3VAC5-70-100. Gifts of alcoholic beverages generally; exceptions; wine and beer tastings; taxes and records.

A. Gifts of alcoholic beverages by a licensee to any other person are prohibited except as otherwise provided in this section or as provided in §§4.1-201, 4.1-201, 4.1-201, 4.1-325, and 4.1-325.2 of the Code of Virginia.

- B. Gifts of alcoholic beverages may be made by licensees as follows:
- 1. Personal friends. Gifts may be made to personal friends as a matter of normal social intercourse when in no wise a shift or device to evade the provisions of this section.
- 2. Samples. A wholesaler may give a retail licensee a sample serving or a container not then sold by such licensee of wine or beer, which such wholesaler otherwise may sell to such retail licensee, provided that in a case of containers, the container does not exceed 52 fluid ounces in size (1.5 liters if in a metric-sized container) and the label bears the word "Sample" in lettering of reasonable size. Such samples may not be sold. For good cause shown the board may authorize a larger sample container.
- 3. Hospitality rooms; conventions. A person licensed to manufacture wine or beer may:
- a. Give samples of his products to visitors to his winery or brewery for consumption on premises only in a hospitality room approved by the board, provided the donees are persons to whom such products may be lawfully sold; and

- b. Host an event at conventions of national, regional or interstate associations or foundations organized and operated exclusively for religious, charitable, scientific, literary, civil affairs, educational or national purposes upon the premises occupied by such licensee, or upon property of the licensee contiguous to such premises, or in a development contiguous to such premises, owned and operated by the licensee or a wholly owned subsidiary.
- 4. Conventions; educational programs, including wine and beer tastings; research; licensee associations. Licensed manufacturers, bottlers and wholesalers may donate beer or wines to:
- a. A convention, trade association or similar gathering, composed of licensees and their guests, when the alcoholic beverages donated are intended for consumption during the convention;
- b. Retail licensees attending a bona fide educational program relating to the alcoholic beverages being given away;
- c. Research departments of educational institutions, or alcoholic research centers, for the purpose of scientific research on alcoholism;
- d. Licensed manufacturers and wholesalers may donate wine to official associations of wholesale wine licensees when conducting a bona fide educational program concerning wine, with no promotion of a particular brand, for members and guests of particular groups, associations or organizations.
- 5. Conditions. Exceptions authorized by subdivisions B 3 b and B 4 are conditioned upon the following:

- a. That prior written notice of the activity be submitted to the board describing it and giving the date, time and place of such; and
- b. That the activity be conducted in a room or rooms set aside for that purpose and be adequately supervised.
- C. Wine and beer wholesalers may participate in a wine or beer tasting sponsored by a gourmet shop licensee for its customers and may provide educational material, oral or written, pertaining thereto, as well as participate in the pouring of such wine or beer.
- D. Any gift authorized by this section shall be subject to the taxes imposed on sales by Title 4.1 of the Code of Virginia, and complete and accurate records shall be maintained.

3VAC5-70-150. Wholesale alcoholic beverage sales; winery and brewery discounts, price-fixing; price increases; price discrimination; inducements.

A. No winery as defined in §4.1-401 or brewery as defined in §4.1-500 of the Code of Virginia shall require a wholesale licensee to discount the price at which the wholesaler shall sell any alcoholic beverage to persons holding licenses authorizing sale of such merchandise at retail. No winery, brewery, bottler or wine or beer importer shall in any other way fix or maintain the price at which a wholesaler shall sell any alcoholic beverage.

B. No winery as defined in §4.1-401 or brewery as defined in §4.1-500 of the Code of Virginia shall increase the price charged any person holding a wholesale license for alcoholic beverages except by written notice to the wholesaler signed by an authorized officer or agent of the winery, brewery, bottler or importer which

shall contain the amount and effective date of the increase. A copy of such notice shall also be sent to the board and shall be treated as confidential financial information, except in relation to enforcement proceedings for violation of this section.

No increase shall take effect prior to 30 calendar days following the date on which the notice is postmarked; provided that the board may authorize such price increases to take effect with less than the aforesaid 30 calendar days' notice if a winery, brewery, bottler or importer so requests and demonstrates good cause therefor.

The provisions of this subsection shall not apply in any case where the importer required to provide notice of a price increase and the wholesaler to whom notice is to be provided are the same person.

C. No winery as defined in §4.1-401 or brewery as defined in §4.1-500 of the Code of Virginia shall discriminate in price of alcoholic beverages between different wholesale purchasers and no wholesale wine or beer licensee shall discriminate in price of alcoholic beverages between different retail purchasers except where the difference in price charged by such winery, brewery or wholesale licensee is due to a bona fide difference in the cost of sale or delivery, or where a lower price was charged in good faith to meet an equally low price charged by a competing winery, brewery or wholesaler on a brand and package of like grade and quality. Where such difference in price charged to any such wholesaler or retail purchaser does occur, the board may ask and the winery, brewery or wholesaler shall furnish written substantiation for the price difference.

D. No person holding a license authorizing the sale of alcoholic beverages at wholesale or retail shall knowingly induce or receive a discrimination in price prohibited by subsection C.

3VAC5-70-160. Farm wineries; percentage of Virginia products; other agricultural products; remote outlets.

A. No more than 25% of the fruits, fruit juices or other agricultural products used by the farm winery licensee shall be grown or produced outside the Commonwealth, except upon permission of the board as provided in §4.1-219 of the Code of Virginia. This 25% limitation applies to the total production of the farm winery, not individual brands or labels.

- B. The term "other agricultural products," as used in subsection A, includes wine.
- C. A farm winery license limits retail sales to the premises of the winery and to two five additional retail establishments which need not be located on the premises. These two five additional retail outlets may be moved throughout the state as long as advance board approval is obtained for the location, equipment and facilities of each remote outlet.

3VAC 5-70-230. Sale of designer or vintage spirit bottles.

Collectors of designer or vintage bottles containing distilled spirits may sell them at auction under the following conditions:

- The seller shall notify the secretary to the board of the date, time, and place of the auction sale.
- Any bottle sold must be unopened and the manufacturer's seals, marks, or stamps affixed to the bottles must be intact.

- 3. The auction must be conducted in accordance with the provisions of Chapter 6 (§ 54.1-600, et seq.) of Title 54.1 of the Code of Virginia.
- 4. Any purchaser at such auction must be a minimum of 21 years of age.
- 5. For two years from the date of sale, the auctioneer must keep records, available to the board upon request, of the name and address of each purchaser and a description of the alcoholic beverages purchased.