

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 4339

STATE OF NEW JERSEY 220th LEGISLATURE

DATED: DECEMBER 2, 2022

SUMMARY

- Synopsis:** Regulates food and beverage delivery vehicle network companies.
- Type of Impact:** Annual State cost and revenue increases; annual fiscal impacts on local government revenue and costs.
- Agencies Affected:** Department of Health; local governments.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
State Cost Increase	Indeterminate
State Revenue Increase	Indeterminate
Local Cost Impact	Indeterminate
Local Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) concludes that this bill will result in an indeterminate increase in annual State expenditures and revenues to the Department of Health due to activities associated with the regulation of food and beverage delivery vehicle network companies by the State. The department is authorized to charge a fee to applicants and license holders to cover the administrative and enforcement costs it incurs under the bill.
- The net fiscal impact of the bill on the annual costs and revenues of local government units is indeterminate. Certain municipal and county health departments may experience revenue and cost increases under the bill, to the extent the Department of Health collaborates with these entities to perform inspections of potentially non-compliant company properties, as permitted by the bill. Alternatively, the bill's exemption of food and beverage delivery vehicle network companies from any municipal, regional, or county licensing requirement may reduce the annual revenues and costs of local government entities currently engaged in licensing and oversight of these companies.

BILL DESCRIPTION

This bill requires the Department of Health to establish a food and beverage delivery vehicle network company license program and application process, which is to entitle the license holder to engage in digital sales in the State.

An applicant seeking to obtain the license is to apply to the department in a form and manner determined by the department. The department may charge an applicant a reasonable fee to cover the department's costs for administering and enforcing the provisions of the bill.

The department may inspect any of the food and beverage delivery vehicles, food commissaries, and storage and supply centers operated by a license holder, if the department reasonably believes that the licensee is violating any provision of this bill. If, upon inspection, a violation is evident, the department is to take appropriate corrective measures. The department may partner with a municipal or county health department to conduct inspections and may charge a license holder a reasonable fee to cover all costs associated with conducting an inspection. The bill also exempts a food and beverage delivery vehicle network company licensed under the bill from the food delivery licensing requirements of any municipal, regional, or county governmental agency.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS concludes that this bill will result in an indeterminate increase in annual State expenditures and revenues to the Department of Health due to activities associated with the regulation of food and beverage delivery vehicle network companies by the State. State expenses will be due to the administrative costs of managing the application and licensing process and the oversight of food and beverage delivery vehicle network companies regarding compliance with the bill. State revenues will be generated from application fees, renewal licenses fees, and inspection fees imposed upon food and beverage delivery vehicle network companies.

The net fiscal impact of the bill on the annual costs and revenues of local government units is indeterminate. Certain municipal and county health departments may experience revenue and cost increases under the bill, to the extent the department collaborates with these entities to perform inspections of potentially non-compliant company properties, as permitted by the bill. Alternatively, the bill's exemption of food and beverage delivery vehicle network companies from any municipal, regional, or county licensing requirement may reduce the annual revenues and costs of local government entities currently engaged in licensing and oversight of these companies.

The OLS cannot quantify the fiscal impacts of the bill because certain variables are unpredictable; for example, the number of food and beverage delivery vehicle network companies that will apply for licensure; the amount of the fee charged for licensure, which will be set by the department following enactment; the number of companies who will require inspections due to possible non-compliance; the cost of such inspections imposed upon the companies; and the number of municipal, regional, or county governmental agencies that currently regulate food and beverage delivery vehicle network companies.

Section: Human Services

*Analyst: Sarah Schmidt
Lead Research Analyst*

*Approved: Thomas Koenig
Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).