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SENATE BILL NO. 1578

Offered January 20, 2017

A BILL to amend and reenact §§ 4.1-100, as it is currently effective and as it shall become effective, and 4.1-200 of the Code of Virginia and to amend the Code of Virginia by adding in Article 5 of Chapter 9 of Title 15.2 a section numbered 15.2-983, relating to the short-term rental of property.

Patrons—Norment and Stanley

Referred to Committee on Rehabilitation and Social Services

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, and 4.1-200 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Article 5 of Chapter 9 of Title 15.2 a section numbered 15.2-983 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. For purposes of the licensing requirements of this title, "bed and breakfast establishment" includes any property offered to the public for short-term rental, as that term is defined in § 15.2-983, other than a hotel as defined in this section, regardless of whether a meal is offered 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

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

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

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

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

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

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

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

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

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

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

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

121 considered a gift shop.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

240 **§ 4.1-100. (Effective July 1, 2018) Definitions.**

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

242 "Alcohol" means the product known as ethyl or grain alcohol obtained by distillation of any
243 fermented liquor, rectified either once or more often, whatever the origin, and shall include synthetic

244 ethyl alcohol, but shall not include methyl alcohol and alcohol completely denatured in accordance with
245 formulas approved by the government of the United States.

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

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

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

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

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

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

269 "Bed and breakfast establishment" means any establishment (i) having no more than 15 bedrooms;
270 (ii) offering to the public, for compensation, transitory lodging or sleeping accommodations; and (iii)
271 offering at least one meal per day, which may but need not be breakfast, to each person to whom
272 overnight lodging is provided. *For purposes of this title only, "bed and breakfast establishment" includes*
273 *any property offered to the public for short-term rental, as that term is defined in § 15.2-983, other than*
274 *a hotel as defined in this section, regardless of whether a meal is offered to each person to whom*
275 *overnight lodging is provided.*

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

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

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

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

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

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

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

299 "Contract winemaking facility" means the premises of a licensed winery or farm winery that obtains
300 grapes, fruits, and other agricultural products from a person holding a farm winery license and crushes,
301 processes, ferments, bottles, or provides any combination of such services pursuant to an agreement with
302 the farm winery licensee. For all purposes of this title, wine produced by a contract winemaking facility
303 for a farm winery shall be considered to be wine owned and produced by the farm winery that supplied
304 the grapes, fruits, or other agricultural products used in the production of the wine. The contract

305 winemaking facility shall have no right to sell the wine so produced, unless the terms of payment have
306 not been fulfilled in accordance with the contract. The contract winemaking facility may charge the farm
307 winery for its services.

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

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

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

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

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

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

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

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

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

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

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

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

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

366 "Intoxicated" means a condition in which a person has drunk enough alcoholic beverages to

