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SENATE BILL NO. 1269

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rehabilitation and Social Services
on January 23, 2015)

(Patron Prior to Substitute—Senator Deeds)

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.*

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.

Notwithstanding any provision of subsection G to the contrary, such agents may give or sell samples of beer, wine or cider to persons to whom alcoholic beverages may be lawfully sold for on-premises consumption, provided that (i) the manufacture of the beer, wine or cider occurs within the same licensed premises of such agents and (ii) samples of wine shall not exceed a total of five ounces,

60 *samples of beer or cider shall not exceed a total of twelve ounces, and samples of spirits shall not*
61 *exceed a total of two ounces. No more than two different alcoholic beverages products shall be given to*
62 *any person per visit.*

63 For the purposes of this subsection, "blended" means the receipt by a licensed distiller of deliveries
64 and shipments of alcoholic beverages, other than wine and beer, in accordance with subdivision 6
65 § 4.1-201 to be (i) additionally aged by the receiving distillery in order to increase the quality and flavor
66 of such alcoholic beverages and (ii) bottled by the receiving distillery.

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

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

73 G. No alcoholic beverages shall be consumed in a government store by any person unless it is part
74 of an organized tasting event conducted by (i) an employee of a manufacturer of distilled spirits or farm
75 winery or (ii) an authorized representative of a manufacturer of distilled spirits or farm winery with a
76 permit issued by the Board pursuant to subdivision A 15 of § 4.1-212, and ~~the samples of alcoholic~~
77 ~~beverages provided to any consumer do not exceed the limits for spirits or wine set forth in subdivision~~
78 ~~A 5 of § 4.1-201.1. No sample may be the alcoholic beverages are not~~ consumed by any individual to
79 whom alcoholic beverages may not lawfully be sold pursuant to § 4.1-304. *Provided the terms of*
80 *§ 4.1-304 are maintained, the employee or authorized representative may pour multiple samples to the*
81 *consumer.* The Board shall establish guidelines governing tasting events conducted pursuant to this
82 subsection.

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

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

94 **§ 4.1-201. Conduct not prohibited by this title; limitation.**

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

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

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

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

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

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

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

122 Commonwealth for resale outside the Commonwealth.

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

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

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

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

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

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

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

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

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

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

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

181 18. Any person holding multiple licenses for the manufacture of wine, beer, spirits, or cider from
182 providing samples of any alcoholic beverage produced on the licensed premises to persons to whom

183 *alcoholic beverages may be lawfully sold for on-premises consumption, provided that (i) the*
184 *manufacture of the alcoholic beverages or cider occurs within the same licensed premises by such*
185 *person and (ii) the samples of wine shall not exceed two ounces, samples of beer or cider shall not*
186 *exceed four ounces, and samples of spirits shall not exceed one-half ounce. No more than two product*
187 *samples shall be given to any person per visit.*

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

191 **§ 4.1-206. Alcoholic beverage licenses.**

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

193 1. Distillers' licenses, which shall authorize the licensee to manufacture alcoholic beverages other
194 than wine and beer, and to sell and deliver or ship the same, in accordance with Board regulations, in
195 closed containers, to the Board and to persons outside the Commonwealth for resale outside the
196 Commonwealth. When the Board has established a government store on the distiller's licensed premises
197 pursuant to subsection D of § 4.1-119, such license shall also authorize the licensee to make a charge to
198 consumers to participate in an organized tasting event conducted in accordance with subsection G of
199 § 4.1-119 and Board regulations.

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

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

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

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

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

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

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

244 9. Motor car sporting event facility licenses, which shall authorize the licensee to permit the

245 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by patrons thereof
 246 during such events. However, alcoholic beverages shall not be sold or charged for in any way, directly
 247 or indirectly, by the licensee. The privileges of this license shall be limited to those areas of the
 248 licensee's premises designated by the Board that are regularly occupied and utilized for motor car
 249 sporting events.

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

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

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

271 13. *Virginia distiller's remote licenses, which shall authorize the owners, employees, or authorized*
 272 *representatives of licensed distillers whose premises are wholly contained within the Commonwealth to*
 273 *give samples of alcoholic beverages of the type specified in the license at licensed events held by the*
 274 *licensee or at a festival or event already authorized by a banquet, banquet special event, or*
 275 *manufacturer multi-day event license, provided that (i) no more than four such licenses annually shall*
 276 *be granted by the Board, (ii) products used for sampling shall be purchased by the licensee from a*
 277 *government store, and (iii) no single sample of alcoholic beverages given by the licensee shall not*
 278 *exceed one-half ounce per spirits product offered and no more than four spirits products may be offered*
 279 *to any patron.*

