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SENATE BILL NO. 1269

Offered January 14, 2015

Prefiled January 14, 2015

A BILL to amend and reenact §§ 4.1-119, 4.1-201, 4.1-206, 4.1-231, and 4.1-233 of the Code of Virginia, relating to alcoholic beverage control; privileges of holders of certain multiple licenses; distiller's remote license.

Patrons—Deeds and Black; Delegates: Bell, Richard P. and Peace

Referred to Committee on Rehabilitation and Social Services

Be it enacted by the General Assembly of Virginia:

1. That §§ 4.1-119, 4.1-201, 4.1-206, 4.1-231, and 4.1-233 of the Code of Virginia are amended and reenacted as follows:

§ 4.1-119. Operation of government stores.

A. Subject to the requirements of §§ 4.1-121 and 4.1-122, the Board may establish, maintain and operate government stores for the sale of alcoholic beverages, other than beer and wine not produced by farm wineries, vermouth, mixers, and products used in connection with distilled spirits, including any garnish or garnishment applied to the rim of a glass of distilled spirits, as may be approved by the Board from time to time, in such counties, cities, and towns considered advisable by the Board. The Board may discontinue any such store.

B. With respect to the sale of wine produced by farm wineries, the Board may give preference to farm wineries that produce 2,500 cases or less of wine per year.

C. The Board shall fix the wholesale and retail prices at which the various classes, varieties and brands of alcoholic beverages and other Board-approved products that are sold in government stores. Differences in the cost of operating stores, and market competition and conditions may be reflected in the sale price of alcoholic beverages sold at government stores. The Board may sell alcoholic beverages to federal instrumentalities (i) authorized and operating under the laws of the United States and regulations of the United States Department of Defense and (ii) located within the boundaries of federal enclaves or reservations over which the United States has acquired jurisdiction, at prices which may be greater or less than the wholesale price charged other authorized purchasers.

D. Alcoholic beverages at government stores shall be sold by employees of the Board, who shall carry out the provisions of this title and Board regulations governing the operation of government stores and the sale of alcoholic beverages, except that the Board may appoint the holder of a distiller's license or its officers and employees as agents of the Board for the sale of spirits, manufactured by or for, or blended by such licensee on the licensed premises, at government stores established by the Board on the distiller's licensed premises, provided:

1. At least 51 percent of the agricultural products used by such licensee to manufacture the spirits are grown on the licensee's farm or land in Virginia leased by the licensee and no more than 25 percent of the agricultural products are grown or produced outside the Commonwealth. However, upon petition by the Department of Agriculture and Consumer Services, the Board may permit the use of a lesser percentage of products grown on the licensee's farm if unusually severe weather or disease conditions cause a significant reduction in the availability of agricultural products grown on the farm to manufacture the spirits during a given license year;

2. Such licensee is a duly organized nonprofit association holding title to real property, together with improvements thereon that are significant in American history, under a charter from the Commonwealth to preserve such property, and which association accepts no federal, state, or local funds;

3. Such licensee operates a museum whose licensed premises is located on the grounds of a local historic building or site;

4. Such licensee is an independently certified organic distillery, with such certification by a USDA-accredited certification agency;

5. Such licensee is employing traditional distilling techniques, including the use of copper or stainless steel pot stills to blend or produce spirits in any county with a population of less than 20,000; or

6. Such licensee is employing traditional techniques, including the maceration of natural fruits, nuts, grains, beans, and spices in neutral grain spirits to extract natural flavors used to produce or blend liqueurs and spirits.

Such agents shall sell the spirits in accordance with the provisions of this title, Board regulations, and the terms of the agency agreement between the Board and the licensed distiller, *including that the licensed distiller shall earn a 30 percent commission on all sales of spirits in closed containers sold on*

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SB1269

59 *such agent's licensed premises.*

60 For the purposes of this subsection, "blended" means the receipt by a licensed distiller of deliveries
61 and shipments of alcoholic beverages, other than wine and beer, in accordance with subdivision 6
62 § 4.1-201 to be (i) additionally aged by the receiving distillery in order to increase the quality and flavor
63 of such alcoholic beverages and (ii) bottled by the receiving distillery.

