



[townhall.virginia.gov](http://townhall.virginia.gov)

## Proposed Regulation Agency Background Document

|   |   |
|---|---|
| <b>Agency name</b>  | Virginia Alcoholic Beverage Control Authority |
| <b>Virginia Administrative Code (VAC) Chapter citation(s)</b> | 3VAC5-70                                      |
| <b>VAC Chapter title(s)</b>                                   | Other Provisions                              |
| <b>Action title</b>   | Chapter 70 Reform                             |
| <b>Date this document prepared</b>                            | 12/27/2023                                    |

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, modernize some of the regulations and make sure they comport with current practices within the industry.

### 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the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."*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 change is to comply with the periodic review requirements of the Administrative Process Act and also to reduce regulatory requirements by 25%.

## 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(25) states the Board has the authority to assess and collect civil penalties and civil charges for violations of this subtitle and Board regulations

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.

## 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 to VA ABC licensees across all tiers related to rules that do not squarely fit in one of the previous chapters.

## 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:

3VAC5-70-20: Removed subsections B, C, and F because they are redundant restatements of Virginia Code.

3VAC5-70-90: Removed subsection E because it is redundant; added "any time the licensee is open to the public" as a time period where records must be made available to special agents.

3VAC5-70-130: Revised the definition of "meals" so that it is consistent with the definition in another regulation.

3VAC5-70-140: Repealed because it is redundant language that appears in the Code.

3VAC5-70-170: Removed language that is redundant language that appears in the Code.

3VAC5-70-170: Removed commercial and culinary as permitted uses for obtaining a grain alcohol permit; added language that the medical use requires the request come from a federal or state board licensed medical professional or hospital; added language that the alcohol cannot be used in the manufacture of products intended for human consumption.

3VAC5-70-210: Raised penalties for sale to underage and intoxicated to \$2000 with training; raised suspension periods to a minimum of 10 days; raised other penalties to a minimum of \$750; revised the address and email address for Education and Prevention; deleted the last textual portion of Subsection A.

3VAC5-70-225: Revised the title to include "delivery requirements"; changed "Form 805-52" to "an application for a permit" in Subsection A; added Code references to Subsections B, C, and D; added third party delivery licensee to Subsection D as well and clarified that this subsection is referencing licensees with delivery privileges pursuant to 4.1-212.1; added Code references and third party delivery licensee to Subsection F; added an exception to signature requirement in Subsection (F)(2); added "or license number of the delivering licensee" to the end of Subsection F, also that third party delivery licensees shall not deliver any alcoholic beverages that do not bear the required label.

3VAC5-70-230: Added definitions for "designer" and "vintage" as well as requirements for bottles sold at auction.

3VAC5-70-250: Changed reference from E4 to E5 in Subsection A so that it is correct with the Code reference; changed "shall" to "may" in Subsection A to maintain consistency with the Code; removed Subsections A (2), (3), and (20) for being violations too significant to allow a waiver of penalties.

## 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 with these revisions is to remove redundant text; more clearly define when records should be available; simplifying the granting of a grain alcohol permit; and incorporating guidance regarding designer and vintage bottles. The public in general is not disadvantaged, but licensees may see higher penalties and suspension periods for violations.
- 2) The Commonwealth is benefitted because there is a reduction in regulations as well as more clarity to the remaining regulations making them more easily accessible. There are no disadvantages to the 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**

|   |  |
|---|--|
| <p><i>For your agency:</i> projected costs, savings, fees, or revenues resulting from the regulatory change, including:<br/>                 a) fund source / fund detail;<br/>                 b) delineation of one-time versus on-going expenditures; and<br/>                 c) whether any costs or revenue loss can be absorbed within existing resources.</p> | <p>There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for the Authority.</p>                             |
| <p><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.</p>   | <p>There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for other state agencies.</p>                      |
| <p><i>For all agencies:</i> Benefits the regulatory change is designed to produce.</p>  | <p>The benefit is to bring clarity to these regulations, remove redundancies, and incorporate standard Authority practices into the regulations.</p> |

**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.*

|  |  |
|--|--|
| <p>Projected costs, savings, fees, or revenues resulting from the regulatory change.</p> | <p>There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for localities.</p>                                |
| <p>Benefits the regulatory change is designed to produce.</p>                            | <p>The benefit is to bring clarity to these regulations, remove redundancies, and incorporate standard Authority practices into the regulations.</p> |

