

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 4.1-206 of the Code of Virginia, relating to alcoholic beverage control;*
 3 *privileges of local special events licenses.*

4 [S 689]
 5 Approved

6 **Be it enacted by the General Assembly of Virginia:**
 7 **1. That § 4.1-206 of the Code of Virginia is amended and reenacted as follows:**
 8 **§ 4.1-206. Alcoholic beverage licenses.**

- 9 A. The Board may grant the following licenses relating to alcoholic beverages generally:
- 10 1. Distillers' licenses, which shall authorize the licensee to manufacture alcoholic beverages other
 11 than wine and beer, and to sell and deliver or ship the same, in accordance with Board regulations, in
 12 closed containers, to the Board and to persons outside the Commonwealth for resale outside the
 13 Commonwealth. When the Board has established a government store on the distiller's licensed premises
 14 pursuant to subsection D of § 4.1-119, such license shall also authorize the licensee to make a charge to
 15 consumers to participate in an organized tasting event conducted in accordance with subsection G of
 16 § 4.1-119 and Board regulations.
 - 17 2. Limited distiller's licenses, to distilleries that manufacture not more than 36,000 gallons of
 18 alcoholic beverages other than wine or beer per calendar year, provided (i) the distillery is located on a
 19 farm in the Commonwealth on land zoned agricultural and owned or leased by such distillery or its
 20 owner and (ii) agricultural products used by such distillery in the manufacture of its alcoholic beverages
 21 are grown on the farm. Limited distiller's licensees shall be treated as distillers for all purposes of this
 22 title except as otherwise provided in this subdivision. For purposes of this subdivision, "land zoned
 23 agricultural" means (a) land zoned as an agricultural district or classification or (b) land otherwise
 24 permitted by a locality for limited distillery use. For purposes of this subdivision, "land zoned
 25 agricultural" does not include land zoned "residential conservation." Except for the limitation on land
 26 zoned "residential conservation," nothing in this definition shall otherwise limit or affect local zoning
 27 authority.
 - 28 3. Fruit distillers' licenses, which shall authorize the licensee to manufacture any alcoholic beverages
 29 made from fruit or fruit juices, and to sell and deliver or ship the same, in accordance with Board
 30 regulations, in closed containers, to the Board and to persons outside the Commonwealth for resale
 31 outside the Commonwealth.
 - 32 4. Banquet facility licenses to volunteer fire departments and volunteer emergency medical services
 33 agencies, which shall authorize the licensee to permit the consumption of lawfully acquired alcoholic
 34 beverages on the premises of the licensee by any person, and bona fide members and guests thereof,
 35 otherwise eligible for a banquet license. However, lawfully acquired alcoholic beverages shall not be
 36 purchased or sold by the licensee or sold or charged for in any way by the person permitted to use the
 37 premises. Such premises shall be a volunteer fire or volunteer emergency medical services agency
 38 station or both, regularly occupied as such and recognized by the governing body of the county, city, or
 39 town in which it is located. Under conditions as specified by Board regulation, such premises may be
 40 other than a volunteer fire or volunteer emergency medical services agency station, provided such other
 41 premises are occupied and under the control of the volunteer fire department or volunteer emergency
 42 medical services agency while the privileges of its license are being exercised.
 - 43 5. Bed and breakfast licenses, which shall authorize the licensee to (i) serve alcoholic beverages in
 44 dining areas, private guest rooms and other designated areas to persons to whom overnight lodging is
 45 being provided, with or without meals, for on-premises consumption only in such rooms and areas, and
 46 without regard to the amount of gross receipts from the sale of food prepared and consumed on the
 47 premises and (ii) permit the consumption of lawfully acquired alcoholic beverages by persons to whom
 48 overnight lodging is being provided in (a) bedrooms or private guest rooms or (b) other designated areas
 49 of the bed and breakfast establishment. For purposes of this subdivision, "other designated areas"
 50 includes outdoor dining areas, whether or not contiguous to the licensed premises, which may have more
 51 than one means of ingress and egress to an adjacent public thoroughfare, provided that such outdoor
 52 dining areas are under the control of the licensee and approved by the Board. Such noncontiguous
 53 designated areas shall not be approved for any retail license issued pursuant to subdivision A 5 of
 54 § 4.1-201.
 - 55 6. Tasting licenses, which shall authorize the licensee to sell or give samples of alcoholic beverages
 56 of the type specified in the license in designated areas at events held by the licensee. A tasting license

57 shall be issued for the purpose of featuring and educating the consuming public about the alcoholic
58 beverages being tasted. A separate license shall be required for each day of each tasting event. No
59 tasting license shall be required for conduct authorized by § 4.1-201.1.

60 7. Museum licenses, which may be issued to nonprofit museums exempt from taxation under
61 § 501(c)(3) of the Internal Revenue Code, which shall authorize the licensee to (i) permit the
62 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide
63 member and guests thereof and (ii) serve alcoholic beverages on the premises of the licensee to any
64 bona fide member and guests thereof. However, alcoholic beverages shall not be sold or charged for in
65 any way by the licensee. The privileges of this license shall be limited to the premises of the museum,
66 regularly occupied and utilized as such.

