Form: TH-02 August 2022



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Proposed Regulation Agency Background Document

Agency name	Virginia Alcoholic Beverage Control Authority	
Virginia Administrative Code (VAC) Chapter citation(s)	3VAC5-60	
VAC Chapter title(s)	Manufacturers and Wholesalers Operations	
Action title	Chapter 60 Reform	
Date this document prepared	12/27/2023	

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), 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, 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.

A comprehensive review and amendment of the full chapter. The intent is to remove any redundancies or language that contradicts the Code of Virginia, modernize some of the regulations and make sure they comport with current practices within the industry.

Acronyms and Definitions

Define all acronyms used in this form, and any technical terms that are not also defined in the "Definitions" section of the regulation.

Mandate and Impetus

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Identify the mandate for this regulatory change and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, 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the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

The impetus for this change is to comply with the periodic review requirements of the Administrative Process Act and also to reduce regulatory requirements by 25%.

Legal Basis

Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia and Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.

- 1) The promulgating agency is the Virginia Alcoholic Beverage Control Authority.
- 2) Section 4.1-101 of the Code of Virginia (Code) establishes the Virginia Alcoholic Beverage Control Authority (ABC Board.)

Section 4.1-103 of the Code enumerates the powers of the Board which includes the authority to adopt regulations and to do all acts necessary or advisable to carry out the purposes of Title 4.1 of the Code (ABC Act).

Section 4.1-103(7) states the Board has the authority to adopt, alter, and repeal bylaws, rules, and regulations governing the manner in which its business shall be transacted and the manner in which the powers of the Authority shall be exercised, and its duties performed.

Section 4.1-103(14) states the Board has the authority to control the possession, sale, transportation, and delivery of alcoholic beverages.

Section 4.1-103(24) permits the Board to promulgate regulations in accordance with the Administrative Process Act and Section 4.1-111.

Section 4.1-111 (A) of the Code provides the Board with the authority to adopt reasonable regulations which it deems reasonable to carry out the provisions of the ABC Act and to amend or repeal such regulations.

Section 4.1-111 (B)(3) of the Code provides that the Board shall promulgate regulations that maintain the reasonable separation of retailer interests from those of the manufacturers, bottlers, brokers, importers and wholesalers in accordance with § 4.1-216 and in consideration of the established trade customs, quantity and value of the articles or services involved; prevent undue competitive domination of any person by any other person engaged in the manufacture, distribution and sale at retail or wholesale of alcoholic beverages in the Commonwealth; and promote reasonable accommodation of arm's length business transactions.

Purpose

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Explain the need for the regulatory change, including a description of: (1) the rationale or justification, (2) the specific reasons the regulatory change is essential to protect the health, safety or welfare of citizens, and (3) the goals of the regulatory change and the problems it is intended to solve.

This regulation is essential to protect the health, safety, and welfare of citizens because it provides comprehensive guidance for manufacturers and wholesalers on numerous issues that help to enforce the Tied House laws that maintain the reasonable separation between the interests of the different tiers in the alcohol industry in order to prevent undue competitive domination.

Substance

Briefly identify and explain the new substantive provisions, the substantive changes to existing sections, or both. A more detailed discussion is provided in the "Detail of Changes" section below.

New substantive provisions:

Substantive changes of existing regulations:

3VAC5-60-10 – Added subsections C-F that were previously listed in 3VAC5-60-60. Added subsections G-L that were previously in 3VAC5-60-80.

3VAC5-60-30 - Removed the reference to "retail off-premises" wineries since all now have off-premises privileges.

3VAC5-60-40 - Increased the amount of the indemnifying bond required of wholesale wine licensees to \$10,000. See Section 4.1-223(4): The Board shall refuse to grant any wholesale wine license until the applicant has filed with the Board a bond payable to the Commonwealth, in a sum not to exceed \$10,000, upon a form approved by the Board.

3VAC5-60-50 - Added "readily calculable" to Subsection (A)(1)(e)(3).

Repealed 3VAC5-60-90.

