

Department of Alcoholic Beverage Control

2003 Fiscal Impact Statement

1. **Bill Number** HB1652H1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Substitute proposed by the House Committee on General Laws
(Prior to Substitute – Delegate Albo)

3. **Committee** 2/5/03 Senate: Referred to Committee on Rehabilitation & Social Services

4. **Title** Alcoholic Beverage Control; direct shipments beer/wine to consumers

5. **Summary/Purpose:**

Holders of wine shipper's licenses and beer shipper's licenses issued pursuant to this section may sell and ship not more than 2 cases of wine per month nor more than 2 cases of beer per month to any person in Virginia to whom alcoholic beverages may be lawfully sold. All such sales and shipments must be for personal consumption only and not for resale. Any winery, farm winery or brewery located within or outside the Commonwealth may apply to the Board for issuance of a wine or beer shipper's license that shall authorize the shipment of brands of wine and beer identified in such application.

Any applicant for a wine or beer shipper's license that does not own or have the right to control the distribution of the brands of wine, farm wine, or beer identified in such person's application may be issued a shipper's license for wine or beer or both, if the applicant has obtained and filed with it an application for a shipper's license, and with any subsequent application for renewal thereof, the written consent of the winery, farm winery, or brewery whose brands of wine, farm wine, or beer are identified therein.

The direct shipment of beer and wine by holders of licenses issued pursuant to this section shall be by approved common carrier only. The Board shall develop regulations pursuant to which common carriers may apply for approval to provide common carriage of wine or beer, or both, shipped by holders of licenses issued pursuant to this section. Such regulations shall include provisions that require (i) the recipient to demonstrate, upon delivery, that he is at least 21 years of age; (ii) the recipient to sign an electronic or paper form or other acknowledgment of receipt as approved by the Board; and (iii) the Board-approved common carrier to submit to the Board such information as the Board may prescribe. The Board-approved common carriers shall refuse delivery when the proposed recipient appears to be under the age of 21 years and refuse to present valid identification. All licensees shipping wine or beer pursuant to this section shall affix a conspicuous notice in 16-point type or larger to the outside of each package of wine or beer shipped within or into the Commonwealth, in a conspicuous location stating: "CONTAINS ALCOHOLIC BEVERAGES; SIGNATURE OF PERSON AGED 21 YEARS OR OLDER REQUIRED FOR DELIVERY." Any delivery of alcoholic beverages to a minor by a common carrier shall constitute a violation by the common carrier. The common carrier and the shipper licensee shall be liable only for their independent acts.

6. NoFiscalImpact(or)
FiscalImpactEstimatesare:

6a. ExpenditureImpact:

<i>FiscalYear</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03			
2003-04	\$544,110	6	
2004-05	\$544,110	6	

6b. RevenueImpact:None

<i>FiscalYear</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2002-03			
2003-04	\$68,270		
2004-05	\$68,270		

7. Budgetamendmentnecessary:Yes

8. Fiscalimplications:

Therearecurrently378ABC -licensedbeer/w ineimporters.Twotaxexaminersandfive complianceagentsareemployedbyABCtoreviewtaxpaymentsandroutinelyinvestigate licensedbeer/wineimporters.Theadditionofa“wineshippers’andbeershippers’license” wouldincreasethe numberofshipp ers’licenses(wineries,breweriesandadditional beer/wineimporters)byover1,300.Thismarkedincreaseinlicenseeactivityandmonthly taxcollectionwouldrequireABCtohireadditionaltaxexaminers,complianceagentsaswell asincreasetheworkloadofemployeesprocessinginitialapplicationsandinvestigatingnew licensees.Intotal,theincreasedcosttoABCwouldamountto\$544,110.

Theonlyknownincreaseinrevenuefromtheinstitutionofa“wine/beershippers’ license”wouldcomefromtheannuallicensefee.Usingarateof\$50perlicense,ABC estimatesanincreaseof\$68,270inlicensingfeecollection.

9. Specificagencyorpoliticalsubdivisionsaffected: DepartmentofABC

10. Technicalamendmentnecessary:None

11. Othercommen ts:None

Date: 02/06/03/WEW

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cc:SecretaryofPublicSafety