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SENATE BILL NO. 578

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Rehabilitation and Social Services  
on February 12, 2016)

(Patron Prior to Substitute—Senator Barker)

A BILL to amend and reenact § 4.1-208 of the Code of Virginia, relating to alcoholic beverage control; limited brewery licenses.

Be it enacted by the General Assembly of Virginia:

1. That § 4.1-208 of the Code of Virginia is amended and reenacted as follows:

§ 4.1-208. Beer licenses.

The Board may grant the following licenses relating to beer:

1. Brewery licenses, which shall authorize the licensee to manufacture beer and to sell and deliver or ship the beer so manufactured, in accordance with Board regulations, in closed containers to (i) persons licensed to sell the beer at wholesale; (ii) persons licensed to sell beer at retail for the purpose of resale within a theme or amusement park owned and operated by the brewery or a parent, subsidiary or a company under common control of such brewery, or upon property of such brewery or a parent, subsidiary or a company under common control of such brewery contiguous to such premises, or in a development contiguous to such premises owned and operated by such brewery or a parent, subsidiary or a company under common control of such brewery; and (iii) persons outside the Commonwealth for resale outside the Commonwealth. Such license shall also authorize the licensee to sell at retail the brands of beer that the brewery owns at premises described in the brewery license for on-premises consumption and in closed containers for off-premises consumption.

Such license may also authorize individuals holding a brewery license to (a) operate a facility designed for and utilized exclusively for the education of persons in the manufacture of beer, including sampling by such individuals of beer products, within a theme or amusement park located upon the premises occupied by such brewery, or upon property of such person contiguous to such premises, or in a development contiguous to such premises owned and operated by such person or a wholly owned subsidiary or (b) offer samples of the brewery's products to individuals visiting the licensed premises, provided that such samples shall be provided only to individuals for consumption on the premises of such facility or licensed premises and only to individuals to whom such products may be lawfully sold.

2. Limited brewery licenses, to breweries that manufacture no more than 15,000 barrels of beer per calendar year, provided (i) the brewery is located on a farm in the Commonwealth on land zoned agricultural and owned or leased by such brewery or its owner and (ii) agricultural products, including barley, other grains, hops, or fruit, used by such brewery in the manufacture of its beer are grown on the farm. The licensed premises shall be limited to the portion of the farm on which agricultural products, including barley, other grains, hops, or fruit, used by such brewery in the manufacture of its beer are grown and that is contiguous to the premises of such brewery where the beer is manufactured, exclusive of any residence and the curtilage thereof. However, the Board may, with notice to the local governing body in accordance with the provisions of § 4.1-230, also approve other portions of the farm to be included as part of the licensed premises. For the purposes of this subdivision, "land zoned agricultural" means land zoned as (a) an agricultural district or classification or (b) any classification that permits agricultural use and has been designated by local ordinance as eligible for a limited brewery license. "Land zoned agricultural" does not include land zoned residential conservation.

Limited brewery licensees shall be treated as breweries for all purposes of this title except as otherwise provided in this subdivision.

3. Bottlers' licenses, which shall authorize the licensee to acquire and receive deliveries and shipments of beer in closed containers and to bottle, sell and deliver or ship it, in accordance with Board regulations to (i) wholesale beer licensees for the purpose of resale, (ii) owners of boats registered under the laws of the United States sailing for ports of call of a foreign country or another state, and (iii) persons outside the Commonwealth for resale outside the Commonwealth.

4. Wholesale beer licenses, which shall authorize the licensee to acquire and receive deliveries and shipments of beer and to sell and deliver or ship the beer from one or more premises identified in the license, in accordance with Board regulations, in closed containers to (i) persons licensed under this chapter to sell such beer at wholesale or retail for the purpose of resale, (ii) owners of boats registered under the laws of the United States sailing for ports of call of a foreign country or another state, and (iii) persons outside the Commonwealth for resale outside the Commonwealth.

No wholesale beer licensee shall purchase beer for resale from a person outside the Commonwealth who does not hold a beer importer's license unless such wholesale beer licensee holds a beer importer's license and purchases beer for resale pursuant to the privileges of such beer importer's license.

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60 5. Beer importers' licenses, which shall authorize persons licensed within or outside the  
61 Commonwealth to sell and deliver or ship beer into the Commonwealth, in accordance with Board  
62 regulations, in closed containers, to persons in the Commonwealth licensed to sell beer at wholesale for  
63 the purpose of resale.

