Department of Planning and Budget
2019 Fiscal Impact Statement

1. **Bill Number:** SB1420S1

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

2. **Patron:** Sturtevant

3. **Committee:** House Committee on General Laws

4. **Title:** Co-working and bespoke clothier establishment licenses

5. **Summary:** The proposed bill defines and establishes a specialty distiller's license category for co-working establishments and bespoke clothier establishments.

   The co-working establishment is defined as a facility that has at least 100 members, a majority of which are 21 years of age or older, and offer shared office space and related amenities. The payment of membership dues does not constitute a sale or charge for alcohol, provided that the availability of alcohol is not a privilege for which the amount of membership dues increases.The license would permit the consumption of lawfully acquired wine and beer between 4:00 p.m. and 8:00 p.m. on the premises of the licensee by any member and up to two guests of each member, provided that such member and guests are persons whom alcoholic beverages may be lawfully served. The licensee is permitted to give no more than two five-ounce glasses of wine or two 12-ounce glasses of beer to any person and may not sell or otherwise charge a fee for the wine or beer served or consumed. The annual state license fee for a co-working establishment license is $500.

   The bespoke clothier establishment is defined as a permanent retail establishment that offers, by appointment only, custom made apparel and that offers a membership program to customers. The payment of dues by a member of the bespoke clothier establishment does not constitute a sale or charge for alcohol, provided that the availability of alcohol is not a privilege for which the amount of membership dues increases. Any bespoke clothier establishment seeking this specialty license type must have facilities to properly secure any stock of alcoholic beverages. The minimum membership fee must be at least $25 for any term of membership. The license would permit the licensee to give no more than two five-ounce glasses of wine, two 12-ounce glasses of beer, or two glasses of mixed beverages, provided that each glass of mixed beverages contains no more than two ounces of spirits to any such customer. The licensee may not sell or otherwise charge a fee to the customer for the wine, beer, or mixed beverages served or consumed. The annual state license fee for a bespoke clothier establishment license is $100.

6. **Budget Amendment Necessary**: No

7. **Fiscal Impact Estimates:** Indeterminate (see Item 8)

8. **Fiscal Implications:** According to the Virginia Alcoholic Beverage Control Authority ("Authority"), there are approximately 126 co-working facilities in the Commonwealth. Depending on the number of co-working establishments that would seek a license under this bill, there could be a notable impact on the Authority licensing and enforcement operations. However, a fiscal impact cannot be determined at this time.

   The bill establishes an annual state license fee of $500, in addition to the required one-time application fee of $195. If all 126 co-working facilities applied for a license, the first year revenue would be $87,570 and $63,000 in each succeeding year. Additionally, if all 126 co-working facilities applied for a license, the Authority anticipates a need for at least 1.5 additional personnel to enforce compliance with ABC laws and regulations at a cost of $125,372 the first year, which includes personnel and equipment costs, and $83,646 each succeeding year. However, because it cannot be determined if all 126 co-working facilities will apply for a license, and when they would apply, the immediate fiscal impact on the agency operations cannot be determined at this time.

   It is unknown as to how many bespoke clothier establishments would seek a license under the provisions of this bill; however, the number is expected to be small. For each bespoke clothier establishment license the annual license fee would be $100, in addition to a one-time application fee of $195.

9. **Specific Agency or Political Subdivisions Affected:** Virginia Alcoholic Beverage Control Authority

10. **Technical Amendment Necessary:** No

11. **Other Comments:** None