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SENATE BILL NO. 698
AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the Senate Committee on Rehabilitation and Social Services
on _____)
(Patron Prior to Substitute—Senator Durant)

A BILL to amend and reenact §§ 4.1-206.3 and 4.1-212 of the Code of Virginia, relating to alcoholic beverage control; designated outdoor refreshment areas.

Be it enacted by the General Assembly of Virginia:

1. That §§ 4.1-206.3 and 4.1-212 of the Code of Virginia are amended and reenacted as follows:

§ 4.1-206.3. Retail licenses.

A. The Board may grant the following mixed beverages licenses:

1. Mixed beverage restaurant licenses, which shall authorize the licensee to sell and serve mixed beverages for on-premises consumption in dining areas and other designated areas of such restaurant or off-premises consumption. 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 subdivision, other designated areas shall include outdoor dining areas, whether or not contiguous to the licensed premises, which outdoor dining areas may have more than one means of ingress and egress to an adjacent public thoroughfare, provided such areas are under the control of the licensee and approved by the Board. Such noncontiguous designated areas shall not be approved for any retail license issued pursuant to subdivision A 5 of § 4.1-201.

If the restaurant is located on the premises of a hotel or motel with no fewer 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 (a) sell and serve mixed beverages for on-premises consumption in such designated areas, bedrooms, and other private rooms or off-premises consumption and (b) 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

32 consuming his own lawfully acquired spirits in bedrooms or private rooms.

33 If the restaurant is located on the premises of and operated by a private, nonprofit, or profit club
34 exclusively for its members and their guests, or members of another private, nonprofit, or profit club in
35 another city with which it has an agreement for reciprocal dining privileges, such license shall also authorize
36 the licensees to (1) sell and serve mixed beverages for on-premises or off-premises consumption and (2) sell
37 spirits that are packaged in original closed containers with a maximum capacity of two fluid ounces or 50
38 milliliters and purchased from the Board for on-premises consumption. Where such club prepares no food in
39 its restaurant but purchases its food requirements from a restaurant licensed by the Board and located on
40 another portion of the premises of the same hotel or motel building, this fact shall not prohibit the granting of
41 a license by the Board to such club qualifying in all other respects. The club's gross receipts from the sale of
42 nonalcoholic beverages consumed on the premises and food resold to its members and guests and consumed
43 on the premises shall amount to at least 45 percent of its gross receipts from the sale of mixed beverages and
44 food. The food sales made by a restaurant to such a club shall be excluded in any consideration of the
45 qualifications of such restaurant for a license from the Board.

46 If the restaurant is located on the premises of and operated by a municipal golf course, the Board shall
47 recognize the seasonal nature of the business and waive any applicable monthly food sales requirements for
48 those months when weather conditions may reduce patronage of the golf course, provided that prepared food,
49 including meals, is available to patrons during the same months. The gross receipts from the sale of food
50 cooked, or prepared, and consumed on the premises and nonalcoholic beverages served on the premises, after
51 the issuance of such license, shall amount to at least 45 percent of the gross receipts from the sale of mixed
52 beverages and food on an annualized basis.

53 If the restaurant is located on the premises of and operated by a culinary lodging resort, such license shall
54 authorize the licensee to (A) sell alcoholic beverages, without regard to the amount of gross receipts from the
55 sale of food prepared and consumed on the premises, for off-premises consumption or for on-premises
56 consumption in areas upon the licensed premises approved by the Board and other designated areas of the
57 resort, including outdoor areas under the control of the licensee, and (B) permit the possession and
58 consumption of lawfully acquired alcoholic beverages by persons to whom overnight lodging is being
59 provided in bedrooms and private guest rooms.

60 If the restaurant is located on the premises of a mixed beverage casino licensee owned by an operator

61 licensed under Article 3 (§ 58.1-4108 et seq.) of Chapter 41 of Title 58.1, such mixed beverage restaurant
62 license shall authorize the licensee to sell alcoholic beverages for on-premises consumption on the licensed
63 premises of the restaurant during all hours of operation of the mixed beverage casino licensee. Any alcoholic
64 beverages purchased from such restaurant may be (I) taken onto the premises of the mixed beverage casino
65 licensee and (II) possessed or consumed in areas designated by the Board, after consultation with the mixed
66 beverage casino licensee. Designated areas may include any areas on the premises of the mixed beverage
67 casino licensee, including entertainment venues, conference rooms, private rooms, hotels, pools, marinas, or
68 green spaces. Alcoholic beverages purchased from a restaurant pursuant to this subdivision shall be contained
69 in glassware or a paper, plastic, or similar disposable container that clearly displays the name or logo of the
70 restaurant from which the alcoholic beverage was purchased.

71 The granting of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a
72 license to sell and serve wine and beer for on-premises consumption and in closed containers for off-premises
73 consumption; however, the licensee shall be required to pay the local fee required for such additional license
74 pursuant to § 4.1-233.1.

