municipalities so governed; but in every municipality having a
38 board of public works which exercises general licensing powers
39 such board shall be considered as the governing board or body.

40 h. "Importing." The act of bringing or causing to be brought
41 any alcoholic beverage into this State.

42 i. "Illicit beverage." Any alcoholic beverage manufactured,
43 distributed, bought, sold, bottled, rectified, blended, treated,
44 fortified, mixed, processed, warehoused, possessed or transported in
45 violation of this chapter, or on which any federal tax or tax imposed
46 by the laws of this State has not been paid; and any alcoholic

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.

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- 1 beverage possessed, kept, stored, owned or imported with intent to
2 manufacture, sell, distribute, bottle, rectify, blend, treat, fortify,
3 mix, process, warehouse or transport in violation of the provisions
4 of this chapter.
- 5 j. "Licensed building." Any building containing licensed
6 premises.
- 7 k. "Licensed premises." Any premises for which a license
8 under this chapter is in force and effect.
- 9 l. "Magistrate." The Superior Court or municipal court.
- 10 m. "Manufacturer." Any person who, directly or indirectly,
11 personally or through any agency whatsoever, engages in the
12 making or other processing whatsoever of alcoholic beverages.
- 13 n. "Municipality." Any city, town, township, village, or
14 borough, including a municipality governed by a board of
15 commissioners or improvement commission, but excluding a
16 county.
- 17 o. "Municipal board." The municipal board of alcoholic
18 beverage control as established by this chapter.
- 19 p. "Officer." Any sheriff, deputy sheriff, constable, police
20 officer, member of the Division of State Police, or any other person
21 having the power to execute a warrant for arrest, or any inspector or
22 investigator of the Division of Alcoholic Beverage Control.
- 23 q. "Original container." Any container in which an alcoholic
24 beverage has been delivered to a retail licensee.
- 25 r. "Person." Any natural person or association of natural
26 persons, association, trust company, partnership, corporation,
27 organization, or the manager, agent, servant, officer, or employee of
28 any of them.
- 29 s. "Premises." The physical place at which a licensee is or may
30 be licensed to conduct and carry on the manufacture, distribution or
31 sale of alcoholic beverages, but not including vehicular
32 transportation.
- 33 t. "Restaurant." An establishment regularly and principally
34 used for the purpose of providing meals to the public, having an
35 adequate kitchen and dining room equipped for the preparing,
36 cooking and serving of food for its customers and in which no other
37 business, except such as is incidental to such establishment, is
38 conducted.
- 39 u. "Retailer." Any person who sells alcoholic beverages to
40 consumers.
- 41 v. "Rules and regulations." The rules and regulations
42 established from time to time by the director.
- 43 w. "Sale." Every delivery of an alcoholic beverage otherwise
44 than by purely gratuitous title, including deliveries from without
45 this State and deliveries by any person without this State intended
46 for shipment by carrier or otherwise into this State and brought
47 within this State, or the solicitation or acceptance of an order for an
48 alcoholic beverage, and including exchange, barter, traffic in,

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1 keeping and exposing for sale, serving with meals, delivering for
2 value, peddling, possessing with intent to sell, and the gratuitous
3 delivery or gift of any alcoholic beverage by any licensee.

4 x. "Unlawful alcoholic beverage activity." The manufacture,
5 sale, distribution, bottling, rectifying, blending, treating, fortifying,
6 mixing, processing, warehousing or transportation of any alcoholic
7 beverage in violation of this chapter, or the importing, owning,
8 possessing, keeping or storing in this State of alcoholic beverages
9 with intent to manufacture, sell, distribute, bottle, rectify, blend,
10 treat, fortify, mix, process, warehouse or transport alcoholic
11 beverages in violation of this chapter, or the owning, possessing,
12 keeping or storing in this State of any implement or paraphernalia
13 for the manufacture, sale, distribution, bottling, rectifying, blending,
14 treating, fortifying, mixing, processing, warehousing or
15 transportation of alcoholic beverages with intent to use the same in
16 the manufacture, sale, distribution, bottling, rectifying, blending,
17 treating, fortifying, mixing, processing, warehousing or
18 transportation of alcoholic beverages in violation of this chapter, or
19 to aid or abet another in the manufacture, sale, distribution, bottling,
20 rectifying, blending, treating, fortifying, mixing, processing,
21 warehousing or transportation of alcoholic beverages in violation of
22 this chapter, or the aiding or abetting of another in any of the
23 foregoing activities.

