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Proposed Regulation Agency Background Document

Agency name	Virginia Alcoholic Beverage Control Authority
Virginia Administrative Code (VAC) Chapter citation(s)	3VAC5-50
VAC Chapter title(s)	Retail Operations
Action title	Chapter 50 Reform
Date this document prepared	12/26/2023

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19, the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

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.

A comprehensive review and amendment of the full chapter. The intent is to remove any redundancies or language that contradicts the Code of Virginia. Additionally, to ensure that the regulations comport with current practices within the industry and the VA ABC.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

NA

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 the ORM procedures, "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the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

The impetus for this regulatory change is both to comply with periodic review requirements and based on the Board decision to review the regulations to update them as well as make any reduction in requirements for regulants.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

- 1) The promulgating agency is the Virginia Alcoholic Beverage Control Authority.
- 2) Section 4.1-101 of the Code of Virginia (Code) establishes the Virginia Alcoholic Beverage Control Authority (ABC Board.)

Section 4.1-103 of the Code enumerates the powers of the Board which includes the authority to adopt regulations and to do all acts necessary or advisable to carry out the purposes of Title 4.1 of the Code (ABC Act).

Section 4.1-103(7) states the Board has the authority to adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised, and its duties performed.

Section 4.1-103(14) states the Board has the authority to control the possession, sale, transportation, and delivery of alcoholic beverages.

Section 4.1-103(24) permits the Board to promulgate regulations in accordance with the Administrative Process Act and Section 4.1-111.

Section 4.1-103(27) states the Board has the authority to establish minimum food sale requirements for all retail licensees.

Section 4.1-111 (A) of the Code provides the Board with the authority to adopt reasonable regulations which it deems reasonable to carry out the provisions of the ABC Act and to amend or repeal such regulations.

Section 4.1-111 (B)(1) of the Code provides the Board with the authority to prescribe what hours and on what days alcoholic beverages shall not be sold by licensees or consumed on any licensed premises, including a provision that mixed beverages may be sold only at such times as wine and beer may be sold.

Section 4.1-111 (B)(6) of the Code provides that the Board shall promulgate regulations that prescribe the terms and conditions under which persons who collect or trade designer or vintage spirit bottles may sell such bottles at auction, provided that (i) the auction is conducted in accordance with the provisions of Chapter 6 (§ 54.1-600 et seq.) of Title 54.1 and (ii) the bottles are unopened and the manufacturers' seals, marks, or stamps affixed to the bottles are intact.

Purpose

Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

This regulation is essential to protect the health, safety, and welfare of citizens because it provides comprehensive guidance for retail licensees on numerous issues, including but not limited to, designated manager requirements, qualifications, gifts of alcohol, and license specific regulations for such licensees as restaurants, bed and breakfast establishments, marketplace licensees, clubs, and caterers to name a few.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

New substantive provisions:

Substantive changes of existing regulations:

3VAC5-50-60(A)(1): revised to allow licensees to serve the entire container of spirits if the container contains 16 ounces or less and the ABV content is 15% or less.

3VAC5-50-60(A)(2): revised to include the word "grain" before "alcohol" as it was initially intended to state.

3VAC5-50-60(B)(4): Revised to include limitations on mixed beverage licensees that serve flights of samples so that they are limited to no more than 5 mixed beverages, and each shall contain no more than one ounce of distilled spirits.

3VAC5-50-110(H): Revised by removing text from 3VAC5-40-30 and placing it in the retail section.

3VAC5-50-130(C)(2): Revised to include a subsection that limits the number of times a nonmember may frequent a club, require nonmembers to be accompanied by club members, and makes it a violation if the club occupancy consists of a number of nonmembers that exceeds the number of club members.

3VAC5-50-130(C)(3): Revised to include a provision that a nonmember attending a member-sponsored private function is not to be counted as a guest with respect to the club guests' restrictions.

3VAC5-50-180: Removed language that was redundant restatements of text in the Code.

3VAC5-50-190: Removed language that was redundant restatements of text in the Code.

3VAC5-50-200: Removed language that was redundant restatements of text in the Code.

