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ASSEMBLY, No. 2518

STATE OF NEW JERSEY 209th LEGISLATURE

INTRODUCED MAY 25, 2000

Sponsored by:

Assemblywoman CONNIE MYERS
District 23 (Warren, Hunterdon and Mercer)
Assemblyman LEONARD LANCE
District 23 (Warren, Hunterdon and Mercer)

Co-Sponsored by:

Assemblyman Gibson and Assemblywoman Farragher

SYNOPSIS

Increases wine tax dedication for promotion account.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning wine promotion and amending P.L.1985, c.233.

2

3 **BE IT ENACTED** by the Senate and General Assembly of the State
4 of New Jersey:

5

6 1. Section 2 of P.L.1985, c.233 (C.4:10-76) is amended to read as
7 follows:

8 2. a. There is established in the Department of Agriculture the
9 "New Jersey Wine Promotion Account," hereinafter referred to as the
10 "account." All monies received in this account shall be expended by
11 the Secretary of Agriculture for research and development concerning
12 the viticultural and wine-making processes in the State and for the
13 promotion of New Jersey wine, consistent with the recommendations
14 of the New Jersey Wine Industry Advisory Council created pursuant
15 to section 3 of this 1985 amendatory and supplementary act.

16 b. The account shall be credited annually, in an appropriation by
17 law, with an amount equal to [~~\$0.20~~] \$0.47 per gallon on all sales of
18 wines, vermouth and sparkling wines sold by plenary winery and farm
19 winery licensees licensed pursuant to R.S.33:1-10.

20 c. The account shall also be credited with any monies made
21 available to it from the General Fund or any non-State public or
22 private source.

23 d. The secretary shall include with the annual budget request for
24 the department a request for funds sufficient to carry out the purposes
25 and intent of this 1985 amendatory and supplementary act.

26 (cf: P.L.1989, c.209, s.4)

27

28 2. This act shall take effect immediately.

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STATEMENT

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33 This bill amends current law that dedicates an amount equal to
34 \$0.20 per gallon on the sale of wines, vermouth and sparkling wines
35 annually produced by New Jersey wineries to the "New Jersey Wine
36 Promotion Account" in the Department of Agriculture. The bill
37 increases the dedication rate to \$0.47 per gallon, which equals two-
38 thirds of the \$0.70 rate these beverages are currently taxed under the
39 State Alcoholic Beverage Tax (C.54:41-1 et seq.). The amended
40 dedication rate would authorize the wine promotion account to once
41 again receive funds equal to two-thirds of the revenues collected from
42 the wine tax, as was the case in 1985 when the wine tax was \$0.30 per
43 gallon and the dedication rate was \$0.20 per gallon.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

A2518 MYERS, LANCE

3

1 In FY 2000, the wine promotion account received \$35,647. Under
2 the bill, this sum would have totaled about \$82,250. The additional
3 funding will provide greater support for marketing, promotion, and
4 research activities to better serve the State's expanding wine industry.

ASSEMBLY AGRICULTURE AND NATURAL RESOURCES
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 2518

with committee amendments

STATE OF NEW JERSEY

DATED: SEPTEMBER 25, 2000

The Assembly Agriculture and Natural Resources Committee reports favorably and with committee amendments Assembly Bill No. 2518.

This bill amends current law that dedicates an amount equal to \$0.20 per gallon on the sale of wines, vermouth and sparkling wines annually produced by New Jersey wineries to the "New Jersey Wine Promotion Account" in the Department of Agriculture. The bill increases the dedication rate to \$0.47 per gallon, which equals two-thirds of the \$0.70 rate these beverages are currently taxed under the State Alcoholic Beverage Tax (R.S.54:41-1 et seq.). The amended dedication rate would authorize the wine promotion account to once again receive funds equal to two-thirds of the revenues collected from the wine tax, as was the case in 1985 when the wine tax was \$0.30 per gallon and the dedication rate was \$0.20 per gallon.

The committee adopted technical amendments to the bill to update statutory references.

