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HOUSE BILL NO. 2433

Offered January 19, 2017

A *BILL to amend and reenact §§ 4.1-100, as it is currently effective and as it shall become effective, 4.1-111, 4.1-119, as it is currently effective and as it shall become effective, 4.1-213, and 4.1-214 of the Code of Virginia, relating to alcoholic beverage control; cider.*

Patron—Bulova

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 4.1-100, as it is currently effective and as it shall become effective, 4.1-111, 4.1-119, as it is currently effective and as it shall become effective, 4.1-213, and 4.1-214 of the Code of Virginia are amended and reenacted as follows:

§ 4.1-100. (Effective until July 1, 2018) Definitions.

As used in this title unless the context requires a different meaning:

"Alcohol" means the product known as ethyl or grain alcohol obtained by distillation of any fermented liquor, rectified either once or more often, whatever the origin, and shall include synthetic ethyl alcohol, but shall not include methyl alcohol and alcohol completely denatured in accordance with formulas approved by the government of the United States.

"Alcohol vaporizing device" means any device, machine, or process that mixes any alcoholic beverages with pure oxygen or other gas to produce a vaporized product for the purpose of consumption by inhalation.

"Alcoholic beverages" includes alcohol, spirits, wine, and beer, and any one or more of such varieties containing one-half of one percent or more of alcohol by volume, including mixed alcoholic beverages, and every liquid or solid, powder or crystal, patented or not, containing alcohol, spirits, wine, or beer and capable of being consumed by a human being. Any liquid or solid containing more than one of the four varieties shall be considered as belonging to that variety which has the higher percentage of alcohol, however obtained, according to the order in which they are set forth in this definition; except that beer may be manufactured to include flavoring materials and other nonbeverage ingredients containing alcohol, as long as no more than 49 percent of the overall alcohol content of the finished product is derived from the addition of flavors and other nonbeverage ingredients containing alcohol for products with an alcohol content of no more than six percent by volume; or, in the case of products with an alcohol content of more than six percent by volume, as long as no more than one and one-half percent of the volume of the finished product consists of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol.

"Art instruction studio" means any commercial establishment that provides to its customers all required supplies and step-by-step instruction in creating a painting or other work of art during a studio instructional session.

"Arts venue" means a commercial or nonprofit establishment that is open to the public and in which works of art are sold or displayed.

"Barrel" means any container or vessel having a capacity of more than 43 ounces.

"Bed and breakfast establishment" means any establishment (i) having no more than 15 bedrooms; (ii) offering to the public, for compensation, transitory lodging or sleeping accommodations; and (iii) offering at least one meal per day, which may but need not be breakfast, to each person to whom overnight lodging is provided.

"Beer" means any alcoholic beverage obtained by the fermentation of an infusion or decoction of barley, malt, and hops or of any similar products in drinkable water and containing one-half of one percent or more of alcohol by volume.

"Board" means the Virginia Alcoholic Beverage Control Board.

"Bottle" means any vessel intended to contain liquids and having a capacity of not more than 43 ounces.

"Canal boat operator" means any nonprofit organization that operates tourism-oriented canal boats for recreational purposes on waterways declared nonnavigable by the United States Congress pursuant to 33 U.S.C. § 59ii.

"Club" means any private nonprofit corporation or association which is the owner, lessee, or occupant of an establishment operated solely for a national, social, patriotic, political, athletic, or other like purpose, but not for pecuniary gain, the advantages of which belong to all of the members. It also means the establishment so operated. A corporation or association shall not lose its status as a club

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59 because of the conduct of charitable gaming conducted pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.)
60 of Chapter 8 of Title 18.2 in which nonmembers participate frequently or in large numbers, provided
61 that no alcoholic beverages are served or consumed in the room where such charitable gaming is being
62 conducted while such gaming is being conducted and that no alcoholic beverages are made available
63 upon the premises to any person who is neither a member nor a bona fide guest of a member.

64 Any such corporation or association which has been declared exempt from federal and state income
65 taxes as one which is not organized and operated for pecuniary gain or profit shall be deemed a
66 nonprofit corporation or association.

67 "Container" means any barrel, bottle, carton, keg, vessel or other receptacle used for holding
68 alcoholic beverages.

69 "Contract winemaking facility" means the premises of a licensed winery or farm winery that obtains
70 grapes, fruits, and other agricultural products from a person holding a farm winery license and crushes,
71 processes, ferments, bottles, or provides any combination of such services pursuant to an agreement with
72 the farm winery licensee. For all purposes of this title, wine produced by a contract winemaking facility
73 for a farm winery shall be considered to be wine owned and produced by the farm winery that supplied
74 the grapes, fruits, or other agricultural products used in the production of the wine. The contract
75 winemaking facility shall have no right to sell the wine so produced, unless the terms of payment have
76 not been fulfilled in accordance with the contract. The contract winemaking facility may charge the farm
77 winery for its services.

78 "Convenience grocery store" means an establishment which (i) has an enclosed room in a permanent
79 structure where stock is displayed and offered for sale and (ii) maintains an inventory of edible items
80 intended for human consumption consisting of a variety of such items of the types normally sold in
81 grocery stores.

82 "Day spa" means any commercial establishment that offers to the public both massage therapy,
83 performed by persons licensed in accordance with § 54.1-3029, and barbering or cosmetology services
84 performed by persons licensed in accordance with Chapter 7 (§ 54.1-700 et seq.) of Title 54.1.

85 "Designated area" means a room or area approved by the Board for on-premises licensees.

86 "Dining area" means a public room or area in which meals are regularly served.

87 "Establishment" means any place where alcoholic beverages of one or more varieties are lawfully
88 manufactured, sold, or used.

