

LD2811484

HOUSE BILL NO. 1975

Offered January 20, 1995

A BILL to provide for the discontinuation of government stores and for the licensure of privately owned retail package stores; to amend and reenact §§ 4.1-100, 4.1-103, 4.1-111, 4.1-115, 4.1-121, 4.1-122, 4.1-206, 4.1-231, 4.1-233, 4.1-234, 4.1-235, 4.1-303, and 4.1-330 of the Code of Virginia; and to amend the Code of Virginia by adding sections numbered 4.1-119.1, 4.1-204.1, and 4.1-221.1, relating to alcoholic beverage control laws; retail privatization; penalty.

Patrons—Watkins and Purkey

Referred to Committee on General Laws

Whereas, it is in the interest of the Commonwealth to control the manufacture, distribution and sale of alcoholic beverages in the Commonwealth; and

Whereas, it is in the interest of the citizens of the Commonwealth to be afforded the most competitive price for alcoholic beverages while being assured of their quality; and

Whereas, it is the intent of the General Assembly that the Alcoholic Beverage Control Board continue to be the regulatory body which controls and regulates the manufacture, distribution, and sale of alcoholic beverages; now, therefore,

Be it enacted by the General Assembly of Virginia:

1. § 1. The Alcoholic Beverage Control Board, hereafter called the Board, shall, on or before December 31, 1995, begin an implementation process for the discontinuation of government stores, and the licensing of privately owned package stores for the retail sale of spirits, as defined in § 4.1-100, and other alcoholic beverages.

§ 2. As government stores are discontinued, the Board shall have the authority to sell all real property owned by it and used solely as government stores, as well as the fixtures, equipment, and inventory associated with each location owned or leased by the Board. Such sales shall be made in accordance with generally accepted business practices, taking into account the fair market value of the property to be sold, as determined by the Board. Such valuation shall take into account the volume of business conducted at such store and revenues generated by the operation of such government store. Purchasers in such sales shall be qualified applicants for package store licenses who will be licensed to conduct their business at the purchased premises or at a location approved by the Board serving the area formerly served by the discontinued government store. The Board shall establish a service area for each package store licensed to replace a discontinued government store, and shall issue no additional package store licenses within such service area for a period of three years immediately following the granting of such package store license. However, the Board in its discretion and in the interest of better service to a community, may grant more than one package store license if the financial records of the replaced and discontinued government store disclose that such government store was not self-supporting on or before the time of its discontinuation. The Board shall also have the authority, as permitted by the lease documents, to assign any lease of real property held by it and used as a government store, or to grant a lease on any portion of real property owned by it and used partially as a government store. Such sales, lease assignments, or leases shall be exempt from the provisions of subsection C of § 2.1-512. Any such sale, lease assignment, or lease shall be approved by the Governor or his designee. The proceeds of such sales, lease assignments, or leases shall be paid or deposited as required by § 4.1-116, subsection C of § 2.1-512 notwithstanding.

§ 3. The implementation process for the discontinuation of government stores shall be completed by the Board within three years of the effective date of this act.

2. That §§ 4.1-100, 4.1-103, 4.1-111, 4.1-115, 4.1-121, 4.1-122, 4.1-206, 4.1-231, 4.1-233, 4.1-234, 4.1-235, 4.1-303, and 4.1-330 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding sections numbered 4.1-119.1, 4.1-204.1, and 4.1-221.1 as follows:

§ 4.1-100. 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.

"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,

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60 and every liquid or solid, patented or not, containing alcohol, spirits, wine, or beer and capable of being  
61 consumed by a human being. Any liquid or solid containing more than one of the four varieties shall be  
62 considered as belonging to that variety which has the higher percentage of alcohol, however obtained,  
63 according to the order in which they are set forth in this definition.

64 "Barrel" means any container or vessel having a capacity of more than forty-three ounces.

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

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

72 "Board" means the Virginia Alcoholic Beverage Control Board.

73 "Bottle" means any vessel intended to contain liquids and having a capacity of not more than  
74 forty-three ounces.

75 "Club" means any private nonprofit corporation or association which is the owner, lessee, or  
76 occupant of an establishment operated solely for a national, social, patriotic, political, athletic, or other  
77 like purpose, but not for pecuniary gain, the advantages of which belong to all of the members. It also  
78 means the establishment so operated. A corporation or association shall not lose its status as a club  
79 because of the conduct of bingo games or raffles conducted pursuant to Article 1.1 (§ 18.2-340.1 et seq.)  
80 of Chapter 8 of Title 18.2 in which nonmembers participate frequently or in large numbers, provided  
81 that no alcoholic beverages are served or consumed in the room where such bingo games or raffles are  
82 being conducted while such games or raffles are being conducted and that no alcoholic beverages are  
83 made available upon the premises to any person who is neither a member nor a bona fide guest of a  
84 member.

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

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

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

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

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

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

98 "Farm winery" means an establishment located on a farm in the Commonwealth with a producing  
99 vineyard, orchard, or similar growing area and with facilities for fermenting and bottling wine on the  
100 premises where the owner or lessee manufactures wine that contains not more than fourteen percent  
101 alcohol by volume. As used in this definition, the terms "owner" and "lessee" shall include a cooperative  
102 formed by an association of individuals for the purpose of manufacturing wine. In the event such  
103 cooperative is licensed as a farm winery, the term "farm" as used in this definition includes all of the  
104 land owned or leased by the individual members of the cooperative as long as such land is located in  
105 the Commonwealth.

