LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 1662

STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 26, 2026

SUMMARY

Synopsis: Permits certain winery license holders to sell wine produced by other winery licensees under certain circumstances; establishes supplemental wine production facility license.

Type of Impact: Annual State revenue and expenditure increases.

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

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) finds that the bill will result in indeterminate increases in annual State revenues and expenditures. The OLS, however, cannot assess the magnitude of the increases given the absence of information on the potential revenue collected from the total number of plenary and farm winery sublicenses that may be issued annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections, which would be offset to some extent by increased expenditures for regulation and enforcement of the new licenses and additional costs for the division's increased workload.

BILL DESCRIPTION

This bill permits plenary and farm winery license holders who produce not more than 250,000 gallons of wine per year to sell and transfer in bond wine produced by the licensee to any holder of a plenary winery license or farm winery license, or to any winery located outside this State in accordance with the laws of that state, for purposes of resale. Wine transferred under the provisions of the bill may be sold by the receiving winery in accordance with current law, provided, however, that the wine is labeled, marketed, advertised, and offered for sale solely under the brand name,

trade name, label, or other identifying information of the receiving winery and in accordance with applicable federal law and regulations.

Additionally, wine transferred to another winery under the provisions of the bill is not to be considered towards the calculation of the amount of wine produced by the producing winery but is to be considered towards the total number of gallons produced per year by the receiving winery. The bill also provides that no less than 50 percent of the wine sold per year is required to be produced on the license holder's premises.

In addition, this bill establishes a supplemental wine production facility sublicense. The holder of a plenary winery license or a farm winery license engaged in the production of wine on the licensed premises of the winery who holds a supplemental wine production facility sublicense would be entitled to produce wine at the supplemental wine production facility owned or leased by the license holder.

Under the bill, the holder of this sublicense is additionally entitled, subject to rules and regulations, to transfer wine produced at the supplemental wine production facility to the licensed premises of the winery or salesroom for sale at retail to consumers and to otherwise sell and distribute wine produced at the supplemental wine production facility pursuant to the laws of the place of sale and distribution.

The bill provides that any wine produced at the supplemental production facility that is not sold to another winery license holder is to be considered when calculating the total gallons per year of wine produced by the licensee for purposes of determining any fees, limitations, and eligibility for privileges that may pertain to the holder of a plenary winery license or farm winery license. The bill prohibits the sale of wine at retail to consumers on the premises of the supplemental wine production facility. The bill sets a fee for the sublicense at $750.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS finds that the bill will result in indeterminate increases in annual State revenues and expenditures. The OLS, however, cannot assess the magnitude of the increases given the absence of information on the potential revenue collected from the total number of plenary and farm winery sublicenses that may be issued annually, the future license fees, and sales tax on products sold. It is unknown if there will be additional revenues from penalty collections, which would be offset to some extent by increased expenditures for regulation and enforcement of the new licenses and additional costs for the division's increased workload.

Annual State Revenue Increase: The bill will increase annual State revenue collections by expanding the permitted operations of existing licensed plenary winery and farm winery license holders through the creation of a supplemental wine production facility sublicense. Under the bill, eligible license holders seeking to establish a supplemental wine production facility would be required to obtain the sublicense at an annual fee of $750. Existing plenary winery license holders currently pay an annual fee of $938 and farm winery license holders currently pay fees ranging from $63 to $375, depending on the farm winery's annual production volume.

According to publicly available records published by the Department of Law and Public Safety's Division of Alcoholic Beverage Control on May 1, 2026, there are 47 active plenary winery license holders and 12 active farm winery license holders in the State. With a total of 59 wineries eligible for the supplemental wine production facility sublicense established under the bill, the OLS estimates the bill would generate $44,250 in annual State revenue if all eligible license holders obtained the sublicense. The OLS anticipates that increased sales would also increase the amount of State sales tax collected, albeit by an indeterminate amount dependent upon the amount sold.

Annual State Expenditure Increase: The bill may increase annual State administrative expenditures for the Division of Alcoholic Beverage Control to process new sublicense applications. The OLS finds these potential costs to be indeterminate.

Section:	*Law and Public Safety*
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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.).