

18103829D

SENATE BILL NO. 769

Senate Amendments in [] — January 30, 2018

A BILL to amend and reenact § 4.1-206 of the Code of Virginia, relating to alcoholic beverage control; museum license privileges.

Patron Prior to Engrossment—Senator Surovell

Referred to Committee on Rehabilitation and Social Services

Be it enacted by the General Assembly of Virginia:

1. That § 4.1-206 of the Code of Virginia is amended and reenacted as follows:

§ 4.1-206. Alcoholic beverage licenses.

A. The Board may grant the following licenses relating to alcoholic beverages generally:

1. Distillers' licenses, which shall authorize the licensee to manufacture alcoholic beverages other than wine and beer, and to sell and deliver or ship the same, in accordance with Board regulations, in closed containers, to the Board and to persons outside the Commonwealth for resale outside the Commonwealth. When the Board has established a government store on the distiller's licensed premises pursuant to subsection D of § 4.1-119, such license shall also authorize the licensee to make a charge to consumers to participate in an organized tasting event conducted in accordance with subsection G of § 4.1-119 and Board regulations.

2. Limited distiller's licenses, to distilleries that manufacture not more than 36,000 gallons of alcoholic beverages other than wine or beer per calendar year, provided (i) the distillery is located on a farm in the Commonwealth on land zoned agricultural and owned or leased by such distillery or its owner and (ii) agricultural products used by such distillery in the manufacture of its alcoholic beverages are grown on the farm. Limited distiller's licensees shall be treated as distillers for all purposes of this title except as otherwise provided in this subdivision. For purposes of this subdivision, "land zoned agricultural" means (a) land zoned as an agricultural district or classification or (b) land otherwise permitted by a locality for limited distillery use. For purposes of this subdivision, "land zoned agricultural" does not include land zoned "residential conservation." Except for the limitation on land zoned "residential conservation," nothing in this definition shall otherwise limit or affect local zoning authority.

3. Fruit distillers' licenses, which shall authorize the licensee to manufacture any alcoholic beverages made from fruit or fruit juices, and to sell and deliver or ship the same, in accordance with Board regulations, in closed containers, to the Board and to persons outside the Commonwealth for resale outside the Commonwealth.

4. Banquet facility licenses to volunteer fire departments and volunteer emergency medical services agencies, which shall authorize the licensee to permit the consumption of lawfully acquired alcoholic beverages on the premises of the licensee by any person, and bona fide members and guests thereof, otherwise eligible for a banquet license. However, lawfully acquired alcoholic beverages shall not be purchased or sold by the licensee or sold or charged for in any way by the person permitted to use the premises. Such premises shall be a volunteer fire or volunteer emergency medical services agency station or both, regularly occupied as such and recognized by the governing body of the county, city, or town in which it is located. Under conditions as specified by Board regulation, such premises may be other than a volunteer fire or volunteer emergency medical services agency station, provided such other premises are occupied and under the control of the volunteer fire department or volunteer emergency medical services agency while the privileges of its license are being exercised.

5. Bed and breakfast licenses, which shall authorize the licensee to (i) serve alcoholic beverages in dining areas, private guest rooms and other designated areas to persons to whom overnight lodging is being provided, with or without meals, for on-premises consumption only in such rooms and areas, and without regard to the amount of gross receipts from the sale of food prepared and consumed on the premises and (ii) permit the consumption of lawfully acquired alcoholic beverages by persons to whom overnight lodging is being provided in (a) bedrooms or private guest rooms or (b) other designated areas of the bed and breakfast establishment. For purposes of this subdivision, "other designated areas" includes outdoor dining areas, whether or not contiguous to the licensed premises, which may have more than one means of ingress and egress to an adjacent public thoroughfare, provided that such outdoor dining areas are under the control of the licensee and approved by the Board. Such noncontiguous designated areas shall not be approved for any retail license issued pursuant to subdivision A 5 of § 4.1-201.

6. Tasting licenses, which shall authorize the licensee to sell or give samples of alcoholic beverages

ENGROSSED

SB769E

60 of the type specified in the license in designated areas at events held by the licensee. A tasting license
61 shall be issued for the purpose of featuring and educating the consuming public about the alcoholic
62 beverages being tasted. A separate license shall be required for each day of each tasting event. No
63 tasting license shall be required for conduct authorized by § 4.1-201.1.

64 7. Museum licenses, which may be issued to nonprofit museums exempt from taxation under
65 § 501(c)(3) of the Internal Revenue Code, which shall authorize the licensee to (i) permit the
66 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide
67 member and guests thereof and (ii) serve alcoholic beverages on the premises of the licensee to any
68 bona fide member and guests thereof. However, alcoholic beverages shall not be sold or charged for in
69 any way by the licensee, *unless the licensee operates a museum located in the Town of Front Royal that*
70 *is dedicated to educating the consuming public about historic beer products, in which case the licensee*
71 *may sell and serve beer [manufactured by a limited brewery licensee] for on-premises consumption in*
72 *areas approved by the Board.* The privileges of this license shall be limited to the premises of the
73 museum, regularly occupied and utilized as such.

74 8. Equine sporting event licenses, which may be issued to organizations holding equestrian, hunt and
75 steeplechase events, which shall authorize the licensee to permit the consumption of lawfully acquired
76 alcoholic beverages on the premises of the licensee by patrons thereof during such event. However,
77 alcoholic beverages shall not be sold or charged for in any way by the licensee. The privileges of this
78 license shall be (i) limited to the premises of the licensee, regularly occupied and utilized for equestrian,
79 hunt and steeplechase events and (ii) exercised on no more than four calendar days per year.