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

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

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

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

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

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

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

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

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

131 "Member of a club" means a person who maintains his membership in the club by the payment of  
132 monthly, quarterly, or annual dues in the manner established by the rules and regulations thereof. It shall  
133 also mean a lifetime member whose financial contribution is not less than ten times the annual dues of  
134 resident members of the club, the full amount of such contribution being paid in advance in a lump  
135 sum.

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

138 "*Package store*" means the licensed premises of a package store licensee where spirits and other  
139 alcoholic beverages are sold at retail.

140 "*Package store licensee*" means any person licensed pursuant to subdivision 5 of § 4.1-206.

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

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

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

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

160 "Resort complex" means a facility with a hotel owning year-round sports and recreational facilities  
161 located contiguously on the same property. The hotel must have a minimum of 250 private guest rooms  
162 contained on not less than 100 acres. The Board may consider the purpose, characteristics, and operation  
163 of the applicant establishment in determining whether it shall be considered as a resort complex. All  
164 other pertinent qualifications established by the Board for a hotel operation shall be observed by such  
165 licensee.

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

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

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

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

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

180 "Spirits" means any beverage which contains alcohol obtained by distillation mixed with drinkable  
181 water and other substances, in solution, and includes, among other things, brandy, rum, whiskey, and  
182 gin, or any one or more of the last four named ingredients; but shall not include any such liquors

183 completely denatured in accordance with formulas approved by the United States government.

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

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

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

200 § 4.1-103. General powers of Board.

201 The Board shall have the power to:

202 1. Buy, import and sell alcoholic beverages other than beer and wine not produced by farm wineries,  
203 the procurement of which is exempt from Chapter 7 (§ 11-35 et seq.) of Title 11, and to have alcoholic  
204 beverages other than beer and wine not produced by farm wineries in its possession for sale;

205 2. Control the possession, sale, transportation and delivery of alcoholic beverages;

206 3. Determine, subject to § 4.1-121, the localities within which government stores *or package stores*  
207 shall be established or operated and the location of such stores;

208 4. Maintain warehouses for alcoholic beverages and control the storage and delivery of alcoholic  
209 beverages to and from such warehouses;

210 5. Lease, occupy and improve any land or building required for the purposes of this title;

211 6. Purchase or otherwise acquire title to any land or building required for the purposes of this title  
212 and sell and convey the same by proper deed, with the consent of the Governor;

213 7. Purchase, lease or acquire the use of, by any manner, any plant or equipment which may be  
214 considered necessary or useful in carrying into effect the purposes of this title, ~~including rectifying,~~  
215 ~~blending and processing plants. The Board may purchase, build, lease, and operate distilleries and~~  
216 ~~manufacture alcoholic beverages;~~

217 8. Determine the nature, form and capacity of all containers used for holding alcoholic beverages to  
218 be kept or sold under this title, and prescribe the form and content of all labels and seals to be placed  
219 thereon;

220 9. Appoint every agent and employee required for its operations; require any or all of them to give  
221 bonds payable to the Commonwealth in such penalty as shall be fixed by the Board; and engage the  
222 services of experts and professionals;

223 10. Hold and conduct hearings; issue subpoenas requiring the attendance of witnesses and the  
224 production of records, memoranda, papers and other documents before the Board or any agent of the  
225 Board; and administer oaths and take testimony thereunder. The Board may authorize any Board  
226 member or agent of the Board to hold and conduct hearings, issue subpoenas, administer oaths and take  
227 testimony thereunder, and make summary decisions, subject to final decision by the Board, on  
228 application of any party aggrieved;

229 11. Make a reasonable charge for preparing and furnishing statistical information and compilations to  
230 persons other than (i) officials, including court and police officials, of the Commonwealth and of its  
231 subdivisions if the information requested is for official use and (ii) persons who have a personal or legal  
232 interest in obtaining the information requested if such information is not to be used for commercial or  
233 trade purposes;

234 12. Promulgate regulations in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.) and  
235 § 4.1-111 of this chapter;

236 13. Grant, suspend, and revoke licenses for the manufacture, bottling, distribution, importation, and  
237 sale of alcoholic beverages;

238 14. Assess and collect civil penalties and civil charges for violations of this title and Board  
239 regulations;

240 15. Maintain actions to enjoin common nuisances as defined in § 4.1-317;

241 16. Establish minimum food sale requirements for all retail licensees; ~~and~~

242 17. *Appoint, in the discretion of the Board, an advisory committee to advise the Board on the issues*  
243 *involved in the privatized retail sale of alcoholic beverages; and*

244 18. Do all acts necessary or advisable to carry out the purposes of this title.

245 § 4.1-111. Regulations of Board.

246 A. The Board may promulgate reasonable regulations, not inconsistent with this title or the general  
247 laws of the Commonwealth, which it deems necessary to carry out the provisions of this title and to  
248 prevent the illegal manufacture, bottling, sale, distribution and transportation of alcoholic beverages. The  
249 Board may amend or repeal such regulations. Such regulations shall be promulgated, amended or  
250 repealed in accordance with the Administrative Process Act (§ 9-6.14:1 et seq.) and shall have the effect  
251 of law.

