

070839276

HOUSE BILL NO. 1784

Offered January 10, 2007

Prefiled December 28, 2006

A *BILL to amend and reenact §§ 4.1-204, 4.1-215, 4.1-230, 4.1-231, and 4.1-310 of the Code of Virginia, to amend the Code of Virginia by adding sections numbered 4.1-209.1 and 4.1-212.1, and to repeal § 4.1-112.1 of the Code of Virginia, relating to alcoholic beverage control; delivery of wine and beer; permits.*

Patrons—Cosgrove and Tata

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 4.1-204, 4.1-215, 4.1-230, 4.1-231, and 4.1-310 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 4.1-209.1 and 4.1-212.1 as follows:

§ 4.1-204. Records of licensees; inspection of records and places of business.

A. Manufacturers, bottlers or wholesalers. - Every licensed manufacturer, bottler or wholesaler shall keep complete, accurate and separate records in accordance with Board regulations of all alcoholic beverages purchased, manufactured, bottled, sold or shipped by him, and the applicable tax required by § 4.1-234 or § 4.1-236, if any.

B. Retailers. - Every retail licensee shall keep complete, accurate and separate records, in accordance with Board regulations, of all purchases of alcoholic beverages, the prices charged such licensee therefor, and the names and addresses of the persons from whom purchased. Every retail licensee shall also preserve all invoices showing his purchases for a period as specified by Board regulations. He shall also keep an accurate account of daily sales, showing quantities of alcoholic beverages sold and the total price charged by him therefor. Except as otherwise provided in subsection D, such account need not give the names or addresses of the purchasers thereof, except as may be required by Board regulation for the sale of alcoholic beverages in kegs. In the case of persons holding retail licenses which require sales of food to determine their qualifications for such licenses, the records shall also include purchases and sales of food and nonalcoholic beverages.

C. Common carriers. - Common carriers of passengers by train, boat, or airplane shall keep records of purchases and sales of alcoholic beverages and food as required by Board regulation.

D. Wine shippers and beer shippers. - Every wine shipper licensee and every beer shipper licensee shall keep complete, accurate, and separate records in accordance with Board regulations of all shipments of wine or beer to persons in the Commonwealth. Such licensees shall also remit on a monthly basis an accurate account stating whether any wine, farm wine, or beer products were sold and shipped and, if so, stating the total quantities of wine and beer sold and the total price charged for such wine and beer. Such records shall include the names and addresses of the purchasers to whom the wine and beer is shipped.

E. *Delivery permittees.* - *Every holder of a delivery permit issued pursuant to § 4.1-212.1 shall keep complete, accurate, and separate records in accordance with Board regulations of all deliveries of wine or beer to persons in the Commonwealth. Such permittees shall also remit on a monthly basis an accurate account that sets forth the total quantities of wine and beer sold and the total price charged for such wine and beer. Such records shall include the names and addresses of the purchasers to whom the wine and beer is delivered. If no wine or beer was sold and delivered in any month, the permittee shall not be required to submit a report to the Board for that month; however, every permittee must submit a report to the Board no less frequently than once every 12 months even if no sales or deliveries have been made in the preceding 12 months.*

F. Inspection. - The Board and its special agents shall be allowed free access during reasonable hours to every place in the Commonwealth and to the premises of *both (i) every wine shipper licensee and beer shipper licensee and (ii) every delivery permittee* wherever located where alcoholic beverages are manufactured, bottled, stored, offered for sale or sold, for the purpose of examining and inspecting such place and all records, invoices and accounts therein. The Board may engage the services of alcoholic beverage control authorities in any state to assist with the inspection of the premises of a wine shipper licensee or, a beer shipper licensee, or *delivery permittee*, or any applicant for such license or permit.

§ 4.1-209.1. *Direct Shipment of wine and beer; shipper's license.*

A. *Holders of wine shippers' licenses and beer shippers' licenses issued pursuant to this section may sell and ship not more than two cases of wine per month nor more than two cases of beer per month to*

