

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3259

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 15, 2026

SUMMARY

- Synopsis:**
- Requires retail food establishments to provide disclosures for certain caffeinated beverages.
- Type of Impact:**
- Annual State and local expenditure and revenue increases.
- Agencies Affected:**
- Department of Health, local governments.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate
Local Expenditure Increase	Indeterminate
Local Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that this bill would increase enforcement costs for the Department of Health and local boards of health by an indeterminate amount annually. Annual costs for municipal courts will also increase annually by an indeterminate amount since they will have jurisdiction over proceedings to enforce and collect any penalty imposed. The OLS cannot estimate the number of violations that may occur in a given year to quantify the magnitude of these annual cost increases.
- Annual State and local revenues will also increase by an indeterminate amount to the extent that retail food establishments violate the high caffeine disclosure requirement and are assessed penalties.
- Local health departments are responsible for the oversight of nearly all retail food establishments located in the State. As such, the OLS finds that local governments would experience a significant portion of any expenditure or revenue increases associated with oversight and penalty collection.

BILL DESCRIPTION

This bill requires retail food establishments to clearly and conspicuously display a disclosure for a beverage offered for sale that contains at least 200 milligrams or more of total caffeine per serving. A retail food establishment means a fixed restaurant that is part of a chain with 20 or more locations nationally that operate under the same trade name or under common ownership or as franchises of a parent business. The required disclosure specifically applies to beverages where caffeine has been intentionally added or chemically synthesized to increase the total caffeine content beyond the beverage's naturally occurring caffeine levels and does not apply to beverages containing naturally occurring caffeine.

If a person files a complaint or there is reason to believe a violation has occurred, the Department of Health or local board of health is required to notify the proprietor of the establishment in writing that appropriate action must be taken. A proprietor who violates the provisions of this bill is subject to a penalty of not less than \$200 or more than \$500 for a first offense and not less than \$500 or more than \$1,000 for a second or subsequent offense.

The municipal court has jurisdiction over proceedings to enforce and collect any penalty imposed due to a violation of the high caffeine disclosure requirement. The process is to be initiated by the Department of Health or local board of health as the plaintiff. When the department is the plaintiff, any recovered penalties will be paid into the Department of the Treasury. If the local board of health is the plaintiff, then the recovered penalty will be retained by the municipality where the violation occurred.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that this bill would increase the enforcement costs for the Department of Health and local boards of health by an indeterminate amount annually to: 1) respond to complaints regarding the caffeine disclosure requirement and 2) initiate court proceedings to collect penalties from non-compliant establishments. Annual costs for municipal courts will also increase by an indeterminate amount since they will have jurisdiction over proceedings to enforce the provisions of the bill and collect any penalties imposed. The OLS cannot estimate the number of violations that may occur in a given year to estimate the magnitude of these annual cost increases.

Annual State and local revenues will also increase by an indeterminate amount to the extent that retail food establishments violate the high caffeine disclosure requirement and are assessed penalties.

The OLS estimates that approximately 4,000 New Jersey retail food establishments could fall under the scope of the bill's requirement, although the number of these that would serve high caffeine beverages and be affected by this bill is not known. Local health departments are responsible for the oversight of nearly all retail food establishments in the State. As such, the OLS concludes that local entities would experience a significant portion of the expenditure and revenue increases.

Section: Human Services

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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.).