[First Reprint]

ASSEMBLY, No. 2518

STATE OF NEW JERSEY
209th LEGISLATURE

INTRODUCED MAY 25, 2000

Sponsored by:

Assemblywoman CONNIE MYERS

District 23 (Warren, Hunterdon and Mercer)

Assemblyman LEONARD LANCE

District 23 (Warren, Hunterdon and Mercer)

Co-Sponsored by:

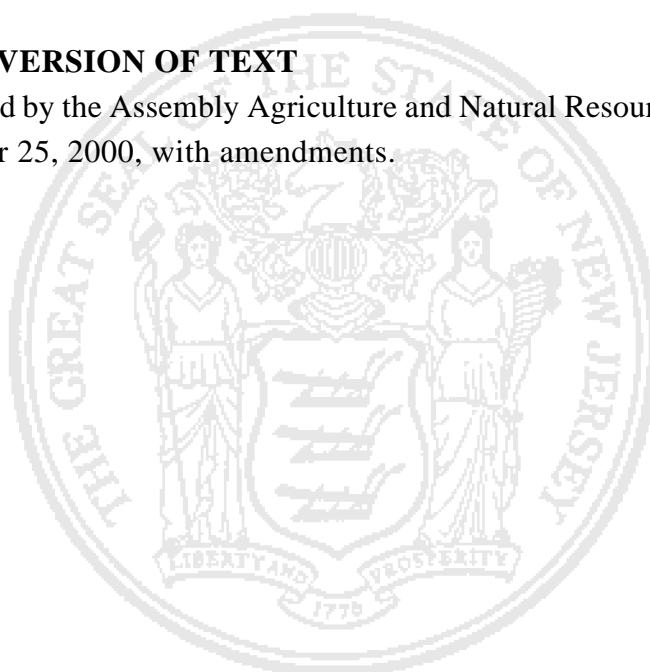
Assemblyman Gibson and Assemblywoman Farragher

SYNOPSIS

Increases wine tax dedication for promotion account.

CURRENT VERSION OF TEXT

As reported by the Assembly Agriculture and Natural Resources Committee on September 25, 2000, with amendments.



1 AN ACT concerning wine promotion and amending P.L.1985, c.233.

2

3 **BE IT ENACTED** by the Senate and General Assembly of the State
4 of New Jersey:

5

6 1. Section 2 of P.L.1985, c.233 (C.4:10-76) is amended to read as
7 follows:

8 2. a. There is established in the Department of Agriculture the
9 "New Jersey Wine Promotion Account," hereinafter referred to as the
10 "account." All monies received in this account shall be expended by
11 the Secretary of Agriculture for research and development concerning
12 the viticultural and wine-making processes in the State and for the
13 promotion of New Jersey wine, consistent with the recommendations
14 of the New Jersey Wine Industry Advisory Council created pursuant
15 to section 3 of ¹[this 1985 amendatory and supplementary act]
16 P.L.1985, c.233 (C.4:10-77)¹ .

17 b. The account shall be credited annually, in an appropriation by
18 law, with an amount equal to ~~[\$0.20]~~ \$0.47 per gallon on all sales of
19 wines, vermouth and sparkling wines sold by plenary winery and farm
20 winery licensees licensed pursuant to R.S.33:1-10.

21 c. The account shall also be credited with any monies made
22 available to it from the General Fund or any non-State public or
23 private source.

24 d. The secretary shall include with the annual budget request for
25 the department a request for funds sufficient to carry out the purposes
26 and intent of ¹[this 1985 amendatory and supplementary act]
27 P.L.1985, c.233 (C.4:10-76 et seq.)¹ .

28 (cf: P.L.1989, c.209, s.4)

29

30 2. This act shall take effect immediately.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAN committee amendments adopted September 25, 2000.

FISCAL NOTE
[First Reprint]
ASSEMBLY, No. 2518
STATE OF NEW JERSEY
209th LEGISLATURE

DATED: DECEMBER 1, 2000

SUMMARY

Synopsis: Increases wine tax dedication for promotion account.
Type of Impact: Increase in expenditure from the General Fund.
Agencies Affected: Department of Agriculture.

Executive Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Cost	\$27,100	\$56,300	\$58,300

- ! The Office of Legislative Services (OLS) **concurs** with the Executive Branch estimates.
- ! The bill amends P.L.1985, c.233 (C.4:10-76) to increase the portion of tax revenue from the sale of New Jersey wines that is dedicated to the New Jersey Wine Promotion Account.
- ! The N.J. Wine Promotion Account currently receives an annual appropriation equal to \$0.20 per gallon of wines sold by N.J. wineries; the bill increases this rate to \$0.47 per gallon.
- ! Funds dedicated to the N.J. Wine Promotion Account are used for research, development and promotion of the State's wine industry.