INTRODUCED

HB1784

59 any person in Virginia to whom alcoholic beverages may be lawfully sold. All such sales and shipments
60 shall be for personal consumption only and not for resale. A case of wine shall mean any combination
61 of packages containing not more than nine liters of wine. A case of beer shall mean any combination of
62 packages containing not more than 288 ounces of beer. Any winery or farm winery located within or
63 outside the Commonwealth may apply to the Board for issuance of a wine shipper's license that shall
64 authorize the shipment of brands of wine and farm wine identified in such application. Any brewery
65 located within or outside the Commonwealth may apply to the Board for issuance of a beer shipper's
66 license that shall authorize the shipment of brands of beer identified in such application. Any person
67 located within or outside the Commonwealth who is authorized to sell wine or beer at retail in their
68 state of domicile and who is not a winery, farm winery, or brewery may nevertheless apply for a wine
69 or beer shipper's license, or both, if such person satisfies the requirements of this section. Any brewery,
70 winery, or farm winery that applies for a shipper's license or authorizes any other person, other than a
71 retail off-premises licensee, to apply for a license to ship such brewery's, winery's or farm winery's
72 brands of wine or beer shall notify any wholesale licensees that have been authorized to distribute such
73 brands that an application has been filed for a shipper's license. The notice shall be in writing and in a
74 form prescribed by the Board. The Board may adopt such regulations as it reasonably deems necessary
75 to implement the provisions of this section, including regulations that permit the holder of a shipper's
76 license to amend the same by, among other things, adding or deleting any brands of wine, farm wine, or
77 beer identified in such shipper's license.

78 B. Any applicant for a wine or beer shipper's license that does not own or have the right to control
79 the distribution of the brands of wine, farm wine, or beer identified in such person's application may be
80 issued a shipper's license for wine or beer or both, if the applicant has obtained and filed with its
81 application for a shipper's license, and with any subsequent application for renewal thereof, the written
82 consent of the winery, farm winery, or brewery whose brands of wine, farm wine, or beer are identified
83 therein. Any winery, farm winery, or brewery that has provided written authorization to a shipper
84 licensed pursuant to this section to sell and ship its brand or brands of wine, farm wine, or beer shall
85 not be restricted by any provision of this section from withdrawing such authorization at any time. If
86 such authorization is withdrawn, the winery, farm winery, or brewery shall promptly notify such shipper
87 licensee and the Board in writing of its decision to withdraw from such shipper licensee the authority to
88 sell and ship any of its brands, whereupon such shipper licensee shall promptly file with the Board an
89 amendment to its license eliminating any such withdrawn brand or brands from the shipper's license.

90 C. The direct shipment of beer and wine by holders of licenses issued pursuant to this section shall
91 be by approved common carrier only. The Board shall develop regulations pursuant to which common
92 carriers may apply for approval to provide common carriage of wine or beer, or both, shipped by
93 holders of licenses issued pursuant to this section. Such regulations shall include provisions that require
94 (i) the recipient to demonstrate, upon delivery, that he is at least 21 years of age; (ii) the recipient to
95 sign an electronic or paper form or other acknowledgement of receipt as approved by the Board; and
96 (iii) the Board-approved common carrier to submit to the Board such information as the Board may
97 prescribe. The Board-approved common carrier shall refuse delivery when the proposed recipient
98 appears to be under the age of 21 years and refuses to present valid identification. All licensees
99 shipping wine or beer pursuant to this section shall affix a conspicuous notice in 16-point type or larger
100 to the outside of each package of wine or beer shipped within or into the Commonwealth, in a
101 conspicuous location stating: "CONTAINS ALCOHOLIC BEVERAGES; SIGNATURE OF PERSON
102 AGED 21 YEARS OR OLDER REQUIRED FOR DELIVERY." Any delivery of alcoholic beverages to a
103 minor by a common carrier shall constitute a violation by the common carrier. The common carrier and
104 the shipper licensee shall be liable only for their independent acts.

105 D. For purposes of §§ 4.1-234 and 4.1-236 and Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, each
106 shipment of wine or beer by a wine shipper licensee or a beer shipper licensee shall constitute a sale in
107 Virginia. The licensee shall collect the taxes due to the Commonwealth and remit any excise taxes
108 monthly to the Department of Alcoholic Beverage Control and any sales taxes to the Department of
109 Taxation.

110 § 4.1-212.1. Permits; delivery of wine and beer; regulations of Board.

111 A. Any brewery, winery, or farm winery located within or outside the Commonwealth that is
112 authorized to engage in the retail sale of wine or beer may apply to the Board for issuance of a
113 delivery permit that shall authorize the delivery of the brands of beer, wine, and farm wine produced by
114 the same brewery, winery, or farm winery in closed containers to consumers within the Commonwealth
115 for personal consumption.