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

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

87 4. Mixed beverage carrier licenses to (i) persons operating a common carrier of passengers by train, boat,
88 bus, or airplane, which shall authorize the licensee to sell and serve mixed beverages anywhere in the
89 Commonwealth to passengers while in transit aboard any such common carrier, and in designated rooms of
90 establishments of air carriers at airports in the Commonwealth and (ii) financial institutions, subsidiaries of a

91 financial institution, or persons approved by the applicable airport authority that have entered into a contract
92 with a financial institution or subsidiary of a financial institution to operate a passenger lounge, which shall
93 authorize the licensee to sell and serve mixed beverages in designated areas of a passenger lounge for ticketed
94 air carrier passengers that is located within an airport in the Commonwealth. For purposes of supplying its
95 airplanes, as well as any airplanes of a licensed express carrier flying under the same brand, an air carrier
96 licensee may appoint an authorized representative to load alcoholic beverages onto the same airplanes and to
97 transport and store alcoholic beverages at or in close proximity to the airport where the alcoholic beverages
98 will be delivered onto airplanes of the air carrier and any such licensed express carrier. The air carrier
99 licensee shall (a) designate for purposes of its license all locations where the inventory of alcoholic beverages
100 may be stored and from which the alcoholic beverages will be delivered onto airplanes of the air carrier and
101 any such licensed express carrier and (b) maintain records of all alcoholic beverages to be transported, stored,
102 and delivered by its authorized representative. The granting of a license pursuant to this subdivision shall
103 automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises
104 consumption or in closed containers for off-premises consumption; however, the licensee shall be required to
105 pay the local fee required for such additional license pursuant to § 4.1-233.1.

106 For the purposes of this subdivision:

107 "Financial institution" means any bank, trust company, savings institution, industrial loan association,
108 consumer finance company, or credit union.

109 "Passenger lounge" means any restricted-access passenger waiting room or lounge leased to persons by
110 the applicable airport authority in which food and beverage services are provided to ticketed passengers.

111 5. Annual mixed beverage sports facility licenses to persons operating a sports facility or food concessions
112 at a sports facility, which shall authorize the licensee to sell mixed beverages during any event and
113 immediately subsequent thereto to patrons within all seating areas, concourses, walkways, concession areas,
114 and additional locations designated by the Board (i) in closed containers for off-premises consumption or (ii)
115 in paper, plastic, or similar disposable containers or in single original metal cans for on-premises
116 consumption. Upon authorization of the licensee, any person may keep and consume his own lawfully
117 acquired alcoholic beverages on the premises in all areas and locations covered by the license. The granting
118 of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a license to sell
119 and serve wine and beer for on-premises consumption or in closed containers for off-premises consumption;
120 however, the licensee shall be required to pay the local fee required for such additional license pursuant to
121 § 4.1-233.1.

122 6. Limited mixed beverage restaurant licenses, which shall authorize the licensee to sell and serve dessert
123 wines as defined by Board regulation and no more than six varieties of liqueurs, which liqueurs shall be
124 combined with coffee or other nonalcoholic beverages, for on-premises consumption in dining areas of the
125 restaurant or off-premises consumption. Such license may be granted only to persons who operate a
126 restaurant and in no event shall the sale of such wine or liqueur-based drinks, together with the sale of any
127 other alcoholic beverages, exceed 10 percent of the total annual gross sales of all food and alcoholic
128 beverages. The granting of a license pursuant to this subdivision shall automatically authorize the licensee to
129 obtain a license to sell and serve wine and beer for on-premises consumption or in closed containers for
130 off-premises consumption; however, the licensee shall be required to pay the local fee required for such
131 additional license pursuant to § 4.1-233.1.

132 7. Annual mixed beverage performing arts facility licenses, which shall (i) authorize the licensee to sell,
133 on the dates of performances or events, alcoholic beverages in paper, plastic, or similar disposable containers
134 or in single original metal cans for on-premises consumption in all seating areas, concourses, walkways,
135 concession areas, similar facilities, and other areas upon the licensed premises approved by the Board and (ii)
136 automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises
137 consumption or in closed containers for off-premises consumption; however, the licensee shall be required to
138 pay the local fee required for such additional license pursuant to § 4.1-233.1. Such licenses may be granted to
139 persons operating a performing arts facility or food concessions at a performing arts facility.

140 8. Combined mixed beverage restaurant and caterer's licenses, which may be granted to any restaurant or
141 hotel that meets the qualifications for both a mixed beverage restaurant pursuant to subdivision 1 and mixed
142 beverage caterer pursuant to subdivision 2 for the same business location, and which license shall authorize
143 the licensee to operate as both a mixed beverage restaurant and mixed beverage caterer at the same business
144 premises designated in the license, with a common alcoholic beverage inventory for purposes of the
145 restaurant and catering operations. Such licensee shall meet the separate food qualifications established for
146 the mixed beverage restaurant license pursuant to subdivision 1 and mixed beverage caterer's license pursuant
147 to subdivision 2. The granting of a license pursuant to this subdivision shall automatically authorize the
148 licensee to obtain a license to sell and serve wine and beer for on-premises consumption or in closed
149 containers for off-premises consumption; however, the licensee shall be required to pay the local fee required
150 for such additional license pursuant to § 4.1-233.1.

151 9. Bed and breakfast licenses, which shall authorize the licensee to (i) serve alcoholic beverages in dining
152 areas, private guest rooms, and other designated areas to persons to whom overnight lodging is being

153 provided, with or without meals, for on-premises consumption only in such rooms and areas, and without
154 regard to the amount of gross receipts from the sale of food prepared and consumed on the premises and (ii)
155 permit the consumption of lawfully acquired alcoholic beverages by persons to whom overnight lodging is
156 being provided in (a) bedrooms or private guest rooms or (b) other designated areas of the bed and breakfast
157 establishment. For purposes of this subdivision, "other designated areas" includes outdoor dining areas,
158 whether or not contiguous to the licensed premises, which may have more than one means of ingress and
159 egress to an adjacent public thoroughfare, provided that such outdoor dining areas are under the control of the
160 licensee and approved by the Board. Such noncontiguous designated areas shall not be approved for any retail
161 license issued pursuant to subdivision A 5 of § 4.1-201.