Issues

Identify the issues associated with the regulatory change, including: 1) the primary advantages and disadvantages to the public, such as individual private citizens or businesses, of implementing the new or amended provisions; 2) the primary advantages and disadvantages to the agency or the Commonwealth; and 3) other pertinent matters of interest to the regulated community, government officials, and the public. If there are no disadvantages to the public or the Commonwealth, include a specific statement to that effect.

- 1) The primary advantage to the public is that regulations that were in a different chapter and hard to locate, have been moved to Chapter 60 where it makes more sense for them to be included.
- 2) The primary advantage to the Commonwealth is that the regulations were amended to more closely align with the Code.

There are disadvantages to the public or Commonwealth.

Requirements More Restrictive than Federal

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Identify and describe any requirement of the regulatory change which is more restrictive than applicable federal requirements. Include a specific citation for each applicable federal requirement, and a rationale for the need for the more restrictive requirements. If there are no applicable federal requirements, or no requirements that exceed applicable federal requirements, include a specific statement to that effect.

§ 27 C.F.R. 6.91 Samples.

The act by an industry member of furnishing or giving a sample of distilled spirits, wine, or malt beverages to a retailer who has not purchased the brand from that industry member within the last 12 months does not constitute a means to induce within the meaning of section 105(b)(3) of the Act. For each retail establishment the industry member may give not more than 3 gallons of any brand of malt beverage, not more than 3 liters of any brand of wine, and not more than 3 liters of distilled spirits. If a particular product is not available in a size within the quantity limitations of this section, an industry member may furnish to a retailer the next larger size.

In the interest of public safety, Virginia ABC does not agree with adopting this federal standard.

Agencies, Localities, and Other Entities Particularly Affected

Consistent with § 2.2-4007.04 of the Code of Virginia, identify any other state agencies, localities, or other entities particularly affected by the regulatory change. Other entities could include local partners such as tribal governments, school boards, community services boards, and similar regional organizations. "Particularly affected" are those that are likely to bear any identified disproportionate material impact which would not be experienced by other agencies, localities, or entities. "Locality" can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulation or regulatory change are most likely to occur. If no agency, locality, or entity is particularly affected, include a specific statement to that effect.

Other State Agencies Particularly Affected NA

Localities Particularly Affected NA

Other Entities Particularly Affected NA

Economic Impact

Consistent with § 2.2-4007.04 of the Code of Virginia, identify all specific economic impacts (costs and/or benefits) anticipated to result from the regulatory change. When describing a particular economic impact, specify which new requirement or change in requirement creates the anticipated economic impact. Keep in mind that this is the proposed change versus the status quo.

Impact on State Agencies

For your agency: projected costs, savings, fees, or revenues resulting from the regulatory change, including: a) fund source / fund detail; b) delineation of one-time versus on-going expenditures; and c) whether any costs or revenue loss can be absorbed within existing resources.	There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for the Authority.
For other state agencies: projected costs, savings, fees, or revenues resulting from the regulatory change, including a delineation of one-time versus on-going expenditures.	There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for other state agencies.
For all agencies: Benefits the regulatory change is designed to produce.	The benefits of the changes are they will remove any redundancies or language that that does not align with the Code of Virginia, modernize various practices, and make sure the regulations comport with current practices amongst wholesalers and manufacturers.

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Impact on Localities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a or 2) on which it was reported. Information provided on that form need not be repeated here.

Projected costs, savings, fees, or revenues resulting from the regulatory change.	There are no projected costs, savings, fees, or revenues resulting from the regulatory changes for localities.
Benefits the regulatory change is designed to produce.	The benefits of the changes are they will remove any redundancies or language that that does not align with the Code of Virginia, modernize various practices, and make sure the regulations comport with current practices amongst wholesalers and manufacturers.

Impact on Other Entities

If this analysis has been reported on the ORM Economic Impact form, indicate the tables (1a, 3, or 4) on which it was reported. Information provided on that form need not be repeated here.

