

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 3977

STATE OF NEW JERSEY

DATED: DECEMBER 16, 2021

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 3977.

This bill establishes the “New Jersey Brewery, Cidery, Meadery, and Distillery Industry Advisory Council” (advisory council), and provides for funding through certain alcoholic beverage tax receipts.

The advisory council is to comprise seven members, including the Executive Director of the Division of Travel and Tourism (executive director) in the Department of State and Chief Executive Officer of the New Jersey Economic Development Authority, or their designees, and five public members to be appointed by the Secretary of State for terms of three years, following consultation with the executive director and chief executive officer, two of whom shall be representatives of the limited brewery or restricted brewery industry, one of whom shall be a representative of the cidery industry, one of whom shall be a representative of the meadery industry, and one of whom shall be a representative of the craft distillery industry. The members of the advisory council are to serve without compensation, but may be reimbursed for certain expenses. The advisory council is to meet twice annually and at other times as determined by the advisory council. The advisory council is to assess the condition of the limited brewery, restricted brewery, cidery, meadery, and craft distillery industries of the State.

The bill also establishes a "New Jersey Brewery, Cidery, Meadery, and Distillery Industry Promotion Account" (account). All monies received in this account are to be expended by the executive director for research and development concerning the limited brewery, restricted brewery, cidery, meadery, and craft distillery industries in the State and for the promotion of New Jersey's limited brewery, restricted brewery, cidery, meadery, and craft distillery industries, consistent with the recommendations of the advisory council. The bill provides that the account is to be credited annually, in an appropriation by law, with an amount equal to 50 percent of the receipts from the per gallon tax imposed on all sales of beer, cider, mead, and liquors sold by breweries, cideries, meaderies, and distilleries in this State, and any other monies made available to it. The bill also requires the Secretary of State to include with the annual budget request for the Department of State a request for funds sufficient to carry out the purposes and intent of the bill. The advisory council is to advise the executive

director on expenditures from the account for research, development, and promotion of the New Jersey limited brewery, restricted brewery, cidery, meadery, and craft distillery industries.

The bill further requires the Director of the Division of Taxation to certify by March 1 annually to the advisory council the taxable volume of beer, cider, mead, and liquors sold by qualifying licensees during the preceding taxable year.

As reported by the committee, Senate Bill No. 3977 is identical to Assembly Bill No. 1293 (1R), which also was reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services believes the fiscal impact of the bill is twofold; indeterminate annual administrative expenses related to the advisory council and an annual revenue shift of State General Fund monies to a dedicated account. The Department of State's existing resources are likely to cover the advisory council's expense.

Based on data provided by the Executive, the bill's dedication would shift roughly \$150,000 to \$200,000 within the State's General Fund to the New Jersey Brewery, Cidery, Meadery, and Distillery Industry Promotion Account.