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HOUSE BILL NO. 2175

Offered January 10, 2001

Prefiled January 10, 2001

A BILL to amend and reenact §§ 4.1-126, 4.1-210, 4.1-231, and 4.1-233 of the Code of Virginia, relating to ABC licenses for certain properties; special licenses.

Patrons—Bennett, Armstrong, Bryant, Clement and Day; Senators: Hawkins, Lucas and Reynolds

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 4.1-126, 4.1-210, 4.1-231 and 4.1-233 of the Code of Virginia are amended and reenacted as follows:

§ 4.1-126. Licenses for establishments in national forests, certain adjoining lands, on the Blue Ridge Parkway, and certain other properties.

A. Notwithstanding the provisions of § 4.1-124, mixed beverage licenses may be granted to establishments located (i) on property owned by the federal government in Jefferson National Forest, George Washington National Forest or the Blue Ridge Parkway, (ii) at altitudes of 3,800 feet or more above sea level on property adjoining the Jefferson National Forest, (iii) at an altitude of 2,800 feet or more above sea level on property adjoining the Blue Ridge Parkway at Mile Marker No. 189, (iv) on property within one-quarter mile of Mile Marker No. 174 on the Blue Ridge Parkway, (v) on property developed by a nonprofit economic development company or an existing industrial development authority, ~~and~~ (vi) on old Jonesboro Road between Routes 823 and 654, located approximately 5,500 feet from a city having a population between 17,500 and 18,500, *and (vii) on property developed as a motor sports road racing club, of which the track surface is 3.27 miles in length, on 1,200 acres of rural property bordering the Dan River in a county having a population between 36,000 and 39,000, according to the 1990 United States Census, with such license applying to any area of the property deemed appropriate by the Board.*

B. In granting any license under ~~subdivisions~~ clauses (iii) and (iv) of subsection A, the Board shall consider whether the (i) voters of the jurisdiction in which the establishment is located have voted by referendum under the provisions of § 4.1-124 to prohibit the sale of mixed beverages and (ii) granting of a license will give that establishment an unfair business advantage over other establishments in the same jurisdiction. If an unfair business advantage will result, then no license shall be granted.

§ 4.1-210. Mixed beverages licenses.

A. Subject to the provisions of § 4.1-124, the Board may grant the following licenses relating to mixed beverages:

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 on the premises 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 forty-five percent of the gross receipts from the sale of mixed beverages and food.

If the restaurant is located on the premises of a hotel or motel with not less 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 (i) sell and serve mixed beverages for consumption in such designated areas, bedrooms and other private rooms and (ii) 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 sell and serve mixed beverages 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

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58 not prohibit the granting of a license by the Board to such club qualifying in all other respects. The
59 club's gross receipts from the sale of nonalcoholic beverages consumed on the premises and food resold
60 to its members and guests and consumed on the premises shall amount to at least forty-five percent of
61 its gross receipts from the sale of mixed beverages and food. The food sales made by a restaurant to
62 such a club shall be excluded in any consideration of the qualifications of such restaurant for a license
63 from the Board.

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

70 3. Mixed beverage special events licenses, to a duly organized nonprofit corporation or association in
71 charge of a special event, which shall authorize the licensee to sell and serve mixed beverages for
72 on-premises consumption in areas approved by the Board on the premises of the place designated in the
73 license. A separate license shall be required for each day of each special event.

74 4. Annual mixed beverage special events licenses to (i) a duly organized nonprofit corporation or
75 association operating a performing arts facility or (ii) a nonprofit corporation or association chartered by
76 Congress for the preservation of sites, buildings and objects significant in American history and culture.
77 The operation in either case shall be upon premises owned by such licensee or occupied under a bona
78 fide lease the original term of which was for more than one year's duration. Such license shall authorize
79 the sale, on the dates of performances or events in furtherance of the purposes of the nonprofit
80 corporation or association, of alcoholic beverages, for on-premises consumption in areas upon the
81 licensed premises approved by the Board.

82 5. Mixed beverage carrier licenses to persons operating a common carrier of passengers by train, boat
83 or airplane, which shall authorize the licensee to sell and serve mixed beverages anywhere in the
84 Commonwealth to passengers while in transit aboard any such common carrier, and in designated rooms
85 of establishments of air carriers at airports in the Commonwealth.

