LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 5604
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 26, 2026

SUMMARY

Synopsis: Aligns State restrictions on sale of hemp products and intoxicating hemp beverages with federal law.

Type of Impact: Annual State revenue impact.

Agencies Affected: Cannabis Regulatory Commission; Department of Law and Public Safety; Department of the Treasury.

Fiscal Impact	Annual
State Revenue Impact	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will have an indeterminate fiscal impact on annual State revenues. Some provisions of the bill would increase access to and sales of certain hemp and cannabis products, which would increase State revenue collections, while other provisions would negatively impact access, sales, and State revenues.

- The OLS lacks the informational basis necessary to quantify the magnitude or direction of these revenue impacts because the bill's net impact on consumer demand and business activity cannot be ascertained.

BILL DESCRIPTION

This bill aligns State restrictions on the sale of hemp products and intoxicating hemp beverages with federal law.

Under current State law, certain licensees of the Division of Alcoholic Beverage Control or the Cannabis Regulatory Commission may sell intoxicating hemp beverages.

In November 2025, the federal government amended the federal definition of marijuana to include hemp, its derivatives, and the production of certain hemp products. When these changes become effective, the production of certain hemp products, including intoxicating hemp beverages, will generally be prohibited.

This federal change was initially scheduled to take effect on November 13, 2026. In September 2026, Congress partially delayed the effective date for the relevant federal changes to December 11, 2026. On November 13, 2026, certain hemp products that contain cannabinoids that are not

capable of being naturally produced by a Cannabis sativa L. plant will be classified as marijuana and thus illegal under federal law, but other hemp products that contain cannabinoids that are capable of being naturally produced by a Cannabis sativa L. plant will be permitted until at least December 11, 2026.

To align with the continuing resolution, State law on hemp products and intoxicating hemp beverages must be amended. However, to accommodate potential further federal delays to the effective date of the federal definition of hemp, this bill provides that State law will be modified to comport with the changes in federal law, whenever they become effective.

The sale of hemp products by the Division of Alcoholic Beverage Control and the Cannabis Regulatory Commission licensees will remain legal until the federal compliance date – the date the federal definitional changes become effective.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will have an indeterminate fiscal impact on annual State revenues. Some provisions of the bill would increase access to and sales of certain hemp and cannabis products, which would increase State revenue collections, while other provisions would negatively impact access, sales, and State revenues.

Notably, the effective dates of the bill's provisions are variable based upon the effective date of corresponding federal law. The amount of State revenue collection derived from the sale of these certain hemp and cannabis products thus depends on when, or if, they become prohibited under federal law.

As such, the OLS lacks the informational basis necessary to quantify the magnitude or direction of any potential revenue impact because future consumer demand, business activity, regulatory deadlines, and market responses to the revised regulatory structure are currently unknown.

Section:	*Judiciary*
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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.).