



Economic Impact Analysis Virginia Department of Planning and Budget

3 VAC 5-50 – Retail Operations Alcoholic Beverage Control Board December 18, 2001

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

The Alcoholic Beverage Control Board (board) proposes to reduce the advance notice requirement for events catered under a mixed beverage caterer's license from two days¹ to 24 hours.

Estimated Economic Impact

Under the current regulations, caterers with a mixed beverage license who will be serving alcohol at an event must notify the board in writing (usually by fax²) at least two days prior to the event. The board proposes to reduce the advance notice requirement to 24 hours. The proposal will allow caterers to accept engagements requiring the provision of alcoholic

¹ The current regulations state that "The caterer shall notify the board in writing at least two calendar days in advance of any events to be catered under license for the following month." According to the board, in practice, the agency has required only two-calendar day advance notification.

² Source: Alcoholic Beverage Control Board

beverages on shorter notice. Potential clients who wish to hire mixed beverage caterers for an event to take place more than 24 hours but less than two days in the future will be able to do so under the proposed language, but not under the current regulations. Thus, potential clients benefit by gaining the option of hiring mixed beverage caterers under this circumstance, and mixed beverage caterers benefit by the small potential increase in business.

According to the board, 24 hours is sufficient time for the agency to arrange for appropriate enforcement measures when necessary. Since enforcement measures are very rarely necessary for mixed beverage caterers,³ the additional cost to the board associated with the moderate potential increase in business is very small. Thus, the potential benefits of the proposed amendment likely outweigh the potential costs.

Businesses and Entities Affected

The proposed amendments will affect the 118 persons possessing a mixed beverage caterer's license and their customers.

Localities Particularly Affected

The proposed change to the regulation affects localities throughout the Commonwealth.

Projected Impact on Employment

The proposed reduction in required advance notification time has the potential to moderately increase business for caterers with a mixed beverage license. This may create a small number of new jobs in catering.

Effects on the Use and Value of Private Property

As previously mentioned, the proposed reduction in required advance notification time has the potential to moderately increase business for caterers with a mixed beverage license. Thus, the value of catering firms possessing a mixed beverage license may increase.

³ Source: Alcoholic Beverage Control Board