89 "Farm winery" means (i) an establishment (a) located on a farm in the Commonwealth on land zoned
90 agricultural with a producing vineyard, orchard, or similar growing area and with facilities for
91 fermenting and bottling wine on the premises where the owner or lessee manufactures wine that contains
92 not more than 21 percent alcohol by volume or (b) located in the Commonwealth on land zoned
93 agricultural with a producing vineyard, orchard, or similar growing area or agreements for purchasing
94 grapes or other fruits from agricultural growers within the Commonwealth and with facilities for
95 fermenting and bottling wine on the premises where the owner or lessee manufactures wine that contains
96 not more than 21 percent alcohol by volume or (ii) an accredited public or private institution of higher
97 education, provided that (a) no wine manufactured by the institution shall be sold, (b) the wine
98 manufactured by the institution shall be used solely for research and educational purposes, (c) the wine
99 manufactured by the institution shall be stored on the premises of such farm winery that shall be
100 separate and apart from all other facilities of the institution, and (d) such farm winery is operated in
101 strict conformance with the requirements of this clause (ii) and Board regulations. As used in this
102 definition, the terms "owner" and "lessee" shall include a cooperative formed by an association of
103 individuals for the purpose of manufacturing wine. In the event that such cooperative is licensed as a
104 farm winery, the term "farm" as used in this definition includes all of the land owned or leased by the
105 individual members of the cooperative as long as such land is located in the Commonwealth. For
106 purposes of this definition, "land zoned agricultural" means (1) land zoned as an agricultural district or
107 classification or (2) land otherwise permitted by a locality for farm winery use. For purposes of this
108 definition, "land zoned agricultural" does not include land zoned "residential conservation." Except for
109 the limitation on land zoned "residential conservation," nothing in the definition of "land zoned
110 agricultural" shall otherwise limit or affect local zoning authority.

111 "Gift shop" means any bona fide retail store selling, predominantly, gifts, books, souvenirs, specialty
112 items relating to history, original and handmade arts and products, collectibles, crafts, and floral
113 arrangements, which is open to the public on a regular basis. Such shop shall be a permanent structure
114 where stock is displayed and offered for sale and which has facilities to properly secure any stock of
115 wine or beer. Such shop may be located (i) on the premises or grounds of a government registered
116 national, state or local historic building or site or (ii) within the premises of a museum. The Board shall
117 consider the purpose, characteristics, nature, and operation of the shop in determining whether it shall be
118 considered a gift shop.

119 "Gourmet brewing shop" means an establishment which sells to persons to whom wine or beer may
120 lawfully be sold, ingredients for making wine or brewing beer, including packaging, and rents to such

persons facilities for manufacturing, fermenting and bottling such wine or beer.

"Gourmet shop" means an establishment provided with adequate inventory, shelving, and storage facilities, where, in consideration of payment, substantial amounts of domestic and imported wines and beers of various types and sizes and related products such as cheeses and gourmet foods are habitually furnished to persons.

"Government store" means a store established by the Board for the sale of alcoholic beverages.

"Hotel" means any duly licensed establishment, provided with special space and accommodation, where, in consideration of payment, food and lodging are habitually furnished to persons, and which has four or more bedrooms. It shall also mean the person who operates such hotel.

"Interdicted person" means a person to whom the sale of alcoholic beverages is prohibited by order pursuant to this title.

"Internet wine retailer" means a person who owns or operates an establishment with adequate inventory, shelving, and storage facilities, where, in consideration of payment, internet or telephone orders are taken and shipped directly to consumers and which establishment is not a retail store open to the public.

"Intoxicated" means a condition in which a person has drunk enough alcoholic beverages to observably affect his manner, disposition, speech, muscular movement, general appearance or behavior.

"Licensed" means the holding of a valid license issued by the Board.

"Licensee" means any person to whom a license has been granted by the Board.

"Liqueur" means any of a class of highly flavored alcoholic beverages that do not exceed an alcohol content of 25 percent by volume.

"Low alcohol beverage cooler" means a drink containing one-half of one percent or more of alcohol by volume, but not more than seven and one-half percent alcohol by volume, and consisting of spirits mixed with nonalcoholic beverages or flavoring or coloring materials; it may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives or other similar products manufactured by fermenting fruit or fruit juices. Low alcohol beverage coolers shall be treated as wine for all purposes of this title; except that low alcohol beverage coolers shall not be sold in localities that have not approved the sale of mixed beverages pursuant to § 4.1-124. In addition, low alcohol beverage coolers shall not be sold for on-premises consumption other than by mixed beverage licensees.

"Meal-assembly kitchen" means any commercial establishment that offers its customers, for off-premises consumption, ingredients for the preparation of meals and entrees in professional kitchen facilities located at the establishment.

"Meals" means, for a mixed beverage license, an assortment of foods commonly ordered in bona fide, full-service restaurants as principal meals of the day. Such restaurants shall include establishments specializing in full course meals with a single substantial entree.

"Member of a club" means (i) a person who maintains his membership in the club by the payment of monthly, quarterly, or annual dues in the manner established by the rules and regulations thereof or (ii) a person who is a member of a bona fide auxiliary, local chapter, or squadron composed of direct lineal descendants of a bona fide member, whether alive or deceased, of a national or international organization to which an individual lodge holding a club license is an authorized member in the same locality. It shall also mean a lifetime member whose financial contribution is not less than 10 times the annual dues of resident members of the club, the full amount of such contribution being paid in advance in a lump sum.

"Mixed beverage" or "mixed alcoholic beverage" means a drink composed in whole or in part of spirits.

"Mixer" means any prepackaged ingredients containing beverages or flavoring or coloring materials, and which may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives which are not commonly consumed unless combined with alcoholic beverages, whether or not such ingredients contain alcohol. Such specialty beverage product shall be manufactured or distributed by a Virginia corporation.

"Place or premises" means the real estate, together with any buildings or other improvements thereon, designated in the application for a license as the place at which the manufacture, bottling, distribution, use or sale of alcoholic beverages shall be performed, except that portion of any such building or other improvement actually and exclusively used as a private residence.

"Public place" means any place, building, or conveyance to which the public has, or is permitted to have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels, and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any highway, street, or lane.