64 E. No Class 1 neutral grain spirit or alcohol, as defined by federal regulations, that is without
65 distinctive character, aroma, taste or color shall be sold in government stores at a proof greater than 101
66 except upon permits issued by the Board for industrial, commercial, culinary, or medical use.

67 F. All alcoholic beverages sold in government stores, except for tasting samples pursuant to
68 subsection G sold in government stores established by the Board on a distiller's licensed premises, shall
69 be in closed containers, sealed and affixed with labels prescribed by the Board.

70 G. No alcoholic beverages shall be consumed in a government store by any person unless it is part
71 of an organized tasting event conducted by (i) an employee of a manufacturer of distilled spirits or farm
72 winery or (ii) an authorized representative of a manufacturer of distilled spirits or farm winery with a
73 permit issued by the Board pursuant to subdivision A 15 of § 4.1-212, and ~~the samples of alcoholic~~
74 ~~beverages provided to any consumer do not exceed the limits for spirits or wine set forth in subdivision~~
75 ~~A 5 of § 4.1-201.1. No sample may be the alcoholic beverages are not consumed by any individual to~~
76 ~~whom alcoholic beverages may not lawfully be sold pursuant to § 4.1-304. Provided the terms of~~
77 ~~§ 4.1-304 are maintained, the employee or authorized representative may pour multiple samples to the~~
78 ~~consumer.~~ The Board shall establish guidelines governing tasting events conducted pursuant to this
79 subsection.

80 H. With respect to purchases by licensees at government stores, the Board shall (i) accept in payment
81 for any purchase or series of purchases cash, electronic fund transfer, credit or debit card, or check
82 payable to the Board, in the exact amount of any such purchase or series of purchases and (ii) provide
83 notice to licensees on Board policies relating to the assignment of government stores from which
84 licensees may purchase products and any procedure for the licensee to elect to make purchases from an
85 alternative government store.

86 I. With respect to purchases by consumers at government stores, the Board shall accept cash in
87 payment for any purchase or series of purchases. The Board may adopt regulations which provide for
88 accepting a credit card or debit card as payment. Such regulations may provide for the collection, where
89 appropriate, of related fees, penalties and service charges for the use of a credit card or debit card by
90 any consumer.

91 **§ 4.1-201. Conduct not prohibited by this title; limitation.**

92 A. Nothing in this title or any Board regulation adopted pursuant thereto shall prohibit:

93 1. Any club licensed under this chapter from keeping for consumption by its members any alcoholic
94 beverages lawfully acquired by such members, provided the alcoholic beverages are not sold, dispensed
95 or given away in violation of this title.

96 2. Any person from having grain, fruit or fruit products and any other substance, when grown or
97 lawfully produced by him, distilled by any distillery licensee, and selling the distilled alcoholic
98 beverages to the Board or selling or shipping them to any person outside of the Commonwealth in
99 accordance with Board regulations. However, no alcoholic beverages so distilled shall be withdrawn
100 from the place where distilled except in accordance with Board regulations.

101 3. Any person licensed to manufacture and sell, or either, in the Commonwealth or elsewhere,
102 alcoholic beverages other than wine or beer, from soliciting and taking orders from the Board for such
103 alcoholic beverages.

104 4. The receipt by a person operating a licensed brewery of deliveries and shipments of beer in closed
105 containers or the sale, delivery or shipment of such beer, in accordance with Board regulations to (i)
106 persons licensed to sell beer at wholesale, (ii) persons licensed to sell beer at retail for the purpose of
107 resale only as provided in subdivision B 4 of § 4.1-216, (iii) owners of boats registered under the laws
108 of the United States sailing for ports of call of a foreign country or another state, and (iv) persons
109 outside the Commonwealth for resale outside the Commonwealth.