86 6. Mixed beverage club events licenses, which shall authorize a club holding a beer or wine and beer
87 club license to sell and serve mixed beverages for on-premises consumption by club members and their
88 guests in areas approved by the Board on the club premises. A separate license shall be required for
89 each day of each club event. No more than twelve such licenses shall be granted to a club in any
90 calendar year.

91 7. Annual mixed beverage amphitheater licenses to persons operating food concessions at any
92 outdoor performing arts amphitheater, arena or similar facility that has seating for more than 20,000
93 persons and is located in any county with a population between 210,000 and 216,000 or in any city with
94 a population between 392,000 and 394,000. Such license shall authorize the licensee to sell alcoholic
95 beverages during the performance of any event, in paper, plastic or similar disposable containers to
96 patrons within all seating areas, concourses, walkways, concession areas, or similar facilities, for
97 on-premises consumption.

98 8. (For expiration date - See note) Annual mixed beverage amphitheater licenses to persons operating
99 food concessions at any outdoor performing arts amphitheater, arena or similar facility that has seating
100 for more than 5,000 persons and is located in any city with a population between 103,900 and 104,500.
101 Such license shall authorize the licensee to sell alcoholic beverages during the performance of any event,
102 in paper, plastic or similar disposable containers to patrons within all seating areas, concourses,
103 walkways, concession areas, or similar facilities, for on-premises consumption.

104 9. *Annual mixed beverage motor sports facility license to persons operating food concessions at any*
105 *outdoor motor sports road racing club facility, of which the track surface is 3.27 miles in length, on*
106 *1,200 acres of rural property bordering the Dan River, which shall authorize the licensee to sell mixed*
107 *beverages, in paper, plastic, or similar disposable containers during scheduled events, as well as events*
108 *or performances immediately subsequent thereto, to patrons in all dining facilities, seating areas,*
109 *viewing areas, walkways, concession areas or similar facilities, for on-premises consumption. Upon*
110 *authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic*
111 *beverages on the premises in all areas and locations covered by the license.*

112 B. The granting of any license under subdivision 1, 5, 6, 7, ~~or~~ 8, or 9 shall automatically include a
113 license to sell and serve wine and beer for on-premises consumption. The licensee shall pay the state
114 and local taxes required by §§ 4.1-231 and 4.1-233.

115 § 4.1-231. Taxes on state licenses.

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

117 1. Alcoholic beverage licenses. For each:

