

**Special Joint Subcommittee  
of the  
House Committee on General Laws  
and the  
Senate Committee on Rehabilitation and Social Services  
Studying Certain Alcoholic Beverage Control (ABC) laws  
Tuesday, March 8, 2016  
8:00 a.m.  
Fifth Floor West Conference Room  
General Assembly Building**

**Suggested Agenda**

1. Call to order.
2. Introduction of Members.
3. Election of Chair and Vice-Chair.
4. Opening Remarks of Chair.
5. Suggested Study Plan; *Maria J.K. Everett, Senior Attorney.*
  - Four meetings during the 2016 Interim
    - Second Meeting: May/June
    - Third Meeting: August/September
    - Final Meeting October/November
  - Membership: 4 members from each committee
  - Study Issues:
    - 45 Percent Food-to-beverage ratio for Mixed Beverage Licensees;
    - "Boutique" Licenses (§ 4.1-206), including day spa, meal assembly kitchens, art studio license, retail cigar shops, etc.); feasibility of creating a single licensing category for these nonretail licenses;

- Other.
- Process:
  - Review of issues by Special Joint Subcommittee with use of workgroup comprised on interested stakeholders on specific issues, as needed.
  - Review of other control states' law.
- Creation of Special Joint Subcommittee website for easy access to meetings dates, summaries, materials, etc.

6. Prior Studies; *Maria J.K. Everett, Senior Attorney and David May, Staff Attorney.*

7. Review of 2016 Bills referred to Study<sup>1</sup>:

- HB 171 (Albo) Mixed beverage ratio;
- HB 219 (Taylor) Mixed beverage ratio;
- HB 835; (Greason) Art instruction studio license;
- HB 904 (Landes) Retail cigar shop license;
- SB 373: (Ebbin) Mixed beverage ratio;
- SB 410 (Barker) Brewery Tour Guides?
- SB 488 (DeSteph) Mixed beverage ratio;
- SB 489 (DeSteph) Mixed beverage ratio;

8. Public Comment.

9. Discussion.

10. Other Business.

11. Set Future Meeting Dates.

12. Adjournment.

**Special Joint Subcommittee Membership**

Delegate Barry Knight, Co-Chair	Senator John Cosgrove, Co-Chair
Delegate Todd Gilbert	Senator Bryce Reeves
Delegate Dave Albo	Senator Bill DeSteph
Delegate Luke Torian	Senator Rosalyn Dance

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<sup>1</sup> Summaries of the following bills may be found in Appendix A

**Staff**

Maria J.K. Everett, Senior Attorney

David May, Staff Attorney

? H/S Committee Operations

## **APPENDIX A BILL SUMMARIES**

**HB 171**

**Albo**

**Alcoholic beverage control; food-beverage ratio for certain mixed beverage licensees.**

Provides that for persons holding a mixed beverage restaurant, caterer's, or limited caterer's license, in calculating the minimum 45 percent ratio of food to mixed beverage and food, such licensees shall include the gross receipts from the sale of nonalcoholic beverages served on the premises in calculating the gross receipts from the sale of food. The bill provides that it declarative of existing law.

**HB 219**

**Taylor**

**Alcoholic beverage control; food-beverage ratio.**

Reduces from 45 to 25 percent the requirement for mixed beverage restaurant licensees for the ratio of combined gross receipts from the sale of food consumed on the premises and nonalcoholic beverages served on the premises and the combined gross receipts from the sale of mixed beverages, food, and nonalcoholic beverages. The bill provides that gross receipts be calculated on the basis of the price that the licensee paid for the food, nonalcoholic beverages, or mixed beverages sold, rather than the price at which the licensee sells such items to consumers.

**HB 835**

**Greason**

**Alcoholic beverage control; privileges of licensed art instruction studios.**

Expands the privileges of an art instruction studio licensee to allow the consumption of lawfully acquired alcoholic beverages on its premises by any bona fide customer and provides that the licensee may allow any bona fide customer to host a private gathering or special event where such customer has obtained a banquet license or a mixed beverage special events license issued by the Alcoholic Beverage Control Board.

**HB 904**

**Landes**

**Alcoholic beverage control; limited mixed beverage license for retail cigar**

**shops.** Creates a new limited mixed beverage license for retail cigar shops. The bill sets out the privileges of this new license, including that the licensee may serve wine, beer, or mixed beverages on the premises to any such bona fide customer; however, the licensee shall not give more than (i) two five-ounce glasses of wine, (ii) two 12-ounce glasses of beer, or (iii) two glasses mixed beverages provided that each glass of mixed beverages contains no more than

two ounces of spirits, to any such customer, nor shall it sell or otherwise charge a fee to such customer for the wine, beer, or mixed beverages served or consumed. The privileges of this license shall be limited to the premises of the cigar shop regularly occupied and utilized as such. Such license shall be deemed a retail license for the purposes of this title. The bill also defines cigar shop and sets out the state and local license taxes for this license.

**SB 373**

**Ebbin**

**Alcoholic beverage control; food sale requirements.** Provides that a business may be considered a restaurant for purposes of mixed beverage licenses if it regularly sells foods, rather than meals, prepared on the premises. The bill also provides that in calculating the gross receipts from the sale of food for purposes of the food-to-beverage ratio, mixed beverage restaurant licensees, mixed beverage caterer's licensees, mixed beverage limited caterer's licensees, and limited mixed beverage restaurant licensees shall include the gross receipts from the sale of nonalcoholic beverages.

**SB 410**

**Barker**

**Alcoholic beverage control; consumption of samples by brewery tour guides.** Requires the Alcoholic Beverage Control Board to adopt regulations that prescribe the terms and conditions under which tour guides employed by certain licensed breweries may consume up to three four-ounce samples of beer while conducting tours of the premises for the purpose of featuring and educating the public about the beer being tasted.

**SB 488**

**DeSteph**

**Pilot project for mixed beverage licensees of the Alcoholic Beverage Control Board; alternative calculation for the 45 percent food-to-beverage ratio based on price paid by the licensee.** Creates a two-year pilot project that directs participating mixed beverage restaurant licensees to calculate the required food-to-beverage ratio (i) on the basis of the price such licensee paid for the food, nonalcoholic beverages, and mixed beverages sold and (ii) on the basis of the price such licensee sold such food, nonalcoholic beverages, and mixed beverages to patrons. The bill provides that participating licensees shall be deemed to be in compliance with law if they meet the required food-to-beverage ratio based on either of the above calculations. The bill also requires participating licensees to serve food during any period of time mixed beverages are served and allows the Alcoholic Beverage Control Board to summarily suspend the license of participants for 24 hours for violation of this requirement.

**SB 489**

**DeSteph**

**Alcoholic beverage control; food-beverage ratio.** Provides that a mixed beverage restaurant licensee meets the required food-beverage ratio if its gross receipts from the sale of food and nonalcoholic beverages amount to at least (i) \$5,000 per month or (ii) 25 percent of the gross receipts from the sale of mixed beverages and food. The bill also provides that mixed beverage caterer and limited mixed beverage caterer licensees meet the required food-beverage ratio if their gross receipts from the sale of food and nonalcoholic beverages amount to at least 25 percent of their gross receipts from the sale of mixed beverages and food. Under current law, mixed beverage restaurant, mixed beverage caterer, and limited mixed beverage caterer licensees' gross receipts from the sale of food and nonalcoholic beverages must amount to at least 45 percent of their gross receipts from the sale of mixed beverages and food. The bill also requires such licensees to serve food during any period of time mixed beverages are served and allows the Alcoholic Beverage Control Board to summarily suspend a license for a maximum of 24 hours for failure to comply with this provision.