24 y. "Unlawful property." All illicit beverages and all
25 implements, vehicles, vessels, airplanes, and paraphernalia for the
26 manufacture, sale, distribution, bottling, rectifying, blending,
27 treating, fortifying, mixing, processing, warehousing or
28 transportation of illicit beverages used in the manufacture, sale,
29 distribution, bottling, rectifying, blending, treating, fortifying,
30 mixing, processing, warehousing or transportation of illicit
31 beverages or owned, possessed, kept or stored with intent to use the
32 same in the manufacture, sale, distribution, bottling, rectifying,
33 blending, treating, fortifying, mixing, processing, warehousing or
34 transportation of illicit beverages, whether such use be by the
35 person owning, possessing, keeping, or storing the same, or by
36 another with the consent of such person; and all alcoholic
37 beverages, fixtures and personal property located in or upon any
38 premises, building, yard or inclosure connected with a building, in
39 which an illicit beverage is found, possessed, stored or kept.

40 z. "Wholesaler." Any person who sells an alcoholic beverage
41 for the purpose of resale either to a licensed wholesaler or to a
42 licensed retailer, or both.

43 aa. "Limousine." A motor vehicle used in the business of
44 carrying passengers for hire to provide prearranged passenger
45 transportation at a premium fare on a dedicated, nonscheduled,
46 charter basis that is not conducted on a regular route, or is furnished
47 without fare as an accommodation for a patron in connection with
48 other business purposes, and with a seating capacity in no event of

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1 more than 14 passengers, not including the driver, provided, that
2 such a motor vehicle shall not have a seating capacity in excess of
3 four passengers, not including the driver, beyond the maximum
4 passenger seating capacity of the vehicle, not including the driver,
5 at the time of manufacture. This shall not include taxicabs, hotel or
6 airport shuttles and buses, buses employed solely in transporting
7 school children or teachers to and from school, vehicles owned and
8 operated directly or indirectly by businesses engaged in the practice
9 of mortuary science when those vehicles are used exclusively for
10 providing transportation related to the provision of funeral services
11 or vehicles owned and operated without charge or remuneration by
12 a business entity for its own purposes.

13 bb. "Entertainment facility" is a privately-owned facility in
14 which athletic, commercial, cultural, or artistic events are featured.

15 cc. "Powdered alcohol." Any powder or crystalline substance
16 containing alcohol, as defined in subsection a. of this section,
17 produced for human consumption.

18 dd. "Retail membership." A membership program offered by a
19 license holder to customers, which provides discounts or other
20 benefits related to the products manufactured by the license holder
21 in exchange for a membership fee.

22 Any definition herein contained shall apply to the same word in
23 any form. Thus "sell" means to make a "sale" as above defined.

24 (cf: P.L.2015, c.137, s.1)

25

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

27 Class A licenses; subdivisions; fees.

28 33:1-10. Class A licenses shall be subdivided and classified as
29 follows:

30 Plenary brewery license. 1a. The holder of this license shall be
31 entitled, subject to rules and regulations, to brew any malt alcoholic
32 beverages and to sell and distribute his products to wholesalers and
33 retailers licensed in accordance with this chapter, and to sell and
34 distribute without this State to any persons pursuant to the laws of
35 the places of such sale and distribution, and to maintain a
36 warehouse; provided, however, that the delivery of this product by
37 the holder of this license to retailers licensed under this title shall be
38 from inventory in a warehouse located in this State which is
39 operated under a plenary brewery license. The fee for this license
40 shall be \$10,625.