BILL DESCRIPTION

Assembly Bill No. 2518 (1R) of 2000 amends current law that dedicates an amount equal to \$0.20 per gallon on the sale of wines, vermouth and sparkling wines annually produced by New Jersey wineries to the New Jersey Wine Promotion Account in the Department of Agriculture. The bill increases the dedication rate to \$0.47 per gallon, which equals two-thirds of the \$0.70 rate these beverages are currently taxed under the State Alcoholic Beverage Tax (R.S.54:41-1 et seq.).

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Division of Taxation estimates that the proposed dedication increase of \$0.27 per gallon, to \$0.47 per gallon, would increase the General Fund appropriation to the Wine Promotion Account by \$27,100 in FY 2001, \$56,300 in FY 2002, and \$58,300 in FY 2003. The FY 2001 amount is considerably less than the succeeding two years because it assumes that the bill would become effective on January 1, 2001, thereby affecting only six months of the current fiscal year.

The Division based its estimates on the following projected increases in sales from New Jersey wineries: 3.5 percent during FY 2001; 3.8 percent during FY 2002; and 3.6 percent during FY 2003. In total gallons of wine, the projected sales are estimated at 203,400 gallons in FY 2001; 211,100 gallons in FY 2002; and 218,700 in FY 2003. The Division used the number of gallons of state wines sold during FY 1999, 188,600 gallons, as its base amount and also projected an increase of 4.2 percent in sales during FY 2000.

OFFICE OF LEGISLATIVE SERVICES

The Office of Legislative Services (OLS) concurs with the Division of Taxation's estimates but notes that the annual appropriation of dedicated revenues to the Wine Promotion Account is based on gallons of wine produced and sold in New Jersey during the preceding calendar year, not the current fiscal year. This factor should not, however, significantly affect the Division's estimates. The OLS also notes that the bill does not increase or decrease the amount of revenues collected from this tax. It merely increases the amount of revenue that is dedicated to the subject account, thereby decreasing the discretionary balance of the General Fund.

For information purposes, the projected increases in dedicated funds would raise the total appropriation levels of the Wine Promotion Account to approximately \$67,800 in FY 2001; \$98,500 in FY 2002; and \$102,000 in FY 2003. In FY 2000, \$35,647 was appropriated to this account based on 178,236 gallons of state wine sold and taxed during calendar 1999.

Section: *Environment, Agriculture, Energy and Natural Resources*

Analyst: *Richard M. Handelman*
Senior Fiscal Analyst

Approved: *Alan R. Kooney*
Legislative Budget and Finance Officer

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

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2518

STATE OF NEW JERSEY

DATED: DECEMBER 7, 2000

The Assembly Appropriations Committee reports favorably Assembly Bill No. 2518 (1R).

Assembly Bill No. 2518 (1R) amends the current statutory dedication, based on an amount per gallon on the sale of wines, vermouth and sparkling wines annually sold by plenary winery and farm winery licensees producing wine in New Jersey, to the "New Jersey Wine Promotion Account" in the Department of Agriculture.

The bill increases the dedication rate from an amount equal to \$0.20 per gallon to an amount equal to \$0.47 per gallon.

FISCAL IMPACT:

The amount dedicated by statute depends on the amount of wine produced and sold at wineries in New Jersey, which has been projected to be about 203,000 gallons in FY2001, 211,000 gallons in FY 2002; and 219,000 in FY 2003; the bill, had it been in effect for FY2001 and had its statutory dedication been followed in the Appropriations Act for FY2001 (P.L.2000, c.53), would have increased the amount appropriated from approximately \$40,000 to approximately \$96,500.

SENATE ECONOMIC GROWTH, AGRICULTURE AND
TOURISM COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 2518

STATE OF NEW JERSEY

DATED: MAY 24, 2001

The Senate Economic Growth, Agriculture and Tourism Committee reports favorably Assembly Bill No. 2518 (1R).