**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.*

|  |  |
|--|--|
| <p>Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.</p>   | <p>These changes may impact the approximately 20,892 VA ABC licensees. The impact would result in a 20%-25% increase in penalties; however, that will only impact those licensees that commit violations and choose to settle for those penalties in lieu of going to a hearing.</p> |
| <p>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:<br/>                 a) is independently owned and operated, and;<br/>                 b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.</p> | <p>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.</p>   |
| <p>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:</p>  | <p>These changes may impact the approximately 20,892 VA ABC licensees. The impact would result in a 20%-25% increase in penalties; however, that will only impact those licensees that commit violations and choose to settle for those penalties in lieu of going to a hearing.</p> |

|  |  |
|--|--|
| <p>a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses;<br/>                 b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change;<br/>                 c) fees;<br/>                 d) purchases of equipment or services; and<br/>                 e) time required to comply with the requirements.</p> |  |
| <p>Benefits the regulatory change is designed to produce.</p>  | <p>The benefit is to bring clarity to these regulations, remove redundancies, and incorporate standard Authority practices into the regulations.</p> |

### 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 that impact licensees across all tiers and make sure the existing rules comport with modern practices among industry members. 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 a 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 |
|-----------|---------|-----------------|
|           |         |                 |
|           |         |                 |

Virginia ABC did not receive any public comment on these revisions.

**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](mailto: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  |
|--------------------------------|---|--|---|
| 3VAC5-70-10                    |   | Provides guidance for transportation of alcoholic beverages.   | <ul style="list-style-type: none"> <li>• Removed the one-gallon limitation that was removed by Senate Bill 325</li> <li>• Removed the language about conversion to liters that was taken out of the Code by Senate Bill 325</li> <li>• Revised the language in Subsection C so that it says the transportation permit may be suspended or revoked for the same reasons that a license may be suspended or revoked.</li> <li>• Rewrote the language in Subsection D so that it reads with clarity. Also added “spirits” to (D)(2), and removed “and sold” from (D)(3).</li> <li>• Revised Subsection E to reference the correct code section.</li> <li>• Changed “board” to “Authority”.</li> </ul> <p>The impact should be minimal because these changes were done to comport with the Code and practices licensees have already been subject to following.</p> |
| 3VAC5-70-20                    |   | Provides guidance regarding the procedures for handling cider. | <ul style="list-style-type: none"> <li>• Removed the language about age limits because; it is unnecessary to state that you have to be 21 to purchase alcohol. There is no impact because that is the law</li> </ul>  |



| Current chapter-section number | New chapter-section number, if applicable | Current requirements in VAC  | Change, intent, rationale, and likely impact of new requirements   |
|--------------------------------|---|--|--|
|                                |   |  | <p>and people should be aware of that without having to include it in the regulations.</p> <ul style="list-style-type: none"> <li>Removed Subsection B for some of the same reasons.</li> <li>Removed Subsection C because it is redundant.</li> <li>Changed “board” to “Authority”</li> </ul> <p>There are no substantive changes so there should not be any impact.</p>  |
| 3VAC5-70-30                    |   | Provides guidance on the purchase and use of sacramental wine.                               | <ul style="list-style-type: none"> <li>Combined Subsections C and D to minimize words.</li> <li>Changed “board” to “Authority”.</li> </ul> <p>There are no substantive changes so there should not be any impact.</p>  |
| 3VAC5-70-40                    |   | Provides guidance for purchase of alcohol used for culinary purposes.                        | <ul style="list-style-type: none"> <li>Removed the on/off premises distinctions because they are no longer necessary.</li> <li>Changed “board” to “Authority”.</li> </ul> <p>There are no substantive changes so there should not be any impact.</p>   |
| 3VAC5-70-60                    |   | Provides guidance for alcohol used for hospital use and industrial purposes.                 | <ul style="list-style-type: none"> <li>Included a reference call out to 5-60-200 in Subsection (A)(1).</li> <li>Changed “board” to “Authority”.</li> </ul> <p>Little to no impact as these are mostly stylistic changes.</p>   |
| 3VAC5-70-70                    |   | Provides guidance for persons who contract with distillers.                                  | <ul style="list-style-type: none"> <li>Changed “board” to “Authority”.</li> </ul> <p>There are no substantive changes so there should not be any impact.</p>   |
| 3VAC5-70-90                    |   | Provides guidance on recordkeeping.  | <ul style="list-style-type: none"> <li>Removed the technology references and replaced with “any” available storage technologies.</li> <li>Added “any time the licensee is open to the public” as a time period where records must be made available to special agents.</li> <li>Removed E because it is redundant.</li> <li>Added language to clarify applicability of Subsection F (formerly Subsection G).</li> <li>Changed “board” to “Authority”</li> </ul> <p>There should be a positive impact for licensees since it clarifies that “reasonable hours” includes hours the licensee is open.</p> |
| 3VAC5-70-95                    |   | Provides guidance for proration of taxes when the business is destroyed by natural disaster. | <ul style="list-style-type: none"> <li>Changed “board” to “Authority”.</li> </ul> <p>There are no substantive changes so there should not be any impact.</p>   |

