

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB237ER

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Watkins

3. Committee: Passed Both Houses

4. Title: Alcoholic beverage control; wine liter tax.

5. Summary: Requires the portion of the wine liter tax collected from the sale of wine produced by farm wineries to be deposited in the Virginia Wine Promotion Fund for use by the Wine Board.

6. Fiscal Impact Estimates: Final (see Item 8)

7. Budget Amendment Necessary: No, the conferees included an appropriation of \$745,000 general fund each year in enrolled HB 30.

8. Fiscal Implications: The Virginia Wine Promotion Fund provides funding to the Virginia Wine Board for wine-related projects and initiatives. The introduced budget includes \$580,679 of general fund support each year of the biennium to be deposited into the Virginia Wine Promotion Fund. At present, all wine liter tax revenues are deposited to the general fund.

This legislation, as introduced, requires all of the wine liter tax be deposited into the Virginia Wine Promotion Fund for use by the Virginia Wine Board. In FY 2009, ABC collected \$1,428,217 in liter tax from Virginia Wines. Appropriating a total of \$1,428,217 in general fund support to the Wine Board would result in a net revenue loss to the general fund of approximately \$848,000 annually when accounting for the \$580,679 in general fund support already built into the budget for the Wine Board.

9. Specific Agency or Political Subdivisions Affected: ABC, Virginia Wine Board

10. Technical Amendment Necessary: No

11. Other Comments: According to ABC, this legislation does not impact agency revenues or expenses but diverts funds from the State General Fund to the Wine Promotion Fund. This bill is the same as HB588ER.

Date: 4/9/2010 dpb

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