252 B. The Board shall promulgate regulations which:

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

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

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

264 4. Establish requirements for the form, content, and retention of all records and accounts, including  
265 the (i) reporting and collection of taxes required by § 4.1-236 ~~and~~, (ii) ~~the~~ sale of alcoholic beverages in  
266 kegs, by all licensees, *and (iii) reporting of the name and address of any person having a financial*  
267 *interest in a package store licensee pursuant to subsection D of § 4.1-221.1.*

268 5. *Require, for a period of two years, each package store licensee whose package store replaces a*  
269 *discontinued government store to offer employment to eighty percent of the full-time employees whose*  
270 *positions are terminated as a result of the discontinuance of the government store and who do not*  
271 *qualify for or who choose not to accept early retirement. If eighty percent of any discontinued*  
272 *government store's full-time employees does not equal a whole number, the number shall be rounded*  
273 *down to the nearest whole number.*

274 C. The Board may promulgate regulations which provide for the waiver of the license tax for an  
275 applicant for a banquet license, such waiver to be based on (i) the amount of alcoholic beverages to be  
276 provided by the applicant, (ii) the not-for-profit status of the applicant, and (iii) the condition that no  
277 profits are to be generated from the event. For the purposes of clause (ii), the applicant shall submit  
278 with the application, an affidavit certifying its not-for-profit status. The granting of such waiver shall be  
279 limited to two events per year for each applicant.

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

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

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

284 § 4.1-115. Reports and accounting systems of Board; auditing books and records.

285 A. The Board shall make reports to the Governor as he may require covering the administration and  
286 enforcement of this title. Additionally, the Board shall submit an annual report to the Governor and  
287 General Assembly on or before October 1 of each year, which shall contain:

288 1. A statement of the nature and amount of the business transacted by each government store *and the*  
289 *wholesale business transacted by each warehouse operated by the Board* during the year;

290 2. A statement of the assets and liabilities of the Board, including a statement of income and  
291 expenses and such other financial statements and matters as may be necessary to show the result of the  
292 operations of the Board for the year;

293 3. A statement showing the taxes collected under this title during the year;

294 4. General information and remarks about the working of the alcoholic beverage control laws within  
295 the Commonwealth; and

296 5. Any other information requested by the Governor.

297 B. The Board shall maintain an accounting system in compliance with generally accepted accounting  
298 principles and approved in accordance with § 2.1-196.1.

299 C. The annual report shall be distributed in accordance with the provisions of § 2.1-467.

300 D. A regular postaudit shall be conducted of all accounts and transactions of the Board. An annual  
301 audit of a fiscal and compliance nature of the accounts and transactions of the Board shall be conducted  
302 by the Auditor of Public Accounts on or before October 1. The cost of the annual audit and postaudit  
303 examinations shall be borne by the Board. The Board may order such other audits as it deems necessary.

304 § 4.1-119.1. *Wholesale operations of warehouses operated by Board.*

305 A. *The Board shall fix the wholesale price at which the various classes, varieties and brands of*

306 *alcoholic beverages are to be sold and shall establish minimum lot orders for such alcoholic beverages.*  
 307 *B. All alcoholic beverages sold from warehouses operated by the Board shall be in closed*  
 308 *containers, sealed and affixed with labels prescribed by the Board.*

309 *C. No alcoholic beverages shall be consumed in a warehouse operated by the Board by any person.*

310 *D. With respect to purchases by licensees from warehouses operated by the Board, the Board shall*  
 311 *accept in payment for any purchase or series of purchases cash, electronic fund transfer, or check*  
 312 *payable to the Board, in the exact amount of any such purchase or series of purchases.*

313 § 4.1-121. Referendum on establishment of package stores.

314 A. The qualified voters of any county, city, or town having a population of 1,000 or more may file a  
 315 petition with the circuit court of the county or city, or of the county wherein the town or the greater  
 316 part thereof is situated, asking that a referendum be held on the question of whether the sale by the  
 317 Board of Alcoholic Beverages, ~~other than beer and wine not produced by farm wineries,~~ of alcoholic  
 318 beverages by package store licensees of the Alcoholic Beverage Control Board should be permitted  
 319 within that jurisdiction. The petition shall be signed by qualified voters equal in number to at least ten  
 320 percent of the number registered in the jurisdiction on January 1 preceding its filing or by at least 100  
 321 qualified voters, whichever is greater. Upon the filing of a petition, the court shall order the election  
 322 officials of the county, city, or town, on the date fixed in the order, to conduct a referendum on the  
 323 question. The clerk of the circuit court shall publish notice of the referendum in a newspaper of general  
 324 circulation in the county, city, or town once a week for three consecutive weeks prior to the referendum.

325 The question on the ballot shall be:

326 "Shall the sale by the Alcoholic Beverage Control Board of alcoholic beverages, ~~other than beer and~~  
 327 ~~wine not produced by farm wineries,~~ by package store licensees of the Alcoholic Beverage Control  
 328 Board be permitted in ..... (name of county, city, or town)?"

329 The referendum shall be ordered and held and the results certified as provided in § ~~24.1-165~~ Article  
 330 5 (§ 24.2-681 *et seq.*) of Chapter 6 of Title 24.2. Thereupon the court shall enter of record an order  
 331 certified by the clerk of the court to be transmitted to the Board and to the governing body of the  
 332 county, city, or town.