| Current chapter-section number | New chapter-section number, if applicable | Current requirements in VAC  | Change, intent, rationale, and likely impact of new requirements   |
|--------------------------------|---|--|--|
| 3VAC5-70-100                   |   |  | <ul style="list-style-type: none"> <li>Revised Subsection C to expand eligible retail licensee sponsors.</li> <li>Includes gender neutral language.</li> <li>Changed “board” to “Authority”</li> </ul> Little to no impact as changes are mostly stylistic.  |
| 3VAC5-70-110                   |   | Provides guidance related to the release of alcoholic beverages from customs and bonded warehouses.                                | <ul style="list-style-type: none"> <li>Changed “board” to “Authority”.</li> </ul> There are no substantive changes so there should not be any impact.  |
| 3VAC5-70-120                   |   | Provides guidance on the approval of warehouses for storage of alcohol.  | <ul style="list-style-type: none"> <li>Revised Subsection C to update language.</li> <li>Changed “board” to “Authority”.</li> </ul> Little to no impact as changes are mostly stylistic.   |
| 3VAC5-70-130                   |   | Provides guidance regarding Special Mixed Beverage Licensees.  | <ul style="list-style-type: none"> <li>Updated the statutory reference.</li> <li>Revised Subsection B so that the definition for “meals” is consistent with 3VAC5-50-110.</li> <li>Changed “board” to “authority”</li> </ul> The impact should be minimal and positive. The change brings consistency to the definition of meals and updates the statutory reference which was incorrect previously. |
| 3VAC5-70-140                   |   | Provides definitions for wine licensees and wine coolers.  | Repealed because it is redundant to the Code.  |
| 3VAC5-70-150                   |   | Provides guidance regarding wholesale alcoholic beverage sales and winery/brewery discounts, inducements and price discrimination. | <ul style="list-style-type: none"> <li>Changed “postmarked” to “delivered.”</li> <li>Changed “board” to “Authority”</li> </ul> Impact should be positive because it allows for more time before a price increase can go into effect.   |
| 3VAC5-70-160                   |   | Provides guidance for farm wineries.   | <ul style="list-style-type: none"> <li>Combined Subsections A and B.</li> <li>Deleted the first portion of Subsection C because it is redundant to the code and revised the last sentence so that it is understandable alone.</li> </ul> Little to no impact as changes are mostly stylistic.  |
| 3VAC5-70-170                   |   | Provides guidance on the use of credit or debit cards in government stores.  | <ul style="list-style-type: none"> <li>Deleted the second sentence because it is redundant with the Code.</li> </ul> Little to no impact as changes are mostly stylistic.  |
| 3VAC5-70-180                   |   | Provides guidance on the sale of kegs.   | <ul style="list-style-type: none"> <li>Changed “board” to “Authority”.</li> </ul> There are no substantive changes so there should not be any impact.  |

