

**STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF ALCOHOLIC BEVERAGE CONTROL**

**AN 2024-03 -- ADVISORY NOTICE TO CRAFT MANUFACTURERS AND
OTHER INTERESTED PARTIES**

The purpose of this Advisory Notice is to clarify and explain the Division of Alcoholic Beverage Control's understanding and guidance regarding recent changes to the Alcoholic Beverage Control Act (ABC Act or Title 33) affecting several craft manufacturing licenses. On January 16, 2024, Governor Phil Murphy signed into law P.L. 2023, c.290 ([S4265/A5912](#)). The new law makes significant changes to the ABC Act, N.J.S.A. 33:1-1 to 33:5-5, including but not limited to the expansion of privileges and loosening of restrictions of certain craft manufacturers, and the establishment of a new Farm Brewery License. Prior to the issuance of this Advisory Notice, the Division sought and received input from the affected craft manufacturers.

This Advisory Notice is intended to provide preliminary guidance to the industry and the public regarding these changes to the manufacturing laws, **which took effect immediately upon enactment of the legislation on January 16th**. Craft Manufacturers must operate within the parameters of the statute. Only privileges, activities and events authorized by the statute shall be allowed. In the event of a conflict between this Advisory Notice and P.L. 2023, c.290 ([S4265/A5912](#)), the statute shall govern.

The Division also expects to issue guidance soon regarding the changes to the retail laws (i.e., expired licenses (N.J.S.A. 33:1-12.18), inactive licenses (N.J.S.A. 33:1-12.39), intermunicipal license transfers, Shopping Mall Licenses), **which take effect on August 1, 2024**.

Expanded Privileges and Loosened Restrictions for Craft Manufacturers

1. **Off-premises special events**. The new law allows Craft Manufacturers—specifically, **Limited Brewery Licensees, Cidery and Meadery Licensees, and Craft Distillery Licenses**—to hold up to 25 off-premises special events a year. An “**off-premises special event**” is defined by the new law as a special event (e.g., festivals, civic events, bike races) taking place at a location other than the licensed premises or an unlicensed area adjacent to or adjoining the licensed premises (e.g., sidewalk, parking lot) that is owned by the licensee. **A permit is required for each off-premises special event**, and is effective for a maximum of three consecutive days. If the special event is to be held on public property, consistent with other laws and regulations, a Craft Manufacturer must obtain the consent of the political subdivision (e.g., municipality, county or state agency) that owns or controls the property and the chief law enforcement officer before the permit is issued.¹ With an off-premises special event permit, Craft Manufacturers are authorized to coordinate with food vendors to provide food to customers at the event.

¹ If the off-premises event is to be held on private property, the Division will still require the endorsement of the appropriate municipal clerk (or secretary of the municipal alcoholic beverage control board) and the chief of police of the municipality before an off-premises special event permit is issued.

The Division is in the process of developing an off-premises special event permit for all Craft Manufacturers. **Please note:** Nothing in [S4265/A5912](#) should be interpreted as superseding [Special Ruling \(SR\) 2021-14](#), which created an Alcoholic Beverage Festival Permit aimed at curtailing unlimited consumption of alcoholic beverages at large-scale festivals² and promoting moderation and responsibility in the use and consumption of alcohol at these festivals.

2. **On-premises special events.** The new law allows Craft Manufacturers to hold an unlimited number of on-premises events a year. An “**on-premises special event**” is a special event (e.g., trivia games, paint and sip, live music, televised sporting events, etc.) that is open to the public and held on the licensed premises or on the sidewalk, parking lot, or other area owned by the licensee that is adjoining or adjacent to the licensed premises and also part of the licensed premises. **No permit or electronic notification is required to hold an on-premises special event on the licensed premises, and there is no limit to the number of special events that can be held on the licensed premises.** In addition, Craft Manufacturers may sell tickets or charge a cover fee to attend their special events. **Please note:** If a Craft Manufacturer’s licensed premises (as delineated in its license application) does not include the sidewalk, parking lot, or other adjoining or adjacent area, an off-premises special event permit will be needed for the duration of the special event. .
3. **Private parties on the licensed premises.** The new law allows Craft Manufacturers to hold an unlimited number of private parties (e.g., birthdays, weddings, anniversaries, civic and political functions, etc.) on its licensed premises. A “**private party**” is defined by the new law as an event held on the licensed premises and closed to the general public, either by (1) establishing a special area within the licensed premises that is reserved and occupied by the hosts and guests of the party, or (2) closing the entire licensed premises to the public for the duration of the party. Craft Manufacturers can coordinate with **food vendors** to provide food, and with their consent, the host of the private party can provide wine and malt alcoholic beverages purchased off the licensed premises to be served at the party. In addition, the host of the private party may hire an employee of the Craft Manufacturer to pour alcoholic beverages at the party. No permit or electronic notification is necessary if the private party is held on the licensed premises.
4. **Outdoor Spaces.** Craft Manufacturers are allowed to serve their products for on-premises consumption in **outdoor spaces** approved by the municipality, provided the Craft Manufacturer applies for and receives the appropriate permit or license from the Division. In conjunction with this outdoor space, Craft Manufacturers can sell and serve their products using a permanent or portable tap system, and employ servers or wait staff to provide tableside service to customers. All employees must be certified by an industry-recognized server training program.