3VAC5-50-210: Removed language that distinguished between wine and beer and beer only licenses.

3VAC5-50-250: Clarified this section only applies to licenses issued pursuant to 4.1-206.3(C)(3) of the Code.

3VAC5-50-190: Removed language that was redundant restatements of text in the Code.

3VAC5-50-260 – Removed language that is no longer applicable because the deadlines have passed.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

- 1) The primary advantage to the public is that it removes text that is redundant and makes the regulations easier to read. The regulations are updated to account for low alcohol beverage coolers. Additionally, the regulations are revised to remove regulations that are no longer applicable since license reform.
- 2) The advantage to the Commonwealth is that regulations that are simply restatements of Code do not have to be maintained and the result is a more condensed regulatory chapter. Also, the Commonwealth is benefited because the regulations are up-to-date with the Code.

There are no disadvantages to the public or Commonwealth.

Requirements More Restrictive than Federal

Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

There no requirements that exceed applicable federal requirements.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

Other State Agencies Particularly Affected
NA

Localities Particularly Affected

NA

Other Entities Particularly Affected

NA

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits) anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

Impact on State Agencies

<i>For your agency:</i> projected costs, savings, fees, or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources.	There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for the Authority.
<i>For other state agencies:</i> projected costs, savings, fees, or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for other state agencies.
<i>For all agencies:</i> Benefits the regulatory change is designed to produce.	The benefit is to bring clarity to the regulations that deal with retail operations and removal of redundant text.

Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees, or revenues resulting from the regulatory change.	There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for localities.
Benefits the regulatory change is designed to produce.	The benefit is to bring clarity to the regulations that deal with retail operations and removal of redundant text.

Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be	These changes may impact the approximately 20,892 VA ABC licensees, but only those that engage in retail operations.
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affected, include a specific statement to that effect.	
Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated, and; b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	VA ABC has approximately 20,892 licensees that would be subject to these regulation changes. VA ABC does not have the capability to determine which of its licensees meet the definition of a small business.
All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to: a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements.	There are no projected costs for licensees based on the revisions to these regulations.
Benefits the regulatory change is designed to produce.	The benefit is to bring clarity to the regulations that deal with retail operations and removal of redundant text.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

There were no alternatives to these regulatory changes that were considered.

If this analysis has been reported on the ORM Economic Impact form, indicate the tables on which it was reported. Information provided on that form need not be repeated here.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

There were no alternatives to these regulatory changes that were considered.

If this analysis has been reported on the ORM Economic Impact form, indicate the tables on which it was reported. Information provided on that form need not be repeated here.

Periodic Review and Small Business Impact Review Report of Findings

If you are using this form to report the result of a periodic review/small business impact review that is being conducted as part of this regulatory action, and was announced during the NOIRA stage, indicate whether the regulatory change meets the criteria set out in EO 19 and the ORM procedures, e.g., is necessary for the protection of public health, safety, and welfare; minimizes the economic impact on small businesses consistent with the stated objectives of applicable law; and is clearly written and easily understandable. In addition, as required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency’s consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency’s decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

The regulatory changes comply with EO 19 in that they reduce the number of regulatory requirements, remove redundant language, and bring clarity to the regulations dealing with retail operations and to make sure the existing rules comport with modern practices among retailers. The regulation is still very much needed because different tier members need to be aware of what practices are not permitted by the Authority.

The regulatory changes do not have an economic impact on small businesses. There are no requirements in these regulatory changes that will result in costs to licensees.

Public Comment

Summarize all comments received during the public comment period following the publication of the previous stage, and provide the agency’s response. Include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. If no comment was received, enter a specific statement to that effect.

Commenter	Comment	Agency response
Thomas Lisk, Esq. – representing Diageo North America	Diageo North America (“Diageo”) supports the proposed change to 3 VAC-5-50-60(A)(1) to allow ABC mixed beverage licensed restaurants to sell and serve Ready-to-Drink (RTD) cocktails to customers in a full container that is no greater than 16 ounces with an ABV no greater than 15%. In addition, Diageo supports the proposed change to 3 VAC-5-50-	The Authority supports this comment.

