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Exempt Action: Proposed Regulation Agency Background Document

Agency name	Virginia Alcoholic Beverage Control Authority
Virginia Administrative Code (VAC) Chapter citation(s)	3 VAC 5-90
VAC Chapter title(s)	Retail Tobacco Permittees
Action title	Retail Tobacco Regulations
Date this document prepared	July 21, 2026

This information is required for executive branch review pursuant to Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

Brief Summary

Provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

House Bill 308 (identical to Senate Bill 620) transitions and provides a more comprehensive structure for the current licensing and enforcement responsibilities related to liquid nicotine and retail tobacco products from the Department of Taxation to a permitting system administered by the Virginia Alcoholic Beverage Control Authority ("VA ABC"). Enactment Clause 6 of the bill mandates that the Virginia Alcoholic Beverage Control Authority promulgate regulations to implement the provisions of this act by December 1, 2026.

Chapter 90 is a wholly new chapter in the Virginia Administrative Code promulgated to provide regulation for the new tobacco permitting structure implemented by VA ABC.

Mandate and Impetus

Identify the mandate for this regulatory change, and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, or

board decision). For purposes of executive branch review, “mandate” has the same meaning as defined in the ORM procedures, “a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part.”

Per Enactment Clause 6 of HB308 (SB620), with the exception of § 2.2-4031 of the Code of Virginia, neither the provisions of the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia) nor public participation guidelines adopted pursuant thereto shall apply to the adoption of any regulation pursuant to this act.