333 B. Once a referendum has been held, no other referendum ~~on the same question~~ under this section  
 334 shall be held in the county, city, or town within four years of the date of the prior referendum.  
 335 However, a town shall not be prescribed from holding a referendum within such period although an  
 336 election has been held in the county in which the town or a part thereof is located less than four years  
 337 prior thereto.

338 § 4.1-122. Effect of local option referenda.

339 A. If in any referendum held under the provisions of § 4.1-121 in any county, city, or town a  
 340 majority of the qualified voters vote "No" on the question, then on and after sixty days from the date on  
 341 which the order of the court, setting forth the results of such referendum was entered of record, none of  
 342 the alcoholic beverages package stores voted against shall be ~~sold~~ established in such county, city, or  
 343 town ~~except for delivery or shipment to persons outside of such county, city, or town authorized under~~  
 344 ~~this title to acquire the alcoholic beverages for resale.~~ This subsection shall not apply to common  
 345 carriers of passengers by train, boat or airplane selling wine and beer to bona fide passengers.

346 B. If in any such referendum held in any county, city, or town in which a majority of the qualified  
 347 voters have previously voted against permitting the sale of alcoholic beverages by package store  
 348 licensees of the Board and in a subsequent election a majority of the voters of the county, city, or town  
 349 vote "Yes" on the question stated in § 4.1-121, then such ~~alcoholic beverages package stores~~ permitted  
 350 to be ~~sold~~ established by such referendum may, in accordance with this title, be ~~sold~~ opened within the  
 351 county, city, or town on and after sixty days from the day on which the order of the court setting forth  
 352 the results of such election is entered of record.

353 C. If any referendum is held under the provisions of § 4.1-124 in any county, town or supervisor's  
 354 election district of a county and the majority of voters voting in such referendum voted "Yes," the sale  
 355 by the Board package stores licensees of alcoholic beverages, ~~other than beer and wine not produced by~~  
 356 ~~farm wineries,~~ shall be permitted in such county, town or supervisor's election district of a county.  
 357 Notwithstanding this section and any referendum held under § 4.1-121 to the contrary, persons licensed  
 358 to sell mixed beverages in such county, town or supervisor's election district of a county shall also be  
 359 permitted to sell wine and beer for on-premises consumption, provided the appropriate license fees are  
 360 paid for the privilege.

361 D. The provisions of this section shall not prevent in any county, city, or town, the sale and delivery  
 362 or shipment of alcoholic beverages specified in § 4.1-200 to and by persons therein authorized to sell  
 363 alcoholic beverages, nor prevent the delivery or shipment of alcoholic beverages under Board regulations  
 364 into any county, city, or town, except as otherwise prohibited by this title.

365 E. For the purpose of this section, when any referendum is held in any town, separate and apart from  
 366 the county in which such town or a part thereof is located, such town shall be treated as being separate  
 367 and apart from such county.

368 *F. In any county, city, or town in which the establishment of government stores has been approved*  
 369 *in a referendum held pursuant to § 4.1-121, no additional referendum approving the establishment of a*  
 370 *package store shall be required.*

371 *§ 4.1-204.1 Operation of package stores.*

372 *A. All spirits sold by package store licensees shall be purchased from the Board.*

373 *B. Package store licensees shall operate their stores in accordance with Board regulations. All*  
 374 *alcoholic beverages sold in such stores shall be in closed containers, sealed and having such labels as*  
 375 *prescribed by the Board. No alcoholic beverages shall be consumed in such stores by any person,*  
 376 *except in accordance with regulations promulgated by the Board.*

377 *C. No package store licensee or employee of such licensee shall sell or have in his possession any*  
 378 *spirits which have not been purchased from the Board.*

379 *§ 4.1-206. Alcoholic beverage licenses.*

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

381 1. Distillers' licenses, which shall authorize the licensee to manufacture alcoholic beverages other  
 382 than wine and beer, and to sell and deliver or ship the same, in accordance with Board regulations, in  
 383 closed containers, to the Board and to persons outside the Commonwealth for resale outside the  
 384 Commonwealth.

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

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

399 4. Bed and breakfast licenses, which shall authorize the licensee to serve alcoholic beverages in  
 400 dining areas, private guest rooms and other designated areas to persons to whom overnight lodging is  
 401 being provided, with or without meals, for on-premises consumption only in such rooms and areas, and  
 402 without regard to the amount of gross receipts from the sale of food prepared and consumed on the  
 403 premises.

