

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
ABC	\$0	\$5,315,818	\$3,960,543	\$3,960,543	\$3,960,543	\$3,960,543
TOTAL	\$0	\$5,315,818	\$3,960,543	\$3,960,543	\$3,960,543	\$3,960,543

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
ABC	0	31	31	31	31	31
TOTAL	0	31	31	31	31	31

Fiscal Analysis:

ABC: This bill, by requiring ABC to perform tobacco licensing and enforcement responsibilities, would require ABC to hire 31 additional full-time employees (FTEs), costing \$3,760,543.63 annually, including salaries and benefits. These positions include 17 Special Agents, two system analysts, one Administrative Law Judge, two Paralegals, two Associate Legal Counsels, one Coordinator, and six License Technicians. ABC would also need to hire additional part-time Underage Buyers, costing \$200,000 annually. The cost for equipment, hiring, and training for these new positions will cost \$1,005,275 in fiscal year 2027. ABC will also incur one-time costs associated with Virginia ABC Licensing (VAL) modifications, costing \$350,000 in fiscal year 2027.

While there are permit fees payable to ABC, these fees would only be charged to a limited subset of establishments for which ABC would be responsible for permitting, enforcement, and adjudication. This limited, uncertain funding stream would be insufficient to establish and fund the program. As drafted, ABC anticipates the application and renewal fees would not be fiscally self-sustaining and would require significant transfers in year one and in all subsequent years. Due to the uncertain number of establishments that would be exempt from the fees, it is not possible to determine the amount of revenue that would be generated at this time. Any revenue collected could be used to offset anticipated general fund support needed.

TAX: TAX does not expect to incur a material fiscal impact on agency operations from this legislative proposal.

Jail Costs: The legislation establishes new or broadens existing Class 1 and Class 2 misdemeanor penalties. Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both. Anyone convicted of a Class 2 misdemeanor is subject to a sentence of up to six months in jail and a fine of not more than \$1,000, either or both. There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays localities \$5.00 a day for each misdemeanant or otherwise local-responsible prisoner held in a jail. It also funds a large portion of the jails' operating costs, e.g., correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2025), the estimated total state support for local jails averaged \$58.25 per inmate, per day in FY 2024.

Proceeds of all fines and penalties collected for offenses committed against the Commonwealth are paid into the state treasury to the credit of the Literary Fund.

Other: This bill is a companion to HB308.