

annual accounting period. The additional documentation provided must conform to the following procedures:

1. The winery will be required to submit accounting records and related documentation/schedules to allow the Committee to verify compliance with this section. These accounting records include the following:

- i. All calendar year New Jersey Alcoholic Beverage Tax forms as filed (with supporting schedules), including, but not limited to, Winery Manufacturer's Tax Sales Report (Form R-1-W) and Inventory Control of Wineries (Form R-41);
- ii. All calendar year New Jersey Sales and Use Tax forms as filed;
- iii. Detailed schedules of annual gross income and annual gross income from special occasion events from the following:

- (1) On-premises tasting room sales—wine only;
- (2) On-premises tasting room sales—non-wines, and by type;
- (3) Off-premises tasting—wine sales;
- (4) Off-premises non-wine sales;
- (5) Wine sales at special occasion events;
- (6) Non-wine sales at special occasion events; ***and/or***
- (7) Admission fees, rental fees, setup, breakdown, cleaning fees, catering fees, food sales, and all other revenue that is not directly a result of the sale of the agricultural output of the winery, but is generated by the winery in conjunction with conducting special occasion events.

[(8)] ***iv.*** Names and addresses of any controlled group of entities connected to the winery that are involved in special occasion events, and annual gross income associated with each entity.

[iv.] ***v.*** Winery accounting records for the annual accounting period to support wine/non-wine sales including:

- (1) Internal point-of-sale (POS) sales reports;
- (2) Accounting books and records (that is, QuickBooks, Excel, or similar accounting software).

2. The winery shall supply copies of its most recent Federal income tax return to the Board or Committee and shall include copies of its accounting records and financial statements as may be necessary to support the entries on its Federal income tax return, as for example, a reconciliation of any difference between accounting records, financial statements, and the Federal income tax return. The winery's annual accounting period, for purposes of compliance with this subchapter, shall be the calendar year even if a fiscal year is utilized for preparation of Federal income tax returns.

2:76-27.8 Financial audit procedures for winery special occasion events

Where the additional documentation requested in N.J.A.C. 2:76-27.7 does not verify compliance with the provisions of N.J.S.A. 4:1C-32.7 et seq., a comprehensive compliance audit of the winery's financial statements, accounting records, and Federal income tax returns may be required. The audit will be conducted by an independent certified public accountant approved by the Board or Committee, with the cost thereof being paid by the winery. An owner or operator of the winery shall not be subject to an audit authorized pursuant to this section more than once per calendar year without good cause demonstrated by the Board or the Committee. Copies of the audit shall be submitted to the Board and shared with the Committee if an audit is determined necessary by the Board or submitted to the Committee and shared with the Board if an audit is determined necessary by the Committee.

2:76-27.9 Confidentiality of financial information

Financial information provided by wineries in compliance with this subchapter shall be considered proprietary and, as such, not subject to disclosure under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., except if such disclosure is otherwise required pursuant to law.

2:76-27.10 Violations and penalties

(a) An owner or operator of the winery who violates N.J.S.A. 4:1C-32.7 et seq., or these regulations shall be liable to a civil penalty of up to \$1,000 for the first offense, up to \$2,000 for the second offense, or up to \$3,000 for a subsequent offense, to be collected in a civil action commenced by the Committee.

(b) In addition to the penalties established pursuant to (a) above:

1. For a second offense, the Committee shall, after a hearing, suspend the owner or operator of the winery from conducting special occasion events for a period of up to six months;

2. For a third offense, the Committee shall, after a hearing, suspend the owner or operator of a winery from conducting special occasion events for a period of at least six months, but not more than one year; and

3. For a fourth or subsequent offense, the Committee shall, after a hearing, suspend the owner or operator of the winery from conducting special occasion events for a period of at least one year, but not more than two years.

(c) Any penalty imposed pursuant to this section may be collected, with costs, in a summary proceeding pursuant to the Penalty Enforcement Law of 1999, N.J.S.A. 2A:58-10 et seq. The Superior Court and the municipal court shall have jurisdiction to enforce the provisions of the Penalty Enforcement Law of 1999 in connection with N.J.S.A. 4:1C-32.7 et seq.

(a)

DIVISION OF ANIMAL HEALTH

Notice of Readoption

Biological Products for Diagnostic and Therapeutic Purposes

Readoption: N.J.A.C. 2:6

Authority: N.J.S.A. 4:1-11, 4:5-104, and 4:5-108.

Authorized By: The State Board of Agriculture and Douglas H. Fisher, Secretary, Department of Agriculture.

Effective Date: October 26, 2017.

New Expiration Date: October 26, 2024.

Take notice that pursuant to N.J.S.A. 52:14B-5.1, the rules at N.J.A.C. 2:6 were scheduled to expire on January 28, 2018. The rules regulate the sale and use of biologics in New Jersey. Biologics are complex products with variable applications and effects that have the potential for misuse. The probable results of their misuse can maintain or spread disease, complicate the diagnostic process, and fail to provide effective disease protection.

The rules do not apply to drugs or chemicals, including antibiotic preparations.

These rules exempt individual registration of most Federally licensed manufacturers or products, and limit the use and distribution of unlicensed or conditionally licensed products. The rules will help ensure that only those biologics that have been licensed by the U.S. Department of Agriculture (USDA) or by the Director of the Division of Animal Health in the New Jersey Department of Agriculture will be used or sold. The rules contain the definitions used (N.J.A.C. 2:6-1.1), distribution restrictions (N.J.A.C. 2:6-1.2), procedures for State license or permit (N.J.A.C. 2:6-1.3), restrictions on the use of biologics (N.J.A.C. 2:6-1.4), and revocation of State license or permit (N.J.A.C. 2:6-1.5).

The Department of Agriculture has reviewed the rules and has determined that the rules should be readopted without amendment. The rules are necessary, reasonable, and proper for the purpose for which they were originally promulgated. Therefore, pursuant to N.J.S.A. 52:14B-5.1.c(1), these rules are readopted and shall continue in effect for a seven-year period.