

2003 SESSION

BILL NO.

Offered March 27, 2003

A BILL establishing the procedure to be followed by the Alcoholic Beverage Control Board in privatizing the retail sale of spirits as defined in § 4.1-100, including the process for discontinuing government stores and the issuance of initial and subsequent licenses for the private retail sale of spirits; to amend and reenact §§ 4.1-100, 4.1-103, 4.1-111, 4.1-115, 4.1-121, 4.1-122, 4.1-206, 4.1-207, 4.1-231, 4.1-233, 4.1-234, 4.1-235, 4.1-303, and 4.1-330 of the Code of Virginia; to amend the Code of Virginia by adding sections numbered 4.1-119.1, 4.1-120.1, 4.1-204.1, and 4.1-214.1; and to repeal §§ 4.1-119 and 4.1-120 of the Code of Virginia, relating to alcoholic beverage control laws.

Patron—Trinity Episcopal School

Referred to Committee on _____

Whereas, it is in the interest of the Commonwealth to control the manufacture, distribution and sale of alcoholic beverages in the Commonwealth; and

Whereas, it is in the interest of the citizens of the Commonwealth to be afforded the most competitive price for alcoholic beverages while being assured of their quality; and

Whereas, it is the intent of the General Assembly that the Alcoholic Beverage Control Board continue to be the regulatory body that controls and regulates the manufacture, distribution, and sale of alcoholic beverages, now, therefore

Be it enacted by the General Assembly of Virginia:

1. That § 4.1-119.1 be added to the Code of Virginia as follows:

§ 4.1-119.1. Discontinuation of government stores

A. The Alcoholic Beverage Control Board (the "Board") shall, on or before December 31, 2003, complete an implementation study for the discontinuation of government stores, in accordance with the provisions of this act, for the disposition of all real property owned or leased by the Board that is used as a government store.

B. The Board shall auction or cause to be auctioned all real property owned by it and used as government stores. Bidders at the auction shall be any person, firm or corporation applying for licensure as a package store licensee as defined in § 4.1-100. The Board shall determine the fair market value of such real property, which valuation shall take into account the volume of business conducted at such store and revenues generated by the operation of such store. The successful bidder at such auction shall (i) be the highest bidder and (ii) meet the conditions for licensure by the Board in accordance with §§ 4.1-222, 4.1-223, and 4.1-230, as well as Board regulations.

39 C. For a three-year period, only those successful applicant/bidders at auction shall be
40 entitled to sell alcoholic beverages other than beer and wine not produced by farm
41 wineries, vermouth, and mixers. Such sales shall be conducted at the purchased premises
42 or, at the option of such applicant/bidder, at a separate location provided that such
43 location is situated within the locality served by the auctioned government store.

44 D. If, in the opinion of the Board, the bid received for a particular government store is
45 too low as compared with the determined fair market value, and the discontinuation of
46 such government store would leave the residents of such locality devoid of the
47 opportunity to buy, in such locality, alcoholic beverages other than beer and wine not
48 produced by farm wineries, and vermouth for off-premises consumption, then the Board
49 may issue a package store license to an existing retail licensee authorized to sell wine,
50 beer, or both, for off-premises consumption. For a three-year period, such existing retail
51 licensees shall be entitled to sell alcoholic beverages other than beer and wine not
52 produced by farm wineries, vermouth, and mixers, in addition to the privileges conferred
53 by the existing license. Such package store license shall be the only such license issued to
54 service the locality formerly served by the discontinued government store.

55 E. All initial package store licenses issued pursuant to B of this act shall be issued by
56 the Board on or before December 31, 2003, to begin operation at a time coincident with
57 the discontinuation of the government store. Such licenses shall be valid through
58 December 31, 2006, unless otherwise revoked or suspended in accordance with Title 4.1
59 of the Code of Virginia and Board regulations.

60 F. On or before December 31, 2004, the Board shall promulgate regulations
61 governing the issuance of subsequent package store licenses, which regulations shall
62 include a provision requiring the establishment of one package store per 20,000 people in
63 each locality of the Commonwealth, subject to the requirements of §§ 4.1-121 and 4.1-
64 124.

House Patron:

Kevin Green

Senate Patron:

Clay Broga