

**Department of Planning and Budget**  
**2008 Fiscal Impact Statement**

**1. Bill Number:** HB1075

**House of Origin**        Introduced           Substitute           Engrossed

**Second House**        In Committee      Substitute        X   Enrolled

**2. Patron:**      Suit

**3. Committee:** Passed both houses

**4. Title:**      **Powers and duties of the Alcoholic Beverage Control Board; prohibited acts by licensees; exceptions**

**5. Summary:** Requires the Alcoholic Beverage Control (ABC) Board to adopt regulations allowing an on-premises licensee to reduce the length of any suspension or reduce the amount of any civil penalty if the licensee can demonstrate that it provided certified alcohol server training to its employees. The bill also authorizes an on-premises restaurant licensee to use alcoholic beverages that the licensee otherwise is authorized to purchase and possess for the purposes of preparing and selling for on-premises consumption food products with a final alcohol content of more than one-half of one percent by volume, as long as such food products are sold and consumed by persons who are 21 years of age or older. The bill provides that no ABC Board regulation may prohibit this. The bill prohibits a licensee from conducting a “happy hour” or related promotion at a licensed restaurant except during hours permitted by Board regulation. During any happy hour or related promotion, no licensee may increase the volume of alcoholic beverages contained in a drink without increasing the customary or established retail price charged for such drink. The ABC Board is prohibited from adopting regulations prohibiting any mixed beverage licensee from pre-mixing, either in a frozen drink dispenser of a type approved by the Board, or otherwise, mixed alcoholic beverages for purposes of sale and consumption on the licensed premises. The bill requires the ABC Board to adopt regulations providing for alternative methods for licensees to maintain and store business records that are subject to Board inspection, including methods for Board-approved electronic and off-site storage. The bill also defines the term “reasonable hours,” for purposes of ABC Board inspection of retail licensee records. This bill also sets forth the definition of the alcoholic beverage, Sangria, and the authority to serve it.

**6. Fiscal Impact Estimates:** Final. See item 8.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** According to the Department of Alcoholic Beverage Control, there is no fiscal impact on the agency associated with this bill. This legislation, though, does create additional requirements potentially subject to Class 1 misdemeanor penalties for violations. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal, although the number is anticipated to be small.

Any increase in jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanor or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, e.g. correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2007), the estimated total state support for local jails averaged \$28.42 per inmate, per day in FY 2006.

**9. Specific Agency or Political Subdivisions Affected:** The Department of Alcoholic Beverage Control, local jails, Compensation Board

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** No.

**Date:** 3/5/2008 ltc

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