

LEGISLATIVE FISCAL ESTIMATE

[Second Reprint]

ASSEMBLY, No. 4666

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: JUNE 23, 2026

SUMMARY

- Synopsis:** Permits for-profit movie theater to acquire plenary retail consumption license.
- Type of Impact:** Annual State and municipal revenue and expenditure increases.
- Agencies Affected:** Department of Law and Public Safety; Department of the Treasury; and municipalities.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State and Local Expenditure Increases	Indeterminate
State and Local Revenue Increases	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill’s provisions of establishing a new commercial movie theater category of the plenary retail consumption license will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on workload increases for the Division of Alcoholic Beverage Control and municipalities as well as the potential revenue collected from the total number of licenses, application fees, sales tax on alcoholic beverages sold, and any penalty collections.
- Under the bill, the fee for the initial issuance of the new commercial movie theater category of the plenary retail consumption license is set not to exceed \$210,000 and is to be made to the governing board or body of a municipality.
- A license issued under this new law would not count toward the number of licenses a municipality may have under the population formula.

BILL DESCRIPTION

This bill permits for-profit movie theaters to acquire a plenary retail consumption license under certain conditions.

Under current state law, nonprofit movie theaters, such as community theaters and art house cinemas, can obtain a theater (type 37) plenary retail consumption license.

Under the bill, the governing board or body of any municipality, upon the approval of the Director of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety, may issue a plenary retail consumption license to a for-profit entity that operates a motion picture exhibition facility, commonly known as a movie theater, to sell alcoholic beverages.

The bill requires the application for the initial issuance and renewal of each license be made to the municipal governing body on an annual basis. Under the bill, the fee for the initial issuance of the license is \$210,000. However, if 10 percent of the alcoholic beverages sold by a motion picture exhibition facility are produced by the holders of a limited brewery license, restricted brewery license, farm brewery license, plenary winery license, farm winery license, cidery and meadery license, craft distillery license, or historic distillery license, a governing board or body of a municipality and a motion picture exhibition facility may negotiate the fee for the initial issuance of a license provided that the fee does not exceed \$210,000. One-third of the initial issuance fee for the license is to be paid when the license is issued, one-third of the fee is to be paid nine months after the license is issued, and one-third of the fee is to be paid 18 months after the license is issued.

Under current law, a municipality may issue one plenary retail consumption license for each 3,000 of its population. In accordance with the bill's provisions, a license issued under the bill would not count toward the number of licenses a municipality may have under the population formula.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill's provisions of establishing a new commercial movie theater category of the plenary retail consumption license will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on workload increases for the Division of Alcoholic Beverage Control and municipalities as well as the potential revenue collected from the total number of licenses, application fees, sales tax on alcoholic beverages sold, and any penalty collections.

State Revenue Impacts: The OLS anticipates that annual State revenue collections would increase from licensing fees and from the sale of alcoholic beverages by commercial movie theaters that obtain the license. Additionally, the OLS anticipates that this would increase the number of patrons, thereby increasing the overall sale of alcohol beverage products and increasing the amount of State sales tax collected by the Division of Taxation in the Department of the Treasury.

State Expenditure Impacts: The bill would indeterminately impact the Division of Alcoholic Beverage Control's workload depending on the number of licenses issued. The OLS notes that any increased sales of alcoholic beverages may affect the workload of the Division of Taxation in the Department of the Treasury.

Municipal Revenue Impacts: The OLS anticipates the bill would increase municipal revenues from the sale of plenary retail consumption licenses. Under the bill, the fee for the initial issuance of the license is \$210,000. However, if 10 percent of the alcoholic beverages sold by the respective facility are produced by certain license holders, a governing board or body of a municipality and a motion picture exhibition facility may negotiate the fee for the initial issuance of a license provided that the fee does not exceed \$210,000.

Municipal Expenditure Impacts: The bill may increase municipal expenditures associated with the annual regulation and enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

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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.).