

Department of Planning and Budget 2007 Fiscal Impact Statement

1. **Bill Number** HB1815

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. **Patron** Suit

3. **Committee** General Laws

4. **Title** Adds an Alcoholic Beverage Control meal-assembly kitchen license.

5. **Summary/Purpose:** Adds new license for meal-assembly kitchens, defined as any commercial establishment that offers to its customers, for off-premises consumption, ingredients for the preparation of meals and entrees in professional kitchen facilities located at the establishment. Under the terms of the license, a licensee is authorized to permit the consumption of lawfully acquired wine or beer on the premises of the licensee by any bona fide customer of the licensee and to serve wine or beer on the premises of the licensee to any such bona fide customer; however, the licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any such customer, nor shall it sell or otherwise charge a fee to such customer for the wine or beer served or consumed. The privileges of this license shall be limited to the premises of the meal-assembly kitchen regularly occupied and utilized as such. The bill provides for state and local license taxes.

6. **Fiscal Impact Estimates are:** PRELIMINARY

6b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2007-08	\$4,700	NGF
2008-09	\$5,800	NGF
2009-10	\$6,900	NGF
2010-11	\$8,000	NGF
2011-12	\$9,100	NGF
2012-13	\$10,200	NGF

7. **Budget amendment necessary:** No.

8. **Fiscal implications:** Currently there are 1,110 meal assembly establishments nationwide up from only 173 in 2004. These are expected to grow to 3,000 plus according to the Easy Meal Prep Association by 2010.

Currently in Virginia there are 25 meal-assembly establishments, giving Virginia a 2.29 percent market share. If Virginia maintains that 2.29 percent market share, and given that the proposed meal-assembly kitchen license is \$100, anticipated revenues are listed below.

	# Stores	Meal-assembly kitchen License	Total Revenue
2007-08	47	\$100	\$4,700
2008-09	58	\$100	\$5,800
2009-10	69	\$100	\$6,900
2010-11	80	\$100	\$8,000
2011-12	91	\$100	\$9,100
2012-13	102	\$100	\$10,200

9. Specific agency or political subdivisions affected:

Department of Alcoholic Beverage Control and Department of Taxation

10. Technical amendment necessary: No.

11. Other comments: Identical bills: SB762 and HB2116

Date: 01/23/07 / ltc

Document: DPB C:\2007FIS\posted\hb1815e.doc

cc: Secretary of Public Safety