Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

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Bill Number: HB1925 Patron: Ward

Bill Title: Virginia Alcoholic Beverage Control Authority; police power; primary law-enforcement

agency for certain larceny-related offenses.

Bill Summary: Provides that special agents of the Alcoholic Beverage Control Board shall serve as the primary law-enforcement agency for enforcing and investigating certain larceny and embezzlement crimes that occur in government stores.

Budget Amendment Necessary: Yes. **Items Impacted:** Front page, Part 3 and Item

489.10

Explanation: Operating cost increases to ABC will result in lower ABC profits going to the general fund.

Fiscal Summary: According to the Alcoholic Beverage Control Authority (ABC), it would need to hire 35 additional full-time employees (FTEs), costing \$4,365,939.76 annually, including salaries and benefits. ABC will also incur one-time costs associated with hiring, training, and equipment, costing \$1,700,714.50 in fiscal year 2026. These costs will proportionately reduce ABC profits that transfer to the general fund.

General Fund Revenue Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
ABC	\$0	\$6,066,654.26	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76
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TOTAL	\$0	\$6,066,654.26	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76

Nongeneral Fund Expenditure Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
ABC	\$0	\$6,066,654.26	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76
TOTAL	\$0	\$6,066,654.26	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76	\$4,365,939.76

Position Impact:

<u>Agency</u>	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
ABC	0	35	35	35	35	35
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TOTAL	0	35	35	35	35	35

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Fiscal Analysis: ABC's Bureau of Law Enforcement (BLE) special agents have existing authority to enforce Virginia's criminal laws. However, to ensure adequate regulation of the alcohol industry pursuant to the ABC Act and regulations, BLE special agents have a regulatory focus. When there are larceny, fraud, or embezzlement violations at Virginia ABC's government stores, BLE special agents sometimes assume primary investigation and enforcement responsibility. In most cases, BLE special agents assist local law enforcement with the investigation to the extent resources allow but do not take primary responsibility for the investigation and enforcement. Instead, local law enforcement takes primary investigation and enforcement responsibility.

There are over 400 ABC stores throughout the state, and there have been over 7,000 shoplifting incidents within the last year. According to ABC, HB 1925, by requiring BLE to serve as the primary law-enforcement agency for these violations, would necessitate hiring twenty-four additional frontline, sworn law enforcement officers throughout the state, five supervisory law enforcement officers, four civilian administrative staff, and two civilian analysts totaling \$4,365,939.76 annually. Additionally, these law enforcement officers will need training and equipment, such as vehicles, in order to fulfil their duties. These one-time costs will total to \$1,700,714.50 in fiscal year 2026.

All ABC profits transfer to the general fund. Any additional costs incurred by ABC that do not result in additional revenues will reduce the amount of ABC profits going to the general fund. The reduction to ABC profits as a result of this proposal would need to be accounted for under transfers to the general fund in the front page of the budget, as well as in Section 3-1.01.A.2.a.

Other: HB1925 is a companion to SB1297.