

33:1-10

LEGISLATIVE HISTORY CHECKLIST

NJSA 33:1-10; 54:43-1 ("Farm Winery License"--increase allowable gallonage)

LAWS 1981 CHAPTER 280

Bill No. A2240

Sponsor(s) McConnell and others

Date Introduced November 10, 1980

Committee: Assembly Agriculture and Environment

Senate Law, Public Safety & Defense

Amended during passage Yes ~~No~~ Amendments during passage denoted by asterisks.

Date of Passage: Assembly March 2, 1981

Senate June 25, 1981

Date of approval September 10, 1981

Following statements are attached if available:

Sponsor statement Yes ~~No~~

Committee Statement: Assembly Yes ~~No~~

Senate Yes ~~No~~

Fiscal Note ~~Yes~~ No

Veto Message ~~Yes~~ No

Message on signing Yes ~~No~~

Following were printed:

Reports ~~Yes~~ No

Hearings ~~Yes~~ No

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See newspaper clipping files in New Jersey Reference Section for 1980 and 1981 "New Jersey -- Wine and winemaking"

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9-10-81

[SECOND ASSEMBLY REPRINT]
ASSEMBLY, No. 2240

STATE OF NEW JERSEY

INTRODUCED NOVEMBER 10, 1980

By Assemblywoman McCONNELL, Assemblymen SCHWARTZ
and STEWART

Referred to Committee on Agriculture and Environment

AN ACT concerning alcoholic beverages and amending R. S. 33:1-10
and R. S. 54:43-1.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

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

2 33:1-10. Plenary brewery license. 1a. The holder of this license
3 shall be entitled, subject to rules and regulations, to brew any malt
4 alcoholic beverages and to sell and distribute his products to whole-
5 salers and retailers licensed in accordance with this chapter, and to
6 sell and distribute without this State to any persons pursuant to
7 the laws of the places of such sale and distribution, and to maintain
8 a warehouse. The fee for this license shall be \$8,500.00.

9 Limited brewery license. 1b. The holder of this license shall be
10 entitled, subject to rules and regulations, to brew any malt alcoholic
11 beverages in a quantity to be expressed in said license, dependent
12 upon the following fees and not in excess of 300,000 barrels of 31
13 fluid gallons capacity per year and to sell and distribute his prod-
14 ucts to wholesalers and retailers licensed in accordance with this
15 chapter, and to sell and distribute without this State to any persons
16 pursuant to the laws of the places of such sale and distribution, and
17 to maintain a warehouse. The fee for this license shall be gradu-
18 ated as follows: To so brew not more than 50,000 barrels of 31 fluid
19 gallons capacity per annum, \$1,000.00; to so brew not more than
20 100,000 barrels of 31 fluid gallons capacity per annum, \$2,000.00;
21 to so brew not more than 200,000 barrels of 31 fluid gallons capacity
22 per annum, \$4,000.00; to so brew not more than 300,000 barrels of
23 31 fluid gallons capacity per annum, \$6,000.00.

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

24 Plenary winery license. 2a. The holder of this license shall be
 25 entitled, subject to rules and regulations, to manufacture any
 26 fermented wines, and to blend, fortify and treat wines, and to sell
 27 and distribute his products to wholesalers and retailers licensed in
 28 accordance with this chapter and to churches for religious purposes,
 29 and to sell and distribute without this State to any persons pur-
 30 suant to the laws of the places of such sale and distribution, and to
 31 maintain a warehouse. The fee for this license shall be \$750.00.
 32 Upon payment of an additional fee of \$200.00 for each but not in
 33 excess of two premises, in addition to the licensed premises of the
 34 winery, the holder of this license shall have the right to sell such
 35 wine at retail for ****[consumption]**** *consumption* on or off the
 36 premises as is manufactured, blended, fortified or treated by the
 37 licensee in his licensed premises and sold ****[at]**** *as* the
 38 licensee's products under the label or labels of the licensee or in
 39 lieu of such additional fee of \$200.00 but upon payment of an addi-
 40 tional fee of \$600.00 the holder of this license shall have the right to
 41 sell wines and other alcoholic beverages at retail on the licensed
 42 premises; provided, however, that such sales shall be made only for
 43 consumption off the licensed premises; and provided further, that
 44 such wines and other alcoholic beverages shall be manufactured or
 45 blended, fortified, distilled or treated by the licensee in his licensed
 46 premises or by the licensee's subsidiary corporation and sold only
 47 under the label or labels of the licensee. The combined total number
 48 of plenary winery licenses having retail privileges, shall not exceed
 49 one per each million of population in the State as shown by the last
 50 preceding Federal census. In the granting of such plenary winery
 51 licenses, the Director of the Division of Alcoholic Beverage Control
 52 may, in the exercise of his discretion and pursuant to such rules
 53 and regulations as he may adopt, give prior consideration to appli-
 54 cants engaged in growing and cultivating grapes upon land owned
 55 by the applicant, having an area not less than 3 acres. The con-
 56 tainers of all wine sold at retail by such licensee shall have attached
 57 thereto a label setting forth such information as shall be required
 58 by the rules and regulations of the Director of Alcoholic Beverage
 58A Control.

