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## HOUSE BILL NO. 1973

Offered January 13, 2021

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A BILL to amend and reenact §§ 4.1-206.3, as it shall become effective, and 4.1-209, as it is currently effective, of the Code of Virginia, relating to alcoholic beverage control; privileges of banquet licensees.

Patrons—Rush and Aird

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:**

1. That §§ 4.1-206.3, as it shall become effective, and 4.1-209, as it is currently effective, of the Code of Virginia are amended and reenacted as follows:

**§ 4.1-206.3. (Effective July 1, 2021) Retail licenses.**

A. The Board may grant the following mixed beverages licenses:

1. Mixed beverage restaurant licenses, which shall authorize the licensee to sell and serve mixed beverages for consumption in dining areas and other designated areas of such restaurant. Such license may be granted only to persons (i) who operate a restaurant and (ii) whose gross receipts from the sale of food cooked, or prepared, and consumed on the premises and nonalcoholic beverages served on the premises, after issuance of such license, amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food. For the purposes of this subdivision, other designated areas shall include outdoor dining areas, whether or not contiguous to the licensed premises, which outdoor dining areas may have more than one means of ingress and egress to an adjacent public thoroughfare, provided such 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.

If the restaurant is located on the premises of a hotel or motel with no fewer than four permanent bedrooms where food and beverage service is customarily provided by the restaurant in designated areas, bedrooms, and other private rooms of such hotel or motel, such licensee may (a) sell and serve mixed beverages for consumption in such designated areas, bedrooms, and other private rooms and (b) sell spirits packaged in original closed containers purchased from the Board for on-premises consumption to registered guests and at scheduled functions of such hotel or motel only in such bedrooms or private rooms. However, with regard to a hotel classified as a resort complex, the Board may authorize the sale and on-premises consumption of alcoholic beverages in all areas within the resort complex deemed appropriate by the Board. Nothing herein shall prohibit any person from keeping and consuming his own lawfully acquired spirits in bedrooms or private rooms.

If the restaurant is located on the premises of and operated by a private, nonprofit, or profit club exclusively for its members and their guests, or members of another private, nonprofit, or profit club in another city with which it has an agreement for reciprocal dining privileges, such license shall also authorize the licensees to (1) sell and serve mixed beverages for on-premises consumption and (2) sell spirits that are packaged in original closed containers with a maximum capacity of two fluid ounces or 50 milliliters and purchased from the Board for on-premises consumption. Where such club prepares no food in its restaurant but purchases its food requirements from a restaurant licensed by the Board and located on another portion of the premises of the same hotel or motel building, this fact shall not prohibit the granting of a license by the Board to such club qualifying in all other respects. The club's gross receipts from the sale of nonalcoholic beverages consumed on the premises and food resold to its members and guests and consumed on the premises shall amount to at least 45 percent of its gross receipts from the sale of mixed beverages and food. The food sales made by a restaurant to such a club shall be excluded in any consideration of the qualifications of such restaurant for a license from the Board.

If the restaurant is located on the premises of and operated by a municipal golf course, the Board shall recognize the seasonal nature of the business and waive any applicable monthly food sales requirements for those months when weather conditions may reduce patronage of the golf course, provided that prepared food, including meals, is available to patrons during the same months. The gross receipts from the sale of food cooked, or prepared, and consumed on the premises and nonalcoholic beverages served on the premises, after the issuance of such license, shall amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food on an annualized basis.

If the restaurant is located on the premises of and operated by a culinary lodging resort, such license shall authorize the licensee to (A) sell alcoholic beverages for on-premises consumption, without regard

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59 to the amount of gross receipts from the sale of food prepared and consumed on the premises, in areas  
60 upon the licensed premises approved by the Board and other designated areas of the resort, including  
61 outdoor areas under the control of the licensee, and (B) permit the possession and consumption of  
62 lawfully acquired alcoholic beverages by persons to whom overnight lodging is being provided in  
63 bedrooms and private guest rooms.

64 The granting of a license pursuant to this subdivision shall automatically authorize the licensee to  
65 obtain a license to sell and serve wine and beer for on-premises consumption and in closed containers  
66 for off-premises consumption; however, the licensee shall be required to pay the local fee required for  
67 such additional license pursuant to § 4.1-233.1.

68 2. Mixed beverage caterer's licenses, which may be granted only to a person regularly engaged in the  
69 business of providing food and beverages to others for service at private gatherings or at special events,  
70 which shall authorize the licensee to sell and serve alcoholic beverages for on-premises consumption.  
71 The annual gross receipts from the sale of food cooked and prepared for service and nonalcoholic  
72 beverages served at gatherings and events referred to in this subdivision shall amount to at least 45  
73 percent of the gross receipts from the sale of mixed beverages and food.

74 3. Mixed beverage limited caterer's licenses, which may be granted only to a person regularly  
75 engaged in the business of providing food and beverages to others for service at private gatherings or at  
76 special events, not to exceed 12 gatherings or events per year, which shall authorize the licensee to sell  
77 and serve alcoholic beverages for on-premises consumption. The annual gross receipts from the sale of  
78 food cooked and prepared for service and nonalcoholic beverages served at gatherings and events  
79 referred to in this subdivision shall amount to at least 45 percent of the gross receipts from the sale of  
80 mixed beverages and food.

