

Department of Planning and Budget

2020 Fiscal Impact Statement

1. Bill Number: HB1436

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

2. Patron: Jones

3. Committee: Appropriations

4. Title: Virginia Spirits Board.

5. Summary: Establishes the Virginia Spirits Board, within the Department of Agriculture and Consumer Services, and the Virginia Spirits Promotion Fund. The Board is composed of the Commissioner of Agriculture and Consumer Services, the Chief Executive Officer of the Virginia Alcoholic Beverage Control Authority, and nine gubernatorial-appointed nonlegislative citizens who represent coopers or maltsters and owners or operators of distilleries. Among its powers and duties, the Board is authorized to contract for research services to improve farming practices related to the growing of ingredients necessary for alcohol distillation in Virginia; enter into contracts with private and public entities to market, advertise, and promote the industry; and engage in revenue-producing activities. The Fund consists of general fund appropriations, fees from services rendered, and payments received for products, equipment, or goods supplied. The bill exempts contracts for advertising, marketing, or publishing that are entered into by the Board from certain provisions of the Virginia Public Procurement Act.

6. Budget Amendment Necessary: See item 8.

7. Fiscal Impact Estimates: Preliminary.

8. Fiscal Implications: This bill creates the Virginia Spirits Board, within the Department of Agriculture and Consumer Services (VDACS), and also establishes the Virginia Spirits Promotion Fund. Members of the Board shall not received compensation but nonlegislative members shall be reimbursed for reasonable and necessary expenses. The bill provides that such expenses shall be paid from the Virginia Spirits Promotion Fund. The bill also authorizes the Board to engage in revenue-producing activities to help defray the costs of the program. Any revenue collected by these activities is indeterminate and will be deposited to the Fund.

In order to make the Fund operational, a budget amendment may be required to capitalize this Fund.

9. Specific Agency or Political Subdivisions Affected: Department of Agriculture and Consumer Services; Virginia Alcoholic Beverage Control Authority.

10. Technical Amendment Necessary: No.

11. Other Comments: SB583 is the companion to this bill.