110 5. The granting of any retail license to a brewery, distillery, or winery licensee, or to an applicant for
111 such license, or to a lessee of such person, a wholly owned subsidiary of such person, or its lessee,
112 provided the places of business or establishments for which the retail licenses are desired are located
113 upon the premises occupied or to be occupied by such distillery, winery, or brewery, or upon property
114 of such person contiguous to such premises, or in a development contiguous to such premises owned
115 and operated by such person or a wholly owned subsidiary.

116 6. The receipt by a distillery licensee of deliveries and shipments of alcoholic beverages, other than
117 wine and beer, in closed containers from other distilleries, or the sale, delivery or shipment of such
118 alcoholic beverages, in accordance with Board regulations, to the Board and to persons outside the
119 Commonwealth for resale outside the Commonwealth.

120 7. The receipt by a farm winery or winery licensee of deliveries and shipments of wine in closed

containers from other wineries or farm wineries located inside or outside the Commonwealth, or the receipt by a winery licensee or farm winery licensee of deliveries and shipments of spirits distilled from fruit or fruit juices in closed containers from distilleries located inside or outside the Commonwealth to be used only for the fortification of wine produced by the licensee in accordance with Board regulations, or the sale, delivery or shipment of such wine, in accordance with Board regulations, to persons licensed to sell wine at wholesale for the purpose of resale, and to persons outside the Commonwealth for resale outside the Commonwealth.

8. The receipt by a fruit distillery licensee of deliveries and shipments of alcoholic beverages made from fruit or fruit juices in closed containers from other fruit distilleries owned by such licensee, or the sale, delivery or shipment of such alcoholic beverages, in accordance with Board regulations, to persons outside of the Commonwealth for resale outside of the Commonwealth.

9. Any farm winery or winery licensee from shipping or delivering its wine in closed containers to another farm winery or winery licensee for the purpose of additional bottling in accordance with Board regulations and the return of the wine so bottled to the manufacturing farm winery or winery licensee.

10. Any farm winery or winery licensee from selling and shipping or delivering its wine in closed containers to another farm winery or winery licensee, the wine so sold and shipped or delivered to be used by the receiving licensee in the manufacture of wine. Any wine received under this subsection shall be deemed an agricultural product produced in the Commonwealth for the purposes of § 4.1-219, to the extent it is produced from fresh fruits or agricultural products grown or produced in the Commonwealth. The selling licensee shall provide to the receiving licensee, and both shall maintain complete and accurate records of, the source of the fresh fruits or agricultural products used to produce the wine so transferred.

11. Any distiller licensed under this title from serving as an agent of the Board for the sale of alcoholic beverages, other than beer and wine, at a government store established by the Board on the licensed premises of the distiller in accordance with subsection D of § 4.1-119.

12. Any retail on-premises beer licensee, his agent or employee, from giving a sample of beer to persons to whom alcoholic beverages may be lawfully sold for on-premises consumption, or retail on-premises wine or beer licensee, his agent or employee, from giving a sample of wine or beer to persons to whom alcoholic beverages may be lawfully sold for on-premises consumption, or any mixed beverage licensee, his agent or employee, from giving a sample of wine, beer, or spirits to persons to whom alcoholic beverages may be lawfully sold for on-premises consumption. Samples of wine shall not exceed two ounces, samples of beer shall not exceed four ounces, and samples of spirits shall not exceed one-half ounce. No more than two product samples shall be given to any person per visit.

13. Any manufacturer, including any vendor authorized by any such manufacturer, whether or not licensed in the Commonwealth, from selling service items bearing alcoholic brand references to on-premises retail licensees or prohibit any such retail licensee from displaying the service items on the premises of his licensed establishment. Each such retail licensee purchasing such service items shall retain a copy of the evidence of his payment to the manufacturer or authorized vendor for a period of not less than two years from the date of each sale of the service items. As used in this subdivision, "service items" mean articles of tangible personal property normally used by the employees of on-premises retail licensees to serve alcoholic beverages to customers including, but not limited to, glasses, napkins, buckets, and coasters.