81 4. Mixed beverage carrier licenses to persons operating a common carrier of passengers by train,  
82 boat, bus, or airplane, which shall authorize the licensee to sell and serve mixed beverages anywhere in  
83 the Commonwealth to passengers while in transit aboard any such common carrier, and in designated  
84 rooms of establishments of air carriers at airports in the Commonwealth. For purposes of supplying its  
85 airplanes, as well as any airplanes of a licensed express carrier flying under the same brand, an air  
86 carrier licensee may appoint an authorized representative to load alcoholic beverages onto the same  
87 airplanes and to transport and store alcoholic beverages at or in close proximity to the airport where the  
88 alcoholic beverages will be delivered onto airplanes of the air carrier and any such licensed express  
89 carrier. The air carrier licensee shall (i) designate for purposes of its license all locations where the  
90 inventory of alcoholic beverages may be stored and from which the alcoholic beverages will be  
91 delivered onto airplanes of the air carrier and any such licensed express carrier and (ii) maintain records  
92 of all alcoholic beverages to be transported, stored, and delivered by its authorized representative. The  
93 granting of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a  
94 license to sell and serve wine and beer for on-premises consumption or in closed containers for  
95 off-premises consumption; however, the licensee shall be required to pay the local fee required for such  
96 additional license pursuant to § 4.1-233.1.

97 5. Annual mixed beverage motor sports facility licenses, which shall authorize the licensee to sell  
98 mixed beverages, in paper, plastic, or similar disposable containers or in single original metal cans,  
99 during scheduled events, as well as events or performances immediately subsequent thereto, to patrons in  
100 all dining facilities, seating areas, viewing areas, walkways, concession areas, or similar facilities, for  
101 on-premises consumption. Such license may be granted to persons operating food concessions at an  
102 outdoor motor sports facility that (i) is located on 1,200 acres of rural property bordering the Dan River  
103 and has a track surface of 3.27 miles in length or (ii) hosts a NASCAR national touring race. Upon  
104 authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic  
105 beverages on the premises in all areas and locations covered by the license. The granting of a license  
106 pursuant to this subdivision shall automatically authorize the licensee to obtain a license to sell and  
107 serve wine and beer for on-premises consumption or in closed containers for off-premises consumption;  
108 however, the licensee shall be required to pay the local fee required for such additional license pursuant  
109 to § 4.1-233.1.

110 6. Limited mixed beverage restaurant licenses, which shall authorize the licensee to sell and serve  
111 dessert wines as defined by Board regulation and no more than six varieties of liqueurs, which liqueurs  
112 shall be combined with coffee or other nonalcoholic beverages, for consumption in dining areas of the  
113 restaurant. Such license may be granted only to persons who operate a restaurant and in no event shall  
114 the sale of such wine or liqueur-based drinks, together with the sale of any other alcoholic beverages,  
115 exceed 10 percent of the total annual gross sales of all food and alcoholic beverages. The granting of a  
116 license pursuant to this subdivision shall automatically authorize the licensee to obtain a license to sell  
117 and serve wine and beer for on-premises consumption or in closed containers for off-premises  
118 consumption; however, the licensee shall be required to pay the local fee required for such additional  
119 license pursuant to § 4.1-233.1.

120 7. Annual mixed beverage performing arts facility licenses, which shall (i) authorize the licensee to

sell, on the dates of performances or events, alcoholic beverages in paper, plastic, or similar disposable containers or in single original metal cans for on-premises consumption in all seating areas, concourses, walkways, concession areas, similar facilities, and other areas upon the licensed premises approved by the Board and (ii) automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises consumption or in closed containers for off-premises consumption; however, the licensee shall be required to pay the local fee required for such additional license pursuant to § 4.1-233.1. Such licenses may be granted to the following:

a. Corporations or associations operating a performing arts facility, provided the performing arts facility (i) is owned by a governmental entity; (ii) is occupied by a for-profit entity under a bona fide lease, the original term of which was for more than one year's duration; and (iii) has been rehabilitated in accordance with historic preservation standards;

b. Persons operating food concessions at any performing arts facility located in the City of Norfolk or the City of Richmond, provided that the performing arts facility (i) is occupied under a bona fide long-term lease or concession agreement, the original term of which was more than five years; (ii) has a capacity in excess of 1,400 patrons; (iii) has been rehabilitated in accordance with historic preservation standards; and (iv) has monthly gross receipts from the sale of food cooked, or prepared, and consumed on the premises and nonalcoholic beverages served on the premises that meet or exceed the monthly minimum established by Board regulations for mixed beverage restaurants;

c. Persons operating food concessions at any performing arts facility located in the City of Waynesboro, provided that the performing arts facility (i) is occupied under a bona fide long-term lease or concession agreement, the original term of which was more than five years; (ii) has a total capacity in excess of 550 patrons; and (iii) has been rehabilitated in accordance with historic preservation standards;

d. Persons operating food concessions at any performing arts facility located in the arts and cultural district of the City of Harrisonburg, provided that the performing arts facility (i) is occupied under a bona fide long-term lease or concession agreement, the original term of which was more than five years; (ii) has been rehabilitated in accordance with historic preservation standards; (iii) has monthly gross receipts from the sale of food cooked, or prepared, and consumed on the premises and nonalcoholic beverages served on the premises that meet or exceed the monthly minimum established by Board regulations for mixed beverage restaurants; and (iv) has a total capacity in excess of 900 patrons;

