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HOUSE BILL NO. 226**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on General Laws

on January 26, 2016)

(Patron Prior to Substitute—Delegate Albo)

A BILL to amend and reenact § 4.1-210 of the Code of Virginia, relating to alcoholic beverage control; mixed beverage licenses; performing arts facilities.

Be it enacted by the General Assembly of Virginia:**1. That § 4.1-210 of the Code of Virginia is amended and reenacted as follows:****§ 4.1-210. Mixed beverages 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 subdivision, 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. Such noncontiguous designated areas shall not be approved for any retail license issued pursuant to subdivision A 5 of § 4.1-201.

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

60 on-premises consumption in areas approved by the Board on the premises of the place designated in the
61 license. A separate license shall be required for each day of each special event.

62 5. Annual mixed beverage special events licenses to (i) a duly organized nonprofit corporation or
63 association operating either a performing arts facility or an art education and exhibition facility, (ii) a
64 nonprofit corporation or association chartered by Congress for the preservation of sites, buildings and
65 objects significant in American history and culture, or (iii) persons operating an agricultural event and
66 entertainment park or similar facility that has a minimum of 50,000 square feet of indoor exhibit space
67 and equine and other livestock show areas, which includes barns, pavilions, or other structures equipped
68 with roofs, exterior walls, and open or closed-door access. The operation in all cases shall be upon
69 premises owned by such licensee or occupied under a bona fide lease the original term of which was for
70 more than one year's duration. Such license shall authorize the licensee to sell alcoholic beverages
71 during scheduled events and performances for on-premises consumption in areas upon the licensed
72 premises approved by the Board.

73 6. Mixed beverage carrier licenses to persons operating a common carrier of passengers by train, boat
74 or airplane, which shall authorize the licensee to sell and serve mixed beverages anywhere in the
75 Commonwealth to passengers while in transit aboard any such common carrier, and in designated rooms
76 of establishments of air carriers at airports in the Commonwealth. For purposes of supplying its
77 airplanes, as well as any airplanes of a licensed express carrier flying under the same brand, an air
78 carrier licensee may appoint an authorized representative to load distilled spirits onto the same airplanes
79 and to transport and store distilled spirits at or in close proximity to the airport where the distilled spirits
80 will be delivered onto airplanes of the air carrier and any such licensed express carrier. The air carrier
81 licensee shall (i) designate for purposes of its license all locations where the inventory of distilled spirits
82 may be stored and from which the distilled spirits will be delivered onto airplanes of the air carrier and
83 any such licensed express carrier and (ii) maintain records of all distilled spirits to be transported,
84 stored, and delivered by its authorized representative.

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

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

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

102 10. Annual mixed beverage motor sports facility license to persons operating food concessions at any
103 outdoor motor sports road racing club facility, of which the track surface is 3.27 miles in length, on
104 1,200 acres of rural property bordering the Dan River, which shall authorize the licensee to sell mixed
105 beverages, in paper, plastic, or similar disposable containers during scheduled events, as well as events
106 or performances immediately subsequent thereto, to patrons in all dining facilities, seating areas, viewing
107 areas, walkways, concession areas or similar facilities, for on-premises consumption. Upon authorization
108 of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the
109 premises in all areas and locations covered by the license.

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

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

122 13. Annual mixed beverage motor sports facility licenses to persons operating concessions at an
123 outdoor motor sports facility that hosts a NASCAR national touring race, which shall authorize the
124 licensee to sell mixed beverages, in paper, plastic, or similar disposable containers during scheduled
125 events, as well as events or performances immediately subsequent thereto, to patrons in all dining
126 facilities, seating areas, viewing areas, walkways, concession areas or similar facilities, for on-premises
127 consumption.

128 14. Annual mixed beverage performing arts facility license to corporations or associations operating a
129 performing arts facility, provided the performing arts facility (i) is owned by a governmental entity; (ii)
130 is occupied by a for-profit entity under a bona fide lease, the original term of which was for more than
131 one year's duration; and (iii) has been rehabilitated in accordance with historic preservation standards.
132 Such license shall authorize the sale, on the dates of performances or events, of alcoholic beverages for
133 on-premises consumption in areas upon the licensed premises approved by the Board.

134 15. *Annual mixed beverage performing arts facility license to persons operating food concessions at*
135 *any performing arts facility located in the City of Norfolk or the City of Richmond, provided that the*
136 *performing arts facility (i) is occupied under a bona fide long-term lease or concession agreement, the*
137 *original term of which was more than five years; (ii) has a capacity in excess of 1,400 patrons; (iii) has*
138 *been rehabilitated in accordance with historic preservation standards; and (iv) whose monthly gross*
139 *receipts from the sale of food cooked, or prepared, and consumed on the premises and nonalcoholic*
140 *beverages served on the premises meet or exceed the monthly minimum established by Board regulations*
141 *for mixed beverage restaurants. Such license shall authorize the sale, on the dates of performances or*
142 *events, of alcoholic beverages for on-premises consumption in areas upon the licensed premises*
143 *approved by the Board.*

144 16. A combined mixed beverage restaurant and caterer's license, which may be granted to any
145 restaurant or hotel that meets the qualifications for both a mixed beverage restaurant pursuant to
146 subdivision A 1 and mixed beverage caterer pursuant to subdivision A 2 for the same business location,
147 and which license shall authorize the licensee to operate as both a mixed beverage restaurant and mixed
148 beverage caterer at the same business premises designated in the license, with a common alcoholic
149 beverage inventory for purposes of the restaurant and catering operations. Such licensee shall meet the
150 separate food qualifications established for the mixed beverage restaurant license pursuant to subdivision
151 A 1 and mixed beverage caterer's license pursuant to subdivision A 2.

152 B. The granting of any license under subdivision A 1, 6, 7, 8, 9, 10, 11, 12, 13, 14, ~~or~~ 15, or 16
153 shall automatically include a license to sell and serve wine and beer for on-premises consumption. The
154 licensee shall pay the state and local taxes required by §§ 4.1-231 and 4.1-233.