67 8. Equine sporting event licenses, which may be issued to organizations holding equestrian, hunt and
68 steeplechase events, which shall authorize the licensee to permit the consumption of lawfully acquired
69 alcoholic beverages on the premises of the licensee by patrons thereof during such event. However,
70 alcoholic beverages shall not be sold or charged for in any way by the licensee. The privileges of this
71 license shall be (i) limited to the premises of the licensee, regularly occupied and utilized for equestrian,
72 hunt and steeplechase events and (ii) exercised on no more than four calendar days per year.

73 9. Day spa licenses, which shall authorize the licensee to (i) permit the consumption of lawfully
74 acquired wine or beer on the premises of the licensee by any bona fide customer of the day spa and (ii)
75 serve wine or beer on the premises of the licensee to any such bona fide customer; however, the
76 licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any
77 such customer, nor shall it sell or otherwise charge a fee to such customer for the wine or beer served
78 or consumed. The privileges of this license shall be limited to the premises of the day spa regularly
79 occupied and utilized as such.

80 10. Motor car sporting event facility licenses, which shall authorize the licensee to permit the
81 consumption of lawfully acquired alcoholic beverages on the premises of the licensee by patrons thereof
82 during such events. However, alcoholic beverages shall not be sold or charged for in any way, directly
83 or indirectly, by the licensee. The privileges of this license shall be limited to those areas of the
84 licensee's premises designated by the Board that are regularly occupied and utilized for motor car
85 sporting events.

86 11. Meal-assembly kitchen license, which shall authorize the licensee to serve wine or beer on the
87 premises of the licensee to any such bona fide customer attending either a private gathering or a special
88 event; however, the licensee shall not give more than two five-ounce glasses of wine or two 12-ounce
89 glasses of beer to any such customer, nor shall it sell or otherwise charge a fee to such customer for the
90 wine or beer served or consumed. The privileges of this license shall be limited to the premises of the
91 meal-assembly kitchen regularly occupied and utilized as such.

92 12. Canal boat operator license, which shall authorize the licensee to permit the consumption of
93 lawfully acquired alcoholic beverages on the premises of the licensee by any bona fide customer
94 attending either a private gathering or a special event; however, the licensee shall not sell or otherwise
95 charge a fee to such customer for the alcoholic beverages so consumed. The privileges of this license
96 shall be limited to the premises of the licensee, including the canal, the canal boats while in operation,
97 and any pathways adjacent thereto. Upon authorization of the licensee, any person may keep and
98 consume his own lawfully acquired alcoholic beverages on the premises in all areas and locations
99 covered by the license.

100 13. Annual arts venue event licenses, to persons operating an arts venue, which shall authorize the
101 licensee participating in a community art walk that is open to the public to serve lawfully acquired wine
102 or beer on the premises of the licensee to adult patrons thereof during such events. However, alcoholic
103 beverages shall not be sold or charged for in any way, directly or indirectly, by the licensee, and the
104 licensee shall not give more than two five-ounce glasses of wine or one 12-ounce glass of beer to any
105 one adult patron. The privileges of this license shall be (i) limited to the premises of the arts venue
106 regularly occupied and used as such and (ii) exercised on no more than 12 calendar days per year.

107 14. Art instruction studio licenses, which shall authorize the licensee to serve wine or beer on the
108 premises of the licensee to any such bona fide customer; however, the licensee shall not give more than
109 two five-ounce glasses of wine or one 12-ounce glass of beer to any such customer, nor shall it sell or
110 otherwise charge a fee to such customer for the wine or beer served or consumed. The privileges of this
111 license shall be limited to the premises of the art instruction studio regularly occupied and utilized as
112 such.

113 15. Commercial lifestyle center license, which may be issued only to a commercial owners'
114 association governing a commercial lifestyle center, which shall authorize any retail on-premises
115 restaurant licensee that is a tenant of the commercial lifestyle center to sell alcoholic beverages to any
116 bona fide customer to whom alcoholic beverages may be lawfully sold for consumption on that portion
117 of the licensed premises of the commercial lifestyle center designated by the Board, including (i) plazas,

118 seating areas, concourses, walkways, or such other similar areas and (ii) the premises of any tenant
 119 location of the commercial lifestyle center that is not a retail licensee of the Board, upon approval of
 120 such tenant, but excluding any parking areas. Only alcoholic beverages purchased from such retail
 121 on-premises restaurant licensees may be consumed on the licensed premises of the commercial lifestyle
 122 center, and such alcoholic beverages shall be contained in paper, plastic, or similar disposable containers
 123 with the name or logo of the restaurant licensee that sold the alcoholic beverage clearly displayed.
 124 Alcoholic beverages shall not be sold or charged for in any way by the commercial lifestyle center
 125 licensee. The licensee shall post appropriate signage clearly demarcating for the public the boundaries of
 126 the licensed premises; however, no physical barriers shall be required for this purpose. The licensee shall
 127 provide adequate security for the licensed premises to ensure compliance with the applicable provisions
 128 of this title and Board regulations.