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

168 11. Commercial lifestyle center licenses, which may be issued only to a commercial owners' association
169 governing a commercial lifestyle center, which shall authorize any retail on-premises restaurant licensee that
170 is a tenant of the commercial lifestyle center to sell alcoholic beverages to any bona fide customer to whom
171 alcoholic beverages may be lawfully sold for consumption on that portion of the licensed premises of the
172 commercial lifestyle center designated by the Board, including (i) plazas, seating areas, concourses,
173 walkways, or such other similar areas and (ii) the premises of any tenant location of the commercial lifestyle
174 center that is not a retail licensee of the Board, upon approval of such tenant, but excluding any parking areas.
175 Only alcoholic beverages purchased from such retail on-premises restaurant licensees may be consumed on
176 the licensed premises of the commercial lifestyle center, and such alcoholic beverages shall be contained in
177 paper, plastic, or similar disposable containers with the name or logo of the restaurant licensee that sold the
178 alcoholic beverage clearly displayed. Alcoholic beverages shall not be sold or charged for in any way by the
179 commercial lifestyle center licensee. The licensee shall post appropriate signage clearly demarcating for the
180 public the boundaries of the licensed premises; however, no physical barriers shall be required for this
181 purpose. The licensee shall provide adequate security for the licensed premises to ensure compliance with the

182 applicable provisions of this subtitle and Board regulations.

183 12. Mixed beverage port restaurant licenses, which shall authorize the licensee to sell and serve mixed
184 beverages for consumption in dining areas and other designated areas of such restaurant. Such license may be
185 granted only to persons operating a business (i) that is primarily engaged in the sale of meals; (ii) that is
186 located on property owned by the United States government or an agency thereof and used as a port of entry
187 to or egress from the United States; and (iii) whose gross receipts from the sale of food cooked, or prepared,
188 and consumed on the premises and nonalcoholic beverages served on the premises, after issuance of such
189 license, amount to at least 45 percent of the gross receipts from the sale of mixed beverages and food. For the
190 purposes of this subdivision, other designated areas shall include outdoor dining areas, whether or not
191 contiguous to the licensed premises, which outdoor dining areas may have more than one means of ingress
192 and egress to an adjacent public thoroughfare, provided such areas are under the control of the licensee and
193 approved by the Board. Such noncontiguous designated areas shall not be approved for any retail license
194 issued pursuant to subdivision A 5 of § 4.1-201. The granting of a license pursuant to this subdivision shall
195 automatically authorize the licensee to obtain a license to sell and serve wine and beer for on-premises
196 consumption or in closed containers for off-premises consumption; however, the licensee shall be required to
197 pay the local fee required for such additional license pursuant to § 4.1-233.1.

198 13. Annual mixed beverage special events licenses to (i) a duly organized nonprofit corporation or
199 association operating either a performing arts facility or an art education and exhibition facility; (ii) a
200 nonprofit corporation or association chartered by Congress for the preservation of sites, buildings, and objects
201 significant in American history and culture; (iii) persons operating an agricultural event and entertainment
202 park or similar facility that has a minimum of 50,000 square feet of indoor exhibit space and equine and other
203 livestock show areas, which includes barns, pavilions, or other structures equipped with roofs, exterior walls,
204 and open-door or closed-door access; or (iv) a locality for special events conducted on the premises of a
205 museum for historic interpretation that is owned and operated by the locality. The operation in all cases shall
206 be upon premises owned by such licensee or occupied under a bona fide lease, the original term of which was
207 for more than one year's duration. Such license shall authorize the licensee to sell alcoholic beverages during
208 scheduled events and performances for on-premises consumption in areas upon the licensed premises
209 approved by the Board.

210 14. Mixed beverage casino licenses, which shall authorize the licensee to (i) sell and serve mixed
211 beverages for on-premises consumption in areas designated by the Board, after consultation with the mixed

212 beverage casino licensee, without regard to the amount of gross receipts from the sale of food prepared and
213 consumed on the premises and (ii) provide complimentary mixed beverages to patrons for on-premises
214 consumption in private areas or restricted access areas designated by the Board, after consultation with the
215 mixed beverage casino licensee. Designated areas may include any areas on the premises of the mixed
216 beverage casino licensee, including entertainment venues, private rooms, conference rooms, hotels, pools,
217 marinas, or green spaces. The granting of a license pursuant to this subdivision shall authorize the licensee to
218 obtain a license to sell and serve wine and beer for on-premises consumption and in closed containers for
219 off-premises consumption in accordance with the provisions of this subdivision governing mixed beverages;
220 however, the licensee shall be required to pay the local fee required for such additional license pursuant to
221 § 4.1-233.1. Notwithstanding any law or regulation to the contrary, a mixed beverage casino licensee may
222 exercise the privileges of its license as set forth in this subdivision during all hours of operation of the casino
223 gaming establishment; however, such licensee shall not sell wine or beer for off-premises consumption
224 between the hours of 12 a.m. and 6 a.m.

225 A mixed beverage casino licensee may (a) provide patrons gifts of alcoholic beverages in closed
226 containers for personal consumption off the licensed premises or in areas designated by the Board, after
227 consultation with the mixed beverage casino licensee, and (b) enable patrons who participate in a loyalty or
228 reward credit program to redeem credits for the purchase of alcoholic beverages for on-premises
229 consumption. A summary of the operation of such loyalty or reward credit program shall be provided to the
230 Board upon request.