116 B. Any person located within or outside the Commonwealth who is authorized to sell wine or beer at
117 retail in their state of domicile, and who is not a brewery, winery, or farm winery, may apply for a
118 delivery permit that shall authorize the delivery of any brands of beer, wine, and farm wine it is
119 authorized to sell in its state of domicile, in closed containers, to consumers within the Commonwealth
120 for personal consumption.

121 C. All such deliveries must be to consumers within the Commonwealth for personal consumption
 122 only, and not for resale. All such deliveries of beer, wine, or farm wine shall be performed by the owner
 123 or any agent, officer, director, shareholder or employee of the permittee. The Board may adopt such
 124 regulations as it reasonably deems necessary to implement the provisions of this section. Such
 125 regulations shall include provisions that require (i) the recipient to demonstrate, upon delivery, that he
 126 is at least 21 years of age; and (ii) the recipient to sign an electronic or paper form or other
 127 acknowledgement of receipt as approved by the Board.

128 D. For purposes of §§ 4.1-234 and 4.1-236 and Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, each
 129 delivery of wine or beer by a permittee shall constitute a sale in Virginia. The permittee shall collect the
 130 taxes due to the Commonwealth and remit any excise taxes monthly to the Department of Alcoholic
 131 Beverage Control and any sales taxes to the Department of Taxation.

132 § 4.1-215. Limitation on manufacturers, bottlers and wholesalers; exemptions.

133 A. Unless exempted pursuant to subsection B, no retail license for the sale of alcoholic beverages
 134 shall be granted to any (i) manufacturer, bottler or wholesaler of alcoholic beverages, whether licensed
 135 in the Commonwealth or not; (ii) officer or director of any such manufacturer, bottler or wholesaler; (iii)
 136 partnership or corporation, where any partner or stockholder is an officer or director of any such
 137 manufacturer, bottler or wholesaler; (iv) corporation which is a subsidiary of a corporation which owns
 138 or has interest in another subsidiary corporation which is a manufacturer, bottler or wholesaler of
 139 alcoholic beverages; or (v) manufacturer, bottler or wholesaler of alcoholic beverages who has a
 140 financial interest in a corporation which has a retail license as a result of a holding company, which
 141 owns or has an interest in such manufacturer, bottler or wholesaler of alcoholic beverages. Nor shall
 142 such licenses be granted in any instances where such manufacturer, bottler or wholesaler and such
 143 retailer are under common control, by stock ownership or otherwise.

144 Notwithstanding any other provision of this title, a manufacturer of malt beverages or wine, whether
 145 licensed in the Commonwealth or not, may obtain a banquet license for a special event as provided in
 146 § 4.1-209 upon application to the Board provided that such event is (i) at a place approved by the Board
 147 and (ii) conducted for the purposes of featuring and educating the consuming public about malt beverage
 148 or wine products. Such manufacturer shall be limited to no more than four banquet licenses for such
 149 special events per year. Where the event occurs on no more than three consecutive days, a manufacturer
 150 need only obtain one such license for the event.

151 B. This section shall not apply to:

152 1. Corporations operating dining cars, buffet cars, club cars or boats;

153 2. Brewery or winery licensees engaging in conduct authorized by subdivision A 5 of § 4.1-201;

154 3. Farm winery licensees engaging in conduct authorized by subdivision 5 of § 4.1-207;

155 4. Manufacturers, bottlers or wholesalers of alcoholic beverages who do not (i) sell or otherwise
 156 furnish, directly or indirectly, alcoholic beverages or other merchandise to persons holding a retail
 157 license or banquet license as described in subsection A and (ii) require, by agreement or otherwise, such
 158 person to exclude from sale at his establishment alcoholic beverages of other manufacturers, bottlers or
 159 wholesalers; or

160 5. Wineries, farm wineries, or breweries engaging in conduct authorized by ~~§ 4.1-112.1~~ 4.1-209.1 or
 161 § 4.1-212.1.

162 C. The General Assembly finds that it is necessary and proper to require a separation between
 163 manufacturing interests, wholesale interests and retail interests in the production and distribution of
 164 alcoholic beverages in order to prevent suppliers from dominating local markets through vertical
 165 integration and to prevent excessive sales of alcoholic beverages caused by overly aggressive marketing
 166 techniques. The exceptions established by this section to the general prohibition against tied interests
 167 shall be limited to their express terms so as not to undermine the general prohibition and shall therefore
 168 be construed accordingly.

169 § 4.1-230. Applications for licenses; publication; notice to localities; fees; permits.