367 observably affect his manner, disposition, speech, muscular movement, general appearance or behavior.
 368 "Licensed" means the holding of a valid license granted by the Authority.
 369 "Licensee" means any person to whom a license has been granted by the Authority.
 370 "Liqueur" means any of a class of highly flavored alcoholic beverages that do not exceed an alcohol
 371 content of 25 percent by volume.
 372 "Low alcohol beverage cooler" means a drink containing one-half of one percent or more of alcohol
 373 by volume, but not more than seven and one-half percent alcohol by volume, and consisting of spirits
 374 mixed with nonalcoholic beverages or flavoring or coloring materials; it may also contain water, fruit
 375 juices, fruit adjuncts, sugar, carbon dioxide, preservatives or other similar products manufactured by
 376 fermenting fruit or fruit juices. Low alcohol beverage coolers shall be treated as wine for all purposes of
 377 this title; except that low alcohol beverage coolers shall not be sold in localities that have not approved
 378 the sale of mixed beverages pursuant to § 4.1-124. In addition, low alcohol beverage coolers shall not be
 379 sold for on-premises consumption other than by mixed beverage licensees.
 380 "Meal-assembly kitchen" means any commercial establishment that offers its customers, for
 381 off-premises consumption, ingredients for the preparation of meals and entrees in professional kitchen
 382 facilities located at the establishment.
 383 "Meals" means, for a mixed beverage license, an assortment of foods commonly ordered in bona
 384 fide, full-service restaurants as principal meals of the day. Such restaurants shall include establishments
 385 specializing in full course meals with a single substantial entree.
 386 "Member of a club" means (i) a person who maintains his membership in the club by the payment of
 387 monthly, quarterly, or annual dues in the manner established by the rules and regulations thereof or (ii)
 388 a person who is a member of a bona fide auxiliary, local chapter, or squadron composed of direct lineal
 389 descendants of a bona fide member, whether alive or deceased, of a national or international
 390 organization to which an individual lodge holding a club license is an authorized member in the same
 391 locality. It shall also mean a lifetime member whose financial contribution is not less than 10 times the
 392 annual dues of resident members of the club, the full amount of such contribution being paid in advance
 393 in a lump sum.
 394 "Mixed beverage" or "mixed alcoholic beverage" means a drink composed in whole or in part of
 395 spirits.
 396 "Mixer" means any prepackaged ingredients containing beverages or flavoring or coloring materials,
 397 and which may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives
 398 which are not commonly consumed unless combined with alcoholic beverages, whether or not such
 399 ingredients contain alcohol. Such specialty beverage product shall be manufactured or distributed by a
 400 Virginia corporation.
 401 "Place or premises" means the real estate, together with any buildings or other improvements thereon,
 402 designated in the application for a license as the place at which the manufacture, bottling, distribution,
 403 use or sale of alcoholic beverages shall be performed, except that portion of any such building or other
 404 improvement actually and exclusively used as a private residence.
 405 "Principal stockholder" means any person who individually or in concert with his spouse and
 406 immediate family members beneficially owns or controls, directly or indirectly, five percent or more of
 407 the equity ownership of any person that is a licensee of the Authority, or who in concert with his spouse
 408 and immediate family members has the power to vote or cause the vote of five percent or more of any
 409 such equity ownership. "Principal stockholder" does not include a broker-dealer registered under the
 410 Securities Exchange Act of 1934, as amended, that holds in inventory shares for sale on the financial
 411 markets for a publicly traded corporation holding, directly or indirectly, a license from the Authority.
 412 "Public place" means any place, building, or conveyance to which the public has, or is permitted to
 413 have, access, including restaurants, soda fountains, hotel dining areas, lobbies and corridors of hotels,
 414 and any park, place of public resort or amusement, highway, street, lane, or sidewalk adjoining any
 415 highway, street, or lane.
 416 The term shall not include (i) hotel or restaurant dining areas or ballrooms while in use for private
 417 meetings or private parties limited in attendance to members and guests of a particular group,
 418 association or organization; (ii) restaurants licensed by the Authority in office buildings or industrial or
 419 similar facilities while such restaurant is closed to the public and in use for private meetings or parties
 420 limited in attendance to employees and nonpaying guests of the owner or a lessee of all or part of such
 421 building or facility; (iii) offices, office buildings or industrial facilities while closed to the public and in
 422 use for private meetings or parties limited in attendance to employees and nonpaying guests of the
 423 owner or a lessee of all or part of such building or facility; or (iv) private recreational or chartered boats
 424 which are not licensed by the Board and on which alcoholic beverages are not sold.
 425 "Residence" means any building or part of a building or structure where a person resides, but does
 426 not include any part of a building which is not actually and exclusively used as a private residence, nor
 427 any part of a hotel or club other than a private guest room thereof.

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

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

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

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

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

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

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

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

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

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

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

474 § 4.1-200. Exemptions from licensure.

475 The licensure requirements of this chapter shall not apply to:

476 1. A person in charge of an institution regularly conducted as a hospital or sanatorium for the care of
477 persons in ill health, or as a home devoted exclusively to the care of aged people, who administers or
478 causes to be administered alcoholic beverages to any bona fide patient or inmate of the institution who
479 is in need of the same, either by way of external application or otherwise for emergency medicinal
480 purposes. Such person may charge for the alcoholic beverages so administered, and carry such stock as
481 may be necessary for this purpose. No charge shall be made of any patient for the alcoholic beverages
482 so administered to him where the same have been supplied to the institution by the Board free of
483 charge.

484 2. The manufacture, sale and delivery or shipment by persons authorized under existing laws to
485 engage in such business of any medicine containing sufficient medication to prevent it from being used
486 as a beverage.

487 3. The manufacture, sale and delivery or shipment by persons authorized under existing laws to
488 engage in such business of any medicinal preparations manufactured in accordance with formulas
489 prescribed by the United States pharmacopoeia; national formulary, patent and proprietary preparations;

490 and other bona fide medicinal and technical preparations; which contain no more alcohol than is
 491 necessary to extract the medicinal properties of the drugs contained in such preparations, and no more
 492 alcohol than is necessary to hold the medicinal agents in solution and to preserve the same, and which
 493 are manufactured and sold to be used exclusively as medicine and not as beverages.

494 4. The manufacture, sale and delivery or shipment of toilet, medicinal and antiseptic preparations and
 495 solutions not intended for internal human use nor to be sold as beverages.

496 5. The manufacture and sale of food products known as flavoring extracts which are manufactured
 497 and sold for cooking and culinary purposes only and not sold as beverages.

498 6. Any person who manufactures at his residence or at a gourmet brewing shop for domestic
 499 consumption at his residence, but not to be sold, dispensed or given away, except as hereinafter
 500 provided, wine or beer or both, in an amount not to exceed the limits permitted by federal law.