e. Persons operating food concessions at any multipurpose theater located in the historical district of the Town of Bridgewater, provided that the theater (i) is owned and operated by a governmental entity and (ii) has a total capacity in excess of 100 patrons;

f. Persons operating food concessions at any outdoor performing arts amphitheater, arena, or similar facility that has seating for more than 20,000 persons and is located in Prince William County or the City of Virginia Beach;

g. Persons operating food concessions at any outdoor performing arts amphitheater, arena, or similar facility that has seating for more than 5,000 persons and is located in the City of Alexandria or the City of Portsmouth; or

h. Persons operating food concessions at any corporate and performing arts facility located in Fairfax County, provided that the corporate and performing arts facility (i) is occupied under a bona fide long-term lease, management, or concession agreement, the original term of which was more than one year and (ii) has a total capacity in excess of 1,400 patrons. Such license shall authorize the sale, on the dates of performances or events, of alcoholic beverages for on-premises consumption in areas upon the licensed premises approved by the Board.

8. Combined mixed beverage restaurant and caterer's licenses, which may be granted to any restaurant or hotel that meets the qualifications for both a mixed beverage restaurant pursuant to subdivision 1 and mixed beverage caterer pursuant to subdivision 2 for the same business location, and which license shall authorize the licensee to operate as both a mixed beverage restaurant and mixed beverage caterer at the same business premises designated in the license, with a common alcoholic beverage inventory for purposes of the restaurant and catering operations. Such licensee shall meet the separate food qualifications established for the mixed beverage restaurant license pursuant to subdivision 1 and mixed beverage caterer's license pursuant to subdivision 2. The granting of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises consumption or in closed containers for off-premises consumption; however, the licensee shall be required to pay the local fee required for such additional license pursuant to § 4.1-233.1.

9. 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.

10. Museum licenses, which may be issued to nonprofit museums exempt from taxation under § 501(c)(3) of the Internal Revenue Code, which shall authorize the licensee to (i) permit the consumption of lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide member and guests thereof and (ii) serve alcoholic beverages on the premises of the licensee to any bona fide member and guests thereof. However, alcoholic beverages shall not be sold or charged for in any way by the licensee. The privileges of this license shall be limited to the premises of the museum, regularly occupied and utilized as such.

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

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

13. Mixed beverage port restaurant licenses, which shall authorize the licensee to sell and serve mixed beverages for consumption in dining areas and other designated areas of such restaurant. Such license may be granted only to persons operating a business (i) that is primarily engaged in the sale of meals; (ii) that is located on property owned by the United States government or an agency thereof and used as a port of entry to or egress from the United States; and (iii) whose gross receipts from the sale of food cooked, or prepared, and consumed on the premises and nonalcoholic beverages served on the premises, after issuance of such license, amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food. For the purposes of this subdivision, other designated areas shall include outdoor dining areas, whether or not contiguous to the licensed premises, which outdoor dining areas may have more than one means of ingress and egress to an adjacent public thoroughfare, provided such 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. The granting of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises consumption or in closed containers for off-premises consumption; however, the licensee shall be required to pay the local fee required for such additional license pursuant to § 4.1-233.1.

14. Annual mixed beverage special events licenses to (i) a duly organized nonprofit corporation or association operating either a performing arts facility or an art education and exhibition facility; (ii) a nonprofit corporation or association chartered by Congress for the preservation of sites, buildings, and objects significant in American history and culture; (iii) persons operating an agricultural event and entertainment park or similar facility that has a minimum of 50,000 square feet of indoor exhibit space and equine and other livestock show areas, which includes barns, pavilions, or other structures equipped with roofs, exterior walls, and open-door or closed-door access; or (iv) a locality for special events conducted on the premises of a museum for historic interpretation that is owned and operated by the locality. The operation in all cases shall be upon premises owned by such licensee or occupied under a

bona fide lease, the original term of which was for more than one year's duration. Such license shall authorize the licensee to sell alcoholic beverages during scheduled events and performances for on-premises consumption in areas upon the licensed premises approved by the Board.

B. The Board may grant an on-and-off-premises wine and beer license to the following:

1. Hotels, restaurants, and clubs, which shall authorize the licensee to sell wine and beer (i) in closed containers for off-premises consumption or (ii) for on-premises consumption, either with or without meals, in dining areas and other designated areas of such restaurants, or in dining areas, private guest rooms, and other designated areas of such hotels or clubs, for consumption only in such rooms and areas. However, with regard to a hotel classified by the Board as (a) a resort complex, the Board may authorize the sale and consumption of alcoholic beverages in all areas within the resort complex deemed appropriate by the Board or (b) a limited service hotel, the Board may authorize the sale and consumption of alcoholic beverages in dining areas, private guest rooms, and other designated areas to persons to whom overnight lodging is being provided, for on-premises consumption in such rooms or areas, and without regard to the amount of gross receipts from the sale of food prepared and consumed on the premises, provided that at least one meal is provided each day by the hotel to such guests. With regard to facilities registered in accordance with Chapter 49 (§ 38.2-4900 et seq.) of Title 38.2 as continuing care communities that are also licensed by the Board under this subdivision, any resident may, upon authorization of the licensee, keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas covered by the license. 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.

