



STATE OF NEW JERSEY

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DIVISION OF ALCOHOLIC BEVERAGE CONTROL

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EXECUTIVE SUMMARY ¹

Special Ruling Authorizing Certain Activities by Holders of Limited Brewery Licenses

By: James B. Graziano, Acting Director

May 28, 2019

The growth of the craft brewing industry in New Jersey has become increasingly important to the economy of the State of New Jersey and, even more importantly, the local communities where craft breweries are operated. While the Division of Alcoholic Beverage Control (the "Division") supports the growth and success of our limited breweries, regulatory issues in this portion of the larger alcoholic beverage industry must be addressed. The Division is entrusted with overseeing the manufacture, sale and distribution of alcoholic beverages and providing a framework in the industry that recognizes and encourages the beneficial aspects of competition. In consideration of that responsibility, the Division has vacated the prior Special Ruling of September 21, 2018, which was suspended on October 2, 2018, and issued this new Special Ruling establishing standards for the operation of limited breweries in the State of New Jersey and defining the permissions of the same.

The new Special Ruling was crafted to address the concerns of various stakeholders, including associations representing brewers both large and small, representatives of the restaurants, bars and liquor stores, and various members of the New Jersey legislature. The Special Ruling represents the Division's view of the appropriate balance among the competing sectors of the industry, given the statutory constraints set forth at N.J.S.A. 33:1-10(1)(b). The Division is mindful of the legislative distinction between the Class A Limited Brewery License and the Class C Consumption Licenses, and its obligation to interpret the statute accordingly.

¹ This summary is not part of the text of the official ruling.



This summary highlights certain changes which the Division believes will be of utmost interest to the alcoholic beverage industry. The full Special Ruling is accessible on the ABC Website at <https://www.nj.gov/oag/abc/index.html>.

- The Division has revised the definition of “tour” to make interaction between a Limited Brewery licensee and their patrons and consumers more substantive and meaningful. For repeat consumers, a tour will be required only once per year, unless requested by a consumer or unless the Limited Brewery fails to create and maintain a record of a customer’s previous participation in a tour.
- The Division has defined “on-premises special events”, of which limited breweries are permitted to host 25 per year, as one-day events that are advertised or promoted by a Limited Brewery licensee or vendor on its behalf through any media, or those events in which the Limited Brewery provides entertainment in the form of broadcasting live championship sporting events and providing live amplified music or DJ performances, whether or not those events are advertised or promoted.
- The Division is codifying an existing requirement that allows limited breweries to host 25 social affair events each calendar year on the licensed premises of a Limited Brewery. These are events to be held by an organization operating solely for civic, religious, educational, charitable, fraternal, social or recreational purposes, and holding a Social Affair Permit. A Social Affair Permittee may sell and serve wine and beer (but not distilled spirits) purchased in accordance with the regulation, but must remove all alcohol at the end of the event.
- The Division has authorized limited breweries to host 52 private parties each year on the licensed premises, such as birthdays, weddings, anniversaries, civic/political functions, professional/trade association events, or class reunion/alumni events. The host of such events will be permitted to provide his/her own wine and malt alcoholic beverages (but not distilled spirits) subject to approval of the Limited Brewery, in addition to the offerings of the Limited Brewery. The host must remove all food and alcoholic beverages brought to the Limited Brewery at the end of the party.
- The Division has established that patrons of a Limited Brewery may have food delivered to the premises of the Limited Brewery and may bring in their own food to the Limited Brewery, provided the Limited Brewery allows the same. Limited breweries will be permitted to offer menus from local restaurants, provided the Limited Brewery and the restaurant have no exclusive relationship and the Limited Brewery licensee does not coordinate with the food vendor or food trucks. Food vendors and food trucks are not permitted to be located on the licensed premises.
- The Division has created a “Limited Brewery Off-Premises Event Permit” which will allow Limited Brewery licensees to participate in 12 off-premises events each year, such as civic or community events. At these events, limited breweries will be permitted to sell their products by the glass or open container, to pour a 4 oz. sample of their products for consumption on the permitted premises, and to offer and sell their unchilled, prepackaged products in the form of either four- or six-packs of bottles or cans, not to exceed 72 oz. per customer, for consumption only off the premises where the event is held.

- The ABC Online Licensing System (“POSSE”) will begin accepting notifications for On-Premise Events on June 3, 2019, for events taking place 10 days after June 3, 2019. The POSSE system will begin accepting applications for Off-Premise Event Permits on June 3, 2019, for events taking place 21 days after July 1, 2019, and a paper application will be available from the Division on June 3, 2019, for events taking place 14 days thereafter. The first Off-Premise event held by a Limited Brewery which has been submitted through POSSE can occur no sooner than July 22, 2019, and the first Off-Premise Event held by a Limited Brewery which has been applied for by paper application submitted to the Division can occur no sooner than June 17, 2019.²
- The statutory requirements of N.J.S.A. 33:1-10(1)(b) limiting sales of any product for on-premises consumption only to those who have toured the brewery and prohibiting the Limited Brewery from operating a restaurant and selling food (other than *de minimis* types of food) remain enforceable and will be enforced immediately by the Division. However, the remaining provisions set out in Schedule A of the Special Ruling should be considered guidelines and will not be strictly enforced by the Division at this time, barring flagrant or repeated violations.
- In the near future, the Division intends to engage in a formal notice and comment period rulemaking process pursuant to the Administrative Procedure Act, and will propose these guidelines as regulations. Upon adoption, the guidelines will be fully enforceable against all Limited Brewery licensees. Until such time as the regulatory process is completed and regulations are adopted, the Division intends to impose the guidelines contained in “Schedule A” of the Special Ruling as special conditions on each Limited Brewery licensee, beginning with the 2020-2021 license term.

² All event applications are intended to be submitted to the Division through POSSE. Paper applications are available as an accommodation of the Division’s Licensing Bureau in instances where technical issues prevent timely online submission.