

ASSEMBLY OVERSIGHT, REFORM AND FEDERAL
RELATIONS COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 4630

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Oversight, Reform and Federal Relations Committee reports favorably and with committee amendments Assembly Bill No. 4630 ACS.

As amended and reported by the committee, the Assembly Committee Substitute for Assembly Bill No. 4630 allows craft alcoholic beverage manufacturers to hold certain events. Under the bill, a craft alcoholic beverage manufacturer is defined as a limited brewery license, cidery and meadery license, and craft distillery license.

Specifically, the committee substitute allows these craft alcoholic beverage manufacturers to hold not more than 25 off-premises special events and an unlimited number of on-premises special events and private parties. In addition, these license holders would be entitled to hold not more than 25 social affair events hosted by the holder of a social affair permit.

Under the committee substitute, a craft alcoholic beverage manufacturer would be entitled to sell and serve customers tableside utilizing servers or wait staff employed by the license holder. The license holder also would be entitled to serve the licensee's products for on-premises consumption in outdoor spaces approved by the municipality. A license holder that serves alcoholic beverages in outdoor spaces would be entitled to utilize a permanent or portable tap system located in the approved outdoor space. Pourers and servers employed by a craft manufacturer's license holder are to be certified by an industry-recognized server training program.

The committee substitute also allows the holder of a craft manufacturer's license to offer for sale or make the gratuitous offering of de minimis food items including, but not limited to, packaged crackers, chips, nuts, and similar snacks to consumers. The license holder also would be entitled to sell non-alcoholic beverages.

Under the committee substitute, a license holder also may coordinate with a food vendor, including food trucks and restaurants, for the provision of food on the licensed premises and provide menus

to consumers for the sale of food. The committee substitute prohibits a craft manufacturer's license holder from owning the food vendor. In addition, a craft manufacturer's licensed premises that is adjoining a food vendor's premises would be required to have its own entrance and exit way to and from the licensed premises and would be prohibited from having a doorway that allows direct access and egress to the food vendor's premises.

Under the committee substitute, the holder of a craft manufacturer's license would be entitled to offer discounts for promotional purposes, provide targeted discounts, and establish membership programs that offer discounts. A craft manufacturer licensee also would be entitled to show or display any televised program on televisions or other screening devices of any number or size on the licensed premises. The license holder would not be required to provide notice to or obtain a permit from the Division of Alcoholic Beverage Control prior to showing or displaying any televised event.

The committee substitute also removes from current law the tour requirement for limited brewery and craft distillery license holders. Under current law, these licensees are authorized to sell their products at retail to consumers on the licensed premises for on-site consumption, but only in connection with a tour of the brewery or distillery. Under the committee substitute, consumers would not be required to take a tour of the brewery or distillery to purchase beverages for on-site consumption.

Finally, the committee substitute increase from 10,000 to 300,000 the number of barrels that the holder of a restricted brewery license may manufacture per year. Under current law, a restricted brewery license is only issued to a person who also holds a Class C consumption license, which is generally issued to bars and restaurants. The restricted brewery license allows the licensee to brew the beer, while the Class C license allows the licensee to sell that beer directly to restaurant patrons. This committee substitute allows the holder of restricted brewery license to manufacture more beer per year. These license holders also would be entitled to directly sell and distribute to retailers 50 percent of the beer that is produced on premises in each year.

As amended and reported by the committee, the Assembly Committee Substitute for Assembly Bill No. 4630 is identical to the Senate Committee Substitute for Senate Bill No. 3038, which was amended and reported by the Senate Budget and Appropriations Committee on June 20, 2023.

COMMITTEE AMENDMENTS

The committee amended the bill to:

- 1) remove from the committee substitute a provision allowing craft alcoholic beverage manufacturers to directly ship the license holder's products to consumers;
- 2) clarify that craft alcoholic beverage manufacturers are required to file a current price list with the division of ABC;
- 3) limit the number of off-premises special events a craft manufacturer may hold to not more than 25 per year; and
- 4) limit the amount of beer that restricted brewery license holders are entitled to directly sell and distribute to retailers to not more than 50 percent of the beer that is produced on premises in each year.