2. Hospitals, which shall authorize the licensee to sell wine and beer (i) in the rooms of patients for their on-premises consumption only in such rooms, provided the consent of the patient's attending physician is first obtained or (ii) in closed containers for off-premises consumption.

3. Rural grocery stores, which shall authorize the licensee to sell wine and beer for on-premises consumption or in closed containers for off-premises consumption. No license shall be granted unless (i) the grocery store is located in any town or in a rural area outside the corporate limits of any city or town and (ii) it appears affirmatively that a substantial public demand for such licensed establishment exists and that public convenience and the purposes of this title will be promoted by granting the license.

4. Coliseums, stadiums, and racetracks, which shall authorize the licensee to sell wine and beer during any event and immediately subsequent thereto to patrons within all seating areas, concourses, walkways, concession areas, and additional locations designated by the Board (i) in closed containers for off-premises consumption or (ii) in paper, plastic, or similar disposable containers or in single original metal cans for on-premises consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license. Such licenses may be granted to persons operating food concessions at coliseums, stadiums, racetracks, or similar facilities.

5. Performing arts food concessionaires, which shall authorize the licensee to sell wine and beer during the performance of any event to patrons within all seating areas, concourses, walkways, or concession areas, or other areas approved by the Board (i) in closed containers for off-premises consumption or (ii) in paper, plastic, or similar disposable containers or in single original metal cans for on-premises consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license. Such licenses may be granted to persons operating food concessions at any outdoor performing arts amphitheater, arena, or similar facility that (a) has seating for more than 20,000 persons and is located in Prince William County or the City of Virginia Beach; (b) has seating or capacity for more than 3,500 persons and is located in the County of Albemarle, Alleghany, Augusta, Nelson, Pittsylvania, or Rockingham or the City of Charlottesville, Danville, or Roanoke; or (c) has capacity for more than 9,500 persons and is located in Henrico County.

6. Exhibition halls, which shall authorize the licensee to sell wine and beer during the event to patrons or attendees within all seating areas, exhibition areas, concourses, walkways, concession areas, and such additional locations designated by the Board in such facilities (i) in closed containers for off-premises consumption or (ii) in paper, plastic, or similar disposable containers or in single original metal cans for on-premises consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license. Such licenses may be granted to persons operating food concessions at exhibition or exposition halls, convention centers, or similar facilities located in any county operating under the

305 urban county executive form of government or any city that is completely surrounded by such county.  
306 For purposes of this subdivision, "exhibition or exposition hall" and "convention centers" mean facilities  
307 conducting private or public trade shows or exhibitions in an indoor facility having in excess of 100,000  
308 square feet of floor space.

309 7. Concert and dinner-theaters, which shall authorize the licensee to sell wine and beer during events  
310 to patrons or attendees within all seating areas, exhibition areas, concourses, walkways, concession areas,  
311 dining areas, and such additional locations designated by the Board in such facilities, for on-premises  
312 consumption or in closed containers for off-premises consumption. Persons licensed pursuant to this  
313 subdivision shall serve food, prepared on or off premises, whenever wine or beer is served. Such  
314 licenses may be granted to persons operating concert or dinner-theater venues on property fronting  
315 Natural Bridge School Road in Natural Bridge Station and formerly operated as Natural Bridge High  
316 School.

317 8. Historic cinema houses, which shall authorize the licensee to sell wine and beer, either with or  
318 without meals, during any showing of a motion picture to patrons to whom alcoholic beverages may be  
319 lawfully sold, for on-premises consumption or in closed containers for off-premises consumption. The  
320 privileges of this license shall be limited to the premises of the historic cinema house regularly occupied  
321 and utilized as such.

322 9. Nonprofit museums, which shall authorize the licensee to sell wine and beer for on-premises  
323 consumption or in closed containers for off-premises consumption in areas approved by the Board. Such  
324 licenses may be granted to persons operating a nonprofit museum exempt from taxation under §  
325 501(c)(3) of the Internal Revenue Code, located in the Town of Front Royal, and dedicated to educating  
326 the consuming public about historic beer products. The privileges of this license shall be limited to the  
327 premises of the museum, regularly occupied and utilized as such.

328 C. The Board may grant the following off-premises wine and beer licenses:

329 1. Retail off-premises wine and beer licenses, which may be granted to a convenience grocery store,  
330 delicatessen, drugstore, gift shop, gourmet oyster house, gourmet shop, grocery store, or marina store as  
331 defined in § 4.1-100 and Board regulations. Such license shall authorize the licensee to sell wine and  
332 beer in closed containers for off-premises consumption and, notwithstanding the provisions of § 4.1-308,  
333 to give to any person to whom wine or beer may be lawfully sold a sample of wine or beer for  
334 on-premises consumption; however, no single sample shall exceed four ounces of beer or two ounces of  
335 wine and no more than 12 ounces of beer or five ounces of wine shall be served to any person per day.  
336 The licensee may also give samples of wine and beer in designated areas at events held by the licensee  
337 for the purpose of featuring and educating the consuming public about the alcoholic beverages being  
338 tasted. With the consent of the licensee, farm wineries, wineries, breweries, distillers, and wholesale  
339 licensees or authorized representatives of such licensees may participate in such tastings, including the  
340 pouring of samples. The licensee shall comply with any food inventory and sales volume requirements  
341 established by Board regulation.