501 Any person who manufactures wine or beer in accordance with this subdivision may remove from
 502 his residence an amount not to exceed fifty liters of such wine or fifteen gallons of such beer on any
 503 one occasion for (i) personal or family use, provided such use does not violate the provisions of this
 504 title or Board regulations; (ii) giving to any person to whom wine or beer may be lawfully sold an
 505 amount not to exceed (a) one liter of wine per person per year or (b) seventy-two ounces of beer per
 506 person per year, provided such gift is for noncommercial purposes; or (iii) giving to any person to
 507 whom beer may lawfully be sold a sample of such wine or beer, not to exceed (a) one ounce of wine
 508 by volume or (b) two ounces of beer by volume for on-premises consumption at events organized for
 509 judging or exhibiting such wine or beer, including events held on the premises of a retail licensee.
 510 Nothing in this paragraph shall be construed to authorize the sale of such wine or beer.

511 The provision of this subdivision shall not apply to any person who resides on property on which a
 512 winery, farm winery, or brewery is located.

513 7. Any person who keeps and possesses lawfully acquired alcoholic beverages in his residence for his
 514 personal use or that of his family. However, such alcoholic beverages may be served or given to guests
 515 in such residence by such person, his family or servants when (i) such guests are 21 years of age or
 516 older or are accompanied by a parent, guardian, or spouse who is 21 years of age or older, (ii) the
 517 consumption or possession of such alcoholic beverages by family members or such guests occurs only in
 518 such residence where the alcoholic beverages are allowed to be served or given pursuant to this
 519 subdivision, and (iii) such service or gift is in no way a shift or device to evade the provisions of this
 520 title. *The provisions of this subdivision shall not apply when a person serves or provides alcoholic*
 521 *beverages to a guest occupying the residence as the lessee of a short-term rental, as that term is defined*
 522 *in § 15.2-983, regardless of whether the person who permanently resides in the residence is present*
 523 *during the short-term rental.*

524 8. Any person who manufactures and sells cider to distillery licensees, or any person who
 525 manufactures wine from grapes grown by such person and sells it to winery licensees.

526 9. The sale of wine and beer in or through canteens or post exchanges on United States reservations
 527 when permitted by the proper authority of the United States.

528 10. The keeping and consumption of any lawfully acquired alcoholic beverages at a private meeting
 529 or private party limited in attendance to members and guests of a particular group, association or
 530 organization at a banquet or similar affair, or at a special event, if a banquet license has been granted.
 531 However, no banquet license shall be required for private meetings or private parties limited in
 532 attendance to the members of a common interest community as defined in § 54.1-2345 and their guests,
 533 provided (i) the alcoholic beverages shall not be sold or charged for in any way, (ii) the premises where
 534 the alcoholic beverages are consumed is limited to the common area regularly occupied and utilized for
 535 such private meetings or private parties, and (iii) such meetings or parties are not open to the public.

536 **§ 15.2-983. Creation of registry for short-term rental of property.**

537 A. As used in this section:

538 "Operator" means the proprietor of any dwelling, lodging, or sleeping accommodations offered as a
 539 short-term rental, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee,
 540 or any other possessory capacity.

541 "Short-term rental" means the provision of a room or space that is suitable or intended for
 542 occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than 30 consecutive days,
 543 in exchange for a charge for the occupancy.

544 B. 1. Any locality may, by ordinance, establish a short-term rental registry and require operators
 545 within the locality to register annually. The registration shall be ministerial in nature and shall require
 546 the operator to provide the address of each property in the locality offered for short-term rental by the
 547 operator and such other information as the locality deems necessary to enforce and maintain applicable
 548 state and local laws, ordinances, and regulations, including those related to land use, zoning, noise,
 549 health and safety, the quiet enjoyment of property, parking, litter, yard signs, the collection and
 550 remittance of applicable taxes, alcoholic beverage control, and other related issues. A locality may

551 charge a reasonable fee for such registration related to the actual costs of establishing and maintaining
552 the registry.

553 2. No ordinance shall require a person or entity already licensed by the Real Estate Board, the
554 Department of Health, or the locality related to the rental or management of real property, including
555 but not limited to licensed real estate professionals, hotels, motels, campgrounds, and bed and breakfast
556 establishments, to register pursuant to this section.

557 C. If a locality adopts a registry ordinance, such ordinance may include fees and penalties for
558 violation of the registry ordinance. Such ordinance may provide that upon repeated violations of a
559 registry ordinance, an operator may be prohibited from offering property for short-term rental in the
560 locality. Such ordinance may also provide that an operator required to register may be prohibited from
561 offering property for short-term rental in the locality upon multiple violations of applicable state and
562 local laws, ordinances, and regulations, as they relate to the short-term rental, including those related
563 to land use, zoning, noise, health and safety, the quiet enjoyment of property, parking, litter, yard signs,
564 the collection and remittance of applicable taxes, alcoholic beverage control, and other related issues.

565 D. Nothing herein shall be construed to prohibit, limit, or otherwise supersede existing local
566 authority to regulate the short-term rental of property through general land use and zoning authority.