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

- 120 during such year, \$2,860;
- 121 b. Fruit distiller's license, \$2,860;
- 122 c. Banquet facility license or museum license, \$145;
- 123 d. Bed and breakfast establishment license, \$25;
- 124 e. Tasting license, \$30 per license granted; and
- 125 f. Equine sporting event license, \$100.
- 126 2. Wine licenses. For each:
- 127 a. Winery license, if not more than 5,000 gallons of wine manufactured during the year in which the
- 128 license is granted, \$350, and if more than 5,000 gallons manufactured during such year, \$2,860;
- 129 b. Wholesale wine license, \$715 for any wholesaler who sells 150,000 gallons of wine or less per
- 130 year, \$1,100 for any wholesaler who sells more than 150,000 but not more than 300,000 gallons of wine
- 131 per year, and \$1,430 for any wholesaler who sells more than 300,000 gallons of wine per year;
- 132 c. Wine importer's license, \$285;
- 133 d. Retail off-premises winery license, \$110; and
- 134 e. Farm winery license, \$145 for any Class A license and \$2,860 for any Class B license.
- 135 3. Beer licenses. For each:
- 136 a. Brewery license, if not more than 10,000 barrels of beer manufactured during the year in which
- 137 the license is granted, \$1,650, and if more than 10,000 barrels manufactured during such year, \$3,300;
- 138 b. Bottler's license, \$1,100;
- 139 c. Wholesale beer license, \$715 for any wholesaler who sells 300,000 cases of beer a year or less,
- 140 and \$1,100 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of beer a
- 141 year, and \$1,430 for any wholesaler who sells more than 600,000 cases of beer a year;
- 142 d. Beer importer's license, \$285;
- 143 e. Retail on-premises beer license to a hotel, restaurant, club or other person, except a common
- 144 carrier of passengers by train or boat, \$110; for each such license to a common carrier of passengers by
- 145 train or boat, \$110 per annum for each of the average number of boats, dining cars, buffet cars or club
- 146 cars operated daily in the Commonwealth;
- 147 f. Retail off-premises beer license, \$90; and
- 148 g. Retail on-and-off premises beer license to a hotel, restaurant, club or grocery store located in a
- 149 town or in a rural area outside the corporate limits of any city or town, \$230.
- 150 4. Wine and beer licenses. For each:
- 151 a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a
- 152 common carrier of passengers by train, boat or airplane, \$230; for each such license to a common
- 153 carrier of passengers by train or boat, \$230 per annum for each of the average number of boats, dining
- 154 cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to
- 155 a common carrier of passengers by airplane, \$575;
- 156 b. Retail on-premises wine and beer license to a hospital, \$110;
- 157 c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience
- 158 grocery store license, \$175;
- 159 d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$460;
- 160 e. Banquet license, \$30 per license granted by the Board; and
- 161 f. Gourmet brewing shop license, \$175.
- 162 5. Mixed beverage licenses. For each:
- 163 a. Mixed beverage restaurant license granted to persons operating restaurants, including restaurants
- 164 located on premises of and operated by hotels or motels, or other persons:
- 165 (i) With a seating capacity at tables for up to 100 persons, \$430;
- 166 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$750; and
- 167 (iii) With a seating capacity at tables for more than 150 persons, \$1,100.
- 168 b. Mixed beverage restaurant license for restaurants located on the premises of and operated by
- 169 private, nonprofit clubs:
- 170 (i) With an average yearly membership of not more than 200 resident members, \$575;
- 171 (ii) With an average yearly membership of more than 200 but not more than 500 resident members,
- 172 \$1,430; and
- 173 (iii) With an average yearly membership of more than 500 resident members, \$2,125.
- 174 c. Mixed beverage caterer's license, \$1,430.
- 175 d. Mixed beverage special events license, \$35 for each day of each event.
- 176 e. Mixed beverage club events licenses, \$25 for each day of each event.
- 177 f. Annual mixed beverage special events license, \$430.
- 178 g. Mixed beverage carrier license:
- 179 (i) \$145 for each of the average number of dining cars, buffet cars or club cars operated daily in the
- 180 Commonwealth by a common carrier of passengers by train;

- (ii) \$430 for each common carrier of passengers by boat;
(iii) \$1,135 for each license granted to a common carrier of passengers by airplane; and
h. Annual mixed beverage amphitheater license, \$430; and
i. Annual mixed beverage motor sports race track license, \$430.

6. Temporary licenses. For each temporary license authorized by § 4.1-211, one-half of the tax imposed by this section on the license for which the applicant applied.

B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be subject to proration to the following extent: If the license is granted in the second quarter of any year, the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by three-fourths.

If the license on which the tax is prorated is a distiller's license to manufacture not more than 5,000 gallons of alcohol or spirits, or both, during the year in which the license is granted, or a winery license to manufacture not more than 5,000 gallons of wine during the year in which the license is granted, the number of gallons permitted to be manufactured shall be prorated in the same manner.

Should the holder of a distiller's license or a winery license to manufacture not more than 5,000 gallons of alcohol or spirits, or both, or wine, apply during the license year for an unlimited distiller's or winery license, such person shall pay for such unlimited license a license tax equal to the amount that would have been charged had such license been applied for at the time that the license to manufacture less than 5,000 gallons of alcohol or spirits or wine, as the case may be, was granted, and such person shall be entitled to a refund of the amount of license tax previously paid on the limited license.

Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than twelve months shall be equal to one-twelfth of the taxes required by subsection A computed to the nearest cent, multiplied by the number of months in the license period.

C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter, shall be liable to state merchants' license taxation and state restaurant license taxation and other state taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining the liability of a wholesale wine distributor to merchants' license taxation, and in computing the wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases shall be disregarded.

§ 4.1-233. Taxes on local licenses.

A. In addition to the state license taxes, the annual local license taxes which may be collected shall not exceed the following sums:

1. Alcoholic beverages. - For each:

a. Distiller's license, \$1,000; no local license shall be required for any person who manufactures not more than 5,000 gallons of alcohol or spirits, or both, during such license year;

b. Fruit distiller's license, \$1,500;

c. Bed and breakfast establishment license, \$40;

d. Museum license, \$10;

e. Tasting license, \$5 per license granted; and

f. Equine sporting event license, \$10.

2. Beer. - For each:

a. Brewery license, \$1,000;

b. Bottler's license, \$500;

c. Wholesale beer license, in a city, \$250, and in a county or town, \$75; and

d. Retail on-premises beer license for a hotel, restaurant or club and for each retail off-premises beer license in a city, \$100, and in a county or town, \$25.

3. Wine. - For each:

a. Winery license, \$1,000; and

b. Wholesale wine license, \$50.

4. Wine and beer. - For each:

a. Retail on-premises wine and beer license for a hotel, restaurant or club; and for each retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience grocery store license, in a city, \$150, and in a county or town, \$37.50;

b. Hospital license, \$10;

c. Banquet license, \$5 for each license granted; and

d. Gourmet brewing shop license, \$150.

5. Mixed beverages. - For each:

a. Mixed beverage restaurant license, including restaurants located on the premises of and operated

by hotels or motels, or other persons:

- (i) With a seating capacity at tables for up to 100 persons, \$200;
- (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$350; and
- (iii) With a seating capacity at tables for more than 150 persons, \$500.
- b. Private, nonprofit club operating a restaurant located on the premises of such club, \$350;
- c. Mixed beverage caterer's license, \$500;
- d. Mixed beverage special events licenses, \$10 for each day of each event;
- e. Mixed beverage club events licenses, \$10 for each day of each event; ~~and~~
- f. Annual mixed beverage amphitheater license, \$300; *and*
- g. *Annual mixed beverage motor sports race track license, \$300 .*

B. Common carriers. - No local license tax shall be either charged or collected for the privilege of selling alcoholic beverages in (i) passenger trains, boats or airplanes and (ii) rooms designated by the Board of establishments of air carriers of passengers at airports in the Commonwealth for on-premises consumption only.

C. Merchants' and restaurants' license taxes. - The governing body of each county, city or town in the Commonwealth, in imposing local wholesale merchants' license taxes measured by purchases, local retail merchants' license taxes measured by sales, and local restaurant license taxes measured by sales, may include alcoholic beverages in the base for measuring such local license taxes the same as if the alcoholic beverages were nonalcoholic. No local alcoholic beverage license authorized by this chapter shall exempt any licensee from any local merchants' or local restaurant license tax, but such local merchants' and local restaurant license taxes may be in addition to the local alcoholic beverage license taxes authorized by this chapter.

The governing body of any county, city or town, in adopting an ordinance under this section, shall provide that in ascertaining the liability of (i) a beer wholesaler to local merchants' license taxation under the ordinance, and in computing the local wholesale merchants' license tax on such beer wholesaler, purchases of beer up to a stated amount shall be disregarded, which stated amount shall be the amount of beer purchases which would be necessary to produce a local wholesale merchants' license tax equal to the local wholesale beer license tax paid by such wholesaler and (ii) a wholesale wine licensee to local merchants' license taxation under the ordinance, and in computing the local wholesale merchants' license tax on such wholesale wine licensee, purchases of wine up to a stated amount shall be disregarded, which stated amount shall be the amount of wine purchases which would be necessary to produce a local wholesale merchants' license tax equal to the local wholesale wine licensee license tax paid by such wholesale wine licensee.

D. Delivery. - No county, city or town shall impose any local alcoholic beverages license tax on any wholesaler for the privilege of delivering alcoholic beverages in the county, city or town when such wholesaler maintains no place of business in such county, city or town.

E. Application of county tax within town. - Any county license tax imposed under this section shall not apply within the limits of any town located in such county, where such town now, or hereafter, imposes a town license tax on the same privilege.