² Pursuant to [SR 2021-14](#), a “**festival**” must have a minimum of fifteen participating suppliers (e.g., limited breweries, plenary and farm wineries, craft distilleries, cideries/meaderies, and wholesalers). In general, a qualified applicant (e.g., plenary retail consumption licensee, social affair permittee, or special concessionaire permittee) may obtain an Alcoholic Beverage Festival Permit, which authorizes the permittee to acquire alcoholic beverages from authorized source(s), and together with the supplier, provide samples of alcoholic beverages and educational commentary. The Division expects to promulgate a regulation on Alcoholic Beverage Festival Permits in the near future.

5. **Social Affair Permitted Events.** The new law allows Craft Manufacturers to hold up to 25 events hosted by a social affair permittee (pursuant to N.J.S.A. 33:1-74 and N.J.A.C. 13:2-5.1). With the consent of a Craft Manufacturer, the host of the event may sell and serve any wine and malt alcoholic beverages for consumption on the licensed premises during the event. In addition, the host of the event may hire employees or “agents” of the Craft Manufacturer to pour alcoholic beverages served at the event. The new law requires that any wine or malt alcoholic beverages brought to the social affair event by a permittee must be obtained in conformity with the Division’s regulations (including N.J.A.C. 13:2-5.1(e)). Unlike other social affair permitted events, the new law authorizes a Craft Manufacturer to sell its products for off-premises consumption during a social affair permitted event on its premises. **Please note:** Pursuant to N.J.A.C. 13:2-23.28, a licensee is responsible for the actions and omissions of its agents as well as its employees.

6. **Non-Alcoholic Beverages, De Minimis Food Items, Food Vendors.** The new law allows Craft Manufacturers to offer for sale or gratuitously **de minimis food** (including packaged crackers, chips, nuts, and similar snacks), and to sell non-alcoholic beverages, whether or not the beverages are manufactured by the Craft Manufacturer. The new law also allows Craft Manufacturers to **coordinate with food vendors** (including food trucks and restaurants) to provide food and menus to customers on the licensed premises. **However, the law prohibits a Craft Manufacturer from coordinating with a food vendor that it owns or operates.** If a Craft Manufacturer coordinates with a food vendor that has a premises that adjoins the Craft Manufacturer’s licensed premises, both businesses must have separate entrances and exits, and there cannot be a doorway that allows direct access between the Craft Manufacturer’s licensed premises and the food vendor’s premises. **Please note:** The new law retains the prohibition on Craft Manufacturers from operating a restaurant on the licensed premises or selling food, except for the de minimis food expressly allowed by P.L. 2023, c.290 ([S4265/A5912](#)). Therefore, Craft Manufacturers are prohibited from accepting remuneration from food vendors, and profit-sharing between Craft Manufacturers and food vendors remains prohibited.

7. **Suitable Gift Items and Apparel.** The new law allows Craft Manufacturers to sell suitable gift items and apparel that are identified with the Craft Manufacturer or that promotes the craft beverage industry. No other merchandise may be sold on the licensed premises except at temporary “pop up shops” authorized by the new law.

8. **Discounts, Membership Programs.** The new law allows Craft Manufacturers to sell their products at a discount for promotional purposes, provide “targeted” discounts, and establish membership programs, provided that products are not sold below manufacturing costs.³ Craft Manufacturers who sell or intend to sell their products to retailers are still required to file a monthly Current Price List (CPL).

³ Pursuant to N.J.A.C. 13:2-24.8, the sale of alcoholic beverages at a price below cost is prohibited except for authorized samples, donations (with a permit), and closeout sales (with a permit).