Commenter	Comment	Agency response
	<p>60(B)(4) to allow ABC mixed beverage licensed restaurants to serve limited flights of mixed beverages.</p>	
<p>Tommy Herbert – Virginia Restaurant Lodging and Travel Association</p>	<p>The Virginia Restaurant Lodging and Travel Association (VRLTA) was founded to provide a single unified voice for Virginia’s restaurant, hotel-lodging, travel, and hospitality supplier industries. Our mission is to advocate on behalf of the legislative priorities and interests of Virginia’s restaurants, hotels, attractions, and destinations to Virginia’s General Assembly and regulatory agencies.</p> <p>VRLTA supports the proposed change to 3 VAC-5-50-50 to allow ABC licensed restaurant employees 18 years of age or older to serve beer for on-premises consumption from behind a counter, but further asks that the ABC Authority modify the language to allow for the service of “wine or beer” under the same circumstances.</p> <p>VRLTA also supports the proposed change to 3 VAC-5-50-60(A)(1) to allow ABC mixed beverage licensed restaurants to sell and serve Ready-to-Drink (RTD) cocktails to customers in a full container that is no greater than 16 ounces with an ABV no greater than 15%.</p> <p>Finally, VRLTA supports the proposed change to 3 VAC-5-50-110(A) to clarify the definitions of “meal” and “preparation” in recognition of contemporary standards in the restaurant industry and the proposed changes to 3 VAC-5-50-100(C)(1)&(3) which changes also recognizes the evolution in food service within contemporary restaurants.</p>	<p>The Authority supports this comment.</p>
<p>Andy Deloney – Senior Vice President and Head of State Policy for Distilled Spirits Council of the United States</p>	<p>We urge the ABC to eliminate outdated restrictions on on-premise retailers and to allow them to engage in responsible serving practices, as follows:</p> <ul style="list-style-type: none"> • Add a new exception for ready to drink (RTD) spirits products to the prohibition in section (A)(1) against a 	<p>Virginia ABC has already made most of the changes included in this comment. The suggestion for subsection E cannot be made as it is in Code.</p>

Commenter	Comment	Agency response
	<p>mixed beverage restaurant or carrier license serving as one drink the entire contents of an original container of spirits for on-premise consumption. For purposes of this rule, an RTD spirits product is an alcohol beverage not exceeding 15% ABV, includes spirits mixed with other ingredients (including nonalcohol and/or alcohol components), and is served in the original container.</p> <ul style="list-style-type: none"> • In section (A)(2), eliminate the prohibition against the sale of any mixed beverage “to which alcohol has been added.” Consumers should be able to order drinks composed of more than one type of alcohol product (e.g., Long Island Iced Tea or Prosecco cocktails), as they can in other states. • In Section (E), expand the provision allowing a mixed beverage restaurant to serve an entire container of soju for on-premise consumption to at least two patrons, to allow on-premise retailers to serve full containers of any type of spirits (known as “bottle service”) to at least two patrons. The current 375 ml container size limit in this provision also should be eliminated. 	

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

The Virginia Alcoholic Beverage Control Authority is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, and (iii) the potential impacts of the regulation.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: <https://townhall.virginia.gov>. Comments may also be submitted by mail, email or fax to LaTonya Hucks-Watkins, Senior Legal Counsel, 7450 Freight Way, Mechanicsville, VA 23116, 804-213-4698(o), 804-213-4574(f), latonya.hucks-watkins@virginiaabc.com. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