170 A. Every person intending to apply for any license authorized by this chapter shall file with the
 171 Board an application on forms provided by the Board and a statement in writing, under oath, setting
 172 forth any information required by the Board. Applications for banquet, tasting, mixed beverage special
 173 events, or club events licenses shall not be required to be under oath, but the information contained
 174 therein shall be certified as true by the applicant.

175 B. In addition, each applicant for a license under the provisions of this chapter, except applicants for
 176 annual banquet, banquet, tasting, special events, club events, annual mixed beverage banquet, wine or
 177 beer shipper's, wine and beer shipper's, *delivery permit*, or museum licenses issued under the provisions
 178 of Chapter 2 (§ 4.1-200 et seq.) of this title, or beer or wine importer's licenses located outside the
 179 Commonwealth, shall post a notice of his application with the Board on the front door of the building,
 180 place or room where he proposes to engage in such business for no more than 30 days and not less than
 181 10 days. Such notice shall be of a size and contain such information as required by the Board.

182 The applicant shall cause a copy of such notice to be published at least once a week for two
 183 consecutive weeks in a newspaper published in or having a general circulation in the county, city or
 184 town wherein such applicant proposes to engage in such business. In the case of wine or beer shipper's
 185 licensees, wine and beer shipper's licensees, *delivery permitters* or operators of boats, dining cars, buffet
 186 cars, club cars, and airplanes, the posting and publishing of notice shall not be required.

187 Except for applicants for annual banquet, banquet, tasting, mixed beverage special events, club
 188 events, annual mixed beverage banquet, wine or beer shipper's, wine and beer shipper's, or museum
 189 licenses, the Board shall conduct a background investigation, to include a criminal history records
 190 search, on each applicant for a license. However, the Board may waive, for good cause shown, the
 191 requirement for a criminal history records search and completed personal data form for officers,
 192 directors, nonmanaging members, or limited partners of any applicant corporation, limited liability
 193 company, or limited partnership.

194 Except for applicants for wine shipper's, beer shipper's, ~~and~~ wine and beer shipper's licenses, *and*
 195 *delivery permits*, the Board shall notify the local governing body of each license application through the
 196 county or city attorney or the chief law-enforcement officer of the locality. Local governing bodies shall
 197 submit objections to the granting of a license within 30 days of the filing of the application.

198 C. Each applicant shall pay the required application fee at the time the application is filed. Each
 199 license application fee, including annual banquet and annual mixed beverage banquet, shall be \$65, plus
 200 \$20 for each criminal history records search required by the Board, except for banquet, tasting, mixed
 201 beverage special events, or mixed beverage club events licenses, in which case the application fee shall
 202 be \$15. Application fees shall be in addition to the state license fee required pursuant to § 4.1-231 and
 203 shall not be refunded.

204 D. Subsection A shall not apply to the continuance of licenses granted under this chapter.

205 E. Every application for a permit granted pursuant to § 4.1-212 shall be on a form provided by the
 206 Board. In the case of applications to solicit the sale of wine and beer or spirits, each application shall be
 207 accompanied by a fee of \$165 and \$390, respectively. The fee for each such permit shall be subject to
 208 proration to the following extent: If the permit is granted in the second quarter of any year, the fee shall
 209 be decreased by one-fourth; if granted in the third quarter of any year, the fee shall be decreased by
 210 one-half; and if granted in the fourth quarter of any year, the fee shall be decreased by three-fourths.
 211 Each such permit shall expire on June 30 next succeeding the date of issuance, unless sooner suspended
 212 or revoked by the Board. Such permits shall confer upon their holders no authority to make solicitations
 213 in the Commonwealth as otherwise provided by law.

214 The fee for a temporary permit shall be one-twelfth of the combined fees required by this section for
 215 applicable licenses to sell wine, beer, or mixed beverages computed to the nearest cent and multiplied
 216 by the number of months for which the permit is granted.

217 The fee for a keg registration permit shall be \$65 annually.

218 The fee for a permit for the storage of lawfully acquired alcoholic beverages not under customs bond
 219 or internal revenue bond in warehouses located in the Commonwealth shall be \$260 annually.

220 § 4.1-231. Taxes on state licenses.

