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Exempt Action: Proposed Regulation
Agency Background Document

Agency name	Virginia Alcoholic Beverage Control Authority
Virginia Administrative Code (VAC) Chapter citation(s)	3 VAC 5-50
VAC Chapter title(s)	Retail Operations
Action title	Mixed Beverage Ratio Requirements
Date this document prepared	November 4, 2026

While a regulatory action may be exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the *Code of Virginia*, the agency is still encouraged to provide information to the public on the Virginia Regulatory Town Hall using this form. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the *Regulations for Filing and Publishing Agency Regulations* (1 VAC 7-10), and the *Form, Style, and Procedure Manual for Publication of Virginia Regulations.*

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

House Bill 975 of the 2026 General Assembly session reduced the 45 percent food-to-beverage ratio for certain mixed beverage licensees. The bill requires that a mixed beverage restaurant, caterer's, or limited caterer's licensee meet or exceed the following: (i) for such licensees with monthly food sales averaging at least $48,000, the food-to-beverage ratio shall not apply; (ii) for such licensees with monthly food sales averaging at least $25,000 but less than $48,000, the food-to-beverage ratio shall meet or exceed 30 percent; and (iii) for such licensees with monthly food sales averaging at least $4,000, but less than $25,000, the food-to-beverage ratio shall meet or exceed 45 percent, except that for any licensee with monthly food sales averaging less than $25,000 with a seating capacity of less than 30 seats and an occupancy permit for less than 60 people total, the food-to-beverage ratio shall meet or exceed 30 percent. The bill also requires that restaurants have at least as many seats at tables as at counters.

Enactment Clause 2 of the bill states the VA ABC's initial adoption of regulations necessary to implement the provisions of this act shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), provided that, prior to the final adoption of such regulations, the

Authority publishes in the Virginia Register of Regulations and posts on the Virginia Regulatory Town Hall an action that provides (i) a 30-day comment period; (ii) a summary of the proposed regulations, the text of the proposed regulations, and the name, address, email address, and telephone number of the agency contact person responsible for receiving public comments; and (iii) the statutory authority to promulgate the regulations.

Mandate and Impetus

Identify the mandate for this regulatory change, and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, petition for rulemaking, periodic review, or board decision). For purposes of executive branch review, "mandate" has the same meaning as defined in Executive Order 17 (2026), "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part." For changes in response to federal mandates, indicate the extent of discretion related to the proposed regulatory changes, the rationale for the changes, and briefly indicate how the federal mandate aligns with the best interest of public welfare.

Per Enactment Clause 2 of the House Bill 975 of the 2026 General Assembly session, VA ABC's initial adoption of regulations necessary to implement the provisions of this act shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), provided that, prior to the final adoption of such regulations, the Authority publishes in the Virginia Register of Regulations and posts on the Virginia Regulatory Town Hall an action that provides (i) a 30-day comment period; (ii) a summary of the proposed regulations, the text of the proposed regulations, and the name, address, email address, and telephone number of the agency contact person responsible for receiving public comments; and (iii) the statutory authority to promulgate the regulations.

4.1-111(B)(25) grants the Board the authority to promulgate regulations that prescribe the terms and conditions under which persons holding a mixed beverage restaurant, caterer's, or limited caterer's license comply with the following food-to-beverage ratio provisions.