

Virginia Alcoholic Beverage Control Authority

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Board of Directors
William D. Euille
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October 31, 2023

The Honorable Barbara A. Favola
Pocahontas Building
Room No.: E610
Senate of Virginia
P.O. Box 396
Richmond, Virginia 23218
district31@senate.virginia.gov

The Honorable James A. Leftwich, Jr.
General Assembly Building
201 North 9th Street
Richmond, Virginia 23219
DelJleftwich@house.virginia.gov

Dear Chairs Favola and Leftwich:

Pursuant to the third and fourth enactments of Chapter 78 of the 2022 Acts of Assembly, the Virginia Alcoholic Beverage Control Authority (Virginia ABC) was requested to collect data regarding the compliance of third-party delivery licensees and to monitor implementation of the provisions of the Act.

As you recall, the Act was designed to continue the successful delivery of alcoholic beverages, more commonly known as “cocktails to go” and to create and implement a licensing scheme for third party delivery entities. Cocktails to go was initially implemented through Executive Order during the Covid pandemic to provide an economic lifeline to licensees. As the practice matured, the General Assembly recognized the value of the practice and the fact that third party delivery entities would be desirous of participation and enacted a statutory scheme for the licensing of third-party delivery entities which included training requirements and reporting mechanisms.

Virginia ABC is pleased to provide this limited report on the relatively short time that these provisions of law have been in effect.

As an initial matter, licensees have accepted the responsibility that comes with the privilege of serving alcohol to go. It has served to be a continuing new opportunity to increase revenues while still maintaining public safety. The single biggest concern with cocktails to go is the potential for



abuse by underage populations and the need to be cognizant in checking identification and not inadvertently serving underage populations. Compliance among licensees has been positive. Licensees achieve an approximate 90% compliance rate which compares favorably to a compliance rate at Virginia ABC brick and mortar stores of 97 plus percent.

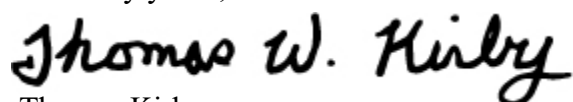
Less favorable compliance has been noted by their party delivery entities. Explained at least in part, by the novelty of the third-party licensing requirements and a rather robust change among employees of such entities, compliance needs to dramatically improve. Currently Virginia ABC is finding approximately a 54% compliance rate among third party delivery entities. Virginia ABC strongly believes that rate of compliance needs to improve and come more in line with the rates of compliance by other entities involved with cocktails to go.

During the early days of third-party delivery entities and a novel licensing program, Virginia ABC Bureau of Law Enforcement has allowed time for these entities to adjust, to become fully trained up and to establish internal protocols that could achieve a more successful compliance rate. Virginia ABC has conducted only very limited operations among this sector for underage sales. Going forward it is the intention of Virginia ABC BLE to become more pro-active in operations and where underage sales are found to occur to utilize enforcement authority to address those situations. Additionally, Virginia ABC will communicate on a more frequent basis with third-party delivery licensees to provide greater training and opportunity for these entities to achieve a more acceptable rate of compliance.

Given the situation with third party delivery entities and the need to create an increased presence to drive greater accountability with regard to underage sales, Virginia ABC recommends that the sunset clause in the second enactment of Chapter 78 of the 2022 Acts of Assembly be continued for an additional two years.

Please do not hesitate to contact us if you have questions or comments.

Sincerely yours,



Thomas Kirby
Interim CEO & Chief Law Enforcement Officer

