



Economic Impact Analysis Virginia Department of Planning and Budget

3 VAC 5-50 – Retail Operations
Alcoholic Beverage Control Board
April 30, 2009

Summary of the Proposed Amendments to Regulation

Pursuant to Chapter 172 of the 2008 Acts of the Assembly, the Alcoholic Beverage Control Board (ABC) proposes to add a definition for dessert wine to its regulations that govern retail operations.

Result of Analysis

The benefits likely exceed the costs for this proposed change.

Estimated Economic Impact

Current regulations do not contain a definition for dessert wine. In 2008, the legislature expanded the scope of ABC issued limited mixed beverage restaurant licenses so that they will cover sales of dessert wines as defined by ABC. To accommodate this code change, ABC now proposes to define dessert wine as “any wine having an alcohol content of more than 14% by volume, any wine whose label contains a statement that it contains more than 2% residual sugar or any wine described on its label as a “dessert”, “late harvest” or “ice” wine”.

Holders of limited mixed beverage restaurant licenses are unlikely to incur any additional costs on account of this regulatory change. They will, however, benefit from being able to expand the variety of wines and liqueurs that they offer for sale.

Businesses and Entities Affected

ABC reports that currently only one business in the state holds a limited mixed beverage restaurant license.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have no impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

This regulatory action will likely have no significant effect on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other

administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.