41 Limited brewery license. 1b. The holder of this license shall
42 be entitled, subject to rules and regulations, to brew any malt
43 alcoholic beverages in a quantity to be expressed in said license,
44 dependent upon the following fees and not in excess of 300,000
45 barrels of 31 fluid gallons capacity per year and to sell and
46 distribute this product to wholesalers and retailers licensed in
47 accordance with this chapter, and to sell and distribute without this
48 State to any persons pursuant to the laws of the places of such sale

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1 and distribution, and to maintain a warehouse; provided, however,
2 that the delivery of this product by the holder of this license to
3 retailers licensed under this title shall be from inventory in a
4 warehouse located in this State which is operated under a limited
5 brewery license. The holder of this license shall be entitled to sell
6 this product at retail to consumers on the licensed premises of the
7 brewery for consumption on the premises, but only in connection
8 with a tour of the brewery, or for consumption off the premises in a
9 quantity of not more than 15.5 fluid gallons per person, and to offer
10 samples for sampling purposes only pursuant to an annual permit
11 issued by the director. The holder of this license shall be entitled,
12 subject to rules and regulations, to offer retail memberships to
13 customers. The holder of this license shall not sell food or operate a
14 restaurant on the licensed premises. The fee for this license shall be
15 graduated as follows:

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

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

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

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

24 For the purposes of this subsection, "sampling" means the selling
25 at a nominal charge or the gratuitous offering of an open container
26 not exceeding four ounces of any malt alcoholic beverage. For the
27 purposes of this subsection, "product" means any malt alcoholic
28 beverage that is produced on the premises licensed under this
29 subsection.

30 Restricted brewery license. 1c. The holder of this license shall be
31 entitled, subject to rules and regulations, to brew any malt alcoholic
32 beverages in a quantity to be expressed in such license not in excess
33 of 10,000 barrels of 31 gallons capacity per year. Notwithstanding
34 the provisions of R.S.33:1-26, the director shall issue a restricted
35 brewery license only to a person or an entity which has identical
36 ownership to an entity which holds a plenary retail consumption
37 license issued pursuant to R.S.33:1-12, provided that such plenary
38 retail consumption license is operated in conjunction with a
39 restaurant regularly and principally used for the purpose of
40 providing meals to its customers and having adequate kitchen and
41 dining room facilities, and that the licensed restaurant premises is
42 immediately adjoining the premises licensed under this subsection.
43 The holder of this license shall be entitled to sell or deliver the
44 product to that restaurant premises. The holder of this license also
45 shall be entitled to sell and distribute the product to wholesalers
46 licensed in accordance with this chapter. The holder of this license
47 shall be entitled, subject to rules and regulations, to offer retail
48 memberships to customers. The fee for this license shall be \$1,250,

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1 which fee shall entitle the holder to brew up to 1,000 barrels of 31
2 liquid gallons per annum. The licensee also shall pay an additional
3 \$250 for every additional 1,000 barrels of 31 fluid gallons
4 produced. The fee shall be paid at the time of application for the
5 license, and additional payments based on barrels produced shall be
6 paid within 60 days following the expiration of the license term
7 upon certification by the licensee of the actual gallons brewed
8 during the license term. No more than 10 restricted brewery
9 licenses shall be issued to a person or entity which holds an interest
10 in a plenary retail consumption license. If the governing body of the
11 municipality in which the licensed premises will be located should
12 file a written objection, the director shall hold a hearing and may
13 issue the license only if the director finds that the issuance of the
14 license will not be contrary to the public interest. All fees related to
15 the issuance of both licenses shall be paid in accordance with
16 statutory law. The provisions of this subsection shall not be
17 construed to limit or restrict the rights and privileges granted by the
18 plenary retail consumption license held by the holder of the
19 restricted brewery license issued pursuant to this subsection.

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

24 For the purposes of this subsection, "sampling" means the selling
25 at a nominal charge or the gratuitous offering of an open container
26 not exceeding four ounces of any malt alcoholic beverage product.
27 For the purposes of this subsection, "product" means any malt
28 alcoholic beverage that is produced on the premises licensed under
29 this subsection.