9. **Televised Programs.** The new law allows Craft Manufacturers to show or display televised programs on televisions and screening devices of any number or size on the licensed premises, including any regular and championship sporting events. Craft Manufacturers can publicly advertise these televised events in advance, and are not required to provide notice or obtain a permit.
10. **Exercise of Privileges.** The new law expressly provides that Craft Manufacturers are entitled to exercise their statutory privileges, regardless of whether the property on which alcoholic beverages are manufactured is owned or leased by the licensee. **Please note:** The Division does not interpret this “exercise of privileges” to relieve Craft Manufacturers of their legal responsibility to retain full possession and control over all portions of their licensed premises at all times.
11. **Prohibition on Sharing Licensed Premises.** The new law prohibits a Craft Manufacturer from operating on the same licensed premises as another Craft Manufacturer, or jointly controlling or operating a tasting room. This is consistent with the ABC Act, which requires a separate license for each specific place of business and confines the operation of the business to the licensed premises. N.J.S.A. 33:1-26.
12. **Elimination of Tour Requirement for Limited Breweries and Craft Distilleries.** Pursuant to the new law, Limited Breweries and Craft Distilleries may sell their products to consumers for consumption on the licensed premises without having to give consumers a tour of the premises.

Restricted Brewery Privileges

13. **New Privileges.** The new law allows Restricted Breweries to brew up to **300,000 gallons** (31 fluid gallons per barrel) a year, up from 10,000 barrels. In addition, Restricted Breweries now have a self-distribution wholesale privilege—they may sell their products to licensed retailers in New Jersey, sell and distribute their products out of state in accordance with out-of-state laws, and maintain an in-state warehouse. Products sold and delivered to licensed retailers must be from inventory stored in the Restricted Brewery’s warehouse. Restricted Breweries cannot sell and distribute more than 50 percent of its annual production to retailers.

Farm Brewery License

14. **New License.** The new law establishes a **Farm Brewery License**, authorizing the licensee to brew malt alcoholic beverages not in excess of 2,500 barrels (31 fluid gallons per barrel), to sell beverages for consumption off the licensed premises, and to offer samples. The license requires the brewery to be located and constructed on a tract of land exclusively under the control of the licensee. In addition, the licensee must be actively engaged in farming on or adjacent to the brewery premises, and the malt alcoholic beverages must be substantially produced from hops or other ingredients that are grown or cultivated on the tract of land.
15. **Samples.** A Farm Brewery licensee may offer **samples** (gratuitously or for a nominal charge) not exceeding one and one-half ounces. Notably, this sample-size restriction on

farm breweries differs from the sample-size restrictions of Limited Breweries and Restricted Breweries (i.e., four ounces of malt alcoholic beverage).

16. **Annual Fee.** The annual fee for the new license is graduated: \$100 to manufacture fewer than 100 barrels a year; \$200 to manufacture between 100 and 1,199 barrels per year; and \$300 to manufacture between 1,200 and 2,500 barrels per year.
17. **Other Restrictions.** The new law does not expressly authorize a Farm Brewery to sell to wholesalers or retailers or maintain a warehouse, nor does it expressly authorize on-premises consumption.
18. **Regulations.** The Division intends to promulgate regulations implementing the Farm Brewery license.

On a related note, the Director has issued an [Administrative Order \(AO-2024-01\)](#) vacating the [May 28, 2019 Special Ruling](#) Authorizing Certain Activities by Holders of Limited Brewery Licenses in its entirety and [rescinding the corresponding Special Conditions on Limited Brewery Licensees](#).

The Division intends to promulgate regulations in accordance with P.L. 2023, c.290 ([S4265/A5912](#)).

As stated above, the Division expects to issue guidance soon regarding the changes to the retail laws (i.e., expired licenses (N.J.S.A. 33:1-12.18), inactive licenses (N.J.S.A. 33:1-12.39), intermunicipal license transfers, Shopping Mall Licenses), which take effect on **August 1, 2024**.

This Advisory Notice does not impose any new or additional requirements that are not already required by existing statute or regulation, nor does it establish any rights or obligations on any person or party. N.J.S.A. 52:14B-3a(d). This is a regulatory guidance document and does not provide legal advice, nor should it be treated as providing legal advice. Licensees should speak to a qualified attorney for legal advice or contact the Division with specific questions regarding this Advisory Notice.

Any questions concerning this Advisory Notice should be directed to DAG Ray Lamboy (ray.lamboy@njoag.gov, 609-376-2774), DAG Gregory Sullivan (gregory.sullivan@njoag.gov, 609-376-2677), or DAG Nicolas Seminoff (nicolas.seminoff@njoag.gov, 609-376-2820).



KIRSTIN L. KRUEGER
INTERIM DIRECTOR

Dated: April 10, 2024