A public hearing will not be held following the publication of the proposed stage of this regulatory action.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an existing VAC Chapter(s) is being amended or repealed, use Table 1 to describe the changes between the existing VAC Chapter(s) and the proposed regulation. If the existing VAC Chapter(s) or sections are being repealed and replaced, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
3VAC5-50-10		Provides guidance on the sale and consumption of alcohol.	Deleted Subsection B, but combined it with Subsection A. Reduced text. Also removed gender specific language. There is no anticipated impact.
3VAC5-50-20		Provides guidance on how to determine legal age of purchaser.	<ul style="list-style-type: none"> • Changed gender specific pronouns. • Removed “subject’s height” from identification requirements. There is no anticipated impact.
3VAC5-50-30		Provides guidance on hours when alcohol may be sold.	<ul style="list-style-type: none"> • Removed the exception for the City of Danville. The rationale was that it is no longer necessary to have that exception. • Changed “board” to “Authority”. • Added mixed beverage casinos to comport with the Code. There is no anticipated impact.
3VAC5-50-40		Provides guidance regarding designated managers and disapproval from the Authority.	<ul style="list-style-type: none"> • Cleaned up some of the language so that it reads better. • Revised Subsection E so that a licensee may immediately hire an employee whose offenses occurred more than 5 years prior to the date of employment or petition the Authority for approval of such employment if the offense occurred less than 5

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
			<p>years prior to the date of employment.</p> <ul style="list-style-type: none"> Removed gender specific pronouns. Changed “board” to “Authority”. <p>The impact should be positive as retailers have more control over who they may employ.</p>
3VAC5-50-50		Provides guidance regarding employment of minors.	<ul style="list-style-type: none"> Revised the last sentence so that 18-year-olds may serve wine and beer at a counter in any on-premises establishment. This change was necessary because post-license reform there are no longer “beer only” or “wine only” retail establishments. Changed gender specific pronouns. <p>There is no anticipated impact.</p>
3VAC5-50-60		Provides guidance regarding rules specific to mixed beverage licensees.	<ul style="list-style-type: none"> Revised Subsection (A)(1) so that a mixed beverage restaurant licensee may serve the entire contents of a spirits container that is 16 oz or less and with a max ABV of 15 for on and off-premises consumption. This was done to allow for the service of low alcoholic beverage coolers. Added “grain” to (A)(2). This change reflects what was always the intent of this regulation. Cleaned up the language in (B)(1). (B)(4) added a provision that allows for a flight of samples or a flight of mixed beverages and the mixed beverage cannot contain more than one ounce of distilled spirits. This change was made to provide for a more comprehensive and specific regulation. Added Subsection (G)(4) which imposes restrictions on mixed beverage restaurant licensees such that a container of premixed mixed beverages to be served by tapping equipment cannot exceed 20 liters in volume and such containers

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
			must be labelled as to the type of mixed beverage and the brand and quantities of the spirits products used to produce the mixed beverage <ul style="list-style-type: none"> • Changed gender specific pronouns. • Changed “board” to “Authority”. There is no anticipated impact from these revisions.
3VAC5-50-70		Provides guidance on the requirements for construction, lighting, and inspection.	There should be no impact from these revisions because they are stylistic changes not substantive. <ul style="list-style-type: none"> • Changed gender specific pronouns. • Changed “board” to “Authority”.
3VAC5-50-80		Provides guidance on entreating or urging patrons to purchase alcohol.	<ul style="list-style-type: none"> • Changed “board” to “Authority” • Changed “purchase” to “overconsume” to more accurately reflect the activity the Authority wants to discourage. • Deleted the provision regulating containers of ice in public display areas.
3VAC5-50-90		Provides guidance on the storage of alcohol.	There should be no impact from these revisions because they are stylistic changes not substantive. <ul style="list-style-type: none"> • Changed gender specific pronouns. • Changed “board” to “Authority”.
3VAC5-50-100		Provides information regarding qualifications for off-premises retailers.	<ul style="list-style-type: none"> • Combined all but two of the listed license types into one regulation and increased to reduce the amount of text. • Changed “board” to “Authority”.
3VAC5-50-110		Provides guidance regarding qualifications for on-premises retail establishments.	<ul style="list-style-type: none"> • Increased the monthly sales for a gourmet oyster house to \$2,000. • Added the exception for casino licensees regarding the requirement to have food available up until 30 minutes before closing. • Added language from 5-40-30 regarding wine served in carafes and decanters. • Changed “board” to “Authority”. There is no anticipated impact as the changes are mostly stylistic; however, gourmet oyster houses will have to meet a higher monthly

