

LEGISLATIVE FISCAL ESTIMATE TO

SENATE, No. 805

STATE OF NEW JERSEY

DATED: OCTOBER 9, 1996

Senate Bill No. 805 of 1996 eliminates the State brand registration fees for certain wine labels. Current law requires all alcoholic beverage labels to be registered with the Division of Alcoholic Beverage Control (ABC) in the Department of Law and Public Safety. This bill would allow those wine labels that have been approved by the federal Bureau of Alcohol, Tobacco and Firearms to be deemed registered and approved in New Jersey. Thus, the bill would eliminate the current annual \$20 registration fee for these wines and the \$10 fee for amendment of a label registration.

Information provided informally by the ABC indicates that virtually all wines sold in New Jersey are federally registered. The ABC estimates the total revenue loss of this bill at \$300,220 in the first year following enactment. According to the ABC, 15,011 brand registrations for wine were made in FY 1995, which amounted to \$300,220 in revenues. The ABC assumes that the same number of wine registrations would be affected by the bill in succeeding years.

These revenue losses would be offset by the savings realized by the ABC in the costs in registering wine labels. According to the ABC, the FY 1997 Appropriations Act for the ABC includes \$100,370 for expenses of State brand registrations for wine labels. The ABC notes that this amount includes the salaries and fringe benefits of two full-time employees and one part-time clerk and non-salary operating expenses. Thus, the net revenue loss under this bill would be \$199,850 in the first year following enactment.

The Office of Legislative Services (OLS) concurs with this estimate but notes that this estimate excludes the amount of revenue derived from amendment fees for wine labels. However, information is not readily available regarding the revenue derived from label amendment fees. Thus, the net revenue loss to the State will be slightly more than the amount estimated by the ABC.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.