



# How to Open a Distillery



## Where Do I Start?

You have made the decision to open a distillery. Your first step is to obtain the required federal permits discussed under “licensing” below. Then apply for a Virginia distiller’s license also detailed below. Virginia ABC will assign a Special Agent to work with you. Your Special Agent will be your primary contact and source of instruction as you work through the requirements to set up a legally licensed establishment.

Do you plan to sell your product in the Commonwealth of Virginia? If so, you will need to ensure your product has been certified by the Alcohol and Tobacco Tax and Trade Bureau (TTB). All products must first be approved by the TTB before they can be sold in Virginia.

Does your product have all the necessary codes (UPC, SCC, and CSC)? Information on these codes, and how to obtain them, is available on our website at: <https://www.abc.virginia.gov/licenses/spirits-industry-resources/listings-and-delistings>.

You will also need access to Virginia ABC’s Management of Inventory and Product Sales System (MIPS). Requesting access to MIPS is detailed in the MIPS Manual, also located on the web page listed above. Once you have access to MIPS, you can submit a product for Virginia ABC consideration. This process is known as “listing,” which is also detailed in the MIPS Manual. ABC carries four types of products:

- STD: (Standard) – Listed products that have gone through the listings process
- SOC: (Special Order Catalog) – Products that are listed in the ABC Special Order Catalog
- SONC: (Special Order Non-Catalog) – Products that have not been listed in the catalog, but can be ordered
- SONC/Distillery Only – Products only sold in the Distillery Store. All new Distillery Store products will be marked Distillery Only until they go through Listings or are requested for special order.

Virginia ABC’s Supplier Manual and Supplier Manual Distilled Spirits Addendum are also found on the link above. The Supplier Manual applies to all manufacturers of distilled spirits wishing to be listed with Virginia ABC. The addendum is specific to Virginia distilleries and provides additional information.

### **DISTILLERY STORES**

Distillers with a product listed in MIPS who wish to sell their product directly to paying customers on the premises of the distillery must first be authorized as an ABC “distillery store” and enter into a contractual agreement with Virginia ABC.

(Code of Virginia § 4.1-119) <https://law.lis.virginia.gov/vacode/title4.1/chapter1/section4.1-119/>

Virginia ABC will review the completed application and agreement, and a decision regarding approval or denial will be made. Products not approved in the listing process may be approved for sale through a distiller’s licensed distillery store. These products are known as “Distillery Only”.



# Licensing

In order to legally distill spirits in the Commonwealth of Virginia, prospective Distillers must obtain a beverage distilled spirits plant permit from the TTB and a Distillery License from Virginia ABC. The production of spirits cannot begin until both documents have been issued.

A Virginia ABC Distillery License allows for the manufacture of distilled spirits and the sale of the manufactured spirits to Virginia ABC, the government or any entity outside the Commonwealth of Virginia legally authorized to receive the product.

Virginia ABC is the wholesale distributor and sole retailer for all distilled spirits sold in Virginia.

A Distillery Licensee may be appointed as an independently operated agent of Virginia ABC for the purpose of selling distilled spirits manufactured by or for, or blended by such licensee on the licensed premises at Virginia ABC stores established on the Distiller's premises. To be appointed as an agent of Virginia ABC for the purpose of selling distilled spirits on the Distiller's premises the Distillery Licensee must first enter into a written agreement with Virginia ABC.

(Code of Virginia § 4.1-119) <https://law.lis.virginia.gov/vacodeupdates/title4.1/section4.1-119/>

## REQUIREMENTS FOR LICENSING

### An applicant for licensure must:

1. Verify with the locality's zoning office that a distillery may be operated on the desired location.
2. Ensure that the locality permits the operation of a Distillery Store in the desired location.
3. Obtain the federal basic permit and possess a copy of a completed TTB application.
4. Provide a diagram of the distillery space to be licensed and placement of distillery equipment.
5. Provide a list of distilling apparatus.
6. Supply the deed/lease/sub-lease of distilling space.
7. Provide a certificate of incorporation/organization.
8. Provide the articles of incorporation/organization.
9. Provide an operating agreement (if one exists).
10. Supply a list of issued stock certificates or most recent annual corporate stock report (if applicable).
11. Supply official Department of Motor Vehicles (DMV) driving records.
12. Provide the company's Federal ID number (FEIN).
13. Supply a photocopy of ID.

All producers of food products, which include alcoholic beverages in the commonwealth, are required to be inspected by the Virginia Department of Agriculture and Consumer Services (VDACS) prior to production of such products.

Information regarding food safety and inspections can be found at <http://www.vdacs.virginia.gov/dairy-food-and-beverage-manufacturing.shtml>. Applicants may be subject to a criminal background check.

(Code of Virginia § 4.1-230) <https://law.lis.virginia.gov/vacodeupdates/title4.1/section4.1-230/>

## FEDERAL PERMITS

Information and documents regarding federal requirements for obtaining permits and the production of distilled spirits can be found on TTB's distilled spirits homepage: <https://www.ttb.gov/spirits>.



## APPLICATION FOR ABC LICENSE

The application for Virginia ABC licenses with instructions can be found and downloaded at:  
<https://www.abc.virginia.gov/licenses/get-a-license/industry-licenses>

A Virginia ABC license cannot be issued until:

1. All required documents have been received. Failure to provide required documents is the primary cause of delay in the licensing process.
2. A Special Agent has completed an investigation, including a site visit.
3. All fees have been paid.
4. Posting and publishing has occurred. The owners must publish notice (in English) at least two times in a newspaper having a general circulation in the county, city, or town where the owner proposes to conduct business. The two publications must occur in consecutive weeks, the second publishing in at least seven days after the first, but no later than Saturday of the second week.
5. Any local government or citizen objections have been resolved. The Code of Virginia requires Virginia ABC to afford citizens of the commonwealth 30 days from the date of the first newspaper publication to lodge a valid objection to the issuance of an ABC license.
6. The establishment is ready to begin operations.

*(Code of Virginia § 4.1-230)*

## TYPES OF ABC LICENSES

- Distillery License: 5,000 gallons or less of alcohol or spirits or both, manufactured during a licensed year.
- Distillery License: 5,001 – 36,000 gallons manufactured during a license year.
- Distillery License: More than 36,000 gallons manufactured during a license year.

## FEES

FEE TYPE	FEE AMOUNT
Distillery License Application Fee	\$195
Criminal Record Check	\$15 per person in corporation or LLC who are officers, members, or have a 10% or more stake
Distillery License, <=5,000 gallons	\$490 per year
Distillery License, 5,001-36,000 gallons	\$2,725 per year
Distillery License, >36,000 gallons	\$4,060 per year

*\*The Distiller shall pay the necessary fees to renew the Distillery License on an annual basis, as well as comply with the requirements stipulated in the Distillery License privileges*

### A note on Distillery Store Footprints:

It is highly recommended that a Distillery Store's footprint at minimum include counter space from which to serve tastings, a secure place to store opened tasting bottles, and room to display and store bottles for sale. Even if a store does not plan to conduct tastings, leftover event tasting bottles or one-off tastings do sometimes occur, so it is prudent to plan ahead for this possibility.