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HOUSE BILL NO. 282

Offered January 8, 2014

Prefiled December 31, 2013

A BILL to amend and reenact § 4.1-100 of the Code of Virginia, relating to alcoholic beverage control; contract winemaking facility; nonpayment.

Patrons—Albo and Minchew

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 4.1-100 of the Code of Virginia is 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.

"Canal boat operator" means any nonprofit organization that operates tourism-oriented canal boats for recreational purposes on waterways declared nonnavigable by the United States Congress pursuant to 33 U.S.C. § 59ii.

"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

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59 nonprofit corporation or association.

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

62 "Contract winemaking facility" means the premises of a licensed winery or farm winery that obtains
63 grapes, fruits, and other agricultural products from a person holding a farm winery license and crushes,
64 processes, ferments, bottles, or provides any combination of such services pursuant to an agreement with
65 the farm winery licensee. For all purposes of this title, wine produced by a contract winemaking facility
66 for a farm winery shall be considered to be wine owned and produced by the farm winery that supplied
67 the grapes, fruits, or other agricultural products used in the production of the wine. The contract
68 winemaking facility shall have no right to sell the wine so produced ~~but~~, *unless the terms of payment*
69 *have not been fulfilled in accordance with the contract. The contract winemaking facility may charge the*
70 farm winery for its services.

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

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

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

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

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

82 "Farm winery" means an establishment (i) located on a farm in the Commonwealth with a producing
83 vineyard, orchard, or similar growing area and with facilities for fermenting and bottling wine on the
84 premises where the owner or lessee manufactures wine that contains not more than 18 percent alcohol
85 by volume or (ii) located in the Commonwealth with a producing vineyard, orchard, or similar growing
86 area or agreements for purchasing grapes or other fruits from agricultural growers within the
87 Commonwealth, and with facilities for fermenting and bottling wine on the premises where the owner or
88 lessee manufactures wine that contains not more than 18 percent alcohol by volume. As used in this
89 definition, the terms "owner" and "lessee" shall include a cooperative formed by an association of
90 individuals for the purpose of manufacturing wine. In the event such cooperative is licensed as a farm
91 winery, the term "farm" as used in this definition includes all of the land owned or leased by the
92 individual members of the cooperative as long as such land is located in the Commonwealth.

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

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

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

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

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

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

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

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

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

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

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

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

132 "Meal-assembly kitchen" means any commercial establishment that offers its customers, for
133 off-premises consumption, ingredients for the preparation of meals and entrees in professional kitchen
134 facilities located at the establishment.

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

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

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

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

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

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

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

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

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

181 "Restaurant" means, for a beer, or wine and beer license or a limited mixed beverage restaurant

182 license, any establishment provided with special space and accommodation, where, in consideration of
183 payment, meals or other foods prepared on the premises are regularly sold.

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

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

192 "Sangria" means a drink consisting of red or white wine mixed with some combination of
193 sweeteners, fruit, fruit juice, soda, or soda water that may also be mixed with brandy, triple sec, or other
194 similar spirits.

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

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

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

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

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

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