221 A. The annual fees on state licenses shall be as follows:

222 1. Alcoholic beverage licenses. For each:

223 a. Distiller's license, if not more than 5,000 gallons of alcohol or spirits, or both, manufactured
 224 during the year in which the license is granted, \$450; and if more than 5,000 gallons manufactured
 225 during such year, \$3,725;

226 b. Fruit distiller's license, \$3,725;

227 c. Banquet facility license or museum license, \$190;

228 d. Bed and breakfast establishment license, \$35;

229 e. Tasting license, \$40 per license granted;

230 f. Equine sporting event license, \$130; ~~and~~

231 g. Motor car sporting event facility license, \$130; *and*

232 h. *Delivery permit*, \$25.

233 2. Wine licenses. For each:

234 a. Winery license, if not more than 5,000 gallons of wine manufactured during the year in which the
 235 license is granted, \$189, and if more than 5,000 gallons manufactured during such year, \$3,725;

236 b. Wholesale wine license, \$185 for any wholesaler who sells 30,000 gallons of wine or less per
 237 year, \$930 for any wholesaler who sells more than 30,000 gallons per year but not more than 150,000
 238 gallons of wine per year, \$1,430 for any wholesaler who sells more than 150,000 but not more than
 239 300,000 gallons of wine per year, and, \$1,860 for any wholesaler who sells more than 300,000 gallons
 240 of wine per year;

241 c. Wine importer's license, \$370;

242 d. Retail off-premises winery license, \$145;

243 e. Farm winery license, \$190 for any Class A license and \$3,725 for any Class B license;

- 244 f. Wine shipper's license, \$65; and
 245 g. Day spa license, \$100.
- 246 3. Beer licenses. For each:
- 247 a. Brewery license, if not more than 10,000 barrels of beer manufactured during the year in which
 248 the license is granted, \$2,150, and if more than 10,000 barrels manufactured during such year, \$4,300;
 249 b. Bottler's license, \$1,430;
 250 c. Wholesale beer license, \$930 for any wholesaler who sells 300,000 cases of beer a year or less,
 251 and \$1,430 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of beer a
 252 year, and \$1,860 for any wholesaler who sells more than 600,000 cases of beer a year;
 253 d. Beer importer's license, \$370;
 254 e. Retail on-premises beer license to a hotel, restaurant, club or other person, except a common
 255 carrier of passengers by train or boat, \$145; for each such license to a common carrier of passengers by
 256 train or boat, \$145 per annum for each of the average number of boats, dining cars, buffet cars or club
 257 cars operated daily in the Commonwealth;
 258 f. Retail off-premises beer license, \$120;
 259 g. Retail on-and-off premises beer license to a hotel, restaurant, club or grocery store located in a
 260 town or in a rural area outside the corporate limits of any city or town, \$300; and
 261 h. Beer shipper's license, \$65.
- 262 4. Wine and beer licenses. For each:
- 263 a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a
 264 common carrier of passengers by train, boat or airplane, \$300; for each such license to a common
 265 carrier of passengers by train or boat, \$300 per annum for each of the average number of boats, dining
 266 cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to
 267 a common carrier of passengers by airplane, \$750;
 268 b. Retail on-premises wine and beer license to a hospital, \$145;
 269 c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience
 270 grocery store license, \$230;
 271 d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$600;
 272 e. Banquet license, \$40 per license granted by the Board, except for banquet licenses granted by the
 273 Board pursuant to subsection A of § 4.1-215 for events occurring on more than one day, which shall be
 274 \$100 per license;
 275 f. Gourmet brewing shop license, \$230;
 276 g. Wine and beer shipper's license, \$65; and
 277 h. Annual banquet license, \$150.
- 278 5. Mixed beverage licenses. For each:
- 279 a. Mixed beverage restaurant license granted to persons operating restaurants, including restaurants
 280 located on premises of and operated by hotels or motels, or other persons:
 281 (i) With a seating capacity at tables for up to 100 persons, \$560;
 282 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$975; and
 283 (iii) With a seating capacity at tables for more than 150 persons, \$1,430.
 284 b. Mixed beverage restaurant license for restaurants located on the premises of and operated by
 285 private, nonprofit clubs:
 286 (i) With an average yearly membership of not more than 200 resident members, \$750;
 287 (ii) With an average yearly membership of more than 200 but not more than 500 resident members,
 288 \$1,860; and
 289 (iii) With an average yearly membership of more than 500 resident members, \$2,765.
 290 c. Mixed beverage caterer's license, \$1,860;
 291 d. Mixed beverage special events license, \$45 for each day of each event;
 292 e. Mixed beverage club events licenses, \$35 for each day of each event;
 293 f. Annual mixed beverage special events license, \$560;
 294 g. Mixed beverage carrier license:
 295 (i) \$190 for each of the average number of dining cars, buffet cars or club cars operated daily in the
 296 Commonwealth by a common carrier of passengers by train;
 297 (ii) \$560 for each common carrier of passengers by boat;
 298 (iii) \$1,475 for each license granted to a common carrier of passengers by airplane.
 299 h. Annual mixed beverage amphitheater license, \$560;
 300 i. Annual mixed beverage motor sports race track license, \$560; and
 301 j. Annual mixed beverage banquet license, \$500.
- 302 6. Temporary licenses. For each temporary license authorized by § 4.1-211, one-half of the tax
 303 imposed by this section on the license for which the applicant applied.
 304 B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be