231 A mixed beverage casino license may only be issued to a casino gaming establishment owned by an
232 operator licensed under Article 3 (§ 58.1-4108 et seq.) of Chapter 41 of Title 58.1.

233 B. The Board may grant an on-and-off-premises wine and beer license to the following:

234 1. Hotels, restaurants, and clubs, which shall authorize the licensee to sell wine and beer (i) in closed
235 containers for off-premises consumption or (ii) for on-premises consumption, either with or without meals, in
236 dining areas and other designated areas of such restaurants, or in dining areas, private guest rooms, and other
237 designated areas of such hotels or clubs, for consumption only in such rooms and areas. However, with
238 regard to a hotel classified by the Board as (a) a resort complex, the Board may authorize the sale and
239 consumption of alcoholic beverages in all areas within the resort complex deemed appropriate by the Board
240 or (b) a limited service hotel, the Board may authorize the sale and consumption of alcoholic beverages in
241 dining areas, private guest rooms, and other designated areas to persons to whom overnight lodging is being
242 provided, for on-premises consumption in such rooms or areas, and without regard to the amount of gross

243 receipts from the sale of food prepared and consumed on the premises, provided that at least one meal is
244 provided each day by the hotel to such guests. With regard to facilities registered in accordance with Chapter
245 49 (§ 38.2-4900 et seq.) of Title 38.2 as continuing care communities that are also licensed by the Board
246 under this subdivision, any resident may, upon authorization of the licensee, keep and consume his own
247 lawfully acquired alcoholic beverages on the premises in all areas covered by the license. For purposes of this
248 subdivision, "other designated areas" includes outdoor dining areas, whether or not contiguous to the licensed
249 premises, which may have more than one means of ingress and egress to an adjacent public thoroughfare,
250 provided that such outdoor dining areas are under the control of the licensee and approved by the Board. Such
251 noncontiguous designated areas shall not be approved for any retail license issued pursuant to subdivision A
252 5 of § 4.1-201.

253 2. Hospitals, which shall authorize the licensee to sell wine and beer (i) in the rooms of patients for their
254 on-premises consumption only in such rooms, provided the consent of the patient's attending physician is first
255 obtained or (ii) in closed containers for off-premises consumption.

256 3. Rural grocery stores, which shall authorize the licensee to sell wine and beer for on-premises
257 consumption or in closed containers for off-premises consumption. No license shall be granted unless (i) the
258 grocery store is located in any town or in a rural area outside the corporate limits of any city or town and (ii)
259 it appears affirmatively that a substantial public demand for such licensed establishment exists and that public
260 convenience and the purposes of this subtitle will be promoted by granting the license.

261 4. Coliseums, stadiums, and racetracks, which shall authorize the licensee to sell wine and beer during any
262 event and immediately subsequent thereto to patrons within all seating areas, concourses, walkways,
263 concession areas, and additional locations designated by the Board (i) in closed containers for off-premises
264 consumption or (ii) in paper, plastic, or similar disposable containers or in single original metal cans for on-
265 premises consumption. Upon authorization of the licensee, any person may keep and consume his own
266 lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license. Such
267 licenses may be granted to persons operating food concessions at coliseums, stadiums, racetracks, or similar
268 facilities.

269 5. Performing arts food concessionaires, which shall authorize the licensee to sell wine and beer during
270 the performance of any event to patrons within all seating areas, concourses, walkways, or concession areas,
271 or other areas approved by the Board (i) in closed containers for off-premises consumption or (ii) in paper,
272 plastic, or similar disposable containers or in single original metal cans for on-premises consumption. Upon

273 authorization of the licensee, any person may keep and consume his own lawfully acquired alcoholic
274 beverages on the premises in all areas and locations covered by the license. Such licenses may be granted to
275 persons operating food concessions at any performing arts facility.

276 6. Exhibition halls, which shall authorize the licensee to sell wine and beer during the event to patrons or
277 attendees within all seating areas, exhibition areas, concourses, walkways, concession areas, and such
278 additional locations designated by the Board in such facilities (i) in closed containers for off-premises
279 consumption or (ii) in paper, plastic, or similar disposable containers or in single original metal cans for on-
280 premises consumption. Upon authorization of the licensee, any person may keep and consume his own
281 lawfully acquired alcoholic beverages on the premises in all areas and locations covered by the license. Such
282 licenses may be granted to persons operating food concessions at exhibition or exposition halls, convention
283 centers, or similar facilities located in any county operating under the urban county executive form of
284 government or any city that is completely surrounded by such county. For purposes of this subdivision,
285 "exhibition or exposition hall" and "convention centers" mean facilities conducting private or public trade
286 shows or exhibitions in an indoor facility having in excess of 100,000 square feet of floor space.

287 7. Concert and dinner-theaters, which shall authorize the licensee to sell wine and beer during events to
288 patrons or attendees within all seating areas, exhibition areas, concourses, walkways, concession areas, dining
289 areas, and such additional locations designated by the Board in such facilities, for on-premises consumption
290 or in closed containers for off-premises consumption. Persons licensed pursuant to this subdivision shall
291 serve food, prepared on or off premises, whenever wine or beer is served. Such licenses may be granted to
292 persons operating concert or dinner-theater venues on property fronting Natural Bridge School Road in
293 Natural Bridge Station and formerly operated as Natural Bridge High School.

294 8. Historic cinema houses, which shall authorize the licensee to sell wine and beer, either with or without
295 meals, during any showing of a motion picture to patrons to whom alcoholic beverages may be lawfully sold,
296 for on-premises consumption or in closed containers for off-premises consumption. The privileges of this
297 license shall be limited to the premises of the historic cinema house regularly occupied and utilized as such.

