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## SENATE BILL NO. 1414

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on General Laws  
on February 19, 2009)

(Patron Prior to Substitute—Senator Puller)

A *BILL to amend and reenact §§ 4.1-210 and 4.1-320 of the Code of Virginia, relating to alcoholic beverage control; annual mixed beverage special events licenses.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 4.1-210 and 4.1-320 of the Code of Virginia are amended and reenacted as follows:**

§ 4.1-210. Mixed beverage licenses.

A. Subject to the provisions of § 4.1-124, the Board may grant the following licenses relating to mixed beverages:

1. Mixed beverage restaurant licenses, which shall authorize the licensee to sell and serve mixed beverages for consumption in dining areas and other designated areas of such restaurant. Such license may be granted only to persons (i) who operate a restaurant and (ii) whose gross receipts from the sale of food cooked or prepared, and consumed on the premises and nonalcoholic beverages served on the premises, after issuance of such license, amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food. For the purposes of this paragraph, other designated areas shall include outdoor dining areas, whether or not contiguous to the licensed premises, which outdoor dining areas may have more than one means of ingress and egress to an adjacent public thoroughfare, provided such areas are under the control of the licensee and approved by the Board.

If the restaurant is located on the premises of a hotel or motel with not less than four permanent bedrooms where food and beverage service is customarily provided by the restaurant in designated areas, bedrooms and other private rooms of such hotel or motel, such licensee may (i) sell and serve mixed beverages for consumption in such designated areas, bedrooms and other private rooms and (ii) sell spirits packaged in original closed containers purchased from the Board for on-premises consumption to registered guests and at scheduled functions of such hotel or motel only in such bedrooms or private rooms. However, with regard to a hotel classified as a resort complex, the Board may authorize the sale and on-premises consumption of alcoholic beverages in all areas within the resort complex deemed appropriate by the Board. Nothing herein shall prohibit any person from keeping and consuming his own lawfully acquired spirits in bedrooms or private rooms.

If the restaurant is located on the premises of and operated by a private, nonprofit or profit club exclusively for its members and their guests, or members of another private, nonprofit or profit club in another city with which it has an agreement for reciprocal dining privileges, such license shall also authorize the licensees to sell and serve mixed beverages for on-premises consumption. Where such club prepares no food in its restaurant but purchases its food requirements from a restaurant licensed by the Board and located on another portion of the premises of the same hotel or motel building, this fact shall not prohibit the granting of a license by the Board to such club qualifying in all other respects. The club's gross receipts from the sale of nonalcoholic beverages consumed on the premises and food resold to its members and guests and consumed on the premises shall amount to at least 45 percent of its gross receipts from the sale of mixed beverages and food. The food sales made by a restaurant to such a club shall be excluded in any consideration of the qualifications of such restaurant for a license from the Board.

2. Mixed beverage caterer's licenses, which may be granted only to a person regularly engaged in the business of providing food and beverages to others for service at private gatherings or at special events, which shall authorize the licensee to sell and serve alcoholic beverages for on-premises consumption. The annual gross receipts from the sale of food cooked and prepared for service and nonalcoholic beverages served at gatherings and events referred to in this subdivision shall amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food.

3. Mixed beverage limited caterer's licenses, which may be granted only to a person regularly engaged in the business of providing food and beverages to others for service at private gatherings or at special events, not to exceed 12 gatherings or events per year, which shall authorize the licensee to sell and serve alcoholic beverages for on-premises consumption. The annual gross receipts from the sale of food cooked and prepared for service and nonalcoholic beverages served at gatherings and events referred to in this subdivision shall amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food.

4. Mixed beverage special events licenses, to a duly organized nonprofit corporation or association in charge of a special event, which shall authorize the licensee to sell and serve mixed beverages for on-premises consumption in areas approved by the Board on the premises of the place designated in the

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60 license. A separate license shall be required for each day of each special event.

61 5. Annual mixed beverage special events licenses to (i) a duly organized nonprofit corporation or  
62 association operating a performing arts facility ~~or~~, (ii) a nonprofit corporation or association chartered by  
63 Congress for the preservation of sites, buildings and objects significant in American history and culture,  
64 *or (iii) a duly organized nonprofit corporation that has been granted an exemption from federal taxation*  
65 *under § 501 (c) (3) of the U.S. Internal Revenue Code of 1986 that owns any rural event and*  
66 *entertainment park or similar facility that has a minimum of 60,000 square feet of indoor exhibit space*  
67 *and equine and other livestock show areas.* The operation in ~~either case~~ *all cases* shall be upon  
68 premises owned by such licensee or occupied under a bona fide lease the original term of which was for  
69 more than one year's duration. Such license shall authorize the sale, on the dates of performances or  
70 events in furtherance of the purposes of the nonprofit corporation or association, of alcoholic beverages,  
71 for on-premises consumption in areas upon the licensed premises approved by the Board.