Description of the individuals, businesses, or other entities likely to be affected by the regulatory change. If no other entities will be affected, include a specific statement to that effect.	These changes will impact the approximately 20,892 VA ABC licensees. Those licensees that qualify as manufacturers or wholesalers will be impacted the most.
Agency's best estimate of the number of such entities that will be affected. Include an estimate of the number of small businesses affected. Small business means a business entity, including its affiliates, that: a) is independently owned and operated, and; b) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.	VA ABC has approximately 20,892 licensees that would be subject to these regulation changes. VA ABC does not have the capability to determine which of its licensees meet the definition of a small business.

All projected costs for affected individuals, businesses, or other entities resulting from the regulatory change. Be specific and include all costs including, but not limited to: a) projected reporting, recordkeeping, and other administrative costs required for compliance by small businesses; b) specify any costs related to the development of real estate for commercial or residential purposes that are a consequence of the regulatory change; c) fees; d) purchases of equipment or services; and e) time required to comply with the requirements.	There are no projected costs for licensees based on the revisions to these regulations.
Benefits the regulatory change is designed to produce.	The benefits of the changes are they will remove any redundancies or language that that does not align with the Code of Virginia, modernize various practices, and make sure the regulations comport with current practices amongst wholesalers and manufacturers.

Alternatives to Regulation

Describe any viable alternatives to the regulatory change that were considered, and the rationale used by the agency to select the least burdensome or intrusive alternative that meets the essential purpose of the regulatory change. Also, include discussion of less intrusive or less costly alternatives for small businesses, as defined in § 2.2-4007.1 of the Code of Virginia, of achieving the purpose of the regulatory change.

There were no alternatives to these regulatory changes that were considered.

If this analysis has been reported on the ORM Economic Impact form, indicate the tables on which it was reported. Information provided on that form need not be repeated here.

Regulatory Flexibility Analysis

Consistent with § 2.2-4007.1 B of the Code of Virginia, describe the agency's analysis of alternative regulatory methods, consistent with health, safety, environmental, and economic welfare, that will accomplish the objectives of applicable law while minimizing the adverse impact on small business. Alternative regulatory methods include, at a minimum: 1) establishing less stringent compliance or reporting requirements; 2) establishing less stringent schedules or deadlines for compliance or reporting requirements; 3) consolidation or simplification of compliance or reporting requirements; 4) establishing performance standards for small businesses to replace design or operational standards required in the proposed regulation; and 5) the exemption of small businesses from all or any part of the requirements contained in the regulatory change.

There were no alternatives to these regulatory changes that were considered.

If this analysis has been reported on the ORM Economic Impact form, indicate the tables on which it was reported. Information provided on that form need not be repeated here.

Periodic Review and Small Business Impact Review Report of Findings

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If you are using this form to report the result of a periodic review/small business impact review that is being conducted as part of this regulatory action, and was announced during the NOIRA stage, indicate whether the regulatory change meets the criteria set out in EO 19 and the ORM procedures, e.g., is necessary for the protection of public health, safety, and welfare; minimizes the economic impact on small businesses consistent with the stated objectives of applicable law; and is clearly written and easily understandable. In addition, as required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the regulation; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.

The regulatory changes comply with EO 19 in that they reduce the number of regulatory requirements, remove redundant language, and bring clarity to the rules that govern manufacturers and wholesalers.

The regulation is still very much needed as VA ABC as the General Assembly has charged VA ABC with the duty of ensuring appropriate distance between the three alcohol tiers and ensuring fair trade practices.

The regulatory changes do not have an economic impact on small businesses. There are no requirements in these regulatory changes that will result in costs to licensees.

Public Comment

<u>Summarize</u> all comments received during the public comment period following the publication of the previous stage, and provide the agency's response. Include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. If no comment was received, enter a specific statement to that effect.

