

Department of Planning and Budget 2021 Special Session I Fiscal Impact Statement

1. Bill Number: SB1428E

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Locke

3. Committee: House Committee on General Laws

4. Title: Sale of low alcohol beverage coolers

5. Summary: The proposed bill allows the Board of Directors (ABC) of the Virginia Alcoholic Beverage Control Authority to sell low alcohol beverage coolers produced by licensed distillers in government stores. The bill has a delayed effective date of January 1, 2022.

6. Budget Amendment Necessary: See Line #8

7. Fiscal Impact Estimates: Indeterminate (see Line #8)

8. Fiscal Implications: Effective January 1, 2022, the proposed bill would prohibit ABC from selling low alcohol beverage coolers that were not manufactured by ABC licensed distillers. According to ABC, approximately 87 percent of its low alcohol beverage cooler gross sales in calendar year 2020 came from distilleries located outside of the Commonwealth. ABC will attempt to replace the loss sales from low alcohol beverage coolers produced outside of Virginia with new products manufactured by Virginia distillers or products with alcohol by volume above 7.5 percent. However, ABC believes FY 2022 will be a transition year and that it will take some time to determine whether sufficient sales can be generated to offset the loss.

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

10. Technical Amendment Necessary: No

11. Other Comments: None