

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: SB519S1

House of Origin Introduced x Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Lucas

3. Committee: Senate Committee on General Laws and Technology

4. Title: Mixed beverage casino license

5. Summary: The substitute bill amends § 4.1-206.3. (Retail licenses) to establish that if a restaurant is located on the premises of a casino gaming establishment owned by an operator licensed under Article 3 (§ 58.1-4108 et seq.) of Chapter 41 of Title 58.1, such license authorizes the licensee to sell alcoholic beverages for on-premises consumption on the licensed premises of the restaurant during all hours of operation of the casino gaming establishment. Any alcoholic beverages purchased from a restaurant on the premises of a casino gaming establishment may be (i) removed from the premises of the licensee and taken into the casino gaming establishment and (ii) possessed or consumed in areas designated by the Board, after consultation with the casino gaming establishment. Designated areas may include any areas of the casino gaming establishment, including entertainment venues, conference rooms, private rooms, hotels, pools, marinas, or green spaces. Alcoholic beverages purchased from a restaurant pursuant to this subdivision shall be contained in glassware, paper, plastic, or similar disposable container that clearly displays the name or logo of the restaurant from which the alcoholic beverage was purchased.

The bill creates a mixed beverage casino license. Notwithstanding any law or regulation to the contrary, a mixed beverage casino licensee is authorized to sell and serve alcoholic beverages for on-premises consumption on the premises during all hours of operation of the casino gaming establishment. Such license does not permit a mixed beverage casino licensee to sell wine and beer for off-premises consumption between the hours of 12 a.m. and 6 a.m. The bill permits a mixed beverage casino licensee to provide players gifts of alcoholic beverages in closed containers for personal consumption and may enable patrons who participate in a loyalty or reward credit program to redeem credits for the purchase of alcoholic beverages. A summary of the operation of such loyalty or reward credit program must be provided to the Board upon request.

The bill establishes a state mixed beverage casino license fee of \$3,100 plus an additional \$5 for each gaming station located on the premises of the casino gaming establishment. The bill defines "gaming station" as each slot machine and each casino gaming table that is in active use, as determined annually on December 31. The local mixed beverage casino license fee is \$800 plus an additional \$2 for each gaming station located on the premises of the casino gaming establishment.

The Board may promulgate regulations to implement the provisions of this act. The Board's initial adoption of regulations to implement the provisions of this act must be completed by October 1, 2022, and must be exempt from the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), except that the Board must provide an opportunity for public comment on the regulations prior to adoption.. The bill also (i) revises the definition of "gross receipts" to include electronic credits and electronic cash and to exclude the cash value of promotions or credits under certain conditions and uncollectable counter checks; (ii) defines and authorizes the use of counter checks and prepaid access instruments; (iii) authorizes wagers to be conducted using electronic credits and electronic cash; and (iv) excludes conviction of misdemeanor possession of marijuana as a disqualifier for the issuance of a service permit by the Virginia Lottery..

6. Budget Amendment Necessary: No

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

8. Fiscal Implications: The Virginia Alcoholic Beverage Control Authority (ABC) anticipates the expenditure impact to implement the provisions of this bill will be approximately \$3,100 per establishment, which would be covered from the revenue of the license fee included in the bill.

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

10. Technical Amendment Necessary: No

11. Other Comments: None