14. Any employee of an alcoholic beverage wholesaler or manufacturer, whether or not licensed in the Commonwealth, from distributing to retail licensees and their employees novelties and specialties, including wearing apparel, having a wholesale value of \$10 or less and that bear alcoholic beverage advertising. Such items may be distributed to retail licensees in quantities equal to the number of employees of the retail establishment present at the time the items are delivered. Thereafter, such employees may wear or display the items on the licensed premises.

15. Any retail on-premises wine or beer licensee, his agent or employee from offering for sale or selling for one price to any person to whom alcoholic beverages may be lawfully sold a flight of wines or beers consisting of samples of not more than five different wines or beers.

16. Any restaurant licensed under this chapter from permitting the consumption of lawfully acquired wine by bona fide customers on the premises in all areas and locations covered by the license. The licensee may charge a corkage fee to such customer for the wine so consumed; however, the licensee shall not charge any other fee to such customer.

17. Any winery, farm winery, wine importer, or wine wholesaler licensee from providing to adult customers of licensed retail establishments information about wine being consumed on such premises.

18. Any person holding multiple licenses for the manufacture of wine, beer, spirits, or cider from providing samples of any alcoholic beverage produced on the licensed premises to persons to whom alcoholic beverages may be lawfully sold for on-premises consumption, provided that (i) the manufacture of the alcoholic beverages or cider occurs within the same licensed premises by such

182 person and (ii) the samples of wine shall not exceed two ounces, samples of beer or cider shall not
183 exceed four ounces, and samples of spirits shall not exceed one-half ounce. No more than two product
184 samples shall be given to any person per visit.

185 B. No deliveries or shipments of alcoholic beverages to persons outside the Commonwealth for resale
186 outside the Commonwealth shall be made into any state the laws of which prohibit the consignee from
187 receiving or selling the same.

188 **§ 4.1-206. Alcoholic beverage licenses.**

189 The Board may grant the following licenses relating to alcoholic beverages generally:

190 1. Distillers' licenses, which shall authorize the licensee to manufacture alcoholic beverages other
191 than wine and beer, and to sell and deliver or ship the same, in accordance with Board regulations, in
192 closed containers, to the Board and to persons outside the Commonwealth for resale outside the
193 Commonwealth. When the Board has established a government store on the distiller's licensed premises
194 pursuant to subsection D of § 4.1-119, such license shall also authorize the licensee to make a charge to
195 consumers to participate in an organized tasting event conducted in accordance with subsection G of
196 § 4.1-119 and Board regulations.

197 2. Fruit distillers' licenses, which shall authorize the licensee to manufacture any alcoholic beverages
198 made from fruit or fruit juices, and to sell and deliver or ship the same, in accordance with Board
199 regulations, in closed containers, to the Board and to persons outside the Commonwealth for resale
200 outside the Commonwealth.

201 3. Banquet facility licenses to volunteer fire departments and volunteer rescue squads, which shall
202 authorize the licensee to permit the consumption of lawfully acquired alcoholic beverages on the
203 premises of the licensee by any person, and bona fide members and guests thereof, otherwise eligible for
204 a banquet license. However, lawfully acquired alcoholic beverages shall not be purchased or sold by the
205 licensee or sold or charged for in any way by the person permitted to use the premises. Such premises
206 shall be a fire or rescue squad station or both, regularly occupied as such and recognized by the
207 governing body of the county, city or town in which it is located. Under conditions as specified by
208 Board regulation, such premises may be other than a fire or rescue squad station, provided such other
209 premises are occupied and under the control of the fire department or rescue squad while the privileges
210 of its license are being exercised.

211 4. Bed and breakfast licenses, which shall authorize the licensee to serve alcoholic beverages in
212 dining areas, private guest rooms and other designated areas to persons to whom overnight lodging is
213 being provided, with or without meals, for on-premises consumption only in such rooms and areas, and
214 without regard to the amount of gross receipts from the sale of food prepared and consumed on the
215 premises.

216 5. Tasting licenses, which shall authorize the licensee to sell or give samples of alcoholic beverages
217 of the type specified in the license in designated areas at events held by the licensee. A tasting license
218 shall be issued for the purpose of featuring and educating the consuming public about the alcoholic
219 beverages being tasted. A separate license shall be required for each day of each tasting event. No
220 tasting license shall be required for conduct authorized by *subdivision A 18 of § 4.1-201* or § 4.1-201.1.