404 5. *Package store licenses, which shall authorize the licensee to sell alcoholic beverages in closed*  
 405 *containers for off-premises consumption and to deliver or ship alcoholic beverages to purchasers in*  
 406 *accordance with Board regulations. Such licensees shall purchase alcoholic beverages in a manner*  
 407 *prescribed by Board regulations.*

408 *§ 4.1-221.1. Limitations on package store licenses; limitation on interests.*

409 *A. No package store licensee shall be engaged in any other business on the licensed premises. The*  
 410 *sale of lottery tickets, when authorized by the State Lottery Department and lawfully conducted in*  
 411 *accordance with the State Lottery law (§ 58.1-4000 et seq.) and State Lottery Board regulations, shall*  
 412 *not constitute engaging in another business within the meaning of this section.*

413 *B. The Board shall grant such license only if the majority of the voters of the county, city or town*  
 414 *voting therein voted "Yes" in the referendum authorized by § 4.1-121, and the applicant for such license*  
 415 *has obtained prior approval of the local governing body in which the licensed premises will be located.*  
 416 *The Board shall determine the manner by which the approval of the local governing body is obtained.*

417 *C. The number of package store licenses granted by the Board shall not exceed a total of one license*  
 418 *per 20,000 residents of the Commonwealth.*

419 *D. No person shall acquire or hold a financial interest, direct or indirect, in more than ten percent*  
 420 *of active package store licenses at any time. No person shall acquire or hold a financial interest, direct*  
 421 *or indirect, in more than twenty-five of the active package store licenses in a county, city, or town*  
 422 *having four or more licenses. No person shall acquire or hold a financial interest, direct or indirect, in*  
 423 *more than one active package store license in a county, city, or town having fewer than four licenses.*

424 *§ 4.1-231. Taxes on state licenses.*

425 A. The annual taxes on state licenses shall be as follows:

426 1. Alcoholic beverage licenses. - For each:

427 a. Distiller's license, if not more than 5,000 gallons of alcohol or spirits, or both, manufactured  
 428 during the year in which the license is granted, \$350; and if more than 5,000 gallons manufactured

- 429 during such year, \$2,860;
- 430 b. Fruit distiller's license, \$2,860;
- 431 c. Banquet facility license, \$145; and
- 432 d. Bed and breakfast establishment license, \$25- ; and
- 433 e. *Package store license:*
- 434 *(i) if the licensee's gross sales of distilled spirits for the year prior to the year in which the license is*
- 435 *granted are less than \$500,000, \$750;*
- 436 *(ii) if the licensee's gross sales of distilled spirits for the year prior to the year in which the license*
- 437 *is granted are \$500,000 or more, but less than \$1 million, \$1,750;*
- 438 *(iii) if the licensee's gross sales of distilled spirits for the year prior to the year in which the license*
- 439 *is granted are \$1 million or more, but less than \$2 million, \$3,250; and*
- 440 *(iv) if the licensee's gross sales of distilled spirits for the year prior to the year in which the license*
- 441 *is granted are \$2 million or more, \$5,250.*
- 442 *The annual tax for the first year of any package store license granted to replace a discontinued*
- 443 *government store shall be based on the gross sales for the last twelve-month period of operation of the*
- 444 *discontinued government store.*
- 445 2. Wine licenses. - For each:
- 446 a. Winery license, if not more than 5,000 gallons of wine manufactured during the year in which the
- 447 license is granted, \$350, and if more than 5,000 gallons manufactured during such year, \$2,860;
- 448 b. Wholesale wine license, \$715 for any wholesaler who sells 150,000 gallons of wine or less per
- 449 year, \$1,100 for any wholesaler who sells more than 150,000 but not more than 300,000 gallons of wine
- 450 per year, and \$1,430 for any wholesaler who sells more than 300,000 gallons of wine per year;
- 451 c. Wine importer's license, \$285;
- 452 d. Retail off-premises winery license, \$110; and
- 453 e. Farm winery license, \$145.
- 454 3. Beer licenses. - For each:
- 455 a. Brewery license, if not more than 10,000 barrels of beer manufactured during the year in which
- 456 the license is granted, \$1,650, and if more than 10,000 barrels manufactured during such year, \$3,300;
- 457 b. Bottler's license, \$1,100;
- 458 c. Wholesale beer license, \$715 for any wholesaler who sells 300,000 cases of beer a year or less,
- 459 and \$1,100 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of beer a
- 460 year, and \$1,430 for any wholesaler who sells more than 600,000 cases of beer a year;
- 461 d. Beer importer's license, \$285;
- 462 e. Retail on-premises beer license to a hotel, restaurant, club or other person, except a common
- 463 carrier of passengers by train or boat, \$110; for each such license to a common carrier of passengers by
- 464 train or boat, \$110 per annum for each of the average number of boats, dining cars, buffet cars or club
- 465 cars operated daily in the Commonwealth;
- 466 f. Retail off-premises beer license, \$90; and
- 467 g. Retail on-and-off premises beer license to a hotel, restaurant, club or grocery store located in a
- 468 town or in a rural area outside the corporate limits of any city or town, \$230.
- 469 4. Wine and beer licenses. - For each:
- 470 a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a
- 471 common carrier of passengers by train, boat or airplane, \$230; for each such license to a common
- 472 carrier of passengers by train or boat, \$230 per annum for each of the average number of boats, dining
- 473 cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to
- 474 a common carrier of passengers by airplane, \$575;
- 475 b. Retail on-premises wine and beer license to a hospital, \$110;
- 476 c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience
- 477 grocery store license, \$175;
- 478 d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$460; and
- 479 e. Banquet license, \$30 per license granted by the Board.
- 480 5. Mixed beverage licenses. - For each:
- 481 a. Mixed beverage restaurant licenses granted to persons operating restaurants, including restaurants
- 482 located on premises of and operated by hotels or motels, or other persons:
- 483 (i) With a seating capacity at tables of not more than 100 persons, \$430;
- 484 (ii) With a seating capacity at tables of more than 100 but not more than 150 persons, \$750; and
- 485 (iii) With a seating capacity at tables of more than 150 persons, \$1,100.
- 486 b. Mixed beverage restaurant licenses for restaurants located on the premises of and operated by
- 487 private, nonprofit clubs:
- 488 (i) With an average yearly membership of not more than 200 resident members, \$575;
- 489 (ii) With an average yearly membership of more than 200 but not more than 500 resident members,
- 490 \$1,430; and