Commenter	Comment	Agency response
Tommy Herbert – Virginia Restaurant Lodging and Travel Association	The Virginia Restaurant Lodging and Travel Association (VRLTA) was founded to provide a single unified voice for Virginia's restaurant, hotel-lodging, travel, and hospitality supplier industries. Our mission is to advocate on behalf of the legislative priorities and interests of Virginia's restaurants, hotels, attractions, and destinations to Virginia's General Assembly and regulatory agencies. VRLTA supports the proposed change to 3 VAC-5-60-90 to repeal	Virginia ABC supports this comment.

Commenter	Comment	Agency response
	the outdated prohibition against Sunday deliveries of wine and beer by wholesalers.	rigency responds
Don Tierney – Executive Director, Virginia Spirits Association	The Virginia Spirits Association (VSA) commends the Virginia Alcoholic Beverage Control Authority's staff for their diligence in conducting the 2022 regulatory reform effort of Title 3 of the Virginia Administrative Code. This effort required the participation of both internal Authority staff along with industry stakeholders over several months. VSA recognizes that it is no easy task to bring such a diverse stakeholder group to the table with the goal of removing outdated language from the regulations along with making regulatory modifications needed to ensure administrative code clarity, and modernization, as well as eliminating any conflicts within the Administrative Code and the Code of Virginia.	Virginia ABC does not support the proposed revision to 3VAC5-60-10. Virginia ABC will change "salesman" to "salesperson"
	VSA and its broker, importer and distiller member companies are proud of our long-standing partnership with the Commonwealth. Our member companies currently represent approximately 96% of the distilled spirits sold in Virginia. This enables our member brands to consistently be major contributors to the General Fund through ABC disbursements and tax revenue. In 2022, that was \$538 million. We will continue to work with the Authority and other industry stakeholders on regulatory reforms and policies that seek to modernize the industry and delivery of spirits from the Authority to consumers.	
	VSA seeks to promote efforts to eliminate the regulatory burdens on the spirits industry by streamlining processes, which support its commitment to continue to maximize revenues to the Commonwealth. In this vein, VSA requests a change in the proposed	

Commenter	Comment	Agency response
	text to 3-VAC-5-60-10, which	
	regulates how spirits sales	
	representatives may obtain sample	
	product to introduce to a mixed	
	beverage licensee by conducting a	
	sample serving. At the present	
	time, Chapter 60, Section 5-60-10,	
	paragraph J.2 requires a mixed	
	beverage solicitor salesman to	
	purchase any spirits product at an	
	ABC government store and limits	
	the purchase to a container of 375	
	milliliters. This current regulatory	
	burden means that:	
	 On-premises sales reps in the 	
	Virginia control-state environment	
	are effectively sales reps for ABC.	
	Unlike beer and wine	
	representatives who can pull	
	samples from their own inventory	
	remitting only taxes on the sample	
	to the Commonwealth, spirits sales	
	representatives are required to	
	purchase their product at full retail	
	price plus associated taxes.	
	•VSA estimates that approximately	
	\$100,000 has been spent by	
	industry representatives from ABC	
	at retail cost to buy these samples	
	in the last 12 months.	
	•The process of purchasing	
	product at an ABC store is not only	
	very expensive but is also time	
	consuming and product limiting. VSA members cannot currently	
	obtain product samples from	
	ABC's warehouse and cannot	
	obtain sample product that is not	
	bottled in 375 milliliter containers.	
	VSA requests minor language	
	changes that will not only reduce	
	the regulatory and financial burden	
	on VSA member companies but	
	will also create opportunities to	
	increase revenue for the Authority	
	thus the Commonwealth of	
	Virginia. These changes would:	
	Provide opportunities for the	
	Authority to sell more premium+	
	spirits with broader exposure to	
	licensees of these products. VSA	
	estimates that at least 8-10 new	
	placements could be made from	
	sampling one - 750ml.	