221 6. Museum licenses, which may be issued to nonprofit museums exempt from taxation under
222 § 501(c)(3) of the Internal Revenue Code, which shall authorize the licensee to (i) permit the
223 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide
224 member and guests thereof and (ii) serve alcoholic beverages on the premises of the licensee to any
225 bona fide member and guests thereof. However, alcoholic beverages shall not be sold or charged for in
226 any way by the licensee. The privileges of this license shall be limited to the premises of the museum,
227 regularly occupied and utilized as such.

228 7. Equine sporting event licenses, which may be issued to organizations holding equestrian, hunt and
229 steeplechase events, which shall authorize the licensee to permit the consumption of lawfully acquired
230 alcoholic beverages on the premises of the licensee by patrons thereof during such event. However,
231 alcoholic beverages shall not be sold or charged for in any way by the licensee. The privileges of this
232 license shall be (i) limited to the premises of the licensee, regularly occupied and utilized for equestrian,
233 hunt and steeplechase events and (ii) exercised on no more than four calendar days per year.

234 8. Day spa licenses, which shall authorize the licensee to (i) permit the consumption of lawfully
235 acquired wine or beer on the premises of the licensee by any bona fide customer of the day spa and (ii)
236 serve wine or beer on the premises of the licensee to any such bona fide customer; however, the
237 licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any
238 such customer, nor shall it sell or otherwise charge a fee to such customer for the wine or beer served
239 or consumed. The privileges of this license shall be limited to the premises of the day spa regularly
240 occupied and utilized as such.

241 9. Motor car sporting event facility licenses, which shall authorize the licensee to permit the
242 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by patrons thereof
243 during such events. However, alcoholic beverages shall not be sold or charged for in any way, directly

or indirectly, by the licensee. The privileges of this license shall be limited to those areas of the licensee's premises designated by the Board that are regularly occupied and utilized for motor car sporting events.

10. Meal-assembly kitchen license, which shall authorize the licensee to serve wine or beer on the premises of the licensee to any such bona fide customer attending either a private gathering or a special event; however, the licensee shall not give more than two five-ounce glasses of wine or two 12-ounce glasses of beer to any such customer, nor shall it sell or otherwise charge a fee to such customer for the wine or beer served or consumed. The privileges of this license shall be limited to the premises of the meal-assembly kitchen regularly occupied and utilized as such.

11. Canal boat operator license, which shall authorize the licensee to permit the consumption of lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide customer attending either a private gathering or a special event; however, the licensee shall not sell or otherwise charge a fee to such customer for the alcoholic beverages so consumed. The privileges of this license shall be limited to the premises of the licensee, including the canal, the canal boats while in operation, and any pathways adjacent thereto. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license.

12. Annual arts venue event licenses, to persons operating an arts venue, which shall authorize the licensee participating in a community art walk that is open to the public to serve lawfully acquired wine or beer on the premises of the licensee to adult patrons thereof during such events. However, alcoholic beverages shall not be sold or charged for in any way, directly or indirectly, by the licensee, and the licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any one adult patron. The privileges of this license shall be (i) limited to the premises of the arts venue regularly occupied and used as such and (ii) exercised on no more than 12 calendar days per year.

13. *Virginia distiller's remote licenses, which shall authorize the owners, employees, or authorized representatives of licensed distillers whose premises are wholly contained within the Commonwealth to sell or give samples of alcoholic beverages of the type specified in the license at licensed events held by the licensee or at a festival or event already authorized by a banquet, banquet special event, or manufacturer multi-day event license. Products used for sampling shall be purchased by the licensee at wholesale cost from a government store, which may include a government store established by the Board on the premises of the licensee. The licensee may also sell bottles of the spirits being sampled at regular retail price, provided that such bottles are available for sale in the government store established by the Board on the distiller's licensed premises pursuant to subsection D of § 4.1-119.*

§ 4.1-231. Taxes on state licenses.