- 491 (iii) With an average yearly membership of more than 500 resident members, \$2,125.  
 492 c. Mixed beverage caterer's licenses, \$1,430.  
 493 d. Mixed beverage special events licenses, \$35 for each day of each event.  
 494 e. Annual mixed beverage special events licenses, \$430.  
 495 f. Mixed beverage carrier licenses:  
 496 (i) \$145 for each of the average number of dining cars, buffet cars or club cars operated daily in the  
 497 Commonwealth by a common carrier of passengers by train;  
 498 (ii) \$430 for each common carrier of passengers by boat; and  
 499 (iii) \$1,135 for each license granted to a common carrier of passengers by airplane.  
 500 6. Temporary licenses. - For each temporary license authorized by § 4.1-211, one-half of the tax  
 501 imposed by this section on the license for which the applicant applied.  
 502 B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be  
 503 subject to proration to the following extent: If the license is granted in the second quarter of any year,  
 504 the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be  
 505 decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by  
 506 three-fourths.  
 507 If the license on which the tax is prorated is a distiller's license to manufacture not more than 5,000  
 508 gallons of alcohol or spirits, or both, during the year in which the license is granted, or a winery license  
 509 to manufacture not more than 5,000 gallons of wine during the year in which the license is granted, the  
 510 number of gallons permitted to be manufactured shall be prorated in the same manner.  
 511 Should the holder of a distiller's license or a winery license to manufacture not more than 5,000  
 512 gallons of alcohol or spirits, or both, or wine, apply during the license year for an unlimited distiller's or  
 513 winery license, such person shall pay for such unlimited license a license tax equal to the amount that  
 514 would have been charged had such license been applied for at the time that the license to manufacture  
 515 less than 5,000 gallons of alcohol or spirits, or wine, or both, as the case may be, was granted, and such  
 516 person shall be entitled to a refund of the amount of license tax previously paid on the limited license.  
 517 Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than  
 518 twelve months shall be equal to one-twelfth of the taxes required by subsection A computed to the  
 519 nearest cent, multiplied by the number of months in the license period.  
 520 C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state  
 521 restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter,  
 522 shall be liable to state merchants' license taxation and state restaurant license taxation and other state  
 523 taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer  
 524 wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license  
 525 tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining  
 526 the liability of a wholesale wine distributor to merchants' license taxation, and in computing the  
 527 wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases  
 528 shall be disregarded.  
 529 § 4.1-233. Taxes on local licenses.  
 530 A. In addition to the state license taxes, the annual local license taxes which may be collected shall  
 531 not exceed the following sums:  
 532 1. Alcoholic beverages. - For each:  
 533 a. Distiller's license, \$1,000; no local license shall be required for any person who manufactures not  
 534 more than 5,000 gallons of alcohol or spirits, or both, during such license year;  
 535 b. Fruit distiller's license, \$1,500; ~~and~~  
 536 c. Bed and breakfast establishment license, \$40- ; *and*  
 537 d. *Package store license:*  
 538 (i) *if the licensee's gross sales of distilled spirits for the year prior to the year in which the license is*  
 539 *granted are less than \$500,000, \$250;*  
 540 (ii) *if the licensee's gross sales of distilled spirits for the year prior to the year in which the license*  
 541 *is granted are \$500,000 or more, but less than \$1 million, \$500;*  
 542 (iii) *if the licensee's gross sales of distilled spirits for the year prior to the year in which the license*  
 543 *is granted are \$1 million or more, but less than \$2 million, \$1,000; and*  
 544 (iv) *if the licensee's gross sales of distilled spirits for the year prior to the year in which the license*  
 545 *is granted are \$2 million or more, \$1,750.*  
 546 2. Beer. - For each:  
 547 a. Brewery license, \$1,000;  
 548 b. Bottler's license, \$500;  
 549 c. Wholesale beer license, in a city, \$250, and in a county or town, \$75; and  
 550 d. Retail on-premises beer license for a hotel, restaurant or club and for each retail off-premises beer  
 551 license in a city, \$100, and in a county or town, \$25.