64 6. Retail on-premises beer licenses to:

65 a. Hotels, restaurants, and clubs, which shall authorize the licensee to sell beer, either with or without  
66 meals, only in dining areas and other designated areas of such restaurants, or in dining areas, private  
67 guest rooms, and other designated areas of such hotels or clubs, for consumption only in such rooms  
68 and areas. For purposes of this subdivision, "other designated areas" includes outdoor dining areas,  
69 whether or not contiguous to the licensed premises, which may have more than one means of ingress  
70 and egress to an adjacent public thoroughfare, provided that such outdoor dining areas are under the  
71 control of the licensee and approved by the Board. Such noncontiguous designated areas shall not be  
72 approved for any retail license issued pursuant to subdivision A 5 of § 4.1-201.

73 b. Persons operating dining cars, buffet cars, and club cars of trains, which shall authorize the  
74 licensee to sell beer, either with or without meals, in the dining cars, buffet cars, and club cars so  
75 operated by them for on-premises consumption when carrying passengers.

76 c. Persons operating sight-seeing boats, or special or charter boats, which shall authorize the licensee  
77 to sell beer, either with or without meals, on such boats operated by them for on-premises consumption  
78 when carrying passengers.

79 d. Grocery stores located in any town or in a rural area outside the corporate limits of any city or  
80 town, which shall authorize the licensee to sell beer for on-premises consumption in such establishments.  
81 No license shall be granted unless it appears affirmatively that a substantial public demand for such  
82 licensed establishment exists and that public convenience and the purposes of this title will be promoted  
83 by granting the license.

84 e. Persons operating food concessions at coliseums, stadia, or similar facilities, which shall authorize  
85 the licensee to sell beer, in paper, plastic, or similar disposable containers, during the performance of  
86 professional sporting exhibitions, events or performances immediately subsequent thereto, to patrons  
87 within all seating areas, concourses, walkways, concession areas, and additional locations designated by  
88 the Board in such coliseums, stadia, or similar facilities, for on-premises consumption. Upon  
89 authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic  
90 beverages on the premises in all areas and locations covered by the license.

91 f. Persons operating food concessions at any outdoor performing arts amphitheater, arena or similar  
92 facility which has seating for more than 3,500 persons and is located in Albemarle, Augusta,  
93 Pittsylvania, Nelson, or Rockingham Counties. Such license shall authorize the licensee to sell beer  
94 during the performance of any event, in paper, plastic or similar disposable containers to patrons within  
95 all seating areas, concourses, walkways, concession areas, or similar facilities, for on-premises  
96 consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully  
97 acquired alcoholic beverages on the premises in all areas and locations covered by the license.

98 g. Persons operating food concessions at exhibition or exposition halls, convention centers or similar  
99 facilities located in any county operating under the urban county executive form of government or any  
100 city which is completely surrounded by such county, which shall authorize the licensee to sell beer  
101 during the event, in paper, plastic or similar disposable containers to patrons or attendees within all  
102 seating areas, exhibition areas, concourses, walkways, concession areas, and such additional locations  
103 designated by the Board in such facilities, for on-premises consumption. Upon authorization of the  
104 licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the  
105 premises in all areas and locations covered by the license. For purposes of this subsection, "exhibition or  
106 exposition halls" and "convention centers" mean facilities conducting private or public trade shows or  
107 exhibitions in an indoor facility having in excess of 100,000 square feet of floor space.

108 7. Retail off-premises beer licenses, which shall authorize the licensee to sell beer in closed  
109 containers for off-premises consumption.

110 8. Retail off-premises brewery licenses to persons holding a brewery license which shall authorize  
111 the licensee to sell beer at the place of business designated in the brewery license, in closed containers  
112 which shall include growlers and other reusable containers, for off-premises consumption.

113 9. Retail on-and-off premises beer licenses to persons enumerated in subdivisions 6 a and 6 d, which  
114 shall accord all the privileges conferred by retail on-premises beer licenses and in addition, shall  
115 authorize the licensee to sell beer in closed containers for off-premises consumption.

116 **2. That the provisions of this act shall not apply to any limited brewery or any person who**  
117 **acquires an interest in the licensed premises of a limited brewery holding a valid license or with**  
118 **an application pending for such license with the Virginia Alcoholic Beverage Control Board, in**  
119 **accordance with the provisions of Title 4.1 of the Code of Virginia, on July 1, 2016.**