

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 5225

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JUNE 25, 2026

SUMMARY

- Synopsis:**

Makes permanent temporary enactment allowing certain sale and delivery of alcoholic beverages and clarifies privileges; clarifies that certain inactive licenses may not expire.
- Type of Impact:**

Annual State and Local Expenditure and Revenue Increases.
- Agencies Affected:**

Department of Law and Public Safety; Department of the Treasury; Municipal Governments.

Office of Legislative Services Estimate

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

- The Office of Legislative Services (OLS) finds that: 1) the bill codifies the temporary COVID-19 pandemic “cocktails-to-go” program for certain licensees of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety; and 2) certain municipalities maintain inactive plenary retail consumption licenses, which may result in increased local revenues, once re-issued. Further, the OLS estimates potential increased expenditures from the implementation of the bill’s provisions and potential penalties. It is unknown if there will be additional revenues from penalty collections that would be offset by expenditures for increased regulation and enforcement and additional costs for the division and municipalities’ increased workload.

BILL DESCRIPTION

This bill makes permanent provisions of P.L.2020, c.33, which temporarily granted retail licensees and craft distillery licensees certain privileges in response to the COVID-19 pandemic.

Specifically, the bill allows the holders of plenary retail consumption licenses, hotel or motel licenses, seasonal retail consumption licenses, or concessionaire permits, generally issued to bars and restaurants, to sell and deliver alcoholic beverages in original containers or in closed and sealed

containers, and mixed cocktails in closed and sealed containers for consumption off the licensed premises.

In addition, the bill allows craft distillery licensees to sell for consumption, on or off the licensed premises, distilled alcoholic beverages manufactured on the licensed premises and mixed or blended with other alcoholic or nonalcoholic beverages and sold in closed and sealed containers.

The bill also allows craft distilleries to sell distilled alcoholic beverages in original containers accompanied by one or more nonalcoholic beverages or foodstuffs that the consumer may combine to prepare a mixed drink.

Under the bill, mixed drinks are to be sold in closed and sealed containers that are affixed with a tamper-evident seal and hold not more than 16 fluid ounces. Any other alcoholic beverages may be sold and delivered in original containers of any size.

In addition, the bill allows certain craft alcoholic beverage manufacturers to deliver their products in original containers directly to the residence of a consumer within this State who is 21 years of age or older. The bill extends this home delivery privilege to the holder of a limited brewery license, plenary winery license that annually produces 250,000 gallons of wine or less, farm winery license, craft distillery license, and cidery and meadery license. The bill requires these licensees to transport alcoholic beverages in a vehicle that displays a transit insignia issued by the Division of Alcoholic Beverage Control in the Department of Law and Public Safety and is owned, operated, or otherwise used in connection with the licensed premises.

Finally, the bill clarifies that under certain circumstances a governing body of a municipality may hold an inactive plenary retail consumption license without the license expiring in accordance with current law. Under current law, any inactive plenary retail consumption license that is not actively used in connection with a premises or transferred to another licensee for use within five years is set to expire.

The bill clarifies that a governing body of a municipality may hold an inactive plenary retail consumption license without the license expiring if the license is held for the purpose of issuing it to a premises located within a redevelopment, improvement, or revitalization area.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that: 1) the bill codifies the temporary COVID-19 pandemic “cocktails-to-go” program for certain licensees of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety; and 2) certain municipalities maintain inactive plenary retail consumption licenses, which may result in increased local revenues, once re-issued. Further, the OLS estimates potential increased expenditures from the implementation of the bill’s provisions and potential penalties. It is unknown if there will be additional revenues from penalty collections that would be offset by expenditures for increased regulation and enforcement and additional costs for the division and municipalities’ increased workload.

State Expenditure Impacts: The bill may increase the division’s workload depending on whether increased oversight is required for this continuation of the expanded privilege. Depending on the division’s resource allocation policies, the added workload may or may not augment State

administrative expenditures. The OLS anticipates that any increased sales of alcoholic beverages may affect the workload of the Division of Taxation in the Department of the Treasury.

Municipal Expenditure Impacts: The bill may increase costs to municipalities associated with the administration, regulation, and enforcement of the expanded licenses. The OLS notes that these municipalities may employ additional law enforcement due to an increased need for enforcement of alcoholic beverage statutes and ordinances.

State and Municipal Revenue Impacts: This bill codifies the 2020 temporary “cocktails-to-go” program in the Division of Alcoholic Beverage Control in the Department of Law and Public Safety. This program has been in effect for the past six years and is set to conclude in September 2026. The OLS anticipates that alcoholic beverage sales may increase by codifying the temporary expanded licenses as licensees may sell more alcoholic beverages, thus increasing the amount of State taxes collected.

The bill permits a municipality to hold on to an inactive license indefinitely if planned for use in connection with premises located within a redevelopment, improvement, or revitalization area. The OLS finds that this provision may eventually increase revenues from the sale of alcoholic products once the inactive license is in use, thus increasing the amount of State taxes collected.

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.).