

## Legislative Advocacy

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# Craft Brewery Bill Passes Committees

On January 3, the Senate Budget and Appropriations Committee and Assembly Appropriations committee favorably released [S-4265](#) and [A-5912](#), respectively.

The legislation makes changes to the State's craft brewery and retail license laws. The measure includes several key revisions to existing laws, including the limited transfer of inactive licenses, issuance of special liquor licenses for shopping malls, relaxation of certain craft brewery restrictions, and creation of a new Farm-Brewery license. The League testified before both committees thanking the sponsors for taking steps to reform New Jersey's antiquated liquor license laws but questioning the restrictions placed on transferring inactive licenses.

The League is concerned that the bill's language will not allow inactive licenses to fill the void that currently exists with available liquor licenses in some towns. As written, the bill will only permit the transfer of inactive licenses to contiguous municipalities, not municipalities that may need additional licenses. We have respectfully requested that the [S-4265/A-5912](#) be amended to remove the contiguous factor.

Summary of bill's provisions:

**Craft Alcoholic Beverage Manufacturers.** The bill defines craft manufacturers as holders of limited brewery licenses, cidery and meadery licenses, or craft distillery licenses. Such license holders will be able to:

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Serve and sell to customers tableside with servers/waitstaff who are certified by a server training program.

Serve their product for consumption on-premises in outdoor space approved by the municipality.

Offer or sell food, including but not limited to, packaged crackers, chips, nuts, or similar snacks, along with non-alcoholic beverages.

Coordinate with a food vendor, including food trucks, for the sale of the food. The license holder cannot own or operate the food establishment.

Hold unlimited on-premises special events which they can sell tickets to or charge a cover fee for.

Hold up to 25 Social Affair permitted events at their location.

Sell their products at a discount for promotional purposes.

Show or display any televised program, including sports events.

**Farm-Brewery License. A-5912/S-**

**4265** Introduces a farm-brewery license, which allows the production and retail sale of malt alcoholic beverages off premises, with a production limit of 2,500 barrels per year. This license is available to breweries located on land under the licensee's control, using locally sourced ingredients. The license holder can provide samples and sell products to customers for consumption off premises. Prohibits the sale or offering of food on the licensed premises and sets a variable licensing fee based on production volume.

**Inactive Plenary Retail Consumption**

**Licenses. A-5912/S-4265** Mandates that inactive Class C licenses, defined as plenary retail consumption licenses not actively used at an operating premises, will expire after two consecutive license terms. However, municipalities have the discretion to extend this period by an additional year.

Before their expiration, inactive licenses must either be actively used, transferred in a private sale at fair market value, or transferred

- Assessors (AMANJ)
- Building Officials (NJBOA)
- Community Recreation Society of NJ
- Court Administrators (MCAANJ)
- Electrical Inspectors (NJMEIA)
- Finance Officers (GFOANJ)
- Jersey Access Group (JAG)
- Municipal Welfare Association of NJ
- NJ Fire Prevention and Protection
- NJ State Plumbing Inspectors Association
- Planning Officials (NJPO)
- Prosecutors (NJPO)
- Purchasing Agents (GPANJ)
- Registrars NJ (RANJ)
- Tax Collectors & Treasurers (TCTANJ)

between municipalities. Initially, transfers will be staggered based on length of inactivity over a four-year period.

Transfers between municipalities must be for redevelopment, improvement, or revitalization and the municipalities must be contiguous. A municipality that does not have any retail consumption license may issue a request for proposal to acquire an inactive license from a neighboring municipality. The bill outlines the procedure for the request for proposals including a minimum \$25,000 transfer fee to the municipality that initially issued the license. The transfer fee is paid by the license holder and deposited into the municipality's general fund.

A municipality can acquire an inactive license one license per calendar year but no more than two inactive licenses in a five-year period.

If a governing body chooses not to transfer an inactive license to a contiguous municipality, they may issue a new Class C license at public sale.

#### **Special Licenses in Municipalities**

**with shopping malls:** Under [A-5912/S-4265](#), eligible municipalities are permitted to issue a limited number of special licenses for establishments in shopping malls, specifically for selling alcoholic beverages for onsite consumption. The quantity of these special licenses is determined by the size of the shopping mall: up to two licenses for malls with a minimum of 750,000 square feet and up to four licenses for malls exceeding 1.5 million square feet. The licenses are intended for use in food and beverage establishments within these malls.

[A-5912/S-4265](#) is scheduled for consideration in both the Senate and Assembly on January 8.

**Contact:** Lori Buckelew, Deputy Executive Director & Director of Government Affairs, [lbuckelew@njlm.org](mailto:lbuckelew@njlm.org), 609-695-3481, x112.

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