Commenter	Comment	Agency response
	Place Virginia in a competitive	
	posture within among the 17	
	Control States and Northern	
	Virginia's neighboring Montgomery	
	County, MD:	
	12 markets are permitted to pull	
	samples from bailment or a	
	warehouse at cost.	
	Open states can pull samples	
	from their distributors.	
	VSA requests that the proposed	
	language to 50-60-10, be	
	amended to permit:	
	•A requested sample brand not	
	packaged in a 375-milliliter	
	container to then be made	
	accessible in next available size	
	not to exceed 1 liter. This	
	modification will allow products	
	that are not currently exposed to	
	licensees through sample servings	
	to have equal sampling benefits. •The salesperson to request	
	sample containers twice per month	
	from bailment inventory of a	
	supplier housed at the Authority's	
	wholesale liquor provider's	
	warehouse or at a government	
	store using a discount code equal	
	to the cost of bailment inventory	
	price.	
	VSA recommends a code	
	modernization changing	
	"salesman" to "salesperson".	
Andy Delony – Senior	This rule, in part, allows holders of	Virginia ABC does not agree that this
Vice President and	solicitor permits to engage in many	suggested revision is necessary.
Head of State Policy,	of the same trade practice	
Distilled Spirits	activities allowed by other rules for	
Council of the United	the industry member whom they	
States.	represent. Among other activities,	
	these include furnishing of	
	novelties and specialties, point-of-	
	sale advertising materials and	
	routine business entertainment.	
	(See 3VAC5-20-60, 3VAC5-30-80	
	and 3VAC5-30-70.) In light of the	
	various types of permitted industry member trade practices addressed	
	throughout the ABC's rules	
	(including the three rules	
	previously cited in this paragraph	
	as well as in other sections in	
	Chapters 20 and 30), we urge the	
	ABC to add a general statement in	

Commenter	Comment	Agency response
,	3VAC5-60-80 confirming that	J. 12, 122, 221, 221
	solicitors may engage in all trade	
	practice activities permitted for the	
	industry member that they	
	represent.	
	· ·	
	Consistent with this approach, we	
	also recommend adopting our	
	proposed revisions to 3VAC5-20-	
	60 (novelties and specialties) in	
	3VAC5-30-80(D)(1) and (D)(3)(d)	
	(describing permitted novelties and	
	specialties).	
	Based upon the federal rule (27	
	C.F.R. § 6.91) and the rules of	
	many other states, the ABC also	
	should revise 3VAC5-60-80(D)(2)	
	to allow representatives of mixed	
	beverage manufacturers or	
	importers to furnish samples up to	
	three liters per brand of spirits to a mixed beverage retailer who has	
	not purchased the product within	
	the last 12 months. This 12-month	
	provision allows a sample to be	
	furnished to a mixed beverage	
	retailer unfamiliar with a brand.	
	There also should be exceptions to	
	(1) the quantity limit to allow the	
	next available larger size when	
	product is not available within the	
	quantity limitation and (2) the 12-	
	month provision when there has	
	been a change in brand	
	ownership. Consistent with the	
	federal rule, we also request	
	elimination of the requirements to	
	mark the sample container (with	
	solicitor permit number and the	
	word "sample").	

Public Participation

Indicate how the public should contact the agency to submit comments on this regulation, and whether a public hearing will be held, by completing the text below.

The Virginia Alcoholic Beverage Control Authority is providing an opportunity for comments on this regulatory proposal, including but not limited to (i) the costs and benefits of the regulatory proposal, (ii) any alternative approaches, and (iii) the potential impacts of the regulation.

Anyone wishing to submit written comments for the public comment file may do so through the Public Comment Forums feature of the Virginia Regulatory Town Hall web site at: https://townhall.virginia.gov. Comments may also be submitted by mail, email or fax to LaTonya Hucks-Watkins, Senior Legal Counsel, 7450 Freight Way, Mechanicsville, VA 23116, 804-213-4698(o), 804-213-4574(f), latonya.hucks-watkins@virginiaabc.com. In order to be considered, comments must be received by 11:59 pm on the last day of the public comment period.

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A public hearing will not be held following the publication of this stage of this regulatory action.