This bill amends current law that dedicates an amount equal to \$0.20 per gallon on the sale of wines, vermouth and sparkling wines annually produced by New Jersey wineries to the "New Jersey Wine Promotion Account" in the Department of Agriculture. The bill increases the dedication rate to \$0.47 per gallon, which equals two-thirds of the \$0.70 rate these beverages are currently taxed under the State Alcoholic Beverage Tax (R.S.54:41-1 et seq.). The amended dedication rate would authorize the wine promotion account to once again receive funds equal to two-thirds of the revenues collected from the wine tax, as was the case in 1985 when the wine tax was \$0.30 per gallon and the dedication rate was \$0.20 per gallon.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY No. 2518

STATE OF NEW JERSEY

DATED: DECEMBER 13, 2001

The Senate Budget and Appropriations Committee reports favorably Assembly Bill No. 2518 (1R).

This bill amends the current statutory dedication, based on an amount per gallon on the sale of wines, vermouth and sparkling wines annually sold by plenary winery and farm winery licensees producing wine in New Jersey, to the "New Jersey Wine Promotion Account" in the Department of Agriculture.

The bill increases the dedication rate from an amount equal to \$0.20 per gallon to an amount equal to \$0.47 per gallon.

FISCAL IMPACT:

The amount dedicated by statute depends on the amount of wine produced and sold at wineries in New Jersey, which was certified by the Division of Taxation at approximately 130,000 gallons in FY2001. Had this bill been in effect for FY2001 the dedicated amount would have increased from \$26,000 to \$61,000, reducing General Fund balances by \$35,000. Impacts in future years will be comparable and depend upon increases or decreases in the volume of wine produced and sold at wineries in New Jersey.

P.L. 2001, CHAPTER 323, *approved January 4, 2002*
Assembly, No. 2518 (*First Reprint*)

1 AN ACT concerning wine promotion and amending P.L.1985, c.233.

2

3 **BE IT ENACTED** by the Senate and General Assembly of the State
4 of New Jersey:

5

6 1. Section 2 of P.L.1985, c.233 (C.4:10-76) is amended to read as
7 follows:

8 2. a. There is established in the Department of Agriculture the
9 "New Jersey Wine Promotion Account," hereinafter referred to as the
10 "account." All monies received in this account shall be expended by
11 the Secretary of Agriculture for research and development concerning
12 the viticultural and wine-making processes in the State and for the
13 promotion of New Jersey wine, consistent with the recommendations
14 of the New Jersey Wine Industry Advisory Council created pursuant
15 to section 3 of ¹[this 1985 amendatory and supplementary act]
16 P.L.1985, c.233 (C.4:10-77)¹ .

17 b. The account shall be credited annually, in an appropriation by
18 law, with an amount equal to ~~[\$0.20]~~ \$0.47 per gallon on all sales of
19 wines, vermouth and sparkling wines sold by plenary winery and farm
20 winery licensees licensed pursuant to R.S.33:1-10.

21 c. The account shall also be credited with any monies made
22 available to it from the General Fund or any non-State public or
23 private source.

24 d. The secretary shall include with the annual budget request for
25 the department a request for funds sufficient to carry out the purposes
26 and intent of ¹[this 1985 amendatory and supplementary act]
27 P.L.1985, c.233 (C.4:10-76 et seq.)¹ .

28 (cf: P.L.1989, c.209, s.4)

29

30 2. This act shall take effect immediately.

31

32

33

34

35 Increases wine tax dedication for promotion account.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly AAN committee amendments adopted September 25, 2000.

CHAPTER 323

AN ACT concerning wine promotion and amending P.L.1985, c.233.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. Section 2 of P.L.1985, c.233 (C.4:10-76) is amended to read as follows:

C.4:10-76 "New Jersey Wine Promotion Account"; establishment, funding.

2. a. There is established in the Department of Agriculture the "New Jersey Wine Promotion Account," hereinafter referred to as the "account." All monies received in this account shall be expended by the Secretary of Agriculture for research and development concerning the viticultural and wine-making processes in the State and for the promotion of New Jersey wine, consistent with the recommendations of the New Jersey Wine Industry Advisory Council created pursuant to section 3 of P.L.1985, c.233 (C.4:10-77).

b. The account shall be credited annually, in an appropriation by law, with an amount equal to \$0.47 per gallon on all sales of wines, vermouth and sparkling wines sold by plenary winery and farm winery licensees licensed pursuant to R.S.33:1-10.

c. The account shall also be credited with any monies made available to it from the General Fund or any non-State public or private source.

d. The secretary shall include with the annual budget request for the department a request for funds sufficient to carry out the purposes and intent of P.L.1985, c.233 (C.4:10-76 et seq.)

2. This act shall take effect immediately.

Approved January 4, 2002.