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HOUSE BILL NO. 1269

Offered January 9, 2008

Prefiled January 9, 2008

A BILL to amend and reenact §§ 4.1-100 and 4.1-324 of the Code of Virginia, relating to alcoholic beverage control; prohibited acts by licensees; exceptions.

Patron—Ebbin

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:**1. That §§ 4.1-100 and 4.1-324 of the Code of Virginia are amended and reenacted 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.

"Alcohol vaporizing device" means any device, machine, or process that mixes any alcoholic beverages with pure oxygen or other gas to produce a vaporized product for the purpose of consumption by inhalation.

"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, and every liquid or solid, patented or not, containing alcohol, spirits, wine, or beer and capable of being consumed by a human being. Any liquid or solid containing more than one of the four varieties shall be considered as belonging to that variety which has the higher percentage of alcohol, however obtained, according to the order in which they are set forth in this definition; except that beer may be manufactured to include flavoring materials and other nonbeverage ingredients containing alcohol, as long as no more than 49 percent of the overall alcohol content of the finished product is derived from the addition of flavors and other nonbeverage ingredients containing alcohol for products with an alcohol content of no more than six percent by volume; or, in the case of products with an alcohol content of more than six percent by volume, as long as no more than one and one-half percent of the volume of the finished product consists of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol.

"Barrel" means any container or vessel having a capacity of more than 43 ounces.

"Bed and breakfast establishment" means any establishment (i) having no more than 15 bedrooms; (ii) offering to the public, for compensation, transitory lodging or sleeping accommodations; and (iii) offering at least one meal per day, which may but need not be breakfast, to each person to whom overnight lodging is provided.

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

"Board" means the Virginia Alcoholic Beverage Control Board.

"Bottle" means any vessel intended to contain liquids and having a capacity of not more than 43 ounces.

"Club" means any private nonprofit corporation or association which is the owner, lessee, or occupant of an establishment operated solely for a national, social, patriotic, political, athletic, or other like purpose, but not for pecuniary gain, the advantages of which belong to all of the members. It also means the establishment so operated. A corporation or association shall not lose its status as a club because of the conduct of charitable gaming conducted pursuant to Article 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2 in which nonmembers participate frequently or in large numbers, provided that no alcoholic beverages are served or consumed in the room where such charitable gaming is being conducted while such gaming is being conducted and that no alcoholic beverages are made available upon the premises to any person who is neither a member nor a bona fide guest of a member.

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

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

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

63 "Day spa" means any commercial establishment that offers to the public both massage therapy,
64 performed by persons certified in accordance with § 54.1-3029, and barbering or cosmetology services
65 performed by persons licensed in accordance with Chapter 7 (§ 54.1-700 et seq.) of Title 54.1.

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

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

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

70 "Farm winery" means an establishment (i) located on a farm in the Commonwealth with a producing
71 vineyard, orchard, or similar growing area and with facilities for fermenting and bottling wine on the
72 premises where the owner or lessee manufactures wine that contains not more than 18 percent alcohol
73 by volume or (ii) located in the Commonwealth with a producing vineyard, orchard, or similar growing
74 area or agreements for purchasing grapes or other fruits from agricultural growers within the
75 Commonwealth, and with facilities for fermenting and bottling wine on the premises where the owner or
76 lessee manufactures wine that contains not more than 18 percent alcohol by volume. As used in this
77 definition, the terms "owner" and "lessee" shall include a cooperative formed by an association of
78 individuals for the purpose of manufacturing wine. In the event such cooperative is licensed as a farm
79 winery, the term "farm" as used in this definition includes all of the land owned or leased by the
80 individual members of the cooperative as long as such land is located in the Commonwealth.

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

89 "Gourmet brewing shop" means an establishment which sells to persons to whom wine or beer may
90 lawfully be sold, ingredients for making wine or brewing beer, including packaging, and rents to such
91 persons facilities for manufacturing, fermenting and bottling such wine or beer.

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

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

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

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

102 "Internet wine retailer" means a person who owns or operates an establishment with adequate
103 inventory, shelving, and storage facilities, where, in consideration of payment, internet or telephone
104 orders are taken and shipped directly to consumers and which establishment is not a retail store open to
105 the public.

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

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

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

110 "Liqueur" means any of a class of highly flavored alcoholic beverages that do not exceed an alcohol
111 content of 25 percent by volume.

112 "Low alcohol beverage cooler" means a drink containing one-half of one percent or more of alcohol
113 by volume, but not more than seven and one-half percent alcohol by volume, and consisting of spirits
114 mixed with nonalcoholic beverages or flavoring or coloring materials; it may also contain water, fruit
115 juices, fruit adjuncts, sugar, carbon dioxide, preservatives or other similar products manufactured by
116 fermenting fruit or fruit juices. Low alcohol beverage coolers shall be treated as wine for all purposes of
117 this title; except that low alcohol beverage coolers shall not be sold in localities that have not approved
118 the sale of mixed beverages pursuant to § 4.1-124. In addition, low alcohol beverage coolers shall not be
119 sold for on-premises consumption other than by mixed beverage licensees.