The term shall not include (i) hotel or restaurant dining areas or ballrooms while in use for private meetings or private parties limited in attendance to members and guests of a particular group, association or organization; (ii) restaurants licensed by the Board in office buildings or industrial or

182 similar facilities while such restaurant is closed to the public and in use for private meetings or parties
183 limited in attendance to employees and nonpaying guests of the owner or a lessee of all or part of such
184 building or facility; (iii) offices, office buildings or industrial facilities while closed to the public and in
185 use for private meetings or parties limited in attendance to employees and nonpaying guests of the
186 owner or a lessee of all or part of such building or facility; or (iv) private recreational or chartered boats
187 which are not licensed by the Board and on which alcoholic beverages are not sold.

188 "Residence" means any building or part of a building or structure where a person resides, but does
189 not include any part of a building which is not actually and exclusively used as a private residence, nor
190 any part of a hotel or club other than a private guest room thereof.

191 "Resort complex" means a facility (i) with a hotel owning year-round sports and recreational facilities
192 located contiguously on the same property or (ii) owned by a nonstock, nonprofit, taxable corporation
193 with voluntary membership which, as its primary function, makes available golf, ski and other
194 recreational facilities both to its members and the general public. The hotel or corporation shall have a
195 minimum of 140 private guest rooms or dwelling units contained on not less than 50 acres. The Board
196 may consider the purpose, characteristics, and operation of the applicant establishment in determining
197 whether it shall be considered as a resort complex. All other pertinent qualifications established by the
198 Board for a hotel operation shall be observed by such licensee.

199 "Restaurant" means, for a beer, or wine and beer license or a limited mixed beverage restaurant
200 license, any establishment provided with special space and accommodation, where, in consideration of
201 payment, meals or other foods prepared on the premises are regularly sold.

202 "Restaurant" means, for a mixed beverage license other than a limited mixed beverage restaurant
203 license, an established place of business (i) where meals with substantial entrees are regularly sold and
204 (ii) which has adequate facilities and sufficient employees for cooking, preparing, and serving such
205 meals for consumption at tables in dining areas on the premises, and includes establishments specializing
206 in full course meals with a single substantial entree.

207 "Sale" and "sell" includes soliciting or receiving an order for; keeping, offering or exposing for sale;
208 peddling, exchanging or bartering; or delivering otherwise than gratuitously, by any means, alcoholic
209 beverages.

210 "Sangria" means a drink consisting of red or white wine mixed with some combination of
211 sweeteners, fruit, fruit juice, soda, or soda water that may also be mixed with brandy, triple sec, or other
212 similar spirits.

213 "Special agent" means an employee of the Department of Alcoholic Beverage Control whom the
214 Board has designated as a law-enforcement officer pursuant to § 4.1-105.

215 "Special event" means an event sponsored by a duly organized nonprofit corporation or association
216 and conducted for an athletic, charitable, civic, educational, political, or religious purpose.

217 "Spirits" means any beverage which contains alcohol obtained by distillation mixed with drinkable
218 water and other substances, in solution, and includes, among other things, brandy, rum, whiskey, and
219 gin, or any one or more of the last four named ingredients; but shall not include any such liquors
220 completely denatured in accordance with formulas approved by the United States government.

221 "Wine" means any alcoholic beverage, *including cider*, obtained by the fermentation of the natural
222 sugar content of fruits or other agricultural products containing (i) sugar, including honey and milk,
223 either with or without additional sugar; (ii) one-half of one percent or more of alcohol by volume; and
224 (iii) no product of distillation. The term includes any wine to which wine spirits have been added, as
225 provided in the Internal Revenue Code, to make products commonly known as "fortified wine" which do
226 not exceed an alcohol content of 21 percent by volume.

227 "Wine cooler" means a drink containing one-half of one percent or more of alcohol by volume, and
228 not more than three and two-tenths percent of alcohol by weight or four percent by volume consisting of
229 wine mixed with nonalcoholic beverages or flavoring or coloring materials, and which may also contain
230 water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives and shall include other similar
231 products manufactured by fermenting fruit or fruit juices. Wine coolers and similar fermented fruit juice
232 beverages shall be treated as wine for all purposes except for taxation under § 4.1-236.

233 "With or without meals" means the selling and serving of alcoholic beverages by retail licensees for
234 on-premises consumption whether or not accompanied by food so long as the total food-beverage ratio
235 required by § 4.1-210, or the monthly food sale requirement established by Board regulation, is met by
236 such retail licensee.

237 **§ 4.1-100. (Effective July 1, 2018) Definitions.**

238 As used in this title unless the context requires a different meaning:

239 "Alcohol" means the product known as ethyl or grain alcohol obtained by distillation of any
240 fermented liquor, rectified either once or more often, whatever the origin, and shall include synthetic
241 ethyl alcohol, but shall not include methyl alcohol and alcohol completely denatured in accordance with
242 formulas approved by the government of the United States.

243 "Alcohol vaporizing device" means any device, machine, or process that mixes any alcoholic

beverages with pure oxygen or other gas to produce a vaporized product for the purpose of consumption by inhalation.

"Alcoholic beverages" includes alcohol, spirits, wine, and beer, and any one or more of such varieties containing one-half of one percent or more of alcohol by volume, including mixed alcoholic beverages, and every liquid or solid, powder or crystal, patented or not, containing alcohol, spirits, wine, or beer and capable of being consumed by a human being. Any liquid or solid containing more than one of the four varieties shall be considered as belonging to that variety which has the higher percentage of alcohol, however obtained, according to the order in which they are set forth in this definition; except that beer may be manufactured to include flavoring materials and other nonbeverage ingredients containing alcohol, as long as no more than 49 percent of the overall alcohol content of the finished product is derived from the addition of flavors and other nonbeverage ingredients containing alcohol for products with an alcohol content of no more than six percent by volume; or, in the case of products with an alcohol content of more than six percent by volume, as long as no more than one and one-half percent of the volume of the finished product consists of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol.

"Art instruction studio" means any commercial establishment that provides to its customers all required supplies and step-by-step instruction in creating a painting or other work of art during a studio instructional session.

"Arts venue" means a commercial or nonprofit establishment that is open to the public and in which works of art are sold or displayed.

"Authority" means the Virginia Alcoholic Beverage Control Authority created pursuant to this title.