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

1. Alcoholic beverage licenses. For each:

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

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

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

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

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

f. Equine sporting event license, \$130;

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

h. Day spa license, \$100;

i. Delivery permit, \$120 if the permittee holds no other license under this title;

j. Meal-assembly kitchen license, \$100;

k. Canal boat operator license, \$100; ~~and~~

l. Annual arts venue event license, \$100; *and*

m. *Virginia distiller's remote license, \$120.*

2. Wine licenses. For each:

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

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

(2) Wholesale wine license, including that granted pursuant to § 4.1-207.1, applicable to two or more premises, the annual state license tax shall be the amount set forth in subdivision b (1), multiplied by

the number of separate locations covered by the license;

- c. Wine importer's license, \$370;
- d. Retail off-premises winery license, \$145, which shall include a delivery permit;
- e. Farm winery license, \$190 for any Class A license and \$3,725 for any Class B license, each of which shall include a delivery permit;
- f. Wine shipper's license, \$95; and
- g. Internet wine retailer license, \$150.

3. Beer licenses. For each:

- a. Brewery license, if not more than 500 barrels of beer manufactured during the year in which the license is granted, \$350; if not more than 10,000 barrels of beer manufactured during the year in which the license is granted, \$2,150; and if more than 10,000 barrels manufactured during such year, \$4,300;
- b. Bottler's license, \$1,430;
- c. (1) Wholesale beer license, \$930 for any wholesaler who sells 300,000 cases of beer a year or less, and \$1,430 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of beer a year, and \$1,860 for any wholesaler who sells more than 600,000 cases of beer a year;
- (2) Wholesale beer license applicable to two or more premises, the annual state license tax shall be the amount set forth in subdivision c (1), multiplied by the number of separate locations covered by the license;
- d. Beer importer's license, \$370;
- e. Retail on-premises beer license to a hotel, restaurant, club or other person, except a common carrier of passengers by train or boat, \$145; for each such license to a common carrier of passengers by train or boat, \$145 per annum for each of the average number of boats, dining cars, buffet cars or club cars operated daily in the Commonwealth;
- f. Retail off-premises beer license, \$120, which shall include a delivery permit;
- g. Retail on-and-off premises beer license to a hotel, restaurant, club or grocery store located in a town or in a rural area outside the corporate limits of any city or town, \$300, which shall include a delivery permit;
- h. Beer shipper's license, \$95; and
- i. Retail off-premises brewery license, \$120, which shall include a delivery permit.

4. Wine and beer licenses. For each:

- a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a common carrier of passengers by train, boat or airplane, \$300; for each such license to a common carrier of passengers by train or boat, \$300 per annum for each of the average number of boats, dining cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to a common carrier of passengers by airplane, \$750;
- b. Retail on-premises wine and beer license to a hospital, \$145;
- c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience grocery store license, \$230, which shall include a delivery permit;
- d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$600, which shall include a delivery permit;
- e. Banquet license, \$40 per license granted by the Board, except for banquet licenses granted by the Board pursuant to subsection A of § 4.1-215 for events occurring on more than one day, which shall be \$100 per license;
- f. Gourmet brewing shop license, \$230;
- g. Wine and beer shipper's license, \$95;
- h. Annual banquet license, \$150;
- i. Fulfillment warehouse license, \$120;
- j. Marketing portal license, \$150; and
- k. Gourmet oyster house license, \$230.