59 **[Limited]** *Farm* winery license. 2b. The holder of this license
 60 shall be entitled, subject to rules and regulations, to manufacture
 61 any ****[naturally]**** fermented wines and fruit juices in a quantity
 62 to be expressed in said license, dependent upon the following fees
 63 and not in excess of **[5,000]** 50,000 gallons per year and to sell and
 64 distribute his products to wholesalers and retailers licensed in

65 accordance with this chapter and to sell and distribute without this
 66 State to any persons pursuant to the laws of the places of such sale
 67 and distribution, and to maintain a warehouse and to sell at retail
 68 to consumers; provided, however, that such sale to consumers shall
 69 be made only for consumption off the licensed premises and then
 70 only when the winery at which such ****[naturally]**** fermented
 71 wines and fruit juices are manufactured is located and constructed
 72 upon a tract of land owned exclusively by the holder of such
 73 ****[limited]**** *farm* winery license, which said tract of land
 74 shall have an area of not less than 3 acres and have growing and
 75 under cultivation upon said land at least 1,200 grape vines; and
 76 provided, further, that such ****[naturally]**** fermented wines and
 77 fruit juices shall be manufactured only from ****[fresh]**** grapes
 78 or fruit grown in this State. The containers of all wine sold to
 79 consumers by such licensee shall have attached thereto a label
 80 **stating in substance that the wine has been produced from 100%*
 81 *New Jersey grown fruit and** setting forth such information as
 82 shall be required by the rules and regulations of the Director of
 83 Alcoholic Beverage Control. The fee for this license shall be
 84 graduated as follows: To so manufacture between 2,500 and **[5,000]**
 85 *50,000* gallons per annum, **[\$400.00]** *\$200.00*; to so manufacture
 85A between 1,000 and 2,500 gallons per annum, **[\$200.00]** *\$100.00*; to
 85B so manufacture less than 1,000 gallons per annum, **[\$100.00]** *\$50.00*.

86 *The license granted hereunder shall authorize, subject to such*
 87 *rules and regulations as may be deemed necessary or appropriate*
 88 *by the Director of the Division of Alcoholic Beverage Control, the*
 89 *offering and tasting on the licensed premises of free samples of*
 90 *wine, to visitors and prospective retail customers.*

90A **For the purposes of this subsection, with respect to farm winery*
 90B *licenses, "manufacture" means the vinification, aging, storage,*
 90C *blending, clarification, stabilization and bottling of wine or juice*
 90D *from 100% New Jersey grown fruit.**

91 Plenary distillery license. 3a. The holder of this license shall be
 92 entitled, subject to rules and regulations, to manufacture any dis-
 93 tilled alcoholic beverages and rectify, blend, treat and mix, and to
 94 sell and distribute his products to wholesalers and retailers licensed
 95 in accordance with this chapter, and to sell and distribute without
 96 this State to any persons pursuant to the laws of the places of such
 97 sale and distribution, and to maintain a warehouse. The fee for
 98 this license shall be \$10,000.00.

99 Limited distillery license. 3b. The holder of this license shall be
 100 entitled, subject to rules and regulations, to manufacture and bottle

101 any alcoholic beverages distilled from fruit juices and rectify,
 102 blend, treat, mix, compound with wine and add necessary sweeten-
 103 ing and flavor to make cordial or liqueur, and to sell and distrib-
 104 ute to wholesalers and retailers licensed in accordance with this
 105 chapter, and to sell and distribute without this State, to any
 106 persons pursuant to the laws of the places of such sale and
 107 distribution and to warehouse these products. The fee for this
 108 license shall be \$3,000.00.