"Barrel" means any container or vessel having a capacity of more than 43 ounces.

"Bed and breakfast establishment" means any establishment (i) having no more than 15 bedrooms; (ii) offering to the public, for compensation, transitory lodging or sleeping accommodations; and (iii) offering at least one meal per day, which may but need not be breakfast, to each person to whom overnight lodging is provided.

"Beer" means any alcoholic beverage obtained by the fermentation of an infusion or decoction of barley, malt, and hops or of any similar products in drinkable water and containing one-half of one percent or more of alcohol by volume.

"Board" means the Board of Directors of the Virginia Alcoholic Beverage Control Authority.

"Bottle" means any vessel intended to contain liquids and having a capacity of not more than 43 ounces.

"Canal boat operator" means any nonprofit organization that operates tourism-oriented canal boats for recreational purposes on waterways declared nonnavigable by the United States Congress pursuant to 33 U.S.C. § 59ii.

"Club" means any private nonprofit corporation or association which is the owner, lessee, or occupant of an establishment operated solely for a national, social, patriotic, political, athletic, or other like purpose, but not for pecuniary gain, the advantages of which belong to all of the members. It also means the establishment so operated. A corporation or association shall not lose its status as a club because of the conduct of charitable gaming conducted pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 in which nonmembers participate frequently or in large numbers, provided that no alcoholic beverages are served or consumed in the room where such charitable gaming is being conducted while such gaming is being conducted and that no alcoholic beverages are made available upon the premises to any person who is neither a member nor a bona fide guest of a member.

Any such corporation or association which has been declared exempt from federal and state income taxes as one which is not organized and operated for pecuniary gain or profit shall be deemed a nonprofit corporation or association.

"Container" means any barrel, bottle, carton, keg, vessel or other receptacle used for holding alcoholic beverages.

"Contract winemaking facility" means the premises of a licensed winery or farm winery that obtains grapes, fruits, and other agricultural products from a person holding a farm winery license and crushes, processes, ferments, bottles, or provides any combination of such services pursuant to an agreement with the farm winery licensee. For all purposes of this title, wine produced by a contract winemaking facility for a farm winery shall be considered to be wine owned and produced by the farm winery that supplied the grapes, fruits, or other agricultural products used in the production of the wine. The contract winemaking facility shall have no right to sell the wine so produced, unless the terms of payment have not been fulfilled in accordance with the contract. The contract winemaking facility may charge the farm winery for its services.

"Convenience grocery store" means an establishment which (i) has an enclosed room in a permanent structure where stock is displayed and offered for sale and (ii) maintains an inventory of edible items intended for human consumption consisting of a variety of such items of the types normally sold in

305 grocery stores.

306 "Day spa" means any commercial establishment that offers to the public both massage therapy,
307 performed by persons licensed in accordance with § 54.1-3029, and barbering or cosmetology services
308 performed by persons licensed in accordance with Chapter 7 (§ 54.1-700 et seq.) of Title 54.1.

309 "Designated area" means a room or area approved by the Board for on-premises licensees.

310 "Dining area" means a public room or area in which meals are regularly served.

311 "Establishment" means any place where alcoholic beverages of one or more varieties are lawfully
312 manufactured, sold, or used.

313 "Farm winery" means (i) an establishment (a) located on a farm in the Commonwealth on land zoned
314 agricultural with a producing vineyard, orchard, or similar growing area and with facilities for
315 fermenting and bottling wine on the premises where the owner or lessee manufactures wine that contains
316 not more than 21 percent alcohol by volume or (b) located in the Commonwealth on land zoned
317 agricultural with a producing vineyard, orchard, or similar growing area or agreements for purchasing
318 grapes or other fruits from agricultural growers within the Commonwealth and with facilities for
319 fermenting and bottling wine on the premises where the owner or lessee manufactures wine that contains
320 not more than 21 percent alcohol by volume or (ii) an accredited public or private institution of higher
321 education, provided that (a) no wine manufactured by the institution shall be sold, (b) the wine
322 manufactured by the institution shall be used solely for research and educational purposes, (c) the wine
323 manufactured by the institution shall be stored on the premises of such farm winery that shall be
324 separate and apart from all other facilities of the institution, and (d) such farm winery is operated in
325 strict conformance with the requirements of this clause (ii) and Board regulations. As used in this
326 definition, the terms "owner" and "lessee" shall include a cooperative formed by an association of
327 individuals for the purpose of manufacturing wine. In the event that such cooperative is licensed as a
328 farm winery, the term "farm" as used in this definition includes all of the land owned or leased by the
329 individual members of the cooperative as long as such land is located in the Commonwealth. For
330 purposes of this definition, "land zoned agricultural" means (1) land zoned as an agricultural district or
331 classification or (2) land otherwise permitted by a locality for farm winery use. For purposes of this
332 definition, "land zoned agricultural" does not include land zoned "residential conservation." Except for
333 the limitation on land zoned "residential conservation," nothing in the definition of "land zoned
334 agricultural" shall otherwise limit or affect local zoning authority.

335 "Gift shop" means any bona fide retail store selling, predominantly, gifts, books, souvenirs, specialty
336 items relating to history, original and handmade arts and products, collectibles, crafts, and floral
337 arrangements, which is open to the public on a regular basis. Such shop shall be a permanent structure
338 where stock is displayed and offered for sale and which has facilities to properly secure any stock of
339 wine or beer. Such shop may be located (i) on the premises or grounds of a government registered
340 national, state or local historic building or site or (ii) within the premises of a museum. The Board shall
341 consider the purpose, characteristics, nature, and operation of the shop in determining whether it shall be
342 considered a gift shop.

343 "Gourmet brewing shop" means an establishment which sells to persons to whom wine or beer may
344 lawfully be sold, ingredients for making wine or brewing beer, including packaging, and rents to such
345 persons facilities for manufacturing, fermenting and bottling such wine or beer.

346 "Gourmet shop" means an establishment provided with adequate inventory, shelving, and storage
347 facilities, where, in consideration of payment, substantial amounts of domestic and imported wines and
348 beers of various types and sizes and related products such as cheeses and gourmet foods are habitually
349 furnished to persons.