342 2. Gourmet brewing shop licenses, which shall authorize the licensee to sell to any person to whom  
343 wine or beer may be lawfully sold, ingredients for making wine or brewing beer, including packaging,  
344 and to rent to such persons facilities for manufacturing, fermenting, and bottling such wine or beer, for  
345 off-premises consumption in accordance with subdivision 6 of § 4.1-200.

346 3. Confectionery licenses, which shall authorize the licensee to prepare and sell on the licensed  
347 premises for off-premises consumption confectionery that contains five percent or less alcohol by  
348 volume. Any alcohol contained in such confectionery shall not be in liquid form at the time such  
349 confectionery is sold.

350 D. The Board may grant the following banquet, special event, and tasting licenses:

351 1. Per-day event licenses.

352 a. Banquet licenses to persons in charge of banquets, and to duly organized nonprofit corporations or  
353 associations in charge of special events, which shall authorize the licensee to sell or give wine and beer  
354 in rooms or areas approved by the Board for the occasion for on-premises consumption in such rooms  
355 or areas. Licensees who are nonprofit corporations or associations conducting fundraisers (i) shall also  
356 be authorized to sell wine, as part of any fundraising activity, in closed containers for off-premises  
357 consumption to persons to whom wine may be lawfully sold ~~and~~; (ii) shall be limited to no more than  
358 one such fundraiser per year; *and (iii) if conducting such fundraiser through an online meeting platform,*  
359 *may ship such wine, in accordance with Board regulations, in closed containers to persons located*  
360 *within the Commonwealth.* Except as provided in § 4.1-215, a separate license shall be required for  
361 each day of each banquet or special event. For the purposes of this subdivision, when the location  
362 named in the original application for a license is outdoors, the application may also name an alternative  
363 location in the event of inclement weather. However, no such license shall be required of any hotel,  
364 restaurant, or club holding a retail wine and beer license.

365 b. Mixed beverage special events licenses to a duly organized nonprofit corporation or association in  
366 charge of a special event, which shall authorize the licensee to sell and serve mixed beverages for

on-premises consumption in areas approved by the Board on the premises of the place designated in the license. A separate license shall be required for each day of each special event.

c. Mixed beverage club events licenses to a club holding a wine and beer club license, which shall authorize the licensee to sell and serve mixed beverages for on-premises consumption by club members and their guests in areas approved by the Board on the club premises. A separate license shall be required for each day of each club event. No more than 12 such licenses shall be granted to a club in any calendar year. The granting of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises consumption; however, the licensee shall be required to pay the local fee required for such additional license pursuant to § 4.1-233.1.

d. Tasting licenses, which shall authorize the licensee to sell or give samples of alcoholic beverages of the type specified in the license in designated areas at events held by the licensee. A tasting license shall be issued for the purpose of featuring and educating the consuming public about the alcoholic beverages being tasted. A separate license shall be required for each day of each tasting event. No tasting license shall be required for conduct authorized by § 4.1-201.1.

## 2. Annual licenses.

a. Annual banquet licenses to duly organized private nonprofit fraternal, patriotic, or charitable membership organizations that are exempt from state and federal taxation and in charge of banquets conducted exclusively for members and their guests, which shall authorize the licensee to serve wine and beer in rooms or areas approved by the Board for the occasion for on-premises consumption in such rooms or areas. Such license shall authorize the licensee to conduct no more than 12 banquets per calendar year. For the purposes of this subdivision, when the location named in the original application for a license is outdoors, the application may also name an alternative location in the event of inclement weather. However, no such license shall be required of any hotel, restaurant, or club holding a retail wine and beer license.

b. 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.

c. Local special events licenses to a locality, business improvement district, or nonprofit organization, which shall authorize (i) the licensee to permit the consumption of alcoholic beverages within the area designated by the Board for the special event and (ii) any permanent retail on-premises licensee that is located within the area designated by the Board for the special event to sell alcoholic beverages within the permanent retail location for consumption in the area designated for the special event, including sidewalks and the premises of businesses not licensed to sell alcoholic beverages at retail, upon approval of such businesses. In determining the designated area for the special event, the Board shall consult with the locality. Local special events licensees shall be limited to 16 special events per year, and the duration of any special event shall not exceed three consecutive days. Such limitations on the number of special events that may be held shall not apply during the effective dates of any rule, regulation, or order that is issued by the Governor or State Health Commissioner to meet a public health emergency and that effectively reduces allowable restaurant seating capacity; however, local special events licensees shall be subject to all other applicable provisions of this title and Board regulations and shall provide notice to the Board regarding the days and times during which the privileges of the license will be exercised. Only alcoholic beverages purchased from permanent retail on-premises licensees located within the designated area may be consumed at the special event, and such alcoholic beverages shall be contained in paper, plastic, or similar disposable containers that clearly display the name or logo of the retail on-premises licensee from which the alcoholic beverage was purchased. Alcoholic beverages shall not be sold or charged for in any way by the local special events licensee. The local special events licensee shall post appropriate signage clearly demarcating for the public the boundaries of the special event; however, no physical barriers shall be required for this purpose. The local special events licensee shall provide adequate security for the special event to ensure compliance with the applicable provisions of this title and Board regulations.

d. Annual mixed beverage banquet licenses to duly organized private nonprofit fraternal, patriotic, or charitable membership organizations that are exempt from state and federal taxation and in charge of

428 banquets conducted exclusively for members and their guests, which shall authorize the licensee to serve  
429 mixed beverages for on-premises consumption in areas approved by the Board on the premises of the  
430 place designated in the license. Such license shall authorize the licensee to conduct no more than 12  
431 banquets per calendar year. The granting of a license pursuant to this subdivision shall automatically  
432 authorize the licensee to obtain a license to sell and serve wine and beer for on-premises consumption;  
433 however, the licensee shall be required to pay the local fee required for such additional license pursuant  
434 to § 4.1-233.1.

