LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

SENATE, No. 4384

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: JULY 6, 2026

SUMMARY

Synopsis: Makes permanent temporary enactment allowing certain sale and delivery of alcoholic beverages and clarifies privileges.

Type of Impact: Annual State and local expenditure and revenue increases.

Agencies Affected: Department of Law and Public Safety; Department of the Treasury; municipalities.

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 the bill codifies the COVID-19 pandemic "cocktails-to-go" temporary enactment for certain licensees of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety, which may result in increased State revenues from taxes on additional alcoholic products sold. Penalty revenues for violations of the bill's provisions may also accrue to the State and local governments.

- Further, the OLS estimates potential increased expenditures for the State and local governments from the implementation of the bill's provisions and from enforcement efforts. It is unknown if there will be additional revenues from penalty collections which 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, or seasonal retail consumption licenses, generally issued to bars and restaurants, to sell

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. These licensees also would be entitled to deliver, by the licensee or a licensed third party delivery service, directly to the residence of a consumer within this State who is 21 years of age or older for consumption off the licensed or permitted premises any distilled alcoholic beverages mixed or blended with other alcoholic or nonalcoholic beverages in closed and sealed containers or malted beverages. However, the bill specifies that no alcoholic beverages are to be delivered in original containers except for malt alcoholic beverages.

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 or malted beverages. 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.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill codifies the COVID-19 pandemic "cocktails-to-go" temporary enactment for certain licensees of the Division of Alcoholic Beverage Control in the Department of Law and Public Safety, which may result in increased State revenues from the taxes on alcoholic products sold. Further, the OLS estimates potential increased expenditures from the implementation of the bill's provisions and from State and local enforcement. It is unknown if there will be additional revenues from penalty collections which 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 board'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 also 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 temporary enactment. The OLS notes that these municipalities may employ additional law enforcement due to the increased cost of public safety, as there may be an increased need for enforcement of alcoholic beverage statutes and ordinances.

State and Municipal Revenue Impacts: This bill codifies the 2020 "cocktails-to-go" temporary enactment for certain licenses regulated by the Division of Alcoholic Beverage Control in the Department of Law and Public Safety. The OLS anticipates that alcoholic beverage sales may increase by codifying the temporary enactment as additional licensees may sell alcohol related

products, thus increasing the amount of State taxes collected on the sale of alcoholic beverages. Penalty revenues for violations of the bill's provisions may also accrue to the State and local governments.

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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.).