5. Mixed beverage licenses. For each:

- a. Mixed beverage restaurant license granted to persons operating restaurants, including restaurants located on premises of and operated by hotels or motels, or other persons:
 - (i) With a seating capacity at tables for up to 100 persons, \$560;
 - (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$975; and
 - (iii) With a seating capacity at tables for more than 150 persons, \$1,430.
- b. Mixed beverage restaurant license for restaurants located on the premises of and operated by private, nonprofit clubs:
 - (i) With an average yearly membership of not more than 200 resident members, \$750;
 - (ii) With an average yearly membership of more than 200 but not more than 500 resident members, \$1,860; and
 - (iii) With an average yearly membership of more than 500 resident members, \$2,765.
- c. Mixed beverage caterer's license, \$1,860;

367 d. Mixed beverage limited caterer's license, \$500;
 368 e. Mixed beverage special events license, \$45 for each day of each event;
 369 f. Mixed beverage club events licenses, \$35 for each day of each event;
 370 g. Annual mixed beverage special events license, \$560;
 371 h. Mixed beverage carrier license:
 372 (i) \$190 for each of the average number of dining cars, buffet cars or club cars operated daily in the
 373 Commonwealth by a common carrier of passengers by train;
 374 (ii) \$560 for each common carrier of passengers by boat;
 375 (iii) \$1,475 for each license granted to a common carrier of passengers by airplane.
 376 i. Annual mixed beverage amphitheater license, \$560;
 377 j. Annual mixed beverage motor sports race track license, \$560;
 378 k. Annual mixed beverage banquet license, \$500;
 379 l. Limited mixed beverage restaurant license:
 380 (i) With a seating capacity at tables for up to 100 persons, \$460;
 381 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$875;
 382 (iii) With a seating capacity at tables for more than 150 persons, \$1,330;
 383 m. Annual mixed beverage motor sports facility license, \$560; and
 384 n. Annual mixed beverage performing arts facility license, \$560.
 385 6. Temporary licenses. For each temporary license authorized by § 4.1-211, one-half of the tax
 386 imposed by this section on the license for which the applicant applied.

387 B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be
 388 subject to proration to the following extent: If the license is granted in the second quarter of any year,
 389 the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be
 390 decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by
 391 three-fourths.

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

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

402 Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than
 403 12 months shall be equal to one-twelfth of the taxes required by subsection A computed to the nearest
 404 cent, multiplied by the number of months in the license period.

405 C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state
 406 restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter,
 407 shall be liable to state merchants' license taxation and state restaurant license taxation and other state
 408 taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer
 409 wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license
 410 tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining
 411 the liability of a wholesale wine distributor to merchants' license taxation, and in computing the
 412 wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases
 413 shall be disregarded.

414 § 4.1-233. Taxes on local licenses.

415 A. In addition to the state license taxes, the annual local license taxes which may be collected shall
 416 not exceed the following sums:

- 417 1. Alcoholic beverages. - For each:
 - 418 a. Distiller's license, \$1,000; no local license shall be required for any person who manufactures not
 419 more than 5,000 gallons of alcohol or spirits, or both, during such license year;
 - 420 b. Fruit distiller's license, \$1,500;
 - 421 c. Bed and breakfast establishment license, \$40;
 - 422 d. Museum license, \$10;
 - 423 e. Tasting license, \$5 per license granted;
 - 424 f. Equine sporting event license, \$10;
 - 425 g. Day spa license, \$20;
 - 426 h. Motor car sporting event facility license, \$10;
 - 427 i. Meal-assembly kitchen license, \$20;