30 Plenary winery license. 2a. Provided that the holder is
31 engaged in growing and cultivating grapes or fruit used in the
32 production of wine on at least three acres on, or adjacent to, the
33 winery premises, the holder of this license shall be entitled, subject
34 to rules and regulations, to produce any fermented wines, and to
35 blend, fortify and treat wines, and to sell and distribute his products
36 to wholesalers licensed in accordance with this chapter and to
37 churches for religious purposes, and to sell and distribute without
38 this State to any persons pursuant to the laws of the places of such
39 sale and distribution, and to maintain a warehouse, and to sell his
40 products at retail to consumers on the licensed premises of the
41 winery for consumption on or off the premises and to offer samples
42 for sampling purposes only. The holder of this license shall be
43 entitled, subject to rules and regulations, to offer retail memberships
44 to customers. The fee for this license shall be \$938. A holder of this
45 license who produces not more than 250,000 gallons per year shall
46 also have the right to sell and distribute his products to retailers
47 licensed in accordance with this chapter, except that the holder of
48 this license shall not use a common carrier for such distribution.

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1 The fee for this additional privilege shall be graduated as follows: a
2 licensee who manufactures more than 150,000 gallons, but not in
3 excess of 250,000 gallons per annum, \$1,000; a licensee who
4 manufactures more than 100,000 gallons, but not in excess of
5 150,000 gallons per annum, \$500; a licensee who manufactures
6 more than 50,000 gallons, but not in excess of 100,000 gallons per
7 annum, \$250; a licensee who manufactures 50,000 gallons or less
8 per annum, \$100. A holder of this license who produces not more
9 than 250,000 gallons per year shall have the right to sell such wine
10 at retail in original packages in 15 salesrooms apart from the winery
11 premises for consumption on or off the premises and for sampling
12 purposes for consumption on the premises, at a fee of \$250 for each
13 salesroom. Licensees shall not jointly control and operate
14 salesrooms. Additionally, the holder of this license who produces
15 not more than 250,000 gallons per year may ship not more than 12
16 cases of wine per year, subject to regulation, to any person within or
17 without this State over 21 years of age for personal consumption
18 and not for resale. A case of wine shall not exceed a maximum of
19 nine liters. A copy of the original invoice shall be available for
20 inspection by persons authorized to enforce the alcoholic beverage
21 laws of this State for a minimum period of three years at the
22 licensed premises of the winery. For the purposes of this
23 subsection, "sampling" means the selling at a nominal charge or the
24 gratuitous offering of an open container not exceeding one and one-
25 half ounces of any wine.

26 A holder of this license who produces not more than 250,000
27 gallons per year shall not own, either in whole or in part, or hold,
28 either directly or indirectly, any interest in a winery that produces
29 more than 250,000 gallons per year. In addition, a holder of this
30 license who produces more than 250,000 gallons per year shall not
31 own, either in whole or in part, or hold, either directly or indirectly,
32 any interest in a winery that produces not more than 250,000
33 gallons per year. For the purposes of this subsection, "product"
34 means any wine that is produced, blended, fortified, or treated by
35 the licensee on its licensed premises situated in the State of New
36 Jersey. For the purposes of this subsection, "wine" shall include
37 "hard cider" and "mead" as defined in this section.

38 Farm winery license. 2b. The holder of this license shall be
39 entitled, subject to rules and regulations, to manufacture any
40 fermented wines and fruit juices in a quantity to be expressed in
41 said license, dependent upon the following fees and not in excess of
42 50,000 gallons per year and to sell and distribute his products to
43 wholesalers and retailers licensed in accordance with this chapter
44 and to churches for religious purposes and to sell and distribute
45 without this State to any persons pursuant to the laws of the places
46 of such sale and distribution, and to maintain a warehouse and to
47 sell at retail to consumers for consumption on or off the licensed
48 premises and to offer samples for sampling purposes only. The

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1 holder of this license shall be entitled, subject to rules and
2 regulations, to offer retail memberships to customers. The license
3 shall be issued only when the winery at which such fermented
4 wines and fruit juices are manufactured is located and constructed
5 upon a tract of land exclusively under the control of the licensee,
6 provided that the licensee is actively engaged in growing and
7 cultivating an area of not less than three acres on or adjacent to the
8 winery premises and on which are growing grape vines or fruit to be
9 processed into wine or fruit juice; and provided, further, that for the
10 first five years of the operation of the winery such fermented wines
11 and fruit juices shall be manufactured from at least 51 percent
12 grapes or fruit grown in the State and that thereafter they shall be
13 manufactured from grapes or fruit grown in this State at least to the
14 extent required for labeling as "New Jersey Wine" under the
15 applicable federal laws and regulations. The containers of all wine
16 sold to consumers by such licensee shall have affixed a label stating
17 such information as shall be required by the rules and regulations of
18 the Director of the Division of Alcoholic Beverage Control. The
19 fee for this license shall be graduated as follows: to so manufacture
20 between 30,000 and 50,000 gallons per annum, \$375; to so
21 manufacture between 2,500 and 30,000 gallons per annum, \$250; to
22 so manufacture between 1,000 and 2,500 gallons per annum, \$125;
23 to so manufacture less than 1,000 gallons per annum, \$63. No farm
24 winery license shall be held by the holder of a plenary winery
25 license or be situated on a premises licensed as a plenary winery.