72 6. Mixed beverage carrier licenses to persons operating a common carrier of passengers by train, boat  
73 or airplane, which shall authorize the licensee to sell and serve mixed beverages anywhere in the  
74 Commonwealth to passengers while in transit aboard any such common carrier, and in designated rooms  
75 of establishments of air carriers at airports in the Commonwealth.

76 7. Mixed beverage club events licenses, which shall authorize a club holding a beer or wine and beer  
77 club license to sell and serve mixed beverages for on-premises consumption by club members and their  
78 guests in areas approved by the Board on the club premises. A separate license shall be required for  
79 each day of each club event. No more than 12 such licenses shall be granted to a club in any calendar  
80 year.

81 8. Annual mixed beverage amphitheater licenses to persons operating food concessions at any  
82 outdoor performing arts amphitheater, arena or similar facility that has seating for more than 20,000  
83 persons and is located in Prince William County or the City of Virginia Beach. Such license shall  
84 authorize the licensee to sell alcoholic beverages during the performance of any event, in paper, plastic  
85 or similar disposable containers to patrons within all seating areas, concourses, walkways, concession  
86 areas, or similar facilities, for on-premises consumption.

87 9. Annual mixed beverage amphitheater licenses to persons operating food concessions at any  
88 outdoor performing arts amphitheater, arena or similar facility that has seating for more than 5,000  
89 persons and is located in the City of Alexandria or the City of Portsmouth. Such license shall authorize  
90 the licensee to sell alcoholic beverages during the performance of any event, in paper, plastic or similar  
91 disposable containers to patrons within all seating areas, concourses, walkways, concession areas, or  
92 similar facilities, for on-premises consumption.

93 10. Annual mixed beverage motor sports facility license to persons operating food concessions at any  
94 outdoor motor sports road racing club facility, of which the track surface is 3.27 miles in length, on  
95 1,200 acres of rural property bordering the Dan River, which shall authorize the licensee to sell mixed  
96 beverages, in paper, plastic, or similar disposable containers during scheduled events, as well as events  
97 or performances immediately subsequent thereto, to patrons in all dining facilities, seating areas, viewing  
98 areas, walkways, concession areas or similar facilities, for on-premises consumption. Upon authorization  
99 of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the  
100 premises in all areas and locations covered by the license.

101 11. Annual mixed beverage banquet licenses to duly organized private nonprofit fraternal, patriotic or  
102 charitable membership organizations that are exempt from state and federal taxation and in charge of  
103 banquets conducted exclusively for its members and their guests, which shall authorize the licensee to  
104 serve mixed beverages for on-premises consumption in areas approved by the Board on the premises of  
105 the place designated in the license. Such license shall authorize the licensee to conduct no more than 12  
106 banquets per calendar year.

107 12. Limited mixed beverage restaurant licenses, which shall authorize the licensee to sell and serve  
108 dessert wines as defined by Board regulation and no more than six varieties of liqueurs, which liqueurs  
109 shall be combined with coffee or other nonalcoholic beverages, for consumption in dining areas of the  
110 restaurant. Such license may be granted only to persons who operate a restaurant and in no event shall  
111 the sale of such wine or liqueur-based drinks exceed 10 percent of the total annual gross sales.

112 B. The granting of any license under subdivision 1, 6, 7, 8, 9, 10, or 11 shall automatically include a  
113 license to sell and serve wine and beer for on-premises consumption. The licensee shall pay the state  
114 and local taxes required by §§ 4.1-231 and 4.1-233.

115 § 4.1-320. Illegal advertising; penalty; exception.

116 Except in accordance with Board regulations, no person shall advertise in or send any advertising  
117 matter into the Commonwealth about or concerning alcoholic beverages other than those which may  
118 legally be manufactured or sold without a license.

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

120 Neither this section nor any Board regulation shall prohibit (i) the awarding of watches of a  
121 wholesale value of less than \$100 by a licensed distillery, winery or brewery, to participants in athletic

122 contests; (ii) the exhibition or display of automobiles, boats, or aircraft regularly and normally used in  
123 racing or other competitive events and the sponsorship of an automobile, boat or aircraft racing team by  
124 a licensed distillery, winery or brewery and the display on the automobile, boat or aircraft and uniforms  
125 of the members of the racing team, the trademark or brand name of an alcoholic beverage manufactured  
126 by such distillery, winery or brewery; (iii) the sponsorship of a professional athletic event, including, but  
127 not limited to, golf, auto racing or tennis, by a licensed distillery, winery or brewery or the use of any  
128 trademark or brand name of any alcoholic beverage in connection with such sponsorship; (iv) the  
129 advertisement of beer by the display of such product's name on any airship, which advertising is paid  
130 for by the manufacturer of such product; ~~or~~ (v) the advertisement of beer or any alcoholic beverage by  
131 the display of such product's name on any scale model, reproduction or replica of any motor vehicle,  
132 aircraft or watercraft offered for sale.; *or (vi) the sponsorship of an entertainment or cultural event.*