Detail of Changes

List all regulatory changes and the consequences of the changes. Explain the new requirements and what they mean rather than merely quoting the text of the regulation. For example, describe the intent of the language and the expected impact. Describe the difference between existing requirement(s) and/or agency practice(s) and what is being proposed in this regulatory change. Use all tables that apply, but delete inapplicable tables.

If an <u>existing</u> VAC Chapter(s) is being amended or repealed, use Table 1 to describe the changes between the existing VAC Chapter(s) and the proposed regulation. If the existing VAC Chapter(s) or sections are being repealed <u>and replaced</u>, ensure Table 1 clearly shows both the current number and the new number for each repealed section and the replacement section.

Table 1: Changes to Existing VAC Chapter(s)

Current chapter- section number	New chapter- section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
3VAC5-60- 10		Provides guidance on the employment of solicitor salesman	 Added Subsections C—F from 3 VAC 5-60-60 (Repealed). Impact is positive because it puts all of these regulations into one location minimizing confusion. Added Subsections G—L from 3 VAC 5-60-80 (Repealed). Impact is positive because it puts all of these regulations into one location minimizing confusion. Changed "board" to "Authority". No impact.
3VAC5-60- 20		Provides guidance on wine purchase orders	Changed "board" to "Authority". No impact.
3VAC5-60- 25		Provides guidance on reports for wineries, farm wineries, and breweries.	Changed "board" to "Authority". No impact.
3VAC5-60- 30			Removed "retail off-premises" so that the section applies to all winery licensees. This change was made to comport with the Code. There should not be an impact on licensees because this

Current chapter- section number	New chapter- section number, if applicable	Current requirements in VAC	Change, intent, rationale, and likely impact of new requirements
			should already be applicable per the Code.Changed "board" to "Authority". No impact.
3VAC5-60- 40		Provides guidance to wholesalers regarding the indemnification bonds that they must secure.	 Increased the amount of the indemnifying bond required of wholesale wine licenses to \$10,000. Licensees will be impacted as the bond amount has increase but remains within Code limits. Licensees may also get this requirement waived. Added a provision clarifying that waiver requests must have good cause shown. Changed "board" to "Authority". No impact.
3VAC5-60- 50		Provides guidance for recordkeeping for manufacturers.	 Added "readily calculable" to Subsection (A)(1)(e)(3). This should be a positive impact on licensees as they do not have to make this calculation prior to or at the time of purchase. Changed "board" to "Authority". No impact
3VAC5-60- 60		Provides guidance for wine and beer importers.	Repealed and combined with 3VAC5-60-10 (no impact).
3VAC5-60- 70		Provides guidance on excise taxes for beer and wine coolers.	Changed "board" to "Authority". No impact.
3VAC5-60- 80		Provides guidance for mixed beverage solicitors.	Repealed and combined with 3VAC5-60-10 (no impact).
3VAC5-60- 90		Provides guidance on Sunday deliveries.	Repealed.
3VAC5-60- 100		Provides guidance on applying for approval for certain employees working with a manufacturer or wholesaler.	 Changed section title to reflect its limited applicability. Changed "board" to "Authority" No impact.

If a <u>new</u> VAC Chapter(s) is being promulgated and is <u>not</u> replacing an existing Chapter(s), use Table 2.

Table 2: Promulgating New VAC Chapter(s) without Repeal and Replace

New chapter- section number	New requirements to be added to VAC	Other regulations and laws that apply	Change, intent, rationale, and likely impact of new requirements

If the regulatory change is replacing an **emergency regulation**, and the proposed regulation is <u>identical</u> to the emergency regulation, complete Table 1 and/or Table 2, as described above.

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If the regulatory change is replacing an **emergency regulation**, but <u>changes have been made</u> since the emergency regulation became effective, <u>also</u> complete Table 3 to describe the changes made <u>since</u> the emergency regulation.

Table 3: Changes to the Emergency Regulation

Emergency chapter- section number	New chapter- section number, if applicable	Current emergency requirement	Change, intent, rationale, and likely impact of new or changed requirements since emergency stage