

ABC License & Fee Reform

Stakeholder Kickoff Meeting

November 28, 2018

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License Reform Effort Schedule

Task	Duration	Start	End
Hold first stakeholder meeting to kick off the effort	1	11/28/2018	11/28/2018
Collect and compile feedback from stakeholders	20	11/29/2018	12/18/2018
Hold 2nd stakeholder meeting to review progress	1	12/18/2018	12/18/2018
Collect and compile feedback from stakeholders	101	12/20/2018	3/31/2019
Present final proposal to stakeholders	1	5/31/2019	5/31/2019
Time for stakeholders to socialize the proposal with their people	90	5/31/2019	8/30/2019
Collect and compile feedback from stakeholders	15	8/30/2019	9/15/2019
Present final/updated proposal to Subcommittee for consideration	1	10/15/2019	10/15/2019
Present final/updated proposal to Subcommittee for vote	1	11/15/2019	11/15/2019

What Does Reform Look Like to You?

- Include privileges with a singular license rather than being required to obtain a license and then a number of permits?
- Criteria-driven grouping, like on-premise vs off-premise umbrellas?
- New more-encompassing licenses, such as a Marketplace License?
- Give ABC greater administrative flexibility to administer broad licensing criteria?

Current License Structure

- **Banquet Licenses:**
 - Non-profit/Profit
 - On-premise/Off-premise
 - Beer/Wine/Mixed Beverage
 - Club/Manufacturer
 - Banquet/Special Event/Tasting
- **Permits:**
 - Permit to Import Personal Alcohol
 - Keg Permit
 - Delivery Permit, In State
 - Delivery Permit, Out of State
 - Continuation of Operations Permit
 - Solicitor Salesman Permit
 - Solicitor Tasting Permit
 - Grain Alcohol Permit
 - Culinary Permit Instructions
 - Permit to Purchase Industrial Alcohol
 - Special Transportation Permit - Industrial Alcohol
 - Out of Bond Permit
- **Retail Licenses:**
 - On-premise/Off-premise/Both
 - Beer/Wine/Mixed Beverage
 - Caterer/Combined Restaurant
 - Specialized
 - Annual Amphitheater
 - Art Instruction Studio
 - Arts Venue Event
 - Annual Banquet
 - Banquet Facility
 - Bed and Breakfast
 - Canal Boat Operator
 - Carrier
 - Day Spa
 - Equine Sporting Event
 - Gourmet Oyster House
 - Meal Assembly Kitchen
 - Motor Car Sporting Event Facility/Motor Sports Facility/Motor Sports Race Track
 - Museum
 - Performing Arts Facility
 - Shipper, Beer/Shipper, Wine/ Shipper, Wine and Beer
 - Special Event
- **Industry Licenses:**
 - Beer (including Breweries)
 - Beer Bottler
 - Beer Importer
 - Beer Shipper
 - Beer Wholesaler
 - Brewery License
 - Brewery, Limited
 - Brewery, Retail Off-premises
 - Brewery, Retail Off-premises Limited
 - Wine and Cider (including Farm Wineries)
 - Class A
 - Class B
 - Fruit Distiller
 - Internet Wine Retailer
 - Wine and Beer Shipper
 - Wine Importer
 - Wine Shipper
 - Wine Wholesaler
 - Winery
 - Winery, Retail Off-premises
 - Distillery
 - Other (Wine and Beer)
 - Fulfillment Warehouse (Wine and Beer)
 - Gourmet Brewing Shop
 - Marketing Portal

Considerations on License Fee Structure

Should license fees cover all costs of managing the licensee, a portion of those costs, or link to revenue potential

Cover All Costs

Cover Portion of Costs

Link to Revenue Potential

Examples of Pros

- Costs created by each license are paid by the business driving the cost
- New cost basis analysis could decrease license fees

- Recognizes the Public Safety mission of Virginia ABC as a Commonwealth priority

- Ability to pay tied to license amount – those privileges that allow for greater revenue should come at a higher cost

Examples of Cons

- New cost basis analysis could increase license fees

- Costs decoupled from the businesses driving the cost
- Other revenues must cover cost differently or enforcement reduced

- Licensee revenue not always a good predictor of management costs or enforcement activity

Next Steps

- Stakeholder Meeting #2 -
 - Dec. 18, 2018 - 10:00-11:00 a.m.
- Desire for deep dives?

Provide ideas/feedback at any time to
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