



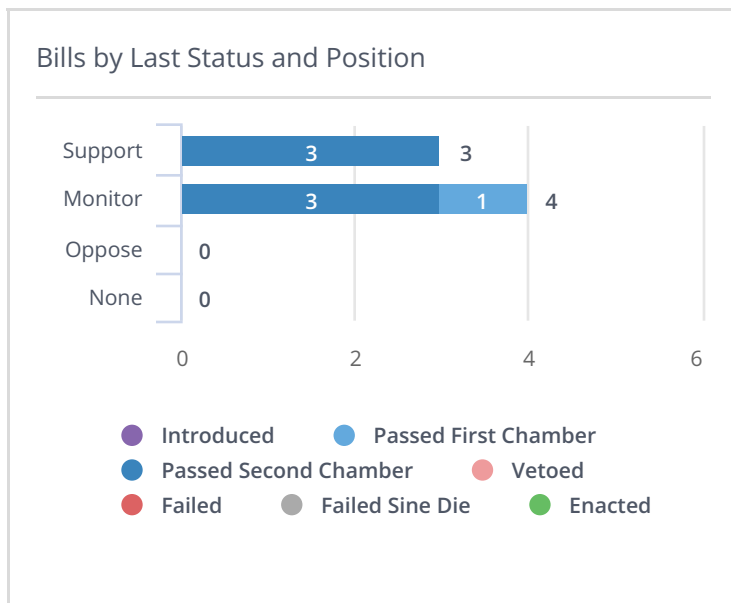
# VCBG 2021 Weekly Legislative Update

Last Updated: February 19, 2021

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## Executive Summary

VCBG members-only communication. Review of Priority Bills, Defensive Priority Bills, and Monitored Bills.



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## Bills by Issue

[ABC Regulation - VA Craft Brewers Guild \(7\)](#)

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
VA	HB 1800	House Vote Rejected 0 Y 99 N 2021 02 18	Passed Senate	Support	High	96.2% 53.8%

**Title**  
Budget Bill.

**Introduction Date:** 2020-12-16

**Labels:** VCBG Priority

**Description**

Budget Bill. Amends Chapter 56 of the 2020 Special Session I Acts of Assembly.

**Primary Sponsors**

Luke Torian

**Organizational Notes**

Last edited by Brett Vassey at Jan 25, 2021, 10:09 PM

HB1800 - Budget Amendment 395 #1h (Delegate Jay Jones) [https://budget.lis.virginia.gov/amendment/2021/1/HB1800/Introduced/MR/395/1h/Public Safety and Homeland Security Virginia Alcoholic Beverage Control Authority Page 472, line 25, strike "\\$942,297,259" and insert "\\$942,347,259". Page 473, after line 9, insert: "G. Included in the appropriation for this item is \\$50,000 the second year from the general fund for alcohol product manufacturers to apply for Rebuild Virginia grant funds, in an amount not to exceed \\$10,000, to pay for local personal property or machinery and tools tax obligations in the 2020 and 2021 tax years."](https://budget.lis.virginia.gov/amendment/2021/1/HB1800/Introduced/MR/395/1h/Public%20Safety%20and%20Homeland%20Security%20Virginia%20Alcoholic%20Beverage%20Control%20Authority%20Page%20472,%20line%2025,%20strike%20%24942,297,259%22%20and%20insert%20%24942,347,259%22) Explanation (This amendment \$50,000 for alcohol manufacturers to receive grants to pay their local personal property or machinery and tools tax obligations.)

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
VA	HB 1845	Senate Passed Senate 39 Y 0 N 2021 02 16	Passed Senate	Monitor	High	95.2% 54.2%

**Title**  
Alcoholic beverage control; license fee reform.

**Introduction Date:** 2021-01-07

**Labels:** VCBG Defensive Priority

**Description**

Alcoholic beverage control; license fee reform; delay; emergency. Delays the effective date of the 2020 alcoholic beverage control license and fee reform from July 1, 2021, to January 1, 2022. During the period of delay and subject to certain requirements, the bill allows on-premises wine or beer licensees to sell wine or beer for off-premises consumption and allows such licensees, as well as off-premises wine or beer licensees, to deliver wine or beer that the licensee is authorized to sell without a delivery permit. The bill contains a technical amendment and an emergency clause.

**Primary Sponsors**

Schuyler VanValkenburg

**Organizational Notes**

Last edited by Brett Vassey at Feb 8, 2021, 6:16 PM

The Bill delays the effective date for the implementation of the Alcoholic Beverage Control License and Fee Reform legislation adopted by the 2020 Session of General Assembly. The original increase in fees is postponed until January 1, 2022. Licensees still continue to get the benefit of consolidated licenses. During delay, bill allows on-premises wine or beer licensees to sell wine or beer for off-premises consumption and allow delivery of that wine or beer without a delivery permit. During delay, bill allows off-premises wine or beer licensees to deliver that wine or beer without a delivery permit. Deferral of the ABC License and Fee Reform will not unduly harm enforcement and it provides greater time for licensees to emerge from restrictions imposed during pandemic Originally, the ability of on-premises wine and beer licensees to sell wine or beer for off-premises consumption without a permit, and to permit off-premises wine and beer licensees to deliver that wine or beer without a delivery permit was one of the numerous efforts undertaken by Virginia ABC administratively.