80 9. Day spa licenses, which shall authorize the licensee to (i) permit the consumption of lawfully
81 acquired wine or beer on the premises of the licensee by any bona fide customer of the day spa and (ii)
82 serve wine or beer on the premises of the licensee to any such bona fide customer; however, the
83 licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any
84 such customer, nor shall it sell or otherwise charge a fee to such customer for the wine or beer served
85 or consumed. The privileges of this license shall be limited to the premises of the day spa regularly
86 occupied and utilized as such.

87 10. Motor car sporting event facility licenses, which shall authorize the licensee to permit the
88 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by patrons thereof
89 during such events. However, alcoholic beverages shall not be sold or charged for in any way, directly
90 or indirectly, by the licensee. The privileges of this license shall be limited to those areas of the
91 licensee's premises designated by the Board that are regularly occupied and utilized for motor car
92 sporting events.

93 11. Meal-assembly kitchen license, which shall authorize the licensee to serve wine or beer on the
94 premises of the licensee to any such bona fide customer attending either a private gathering or a special
95 event; however, the licensee shall not give more than two five-ounce glasses of wine or two 12-ounce
96 glasses of beer to any such customer, nor shall it sell or otherwise charge a fee to such customer for the
97 wine or beer served or consumed. The privileges of this license shall be limited to the premises of the
98 meal-assembly kitchen regularly occupied and utilized as such.

99 12. Canal boat operator license, which shall authorize the licensee to permit the consumption of
100 lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide customer
101 attending either a private gathering or a special event; however, the licensee shall not sell or otherwise
102 charge a fee to such customer for the alcoholic beverages so consumed. The privileges of this license
103 shall be limited to the premises of the licensee, including the canal, the canal boats while in operation,
104 and any pathways adjacent thereto. Upon authorization of the licensee, any person may keep and
105 consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations
106 covered by the license.

107 13. Annual arts venue event licenses, to persons operating an arts venue, which shall authorize the
108 licensee participating in a community art walk that is open to the public to serve lawfully acquired wine
109 or beer on the premises of the licensee to adult patrons thereof during such events. However, alcoholic
110 beverages shall not be sold or charged for in any way, directly or indirectly, by the licensee, and the
111 licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any
112 one adult patron. The privileges of this license shall be (i) limited to the premises of the arts venue
113 regularly occupied and used as such and (ii) exercised on no more than 12 calendar days per year.

114 14. Art instruction studio licenses, which shall authorize the licensee to serve wine or beer on the
115 premises of the licensee to any such bona fide customer; however, the licensee shall not give more than
116 two five-ounce glasses of wine or one 12-ounce glass of beer to any such customer, nor shall it sell or
117 otherwise charge a fee to such customer for the wine or beer served or consumed. The privileges of this
118 license shall be limited to the premises of the art instruction studio regularly occupied and utilized as
119 such.

120 15. Commercial lifestyle center license, which may be issued only to a commercial owners'
121 association governing a commercial lifestyle center, which shall authorize any retail on-premises

122 restaurant licensee that is a tenant of the commercial lifestyle center to sell alcoholic beverages to any
123 bona fide customer to whom alcoholic beverages may be lawfully sold for consumption on that portion
124 of the licensed premises of the commercial lifestyle center designated by the Board, including (i) plazas,
125 seating areas, concourses, walkways, or such other similar areas and (ii) the premises of any tenant
126 location of the commercial lifestyle center that is not a retail licensee of the Board, upon approval of
127 such tenant, but excluding any parking areas. Only alcoholic beverages purchased from such retail
128 on-premises restaurant licensees may be consumed on the licensed premises of the commercial lifestyle
129 center, and such alcoholic beverages shall be contained in paper, plastic, or similar disposable containers
130 with the name or logo of the restaurant licensee that sold the alcoholic beverage clearly displayed.
131 Alcoholic beverages shall not be sold or charged for in any way by the commercial lifestyle center
132 licensee. The licensee shall post appropriate signage clearly demarcating for the public the boundaries of
133 the licensed premises; however, no physical barriers shall be required for this purpose. The licensee shall
134 provide adequate security for the licensed premises to ensure compliance with the applicable provisions
135 of this title and Board regulations.

136 B. Any limited distillery that, prior to July 1, 2016, (i) holds a valid license granted by the Board in
137 accordance with this title and (ii) is in compliance with the local zoning ordinance as an agricultural
138 district or classification or as otherwise permitted by a locality for limited distillery use shall be allowed
139 to continue such use as provided in § 15.2-2307, notwithstanding (a) the provisions of this section or (b)
140 a subsequent change in ownership of the limited distillery on or after July 1, 2016, whether by transfer,
141 acquisition, inheritance, or other means. Any such limited distillery located on land zoned residential
142 conservation prior to July 1, 2016, may expand any existing building or structure and the uses thereof so
143 long as specifically approved by the locality by special exception. Any such limited distillery located on
144 land zoned residential conservation prior to July 1, 2016, may construct a new building or structure so
145 long as specifically approved by the locality by special exception. All such licensees shall comply with
146 the requirements of this title and Board regulations for renewal of such license or the issuance of a new
147 license in the event of a change in ownership of the limited distillery on or after July 1, 2016.