# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

# ASSEMBLY, No. 4860

# STATE OF NEW JERSEY
# 221st LEGISLATURE

DATED: JANUARY 15, 2026

## SUMMARY

**Synopsis:** Allows seasonal retail consumption alcoholic beverage license holder to exchange license for full-year consumption license.

**Type of Impact:** Annual State and municipal revenue and expenditure increases.

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

**Office of Legislative Services Estimate**

| Fiscal Impact | |
|---|---|
| **Annual State and Local Expenditure Increases** | Indeterminate |
| **Annual State and Local Revenue Increases** | Indeterminate |

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on workload increases for the Division of Alcoholic Beverage Control and municipalities as well as the potential revenue collected from the total number of converted licenses, application fees, sales tax on alcoholic beverages sold, and any penalty collections.

- The bill may increase municipal revenues from seasonal retail consumption licenses being converted to annual plenary retail consumption licenses from a one-time conversion fee. The bill establishes the fee to convert the license to be 43 percent of the average sales price of plenary retail consumption licenses in certain circumstances; however, the fee is required to be set at a flat rate of $350,000 in certain cases.

## BILL DESCRIPTION

This bill allows an individual who held a seasonal retail consumption license prior to the bill's effective date to surrender the license to the issuing authority, which then may exchange the license

for a plenary retail consumption license. This license will permit the licensee to sell alcoholic beverages for consumption on the licensed premises throughout the entire year.

Under the bill, a person who exchanges a seasonal retail consumption license would have the same privileges and be entitled to sell alcoholic beverages during the same times and days as other plenary retail consumption license holders in the same municipality.

The bill establishes the fee to convert the license to be 43 percent of the average sales price of plenary retail consumption licenses in certain circumstances. However, the fee is required to be set at a flat rate of $350,000 in certain cases. The fee for converting this license is to be paid to the municipality in which the licensed premises is located. If the licensed premises is located within the boundaries of two or more municipalities, the fee is to be divided and paid in equal proportions to each municipality. Under the bill, an individual would have 24 months following the bill's effective date to exchange the license.

## FISCAL ANALYSIS

### *EXECUTIVE BRANCH*

None received.

### *OFFICE OF LEGISLATIVE SERVICES*

The OLS finds that the bill will result in indeterminate increases in annual State and municipal revenues and expenditures. The OLS, however, cannot assess the direction of the net effect of the increases given the absence of information on workload increases for the Division of Alcoholic Beverage Control in the Department of Law and Public Safety and municipalities as well as the potential revenue collected from the total number of converted licenses, application fees, sales tax on alcoholic beverages sold, and any penalty collections.

State Revenue Impacts: The OLS anticipates that annual State revenue collections would increase from licensing fees and from an overall increase in sales by licensees who will have additional months to sell alcoholic beverages, thus increasing the amount of State sales tax collected.

According to the Division of Alcoholic Beverage Control's online licensing system, there are currently nine seasonal retail consumption licenses. A seasonal retail consumption license allows for the sale of alcoholic beverages for on-site consumption for a limited time during the summer or winter season. A license issued during the summer season allows the licensee to serve alcoholic beverages from May 1 through November 14. The holder of a winter seasonal license may sell alcoholic beverages from November 15 to April 30. To date, a winter seasonal license has not been issued.

State Expenditure Impacts: The bill would indeterminately impact the Division of Alcoholic Beverage Control's workload depending on the number of converted licenses. The OLS notes that any increased sales of alcoholic beverages may affect the workload of the Division of Taxation in the Department of the Treasury.

Municipal Revenue Impacts: The OLS anticipates the bill would increase municipal revenues from seasonal retail consumption licenses being converted to annual plenary retail consumption licenses. The bill requires the fee to convert the license to be 43 percent of the average sales price of plenary retail consumption licenses; however, in certain circumstances the fee is not to exceed $350,000. All annual fees are still required.

Municipal Expenditure Impacts: The bill may increase municipal expenditures associated with the regulation and enforcement of converted licenses. Additionally, it appears that the establishments holding seasonal retail consumption licenses are primarily located in coastal municipalities. The OLS notes that coastal municipalities often employee seasonal law enforcement officers and may determine an increased need for annual enforcement of alcoholic beverage statutes and ordinances.

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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.).