26 The holder of this license shall also have the right to sell and
27 distribute his products to retailers licensed in accordance with this
28 chapter, except that the holder of this license shall not use a
29 common carrier for such distribution. The fee for this additional
30 privilege shall be \$100. The holder of this license shall have the
31 right to sell his products in original packages at retail to consumers
32 in 15 salesrooms apart from the winery premises for consumption
33 on or off the premises, and for sampling purposes for consumption
34 on the premises, at a fee of \$250 for each salesroom. Licensees
35 shall not jointly control and operate salesrooms. Additionally, the
36 holder of this license may ship not more than 12 cases of wine per
37 year, subject to regulation, to any person within or without this
38 State over 21 years of age for personal consumption and not for
39 resale. A case of wine shall not exceed a maximum of nine liters. A
40 copy of the original invoice shall be available for inspection by
41 persons authorized to enforce the alcoholic beverage laws of this
42 State for a minimum period of three years at the licensed premises
43 of the winery. For the purposes of this subsection, "sampling"
44 means the selling at a nominal charge or the gratuitous offering of
45 an open container not exceeding one and one-half ounces of any
46 wine.

47 A holder of this license who produces not more than 250,000
48 gallons per year shall not own, either in whole or in part, or hold,

1 either directly or indirectly, any interest in a winery that produces
2 more than 250,000 gallons per year.

3 Unless otherwise indicated, for the purposes of this subsection,
4 with respect to farm winery licenses, "manufacture" means the
5 vinification, aging, storage, blending, clarification, stabilization and
6 bottling of wine or juice from New Jersey fruit to the extent
7 required by this subsection.

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

10 Wine blending license. 2c. The holder of this license shall be
11 entitled, subject to rules and regulations, to blend, treat, mix, and
12 bottle fermented wines and fruit juices with non-alcoholic
13 beverages, and to sell and distribute his products to wholesalers and
14 retailers licensed in accordance with this chapter, and to sell and
15 distribute without this State to any persons pursuant to the laws of
16 the places of such sale and distribution, and to maintain a
17 warehouse. The fee for this license shall be \$625.

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

20 Instructional winemaking facility license. 2d. The holder of
21 this license shall be entitled, subject to rules and regulations, to
22 instruct persons in and provide them with the opportunity to
23 participate directly in the process of winemaking and to directly
24 assist such persons in the process of winemaking while in the
25 process of instruction on the premises of the facility. The holder of
26 this license also shall be entitled to manufacture wine on the
27 premises not in excess of an amount of 10 percent of the wine
28 produced annually on the premises of the facility, which shall be
29 used only to replace quantities lost or discarded during the
30 winemaking process, to maintain a warehouse, and to offer samples
31 produced by persons who have received instruction in winemaking
32 on the premises by the licensee for sampling purposes only on the
33 licensed premises for the purpose of promoting winemaking for
34 personal or household use or consumption. Wine produced on the
35 premises of an instructional winemaking facility shall be used,
36 consumed or disposed of on the facility's premises or distributed
37 from the facility's premises to a person who has participated
38 directly in the process of winemaking for the person's personal or
39 household use or consumption. The holder of this license may sell
40 mercantile items traditionally associated with winemaking and
41 novelty wearing apparel identified with the name of the
42 establishment licensed under the provisions of this section. The
43 holder of this license may use the licensed premises for an event or
44 affair, including an event or affair at which a plenary retail
45 consumption licensee serves alcoholic beverages in compliance
46 with all applicable statutes and regulations promulgated by the
47 director. The fee for this license shall be \$1,000. For the purposes

1 of this subsection, "sampling" means the gratuitous offering of an
2 open container not exceeding one and one-half ounces of any wine.