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

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

448 E. The Board may grant a marketplace license to persons operating a business enterprise of which  
449 the primary function is not the sale of alcoholic beverages, which shall authorize the licensee to serve  
450 complimentary wine or beer to bona fide customers on the licensed premises subject to any limitations  
451 imposed by the Board; however, the licensee shall not give more than two five-ounce glasses of wine or  
452 two 12-ounce glasses of beer to any customer per day, nor shall it sell or otherwise charge a fee to such  
453 customer for the wine or beer served or consumed. In order to be eligible for and retain a marketplace  
454 license, the applicant's business enterprise must (i) provide a single category of goods or services in a  
455 manner intended to create a personalized experience for the customer; (ii) employ staff with expertise in  
456 such goods or services; (iii) be ineligible for any other license granted by the Board; (iv) have an  
457 alcoholic beverage control manager on the licensed premises at all times alcohol is served; (v) ensure  
458 that all employees satisfy any training requirements imposed by the Board; and (vi) purchase all wine  
459 and beer to be served from a licensed wholesaler or the Authority and retain purchase records as  
460 prescribed by the Board. In determining whether to grant a marketplace license, the Board shall consider  
461 (a) the average amount of time customers spend at the business; (b) the business's hours of operation;  
462 (c) the amount of time that the business has been in operation; and (d) any other requirements deemed  
463 necessary by the Board to protect the public health, safety, and welfare.

464 F. The Board may grant the following shipper, bottler, and related licenses:

465 1. Wine and beer shipper licenses, which shall carry the privileges and limitations set forth in  
466 § 4.1-209.1.

467 2. Internet wine and beer retailer licenses, which shall authorize persons located within or outside the  
468 Commonwealth to sell and ship wine and beer, in accordance with § 4.1-209.1 and Board regulations, in  
469 closed containers to persons in the Commonwealth to whom wine and beer may be lawfully sold for  
470 off-premises consumption. Such licensee shall not be required to comply with the monthly food sale  
471 requirement established by Board regulations.

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

477 4. Fulfillment warehouse licenses, which shall authorize associations as defined in § 13.1-313 with a  
478 place of business located in the Commonwealth to (i) receive deliveries and shipments of wine or beer  
479 owned by holders of wine and beer shipper's licenses; (ii) store such wine or beer on behalf of the  
480 owner; and (iii) pick, pack, and ship such wine or beer as directed by the owner, all in accordance with  
481 Board regulations. No wholesale wine or wholesale beer licensee, whether licensed in the  
482 Commonwealth or not, or any person under common control of such licensee, shall acquire or hold any  
483 financial interest, direct or indirect, in the business for which any fulfillment warehouse license is  
484 issued.

485 5. Marketing portal licenses, which shall authorize agricultural cooperative associations organized  
486 under the provisions of the Agricultural Cooperative Association Act (§ 13.1-312 et seq.), with a place  
487 of business located in the Commonwealth, in accordance with Board regulations, to solicit and receive  
488 orders for wine or beer through the use of the Internet from persons in the Commonwealth to whom  
489 wine or beer may be lawfully sold, on behalf of holders of wine and beer shipper's licenses. Upon



receipt of an order for wine or beer, the licensee shall forward it to a holder of a wine and beer shipper's license for fulfillment. Marketing portal licensees may also accept payment on behalf of the shipper.

**§ 4.1-209. (Effective until July 1, 2021) Wine and beer licenses; advertising.**

A. The Board may grant the following licenses relating to wine and beer:

1. Retail on-premises wine and beer licenses to:

a. Hotels, restaurants and clubs, which shall authorize the licensee to sell wine and beer, either with or without meals, only in dining areas and other designated areas of such restaurants, or in dining areas, private guest rooms, and other designated areas of such hotels or clubs, for consumption only in such rooms and areas. However, with regard to a hotel classified by the Board as (i) a resort complex, the Board may authorize the sale and consumption of alcoholic beverages in all areas within the resort complex deemed appropriate by the Board or (ii) a limited service hotel, the Board may authorize the sale and consumption of alcoholic beverages in dining areas, private guest rooms, and other designated areas to persons to whom overnight lodging is being provided, for on-premises consumption in such rooms or areas, and without regard to the amount of gross receipts from the sale of food prepared and consumed on the premises, provided that at least one meal is provided each day by the hotel to such guests. With regard to facilities registered in accordance with Chapter 49 (§ 38.2-4900 et seq.) of Title 38.2 of the Code of Virginia as continuing care communities that are also licensed by the Board under this subdivision, any resident may, upon authorization of the licensee, keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas covered by the license. 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;