298 9. Nonprofit museums, which shall authorize the licensee to sell wine and beer for on-premises
299 consumption or in closed containers for off-premises consumption in areas approved by the Board. Such
300 licenses may be granted to persons operating a nonprofit museum exempt from taxation under § 501(c)(3) of
301 the Internal Revenue Code, located in the Town of Front Royal, and dedicated to educating the consuming

302 public about historic beer products. The privileges of this license shall be limited to the premises of the
303 museum, regularly occupied and utilized as such.

304 C. The Board may grant the following off-premises wine and beer licenses:

305 1. Retail off-premises wine and beer licenses, which may be granted to a convenience grocery store,
306 delicatessen, drugstore, gift shop, gourmet oyster house, gourmet shop, grocery store, or marina store as
307 defined in § 4.1-100 and Board regulations. Such license shall authorize the licensee to sell wine and beer in
308 closed containers for off-premises consumption and, notwithstanding the provisions of § 4.1-308, to give to
309 any person to whom wine or beer may be lawfully sold a sample of wine or beer for on-premises
310 consumption; however, no single sample shall exceed four ounces of beer or two ounces of wine and no more
311 than 12 ounces of beer or five ounces of wine shall be served to any person per day. The licensee may also
312 give samples of wine and beer in designated areas at events held by the licensee for the purpose of featuring
313 and educating the consuming public about the alcoholic beverages being tasted. With the consent of the
314 licensee, farm wineries, wineries, breweries, distillers, and wholesale licensees or authorized representatives
315 of such licensees may participate in such tastings, including the pouring of samples. The licensee shall
316 comply with any food inventory and sales volume requirements established by Board regulation.

317 2. Gourmet brewing shop licenses, which shall authorize the licensee to sell to any person to whom wine
318 or beer may be lawfully sold, ingredients for making wine or brewing beer, including packaging, and to rent
319 to such persons facilities for manufacturing, fermenting, and bottling such wine or beer, for off-premises
320 consumption in accordance with subdivision 6 of § 4.1-200.

321 3. Confectionery licenses, which shall authorize the licensee to prepare and sell on the licensed premises
322 for off-premises consumption confectionery that contains five percent or less alcohol by volume. Any alcohol
323 contained in such confectionery shall not be in liquid form at the time such confectionery is sold.

324 D. The Board may grant the following banquet, special event, and tasting licenses:

325 1. Per-day event licenses.

326 a. Banquet licenses to persons in charge of private banquets, and to duly organized nonprofit corporations
327 or associations, *including nonprofit organizations that hold a designated outdoor refreshment area license*, in
328 charge of special events, which shall authorize the licensee to sell or give wine and beer in rooms or areas
329 approved by the Board for the occasion for on-premises consumption in such rooms or areas. Licensees who
330 are nonprofit corporations or associations conducting fundraisers (i) shall also be authorized to sell wine, as
331 part of any fundraising activity, in closed containers for off-premises consumption to persons to whom wine
332 may be lawfully sold; (ii) shall be limited to no more than one such fundraiser per year; and (iii) if conducting

333 such fundraiser through an online meeting platform, may ship such wine, in accordance with Board
334 regulations, in closed containers to persons located within the Commonwealth. Except as provided in
335 § 4.1-215, a separate license shall be required for each day of each banquet or special event. For the purposes
336 of this subdivision, when the location named in the original application for a license is outdoors, the
337 application may also name an alternative location in the event of inclement weather. However, no such
338 license shall be required of any hotel, restaurant, or club holding a retail wine and beer license.

339 b. Mixed beverage special events licenses to a duly organized nonprofit corporation or association,
340 *including nonprofit organizations that hold a designated outdoor refreshment area license*, in charge of a
341 special event, which shall authorize the licensee to sell and serve mixed beverages for on-premises
342 consumption in areas approved by the Board on the premises of the place designated in the license. A
343 separate license shall be required for each day of each special event.

344 c. Mixed beverage club events licenses to a club holding a wine and beer club license, which shall
345 authorize the licensee to sell and serve mixed beverages for on-premises consumption by club members and
346 their guests in areas approved by the Board on the club premises. A separate license shall be required for each
347 day of each club event. No more than 12 such licenses shall be granted to a club in any calendar year. The
348 granting of a license pursuant to this subdivision shall automatically authorize the licensee to obtain a license
349 to sell and serve wine and beer for on-premises consumption; however, the licensee shall be required to pay
350 the local fee required for such additional license pursuant to § 4.1-233.1.

351 d. Tasting licenses, which shall authorize the licensee to sell or give samples of alcoholic beverages of the
352 type specified in the license in designated areas at events held by the licensee. A tasting license shall be
353 issued for the purpose of featuring and educating the consuming public about the alcoholic beverages being
354 tasted. A separate license shall be required for each day of each tasting event. No tasting license shall be
355 required for conduct authorized by § 4.1-201.1.

356 2. Annual licenses.

357 a. Annual banquet licenses to duly organized private nonprofit fraternal, patriotic, or charitable
358 membership organizations that are exempt from state and federal taxation and in charge of banquets
359 conducted exclusively for members and their guests, which shall authorize the licensee to serve wine and beer
360 in rooms or areas approved by the Board for the occasion for on-premises consumption in such rooms or
361 areas. Such license shall authorize the licensee to conduct no more than 12 banquets per calendar year. For
362 the purposes of this subdivision, when the location named in the original application for a license is outdoors,

363 the application may also name an alternative location in the event of inclement weather. However, no such
364 license shall be required of any hotel, restaurant, or club holding a retail wine and beer license.

