

West Central Deputy Commissioners of the Revenue meeting



Topics:

**4.1-225(6) Grounds for which ABC board may suspend or
revoke licenses – delinquent taxes**

4.1-212 a (16) Continuation of operations permit

4.1-233.1 Fees on local licenses

4.1-114 Mixed Beverage Annual Review

Search Functionality for Active or Pending Licenses

presented by Special Agent Zachary Bobich

**Virginia ABC bureau of law enforcement – Staunton & Charlottesville
regional office**



Virginia ABC act: 4.1-225 (6)

The Board may suspend or revoke any licenses (except a brewery license) in which the Board may impose penalties as provided in 4.1-227, if it has reasonable cause to believe that:

6. The licensee is delinquent for a period of 90 days or more in the payment of any taxes, or any penalties or interest related thereto, lawfully imposed by the locality where the licensed business is located, as certified by the treasurer, commissioner of the revenue, or finance director of such locality, unless (i) the outstanding amount is de minimis; (ii) the licensee has pending a bona fide application for correction or appeal with respect to such taxes, penalties, or interest; or (iii) the licensee has entered into a payment plan approved by the same locality to settle the outstanding liability.



How to initiate a regulatory investigation by the Virginia ABC bureau of law enforcement for 4.1-225(6) violation

- Contact an ABC Bureau of Law Enforcement Regional Office and speak with the assigned Special Agent for your locality.
- Provide a synopsis and a signed letter stating that the ABC Licensed business has been delinquent for 90 days or more in the payment of taxes, penalties or interests imposed by the locality where the licensed business is located.
- ABC Special Agent will reach out to the ABC Licensed business and may either conduct an inspection or notify the licensee that an investigation requested has been filed with the agency.
- ABC Special Agent will first issue a written warning and provide a reasonable amount of time for the licensee to enter a payment plan with the locality or settle their past due taxes, interest and penalties.
- A written warning is typically issued at the start to allow the licensee to self-correct or come into compliance without initiating regulatory action, unless it's a documented and re-occurring violations.
- If a written warning was issued and the licensee still has not come into compliance or has not entered into a payment plan with the locality, the ABC Special Agent will ask for a follow-up letter from the locality stating that the licensee is non-compliant. A report will be prepared to be sent to Virginia ABC Hearings and Appeals Division for adjudication.
- A representative from the Commissioner of the Revenue Office would have to appear as a witness in the regulatory hearing



Hearings & Appeals Division process

- Violation report supported by facts and evidence is submitted.
- Office of Legal Counsel reviews the charges and drafts a consent settlement.
- Monetary fine or
- Suspension of license for a pre-determined amount of time
- If the licensee declines the consent offer.
- Hearing and Appeal Division sets a hearing date.
- Evidence and facts are presented, witnesses testify, cross examination occurs.
- Decision is issued after relevant laws and procedures are reviewed by the administrative judge.



Case Study

Charlottesville Commissioner of the Revenue Office

August – October 2019

- On or about August 2019, ABC Special Agent Kyle Meador was made aware that an ABC Licensed business was delinquent on filing meal taxes for more than 90 days and had not paid any property taxes. Agent Meador based on the letter from the Commissioner of the Revenue issued the ABC Licensed Entity a written warning and advised that the entity needed to either pay in full or begin a re-payment plan.
- Beginning of October 2019 Agent Meador confirmed again with the Commissioner of the Revenue that the ABC Licensed business has not entered into any payment plans or repaid any owed taxes. During the same month Agent Meador received confirmation letter detailing how much the ABC Licensed business owed.
- The ABC Licensed business responded that they had paid or were on a payment, however, were unable to produce any receipts, documents or correspondences proving there was a repayment plan.
- At the end of October 2019 Agent Meador again verified through the Commissioner of the Revenue that the information received was still accurate and that the ABC Licensed business was not in compliance.
- Since a written warning was issued and a deadline was set, Agent Meador prepared an investigative report and submitted it along with evidence and witness subpoena to the ABC Hearings & Appeals Division.
- A formal hearing was convened in January 2020. During the hearing business tax supervisor with City of Charlottesville testified that the ABC Licensed business had not filed any meal taxes from 2018 to present. Part of the argument surrounded as to when the ABC Licensed business had entered into any oral or written agreements. After documentation was provided, the final decision was rendered. The ABC Licensed business was ordered to pay Virginia ABC \$2000.00 dollars for the violation.
- The establishment surrendered its ABC License in June 2020.