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

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

d. Persons operating as air carriers of passengers on regular schedules in foreign, interstate or intrastate commerce, which shall authorize the licensee to sell wine and beer for consumption by passengers in such airplanes anywhere in or over the Commonwealth while in transit and in designated rooms of establishments of such carriers at airports in the Commonwealth, § 4.1-129 notwithstanding. For purposes of supplying its airplanes, as well as any airplane of a licensed express carrier flying under the same brand, an air carrier licensee may appoint an authorized representative to load wine and beer onto the same airplanes and to transport and store wine and beer at or in close proximity to the airport where the wine and beer will be delivered onto airplanes of the air carrier and any such licensed express carrier. The air carrier licensee shall (i) designate for purposes of its license all locations where the inventory of wine and beer may be stored and from which the wine and beer will be delivered onto airplanes of the air carrier and any such licensed express carrier and (ii) maintain records of all wine and beer to be transported, stored, and delivered by its authorized representative;

e. Hospitals, which shall authorize the licensee to sell wine and beer in the rooms of patients for their on-premises consumption only in such rooms, provided the consent of the patient's attending physician is first obtained;

f. Persons operating food concessions at coliseums, stadia, racetracks or similar facilities, which shall authorize the licensee to sell wine and beer in paper, plastic or similar disposable containers or in single original metal cans, during any event and immediately subsequent thereto, to patrons within all seating areas, concourses, walkways, concession areas and additional locations designated by the Board in such coliseums, stadia, racetracks or similar facilities, for on-premises consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license;

g. Persons operating food concessions at any outdoor performing arts amphitheater, arena or similar facility which (i) has seating for more than 20,000 persons and is located in Prince William County or the City of Virginia Beach, (ii) has capacity for more than 3,500 persons and is located in the Counties of Albemarle, Alleghany, Augusta, Nelson, Pittsylvania, or Rockingham, or the Cities of Charlottesville, Danville, or Roanoke, or (iii) has capacity for more than 9,500 persons and is located in Henrico County. Such license shall authorize the licensee to sell wine and beer during the performance of any event, in paper, plastic or similar disposable containers or in single original metal cans, to patrons within all seating areas, concourses, walkways, concession areas, or similar facilities, for on-premises

consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license;

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

i. Persons operating a concert and dinner-theater venue on property fronting Natural Bridge School Road in Natural Bridge Station, Virginia, and formerly operated as Natural Bridge High School, which shall authorize the licensee to sell wine and beer during events to patrons or attendees within all seating areas, exhibition areas, concourses, walkways, concession areas, dining areas, and such additional locations designated by the Board in such facilities, for on-premises consumption. Persons licensed pursuant to this subdivision shall serve food, prepared on or off premises, whenever wine or beer is served; and

j. Historic cinema houses, which shall authorize the licensee to sell wine and beer, either with or without meals, during any showing of a motion picture to patrons to whom alcoholic beverages may be lawfully sold, for on-premises consumption. The privileges of this license shall be limited to the premises of the historic cinema house regularly occupied and utilized as such.

2. Retail off-premises wine and beer licenses, which shall authorize the licensee to sell wine and beer in closed containers for off-premises consumption.

3. Gourmet shop licenses, which shall authorize the licensee to sell wine and beer in closed containers for off-premises consumption and, the provisions of § 4.1-308 notwithstanding, to give to any person to whom wine or beer may be lawfully sold, (i) a sample of wine, not to exceed two ounces by volume or (ii) a sample of beer not to exceed four ounces by volume, for on-premises consumption. The licensee may also give samples of wine and beer in designated areas at events held by the licensee for the purpose of featuring and educating the consuming public about the alcoholic beverages being tasted. Additionally, with the consent of the licensee, farm wineries, wineries, breweries, distillers, and wholesale licensees may participate in tastings held by licensees authorized to conduct tastings, including the pouring of samples to any person to whom alcoholic beverages may be lawfully sold. Notwithstanding Board regulations relating to food sales, the licensee shall maintain each year an average monthly inventory and sales volume of at least \$1,000 in products such as cheeses and gourmet food.

4. Convenience grocery store licenses, which shall authorize the licensee to sell wine and beer in closed containers for off-premises consumption.

5. Retail on-and-off premises wine and beer licenses to persons enumerated in subdivision 1 a, which shall accord all the privileges conferred by retail on-premises wine and beer licenses and in addition, shall authorize the licensee to sell wine and beer in closed containers for off-premises consumption.

6. Banquet licenses to persons in charge of banquets, and to duly organized nonprofit corporations or associations in charge of special events, which shall authorize the licensee to sell or give wine and beer in rooms or areas approved by the Board for the occasion for on-premises consumption in such rooms or areas. Licensees who are nonprofit corporations or associations conducting fundraisers (i) shall also be authorized to sell wine, as part of any fundraising activity, in closed containers for off-premises consumption to persons to whom wine may be lawfully sold ~~and~~; (ii) shall be limited to no more than one such fundraiser per year; *and (iii) if conducting such fundraiser through an online meeting platform, may ship such wine, in accordance with Board regulations, in closed containers to persons located within the Commonwealth.* Except as provided in § 4.1-215, a separate license shall be required for each day of each banquet or special event. For the purposes of this subdivision, when the location named in the original application for a license is outdoors, the application may also name an alternative location in the event of inclement weather. However, no such license shall be required of any hotel, restaurant, or club holding a retail wine and beer license.

