

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB885

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Favola

3. Committee: Senate Committee on Rules

4. Title: Alternative beer distribution program study

5. Summary: The proposed bill establishes that the Virginia Alcoholic Beverage Control Authority (“ABC”), in coordination with the Department of Agriculture and Consumer Services (“VDACS”), must convene a work group to evaluate alternative avenues of distribution that could be made available to limited brewery and certain brewery licensees.

The work group must develop a legislative proposal for an alternative beer distribution model that includes (i) analysis of a distribution program similar to the Virginia Winery Distribution Company; (ii) criteria for determining which limited brewery or brewery licensees will be eligible to participate in the distribution program; (iii) criteria for determining which products and the quantity of products that may be distributed through the program; (iv) an implementation plan that includes all actions, including the phasing and sequencing of actions, necessary to make the distribution program operational; (v) a funding model; and (vi) resolution of all issues that remain to be undertaken from the VDACS work group required by Chapter 334 of the Acts of Assembly of 2022. ABC must report its findings and recommendations to the Chairmen of the House Committee on General Laws and the Senate Committee on Rehabilitation and Social Services by September 15, 2023.

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: No material fiscal impact is expected from convening the work group required by this legislation.

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

10. Technical Amendment Necessary: No

11. Other Comments: None