**Title**

Industrial hemp; updates laws to address the new hemp producer license.

Introduction Date: 2021-01-12

Labels: VCBG Priority

**Description**

Industrial hemp; federal hemp producer license; emergency. Updates Virginia's industrial hemp laws to address the new hemp producer license issued by the U.S. Department of Agriculture. The bill changes drug laws to exclude the industrial hemp possessed by a federally licensed hemp producer from the definition of "marijuana" and to exclude certain amounts of tetrahydrocannabinol (THC) in such industrial hemp from the prohibition on THC. The bill exempts federally licensed hemp producers from state industrial hemp registration requirements and adds such producers to the list of those eligible to receive funds from the Tobacco Indemnification and Community Revitalization Fund.

**Primary Sponsors**

Danny Marshall

**Organizational Notes**

Last edited by Brett Vassey at Feb 19, 2021, 1:52 PM

Opportunity to expand hemp-derived CBD oil for food and beverage additives in Virginia. VDACS has completed their regulation and it is up to the ABC to complete the labeling and content regulations for intrastate CBD beer sales. VCBG will petition ABC again for regulations.

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
VA	HB 2131	Senate Passed Senate 39 Y 0 N 2021 02 16	Passed Senate	Monitor	High	95.7% 54.9%

#### Title

Alcoholic beverage control; license application, locality input.

Introduction Date: 2021-01-12

Labels: VCBG Defensive Priority

#### Description

Alcoholic beverage control; license application; locality input; corrective action. Adds the chief administrative officer of a locality to the list of persons who may be sent notice of certain license applications by the Board of Directors (the Board) of the Virginia Alcoholic Beverage Control Authority. The bill also expands the definition of criminal blight, for which the locality may require a property owner to take corrective action, to include a condition existing on real property that endangers public health or safety and is caused by (i) the regular presence on the property of persons in possession of controlled substances and (ii) the discharge of a firearm under certain conditions.

#### Primary Sponsors

Alfonso Lopez

#### Organizational Notes

Last edited by Brett Vassey at Jan 28, 2021, 1:43 PM

The bill has been amended in subcommittee. The bill now only requires the ABC to notify the local Chief Administrative Officer as part of its normal ABC licensee applicant notice process. The bill also amends the existing "Criminal Blight" section of the Code of Virginia to incorporate discharge of a firearm as a criminal act (<https://law.lis.virginia.gov/vacode/18.2-279/>) to be included as grounds for removal, repair, etc., of buildings and other structures harboring illegal drug use or other criminal activity (§ 15.2-907. Authority).

Last edited by Brett Vassey at Jan 20, 2021, 7:12 PM

Potential amendments: 1. On lines 55 and 128: maintain the addition of the words "or administrative" after "law-enforcement"; 2. On lines 56 and 129: delete the words "or conditional recommendations"; 3. On lines 57 and 129-130: delete the words "or 45 days if the locality has requested an extension"; 4. On lines 57-59 and 130-131 delete the words: "The Board shall give reasonable consideration to any objection or recommendation submitted by the locality pursuant to this paragraph." 5. Maintain the changes to Virginia Code Section 15.2-907.

## Title

Alcoholic beverage control; outdoor refreshment area license.

Introduction Date: 2021-01-13

Labels: VCBG Priority

## Description

Alcoholic beverage control; local outdoor refreshment areas. Renames the "local special events" license as the "outdoor refreshment area" license. The bill allows the Board of Directors of the Virginia Alcoholic Beverage Control Authority to increase the frequency and duration of events held under such license after adoption of an ordinance by a locality requesting such increase in frequency and duration. Under current law, localities are limited to holding 16 events per year under such license, with each event lasting no more than three consecutive days, except during the effective dates of any rule, regulation, or order that is issued by the Governor or State Health Commissioner to meet a public health emergency and that effectively reduces allowable restaurant seating capacity. The bill also increases the state and local license fees for outdoor refreshment area licenses issued pursuant to a local ordinance. This bill incorporates HB 2051.

## Primary Sponsors

Hala Ayala

## Organizational Notes

Last edited by Brett Vassey at Feb 19, 2021, 1:58 PM

This is an opportunity for members to begin to coordinate ORA license uses in their localities around craft beer-related special events and slow revenue times such as winter months. Members should also begin coordinating with their regional beer trails and associations to petition their local governments to create local working groups to craft ORA ordinances to submit to the ABC for approval by year-end. These ordinances will allow for more frequent and longer duration ORA approvals beyond the 16 licenses. The VCBG recommends that members consider petitioning for seasonal ORAs (e.g., weekends all summer, craft beer month, restaurant week, or winter celebration). VCBG will recommend that the Government Affairs Committee consider drafting a model local ordinance that will incorporate our concerns about public safety, signage, solid waste, recycling, outside alcohol, novel containers and sizes, etc.