QUESTIONS REGARDING 4.1-225(6) or regulatory investigation.



CONTINUATION OF OPERATION PERMIT

4.1-212 A.15 (COOP)

- A COOP Permit is a bridge between an active ABC License and an applicant for a new ABC License.
- It allows a pending applicant to open up their business and operate under the active ABC License for a period of no more than 120 days or until the application is completed.
- The process may require the ABC Special Agent to contact the Commissioner of the Revenue Office to obtain information on whether the current ABC Licensed Entity owes any meal or business-related taxes, penalties or interest.
- The applicant entity may elect to take on any owed taxes, penalties or interest from the current active licensee if that option is checked.
- Typically, the applicant entity does not select that option and thus ABC Special Agents would contact the locality to verify that the current ABC License business does not owe any meal or business-related taxes.

15. Any person who, through contract, lease, concession, license, management or similar agreement (hereinafter referred to as the contract), becomes lawfully entitled to the use and control of the premises of a person licensed by the Board to continue to operate the establishment to the same extent as a person holding such licenses, provided such person has made application to the Board for a license at the same premises. The permit shall (i) confer the privileges of any licenses held by the previous owner to the extent determined by the Board and (ii) be valid for a period of 120 days or for such longer period as may be necessary as determined by the Board pending the completion of the processing of the permittee's license application. No permit shall be issued without the written consent of the previous licensee. No permit shall be issued under the provisions of this subdivision if the previous licensee owes any state or local taxes or has any pending charges for violation of this subtitle or any Board regulation, unless the permittee agrees to assume the liability of the previous licensee for the taxes or any penalty for the pending charges. An application for a permit may be filed prior to the effective date of the contract, in which case the permit when issued shall become effective on the effective date of the contract. Upon the effective date of the permit, (a) the permittee shall be responsible for compliance with the provisions of this subtitle and any Board regulation and (b) the previous licensee shall not be held liable for any violation of this subtitle, or any Board regulation committed by, or any errors or omissions of, the permittee.



Mixed Beverage Annual Review (MBAR) 4.1-114

Each mixed beverage licensee must submit an annual review comparing food/non-alcoholic beverage sales to mixed beverage sales.

MBAR investigations can uncover discrepancies in sales and meals taxes reported to the locality. This can lead to inaccurate MBAR charges/fines for the licensee.



Virginia ABC new website search functionality

www.abc.virginia.gov → Licenses → Find a license

Virginia ABC > Licenses > Find a License > Licensee Search Tool

Find a License

Licensee Search Tool

Print Share

Contested Licenses

License Search Tool

License # All
Establishment Name All
Address All
City All
County All
Zip All
Establishment Type All
Capacity All
Consumption Location All
Beer/Wine Status All
Mixed Beverage Status All
Record Type All
Beer/Wine Exp Date 9/30/1995 3/26/3033
Mixed Bev Exp Date 9/30/1995 5/31/2024
Record Date 4/12/1934 8/17/2022

Show as a table

License #	County	Record Type	Facility/Establishment Name	Establishment Type
013060010	FREDERICK COUNTY	Retail Specialty Establishment Application	Tienda Latina La Tembulena	Convenience Grocery Store
013060030	NEWPORT NEWS CITY	Banquet License	American Legion Post 368	Birthday/Engagement / Private
013060037	KING GEORGE COUNTY	Banquet License	Backporch Vineyard	Wedding Reception / Private
013060041	ROANOKE COUNTY	Banquet License		Birthday Party / Private
013060051		Banquet License	VFW Post #1264	Baby Shower / Private
013060056		Banquet License		Quincenera / Private
013060062	RICHMOND COUNTY	Banquet License	Menokin Road Farms	Wedding Reception / Private
013060064	CHESTERFIELD COUNTY	Banquet License	Meadowville Landing Clubhouse	Birthday Party / Private
013060067	CHESTERFIELD COUNTY	Banquet Special Event License	Art Works	Art Exhibit Fund Raiser / Open to the Pu
013060087	LANCASTER COUNTY	Banquet Special Event License	RAL Art Center	Reception / Open to the Public
013060089	LANCASTER COUNTY	Banquet Special Event License	RAL Art Center	Reception / Open to the Public
013060092	PORTSMOUTH	Banquet License	Portsmouth Professional Firefighters & Paramedics Union Hall	Graduation Celebration / Private
013060094		Banquet License	The Headhouse at Main Street Station	Sangeet / Private
013060096	CHESTERFIELD COUNTY	Banquet License	Spring Run Vineyards	Bridal Shower / Private
013060099		Banquet License	Beacon Ridge Retreat Center	Wedding / Private
013060101	CHESTERFIELD COUNTY	Banquet License	Pocahontas State Park Swift Creek Banquet Hall	Wedding / Private