350 "Government store" means a store established by the Authority for the sale of alcoholic beverages.

351 "Hotel" means any duly licensed establishment, provided with special space and accommodation,
352 where, in consideration of payment, food and lodging are habitually furnished to persons, and which has
353 four or more bedrooms. It shall also mean the person who operates such hotel.

354 "Interdicted person" means a person to whom the sale of alcoholic beverages is prohibited by order
355 pursuant to this title.

356 "Internet wine retailer" means a person who owns or operates an establishment with adequate
357 inventory, shelving, and storage facilities, where, in consideration of payment, internet or telephone
358 orders are taken and shipped directly to consumers and which establishment is not a retail store open to
359 the public.

360 "Intoxicated" means a condition in which a person has drunk enough alcoholic beverages to
361 observably affect his manner, disposition, speech, muscular movement, general appearance or behavior.

362 "Licensed" means the holding of a valid license granted by the Authority.

363 "Licensee" means any person to whom a license has been granted by the Authority.

364 "Liqueur" means any of a class of highly flavored alcoholic beverages that do not exceed an alcohol
365 content of 25 percent by volume.

366 "Low alcohol beverage cooler" means a drink containing one-half of one percent or more of alcohol

by volume, but not more than seven and one-half percent alcohol by volume, and consisting of spirits mixed with nonalcoholic beverages or flavoring or coloring materials; it may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives or other similar products manufactured by fermenting fruit or fruit juices. Low alcohol beverage coolers shall be treated as wine for all purposes of this title; except that low alcohol beverage coolers shall not be sold in localities that have not approved the sale of mixed beverages pursuant to § 4.1-124. In addition, low alcohol beverage coolers shall not be sold for on-premises consumption other than by mixed beverage licensees.

"Meal-assembly kitchen" means any commercial establishment that offers its customers, for off-premises consumption, ingredients for the preparation of meals and entrees in professional kitchen facilities located at the establishment.

"Meals" means, for a mixed beverage license, an assortment of foods commonly ordered in bona fide, full-service restaurants as principal meals of the day. Such restaurants shall include establishments specializing in full course meals with a single substantial entree.

"Member of a club" means (i) a person who maintains his membership in the club by the payment of monthly, quarterly, or annual dues in the manner established by the rules and regulations thereof or (ii) a person who is a member of a bona fide auxiliary, local chapter, or squadron composed of direct lineal descendants of a bona fide member, whether alive or deceased, of a national or international organization to which an individual lodge holding a club license is an authorized member in the same locality. It shall also mean a lifetime member whose financial contribution is not less than 10 times the annual dues of resident members of the club, the full amount of such contribution being paid in advance in a lump sum.

"Mixed beverage" or "mixed alcoholic beverage" means a drink composed in whole or in part of spirits.

"Mixer" means any prepackaged ingredients containing beverages or flavoring or coloring materials, and which may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives which are not commonly consumed unless combined with alcoholic beverages, whether or not such ingredients contain alcohol. Such specialty beverage product shall be manufactured or distributed by a Virginia corporation.

"Place or premises" means the real estate, together with any buildings or other improvements thereon, designated in the application for a license as the place at which the manufacture, bottling, distribution, use or sale of alcoholic beverages shall be performed, except that portion of any such building or other improvement actually and exclusively used as a private residence.

"Principal stockholder" means any person who individually or in concert with his spouse and immediate family members beneficially owns or controls, directly or indirectly, five percent or more of the equity ownership of any person that is a licensee of the Authority, or who in concert with his spouse and immediate family members has the power to vote or cause the vote of five percent or more of any such equity ownership. "Principal stockholder" does not include a broker-dealer registered under the Securities Exchange Act of 1934, as amended, that holds in inventory shares for sale on the financial markets for a publicly traded corporation holding, directly or indirectly, a license from the Authority.

"Public place" means any place, building, or conveyance to which the public has, or is permitted to have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels, and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any highway, street, or lane.

The term shall not include (i) hotel or restaurant dining areas or ballrooms while in use for private meetings or private parties limited in attendance to members and guests of a particular group, association or organization; (ii) restaurants licensed by the Authority in office buildings or industrial or similar facilities while such restaurant is closed to the public and in use for private meetings or parties limited in attendance to employees and nonpaying guests of the owner or a lessee of all or part of such building or facility; (iii) offices, office buildings or industrial facilities while closed to the public and in use for private meetings or parties limited in attendance to employees and nonpaying guests of the owner or a lessee of all or part of such building or facility; or (iv) private recreational or chartered boats which are not licensed by the Board and on which alcoholic beverages are not sold.

"Residence" means any building or part of a building or structure where a person resides, but does not include any part of a building which is not actually and exclusively used as a private residence, nor any part of a hotel or club other than a private guest room thereof.

"Resort complex" means a facility (i) with a hotel owning year-round sports and recreational facilities located contiguously on the same property or (ii) owned by a nonstock, nonprofit, taxable corporation with voluntary membership which, as its primary function, makes available golf, ski and other recreational facilities both to its members and the general public. The hotel or corporation shall have a minimum of 140 private guest rooms or dwelling units contained on not less than 50 acres. The Authority may consider the purpose, characteristics, and operation of the applicant establishment in

determining whether it shall be considered as a resort complex. All other pertinent qualifications established by the Board for a hotel operation shall be observed by such licensee.

"Restaurant" means, for a beer, or wine and beer license or a limited mixed beverage restaurant license, any establishment provided with special space and accommodation, where, in consideration of payment, meals or other foods prepared on the premises are regularly sold.

"Restaurant" means, for a mixed beverage license other than a limited mixed beverage restaurant license, an established place of business (i) where meals with substantial entrees are regularly sold and (ii) which has adequate facilities and sufficient employees for cooking, preparing, and serving such meals for consumption at tables in dining areas on the premises, and includes establishments specializing in full course meals with a single substantial entree.

"Sale" and "sell" includes soliciting or receiving an order for; keeping, offering or exposing for sale; peddling, exchanging or bartering; or delivering otherwise than gratuitously, by any means, alcoholic beverages.

