

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 4.1-215 of the Code of Virginia, relating to alcoholic beverage control;*
3 *limitation on manufacturers.*

4 [H 2083]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 4.1-215 of the Code of Virginia is amended and reenacted as follows:**

8 § 4.1-215. Limitation on manufacturers, bottlers and wholesalers; exemptions.

9 A. Unless exempted pursuant to subsection C, no retail license ~~or banquet license~~ for the sale of
10 alcoholic beverages shall be granted to any (i) manufacturer, bottler or wholesaler of alcoholic
11 beverages, whether licensed in the Commonwealth or not; (ii) officer or director of any such
12 manufacturer, bottler or wholesaler; (iii) partnership, ~~association~~ or corporation, where any partner,
13 ~~member~~ or stockholder is an officer or director of any such manufacturer, bottler or wholesaler; (iv)
14 corporation which is a subsidiary of a corporation which owns or has interest in another subsidiary
15 corporation which is a manufacturer, bottler or wholesaler of alcoholic beverages; or (v) manufacturer,
16 bottler or wholesaler of alcoholic beverages who has a financial interest in a corporation which has a
17 retail license as a result of a holding company, which owns or has an interest in such manufacturer,
18 bottler or wholesaler of alcoholic beverages. Nor shall such licenses be granted in any instances where
19 such manufacturer, bottler or wholesaler and such retailer are under common control, by stock
20 ownership or otherwise.

21 *Notwithstanding any other provision of this title, a manufacturer of malt beverages may obtain a*
22 *banquet license for a special event as provided in § 4.1-209 upon application to the Board provided that*
23 *such event is (i) at a place approved by the Board and (ii) conducted for the purposes of featuring and*
24 *educating the consuming public about malt beverage products. Such manufacturer shall be limited to no*
25 *more than four banquet licenses for such special events per year.*

26 B. This section shall not apply to:

27 1. Corporations operating dining cars, buffet cars, club cars or boats;

28 2. Brewery or winery licensees engaging in conduct authorized by subdivision A 5 of § 4.1-201; or

29 3. Manufacturers, bottlers or wholesalers of alcoholic beverages who do not (i) sell or otherwise
30 furnish, directly or indirectly, alcoholic beverages or other merchandise to persons holding a retail
31 license or banquet license as described in subsection A and (ii) require, by agreement or otherwise, such
32 person to exclude from sale at his establishment alcoholic beverages of other manufacturers, bottlers or
33 wholesalers.

34 C. The General Assembly finds that it is necessary and proper to require a separation between
35 manufacturing interests, wholesale interests and retail interests in the production and distribution of
36 alcoholic beverages in order to prevent suppliers from dominating local markets through vertical
37 integration and to prevent excessive sales of alcoholic beverages caused by overly aggressive marketing
38 techniques. The exceptions established by this section to the general prohibition against tied interests
39 shall be limited to their express terms so as not to undermine the general prohibition and shall therefore
40 be construed accordingly.