

LEGISLATIVE FISCAL ESTIMATE
SENATE, No. 2597
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: NOVEMBER 4, 2020

SUMMARY

Synopsis: Extends time period during which seasonal retail consumption license holders may sell alcoholic beverages following COVID-19 pandemic.

Type of Impact: Temporary State Revenue and Expenditure Increase.
Temporary Local Expenditure Increase.

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

Office of Legislative Services Estimate

Temporary Fiscal Impact	
State Revenue Increase	Indeterminate
State Expenditure Increase	Indeterminate
Local Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) finds the bill will result in temporary, indeterminate increases in State revenues and expenditures due to the extension of the time period during which seasonal retail consumption license holders may sell alcoholic beverages through January 14, 2022. The extent of the potential revenue collected during the extension period from sales tax on products sold is not known, nor is the potential expenditure increase for any additional administrative tasks, regulation, and enforcement that may be necessary.
- The bill may also increase municipal expenditures due to increased costs to municipalities for enforcement during the additional days the licensees may operate.

BILL DESCRIPTION

This bill temporarily extends until January 14, 2022 the time period during which the holder of a summer seasonal retail consumption license may sell alcoholic beverages.

Under current law, the holder of a seasonal retail consumption license is allowed to sell alcoholic beverages for consumption on the licensed premises by the glass or other open receptacle

similar to the holder of a plenary retail consumption license, but only during a summer or winter season. The summer seasonal license allows for the sale of alcoholic beverages from May 1 through November 14.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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State Revenue Increase: The OLS anticipates there will be an increase in State revenue collections during the extension period from sales by seasonal retail consumption licensees with additional time to sell their products, thus increasing the amount of State sales tax collected during this extended COVID time period.

As of May 2015, it was reported that there were seven establishments holding active seasonal retail consumption licenses. Although the statute also authorizes a winter season license from November 15 to April 30, no such license has been issued in the State.

State Expenditure Increase: 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.

Municipal Expenditure Increase: The bill may increase municipal expenditures due to increased costs to municipalities for regulation and enforcement of the extended permits.

Additionally, it appears that the establishments holding seasonal retail consumption licenses are located in shore towns. The OLS notes that many of these municipalities may employ additional seasonal law enforcement only during the summer time period. The extension of the seasonal retail consumption licenses may increase the cost of public safety, as there may be increased need for enforcement of alcoholic beverage statutes and ordinances.

Section: Law and Public Safety

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Approved: Frank W. Haines III
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.).