108A Supplementary limited distillery license. 3c. The holder of this
 109 license shall be entitled, subject to rules and regulations, to bottle
 110 and rebottle, in a quantity to be expressed in said license, dependent
 111 upon the following fees, alcoholic beverages distilled from fruit
 112 juices by such holder pursuant to a prior plenary or limited dis-
 113 tillery license, and to sell and distribute his products to wholesalers
 114 and retailers licensed in accordance with this chapter, and to sell
 115 and distribute without this State to any persons pursuant to the
 116 laws of the places of such sale and distribution, and to maintain a
 117 warehouse. The fee for this license shall be graduated as follows:
 118 To so bottle and rebottle not more than 5,000 wine gallons per
 119 annum, \$250.00; to so bottle and rebottle not more than 10,000 wine
 120 gallons per annum, \$500.00; to so bottle and rebottle without limit
 121 as to amount, \$1,000.00.

122 Rectifier and blender license. 4. The holder of this license shall
 123 be entitled, subject to rules and regulations, to rectify, blend, treat
 124 and mix distilled alcoholic beverages, and to fortify, blend, and
 124A treat fermented alcoholic beverages, and prepare mixtures of
 125 alcoholic beverages, and to sell and distribute his products to whole-
 126 salers and retailers licensed in accordance with this chapter, and to
 127 sell and distribute without this State to any persons pursuant to the
 128 laws of the places of such sale and distribution, and to maintain a
 129 warehouse. The fee for this license shall be \$6,000.00.

130 Bonded warehouse bottling license. 5. The holder of this license
 131 shall be entitled, subject to rules and regulations, to bottle alcoholic
 132 beverages in bond on behalf of all persons authorized by Federal
 133 and State law and regulations to withdraw alcoholic beverages from
 134 bond. The fee for this license shall be \$500.00. This license shall be
 135 issued only to persons holding permits to operate internal revenue
 136 bonded warehouses pursuant to the laws of the United States.

1 2. R. S. 54:43-1 is amended to read as follows:

2 54:43-1. Tax rates. There are hereby levied and imposed upon
 3 any sale of alcoholic beverages made within this State or upon any

4 delivery of alcoholic beverages made within or into this State the
5 following excise taxes :

6 a. Beer—\$0.03 $\frac{1}{3}$ a gallon or fraction thereof.

7 b. Liquors—at the rate of \$2.80 a gallon.

8 c. (Deleted by amendment.)

9 d. (Deleted by amendment.)

10 e. Wines, vermouth and sparkling wines—at the rate of \$0.30 a
11 gallon; *except that wine manufactured by holders of a farm winery*
12 *license, or wine manufactured from ****[fresh]**** grapes or fruit*
13 *grown in this State by holders of a plenary winery license issued*
14 *pursuant to the provisions of R. S. 33:1-10 shall be taxed at a rate*
15 *of \$.10 a gallon.*

1 3. This act shall take effect immediately.

Sponsor's

STATEMENT

This bill increases the production limit on gallonage allowable under a limited winery license, which is renamed the "farm winery license," from 5,000 gallons to 50,000 gallons, and halves the fee schedule for such licenses. It also allows on premises wine tasting of free samples to be offered to visitors and prospective retail customers. The bill further reduces the excise tax levied on the production of New Jersey grown wine from \$0.30 to \$0.10 a gallon.

The purpose of this bill is to encourage the growth of farm wineries in this State. New Jersey currently produces approximately 1,000 tons of grapes annually. Yet, the State's climate and its soils could sustain much greater production. Encouraging an increase in New Jersey's wine production would not only boost the State's agricultural industry, but could serve as a useful tool in the preservation of agricultural land. Further, the increased awareness and consumption of wine and the wide popularity of winery tours in upstate New York, and in the Napa Valley region of California, suggest the potential growth of the tourist industry in those areas in New Jersey where farm wineries are established.

