Virginia Alcoholic Beverage Control Authority

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October 30, 2026

Via Electronic Submission

The Honorable Schuyler VanValkenburg, Chair
Rehabilitation and Social Services

The Honorable Paul Krizek, Chair
General Laws

Re: Compliance Data for Distiller Licensees

Chairs VanValkenburg and Krizek:

Pursuant to Enactment Clause 4 in Senate Bill 424 ("SB424"), this report is sent to your committees summarizing the data regarding the compliance of distillery licensees with the provisions of the Act.

Prior to the effective date of the Act, the Virginia Alcoholic Beverage Control Authority ("Virginia ABC") leadership met with members of the Virginia Distillers Association "(VDA"). Virginia ABC and the VDA did not share the same interpretation of the food requirements. The VDA's interpretation of the food requirements in SB424 would allow placement of menus and QR codes for establishments that serve food and could deliver to their locations to suffice. Virginia ABC's interpretation aligned with the exact language of SB424 in that an agent of the Board appointed pursuant to subsection D *shall have food reasonably available at all times when spirits are served*. Such food may be provided *by food trucks, patrons providing their own food, or the agent of the Board*. *In no event shall spirits be served by any such agent of the Board when food is not reasonably available*. Virginia ABC submitted a guidance document to the public on the Virginia Regulatory Town Hall website clarifying the food requirements in August 2026 outlining Virginia ABC's interpretation. The guidance document received three (3) public comments. The Beer Institute commented in support of Viriginia ABC's interpretation. The Virginia Beer Wholesalers and the Virginia Wine Wholesalers Associations issued a comment generally supporting Virginia ABC's interpretation, but identified areas where guidance should be strengthened. The VDA submitted comments that reiterated their position "that conspicuous signage, QR codes for delivery services, and local restaurant menus fall squarely within that statutory flexibility while promoting both consumer access and public safety." Virginia ABC maintained its position on the food requirements and the circular letter has been effective since October 1, 2026.

Since SB424 became effective on July 1, 2026, the Virginia ABC Bureau of Law Enforcement ("BLE") has been in ongoing communications with distillery licensees about the new food requirements outlined in SB424 and has visited at least 43 distilleries. BLE's approach has been to provide education prior to engaging in enforcement activities or administrative proceedings. BLE will continue to provide

education and guidance along with on-site observations to ensure compliance with these requirements. The next report will be submitted on November 1, 2027.

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By: LaTonya D. Hucks-Watkins

LaTonya D. Hucks-Watkins, Chief General Counsel