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

5 Out-of-State winery license. 2e. Provided that the applicant
6 does not produce more than 250,000 gallons of wine per year, the
7 holder of a valid winery license issued in any other state may make
8 application to the director for this license. The holder of this license
9 shall have the right to sell and distribute his products to wholesalers
10 licensed in accordance with this chapter and to sell such wine at
11 retail in original packages in 16 salesrooms apart from the winery
12 premises for consumption on or off the premises at a fee of \$250 for
13 each salesroom. Licensees shall not jointly control and operate
14 salesrooms. The holder of this license shall be entitled, subject to
15 rules and regulations, to offer retail memberships to customers. The
16 annual fee for this license shall be \$938. A copy of a current
17 license issued by another state shall accompany the application.
18 The holder of this license also shall have the right to sell and
19 distribute his products to retailers licensed in accordance with this
20 chapter, except that the holder of this license shall not use a
21 common carrier for such distribution. The fee for this additional
22 privilege shall be graduated as follows: a licensee who
23 manufactures more than 150,000 gallons, but not in excess of
24 250,000 gallons per annum, \$1,000; a licensee who manufactures
25 more than 100,000 gallons, but not in excess of 150,000 gallons per
26 annum, \$500; a licensee who manufactures more than 50,000
27 gallons, but not in excess of 100,000 gallons per annum, \$250; a
28 licensee who manufactures 50,000 gallons or less per annum, \$100.
29 Additionally, the holder of this license may ship not more than 12
30 cases of wine per year, subject to regulation, to any person within or
31 without this State over 21 years of age for personal consumption
32 and not for resale. A case of wine shall not exceed a maximum of
33 nine liters. A copy of the original invoice shall be available for
34 inspection by persons authorized to enforce the alcoholic beverage
35 laws of this State for a minimum period of three years at the
36 licensed premises of the winery.

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

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

5 For the purposes of this subsection, “wine” shall include “hard
6 cider” and “mead” as defined in this section.

7 Cidery and meadery license. 2f. The holder of this license
8 shall be entitled, subject to rules and regulations, to manufacture
9 hard cider and mead and to sell and distribute these products to
10 wholesalers and retailers licensed in accordance with this chapter,
11 and to sell and distribute without this State to any persons pursuant
12 to the laws of the places of such sale and distribution, and to
13 maintain a warehouse. The holder of this license shall be entitled to
14 sell these products at retail to consumers on the licensed premises
15 for consumption on or off the premises and to offer samples for
16 sampling purposes only. The holder of this license shall be entitled,
17 subject to rules and regulations, to offer retail memberships to
18 customers. The holder of this license shall be permitted to offer for
19 sale or make the gratuitous offering of packaged crackers, chips,
20 nuts, and similar snacks to consumers, but shall not operate a
21 restaurant on the licensed premises. The fee for this license shall be
22 \$938.

23 The holder of this license shall be entitled to manufacture hard
24 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons
25 capacity per year. With respect to the sale and distribution of hard
26 cider to a wholesaler, the licensee shall be subject to the same
27 statutory and regulatory requirements as a brewer, and hard cider
28 shall be considered a malt alcoholic beverage, for the purposes of
29 the “Malt Alcoholic Beverage Practices Act,” P.L.2005, c.243
30 (C.33:1-93.12 et seq.). The holder of this license shall not directly
31 ship hard cider either within or without this State.

32 The holder of this license shall be entitled to manufacture not
33 more than 250,000 gallons of mead per year. The holder of this
34 license may ship not more than 12 cases of mead per year, subject
35 to regulation, to any person within or without this State over 21
36 years of age for personal consumption and not for resale. A case of
37 mead shall not exceed a maximum of nine liters. A copy of the
38 original invoice shall be available for inspection by persons
39 authorized to enforce the alcoholic beverage laws of this State for a
40 minimum period of three years at the licensed premises.