365 b. Banquet facility licenses to volunteer fire departments and volunteer emergency medical services
366 agencies, which shall authorize the licensee to permit the consumption of lawfully acquired alcoholic
367 beverages on the premises of the licensee by any person, and bona fide members and guests thereof,
368 otherwise eligible for a banquet license. However, lawfully acquired alcoholic beverages shall not be
369 purchased or sold by the licensee or sold or charged for in any way by the person permitted to use the
370 premises. Such premises shall be a volunteer fire or volunteer emergency medical services agency station or
371 both, regularly occupied as such and recognized by the governing body of the county, city, or town in which
372 it is located. Under conditions as specified by Board regulation, such premises may be other than a volunteer
373 fire or volunteer emergency medical services agency station, provided such other premises are occupied and
374 under the control of the volunteer fire department or volunteer emergency medical services agency while the
375 privileges of its license are being exercised.

376 c. Designated outdoor refreshment area licenses to a locality, business improvement district, or nonprofit
377 organization, which shall authorize (i) the licensee to permit the consumption of alcoholic beverages within
378 the area designated by the Board for the designated outdoor refreshment area ~~and~~; (ii) any permanent retail
379 on-premises licensee that is located within the area designated by the Board for the designated outdoor
380 refreshment area to sell alcoholic beverages within the permanent retail location for consumption in the area
381 designated for the designated outdoor refreshment area, including sidewalks and the premises of businesses
382 not licensed to sell alcoholic beverages at retail, upon approval of such businesses; *and (iii) a brewery or*
383 *winery that has been issued a permit pursuant to § 4.1-212 to sell alcoholic beverages for consumption in the*
384 *area designated for the designated outdoor refreshment area during an event held by the designated outdoor*
385 *refreshment area licensee.* In determining the designated area for the designated outdoor refreshment area,
386 the Board shall consult with the locality. Designated outdoor refreshment area licensees shall be limited to 16
387 events per year, and the duration of any event shall not exceed three consecutive days. However, the Board
388 may increase the frequency and duration of events after adoption of an ordinance by a locality requesting
389 such increase in frequency and duration. Such ordinance shall include the size and scope of the area within
390 which such events will be held, a public safety plan, and any other considerations deemed necessary by the
391 Board. Such limitations on the number of events that may be held shall not apply during the effective dates of
392 any rule, regulation, or order that is issued by the Governor or State Health Commissioner to meet a public

393 health emergency and that effectively reduces allowable restaurant seating capacity; however, designated
394 outdoor refreshment area licensees shall be subject to all other applicable provisions of this subtitle and
395 Board regulations and shall provide notice to the Board regarding the days and times during which the
396 privileges of the license will be exercised. Only alcoholic beverages purchased from permanent retail
397 on-premises licensees located within the designated area *or a brewery or winery that has been issued a*
398 *permit to sell alcoholic beverages at the event pursuant to § 4.1-212* may be consumed at the event, and such
399 alcoholic beverages shall be contained in paper, plastic, or similar disposable *or nondisposable* containers
400 that clearly display the name or logo of the retail on-premises licensee from which the alcoholic beverage was
401 purchased. Alcoholic beverages shall not be sold or charged for in any way by the designated outdoor
402 refreshment area licensee; *however, designated outdoor refreshment area licensees that are nonprofit*
403 *organizations shall be permitted to sell tickets or charge for wristbands for an event to cover expenses of the*
404 *event*. The designated outdoor refreshment area licensee shall post appropriate signage clearly demarcating
405 for the public the boundaries of the event; however, no physical barriers shall be required for this purpose.
406 The designated outdoor refreshment area licensee shall provide adequate security for the event *as deemed*
407 *appropriate by the local law-enforcement agency* to ensure compliance with the applicable provisions of this
408 subtitle and Board regulations. *Notwithstanding any other provision of law, a designated outdoor refreshment*
409 *area licensee that is a nonprofit organization exempt from taxation pursuant to § 501(c)(3) or 501(c)(6) of*
410 *the Internal Revenue Code shall be permitted to receive in-kind and financial sponsorships and donations*
411 *from a manufacturer and may collect participation fees from breweries, wineries, and retail licensees for*
412 *events held under a designated outdoor refreshment area license.*

413 *Notwithstanding any other provision of law, (a) a designated outdoor refreshment area licensee that is a*
414 *nonprofit organization may obtain a banquet special event license or a mixed beverage special event license*
415 *as provided in this section and (b) a brewery, winery, cidery, or distillery may obtain a manufacturer's beer*
416 *or wine event license as provided in § 4.1-215 for an event to be held within the boundaries of the designated*
417 *outdoor refreshment area, including an event hosted by the designated outdoor area licensee that is a*
418 *nonprofit organization, as long as any such event held pursuant to clause (a) or (b) is not held at the same*
419 *time as an event utilizing the designated outdoor refreshment area license. Any such event shall not count*
420 *toward the 16 events per-year limit for designated outdoor refreshment area licenses.*

421 d. Annual mixed beverage banquet licenses to duly organized private nonprofit fraternal, patriotic, or
422 charitable membership organizations that are exempt from state and federal taxation and in charge of
423 banquets conducted exclusively for members and their guests, which shall authorize the licensee to serve

424 mixed beverages for on-premises consumption in areas approved by the Board on the premises of the place
425 designated in the license. Such license shall authorize the licensee to conduct no more than 12 banquets per
426 calendar year. The granting of a license pursuant to this subdivision shall automatically authorize the licensee
427 to obtain a license to sell and serve wine and beer for on-premises consumption; however, the licensee shall
428 be required to pay the local fee required for such additional license pursuant to § 4.1-233.1.