"Sangria" means a drink consisting of red or white wine mixed with some combination of sweeteners, fruit, fruit juice, soda, or soda water that may also be mixed with brandy, triple sec, or other similar spirits.

"Special agent" means an employee of the Virginia Alcoholic Beverage Control Authority whom the Board has designated as a law-enforcement officer pursuant to § 4.1-105.

"Special event" means an event sponsored by a duly organized nonprofit corporation or association and conducted for an athletic, charitable, civic, educational, political, or religious purpose.

"Spirits" means any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances, in solution, and includes, among other things, brandy, rum, whiskey, and gin, or any one or more of the last four named ingredients; but shall not include any such liquors completely denatured in accordance with formulas approved by the United States government.

"Wine" means any alcoholic beverage, *including cider*, obtained by the fermentation of the natural sugar content of fruits or other agricultural products containing (i) sugar, including honey and milk, either with or without additional sugar; (ii) one-half of one percent or more of alcohol by volume; and (iii) no product of distillation. The term includes any wine to which wine spirits have been added, as provided in the Internal Revenue Code, to make products commonly known as "fortified wine" which do not exceed an alcohol content of 21 percent by volume.

"Wine cooler" means a drink containing one-half of one percent or more of alcohol by volume, and not more than three and two-tenths percent of alcohol by weight or four percent by volume consisting of wine mixed with nonalcoholic beverages or flavoring or coloring materials, and which may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives and shall include other similar products manufactured by fermenting fruit or fruit juices. Wine coolers and similar fermented fruit juice beverages shall be treated as wine for all purposes except for taxation under § 4.1-236.

"With or without meals" means the selling and serving of alcoholic beverages by retail licensees for on-premises consumption whether or not accompanied by food so long as the total food-beverage ratio required by § 4.1-210, or the monthly food sale requirement established by Board regulation, is met by such retail licensee.

§ 4.1-111. Regulations of Board.

A. The Board may promulgate reasonable regulations, not inconsistent with this title or the general laws of the Commonwealth, which it deems necessary to carry out the provisions of this title and to prevent the illegal manufacture, bottling, sale, distribution and transportation of alcoholic beverages. The Board may amend or repeal such regulations. Such regulations shall be promulgated, amended or repealed in accordance with the Administrative Process Act (§ 2.2-4000 et seq.) and shall have the effect of law.

B. The Board shall promulgate regulations that:

1. Prescribe what hours and on what days alcoholic beverages shall not be sold by licensees or consumed on any licensed premises, including a provision that mixed beverages may be sold only at such times as wine and beer may be sold.

2. Require mixed beverage caterer licensees to notify the Board in advance of any event to be served by such licensee.

3. Maintain the reasonable separation of retailer interests from those of the manufacturers, bottlers, brokers, importers and wholesalers in accordance with § 4.1-216 and in consideration of the established trade customs, quantity and value of the articles or services involved; prevent undue competitive domination of any person by any other person engaged in the manufacture, distribution and sale at retail or wholesale of alcoholic beverages in the Commonwealth; and promote reasonable accommodation of arm's length business transactions.

4. Establish requirements for the form, content, and retention of all records and accounts, including the (i) reporting and collection of taxes required by § 4.1-236 and (ii) the sale of alcoholic beverages in kegs, by all licensees.

5. Require retail licensees to file an appeal from any hearing decision rendered by a hearing officer within 30 days of the date the notice of the decision is sent. The notice shall be sent to the licensee at the address on record with the Board by certified mail, return receipt requested, and by regular mail.

6. Prescribe the terms and conditions under which persons who collect or trade designer or vintage spirit bottles may sell such bottles at auction, provided that (i) the auction is conducted in accordance with the provisions of Chapter 6 (§ 54.1-600 et seq.) of Title 54.1 and (ii) the bottles are unopened and the manufacturers' seals, marks, or stamps affixed to the bottles are intact.

7. Prescribe the terms and conditions under which credit or debit cards may be accepted from licensees for purchases at government stores, including provision for the collection, where appropriate, of related fees, penalties, and service charges.

8. Require that banquet licensees in charge of public events as defined by Board regulations report to the Board the income and expenses associated with the public event on a form prescribed by the Board when the banquet licensee engages another person to organize, conduct or operate the event on behalf of the banquet licensee. Such regulations shall be applicable only to public events where alcoholic beverages are being sold.

9. Provide alternative methods for licensees to maintain and store business records that are subject to Board inspection, including methods for Board-approved electronic and off-site storage.

10. Require off-premises retail licensees to place any premixed alcoholic energy drinks containing one-half of one percent or more of alcohol by volume in the same location where wine and beer are available for sale within the licensed premises.

11. Prescribe the terms and conditions under which mixed beverage licensees may infuse, store, and sell flavored distilled spirits, including a provision that limits infusion containers to a maximum of 20 liters.

12. Prescribe the schedule of proration for refunded license taxes to licensees who qualify pursuant to subsection C of § 4.1-232.

13. Establish reasonable time, place, and manner restrictions on outdoor advertising of alcoholic beverages, not inconsistent with the provisions of this title, so that such advertising does not encourage or otherwise promote the consumption of alcoholic beverages by persons to whom alcoholic beverages may not be lawfully sold. Such regulations shall:

a. Restrict outdoor advertising of alcoholic beverages in publicly visible locations consistent with (i) the general prohibition against tied interests between retail licensees and manufacturers or wholesale licensees as provided in §§ 4.1-215 and 4.1-216; (ii) the prohibition against manufacturer control of wholesale licensees as set forth in § 4.1-223 and Board regulations adopted pursuant thereto; and (iii) the general prohibition against cooperative advertising between manufacturers, wholesalers, or importers and retail licensees as set forth in Board regulation; and

b. Permit (i) any outdoor signage or advertising not otherwise prohibited by this title and (ii) the display of outdoor alcoholic beverage advertising on lawfully erected billboard signs regulated under Chapter 12 (§ 33.2-1200 et seq.) of Title 33.2 where such signs are located on commercial real estate as defined in § 55-526, but only in accordance with this title.

