

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3966

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 4, 2020

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 3966.

As amended and reported by the committee, Assembly Bill No. 3966 allows for the sale and delivery of alcoholic beverages by the holders of certain retail consumption licenses and concessionaire permits during the state of emergency declared by the Governor pursuant to Executive Order No. 103 of 2020 in response to the COVID-19 pandemic. In addition, the amended bill allows certain alcoholic beverage manufacturers to deliver, by common carrier or otherwise, their products to the residences of consumers in original containers during the state of emergency.

Under the amended bill, the holder of plenary retail consumption licenses, hotel or motel licenses, seasonal retail consumption licenses, or concessionaire permits, generally issued to bars and restaurants, would be permitted to sell and deliver alcoholic beverages in original containers or any closed and sealed container for consumption off the licensed premises during the state of emergency. In addition, the holder of a limited brewery license, plenary winery license, farm winery license, out-of-State winery license, cidery and meadery license, or craft distillery license would be permitted to deliver the licensee's products in original containers for consumption off the licensed premises during the state of emergency.

The amended bill also temporarily allows the holder of a retail consumption license or concessionaire permit to sell cocktails for off-premises consumption. Specifically, distilled alcoholic beverages sold by the holder of a retail consumption license or concessionaire permit in a closed and sealed container may be mixed or blended with other alcoholic or nonalcoholic beverages. The amended bill requires distilled alcoholic beverages, whether or not mixed with other beverages, to be delivered or sold in closed and sealed containers that hold not more than 16 fluid ounces. The closed and sealed containers are to be affixed with a tamper evident seal.

Finally, the amended bill exempts from the alcoholic beverage tax alcohol used by a distillery in the sale, delivery, and production of hand sanitizer during the state of emergency and allows refunds for

those distilleries that have paid the tax on alcohol used by the distillery in the production of hand sanitizer during the state of emergency.

This temporary enactment has an effective date that expires six months following the date: (1) on which the state of emergency has ended; or (2) on which the coronavirus-related occupancy or customer seating restrictions no longer apply to these licensed premises, whichever date occurs later.

COMMITTEE AMENDMENTS

The committee amended the bill to:

(1) clarify the definitions of “craft manufacturer license” and “retail consumption license or permit”;

(2) remove from the bill provisions already addressed by current law allowing craft manufacturers to sell their products for consumption off the licensed premises;

(3) remove from the bill provisions allowing craft manufacturers to deliver their products in closed and sealed containers;

(4) require alcoholic beverage containers to be affixed with a tamper evident seal;

(5) limit the size of closed and sealed containers holding distilled alcoholic beverages or mixed drinks to not more than 16 fluid ounces;

(6) allow containers holding alcoholic beverages other than distilled alcoholic beverages to be of any size; and

(7) establishes an effective date that expires six months following the date: (1) on which the state of emergency has ended; or (2) on which the coronavirus-related occupancy or customer seating restrictions no longer apply to these licensed premises, whichever date occurs later.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.