

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Committee Substitute

for

Senate Bill 928

BY SENATORS MORRIS, FULLER, HELTON, RUCKER,

TAKUBO, CLEMENTS, AND HAMILTON

[Reported February 18, 2026, from the Committee on

Finance]

1 A BILL to amend and reenact §60-1-5 of the Code of West Virginia, 1931, as amended; and to
2 amend the code by adding a new article, designated §60-8B-1, §60-8B-2, §60-8B-3, §60-
3 8B-4, and §60-8B-5, relating to the manufacture, sale, and distribution of low-proof spirit
4 alcohol products; defining terms; declaring legislative findings, policy, and intent;
5 prescribing manufacture, sales, and distribution requirements for low-proof spirit alcohol
6 products; prescribing taxation amount and methodology for low-proof spirit alcohol
7 products; and granting permissive rule-making authority.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. GENERAL PROVISIONS.

§60-1-5. Definitions.

1 For the purposes of this chapter:

2 (1) "Alcohol" means ethyl alcohol whatever its origin and shall include synthetic ethyl
3 alcohol but not denatured alcohol.

4 (2) "Alcoholic liquor" includes alcohol, beer, wine, and spirits, and any liquid or solid
5 capable of being used as a beverage, but shall not include nonintoxicating beer.

6 (3) "An agency" means a drugstore, grocery store, or general store designated by the
7 commission as a retail distributor of alcoholic liquor for the West Virginia Alcohol Beverage Control
8 Commission.

9 (4) "Beer" means any beverage obtained by the fermentation of barley, malt, hops, or any
10 other similar product or substitute, and containing more alcohol than that of nonintoxicating beer.

11 (5) "Brewery" means an establishment where beer is manufactured or in any way
12 prepared.

13 (6) "Commissioner" or "commission" means the West Virginia Alcohol Beverage Control
14 Commissioner.

15 (7) "Department" means the organization through which the commission exercises powers
16 imposed upon it by this chapter.

17 (8) "Distillery" means an establishment where alcoholic liquor other than wine or beer is
18 manufactured or in any way prepared.

19 (9) "Intoxicated" means a person's faculties are impaired by alcohol or other substance to
20 the point where physical or mental control or both are markedly diminished.

21 (10) "Low-proof spirit alcohol products" mean any alcoholic liquor beverage drink, other
22 than wine, beer, or nonintoxicating beer, containing one half of one percent or more of alcohol by
23 volume, but not more than fifteen and one-half percent alcohol by volume obtained by distillation,
24 mixed with drinkable water, fruit juices, flavoring, or coloring materials, other alcoholic or non-
25 alcoholic beverages or other ingredients in a solution, which are packaged in containers not to
26 exceed 25 fluid ounces.

27 ~~(10)~~ (11) "Manager" means an individual who is the applicant's or licensee's on-premises
28 employee, member, partner, shareholder, director, or officer who meets the licensure
29 requirements of §11-16-1 *et seq.* of this code and rules promulgated thereunder who actively
30 manages, conducts, and carries on the day-to-day operations of the applicant or licensee with full
31 and apparent authority or actual authority to act on behalf of the applicant or licensee. Such duties
32 include, but are not limited to: Coordinating staffing; reviewing and approving payroll; ordering
33 and paying for inventory, such as nonintoxicating beer, wine, and liquor, as applicable; ~~and~~
34 managing security staff, security systems, video and other security equipment; and any further
35 acts or actions involved in managing the affairs of the business, on behalf of owners, partners,
36 members, shareholders, officers, or directors.

37 ~~(11)~~ (12) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct,
38 process, blend, bottle, or fill an original package with any alcoholic liquor.

39 ~~(12)~~ (13) "Manufacturer" means any person engaged in the manufacture of any alcoholic
40 liquor, and among others includes a distiller, a rectifier, a wine maker, and a brewer.

41 ~~(13)~~ (14) "Nonintoxicating beer" means any beverage obtained by the fermentation of
42 barley, malt, hops, or similar products or substitute, and containing not more alcohol than that
43 specified by §11-16-2 of this code.

44 ~~(14)~~ (15) "Original package" means any closed or sealed container or receptacle used for
45 holding alcoholic liquor.

46 ~~(15)~~ (16) "Person" means an individual, firm, partnership, limited partnership, corporation,
47 or voluntary association.

48 ~~(16)~~ (17) "Powdered alcohol" means an alcohol manufactured in a powder or crystalline
49 form for either direct use or reconstitution as an alcoholic liquor or food. For purposes of this
50 chapter, powdered alcohol excludes any material intended for industrial purposes.