14. Prescribe the terms and conditions under which a licensed brewery may manufacture beer pursuant to an agreement with a brand owner not under common control with the manufacturing brewery and sell and deliver the beer so manufactured to the brand owner. The regulations shall require that (i) the brand owner be an entity appropriately licensed as a brewery or beer wholesaler, (ii) a written agreement be entered into by the parties, and (iii) records as deemed appropriate by the Board are maintained by the parties.

15. Prescribe the terms for any "happy hour" conducted by on-premises licensees. Such regulations shall permit on-premises licensees to advertise any alcoholic beverage products featured during a happy hour but prohibit the advertising of any pricing related to such happy hour.

16. Permit retail on-premises licensees to give a gift of one alcoholic beverage to a patron or one bottle of wine to a group of two or more patrons, provided that (i) such gifts only are made to individuals to whom such products may lawfully be sold and (ii) only one such gift is given during any 24-hour period and subject to any Board limitations on the frequency of such gifts.

17. Permit the sale of beer and cider for off-premises consumption in resealable growlers made of glass, ceramic, metal, or other materials approved by the Board, or other resealable containers approved by the Board, with a maximum capacity of 128 fluid ounces or, for metric-sized containers, four liters.

18. Permit the sale of wine for off-premises consumption in resealable growlers made of glass, ceramic, metal, or other materials approved by the Board, or other resealable containers approved by the Board, with a maximum capacity of 64 fluid ounces or, for metric-sized containers, two liters. Wine growlers may be used only by persons licensed to sell wine for both on-premises and off-premises consumption or by gourmet shop licensees. Growlers sold by gourmet shop licensees shall be labeled with (i) the manufacturer's name or trade name, (ii) the place of production, (iii) the net contents in fluid

551 ounces, and (iv) the name and address of the retailer.

552 19. Permit the sale of wine, *cider*, and beer by retailers licensed to sell beer and wine for both
553 on-premises and off-premises consumption, or by gourmet shop licensees for off-premises consumption
554 in sealed containers made of metal or other materials approved by the Board with a maximum capacity
555 of 32 fluid ounces or, for metric-sized containers, one liter, provided that the alcoholic beverage is
556 placed in the container following an order from the consumer.

557 20. Permit mixed beverage licensees to premix containers of sangria and other mixed alcoholic
558 beverages and to serve such alcoholic beverages in pitchers, subject to size and quantity limitations
559 established by the Board.

560 C. The Board may promulgate regulations that:

561 1. Provide for the waiver of the license tax for an applicant for a banquet license, such waiver to be
562 based on (i) the amount of alcoholic beverages to be provided by the applicant, (ii) the not-for-profit
563 status of the applicant, and (iii) the condition that no profits are to be generated from the event. For the
564 purposes of clause (ii), the applicant shall submit with the application, an affidavit certifying its
565 not-for-profit status. The granting of such waiver shall be limited to two events per year for each
566 applicant.

567 2. Establish limitations on the quantity and value of any gifts of alcoholic beverages made in the
568 course of any business entertainment pursuant to subdivision A 22 of § 4.1-325 or subsection C of
569 § 4.1-325.2.

570 3. Provide incentives to licensees with a proven history of compliance with state and federal laws
571 and regulations to encourage licensees to conduct their business and related activities in a manner that is
572 beneficial to the Commonwealth.

573 D. Board regulations shall be uniform in their application, except those relating to hours of sale for
574 licensees.

575 E. Courts shall take judicial notice of Board regulations.

576 F. The Board's power to regulate shall be broadly construed.

577 **§ 4.1-119. (Effective until July 1, 2018) Operation of government stores.**

578 A. Subject to the requirements of §§ 4.1-121 and 4.1-122, the Board may establish, maintain, and
579 operate government stores for the sale of alcoholic beverages, other than beer and wine not produced by
580 farm wineries, vermouth, mixers, products used in connection with distilled spirits, including any garnish
581 or garnishment applied to the rim of a glass of distilled spirits, as may be approved by the Board from
582 time to time, and products licensed by the Virginia Tourism Corporation as specified in § 4.1-103 in
583 such counties, cities, and towns considered advisable by the Board. The Board may discontinue any such
584 store.

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

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

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

601 Such agents shall sell the spirits in accordance with the provisions of this title, Board regulations,
602 and the terms of the agency agreement between the Board and the licensed distiller.

603 For the purposes of this subsection, "blended" means the receipt by a licensed distiller of deliveries
604 and shipments of alcoholic beverages, other than wine and beer, in accordance with subdivision 6 of §
605 4.1-201 to be (i) additionally aged by the receiving distillery in order to increase the quality and flavor
606 of such alcoholic beverages and (ii) bottled by the receiving distillery.

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

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

G. No alcoholic beverages shall be consumed in a government store by any person unless it is part of an organized tasting event conducted by (i) an employee of a manufacturer of distilled spirits or farm winery or (ii) an authorized representative of a manufacturer of distilled spirits or farm winery with a permit issued by the Board pursuant to subdivision A 15 of § 4.1-212, at which the samples of alcoholic beverages provided to any consumer do not exceed the limits for spirits or wine set forth in subdivision A 5 of § 4.1-201.1. No sample may be consumed by any individual to whom alcoholic beverages may not lawfully be sold pursuant to § 4.1-304.

Notwithstanding the provision of this subsection to the contrary, an agent of the Board appointed pursuant to subsection D may give samples of spirits, beer, wine, or cider to persons to whom alcoholic beverages may be lawfully sold for on-premises consumption, provided that (i) the spirits, beer, wine, or cider samples are manufactured within the same licensed premises or on contiguous premises of such agent licensed as a distillery, brewery, or winery; (ii) no single sample shall exceed four ounces of beer, two ounces of wine *or cider*, or one-half ounce of spirits, unless served as a mixed beverage, in which case a single sample may contain up to one and one-half ounces of spirits; (iii) no more than four total samples of alcoholic beverage products or, in the case of spirits samples, no more than three ounces of spirits shall be given or sold to any person per day; and (iv) in the case of spirits samples, a method is used to track the consumption of each consumer. Nothing in this paragraph shall prohibit such agent from serving samples of spirits as part of a mixed beverage.