280 **§ 4.1-231. Taxes on state licenses.**

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

282 1. Alcoholic beverage licenses. For each:

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

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

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

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

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

290 f. Equine sporting event license, \$130;

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

292 h. Day spa license, \$100;

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

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

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

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

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

298 2. Wine licenses. For each:

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

301 b. (1) Wholesale wine license, \$185 for any wholesaler who sells 30,000 gallons of wine or less per
 302 year, \$930 for any wholesaler who sells more than 30,000 gallons per year but not more than 150,000
 303 gallons of wine per year, \$1,430 for any wholesaler who sells more than 150,000 but not more than
 304 300,000 gallons of wine per year, and, \$1,860 for any wholesaler who sells more than 300,000 gallons
 305 of wine per year;

- 306 (2) Wholesale wine license, including that granted pursuant to § 4.1-207.1, applicable to two or more
307 premises, the annual state license tax shall be the amount set forth in subdivision b (1), multiplied by
308 the number of separate locations covered by the license;
- 309 c. Wine importer's license, \$370;
- 310 d. Retail off-premises winery license, \$145, which shall include a delivery permit;
- 311 e. Farm winery license, \$190 for any Class A license and \$3,725 for any Class B license, each of
312 which shall include a delivery permit;
- 313 f. Wine shipper's license, \$95; and
- 314 g. Internet wine retailer license, \$150.
- 315 3. Beer licenses. For each:
- 316 a. Brewery license, if not more than 500 barrels of beer manufactured during the year in which the
317 license is granted, \$350; if not more than 10,000 barrels of beer manufactured during the year in which
318 the license is granted, \$2,150; and if more than 10,000 barrels manufactured during such year, \$4,300;
- 319 b. Bottler's license, \$1,430;
- 320 c. (1) Wholesale beer license, \$930 for any wholesaler who sells 300,000 cases of beer a year or
321 less, and \$1,430 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of
322 beer a year, and \$1,860 for any wholesaler who sells more than 600,000 cases of beer a year;
- 323 (2) Wholesale beer license applicable to two or more premises, the annual state license tax shall be
324 the amount set forth in subdivision c (1), multiplied by the number of separate locations covered by the
325 license;
- 326 d. Beer importer's license, \$370;
- 327 e. Retail on-premises beer license to a hotel, restaurant, club or other person, except a common
328 carrier of passengers by train or boat, \$145; for each such license to a common carrier of passengers by
329 train or boat, \$145 per annum for each of the average number of boats, dining cars, buffet cars or club
330 cars operated daily in the Commonwealth;
- 331 f. Retail off-premises beer license, \$120, which shall include a delivery permit;
- 332 g. Retail on-and-off premises beer license to a hotel, restaurant, club or grocery store located in a
333 town or in a rural area outside the corporate limits of any city or town, \$300, which shall include a
334 delivery permit;
- 335 h. Beer shipper's license, \$95; and
- 336 i. Retail off-premises brewery license, \$120, which shall include a delivery permit.
- 337 4. Wine and beer licenses. For each:
- 338 a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a
339 common carrier of passengers by train, boat or airplane, \$300; for each such license to a common
340 carrier of passengers by train or boat, \$300 per annum for each of the average number of boats, dining
341 cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to
342 a common carrier of passengers by airplane, \$750;
- 343 b. Retail on-premises wine and beer license to a hospital, \$145;
- 344 c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience
345 grocery store license, \$230, which shall include a delivery permit;
- 346 d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$600, which shall
347 include a delivery permit;
- 348 e. Banquet license, \$40 per license granted by the Board, except for banquet licenses granted by the
349 Board pursuant to subsection A of § 4.1-215 for events occurring on more than one day, which shall be
350 \$100 per license;
- 351 f. Gourmet brewing shop license, \$230;
- 352 g. Wine and beer shipper's license, \$95;
- 353 h. Annual banquet license, \$150;
- 354 i. Fulfillment warehouse license, \$120;
- 355 j. Marketing portal license, \$150; and
- 356 k. Gourmet oyster house license, \$230.
- 357 5. Mixed beverage licenses. For each:
- 358 a. Mixed beverage restaurant license granted to persons operating restaurants, including restaurants
359 located on premises of and operated by hotels or motels, or other persons:
- 360 (i) With a seating capacity at tables for up to 100 persons, \$560;
- 361 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$975; and
- 362 (iii) With a seating capacity at tables for more than 150 persons, \$1,430.
- 363 b. Mixed beverage restaurant license for restaurants located on the premises of and operated by
364 private, nonprofit clubs:
- 365 (i) With an average yearly membership of not more than 200 resident members, \$750;
- 366 (ii) With an average yearly membership of more than 200 but not more than 500 resident members,
367 \$1,860; and