51 ~~(17)~~ (18) "Public place" means any place, building, or conveyance to which the public has,
52 or is permitted to have access, including restaurants, soda fountains, hotel dining rooms, lobbies,
53 and corridors of hotels and any highway, street, lane, park, or place of public resort or
54 amusement: *Provided*, That the term "public place" shall not mean or include any of the above-
55 named places or any portion or portions thereof which qualify and are licensed under the
56 provisions of this chapter to sell alcoholic liquors for consumption on the premises: *Provided*,
57 *however*, That the term "public place" shall not mean or include any legally demarcated area
58 designated solely for the consumption of beverages and freshly prepared food that directly
59 connects and adjoins any portion or portions of a premise that qualifies and is licensed under the
60 provisions of this chapter to sell alcoholic liquors for consumption thereupon: *Provided*
61 *further*, That the term "public place" shall not include a facility constructed primarily for the use of
62 a Division I, II, or III college or university that is a member of the National Collegiate Athletic
63 Association, or its successor, and used as a football, basketball, baseball, soccer, or other
64 Division I, II, or III sports stadium which holds a special license to sell wine pursuant to the
65 provisions of §60-8-3 of this code, in the designated areas of sale and consumption of wine and

66 other restrictions established by that section and the terms of the special license issued
67 thereunder.

68 ~~(18)~~ (19) "Sale" means any transfer, exchange, or barter in any manner or by any means,
69 for a consideration, and shall include all sales made by a principal, proprietor, agent, or employee.

70 ~~(19)~~ (20) "Selling" includes solicitation or receipt of orders; possession for sale; and
71 possession with intent to sell.

72 ~~(20)~~ (21) "Spirits" means any alcoholic beverage obtained by distillation and mixed with
73 potable water and other substances in solution and includes brandy, rum, whiskey, cordials, and
74 gin.

75 ~~(24)~~ (22) "State liquor store" means a store established and operated by the commission
76 under this chapter for the sale of alcoholic liquor in the original package for consumption off the
77 premises.

78 ~~(22)~~ (23) "Wine" means any alcoholic beverage obtained by the fermentation of the natural
79 content of fruits, or other agricultural products, containing sugar.

80 ~~(23)~~ (24) "Winery" means an establishment where wine is manufactured or in any way
81 prepared.

ARTICLE 8B. LOW-PROOF SPIRIT ALCOHOL PRODUCTS.

§60-8B-1. Declaration of legislative findings, policy and intent; construction.

1 It is hereby found by the Legislature and declared to be the policy of this state that it is in
2 the public interest to regulate and control the manufacture, sale, distribution, transportation,
3 storage, and consumption of the beverages regulated by this article within this state and that,
4 therefore, the provisions of this article are a necessary, proper, and valid exercise of the police
5 powers of this state and are intended for the protection of the public safety, welfare, health, peace,
6 and morals and are further intended to eliminate, or to minimize to the extent practicable, the evils
7 attendant to the unregulated, unlicensed, and unlawful manufacture, sale, distribution,
8 transportation, storage, and consumption of such beverages and are further intended to promote

9 temperance in the use and consumption thereof. The Legislature further finds and declares that
10 advertising is essential to the growth of business and job promotion within the state. In order to
11 further these ends, the provisions of this article and of the rules promulgated pursuant thereto,
12 shall be construed so that the accomplishment of these stated purposes may be effectuated.

§60-8B-2. Definition of low-proof spirit alcohol products.

1 "Low-proof spirit alcohol products" mean any alcoholic liquor beverage drink, other than
2 wine, beer, or nonintoxicating beer, containing 0.5 percent or more of alcohol by volume, but not
3 more than 15.5 percent alcohol by volume obtained by distillation, mixed with drinkable water,
4 fruit juices, flavoring or coloring materials, other alcoholic or non-alcoholic beverages or other
5 ingredients in a solution, which are packaged in containers not to exceed 25 fluid ounces.

§60-8B-3. Applicability of other laws; license to manufacture, sell, and distribute low-proof spirit alcohol products.

1 (a) *Manufacture of low-proof spirit alcohol products.* – Except as stated in this article, all
2 distillery licenses and other requirements for the manufacture of alcoholic liquors set forth in §60-
3 4-2 and §60-4-3a of this code, and any rules promulgated by the commissioner thereunder, shall
4 apply to the manufacture of low-proof spirit alcohol products. All procedures for obtaining and
5 maintaining a license for the manufacture of low-proof spirit alcohol products shall comply with
6 the requirements of §60-4-1 *et seq.* of this code, and any rules promulgated by the commissioner
7 thereunder. No additional alcoholic liquor license fees shall be charged for the privilege of
8 manufacturing low-proof spirit alcohol products.