7. Gift shop licenses, which shall authorize the licensee to sell wine and beer only within the interior premises of the gift shop in closed containers for off-premises consumption and, the provisions of § 4.1-308 notwithstanding, to give to any person to whom wine or beer may be lawfully sold (i) a sample of wine not to exceed two ounces by volume or (ii) a sample of beer not to exceed four ounces by volume for on-premises consumption. The licensee may also give samples of wine and beer in designated areas at events held by the licensee for the purpose of featuring and educating the consuming

public about the alcoholic beverages being tasted.

8. Gourmet brewing shop licenses, which shall authorize the licensee to sell to any person to whom wine or beer may be lawfully sold, ingredients for making wine or brewing beer, including packaging, and to rent to such persons facilities for manufacturing, fermenting, and bottling such wine or beer, for off-premises consumption in accordance with subdivision 6 of § 4.1-200.

9. Annual banquet licenses, to duly organized private nonprofit fraternal, patriotic or charitable membership organizations that are exempt from state and federal taxation and in charge of banquets conducted exclusively for its members and their guests, which shall authorize the licensee to serve wine and beer in rooms or areas approved by the Board for the occasion for on-premises consumption in such rooms or areas. Such license shall authorize the licensee to conduct no more than 12 banquets per calendar year. For the purposes of this subdivision, when the location named in the original application for a license is outdoors, the application may also name an alternative location in the event of inclement weather. However, no such license shall be required of any hotel, restaurant, or club holding a retail wine and beer license.

10. Fulfillment warehouse licenses, which shall authorize associations as defined in § 13.1-313 with a place of business located in the Commonwealth to (i) receive deliveries and shipments of wine or beer owned by holders of wine or beer shipper's licenses, (ii) store such wine or beer on behalf of the owner, and (iii) pick, pack, and ship such wine or beer as directed by the owner, all in accordance with Board regulations. No wholesale wine or wholesale beer licensee, whether licensed in the Commonwealth or not, or any person under common control of such licensee, shall acquire or hold any financial interest, direct or indirect, in the business for which any fulfillment warehouse license is issued.

11. Marketing portal licenses, which shall authorize agricultural cooperative associations organized under the provisions of the Agricultural Cooperative Association Act (§ 13.1-312 et seq.), with a place of business located in the Commonwealth, in accordance with Board regulations, to solicit and receive orders for wine or beer through the use of the Internet from persons in the Commonwealth to whom wine or beer may be lawfully sold, on behalf of holders of wine or beer shipper's licenses. Upon receipt of an order for wine or beer, the licensee shall forward it to a holder of a wine or beer shipper's license for fulfillment. Marketing portal licensees may also accept payment on behalf of the shipper.

12. Gourmet oyster house licenses, to establishments located on the premises of a commercial marina and permitted by the Department of Health to serve oysters and other fresh seafood for consumption on the premises, where the licensee also offers to the public events for the purpose of featuring and educating the consuming public about local oysters and other seafood products. Such license shall authorize the licensee to (i) give samples of or sell wine and beer in designated rooms and outdoor areas approved by the Board for consumption in such approved areas and (ii) sell wine and beer in closed containers for off-premises consumption. Samples of wine shall not exceed two ounces per person. Samples of beer shall not exceed four ounces per person. The Board shall establish a minimum monthly food sale requirement of oysters and other seafood for such license. Additionally, with the consent of the licensee, farm wineries, wineries, and breweries may participate in tastings held by licensees authorized to conduct tastings, including the pouring of samples to any person to whom alcoholic beverages may be lawfully sold.

B. Notwithstanding any provision of law to the contrary, persons granted a wine and beer license pursuant to this section may display within their licensed premises point-of-sale advertising materials that incorporate the use of any professional athlete or athletic team, provided that such advertising materials: (i) otherwise comply with the applicable regulations of the Federal Bureau of Alcohol, Tobacco and Firearms; and (ii) do not depict any athlete consuming or about to consume alcohol prior to or while engaged in an athletic activity; do not depict an athlete consuming alcohol while the athlete is operating or about to operate a motor vehicle or other machinery; and do not imply that the alcoholic beverage so advertised enhances athletic prowess.

C. Notwithstanding any provision of law to the contrary, persons granted a wine and beer license pursuant to this section may deliver such wine or beer in closed containers for off-premises consumption to such person's vehicle if located in a designated parking area of the retailer's premises where such person has electronically ordered wine or beer in advance of the delivery or (ii) if the licensee holds a delivery permit issued pursuant to § 4.1-212.1, to such other locations as may be permitted by Board regulation.

D. Persons granted retail on-premises and on-and-off-premises wine and beer licenses pursuant to this section or subsection B of § 4.1-210 may conduct wine or beer tastings sponsored by the licensee for its customers for on-premises consumption. Such licensees may sell or give samples of wine and beer in designated areas at events held by the licensee for the purpose of featuring and educating the consuming public about the alcoholic beverages being tasted. Additionally, with the consent of the licensee, farm wineries, wineries, and breweries may participate in tastings held by licensees authorized to conduct tastings, including the pouring of samples to any person to whom alcoholic beverages may be lawfully

**674** sold. Samples of wine shall not exceed two ounces per person. Samples of beer shall not exceed four  
**675** ounces per person.