- 552 3. Wine. - For each:
- 553 a. Winery license, \$1,000; and
- 554 b. Wholesale wine license, \$50.
- 555 4. Wine and beer. - For each:
- 556 a. Retail on-premises wine and beer license for a hotel, restaurant or club; and for each retail
- 557 off-premises wine and beer license, including each gift shop, gourmet shop and convenience grocery
- 558 store license, in a city, \$150, and in a county or town, \$37.50;
- 559 b. Hospital license, \$10; and
- 560 c. Banquet license, \$5 for each license granted.
- 561 5. Mixed beverages. - For each:
- 562 a. Mixed beverage restaurant license, including restaurants located on the premises of and operated
- 563 by hotels or motels, or other persons:
- 564 (i) With a seating capacity at tables of not more than 100 persons, \$200;
- 565 (ii) With a seating capacity at tables of more than 100 but not more than 150 persons, \$350; and
- 566 (iii) With a seating capacity at tables for more than 150 persons, \$500.
- 567 b. Private, nonprofit club operating a restaurant located on the premises of such club, \$350;
- 568 c. Mixed beverage caterer's license, \$500; and
- 569 d. Mixed beverage special events licenses, \$10 for each day of each event.
- 570 B. Common carriers. - No local license tax shall be either charged or collected for the privilege of
- 571 selling alcoholic beverages in (i) passenger trains, boats or airplanes and (ii) rooms designated by the
- 572 Board of establishments of air carriers of passengers at airports in the Commonwealth for on-premises
- 573 consumption only.
- 574 C. Merchants' and restaurants' license taxes. - The governing body of each county, city or town in
- 575 the Commonwealth, in imposing local wholesale merchants' license taxes measured by purchases, local
- 576 retail merchants' license taxes measured by sales, and local restaurant license taxes measured by sales,
- 577 may include alcoholic beverages in the base for measuring such local license taxes the same as if the
- 578 alcoholic beverages were nonalcoholic. No local alcoholic beverage license authorized by this chapter
- 579 shall exempt any licensee from any local merchants' or local restaurant license tax, but such local
- 580 merchants' and local restaurant license taxes may be in addition to the local alcoholic beverage license
- 581 taxes authorized by this chapter.
- 582 The governing body of any county, city or town, in adopting an ordinance under this section, shall
- 583 provide that in ascertaining the liability of (i) a beer wholesaler to local merchants' license taxation
- 584 under the ordinance, and in computing the local wholesale merchants' license tax on such beer
- 585 wholesaler, purchases of beer up to a stated amount shall be disregarded, which stated amount shall be
- 586 the amount of beer purchases which would be necessary to produce a local wholesale merchants' license
- 587 tax equal to the local wholesale beer license tax paid by such wholesaler and (ii) a wholesale wine
- 588 licensee to local merchants' license taxation under the ordinance, and in computing the local wholesale
- 589 merchants' license tax on such wholesale wine licensee, purchases of wine up to a stated amount shall
- 590 be disregarded, which stated amount shall be the amount of wine purchases which would be necessary
- 591 to produce a local wholesale merchants' license tax equal to the local wholesale wine licensee license tax
- 592 paid by such wholesale wine licensee.
- 593 D. Delivery. - No county, city or town shall impose any local alcoholic beverages license tax on any
- 594 wholesaler for the privilege of delivering alcoholic beverages in the county, city or town when such
- 595 wholesaler maintains no place of business in such county, city or town.
- 596 E. Application of county tax within town. - Any county license tax imposed under this section shall
- 597 not apply within the limits of any town located in such county, where such town now, or hereafter,
- 598 imposes a town license tax on the same privilege.
- 599 § 4.1-234. Tax on wine and other alcoholic beverages; exceptions.
- 600 A. In addition to the taxes imposed pursuant to Chapter 6 (§ 58.1-600 et seq.) of Title 58.1, a tax of
- 601 forty cents is levied on each liter of wine sold in the Commonwealth. Additionally, on vermouth and on
- 602 farm winery wines sold to consumers by the Board, the state tax shall be four percent of the *sales* price
- 603 charged. *On vermouth and on farm winery wines sold to package store licensees by the Board, the*
- 604 *state tax shall be six percent of the price charged the package store licensee.*
- 605 B. There is levied on other alcoholic beverages sold to consumers by the Board a tax of twenty
- 606 percent of the *sales* price charged. ~~This subsection shall also apply to all alcoholic beverages purchased~~
- 607 ~~from the Board by any mixed beverage licensee.~~ *There is levied on other alcoholic beverages sold by*
- 608 *the Board to package store or mixed beverage licensees, a tax of twenty-three percent of the sales price*
- 609 *charged such licensees.*
- 610 C. The provisions of this section shall not apply to (i) beer, (ii) wine coolers, (iii) sales of wine by
- 611 manufacturers to wholesale wine licensees for resale to retail licensees, (iv) sales, other than by or
- 612 through government stores, of alcoholic beverages for manufacturing and industrial purposes, or either,
- 613 (v) sales, other than by or through government or package stores, of alcohol for hospital and laboratory

614 purposes, or either, (vi) alcoholic beverages shipped from the Commonwealth to points outside the  
615 Commonwealth for resale outside the Commonwealth and (vii) sales to any instrumentality of the federal  
616 government.

617 § 4.1-235. Collection; computation, distribution of tax on wine and other alcoholic beverages; refunds  
618 and adjustments.

619 A. The Board shall collect the state taxes levied pursuant to § 4.1-234 as follows:

620 1. Collection shall be from the purchaser at the time of or prior to sale, except as to sales made to  
621 wholesale wine licensees. Wholesale wine licensees shall collect the taxes at the time of or prior to sale  
622 to retail licensees, and shall remit such taxes monthly to the Board, along with such reports as may be  
623 required by the Board, at the time and in the manner prescribed by the Board.

