

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: SB496ER

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

2. Patron: Edwards

3. Committee: Passed Both Houses

4. Title: Culinary lodging resorts

5. Summary: The substitute bill defines "Culinary lodging resort" as a facility (i) having not less than 13 overnight guest rooms in a building that has at least 20,000 square feet of indoor floor space; (ii) located on a farm in the Commonwealth with at least 1,000 acres of land zoned agricultural; (iii) equipped with a full-service kitchen; and (iv) offering to the public, for compensation, at least one meal per day, lodging, and recreational and educational activities related to farming, livestock, and other rural activities.

The bill also states that if a restaurant is located on the premises of and operated by a culinary lodging resort, such license shall authorize the licensee to (1) sell alcoholic beverages for on-premises consumption, without regard to the amount of gross receipts from the sale of food prepared and consumed on the premises, in areas upon the licensed premises approved by the Board and other designated areas of the resort, including outdoor areas under the control of the licensee, and (2) permit the possession and consumption of lawfully acquired alcoholic beverages by persons to whom overnight lodging is being provided in bedrooms and private guest rooms.

Lastly, the bill provides that culinary lodging resorts are eligible for a combined mixed beverage restaurant and caterer's license.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: According to data published by the U.S. Department of Agriculture's National Agricultural Statistics Service ("Census of Agriculture", 2017), 443 of Virginia's 43,225 farms harvested in excess of 1,000 acres and thus would meet the acreage limitation to qualify as a culinary lodging resort.

Of the 433 farms that meet the acreage limitation, 415 of these farms had farm-related, agritourism and recreational services receipts in excess of \$5,000. Although these farms could likely provide the recreational and educational activities related to farming, livestock, and other rural activities required of a culinary lodging resort, there is insufficient data to

determine if these farms also met the other guest room, living space and kitchen requirements.

ABC will have to process applications and perform inspections on this new license type. However, the expected number of new licensees is small and the fiscal impact is expected to be minimal.

9. Specific Agency or Political Subdivisions Affected: ABC

10. Technical Amendment Necessary: No

11. Other Comments: None