

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

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ORIGINAL

Bill Number: SB390ER

Patron: French

Bill Title: Apple Board; repeal.

Bill Summary: Repeals the Apple Board and Apple Fund effective July 1, 2028, and provides that any funds remaining in the Apple Fund as of July 1, 2028, shall be transferred to the Governor's Agriculture and Forestry Industries Development Fund. The bill provides that the excise tax levied on apples grown in the Commonwealth shall not be collected for the 2026 harvest season and requires the chair of the Apple Board to file a report with the Commissioner of Agriculture and Consumer Services no later than June 30, 2028, with a statement of total receipts and disbursements of the Apple Board for the fiscal year ending June 30, 2028.

Budget Amendment Necessary: No.

Items Impacted: N/A

Explanation: This bill involves the Virginia Department of Agriculture and Consumer Services (VDACS) and the Department of Taxation (TAX); however, no budget action is required. See Fiscal Analysis section below.

Fiscal Summary: It is anticipated that this bill will result in a reduction in nongeneral fund revenue and expenditures. Beginning in FY 2027, it is anticipated that this bill result in the elimination of \$89,167, annually, in nongeneral fund revenue generated by the excise tax on apples grown in the Commonwealth. Beginning in FY 2029, a reduction in nongeneral fund expenditures is anticipated.

Fiscal Analysis: This impact statement is final. The apple excise tax is imposed at a rate of \$0.025 per tree run bushel of apples grown by producers in the Commonwealth. All revenue from the apple excise tax is deposited into the agency's dedicated special fund, 09301, as VDACS has not established the Apple Fund in Cardinal. The tax is an annual tax, and returns are due and payable by January 31 of the following year. The estimated annual nongeneral fund revenue from this source is \$89,167. Beginning in FY 2027, this tax is eliminated.

VDACS's 2025 Apple Board expenditures totaled roughly \$129,000. The Apple Fund was never created, so these expenditures have been from their dedicated special fund 09301. No expenditures occurred in FY 2026. Beginning in FY 2029, it is anticipated that the Board will no longer incur expenses.

The Apple Board has a cash balance in this fund of \$240,792. The Fifth Enactment of this bill requires the transfer of any funds remaining in the Apple Fund on July 1, 2028, to the Governor's Agriculture and Forestry Industries Development Fund. VDACS staff administers several other boards and would see a slight reduction in duties but no cost savings.

TAX considers this bill routine and does not require additional funding. This legislation does not require any changes to TAX's systems. Based on the past five years of revenues, TAX estimates a reduction of \$89,167 in nongeneral fund revenues each year beginning in 2027.

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Other: This bill is the companion to HB65.