

JOINT MEETING
OF THE
SPECIAL SUBCOMMITTEES
OF THE
HOUSE COMMITTEE ON GENERAL LAWS
AND THE
SENATE COMMITTEE ON REHABILITATION AND
SOCIAL SERVICES
STUDYING CERTAIN ABC ISSUES

Tuesday, April 22, 2008 *2:00 p.m.*
House Room D *General Assembly Building*

MEETING SUMMARY

1. Call to order; introduction of members.
2. Opening remarks by Delegate Suit, Chair.
 - Delegate Suit called the meeting to order and the members of the House and Senate introduced themselves. Delegate Suit explained that the purpose of assembling special subcommittees of the House and Senate was to take a comprehensive look at the alcohol license classification system in Virginia and determine if a more simple and transparent system could be crafted for the benefit of both private businesses and state regulators. Delegate Suit stated that a major consideration of the study will be ensuring that the proposals do not increase the possibility of over serving alcoholic beverages or serving alcoholic beverages to minors.
3. Identification of study issues and background information: *Thomas A. Lisk, Esq., LeClair Ryan, and Maria J.K. Everett, Senior Attorney, Division of Legislative Services.*
 - Thomas Lisk introduced himself and began his remarks on the history of ABC policy in the Commonwealth. Mr. Lisk stated that he did not believe that a radical change in ABC law was necessary, but rather a more focused review of the alcohol license classification system would provide the greatest benefit to private businesses and the Commonwealth. Noting that it has been fifteen years since the last comprehensive recodification of Title 4.1 of the Code of Virginia, Mr. Lisk explained how social and economic changes in the Commonwealth have resulted in changes in consumer taste and alcohol purchasing habits. To account for these

changes, the General Assembly has created new classifications for licenses permitting the sale of alcohol in very specific venues and situations. Mr. Lisk provided several examples of how these changes have resulted in a somewhat confusing and sometime inequitable treatment of business establishments seeking to sell alcohol to the public. Mr. Lisk specifically referenced those licenses that have a food sale requirement and how changing consumer tastes (gradual increase in liquor sales, especially expensive liquors) have resulted in an unexpected hardship on certain retail establishments with on-premises licenses.

4. Opportunity to comment by ABC Department and industry representatives.

- Curtis Colburn, Department of Alcoholic Beverage Control, introduced himself and explained how the ABC Board has not endorsed or opposed any of the licenses created since the last recodification of Title 4.1 and they would welcome a simplification of the current licensing system. In response to questions about the importance of the food sale requirement, Mr. Colburn stated that while most states have systems intended to limit the intoxication of patrons (such as maximum license quotas for a given area or stringent penalties for state or local violations) the Commonwealth uses the food sale requirement to limit the intoxication of patrons. The theory behind the food sale requirement is that by requiring ABC licensed establishments to sell a given volume of food, patrons would be less likely to become intoxicated with a meal in their stomach. Additionally, Mr. Colburn stated that the food sale requirement was originally intended to limit the proliferation of bars and saloons, which were seen as a contributing factor to several social problems.

5. Suggested study plan: *Maria J.K. Everett.*

- Maria Everett, Senior Attorney, introduced herself and presented a suggested workplan for the interim. Mrs. Everett suggested an initial plan comprising 6-8 meetings held on a monthly basis. The subcommittees would focus on three main issues: the ABC licensing system, the scope of the food sale requirement, and the related policy question distinguishing bars vs. restaurants. Although there are several other issues worthy of study, Mrs. Everett suggested the subcommittees keep the workplan limited to the three issues noted above with the option to continue the study during the next interim to review other important ABC issues.

6. Other Business/Public Comment.

- Mr. Peter Pflug, representing the Clarendon Ballroom, addressed the subcommittees regarding his establishment's difficulty in meeting the food sale requirements. Although this has not been an issue in the past, in

recent years the increased sales of expensive liquor drinks have resulted in violations of the food sale requirement.

- Bill Dillon, representing the Virginia Beach Restaurant Association, addressed the subcommittees requesting that any new licensing system treat liquor, beer, and wine as equals, based on their alcohol content and that any new system not create independent bars exempt from a food sale requirement.
- Bob Matthias addressed the subcommittees requesting review of enforcement and penalties of ABC law.
- Terrie Beirne, representing the Virginia Winery Association, requested that any new licensing system not require wineries to be classified as restaurants and meet food sale requirements.

7. Schedule future meeting dates.

8. Adjournment.

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House Membership

Delegate Terrie Suit, Chair
Delegate Dave Albo
Delegate John Cosgrove
Delegate Danny Bowling
Delegate Edward Scott
Delegate Rosalyn Dance

Delegate Tom Gear, Vice-chair
Delegate Tommy Wright
Delegate Watkins Abbitt
Delegate Charles Carrico
Delegate Jackson Miller
Delegate David Bulova

Senate Membership

Senator Toddy Puller, Chair
Senator Wagner
Senator Hurt

Senator Y.B. Miller
Senator Herring

Staff

Maria J.K. Everett, Senior Attorney,
Patrick Cushing, Staff Attorney
Division of Legislative Services
Christine McCormick, House Committee Operations
Hobie Lehman, Senate Committee Operations