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

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

442 E. The Board may grant a marketplace license to persons operating a business enterprise of which the
443 primary function is not the sale of alcoholic beverages, which shall authorize the licensee to serve
444 complimentary wine or beer to bona fide customers on the licensed premises subject to any limitations
445 imposed by the Board; however, the licensee shall not give more than two five-ounce glasses of wine or two
446 12-ounce glasses of beer to any customer per day, nor shall it sell or otherwise charge a fee to such customer
447 for the wine or beer served or consumed. In order to be eligible for and retain a marketplace license, the
448 applicant's business enterprise must (i) provide a single category of goods or services in a manner intended to
449 create a personalized experience for the customer; (ii) employ staff with expertise in such goods or services;
450 (iii) be ineligible for any other license granted by the Board; (iv) have an alcoholic beverage control manager
451 on the licensed premises at all times alcohol is served; (v) ensure that all employees satisfy any training
452 requirements imposed by the Board; and (vi) purchase all wine and beer to be served from a licensed

453 wholesaler or the Authority and retain purchase records as prescribed by the Board. In determining whether
454 to grant a marketplace license, the Board shall consider (a) the average amount of time customers spend at the
455 business; (b) the business's hours of operation; (c) the amount of time that the business has been in operation;
456 and (d) any other requirements deemed necessary by the Board to protect the public health, safety, and
457 welfare.

458 F. The Board may grant the following shipper, bottler, and related licenses:

459 1. Wine and beer shipper licenses, which shall carry the privileges and limitations set forth in § 4.1-209.1.

460 2. Internet wine and beer retailer licenses, which shall authorize persons located within or outside the
461 Commonwealth to sell and ship wine and beer, in accordance with § 4.1-209.1 and Board regulations, in
462 closed containers to persons in the Commonwealth to whom wine and beer may be lawfully sold for
463 off-premises consumption. Such licensee shall not be required to comply with the monthly food sale
464 requirement established by Board regulations.

465 3. Bottler licenses, which shall authorize the licensee to acquire and receive deliveries and shipments of
466 beer in closed containers and to bottle, sell, and deliver or ship it, in accordance with Board regulations to (i)
467 wholesale beer licensees for the purpose of resale, (ii) owners of boats registered under the laws of the United
468 States sailing for ports of call of a foreign country or another state, and (iii) persons outside the
469 Commonwealth for resale outside the Commonwealth.

470 4. Fulfillment warehouse licenses, which shall authorize associations as defined in § 13.1-313 with a place
471 of business located in the Commonwealth to (i) receive deliveries and shipments of wine or beer owned by
472 holders of wine and beer shipper's licenses; (ii) store such wine or beer on behalf of the owner; and (iii) pick,
473 pack, and ship such wine or beer as directed by the owner, all in accordance with Board regulations. No
474 wholesale wine or wholesale beer licensee, whether licensed in the Commonwealth or not, or any person
475 under common control of such licensee, shall acquire or hold any financial interest, direct or indirect, in the
476 business for which any fulfillment warehouse license is issued.

477 5. Marketing portal licenses, which shall authorize agricultural cooperative associations organized under
478 the provisions of the Agricultural Cooperative Association Act (§ 13.1-312 et seq.), with a place of business
479 located in the Commonwealth, in accordance with Board regulations, to solicit and receive orders for wine or
480 beer through the use of the Internet from persons in the Commonwealth to whom wine or beer may be
481 lawfully sold, on behalf of holders of wine and beer shipper's licenses. Upon receipt of an order for wine or
482 beer, the licensee shall forward it to a holder of a wine and beer shipper's license for fulfillment. Marketing

483 portal licensees may also accept payment on behalf of the shipper.

484 6. Third-party delivery licenses, which shall carry the privileges and limitations set forth in § 4.1-212.2.

485 **§ 4.1-212. Permits required in certain instances.**

486 A. The Board may grant the following permits which shall authorize:

487 1. Wine and beer salesmen representing any out-of-state wholesaler engaged in the sale of wine and beer,
488 or either, to sell or solicit the sale of wine or beer, or both in the Commonwealth.

489 2. Any person having any interest in the manufacture, distribution or sale of spirits or other alcoholic
490 beverages to solicit any mixed beverage licensee, his agent, employee or any person connected with the
491 licensee in any capacity in his licensed business to sell or offer for sale such spirits or alcoholic beverages.

492 3. Any person to keep upon his premises alcoholic beverages that he is not authorized by any license to
493 sell and which shall be used for culinary purposes only.

494 4. Any person to transport lawfully purchased alcoholic beverages within, into or through the
495 Commonwealth, except that no permit shall be required for any person shipping or transporting into the
496 Commonwealth a reasonable quantity of alcoholic beverages when such person is relocating his place of
497 residence to the Commonwealth in accordance with § 4.1-311.

498 5. Any person to keep, store, or possess any still or distilling apparatus for the purpose of distilling
499 alcohol.

500 6. The release of alcoholic beverages not under United States custom bonds or internal revenue bonds
501 stored in Board approved warehouses for delivery to the Board or to persons entitled to receive them within
502 or outside of the Commonwealth.

503 7. The release of alcoholic beverages from United States customs bonded warehouses for delivery to the
504 Board or to licensees and other persons enumerated in subsection B of § 4.1-131.