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
			sales requirement, but it is the same requirement that other similar businesses have to meet as well.
3VAC5-50-130		Provides guidance for licensed clubs.	<ul style="list-style-type: none"> • Changed (A)(4) from average number of members to current number of members. This is easier to calculate and more accurate than an average number. • Added C(2) so that nonmembers are limited to one visit per month provided the nonmember is accompanied by a member (does not apply to HOAs so long as guests are accompanied by a member). • Changed “board” to “Authority”.
3VAC5-50-140		Provides guidance regarding prohibited conduct on the premises of a retail establishment.	<p>There should be no impact from these revisions because they are stylistic changes not substantive.</p> <ul style="list-style-type: none"> • Changed gender specific pronouns.
3VAC5-50-150		Provides guidance regarding off-premises deliveries.	<p>There should be no impact from these revisions because they are stylistic changes not substantive.</p> <ul style="list-style-type: none"> • Changed “board” to “Authority”.
3VAC5-50-170		Provides guidance regarding caterer’s licenses.	<p>There should be no impact from these revisions because they are stylistic changes not substantive.</p> <ul style="list-style-type: none"> • Changed gender specific pronouns. • Changed “board” to “Authority”.
3VAC5-50-180		Provides guidance regarding volunteer fire departments and banquet facility licenses.	<ul style="list-style-type: none"> • Deleted redundant subsections. and kept the limitations that are not specified in the Code. • Changed “board” to “Authority”. <p>There should be no impact because the things that were removed, already exist in the Code.</p>
3VAC5-50-190		Provides guidance regarding the rules for operating a bed and breakfast.	<ul style="list-style-type: none"> • Deleted redundant subsections. and kept the limitations that are not specified in the Code. • Changed “board” to “Authority”. <p>There should be no impact because the things that were removed, already exist in the Code.</p>

Current chapter-section number	New chapter-section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
3VAC5-50-200		Provides guidance regarding the rules of operating a gift shop.	<ul style="list-style-type: none"> Deleted redundant subsections and kept the limitations that are not specified in the Code. Changed “board” to “Authority”. There should be no impact because the things that were removed, already exist in the Code.
3VAC5-50-210		Provides guidance regarding how wine and beer retailers may compensate employees.	<ul style="list-style-type: none"> The revisions expand the availability of a compensation plan to other retailers, not just wine and beer retailers. The impact should be positive since this exception will be accessible to more licensees.
3VAC5-50-220		Provides guidance regarding interests in a licensed business and percentage-based payments.	<ul style="list-style-type: none"> Added language to clarify that contracts between management companies and promoters must be provided to the Authority. Removed repetitive language in Subsection (3)(b). <p>There should not be an impact as this change comports with established practices. The change is done to make it abundantly clear and eliminate any confusion.</p>
3VAC5-50-240		Provides guidance regarding alcoholic energy drink placement.	<p>Revised to provide guidance as to where any alcoholic product (not just energy drinks) may be placed outside of the designated alcohol product area.</p> <p>There should not be any impact as this language comports with the Code.</p>
3VAC5-50-250		Provides guidance regarding the confectionary license.	Revised to make it clear that these regulations only apply to confectionary licenses.
3VAC5-50-260		Provides guidance regarding the marketplace license.	Revised to eliminate requirements that were no longer applicable following license reform. There is no impact because those requirements applied to licenses that no longer exist.

If a new VAC Chapter(s) is being promulgated and is not replacing an existing Chapter(s), use Table 2.

Table 2: Promulgating New VAC Chapter(s) without Repeal and Replace

New chapter-section number	New requirements to be added to VAC	Other regulations and laws that apply	Change, intent, rationale, and likely impact of new requirements

If the regulatory change is replacing an **emergency regulation**, and the proposed regulation is identical to the emergency regulation, complete Table 1 and/or Table 2, as described above.

If the regulatory change is replacing an **emergency regulation**, but changes have been made since the emergency regulation became effective, also complete Table 3 to describe the changes made since the emergency regulation.

Table 3: Changes to the Emergency Regulation

Emergency chapter-section number	New chapter-section number, if applicable	Current <u>emergency</u> requirement	Change, intent, rationale, and likely impact of new or changed requirements since emergency stage