129 16. Confectionery license, which shall authorize the licensee to prepare and sell on the licensed
 130 premises for off-premises consumption confectionery that contains five percent or less alcohol by
 131 volume. Any alcohol contained in such confectionery shall not be in liquid form at the time such
 132 confectionery is sold.

133 17. Local special events license, which may be issued only to a locality, business improvement
 134 district, or nonprofit organization and which shall authorize (i) the licensee to permit the consumption of
 135 alcoholic beverages within the area designated by the Board for the special event and (ii) any permanent
 136 retail on-premises licensee that is located within the area designated by the Board for the special event
 137 to sell alcoholic beverages within the permanent retail location for consumption in the area designated
 138 for the special event, including sidewalks and the premises of businesses not licensed to sell alcoholic
 139 beverages at retail, upon approval of such businesses. In determining the designated area for the special
 140 event, the Board shall consult with the locality. Local special events licensees shall be limited to ~~12~~ 16
 141 special events per year, *and the duration of any special event shall not exceed three consecutive days.*
 142 Only alcoholic beverages purchased from permanent retail on-premises licensees located within the
 143 designated area may be consumed at the special event, and such alcoholic beverages shall be contained
 144 in paper, plastic, or similar disposable containers that clearly display the name or logo of the retail
 145 on-premises licensee from which the alcoholic beverage was purchased. Alcoholic beverages shall not be
 146 sold or charged for in any way by the local special events licensee. The local special events licensee
 147 shall post appropriate signage clearly demarcating for the public the boundaries of the special event;
 148 however, no physical barriers shall be required for this purpose. The local special events licensee shall
 149 provide adequate security for the special event to ensure compliance with the applicable provisions of
 150 this title and Board regulations.

151 18. Coworking establishment license, which shall authorize the licensee to (i) permit the consumption
 152 of lawfully acquired wine or beer between 4:00 p.m. and 8:00 p.m. on the premises of the licensee by
 153 any member and up to two guests of each member, provided that such member and guests are persons
 154 who may lawfully consume alcohol and an employee of the coworking establishment is present, and (ii)
 155 serve wine and beer on the premises of the licensee between 4:00 p.m. and 8:00 p.m. to any member
 156 and up to two guests of each member, provided that such member and guests are persons to whom
 157 alcoholic beverages may be lawfully served. However, the licensee shall not give more than two
 158 five-ounce glasses of wine or two 12-ounce glasses of beer to any person, nor shall it sell or otherwise
 159 charge a fee for the wine or beer served or consumed. For purposes of this subdivision, the payment of
 160 membership dues by a member to the coworking establishment shall not constitute a sale or charge for
 161 alcohol, provided that the availability of alcohol is not a privilege for which the amount of membership
 162 dues increases. The privileges of this license shall be limited to the premises of the coworking
 163 establishment, regularly occupied and utilized as such.

164 19. Bespoke clothier establishment license, which shall authorize the licensee to serve wine or beer
 165 for on-premises consumption upon the licensed premises approved by the Board to any member;
 166 however, the licensee shall not give more than (i) two five-ounce glasses of wine or (ii) two 12-ounce
 167 glasses of beer to any such customer, nor shall it sell or otherwise charge a fee to such customer for the
 168 wine or beer served or consumed. For purposes of this subdivision, the payment of membership dues by
 169 a member to the bespoke clothier establishment shall not constitute a sale or charge for alcohol,
 170 provided that the availability of alcohol is not a privilege for which the amount of membership dues
 171 increases. The privileges of this license shall be limited to the premises of the bespoke clothier
 172 establishment, regularly occupied and utilized as such.

173 B. Any limited distillery that, prior to July 1, 2016, (i) holds a valid license granted by the Board in
 174 accordance with this title and (ii) is in compliance with the local zoning ordinance as an agricultural
 175 district or classification or as otherwise permitted by a locality for limited distillery use shall be allowed
 176 to continue such use as provided in § 15.2-2307, notwithstanding (a) the provisions of this section or (b)
 177 a subsequent change in ownership of the limited distillery on or after July 1, 2016, whether by transfer,
 178 acquisition, inheritance, or other means. Any such limited distillery located on land zoned residential

179 conservation prior to July 1, 2016, may expand any existing building or structure and the uses thereof so
180 long as specifically approved by the locality by special exception. Any such limited distillery located on
181 land zoned residential conservation prior to July 1, 2016, may construct a new building or structure so
182 long as specifically approved by the locality by special exception. All such licensees shall comply with
183 the requirements of this title and Board regulations for renewal of such license or the issuance of a new
184 license in the event of a change in ownership of the limited distillery on or after July 1, 2016.