

LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 4424
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 5, 2020

SUMMARY

Synopsis: Establishes wine consultant permit.

Type of Impact: Annual State Expenditure and Revenue Increases.

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

Office of Legislative Services Estimate

Fiscal Impact	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
State Expenditure Increase		Indeterminate	
State Revenue Increase		Indeterminate	

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on the potential revenue collected from the sale of the total number of wine consultant permits annually and sales tax on products sold. The extent of any additional revenues from penalty collections is not known, nor is the potential expenditure increase for any additional administrative tasks, regulation, and enforcement that may be necessary.

BILL DESCRIPTION

This bill creates a wine consultant permit for the purposes of: (1) education of and sampling of wine directly by consumers at least 21 years of age; and (2) soliciting orders for the sale of wines tasted during a private educational tasting event at a private residence or a virtual educational tasting held online.

The bill establishes an application process and registration and recordkeeping requirements for wine consultants. Under the provisions of the bill, the application fee for a permit or a permit renewal would be \$25. A person with a permit would be required to apply for a renewal annually. The bill requires a copy of the wine consultant permit to be kept in any vehicle transporting alcoholic beverages to or from an educational event. Additionally, wine consultants or wineries employing or contracting with wine consultants would be required to electronically register each educational event with the Director of the Division of Alcoholic Beverage Control at least three days prior to the event.

The bill also sets forth requirements for delivery, sale, and removal of wine by wine consultants. A wine consultant would not be permitted to offer a sample at a tasting event to any person under the legal age for consuming alcoholic beverages or to an intoxicated person. The permit of a wine consultant who serves or allows to be served alcoholic beverages to a person under 21 years of age would be permanently revoked.

Finally, the bill provides that a solicitor permit valid on the date of enactment, or which expired after September 1, 2018, could be converted to a wine consultant permit at the discretion of the director.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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It appears this legislation would ensure wine consultants can provide samples and describe wine to consumers throughout the State, whereas in prior years they may have been operating temporarily under a solicitor permit. The OLS does not have an estimate of the number of wine permits expected to be sold annually.

State Revenue Impacts: The OLS anticipates there will be an increase in annual State revenue collections from annual wine consultant permits and sales by wine consultants, thus increasing the amount of State sales tax collected.

State Expenditure Impacts: The bill may increase the workload of the Division of Alcoholic Beverage Control, in the Department of Law and Public Safety, depending on the oversight and regulation required by the division.

Section: Law and Public Safety
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This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).