Contact information for localities

REGION 1 – ROANOKE

COUNTIES:

Alleghany, Botetourt, Craig, Franklin, Henry, Montgomery, Patrick and Roanoke.

CITIES:

Covington, Martinsville, Roanoke and Salem.
2943 Peters Creek Rd. NW, Suite D
Roanoke, Virginia 24019
(540)562-3604

REGION 1 – SATELLITE OFFICE IN ABINGDON

COUNTIES:

Bland, Buchanan, Carroll, Dickenson, Floyd, Giles, Grayson, Lee, Pulaski, Russell, Scott, Smyth, Tazewell, Washington, Wise and Wythe.

CITIES:

Bristol, Galax, Norton and Radford.
102 Abingdon Place
Abingdon, Virginia 24211
(276)676-5502

REGION 2 – LYNCHBURG

COUNTIES:

Amherst, Appomattox, Bedford, Brunswick, Buckingham, Campbell, Charlotte, Cumberland, Greensville, Halifax, Lunenburg, Mecklenburg, Nelson, Pittsylvania and Prince Edward.

CITIES:

Danville, Emporia and Lynchburg.
20353 Timberlake Rd., Suite A
Lynchburg, Virginia 24502
(434)582-5136

REGION 3 – STAUNTON

COUNTIES:

Augusta, Bath, Clarke, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah and Warren.

CITIES:

Buena Vista, Harrisonburg, Lexington, Staunton, Waynesboro and Winchester.
38 Professional Way (P.O. BOX 1)
Verona, Virginia 24482
(540)332-7800

REGION 4 - ALEXANDRIA

COUNTIES:

Arlington, Fairfax, Loudoun and Prince William.

CITIES:

Alexandria, Fairfax, Manassas, Manassas Park and Falls Church.
6308 Grovedale Dr
Alexandria, Virginia 22310
(703)313-4444

REGION 5 & 6 – FREDERICKSBURG AND RICHMOND

COUNTIES:

Caroline, Essex, Goochland, Hanover, King & Queen, King George, King William, Lancaster, Northumberland, Richmond, Spotsylvania, Stafford and Westmoreland, Amelia, Charles City, Chesterfield, Dinwiddie, Henrico, New Kent, Nottoway, Powhatan and Prince George.

CITIES:

Fredericksburg, Colonial Heights, Hopewell, Petersburg and Richmond.
7450 Freight Way
Mechanicsville, Virginia 23116
(804)213-4620

REGION 7 – HAMPTON

COUNTIES:

Gloucester, Isle of Wight, James City, Mathews, Middlesex, Southampton, Surry, Sussex and York.

CITIES:

Franklin, Hampton, Newport News, Poquoson, Suffolk and Williamsburg.
9317 Warwick Blvd
Hampton, Virginia 23605

REGION 8 – CHESAPEAKE

COUNTIES:

Accomack and Northampton

CITIES:

Chesapeake, Norfolk, Portsmouth and Virginia Beach
1103 South Military Hwy
Chesapeake, Virginia 23320
(757)424-6700

REGION 9 – CHARLOTTESVILLE

COUNTIES:

Albemarle, Culpeper, Fauquier, Fluvanna, Greene, Louisa, Madison, Orange and Rappahannock.

CITIES:

Charlottesville
630 Peter Jefferson Pkwy, Suite 260
Charlottesville, Virginia 22911
(434)977-2974



Questions?

Zachary Bobich

Special Agent

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540-332-7800 – Staunton Regional Office