Last edited by Brett Vassey at Jan 27, 2021, 8:50 PM

Substitute bill passed (7-1) House General Laws ABC Substitute. <https://committees.lis.virginia.gov/subcommitteeaction.aspx?ses=211&bil=HB2266> The substitute simply created a new Outdoor Refreshment Area License under § 4.1-206. Alcoholic beverage licenses. It grants 16 licenses per year for up to 3 days each to each locality with an option of extending those licenses if a locality adopts an ordinance. This will not directly facilitate a permanent outdoor refreshment area, but more likely result in "seasonal" area designations (see language below): "However, the Board may increase the frequency and duration of events after adoption of an ordinance by a locality requesting such increase in frequency and duration. Such ordinance shall include the size and scope of the area within which such events will be held, a public safety plan, and any other considerations deemed necessary by the Board." VCBG Concerns and amendment requests on bill as introduced: 1. 3 areas only may be too limiting for larger jurisdictions with multiple business centers. 2. The definition of container and size should be changed to "any ABC approved commercial packaging up to 32 ounces." Most breweries don't can their beer, but most have a "crowler" machine that cans 32 ounces. 3. ½ square mile may be too small. Some regions in Virginia that are craft beer centric are Scott's Addition – Richmond, Old Town – Alexandria, Old Town – Fredericksburg, Downtown – Leesburg, Ghent – Norfolk, Atlantic Blvd Area – Virginia Beach, Downtown Mall – Charlottesville, Downtown – Danville, Downtown – Lynchburg, Main St – Bristol, Farmer's Market Area – Roanoke, Downtown – Bedford. Just food for thought... 4. Perhaps consider an enactment clause to have ABC convene a working group to develop standardized signage and demarcation regulations for the geographic areas to ensure that localities uniformly apply the law for the benefit of consumers, retailers and brewers.

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
VA	HB 2275	Senate Constitutional Reading Dispensed 39 Y 0 N 2021 02 18	In Senate	Monitor	High	96.2% 54.6%

#### Title

Food and drink permit; Commissioner of Agriculture and Consumer Services to issue.

Introduction Date: 2021-01-14

Labels: VCBG Defensive Priority VMA Defensive Priority Bill

#### Description

Food and drink permit requirements; regulations. Directs the Commissioner of Agriculture and Consumer Services (the Commissioner), after conducting the required inspection, to issue a permit for the operation of any food manufacturer, food storage warehouse, or retail food establishment. The bill prohibits the operation of such manufacturer, warehouse, or establishment without a permit unless the inspection finds no significant health hazard and the business is awaiting receipt of its permit, which shall be processed within 30 days of the inspection. The bill authorizes the Commissioner to deny, suspend, or revoke such permit for certain violations and authorizes the Commissioner to suspend such permit and seek an expedited informal fact-finding proceeding if conditions exist that present a significant and immediate public health hazard.

#### Primary Sponsors

Wendy Gooditis

#### Organizational Notes

Last edited by Brett Vassey at Jan 28, 2021, 2:16 PM

HB 2275 was amended in subcommittee to address all VMA and VCBG concerns. Substitute is at <https://committees.lis.virginia.gov/forconsideration.aspx?ses=211&bil=HB2275&hou=H>.

Last edited by Brett Vassey at Jan 27, 2021, 6:59 PM

HB 2275 Food and Beverage MFG VMA Amendments 38 B. The Board may adopt regulations for the efficient administration of subsection C of § 3.2-5100 in accordance with the Virginia Administrative Process Act. 47 storage warehouse, or retail food establishment. However, businesses regulated under this section may operate until receipt of the permit, that will be processed within 30 days from the inspection date, if the inspection finds no significant health hazards to the public. 51 food establishment. Any business that's permit is suspended shall be provided with an appeal process. Enactment Clauses VDACS shall develop a written appeal process by July 1, 2021 for businesses to utilize if a permit is suspended Nothing is this act shall require an existing business to acquire a permit or renew a permit. Permits will be automatically distributed to all operating businesses.

State	Bill Number	Last Action	Status	Position	Priority	FN Outlook
VA	SB 1471	Senate House Substitute Rejected By Senate 0 Y 39 N 2021 02 18	Passed House	Support	High	97.1% 55.1%

#### Title

Alcoholic beverage control; local special events license, taxes and fees.

Introduction Date: 2021-01-22

Labels: VCBG Priority

#### Description

Alcoholic beverage control; local special events license. Allows the Board of Directors of the Virginia Alcoholic Beverage Control Authority to increase the frequency, duration, and designated area of events held under a local special events license upon the request of a locality after adoption of an ordinance allowing such increases. Under current law, localities are limited to holding 16 events per year under such license, with each event lasting no more than three consecutive days, except during the effective dates of any rule, regulation, or order that is issued by the Governor or State Health Commissioner to meet a public health emergency and that effectively reduces allowable restaurant seating capacity. The bill also increases the state and local license fees for local special events licenses issued pursuant to a local ordinance.

#### Primary Sponsors

Siobhan Dunnivant