41 As used in this subsection:

42 “Hard cider” means a fermented alcoholic beverage derived
43 primarily from apples, pears, apple juice concentrate and water, or
44 pear juice concentrate and water, which may include spices, herbs,
45 honey, or other flavoring, and which contains at least one half of
46 one percent but less than eight and one half percent alcohol by
47 volume.

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

7 “Sampling” means the selling at a nominal charge or the
8 gratuitous offering of an open container not exceeding four ounces
9 of hard cider or mead produced on the licensed premises.

10 Plenary distillery license. 3a. The holder of this license shall
11 be entitled, subject to rules and regulations, to manufacture any
12 distilled alcoholic beverages and rectify, blend, treat and mix, and
13 to sell and distribute his products to wholesalers and retailers
14 licensed in accordance with this chapter, and to sell and distribute
15 without this State to any persons pursuant to the laws of the places
16 of such sale and distribution, and to maintain a warehouse. The fee
17 for this license shall be \$12,500.

18 Limited distillery license. 3b. The holder of this license shall
19 be entitled, subject to rules and regulations, to manufacture and
20 bottle any alcoholic beverages distilled from fruit juices and rectify,
21 blend, treat, mix, compound with wine and add necessary
22 sweetening and flavor to make cordial or liqueur, and to sell and
23 distribute to wholesalers and retailers licensed in accordance with
24 this chapter, and to sell and distribute without this State to any
25 persons pursuant to the laws of the places of such sale and
26 distribution and to warehouse these products. The fee for this
27 license shall be \$3,750.

28 Supplementary limited distillery license. 3c. The holder of this
29 license shall be entitled, subject to rules and regulations, to bottle
30 and rebottle, in a quantity to be expressed in said license, dependent
31 upon the following fees, alcoholic beverages distilled from fruit
32 juices by such holder pursuant to a prior plenary or limited distillery
33 license, and to sell and distribute his products to wholesalers and
34 retailers licensed in accordance with this chapter, and to sell and
35 distribute without this State to any persons pursuant to the laws of
36 the places of such sale and distribution, and to maintain a
37 warehouse. The fee for this license shall be graduated as follows:
38 to so bottle and rebottle not more than 5,000 wine gallons per
39 annum, \$313; to so bottle and rebottle not more than 10,000 wine
40 gallons per annum, \$625; to so bottle and rebottle without limit as
41 to amount, \$1,250.

42 Craft distillery license. 3d. The holder of this license shall be
43 entitled, subject to rules and regulations, to manufacture not more
44 than 20,000 gallons of distilled alcoholic beverages, to rectify,
45 blend, treat and mix distilled alcoholic beverages, to sell and
46 distribute this product to wholesalers and retailers licensed in
47 accordance with this chapter, and to sell and distribute without this
48 State to any persons pursuant to the laws of the places of such sale

1 and distribution, and to maintain a warehouse. The holder of this
2 license shall be entitled to sell this product at retail to consumers on
3 the licensed premises of the distillery for consumption on the
4 premises, but only in connection with a tour of the distillery, and
5 for consumption off the premises in a quantity of not more than five
6 liters per person. In addition, the holder of this license may offer
7 any person not more than three samples per calendar day for
8 sampling purposes only. For the purposes of this subsection,
9 "sampling" means the gratuitous offering of an open container not
10 exceeding one-half ounce serving of distilled alcoholic beverage
11 produced on the distillery premises. Nothing in this subsection shall
12 be deemed to permit the direct shipment of distilled spirits either
13 within or without this State. The holder of this license shall be
14 entitled, subject to rules and regulations, to offer retail memberships
15 to customers.

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

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

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

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

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

45

46 3. This act shall take effect immediately.

STATEMENT

1

2

3 This bill entitles holders of certain alcohol manufacturing
4 licenses to offer retail memberships to their customers.

5 The bill permits the holders of a limited brewery, restricted
6 brewery, plenary winery, farm winery, out-of-state winery, cidery
7 and meadery, and craft distillery license to offer retail memberships
8 to their customers. The bill specifies that the retail memberships
9 would be subject to rules and regulations.

10 Under the bill, a “retail membership” is defined as a membership
11 program offered by a license holder to customers, which provides
12 discounts or other benefits related to the products manufactured by
13 the license holder in exchange for a membership fee.