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HOUSE BILL NO. 1021  
 AMENDMENT IN THE NATURE OF A SUBSTITUTE  
 (Proposed by the House Committee on General Laws  
 on \_\_\_\_\_)  
 (Patron Prior to Substitute--Delegate Simon)

A BILL to amend and reenact § 4.1-212 of the Code of Virginia, relating to alcoholic beverage control;  
 one-time estate and trust sales.

**Be it enacted by the General Assembly of Virginia:**

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

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

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

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

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

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

4. Any person to transport lawfully purchased alcoholic beverages within, into or through the Commonwealth, except that no permit shall be required for any person shipping or transporting into the Commonwealth a reasonable quantity of alcoholic beverages when such person is relocating his place of residence to the Commonwealth in accordance with § 4.1-310.

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

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

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

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

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

37           10. The one-time sale of lawfully acquired alcoholic beverages belonging to any person, or which  
38 may be a part of such person's estate, including a judicial sale, estate sale, sale to enforce a judgment lien  
39 or liquidation sale to satisfy indebtedness secured by a security interest in alcoholic beverages, by a sheriff,  
40 personal representative, receiver or other officer acting under authority of a court having jurisdiction in  
41 the Commonwealth, or by any secured party as defined in subdivision (a)(73) of § 8.9A-102 of the Virginia  
42 Uniform Commercial Code. ~~Such~~ With the exception of an estate or trust sale of the assets of a deceased  
43 person who was a resident of the Commonwealth at the time of death, such sales shall be made only to  
44 persons who are licensed or hold a permit to sell alcoholic beverages in the Commonwealth or to persons  
45 outside the Commonwealth for resale outside the Commonwealth and upon such conditions or restrictions  
46 as the Board may prescribe.

47           11. Any person who purchases at a foreclosure, secured creditor's or judicial auction sale the  
48 premises or property of a person licensed by the Board and who has become lawfully entitled to the  
49 possession of the licensed premises to continue to operate the establishment to the same extent as a person  
50 holding such licenses for a period not to exceed 60 days or for such longer period as determined by the  
51 Board. Such permit shall be temporary and shall confer the privileges of any licenses held by the previous

52 owner to the extent determined by the Board. Such temporary permit may be issued in advance,  
53 conditioned on the above requirements.

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

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

58 14. Any person to conduct tastings in accordance with § 4.1-201.1, provided that such person has  
59 filed an application for a permit in which the applicant represents (i) that he or she is under contract to  
60 conduct such tastings on behalf of the alcoholic beverage manufacturer or wholesaler named in the  
61 application; (ii) that such contract grants to the applicant the authority to act as the authorized  
62 representative of such manufacturer or wholesaler; and (iii) that such contract contains an  
63 acknowledgment that the manufacturer or wholesaler named in the application may be held liable for any  
64 violation of § 4.1-201.1 by its authorized representative. A permit issued pursuant to this subdivision shall  
65 be valid for at least one year, unless sooner suspended or revoked by the Board in accordance with § 4.1-  
66 229.

67 15. Any person who, through contract, lease, concession, license, management or similar  
68 agreement (hereinafter referred to as the contract), becomes lawfully entitled to the use and control of the  
69 premises of a person licensed by the Board to continue to operate the establishment to the same extent as  
70 a person holding such licenses, provided such person has made application to the Board for a license at  
71 the same premises. The permit shall (i) confer the privileges of any licenses held by the previous owner  
72 to the extent determined by the Board and (ii) be valid for a period of 120 days or for such longer period  
73 as may be necessary as determined by the Board pending the completion of the processing of the  
74 permittee's license application. No permit shall be issued without the written consent of the previous  
75 licensee. No permit shall be issued under the provisions of this subdivision if the previous licensee owes  
76 any state or local taxes, or has any pending charges for violation of this title or any Board regulation,  
77 unless the permittee agrees to assume the liability of the previous licensee for the taxes or any penalty for  
78 the pending charges. An application for a permit may be filed prior to the effective date of the contract, in

79 which case the permit when issued shall become effective on the effective date of the contract. Upon the  
80 effective date of the permit, (a) the permittee shall be responsible for compliance with the provisions of  
81 this title and any Board regulation and (b) the previous licensee shall not be held liable for any violation  
82 of this title or any Board regulation committed by, or any errors or omissions of, the permittee.

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

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

95 B. Nothing in subdivision 9, 10, or 11 shall authorize any brewery, winery or affiliate or a  
96 subsidiary thereof which has supplied financing to a wholesale licensee to manage and operate the  
97 wholesale licensee in the event of a default, except to the extent authorized by subdivision B 3 a of § 4.1-  
98 216.

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