- 428 j. Canal boat operator license, \$20; ~~and~~
429 k. Annual arts venue event license, \$20; *and*
430 l. *Virginia distiller's remote license*, \$20.
431 2. Beer. - For each:
432 a. Brewery license, if not more than 500 barrels of beer manufactured during the year in which the
433 license is granted, \$250, and if more than 500 barrels of beer manufactured during the year in which the
434 license is granted, \$1,000;
435 b. Bottler's license, \$500;
436 c. Wholesale beer license, in a city, \$250, and in a county or town, \$75;
437 d. Retail on-premises beer license for a hotel, restaurant or club and for each retail off-premises beer
438 license in a city, \$100, and in a county or town, \$25; and
439 e. Beer shipper's license, \$10.
440 3. Wine. - For each:
441 a. Winery license, \$50;
442 b. Wholesale wine license, \$50;
443 c. Farm winery license, \$50; and
444 d. Wine shipper's license, \$10.
445 4. Wine and beer. - For each:
446 a. Retail on-premises wine and beer license for a hotel, restaurant or club; and for each retail
447 off-premises wine and beer license, including each gift shop, gourmet shop and convenience grocery
448 store license, in a city, \$150, and in a county or town, \$37.50;
449 b. Hospital license, \$10;
450 c. Banquet license, \$5 for each license granted, except for banquet licenses granted by the Board
451 pursuant to subsection A of § 4.1-215 for events occurring on more than one day, which shall be \$20
452 per license;
453 d. Gourmet brewing shop license, \$150;
454 e. Wine and beer shipper's license, \$10;
455 f. Annual banquet license, \$15; and
456 g. Gourmet oyster house license, in a city, \$150, and in a county or town, \$37.50.
457 5. Mixed beverages. - For each:
458 a. Mixed beverage restaurant license, including restaurants located on the premises of and operated
459 by hotels or motels, or other persons:
460 (i) With a seating capacity at tables for up to 100 persons, \$200;
461 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$350; and
462 (iii) With a seating capacity at tables for more than 150 persons, \$500.
463 b. Private, nonprofit club operating a restaurant located on the premises of such club, \$350;
464 c. Mixed beverage caterer's license, \$500;
465 d. Mixed beverage limited caterer's license, \$100;
466 e. Mixed beverage special events licenses, \$10 for each day of each event;
467 f. Mixed beverage club events licenses, \$10 for each day of each event;
468 g. Annual mixed beverage amphitheater license, \$300;
469 h. Annual mixed beverage motor sports race track license, \$300;
470 i. Annual mixed beverage banquet license, \$75;
471 j. Limited mixed beverage restaurant license:
472 (i) With a seating capacity at tables for up to 100 persons, \$100;
473 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$250;
474 (iii) With a seating capacity at tables for more than 150 persons, \$400;
475 k. Annual mixed beverage motor sports facility license, \$300; and
476 l. Annual mixed beverage performing arts facility license, \$300.
477 B. Common carriers. - No local license tax shall be either charged or collected for the privilege of
478 selling alcoholic beverages in (i) passenger trains, boats or airplanes and (ii) rooms designated by the
479 Board of establishments of air carriers of passengers at airports in the Commonwealth for on-premises
480 consumption only.
481 C. Merchants' and restaurants' license taxes. - The governing body of each county, city or town in
482 the Commonwealth, in imposing local wholesale merchants' license taxes measured by purchases, local
483 retail merchants' license taxes measured by sales, and local restaurant license taxes measured by sales,
484 may include alcoholic beverages in the base for measuring such local license taxes the same as if the
485 alcoholic beverages were nonalcoholic. No local alcoholic beverage license authorized by this chapter
486 shall exempt any licensee from any local merchants' or local restaurant license tax, but such local
487 merchants' and local restaurant license taxes may be in addition to the local alcoholic beverage license
488 taxes authorized by this chapter.
489 The governing body of any county, city or town, in adopting an ordinance under this section, shall

provide that in ascertaining the liability of (i) a beer wholesaler to local merchants' license taxation under the ordinance, and in computing the local wholesale merchants' license tax on such beer wholesaler, purchases of beer up to a stated amount shall be disregarded, which stated amount shall be the amount of beer purchases which would be necessary to produce a local wholesale merchants' license tax equal to the local wholesale beer license tax paid by such wholesaler and (ii) a wholesale wine licensee to local merchants' license taxation under the ordinance, and in computing the local wholesale merchants' license tax on such wholesale wine licensee, purchases of wine up to a stated amount shall be disregarded, which stated amount shall be the amount of wine purchases which would be necessary to produce a local wholesale merchants' license tax equal to the local wholesale wine licensee license tax paid by such wholesale wine licensee.

D. Delivery. - No county, city or town shall impose any local alcoholic beverages license tax on any wholesaler for the privilege of delivering alcoholic beverages in the county, city or town when such wholesaler maintains no place of business in such county, city or town.

E. Application of county tax within town. - Any county license tax imposed under this section shall not apply within the limits of any town located in such county, where such town now, or hereafter, imposes a town license tax on the same privilege.