

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

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An Act 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.

[S 1578]

Approved

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 occupant of an establishment operated solely for a national, social, patriotic, political, athletic, or other

57 like purpose, but not for pecuniary gain, the advantages of which belong to all of the members. It also
58 means the establishment so operated. A corporation or association shall not lose its status as a club
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
121 persons facilities for manufacturing, fermenting and bottling such wine or beer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

179 The term shall not include (i) hotel or restaurant dining areas or ballrooms while in use for private
 180 meetings or private parties limited in attendance to members and guests of a particular group,
 181 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 obtained by the fermentation of the natural sugar content of
 222 fruits or other agricultural products containing (i) sugar, including honey and milk, either with or
 223 without additional sugar; (ii) one-half of one percent or more of alcohol by volume; and (iii) no product
 224 of distillation. The term includes any wine to which wine spirits have been added, as provided in the
 225 Internal Revenue Code, to make products commonly known as "fortified wine" which do not exceed an
 226 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
244 beverages with pure oxygen or other gas to produce a vaporized product for the purpose of consumption
245 by inhalation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

301 the grapes, fruits, or other agricultural products used in the production of the wine. The contract
302 winemaking facility shall have no right to sell the wine so produced, unless the terms of payment have
303 not been fulfilled in accordance with the contract. The contract winemaking facility may charge the farm
304 winery for its services.

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

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

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

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

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

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

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

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

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

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

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

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

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

362 the public.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

422 "Residence" means any building or part of a building or structure where a person resides, but does

423 not include any part of a building which is not actually and exclusively used as a private residence, nor
424 any part of a hotel or club other than a private guest room thereof.

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

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

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

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

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

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

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

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

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

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

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

471 **§ 4.1-200. Exemptions from licensure.**

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

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

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

484 3. The manufacture, sale and delivery or shipment by persons authorized under existing laws to
 485 engage in such business of any medicinal preparations manufactured in accordance with formulas
 486 prescribed by the United States pharmacopoeia; national formulary, patent and proprietary preparations;
 487 and other bona fide medicinal and technical preparations; which contain no more alcohol than is
 488 necessary to extract the medicinal properties of the drugs contained in such preparations, and no more
 489 alcohol than is necessary to hold the medicinal agents in solution and to preserve the same, and which
 490 are manufactured and sold to be used exclusively as medicine and not as beverages.

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

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

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

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

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

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

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

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

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

533 **§ 15.2-983. Creation of registry for short-term rental of property.**

534 A. As used in this section:

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

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

541 B. 1. Notwithstanding any other provision of law, general or special, any locality may, by ordinance,
 542 establish a short-term rental registry and require operators within the locality to register annually. The
 543 registration shall be ministerial in nature and shall require the operator to provide the complete name
 544 of the operator and the address of each property in the locality offered for short-term rental by the

545 operator. A locality may charge a reasonable fee for such registration related to the actual costs of
546 establishing and maintaining the registry.

547 2. No ordinance shall require a person to register pursuant to this section if such person is (i)
548 licensed by the Real Estate Board or is a property owner who is represented by a real estate licensee;
549 (ii) registered pursuant to the Virginia Real Estate Time-Share Act (§ 55-360 et seq.); (iii) licensed or
550 registered with the Department of Health, related to the provision of room or space for lodging; or (iv)
551 licensed or registered with the locality, related to the rental or management of real property, including
552 licensed real estate professionals, hotels, motels, campgrounds, and bed and breakfast establishments.

553 C. 1. If a locality adopts a registry ordinance pursuant to this section, such ordinance may include a
554 penalty not to exceed \$500 per violation for an operator required to register who offers for short-term
555 rental a property that is not registered with the locality. Such ordinance may provide that unless and
556 until an operator pays the penalty and registers such property, the operator may not continue to offer
557 such property for short-term rental. Upon repeated violations of a registry ordinance as it relates to a
558 specific property, an operator may be prohibited from registering and offering that property for
559 short-term rental.

560 2. Such ordinance may further provide that an operator required to register may be prohibited from
561 offering a specific property for short-term rental in the locality upon multiple violations on more than
562 three occasions of applicable state and local laws, ordinances, and regulations, as they relate to the
563 short-term rental.

564 D. Except as provided in this section, nothing herein shall be construed to prohibit, limit, or
565 otherwise supersede existing local authority to regulate the short-term rental of property through
566 general land use and zoning authority. Nothing in this section shall be construed to supersede or limit
567 contracts or agreements between or among individuals or private entities related to the use of real
568 property, including recorded declarations and covenants, the provisions of condominium instruments of
569 a condominium created pursuant to the Condominium Act (§ 55-79.39 et seq.), the declaration of a
570 common interest community as defined in § 55-528, the cooperative instruments of a cooperative created
571 pursuant to the Virginia Real Estate Cooperative Act (§ 55-424 et seq.), or any declaration of a
572 property owners' association created pursuant to the Property Owners' Association Act (§ 55-508 et
573 seq.).