505 8. The release of alcoholic beverages from United States internal revenue bonded warehouses for delivery
506 in accordance with subsection C of § 4.1-132.

507 9. A secured party or any trustee, curator, committee, conservator, receiver or other fiduciary appointed or
508 qualified in any court proceeding, to continue to operate under the licenses previously issued to any deceased
509 or other person licensed to sell alcoholic beverages for such period as the Board deems appropriate.

510 10. The one-time sale of lawfully acquired alcoholic beverages belonging to any person, or which may be
511 a part of such person's estate, including a judicial sale, estate sale, sale to enforce a judgment lien or
512 liquidation sale to satisfy indebtedness secured by a security interest in alcoholic beverages, by a sheriff,

513 personal representative, receiver or other officer acting under authority of a court having jurisdiction in the
514 Commonwealth, or by any secured party as defined in subdivision (a)(73) of § 8.9A-102 of the Virginia
515 Uniform Commercial Code. Such sales shall be made only to persons who are licensed or hold a permit to
516 sell alcoholic beverages in the Commonwealth or to persons outside the Commonwealth for resale outside the
517 Commonwealth and upon such conditions or restrictions as the Board may prescribe.

518 11. Any person who purchases at a foreclosure, secured creditor's or judicial auction sale the premises or
519 property of a person licensed by the Board and who has become lawfully entitled to the possession of the
520 licensed premises to continue to operate the establishment to the same extent as a person holding such
521 licenses for a period not to exceed 60 days or for such longer period as determined by the Board. Such permit
522 shall be temporary and shall confer the privileges of any licenses held by the previous owner to the extent
523 determined by the Board. Such temporary permit may be issued in advance, conditioned on the above
524 requirements.

525 12. The storage of lawfully acquired alcoholic beverages not under customs bond or internal revenue bond
526 in warehouses located in the Commonwealth.

527 13. The storage of wine by a licensed winery or farm winery under internal revenue bond in warehouses
528 located in the Commonwealth.

529 14. Any person to conduct tastings in accordance with § 4.1-201.1, provided that such person has filed an
530 application for a permit in which the applicant represents (i) that he or she is under contract to conduct such
531 tastings on behalf of the alcoholic beverage manufacturer or wholesaler named in the application; (ii) that
532 such contract grants to the applicant the authority to act as the authorized representative of such manufacturer
533 or wholesaler; and (iii) that such contract contains an acknowledgment that the manufacturer or wholesaler
534 named in the application may be held liable for any violation of § 4.1-201.1 by its authorized representative.
535 A permit issued pursuant to this subdivision shall be valid for at least one year, unless sooner suspended or
536 revoked by the Board in accordance with § 4.1-229.

537 15. Any person who, through contract, lease, concession, license, management or similar agreement
538 (hereinafter referred to as the contract), becomes lawfully entitled to the use and control of the premises of a
539 person licensed by the Board to continue to operate the establishment to the same extent as a person holding
540 such licenses, provided such person has made application to the Board for a license at the same premises. The
541 permit shall (i) confer the privileges of any licenses held by the previous owner to the extent determined by

542 the Board and (ii) be valid for a period of 120 days or for such longer period as may be necessary as
543 determined by the Board pending the completion of the processing of the permittee's license application. No
544 permit shall be issued without the written consent of the previous licensee. No permit shall be issued under
545 the provisions of this subdivision if the previous licensee owes any state or local taxes, or has any pending
546 charges for violation of this subtitle or any Board regulation, unless the permittee agrees to assume the
547 liability of the previous licensee for the taxes or any penalty for the pending charges. An application for a
548 permit may be filed prior to the effective date of the contract, in which case the permit when issued shall
549 become effective on the effective date of the contract. Upon the effective date of the permit, (a) the permittee
550 shall be responsible for compliance with the provisions of this subtitle and any Board regulation and (b) the
551 previous licensee shall not be held liable for any violation of this subtitle or any Board regulation committed
552 by, or any errors or omissions of, the permittee.

553 16. Any sight-seeing carrier or contract passenger carrier as defined in § 46.2-2000 transporting
554 individuals for compensation to a winery, brewery, or restaurant, licensed under this chapter and authorized
555 to conduct tastings, to collect the licensee's tasting fees from tour participants for the sole purpose of
556 remitting such fees to the licensee.

557 17. Any tour company guiding individuals for compensation on a walking tour to one or more
558 establishments licensed to sell alcoholic beverages at retail for on-premises consumption to collect as one fee
559 from tour participants (i) the licensee's fee for the alcoholic beverages served as part of the tour, (ii) a fee for
560 any food offered as part of the tour, and (iii) a fee for the walking tour service. The tour company shall remit
561 to the licensee any fee collected for the alcoholic beverages and any food served as part of the tour. The tour
562 company shall ensure that (a) each tour includes no more than 15 participants per tour guide and no more
563 than three tour guides, (b) a tour guide is present with the participants throughout the duration of the tour, and
564 (c) all participants are persons to whom alcoholic beverages may be lawfully sold.

565 18. *With the agreement of a designated outdoor refreshment area licensee, up to two breweries or*
566 *wineries to sell alcoholic beverages during an event held within the designated outdoor refreshment area by*
567 *the designated outdoor refreshment area licensee.*

568 B. Nothing in subdivision 9, 10, or 11 shall authorize any brewery, winery or affiliate or a subsidiary
569 thereof which has supplied financing to a wholesale licensee to manage and operate the wholesale licensee in
570 the event of a default, except to the extent authorized by subdivision B 3 a of § 4.1-216.