9 (b) *Sales of low-proof spirit alcohol product.* – Any person or licensee legally authorized
10 to manufacture, distribute, or sell low-proof spirit alcohol products may sell low-proof spirit alcohol
11 products in the same manner and to the same persons, and subject to the same limitations and
12 conditions, as such license or legal right authorizes him or her to manufacture, distribute, or sell
13 nonintoxicating beer as set forth in §11-16-1 *et seq.* of this code: *Provided*, That no person or
14 licensee shall be permitted to sell low-proof spirit alcohol products in growlers as defined in §11-

15 16-1 et seq. of this code, and any rules promulgated by the commissioner thereunder. The
16 provisions of §60-4-3 of this code, which require that sales by a manufacturer of alcoholic liquors
17 may only be sold to the West Virginia Alcohol Beverage Control Commissioner and to wholesalers
18 and retailers licensed as provided in chapter 60 of this code, are inapplicable to sales of low-proof
19 spirit alcohol products. No additional license fees shall be charged for the privilege of selling low-
20 proof spirit alcohol products.

21 (c) Distribution of low-proof spirit alcohol products. – Except as stated in this article, the
22 distribution of low-proof spirit alcohol products shall be administered and carried out in the same
23 manner as proscribed for nonintoxicating beer distribution as set forth in §11-16-1 et seq. of this
24 code, and any rules promulgated by the commissioner thereunder. Any person or licensee legally
25 authorized to distribute low-proof spirit alcohol products must distribute low-proof spirit alcohol
26 products in the same manner and to the same persons, and subject to the same limitations and
27 conditions, as a license or legal right would authorize him or her to distribute nonintoxicating beer.
28 No manufacturer or distillery may self-distribute low-proof spirit alcohol products. No additional
29 license fees shall be charged for the privilege of distributing low-proof spirit alcohol products.

**§60-8B-4. Taxation; reporting; penalties for failure to file returns; application of state tax
law; rule-making authority.**

1 (a) There is hereby levied and imposed on all low-proof spirit alcohol products sold on and
2 after the effective date, by every distillery, or supplier to distributors, there is hereby levied and
3 imposed on all low-proof spirit alcohol products sold by distilleries, manufacturers, and suppliers
4 to distributors, a tax of \$1.25 per gallon, in like ratio for any partial gallon or other unit of measure.

5 (b) Before the 16th day of each month thereafter, every distillery, supplier, distributor, and
6 direct shipper shall make a written report under oath to the Tax Commissioner and the
7 commissioner showing the identity of the purchasing person, the quantity, label, and alcoholic
8 content of low-proof spirit alcohol products sold by the distillery and supplier to West Virginia
9 distributors or the direct shipper to persons 21 years of age or older who reside in West Virginia

10 during the preceding month and at the same time shall pay the tax imposed by this article on the
11 low-proof spirit alcohol products sold to the distributor or to persons 21 years of age or older who
12 reside in West Virginia during the preceding month to the Tax Commissioner. The reports shall
13 contain other information and be in the form required by the Tax Commissioner. For purposes of
14 this article, the reports required by this section are considered tax returns covered by the
15 provisions of §11-10-1 et seq. of this code. Failure to timely file the tax returns within five calendar
16 days of the 16th day of each month subjects a distillery, supplier, distributor, and direct shipper to
17 penalties under §60-8-18 of this code.

18 (c) Administrative procedures. – Each and every provision of the West Virginia Tax
19 Procedure and Administration Act set forth in §11-10-1 et seq. of this code applies to the taxes
20 imposed pursuant to this section, except as otherwise expressly provided in this article, with like
21 effect as if that act were applicable only to the taxes imposed by this section and were set forth
22 in extenso in this article.

23 (d) Criminal penalties. – Each and every provision of the West Virginia Tax Crimes and
24 Penalties Act set forth in §11-9-1 et seq. of this code applies to the taxes imposed pursuant to
25 this section with like effect as if that act were applicable only to the taxes imposed pursuant to
26 this article and were set forth in extenso in this article.

27 (e) The Tax Commissioner may propose legislative rules for legislative approval, pursuant
28 to §29A-3-1 et seq. of this code, to implement this section.

§60-8B-5. Rule-making authorization.

1 The West Virginia Alcoholic Beverage Control Commissioner may propose legislative
2 rules for legislative approval, pursuant to §29A-3-1 et seq. of this code, to implement this article.