

**SENATE, No. 1647**

**STATE OF NEW JERSEY**  
**220th LEGISLATURE**

INTRODUCED FEBRUARY 14, 2022

**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.



S1647 TURNER

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

**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 by the laws of this State has not been paid; and any alcoholic  
2 beverage possessed, kept, stored, owned or imported with intent to  
3 manufacture, sell, distribute, bottle, rectify, blend, treat, fortify,  
4 mix, process, warehouse or transport in violation of the provisions  
5 of this chapter.

6 j. "Licensed building." Any building containing licensed  
7 premises.

8 k. "Licensed premises." Any premises for which a license  
9 under this chapter is in force and effect.

10 l. "Magistrate." The Superior Court or municipal court.

11 m. "Manufacturer." Any person who, directly or indirectly,  
12 personally or through any agency whatsoever, engages in the  
13 making or other processing whatsoever of alcoholic beverages.

14 n. "Municipality." Any city, town, township, village, or  
15 borough, including a municipality governed by a board of  
16 commissioners or improvement commission, but excluding a  
17 county.

18 o. "Municipal board." The municipal board of alcoholic  
19 beverage control as established by this chapter.

20 p. "Officer." Any sheriff, deputy sheriff, constable, police  
21 officer, member of the Division of State Police, or any other person  
22 having the power to execute a warrant for arrest, or any inspector or  
23 investigator of the Division of Alcoholic Beverage Control.

24 q. "Original container." Any container in which an alcoholic  
25 beverage has been delivered to a retail licensee.

26 r. "Person." Any natural person or association of natural  
27 persons, association, trust company, partnership, corporation,  
28 organization, or the manager, agent, servant, officer, or employee of  
29 any of them.

30 s. "Premises." The physical place at which a licensee is or may  
31 be licensed to conduct and carry on the manufacture, distribution or  
32 sale of alcoholic beverages, but not including vehicular  
33 transportation.

34 t. "Restaurant." An establishment regularly and principally  
35 used for the purpose of providing meals to the public, having an  
36 adequate kitchen and dining room equipped for the preparing,  
37 cooking and serving of food for its customers and in which no other  
38 business, except such as is incidental to such establishment, is  
39 conducted.

40 u. "Retailer." Any person who sells alcoholic beverages to  
41 consumers.

42 v. "Rules and regulations." The rules and regulations  
43 established from time to time by the director.

44 w. "Sale." Every delivery of an alcoholic beverage otherwise  
45 than by purely gratuitous title, including deliveries from without  
46 this State and deliveries by any person without this State intended  
47 for shipment by carrier or otherwise into this State and brought  
48 within this State, or the solicitation or acceptance of an order for an

**S1647 TURNER**

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

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

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

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

44 aa. "Limousine." A motor vehicle used in the business of  
45 carrying passengers for hire to provide prearranged passenger  
46 transportation at a premium fare on a dedicated, nonscheduled,  
47 charter basis that is not conducted on a regular route, or is furnished  
48 without fare as an accommodation for a patron in connection with

1 other business purposes, and with a seating capacity in no event of  
2 more than 14 passengers, not including the driver, provided, that  
3 such a motor vehicle shall not have a seating capacity in excess of  
4 four passengers, not including the driver, beyond the maximum  
5 passenger seating capacity of the vehicle, not including the driver,  
6 at the time of manufacture. This shall not include taxicabs, hotel or  
7 airport shuttles and buses, buses employed solely in transporting  
8 school children or teachers to and from school, vehicles owned and  
9 operated directly or indirectly by businesses engaged in the practice  
10 of mortuary science when those vehicles are used exclusively for  
11 providing transportation related to the provision of funeral services  
12 or vehicles owned and operated without charge or remuneration by  
13 a business entity for its own purposes.

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

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

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

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

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

26

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

28 Class A licenses; subdivisions; fees.

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

31 Plenary brewery license. 1a. The holder of this license shall be  
32 entitled, subject to rules and regulations, to brew any malt alcoholic  
33 beverages 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; provided, however, that the delivery of this product by  
38 the holder of this license to retailers licensed under this title shall be  
39 from inventory in a warehouse located in this State which is  
40 operated under a plenary brewery license. The fee for this license  
41 shall be \$10,625.

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

**S1647 TURNER**

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

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

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

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

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

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

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

**S1647 TURNER**

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

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

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

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

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

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

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



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

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

**S1647 TURNER**

10

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

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

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

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

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

1 director. The fee for this license shall be \$1,000. For the purposes  
2 of this subsection, "sampling" means the gratuitous offering of an  
3 open container not exceeding one and one-half ounces of any wine.

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

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

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

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

9 Cidery and meadery license. 2f. The holder of this license  
10 shall be entitled, subject to rules and regulations, to manufacture  
11 hard cider and mead and to sell and distribute these 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. The holder of this license shall be entitled to  
16 sell these products at retail to consumers on the licensed premises  
17 for consumption on or off the premises and to offer samples for  
18 sampling purposes only. The holder of this license shall be entitled,  
19 subject to rules and regulations, to offer retail memberships to  
20 customers. The holder of this license shall be permitted to offer for  
21 sale or make the gratuitous offering of packaged crackers, chips,  
22 nuts, and similar snacks to consumers, but shall not operate a  
23 restaurant on the licensed premises. The fee for this license shall be  
24 \$938.

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

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

43 As used in this subsection:

44 "Hard cider" means a fermented alcoholic beverage derived  
45 primarily from apples, pears, apple juice concentrate and water, or  
46 pear juice concentrate and water, which may include spices, herbs,  
47 honey, or other flavoring, and which contains at least one half of

1 one percent but less than eight and one half percent alcohol by  
2 volume.

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

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

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

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

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

44 Craft distillery license. 3d. The holder of this license shall be  
45 entitled, subject to rules and regulations, to manufacture not more  
46 than 20,000 gallons of distilled alcoholic beverages, to rectify,  
47 blend, treat and mix distilled alcoholic beverages, to sell and  
48 distribute this product to wholesalers and retailers licensed in

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

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

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

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

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

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

47

48 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.