



Circular Letter  
19-04

**To:** All Manufacturing Licensees

**Subject:** Shared equipment and alternation of premises between manufacturing types

**Purpose:** The purpose of this Circular Letter is to clarify for licensees the Authority's interpretation of the Code of Virginia regarding manufacturing entities operating at the same physical location, under common ownership or common control, utilizing certain shared equipment and common areas.

**Background:** Virginia ABC has received a number of inquiries regarding the use of shared equipment and the alternation of premises by manufacturing entities that are at the same physical location and under the same ownership. Primarily, VA ABC has been asked to consider the shared use of equipment that requires a substantial investment from the business which could be used to benefit multiple manufacturing platforms. Under § 4.1-203 (A), each license granted by the Board shall designate the place where the business of the licensee will be conducted and except as otherwise provided in §§ 4.1-207 and 4.1-208, *a separate license shall be required for each separate place of business*. Therefore, each licensed manufacturing type must establish a designated area and qualify as such under the statutory provisions for each individual license.

It has been long held that VA ABC will grant licenses to several different manufacturing businesses at the same address as long as the entities are separate and distinguishable, and comply with all federal requirements. As such, each licenses' designated area could be distinguished from the other and still comply with § 4.1-203.

**Held:** ABC will permit the use of shared equipment between entities operating at the same physical location, and under common ownership or common control, provided that the following criteria are met:

- 1) Each entity must qualify for their respective manufacturing license. As such, the licensee shall maintain all required equipment necessary to manufacture the product exclusive to its license at the designated licensed area as well as be able to store such exclusive product in the designated licensed area unless otherwise authorized by Code or Regulation.
- 2) The approval of shared equipment will be that equipment which is not otherwise utilized for the qualifications of licensure. This includes, but is not limited to, bottling lines, canning lines, packaging lines, and the like.



- 3) Shared areas of the facility may also be approved to utilize the movement of products through the facility as long as all federal requirements are met. This includes, but is not limited to walkways, loading docks, truck bays, and piping.
- 4) The business must establish and utilize a method of visual cues to indicate which license type is operating the shared equipment at the time it is utilizing such. The business will also maintain all records in accordance with federal and state requirements.
- 5) All plans must be submitted to the VA ABC and the premises must be inspected and approved prior to the commencing of shared use operations. Any deviation from the original plan must be re-evaluated and approved by VA ABC prior to implementation.
- 6) All Virginia laws and regulations will be followed at all times regardless of the license type utilizing the shared space. Should a violation occur, all manufacturing entity licenses would receive the appropriate violation.

Should you have questions regarding shared equipment and alternation of premises between manufacturing types, please contact Compliance at (804) 213-4632 or [compliance@abc.virginia.gov](mailto:compliance@abc.virginia.gov).

