

**Department of Planning and Budget
2010 Fiscal Impact Statement**

1. Bill Number: HB588

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

2. Patron: Landes

3. Committee: House Committee on Appropriations

4. Title: Alcoholic beverage control; wine liter tax.

5. Summary: Requires the portion of the wine liter tax collected from the sale of wine produced by farm wineries to be deposited in the Virginia Wine Promotion Fund for use by the Wine Board.

6. Fiscal Impact Estimates: Preliminary (see Item 8)

7. Budget Amendment Necessary: Yes, Item 372

8. Fiscal Implications: The Virginia Wine Promotion Fund provides funding to the Virginia Wine Board for wine-related projects and initiatives. In accordance with the 2009 Virginia Acts of Assembly (Chapter 781), the Alcoholic Beverage Control (ABC) Board provided \$580,679 each year of the biennium for Virginia Wine Board expenses.

This legislation, as introduced, requires a portion of the wine liter tax be deposited into the Virginia Wine Promotion Fund for use by the Virginia Wine Board. In FY 2009, ABC collected \$1.32 million in liter tax from Virginia Wines. Appropriating a total of \$1.32 million in general fund support to the Wine Board would result in a net revenue loss to the general fund of approximately \$745,000 when accounting for the \$580,679 in general fund support already built into the budget for the Wine Board.

9. Specific Agency or Political Subdivisions Affected: ABC, Virginia Wine Board

10. Technical Amendment Necessary: No

11. Other Comments: According to ABC, this legislation does not impact agency revenues or expenses but diverts funds from the State General Fund to the Wine Promotion Fund. This bill is the same as SB237.

Date: 2/1/2010 dpb

Document: G:\2010 FIS\HB588.Doc Reginald Thompson