A2240 (1981)

ASSEMBLY AGRICULTURE AND ENVIRONMENT
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2240

STATE OF NEW JERSEY

DATED: FEBRUARY 9, 1981

This bill increases the production limit on gallonage allowable under a limited winery license, which is renamed the "farm winery license," from 5,000 gallons to 50,000 gallons, and halves the fee schedule for such licenses. It also allows on premises wine tasting of free samples to be offered to visitors and prospective retail customers. The bill further reduces the excise tax levied on the production of New Jersey grown wine from \$0.30 to \$0.10 a gallon.

The purpose of this bill is to encourage the growth of farm wineries in this State. New Jersey currently produces approximately 1,000 tons of grapes annually. Yet, the State's climate and its soils could sustain much greater production. Encouraging an increase in New Jersey's wine production would not only boost the State's agricultural land. Further, the increased awareness and consumption of wine and the wide popularity of winery tours in upstate New York, and in the Napa Valley region of California, suggest the potential growth of the tourist industry in those areas in New Jersey were farm wineries are established.

The Assembly Agriculture and Environment Committee amended the bill to require the labeling of wine produced from 100% New Jersey grown grapes and tighten the definition of "manufacture."

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SENATE LAW, PUBLIC SAFETY AND DEFENSE
COMMITTEE

STATEMENT TO
ASSEMBLY, No. 2240

[OFFICIAL COPY REPRINT]
with Senate committee amendment

STATE OF NEW JERSEY

DATED: JUNE 18, 1981

The purpose of this bill is to encourage the growth of farm wineries in New Jersey. Although the State produces approximately 1,000 tons of grapes annually, its soils and climate could sustain a much greater production. An increase in New Jersey's wine production would boost the State's agricultural production and increase the tourist industry in those areas of the State where farm wineries are established.

The bill hopes to encourage the growth of farm wineries by increasing the production limit on gallonage allowable under a limited winery license, which is renamed the "farm winery license," from 5,000 gallons to 50,000 gallons, and halves the fee schedule for the licenses. It also allows on premise wine tasting of free samples to be offered to visitors and prospective retail customers, without the need to obtain an additional (plenary) winery license.

The bill also reduces the excise tax levied on the production of New Jersey grown wine from \$0.30 to \$0.10 a gallon, and requires the labeling of wine produced from 100% New Jersey grown grapes as such.

The committee amended the bill to delete all references to "naturally" fermented wine and "fresh" fruit and grapes. There appears to be, at present, no "legal" definition of either term. One of the foremost authorities on winemaking described natural fermentation to be "without inoculation of yeast or other bacteriological agent". "Natural" means fermentation due to bacteriological agents occurring naturally in the grape skins. Virtually no one makes wine without yeast inoculation and temperature control; if the term "naturally fermented" was construed to preclude such inoculation, the bill would not result in the growth of farm wineries in the State. Reference to "fresh" fruit and juice was also deleted in the fear that the term may also be narrowly construed to prohibit the use of frozen juice even though it conforms to the in-State origin requirement.

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

SEPTEMBER 10, 1981

KATHRYN FORSYTH

Governor Brendan Byrne today signed a bill increasing the amount of wine that a person holding a limited winery license may produce from 5,000 gallons to 50,000 gallons manufactured annually from New Jersey grapes.

The bill, A-2240, was sponsored by Assemblywoman Barbara McConnell (D-Hunterdon).

It changes the name of the license to the the "farm winery license," and reduces the fee schedule of those licenses from \$100 to \$50 for the manufacture of less than 1,000 gallons, from \$200 to \$100 for the manufacture of between 1,000 and 2,500 gallons and from \$400 to \$200 for the manufacture of between 2,500 gallons and 50,000 gallons.

The bill also reduces the excise tax on wine manufactured from New Jersey grapes from 30¢ to 10¢ per gallon and allows farmers to hold on-premise wine-tastings and offer free samples to visitors and prospective retail customers.

"Diversity is one of the keys to successful farming throughout New Jersey, since the seasons are short and farm income is realized in brief spurts," Byrne said. "Adding the production and sale of wine to a farmer's other agricultural pursuits will increase farm earnings and help keep family farms in business."

"In addition, this bill adds another dimension to New Jersey's already well-established wine industry," he said.

New Jersey farms currently grow about 1,000 tons of grapes annually and Department of Agriculture officials estimate that the state's soil and climate are such that a much larger crop could be produced.

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