

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: SB1242

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

2. Patron: Reeves

3. Committee: House Committee on General Laws

4. Title: Alcoholic beverage control; mixed beverage restaurant license; penalties.

5. Summary: The proposed legislation allows mixed beverage restaurant licensees that specialize in the sale of high-end spirits to calculate, for purposes of the food-to-beverage ratio, gross receipts from the sale of mixed beverages by multiplying the liters of spirits sold by such licensee by the average price charged for one liter of spirits by mixed beverage restaurant licensees in the Commonwealth. The bill prohibits categorizing a restaurant as specializing in high-end spirits unless it has been licensed as a mixed beverage restaurant for not less than 12 months and had food and nonalcoholic beverage sales for the immediately preceding 12 months that would have met the food-to-beverage ratio imposed on restaurants that specialize in the sale of high-end spirits. The bill further directs the Board of Directors of the Virginia Alcoholic Beverage Control Authority to consider the following when determining whether a restaurant specializes in high-end spirits: (i) the average price of mixed beverages sold by such restaurant, (ii) the average price of spirits purchased by such restaurant from the Board, (iii) the average price of spirits held by such restaurant in inventory, and (iv) the restaurant's seating capacity at tables and certificate of occupancy. The bill also requires the Board to promulgate regulations that prescribe the terms and conditions under which the Board may suspend the privilege of a mixed beverage licensee to purchase spirits from the Board upon such licensee's failure to submit any records or other documents necessary to verify the licensee's compliance with applicable minimum food sale requirements within 30 days of the date such records or documents are due.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: The proposed legislation does not result in a fiscal impact on the operations of the Virginia Alcoholic Beverage Control Authority.

9. Specific Agency or Political Subdivisions Affected: None

10. Technical Amendment Necessary: No

11. Other Comments: None