368 (iii) With an average yearly membership of more than 500 resident members, \$2,765.
369 c. Mixed beverage caterer's license, \$1,860;
370 d. Mixed beverage limited caterer's license, \$500;
371 e. Mixed beverage special events license, \$45 for each day of each event;
372 f. Mixed beverage club events licenses, \$35 for each day of each event;
373 g. Annual mixed beverage special events license, \$560;
374 h. Mixed beverage carrier license:
375 (i) \$190 for each of the average number of dining cars, buffet cars or club cars operated daily in the
376 Commonwealth by a common carrier of passengers by train;
377 (ii) \$560 for each common carrier of passengers by boat;
378 (iii) \$1,475 for each license granted to a common carrier of passengers by airplane.
379 i. Annual mixed beverage amphitheater license, \$560;
380 j. Annual mixed beverage motor sports race track license, \$560;
381 k. Annual mixed beverage banquet license, \$500;
382 l. Limited mixed beverage restaurant license:
383 (i) With a seating capacity at tables for up to 100 persons, \$460;
384 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$875;
385 (iii) With a seating capacity at tables for more than 150 persons, \$1,330;
386 m. Annual mixed beverage motor sports facility license, \$560; and
387 n. Annual mixed beverage performing arts facility license, \$560.
388 6. Temporary licenses. For each temporary license authorized by § 4.1-211, one-half of the tax
389 imposed by this section on the license for which the applicant applied.
390 B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be
391 subject to proration to the following extent: If the license is granted in the second quarter of any year,
392 the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be
393 decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by
394 three-fourths.
395 If the license on which the tax is prorated is a distiller's license to manufacture not more than 5,000
396 gallons of alcohol or spirits, or both, during the year in which the license is granted, or a winery license
397 to manufacture not more than 5,000 gallons of wine during the year in which the license is granted, the
398 number of gallons permitted to be manufactured shall be prorated in the same manner.
399 Should the holder of a distiller's license or a winery license to manufacture not more than 5,000
400 gallons of alcohol or spirits, or both, or wine, apply during the license year for an unlimited distiller's or
401 winery license, such person shall pay for such unlimited license a license tax equal to the amount that
402 would have been charged had such license been applied for at the time that the license to manufacture
403 less than 5,000 gallons of alcohol or spirits or wine, as the case may be, was granted, and such person
404 shall be entitled to a refund of the amount of license tax previously paid on the limited license.
405 Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than
406 12 months shall be equal to one-twelfth of the taxes required by subsection A computed to the nearest
407 cent, multiplied by the number of months in the license period.
408 C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state
409 restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter,
410 shall be liable to state merchants' license taxation and state restaurant license taxation and other state
411 taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer
412 wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license
413 tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining
414 the liability of a wholesale wine distributor to merchants' license taxation, and in computing the
415 wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases
416 shall be disregarded.
417 **§ 4.1-233. Taxes on local licenses.**
418 A. In addition to the state license taxes, the annual local license taxes which may be collected shall
419 not exceed the following sums:
420 1. Alcoholic beverages. - For each:
421 a. Distiller's license, \$1,000; no local license shall be required for any person who manufactures not
422 more than 5,000 gallons of alcohol or spirits, or both, during such license year;
423 b. Fruit distiller's license, \$1,500;
424 c. Bed and breakfast establishment license, \$40;
425 d. Museum license, \$10;
426 e. Tasting license, \$5 per license granted;
427 f. Equine sporting event license, \$10;
428 g. Day spa license, \$20;

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

491 taxes authorized by this chapter.

492 The governing body of any county, city or town, in adopting an ordinance under this section, shall
493 provide that in ascertaining the liability of (i) a beer wholesaler to local merchants' license taxation
494 under the ordinance, and in computing the local wholesale merchants' license tax on such beer
495 wholesaler, purchases of beer up to a stated amount shall be disregarded, which stated amount shall be
496 the amount of beer purchases which would be necessary to produce a local wholesale merchants' license
497 tax equal to the local wholesale beer license tax paid by such wholesaler and (ii) a wholesale wine
498 licensee to local merchants' license taxation under the ordinance, and in computing the local wholesale
499 merchants' license tax on such wholesale wine licensee, purchases of wine up to a stated amount shall
500 be disregarded, which stated amount shall be the amount of wine purchases which would be necessary
501 to produce a local wholesale merchants' license tax equal to the local wholesale wine licensee license tax
502 paid by such wholesale wine licensee.

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

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