120 "Meal-assembly kitchen" means any commercial establishment that offers its customers, for

off-premises consumption, ingredients for the preparation of meals and entrees in professional kitchen facilities located at the establishment.

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

"Member of a club" means (i) a person who maintains his membership in the club by the payment of monthly, quarterly, or annual dues in the manner established by the rules and regulations thereof or (ii) a person who is a member of a bona fide auxiliary, local chapter, or squadron composed of direct lineal descendants of a bona fide member, whether alive or deceased, of a national or international organization to which an individual lodge holding a club license is an authorized member in the same locality. It shall also mean a lifetime member whose financial contribution is not less than 10 times the annual dues of resident members of the club, the full amount of such contribution being paid in advance in a lump sum.

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

"Mixer" means any prepackaged ingredients containing beverages or flavoring or coloring materials, and which may also contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, or preservatives which are not commonly consumed unless combined with alcoholic beverages, whether or not such ingredients contain alcohol. Such specialty beverage product shall be manufactured or distributed by a Virginia corporation.

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

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

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

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

"Resort complex" means a facility (i) with a hotel owning year-round sports and recreational facilities located contiguously on the same property or (ii) owned by a nonstock, nonprofit, taxable corporation with voluntary membership which, as its primary function, makes available golf, ski and other recreational facilities both to its members and the general public. The hotel or corporation shall have a minimum of 140 private guest rooms or dwelling units contained on not less than 50 acres. The Board may consider the purpose, characteristics, and operation of the applicant establishment in determining whether it shall be considered as a resort complex. All other pertinent qualifications established by the Board for a hotel operation shall be observed by such licensee.

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

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

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

"Sangria" means a drink consisting of red or white wine mixed with brandy, triple sec, or other similar spirits, sugar, fruit or fruit juice, and soda water.

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

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

186 "Spirits" means any beverage which contains alcohol obtained by distillation mixed with drinkable
187 water and other substances, in solution, and includes, among other things, brandy, rum, whiskey, and
188 gin, or any one or more of the last four named ingredients; but shall not include any such liquors
189 completely denatured in accordance with formulas approved by the United States government.

190 "Wine" means any alcoholic beverage obtained by the fermentation of the natural sugar content of
191 fruits or other agricultural products containing (i) sugar, including honey and milk, either with or
192 without additional sugar; (ii) one-half of one percent or more of alcohol by volume; and (iii) no product
193 of distillation. The term includes any wine to which wine spirits have been added, as provided in the
194 Internal Revenue Code, to make products commonly known as "fortified wine" which do not exceed an
195 alcohol content of 21 percent by volume.

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

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

206 § 4.1-324. Illegal sale or keeping of alcoholic beverages by licensees; penalty.

207 A. No licensee or any agent or employee of such licensee shall:

208 1. Sell any alcoholic beverages of a kind other than that which such license or this title authorizes
209 him to sell;

210 2. Sell beer to which wine, spirits or alcohol has been added;

211 3. Sell wine to which spirits or alcohol, or both, have been added, otherwise than as required in the
212 manufacture thereof under Board regulations, *except that a mixed beverage licensee may make sangria*;

213 4. Sell alcoholic beverages of a kind which such license or this title authorizes him to sell, but to
214 any person other than to those to whom such license or this title authorizes him to sell;

215 5. Sell alcoholic beverages which such license or this title authorizes him to sell, but in any place or
216 in any manner other than such license or this title authorizes him to sell;

217 6. Sell any alcoholic beverages when forbidden by this title;

218 7. Keep or allow to be kept, other than in his residence and for his personal use, any alcoholic
219 beverages other than that which he is authorized to sell by such license or by this title;

220 8. Sell any beer to a retail licensee, except for cash, if the seller holds a brewery, bottler's or
221 wholesale beer license;

222 9. Sell any beer on draft and fail to display to customers the brand of beer sold or misrepresent the
223 brand of any beer sold;

224 10. Sell any wine for delivery within the Commonwealth to a retail licensee, except for cash, if the
225 seller holds a wholesale wine or farm winery license; or

226 11. Keep or allow to be kept or sell any vaporized form of an alcoholic beverage produced by an
227 alcohol vaporizing device.

228 B. *Neither this section nor any Board regulation shall prohibit any mixed beverage licensee from*
229 *pre-mixing containers of sangria to be served and sold in pitchers for consumption on the licensed*
230 *premises.*

231 C. Any person convicted of a violation of this section shall be guilty of a Class 1 misdemeanor.