

## **Department of Planning and Budget**

### **2015 Fiscal Impact Statement**

**1. Bill Number:** SB1272

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

**2. Patron:** Deeds

**3. Committee:** Senate Committee on Rehabilitation and Social Services

**4. Title:** Alcoholic beverage control (ABC); limited distiller's license.

**5. Summary:** Creates a limited distiller's license for distilleries that (i) manufacture no more than 36,000 gallons of spirits per calendar year, (ii) are located on a farm in the Commonwealth on land zoned agricultural and owned or leased by such distillery or its owner, and (iii) grow agricultural products on the farm that are used in the manufacture of its alcoholic beverages. The bill also establishes local and state taxes for limited distillers' licenses and prevents local regulation of certain activities by such licensees.

**6. Budget Amendment Necessary:** No

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

**8. Fiscal Implications:** Currently, there are 32 distilleries licensed to operate in the Commonwealth. According to ABC, approximately 10 of 32 distilleries manufacture more than 5,000 gallons annually.

ABC estimates that only 1 or 2 distilleries may be producing more than 36,000 gallons annually. If this estimate is correct, ABC would likely see a reduction in revenue of approximately \$9,800 annually due to the smaller license fee offered for distilleries producing between 5,000 and 36,000.

**9. Specific Agency or Political Subdivisions Affected:** ABC

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None