| Current chapter-section number | New chapter-section number, if applicable | Current requirements in VAC  | Change, intent, rationale, and likely impact of new requirements  |
|--------------------------------|---|--|---|
| 3VAC5-70-190                   |   | Provides guidance regarding waivers for banquet license taxes.   | <ul style="list-style-type: none"> <li>• Removed the language that says “Pursuant to the Code.”</li> <li>• Changed “board” to “Authority”.</li> </ul> <p>There are no substantive changes so there should not be any impact.</p>  |
| 3VAC5-50-200                   |   | Provides guidance on securing a grain alcohol permit.  | <ul style="list-style-type: none"> <li>• Removed the sunset provision in Subsection A.</li> <li>• Removed commercial and culinary as permitted uses for obtaining a grain alcohol permit.</li> <li>• Added language that the medical use requires the request come from a doctor, veterinarian, pharmacist, or hospital.</li> <li>• Added language that the alcohol cannot be used in the manufacture of products intended for human consumption.</li> <li>• Changed “board” to “Authority”</li> </ul> <p>There should be little impact as most of the revisions are made to comport with Code. Licensees that previously obtained these permits for culinary or commercial purposes will be impacted as that is no longer permitted. Licensees also cannot use grain alcohol to prepare items meant for human consumption.</p> |
| 3VAC5-70-210                   |   | Provides schedule of penalties for first offense violations if the licensee decides to enter into an agreement with the Authority in lieu of going to a hearing. | <ul style="list-style-type: none"> <li>• Raised penalties for sale to underage and intoxicated to \$2000.</li> <li>• Raised suspension periods to a minimum 10 days.</li> <li>• Raised other penalties to a minimum of \$750.</li> <li>• Revised the address and email address for Education and Prevention.</li> <li>• Deleted the last textual portion of Subsection A.</li> <li>• Changed “board” to “Authority”.</li> </ul> <p>Licensees that settle disputes with the Authority will be impacted by a 20%-25% increase in penalties. This process is voluntary, so the licensee can choose not to accept the penalty.</p>  |

| Current chapter-section number | New chapter-section number, if applicable | Current requirements in VAC  | Change, intent, rationale, and likely impact of new requirements   |
|--------------------------------|---|--|--|
| 3VAC5-70-220                   |   | Provides guidance for wine and beer shippers and internet retail licensees.    | <ul style="list-style-type: none"> <li>• Changed “Tax Management Supervisor” to VA ABC. Minimal impact, just in case the supervisor is not available.</li> <li>• Changed Subsection J to 15th of each month.</li> <li>• Added weight of items shipped and delivered to be included in the report referenced in Subsection J.</li> <li>• Changed “board” to “Authority”</li> </ul>  |
| 3VAC5-70-225                   |   | Provides guidance for delivery permits.  | <ul style="list-style-type: none"> <li>• Changed “Form 805-52” to “an application for a permit” in Subsection A. Minimal impact, as VA ABC no longer uses that form.</li> <li>• Added Code references to Subsections B and C.</li> <li>• Added third party delivery licensee to Subsection D as well and clarified that this subsection is referencing licensees with delivery privileges pursuant to 4.1-212.1. Minimal impact, language is added to comport with the Code.</li> <li>• Revised “Tax Management Supervisor” to VA ABC in Subsection E. Minimal impact, just in case the supervisor is not available.</li> <li>• Added third party delivery licensee to Subsection F. Minimal impact, language is added to comport with the Code.</li> <li>• Added an exception to signature requirement in Subsection (F)(2). Minimal impact, language is added to comport with the Code.</li> <li>• Added “or license number of the delivering licensee” to the end of Subsection F. Added to bring clarity to this requirement.</li> <li>• Changed “board” to “Authority”. No impact.</li> </ul> |
| 3VAC5-70-230                   |   | Provides guidance regarding the auction of designer or vintage spirit bottles. | <ul style="list-style-type: none"> <li>• Added the definitions and requirements from the circular letters to Subsection A.</li> <li>• Changed ‘board” to “Authority”</li> </ul> <p>Little to no impact as this incorporates into regulation the</p>  |

| Current chapter-section number | New chapter-section number, if applicable | Current requirements in VAC   | Change, intent, rationale, and likely impact of new requirements  |
|--------------------------------|---|---|---|
|                                |   |   | policies that VA ABC has already provided guidance for and have been utilizing for years.   |
| 3VAC5-70-240                   |   | Provides guidance for marketing portals and fulfillment warehouse approvals.      | <ul style="list-style-type: none"> <li>• Changed “Supervisor, Tax Management Section” to “Virginia” ABC. Minimal impact, just in case the supervisor is not available.</li> <li>• Changed “board” to “Authority”. No impact</li> </ul>  |
| 3VAC5-70-250                   |   | Provides guidance regarding when the Authority may waive first offense penalties. | <ul style="list-style-type: none"> <li>• Changed reference from E4 to E4—5 in Subsection A so that it is correct with the Code reference.</li> <li>• Changed “shall” to “may” in Subsection A to maintain consistency with the Code.</li> <li>• Removed Subsections A (2), (3), and (20) for being too significant of violations to allow a waiver of penalties. Licensees who may have gotten those penalties waived will no longer have that option.</li> <li>• Changed “board” to “Authority”. No impact.</li> </ul> |
|                                |   |   |   |

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 |
|----------------------------------|---|--------------------------------------|---|
|                                  |   |                                      |   |

|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |