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HOUSE BILL NO. 1980

Offered January 10, 2007

Prefiled January 5, 2007

A BILL to amend and reenact §§ 4.1-210, 4.1-231, and 4.1-233 of the Code of Virginia, relating to alcoholic beverage control; mixed beverage limited caterer's license.

Patron—Lohr

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

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

§ 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 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 paragraph, other designated areas shall include outdoor dining areas, whether or not contiguous to the licensed premises, provided such areas are under the control of the licensee and approved by the Board.

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 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.

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

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

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

63 4.5. Annual mixed beverage special events licenses to (i) a duly organized nonprofit corporation or
64 association operating a performing arts facility or (ii) a nonprofit corporation or association chartered by
65 Congress for the preservation of sites, buildings and objects significant in American history and culture.
66 The operation in either case shall be upon premises owned by such licensee or occupied under a bona
67 fide lease the original term of which was for more than one year's duration. Such license shall authorize
68 the sale, on the dates of performances or events in furtherance of the purposes of the nonprofit
69 corporation or association, of alcoholic beverages, for on-premises consumption in areas upon the
70 licensed premises approved by the Board.

71 5.6. Mixed beverage carrier licenses to persons operating a common carrier of passengers by train,
72 boat or airplane, which shall authorize the licensee to sell and serve mixed beverages anywhere in the
73 Commonwealth to passengers while in transit aboard any such common carrier, and in designated rooms
74 of establishments of air carriers at airports in the Commonwealth.

75 6.7. Mixed beverage club events licenses, which shall authorize a club holding a beer or wine and
76 beer club license to sell and serve mixed beverages for on-premises consumption by club members and
77 their guests in areas approved by the Board on the club premises. A separate license shall be required
78 for each day of each club event. No more than 12 such licenses shall be granted to a club in any
79 calendar year.

80 7.8. Annual mixed beverage amphitheater licenses to persons operating food concessions at any
81 outdoor performing arts amphitheater, arena or similar facility that has seating for more than 20,000
82 persons and is located in any county with a population between 210,000 and 216,000 or in any city with
83 a population between 392,000 and 394,000. Such license shall authorize the licensee to sell alcoholic
84 beverages during the performance of any event, in paper, plastic or similar disposable containers to
85 patrons within all seating areas, concourses, walkways, concession areas, or similar facilities, for
86 on-premises consumption.

87 8.9. Annual mixed beverage amphitheater licenses to persons operating food concessions at any
88 outdoor performing arts amphitheater, arena or similar facility that has seating for more than 5,000
89 persons and is located in any city with a population between 103,900 and 104,500. Such license shall
90 authorize the licensee to sell alcoholic beverages during the performance of any event, in paper, plastic
91 or similar disposable containers to patrons within all seating areas, concourses, walkways, concession
92 areas, or similar facilities, for on-premises consumption.

93 9.10. Annual mixed beverage motor sports facility license to persons operating food concessions at
94 any outdoor motor sports road racing club facility, of which the track surface is 3.27 miles in length, on
95 1,200 acres of rural property bordering the Dan River, which shall authorize the licensee to sell mixed
96 beverages, in paper, plastic, or similar disposable containers during scheduled events, as well as events
97 or performances immediately subsequent thereto, to patrons in all dining facilities, seating areas, viewing
98 areas, walkways, concession areas or similar facilities, for on-premises consumption. Upon authorization
99 of the licensee, any person may keep and consume his own lawfully acquired alcoholic beverages on the
100 premises in all areas and locations covered by the license.

101 10.11. Annual mixed beverage banquet licenses to duly organized private nonprofit fraternal, patriotic
102 or charitable membership organizations that are exempt from state and federal taxation and in charge of
103 banquets conducted exclusively for its members and their guests, which shall authorize the licensee to
104 serve mixed beverages for on-premises consumption in areas approved by the Board on the premises of
105 the place designated in the license. Such license shall authorize the licensee to conduct no more than 12
106 banquets per calendar year.

107 B. The granting of any license under subdivision 1, ~~5~~, 6, 7, 8, 9, ~~or~~ 10, *or 11* shall automatically
108 include a license to sell and serve wine and beer for on-premises consumption. The licensee shall pay
109 the state and local taxes required by §§ 4.1-231 and 4.1-233.

110 § 4.1-231. Taxes on state licenses.

111 A. The annual fees on state licenses shall be as follows:

112 1. Alcoholic beverage licenses. For each:

113 a. Distiller's license, if not more than 5,000 gallons of alcohol or spirits, or both, manufactured
114 during the year in which the license is granted, \$450; and if more than 5,000 gallons manufactured
115 during such year, \$3,725;

116 b. Fruit distiller's license, \$3,725;

117 c. Banquet facility license or museum license, \$190;

118 d. Bed and breakfast establishment license, \$35;

119 e. Tasting license, \$40 per license granted;

120 f. Equine sporting event license, \$130; and

- 121 g. Motor car sporting event facility license, \$130.
- 122 2. Wine licenses. For each:
- 123 a. Winery license, if not more than 5,000 gallons of wine manufactured during the year in which the
- 124 license is granted, \$189, and if more than 5,000 gallons manufactured during such year, \$3,725;
- 125 b. Wholesale wine license, \$185 for any wholesaler who sells 30,000 gallons of wine or less per
- 126 year, \$930 for any wholesaler who sells more than 30,000 gallons per year but not more than 150,000
- 127 gallons of wine per year, \$1,430 for any wholesaler who sells more than 150,000 but not more than
- 128 300,000 gallons of wine per year, and, \$1,860 for any wholesaler who sells more than 300,000 gallons
- 129 of wine per year;
- 130 c. Wine importer's license, \$370;
- 131 d. Retail off-premises winery license, \$145;
- 132 e. Farm winery license, \$190 for any Class A license and \$3,725 for any Class B license;
- 133 f. Wine shipper's license, \$65; and
- 134 g. Day spa license, \$100.
- 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, \$2,150, and if more than 10,000 barrels manufactured during such year, \$4,300;
- 138 b. Bottler's license, \$1,430;
- 139 c. Wholesale beer license, \$930 for any wholesaler who sells 300,000 cases of beer a year or less,
- 140 and \$1,430 for any wholesaler who sells more than 300,000 but not more than 600,000 cases of beer a
- 141 year, and \$1,860 for any wholesaler who sells more than 600,000 cases of beer a year;
- 142 d. Beer importer's license, \$370;
- 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, \$145; for each such license to a common carrier of passengers by
- 145 train or boat, \$145 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, \$120;
- 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, \$300; and
- 150 h. Beer shipper's license, \$65.
- 151 4. Wine and beer licenses. For each:
- 152 a. Retail on-premises wine and beer license to a hotel, restaurant, club or other person, except a
- 153 common carrier of passengers by train, boat or airplane, \$300; for each such license to a common
- 154 carrier of passengers by train or boat, \$300 per annum for each of the average number of boats, dining
- 155 cars, buffet cars or club cars operated daily in the Commonwealth, and for each such license granted to
- 156 a common carrier of passengers by airplane, \$750;
- 157 b. Retail on-premises wine and beer license to a hospital, \$145;
- 158 c. Retail off-premises wine and beer license, including each gift shop, gourmet shop and convenience
- 159 grocery store license, \$230;
- 160 d. Retail on-and-off premises wine and beer license to a hotel, restaurant or club, \$600;
- 161 e. Banquet license, \$40 per license granted by the Board, except for banquet licenses granted by the
- 162 Board pursuant to subsection A of § 4.1-215 for events occurring on more than one day, which shall be
- 163 \$100 per license;
- 164 f. Gourmet brewing shop license, \$230;
- 165 g. Wine and beer shipper's license, \$65; and
- 166 h. Annual banquet license, \$150.
- 167 5. Mixed beverage licenses. For each:
- 168 a. Mixed beverage restaurant license granted to persons operating restaurants, including restaurants
- 169 located on premises of and operated by hotels or motels, or other persons:
- 170 (i) With a seating capacity at tables for up to 100 persons, \$560;
- 171 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$975; and
- 172 (iii) With a seating capacity at tables for more than 150 persons, \$1,430.
- 173 b. Mixed beverage restaurant license for restaurants located on the premises of and operated by
- 174 private, nonprofit clubs:
- 175 (i) With an average yearly membership of not more than 200 resident members, \$750;
- 176 (ii) With an average yearly membership of more than 200 but not more than 500 resident members,
- 177 \$1,860; and
- 178 (iii) With an average yearly membership of more than 500 resident members, \$2,765.
- 179 c. Mixed beverage caterer's license, \$1,860;
- 180 d. *Mixed beverage limited caterer's license*, \$500;
- 181 e. Mixed beverage special events license, \$45 for each day of each event;

182 e.f. Mixed beverage club events licenses, \$35 for each day of each event;
183 f.g. Annual mixed beverage special events license, \$560;
184 g.h. Mixed beverage carrier license:
185 (i) \$190 for each of the average number of dining cars, buffet cars or club cars operated daily in the
186 Commonwealth by a common carrier of passengers by train;
187 (ii) \$560 for each common carrier of passengers by boat;
188 (iii) \$1,475 for each license granted to a common carrier of passengers by airplane.
189 h.i. Annual mixed beverage amphitheater license, \$560;
190 i.j. Annual mixed beverage motor sports race track license, \$560; and
191 j.k. Annual mixed beverage banquet license, \$500.
192 6. Temporary licenses. For each temporary license authorized by § 4.1-211, one-half of the tax
193 imposed by this section on the license for which the applicant applied.
194 B. The tax on each such license, except banquet and mixed beverage special events licenses, shall be
195 subject to proration to the following extent: If the license is granted in the second quarter of any year,
196 the tax shall be decreased by one-fourth; if granted in the third quarter of any year, the tax shall be
197 decreased by one-half; and if granted in the fourth quarter of any year, the tax shall be decreased by
198 three-fourths.
199 If the license on which the tax is prorated is a distiller's license to manufacture not more than 5,000
200 gallons of alcohol or spirits, or both, during the year in which the license is granted, or a winery license
201 to manufacture not more than 5,000 gallons of wine during the year in which the license is granted, the
202 number of gallons permitted to be manufactured shall be prorated in the same manner.
203 Should the holder of a distiller's license or a winery license to manufacture not more than 5,000
204 gallons of alcohol or spirits, or both, or wine, apply during the license year for an unlimited distiller's or
205 winery license, such person shall pay for such unlimited license a license tax equal to the amount that
206 would have been charged had such license been applied for at the time that the license to manufacture
207 less than 5,000 gallons of alcohol or spirits or wine, as the case may be, was granted, and such person
208 shall be entitled to a refund of the amount of license tax previously paid on the limited license.
209 Notwithstanding the foregoing, the tax on each license granted or reissued for a period of less than
210 12 months shall be equal to one-twelfth of the taxes required by subsection A computed to the nearest
211 cent, multiplied by the number of months in the license period.
212 C. Nothing in this chapter shall exempt any licensee from any state merchants' license or state
213 restaurant license or any other state tax. Every licensee, in addition to the taxes imposed by this chapter,
214 shall be liable to state merchants' license taxation and state restaurant license taxation and other state
215 taxation the same as if the alcoholic beverages were nonalcoholic. In ascertaining the liability of a beer
216 wholesaler to merchants' license taxation, however, and in computing the wholesale merchants' license
217 tax on a beer wholesaler, the first \$163,800 of beer purchases shall be disregarded; and in ascertaining
218 the liability of a wholesale wine distributor to merchants' license taxation, and in computing the
219 wholesale merchants' license tax on a wholesale wine distributor, the first \$163,800 of wine purchases
220 shall be disregarded.
221 § 4.1-233. Taxes on local licenses.
222 A. In addition to the state license taxes, the annual local license taxes which may be collected shall
223 not exceed the following sums:
224 1. Alcoholic beverages. - For each:
225 a. Distiller's license, \$1,000; no local license shall be required for any person who manufactures not
226 more than 5,000 gallons of alcohol or spirits, or both, during such license year;
227 b. Fruit distiller's license, \$1,500;
228 c. Bed and breakfast establishment license, \$40;
229 d. Museum license, \$10;
230 e. Tasting license, \$5 per license granted;
231 f. Equine sporting event license, \$10;
232 g. Day spa license, \$20; and
233 h. Motor car sporting event facility license, \$10.
234 2. Beer. - For each:
235 a. Brewery license, \$1,000;
236 b. Bottler's license, \$500;
237 c. Wholesale beer license, in a city, \$250, and in a county or town, \$75;
238 d. Retail on-premises beer license for a hotel, restaurant or club and for each retail off-premises beer
239 license in a city, \$100, and in a county or town, \$25; and
240 e. Beer shipper's license, \$10.
241 3. Wine. - For each:
242 a. Winery license, \$50;
243 b. Wholesale wine license, \$50;

244 c. Farm winery license, \$50; and
 245 d. Wine shipper's license, \$10.
 246 4. Wine and beer. - For each:
 247 a. Retail on-premises wine and beer license for a hotel, restaurant or club; and for each retail
 248 off-premises wine and beer license, including each gift shop, gourmet shop and convenience grocery
 249 store license, in a city, \$150, and in a county or town, \$37.50;
 250 b. Hospital license, \$10;
 251 c. Banquet license, \$5 for each license granted, except for banquet licenses granted by the Board
 252 pursuant to subsection A of § 4.1-215 for events occurring on more than one day, which shall be \$20
 253 per license;
 254 d. Gourmet brewing shop license, \$150;
 255 e. Wine and beer shipper's license, \$10; and
 256 f. Annual banquet license, \$15.
 257 5. Mixed beverages. - For each:
 258 a. Mixed beverage restaurant license, including restaurants located on the premises of and operated
 259 by hotels or motels, or other persons:
 260 (i) With a seating capacity at tables for up to 100 persons, \$200;
 261 (ii) With a seating capacity at tables for more than 100 but not more than 150 persons, \$350; and
 262 (iii) With a seating capacity at tables for more than 150 persons, \$500.
 263 b. Private, nonprofit club operating a restaurant located on the premises of such club, \$350;
 264 c. Mixed beverage caterer's license, \$500;
 265 d. *Mixed beverage limited caterer's license*, \$100;
 266 e. Mixed beverage special events licenses, \$10 for each day of each event;
 267 e.f. Mixed beverage club events licenses, \$10 for each day of each event;
 268 f.g. Annual mixed beverage amphitheater license, \$300;
 269 g.h. Annual mixed beverage motor sports race track license, \$300; and
 270 h.i. Annual mixed beverage banquet license, \$75.
 271 B. Common carriers. - No local license tax shall be either charged or collected for the privilege of
 272 selling alcoholic beverages in (i) passenger trains, boats or airplanes and (ii) rooms designated by the
 273 Board of establishments of air carriers of passengers at airports in the Commonwealth for on-premises
 274 consumption only.
 275 C. Merchants' and restaurants' license taxes. - The governing body of each county, city or town in
 276 the Commonwealth, in imposing local wholesale merchants' license taxes measured by purchases, local
 277 retail merchants' license taxes measured by sales, and local restaurant license taxes measured by sales,
 278 may include alcoholic beverages in the base for measuring such local license taxes the same as if the
 279 alcoholic beverages were nonalcoholic. No local alcoholic beverage license authorized by this chapter
 280 shall exempt any licensee from any local merchants' or local restaurant license tax, but such local
 281 merchants' and local restaurant license taxes may be in addition to the local alcoholic beverage license
 282 taxes authorized by this chapter.
 283 The governing body of any county, city or town, in adopting an ordinance under this section, shall
 284 provide that in ascertaining the liability of (i) a beer wholesaler to local merchants' license taxation
 285 under the ordinance, and in computing the local wholesale merchants' license tax on such beer
 286 wholesaler, purchases of beer up to a stated amount shall be disregarded, which stated amount shall be
 287 the amount of beer purchases which would be necessary to produce a local wholesale merchants' license
 288 tax equal to the local wholesale beer license tax paid by such wholesaler and (ii) a wholesale wine
 289 licensee to local merchants' license taxation under the ordinance, and in computing the local wholesale
 290 merchants' license tax on such wholesale wine licensee, purchases of wine up to a stated amount shall
 291 be disregarded, which stated amount shall be the amount of wine purchases which would be necessary
 292 to produce a local wholesale merchants' license tax equal to the local wholesale wine licensee license tax
 293 paid by such wholesale wine licensee.
 294 D. Delivery. - No county, city or town shall impose any local alcoholic beverages license tax on any
 295 wholesaler for the privilege of delivering alcoholic beverages in the county, city or town when such
 296 wholesaler maintains no place of business in such county, city or town.
 297 E. Application of county tax within town. - Any county license tax imposed under this section shall
 298 not apply within the limits of any town located in such county, where such town now, or hereafter,
 299 imposes a town license tax on the same privilege.