624 2. In establishing the prices for items sold by it to ~~persons other than wholesale licensees~~, the Board  
625 shall include a reasonable markup. The liter tax, ~~or twenty percent tax, or twenty-three percent tax~~, as  
626 appropriate, shall then be added to the *sales* price of each container of alcoholic beverages. The four  
627 percent tax ~~or six percent tax~~ on vermouth and farm winery wines shall then be added ~~to the sales price~~  
628 for those products. In all cases the final price for each container may be established so as to be a  
629 multiple of five.

630 ~~In accounting for the state tax on sales the Board shall divide the net sales for the quarter by 1.20  
631 and multiply the result by twenty percent. As to the sale of vermouth and farm winery wine, the Board  
632 shall divide the net sales for the quarter by 1.04 and multiply the result by four percent.~~

633 B. The amount of tax collected *by the Board* under this section during each quarter shall, within fifty  
634 days after the close of such quarter, be certified to the Comptroller by the Board and shall be transferred  
635 by him from the special fund described in § 4.1-116 to the general fund of the state treasury. The Board  
636 shall, not later than June 20 of every year, estimate the yield of the state tax on sales imposed by  
637 § 4.1-234 for the quarter ending June 30 and certify the amount of such estimate to the Comptroller,  
638 whereupon the Comptroller shall, before the end of the month, transfer the amount of such estimate  
639 from the special fund described in § 4.1-116 to the general fund of the state treasury, subject to such  
640 adjustment on account of an overestimate or underestimate as may be indicated within fifty days after  
641 the close of the quarter ending on June 30.

642 Forty-four percent of the amount derived from the liter tax levied pursuant to § 4.1-234 shall be  
643 transferred to the general fund and paid to the several counties, cities, and towns of the Commonwealth  
644 in proportion to their respective populations, and is appropriated for such purpose.

645 The counties, cities, and towns shall in no event receive from the taxes derived from the sale of  
646 wines less revenue than was received by such counties, cities, and towns for the year ending June 30,  
647 1976.

648 Twelve percent of the amount derived from the liter tax levied shall be retained by the Board as  
649 operating revenue and distributed as provided in § 4.1-117.

650 C. As used in this section, the term "net sales" means gross sales less refunds to customers.

651 D. The Board may make a refund or adjustment of any tax paid to it under this section when (i) the  
652 wine upon which such tax has been paid has been condemned and is not permitted to be sold in the  
653 Commonwealth, or (ii) wine is returned by a retail licensee to a wholesale wine licensee for refund in  
654 accordance with Board regulations or approval. Any claim for such refund or adjustment shall be made  
655 to the Board in the report filed with the Board by the wholesale wine licensee for the period in which  
656 such return and refund occurs.

657 § 4.1-303. Purchase of alcoholic beverages from person not authorized to sell; penalty.

658 If any person buys alcoholic beverages from any person other than the Board, a government store, *a*  
659 *licensed package store*, or a person authorized under this title to sell alcoholic beverages, he shall be  
660 guilty of a Class 1 misdemeanor.

661 § 4.1-330. Solicitation by persons interested in manufacture, etc., of alcoholic beverages; penalty.

662 A. No person having any interest, direct or indirect, in the manufacture, distribution, or sale of spirits  
663 or other alcoholic beverages shall, without a permit granted by the Board and upon such conditions as  
664 the Board may prescribe, solicit either directly or indirectly (i) a mixed beverage licensee *or package*  
665 *store licensee*; (ii) any agent, servant, or employee of such licensee; or (iii) any person connected with  
666 ~~the~~ *such* licensee in any capacity whatsoever in his licensed business, to sell or offer for sale the  
667 particular spirits or other alcoholic beverage in which such person may be so interested.

668 The Board, upon proof of any solicitation in violation of this subsection, may suspend or terminate  
669 the sale through government stores *or package stores* or its purchase of the brand of spirits or other  
670 alcoholic beverage which was the subject matter of the unlawful solicitation or promotion. In addition,  
671 the Board may suspend or terminate the sale through such stores or its purchase of all brands of spirits  
672 or other alcoholic beverages manufactured or distributed by either the employer or principal of such  
673 solicitor, the broker, or by the owner of the brand of spirits unlawfully solicited or promoted. The Board  
674 may impose a civil penalty not to exceed \$250,000 in lieu of such suspension or termination of sales

675 through ~~government~~ *such* stores or purchases by the Board or portion thereof, or both.

676 Any person convicted of a violation of this subsection shall be guilty of a Class 4 ~~misdemeanor~~ 6  
677 *felony*.

678 B. No mixed beverage licensee *or package store licensee* or any agent, servant, or employee of such  
679 licensee, or any person connected with the licensee in any capacity whatsoever in his licensed business  
680 shall, either directly or indirectly, be a party to, consent to, solicit, or aid or abet another in a violation  
681 of subsection A.

682 The Board may suspend or revoke the license granted to such licensee, or may impose a civil penalty  
683 not to exceed \$25,000 in lieu of such suspension or any portion thereof, or both.

684 Any person convicted of a violation of this subsection shall be guilty of a Class 4 ~~misdemeanor~~ 6  
685 *felony*.

686 **3. That the provisions of this act may result in a net increase in periods of imprisonment in state**  
687 **correctional facilities. Pursuant to § 30-19.1:4, the estimated amount of the necessary appropriation**  
688 **is \$ 250,000.00.**