The Board shall establish guidelines governing tasting events conducted pursuant to this subsection.

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

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

§ 4.1-119. (Effective July 1, 2018) 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, 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, and products licensed by the Virginia Tourism Corporation as specified in § 4.1-103 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 *or cider* produced by farm wineries, the Board may give preference to farm wineries that produce 2,500 cases or less of wine *or cider* 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. Nothing in this subsection shall be construed to limit the authority of the Board to fix the retail price of alcoholic beverages sold at government stores, which retail price may include promotional, volume, or other discounts deemed appropriate by the Board.

D. Alcoholic beverages at government stores shall be sold by employees of the Authority 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.

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 Authority and the licensed distiller.

For the purposes of this subsection, "blended" means the receipt by a licensed distiller of deliveries and shipments of alcoholic beverages, other than wine and beer, in accordance with subdivision 6 of §

674 4.1-201 to be (i) additionally aged by the receiving distillery in order to increase the quality and flavor
675 of such alcoholic beverages and (ii) bottled by the receiving distillery.

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

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

682 G. No alcoholic beverages shall be consumed in a government store by any person unless it is part
683 of an organized tasting event conducted by (i) an employee of a manufacturer of distilled spirits or farm
684 winery or (ii) an authorized representative of a manufacturer of distilled spirits or farm winery with a
685 permit issued by the Board pursuant to subdivision A 15 of § 4.1-212, at which the samples of alcoholic
686 beverages provided to any consumer do not exceed the limits for spirits or wine set forth in subdivision
687 A 5 of § 4.1-201.1. No sample may be consumed by any individual to whom alcoholic beverages may
688 not lawfully be sold pursuant to § 4.1-304.

689 Notwithstanding the provision of this subsection to the contrary, an agent of the Board appointed
690 pursuant to subsection D may give samples of spirits, beer, wine, or cider to persons to whom alcoholic
691 beverages may be lawfully sold for on-premises consumption, provided that (i) the spirits, beer, wine, or
692 cider samples are manufactured within the same licensed premises or on contiguous premises of such
693 agent licensed as a distillery, brewery, or winery; (ii) no single sample shall exceed four ounces of beer,
694 two ounces of wine *or cider*, or one-half ounce of spirits, unless served as a mixed beverage, in which
695 case a single sample of spirits may contain up to one and one-half ounces of spirits; (iii) no more than
696 four total samples of alcoholic beverage products or, in the case of spirits samples, no more than three
697 ounces of spirits shall be given or sold to any person per day; and (iv) in the case of spirits samples, a
698 method is used to track the consumption of each consumer. Nothing in this paragraph shall prohibit such
699 agent from serving samples of spirits as part of a mixed beverage.

700 The Board shall establish guidelines governing tasting events conducted pursuant to this subsection.

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

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

712 J. Before the Authority implements any increase in the markup on distilled spirits or any change to
713 the markup formula for distilled spirits pursuant to § 4.1-235 that would result in an increase in the
714 retail price of distilled spirits sold to the public, the Authority shall (i) provide at least 45 days' public
715 notice before such a price increase takes effect; (ii) provide the opportunity for submission of written
716 comments regarding the proposed price increase; (iii) conduct a public meeting for the purpose of
717 receiving verbal comment regarding the proposed price increase; and (iv) consider any written or verbal
718 comments before implementing such a price increase.

719 **§ 4.1-213. Manufacture and sale of cider.**

720 A. Any winery licensee or farm winery licensee may manufacture and sell cider to (i) the Board, (ii)
721 any wholesale wine licensee, and (iii) persons outside the Commonwealth.

722 B. Any wholesale wine licensee may acquire and receive shipments of cider, and sell and deliver and
723 ship the cider in accordance with Board regulations to (i) the Board, (ii) any wholesale wine licensee,
724 (iii) any retail licensee approved by the Board for the purpose of selling cider, and (iv) persons outside
725 the Commonwealth for resale outside the Commonwealth.

726 C. Any licensee authorized to sell alcoholic beverages at retail may sell cider in the same manner
727 and to the same persons, and subject to the same limitations and conditions, as such license authorizes
728 him to sell other alcoholic beverages.

729 D. Cider containing less than seven percent of alcohol by volume may be sold in any containers that
730 comply with federal regulations for wine or beer, provided such containers are labeled in accordance
731 with Board regulations. Cider containing seven percent or more of alcohol by volume may be sold in
732 any containers that comply with federal regulations for wine, provided such containers are labeled in
733 accordance with Board regulations.

734 E. No additional license fees shall be charged for the privilege of handling cider.

735 F. The Board shall collect such markup as it deems appropriate on all cider manufactured or sold, or

both, in the Commonwealth.

G. The Board shall adopt regulations relating to the manufacture, possession, transportation and sale of cider as it deems necessary to prevent any unlawful manufacture, possession, transportation or sale of cider and to ensure that the markup required to be paid will be collected.

H. For the purposes of this section:

"Chaptalization" means a method of increasing the alcohol in a wine by adding sugar to the must before or during fermentation.

"Cider" means any beverage, carbonated or otherwise, obtained by the fermentation of the natural sugar content of apples or pears (i) containing not more than 10 percent of alcohol by volume without chaptalization or (ii) containing not more than seven percent of alcohol by volume regardless of chaptalization. *Cider shall be treated as wine for all purposes of this title, except as otherwise provided in this title or Board regulations.*

I. This section shall not limit the privileges set forth in subdivision A 8 of § 4.1-200, nor shall any person be denied the privilege of manufacturing and selling sweet cider.

§ 4.1-214. Limitations on licenses; sale outside the Commonwealth.

No deliveries or shipments of alcoholic beverages ~~or cider as defined in § 4.1-213~~ to persons outside the Commonwealth for resale outside the Commonwealth authorized by this chapter shall be made into any state the laws of which prohibit the consignee from receiving or selling the same.