

# SENATE OF VIRGINIA

**BRYCE E. REEVES**  
17TH SENATORIAL DISTRICT  
ALL OF ORANGE COUNTY; ALL OF THE  
CITY OF FREDERICKSBURG; AND PART OF  
ALBEMARLE, CULPEPER, LOUISA,  
AND SPOTSYLVANIA COUNTIES  
POST OFFICE BOX 7021  
FREDERICKSBURG, VIRGINIA 22404



COMMITTEE ASSIGNMENTS:  
REHABILITATION AND SOCIAL SERVICES, CHAIR  
COURTS OF JUSTICE  
GENERAL LAWS AND TECHNOLOGY  
PRIVILEGES AND ELECTIONS  
RULES

December 11, 2018

Travis Hill  
Chief Executive Officer  
Virginia Alcoholic Beverage Control Authority  
2901 Hermitage Road  
Richmond, Virginia 23220

Dear Mr. Hill:

During the 2018 interim, a subcommittee of the Senate Committee on Rehabilitation and Social Services (the subcommittee) assembled several times to study certain alcoholic beverage control (ABC) issues. This study included discussion and analysis of the Commonwealth's current ABC licenses and fees. Throughout these discussions, the subcommittee identified disparities among numerous licenses regarding the amount of alcohol that such licensees are permitted to serve through samples. Moreover, the subcommittee determined that there may be a need to consolidate and restructure the Commonwealth's ABC licenses in light of the large number of ABC licenses currently available despite many commonalities among such licenses, as well as the low level of participation in many of the license categories. Finally, the subcommittee identified a need to review the fees collected by the Virginia ABC Authority and determine their appropriateness on the basis of the privileges conveyed through such fees.

In an effort to address these concerns, the subcommittee formally adopted a recommendation to send official correspondence requesting that the Virginia ABC Authority study these issues during the 2019 interim and report its findings to the subcommittee. Specifically, the subcommittee requests the Virginia ABC Authority to (i) conduct a comprehensive examination of the Commonwealth's current ABC licenses and permits and develop a proposal to consolidate such licenses and permits in a manner that simplifies licensure and permit categories, accommodates both current and anticipated licensure and permit needs, and confers equal sampling privileges among licensees where appropriate; (ii) explore the creation of a marketplace license that could be used to replace many or all of the current ABC licenses issued to establishments that serve, but do not sell, alcoholic beverages and to accommodate other business models for which such privilege would be appropriate, including retail cigar shops; (iii) analyze all fees, taxes, and other charges currently collected by the Virginia ABC Authority and determine whether such fees, taxes, and charges should be raised, lowered, or restructured to

# SENATE OF VIRGINIA

**BRYCE E. REEVES**  
17TH SENATORIAL DISTRICT  
ALL OF ORANGE COUNTY; ALL OF THE  
CITY OF FREDERICKSBURG; AND PART OF  
ALBEMARLE, CULPEPER, LOUISA,  
AND SPOTSYLVANIA COUNTIES  
POST OFFICE BOX 7021  
FREDERICKSBURG, VIRGINIA 22404



COMMITTEE ASSIGNMENTS:  
REHABILITATION AND SOCIAL SERVICES, CHAIR  
COURTS OF JUSTICE  
GENERAL LAWS AND TECHNOLOGY  
PRIVILEGES AND ELECTIONS  
RULES

better align with the licenses and privileges extended in exchange for such fees, taxes, and charges, as well as the resources necessary to administer, monitor, and enforce such licenses and privileges; and (iv) consult with all relevant stakeholders in conducting its examination and creating its recommendations.

The subcommittee requests that the Virginia ABC Authority report in writing to the subcommittee a conceptual design of its findings by May 31, 2019, and its final recommendations by November 1, 2019. The subcommittee further reserves the right to request that the Virginia ABC Authority appear before the subcommittee, on dates to be determined, to provide updates on its progress throughout the 2019 interim.

The subcommittee makes the aforementioned request in hopes that a comprehensive study of these topics will identify changes that can be made to improve the Commonwealth's ABC laws by simplifying licensure categories, accommodating modern licensure needs, providing equal treatment among similarly situated licensees, and ensuring that fees, taxes, and charges are proportionate to associated privileges and administrative demands. The subcommittee recognizes and appreciates prior efforts by the Virginia ABC Authority to make improvements in these areas and is confident that its continued work will lead to further benefits for the Commonwealth's ABC industry. Should you have any questions or concerns, please do not hesitate to contact us.

Respectfully,

A handwritten signature in black ink, appearing to be 'Bryce Reeves', written over a horizontal line.

Senator Bryce Reeves  
Committee Chairman  
Senate Committee on  
Rehabilitation and Social Services  
P.O. Box 7021  
Fredericksburg, Virginia 22404  
(540) 645-8440  
district17@senate.virginia.gov

A handwritten signature in blue ink, appearing to be 'Bill DeSteph', written over a horizontal line.

Senator Bill DeSteph  
Subcommittee Chairman  
Senate Committee on  
Rehabilitation and Social Services  
588 Central Drive  
Virginia Beach, Virginia 23454  
(757) 321-8180  
District08@senate.virginia.gov

cc: Delegates Christopher Peace, Barry Knight, Todd Gilbert, James (Jay) Leftwich Jr., James (Will) Morefield, Jason Miyares, Luke Torian, Lashrecse Aird, Jerrauld Jones