305 subject to proration to the following extent: If the license is granted in the second quarter of any year,
306 the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be
307 decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by
308 three-fourths.

309 If the license on which the tax is prorated is a distiller's license to manufacture not more than 5,000
310 gallons of alcohol or spirits, or both, during the year in which the license is granted, or a winery license
311 to manufacture not more than 5,000 gallons of wine during the year in which the license is granted, the
312 number of gallons permitted to be manufactured shall be prorated in the same manner.

313 Should the holder of a distiller's license or a winery license to manufacture not more than 5,000
314 gallons of alcohol or spirits, or both, or wine, apply during the license year for an unlimited distiller's or
315 winery license, such person shall pay for such unlimited license a license tax equal to the amount that
316 would have been charged had such license been applied for at the time that the license to manufacture
317 less than 5,000 gallons of alcohol or spirits or wine, as the case may be, was granted, and such person
318 shall be entitled to a refund of the amount of license tax previously paid on the limited license.

319 Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than
320 12 months shall be equal to one-twelfth of the taxes required by subsection A computed to the nearest
321 cent, multiplied by the number of months in the license period.

322 C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state
323 restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter,
324 shall be liable to state merchants' license taxation and state restaurant license taxation and other state
325 taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer
326 wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license
327 tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining
328 the liability of a wholesale wine distributor to merchants' license taxation, and in computing the
329 wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases
330 shall be disregarded.

331 § 4.1-310. Illegal importation, shipment and transportation of alcoholic beverages; penalty; exception.

332 A. No alcoholic beverages, other than wine or beer, shall be imported, shipped, transported or
333 brought into the Commonwealth, other than to distillery licensees or winery licensees, unless consigned
334 to the Board. However, the Board may permit such alcoholic beverages ordered by it from outside the
335 Commonwealth for (i) persons, for industrial purposes, (ii) the manufacture of articles allowed to be
336 manufactured under § 4.1-200, or (iii) hospitals, to be shipped or transported directly to such persons.
337 On such orders or shipments of alcohol, the Board shall charge only a reasonable permit fee.

338 B. Except as otherwise provided in ~~§ 4.1-112.1~~ *4.1-209.1* or § 4.1-212.1, no wine shall be imported,
339 shipped, transported or brought into the Commonwealth unless it is consigned to a wholesale wine
340 licensee.

341 C. Except as otherwise provided in ~~§ 4.1-112.1~~ *4.1-209.1* or § 4.1-212.1, no beer shall be imported,
342 shipped, transported or brought into the Commonwealth except to persons licensed to sell it.

343 D. Any person convicted of a violation of this section shall be guilty of a Class 1 misdemeanor.

344 E. The provisions of this chapter shall not prohibit (i) any person from bringing, in his personal
345 possession, or through United States Customs in his accompanying baggage, into the Commonwealth not
346 for resale, alcoholic beverages in an amount not to exceed one gallon or four liters if any part of the
347 alcoholic beverages being transported is held in metric-sized containers, (ii) the shipment or
348 transportation into the Commonwealth of a reasonable quantity of alcoholic beverages not for resale in
349 the personal or household effects of a person relocating his place of residence to the Commonwealth, or
350 (iii) the possession or storage of alcoholic beverages on passenger boats, dining cars, buffet cars and
351 club cars, licensed under this title, or common carriers engaged in interstate or foreign commerce.

352 **2. That § 4.1-112.1 of the Code of Virginia is repealed.**

353 **3. That the Alcoholic Beverage Control Board shall promulgate regulations to implement the**
354 **provisions of this act to be effective within 90 days of July 1, 2007.**