

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 466** Session of
2015

INTRODUCED BY TURZAI, REED, ADOLPH, BENNINGHOFF, CUTLER, ELLIS, MAJOR, OBERLANDER, MUSTIO, BAKER, BARRAR, BLOOM, CORBIN, DELOZIER, DIAMOND, DUNBAR, DUSH, EMRICK, ENGLISH, EVANKOVICH, EVERETT, FEE, GABLER, GILLESPIE, GREINER, GROVE, HARPER, A. HARRIS, HEFFLEY, HELM, HICKERNELL, PHILLIPS-HILL, KAMPF, KAUFFMAN, F. KELLER, KILLION, KLUNK, KNOWLES, LAWRENCE, MACKENZIE, MARSHALL, MASSER, MCGINNIS, MENTZER, METCALFE, MILLARD, MILNE, MOUL, NESBIT, ORTITAY, PAYNE, PEIFER, PICKETT, QUIGLEY, RAPP, REESE, REGAN, ROAE, ROSS, SACCONI, SANKEY, SAYLOR, SCHEMEL, SIMMONS, SONNEY, STAATS, TALLMAN, TOBASH, TOEPEL, TOOHIL, TOPPER, TRUITT AND WATSON, FEBRUARY 12, 2015

REFERRED TO COMMITTEE ON LIQUOR CONTROL, FEBRUARY 12, 2015

AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as
2 reenacted, "An act relating to alcoholic liquors, alcohol and
3 malt and brewed beverages; amending, revising, consolidating
4 and changing the laws relating thereto; regulating and
5 restricting the manufacture, purchase, sale, possession,
6 consumption, importation, transportation, furnishing, holding
7 in bond, holding in storage, traffic in and use of alcoholic
8 liquors, alcohol and malt and brewed beverages and the
9 persons engaged or employed therein; defining the powers and
10 duties of the Pennsylvania Liquor Control Board; providing
11 for the establishment and operation of State liquor stores,
12 for the payment of certain license fees to the respective
13 municipalities and townships, for the abatement of certain
14 nuisances and, in certain cases, for search and seizure
15 without warrant; prescribing penalties and forfeitures;
16 providing for local option, and repealing existing laws," as
17 follows:
18 In preliminary provisions, further providing for
19 definitions and for interpretation.
20 In the Pennsylvania Liquor Control Board, further
21 providing for general powers, providing for fee adjustment by
22 regulation and further providing for subject of regulations,

1 for enforcement and for wine and spirits marketing.

2 In Pennsylvania Liquor Stores, further providing for
3 establishment and for sales.

4 Providing for wine and spirits distribution.

5 In licensing, further providing for hotels, restaurants
6 and clubs liquor licenses, providing for grocery store
7 licenses, further providing for license fees, for liquor
8 license sales and restrictions, providing for grocery store
9 license sales and restrictions and further providing for malt
10 and brewed beverages licenses, for wine auction permits, for
11 importers' license fees, privileges and restrictions, for
12 interlocking business, for malt and brewed beverages
13 licenses, for distributor package reform permit, for
14 distributors and dispensers licenses, for prohibitions
15 against the grant of licenses, for numbers and kinds of
16 licenses, for distributors and importing distributors
17 restrictions, for retail dispensers restrictions, for
18 interlocking business prohibited, for breweries, for county
19 limitations, for assignability, for renewal and temporary
20 provisions, for sanctions, for responsible alcohol
21 management, for local option, for unlawful acts, for hours of
22 operation, for licensees and taxation, for penalties and for
23 vacation of premises.

24 In distilleries, wineries, bonded warehouses, bailees and
25 transporters, further providing for limited wineries, for
26 distilleries and for license fees.

27 In disposition of money, further providing for moneys
28 paid into Liquor License Fund.

29 Providing for supplemental provisions.

30 The General Assembly of the Commonwealth of Pennsylvania
31 hereby enacts as follows:

32 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
33 No.21), known as the Liquor Code, reenacted and amended June 29,
34 1987 (P.L.32, No.14), is amended by adding definitions to read:

35 Section 102. Definitions.--The following words or phrases,
36 unless the context clearly indicates otherwise, shall have the
37 meanings ascribed to them in this section:

38 "Affiliate" or "person affiliated with" shall mean a person
39 that directly or indirectly, through one or more intermediaries,
40 controls, is controlled by or is under common control with a
41 specified person.

42 * * *

1 "Blended brand valuation" shall mean, for any particular
2 brand of liquor, the sum of the wholesale profit margin on each
3 product of a brand.

4 * * *

5 "Brand of liquor" shall mean a liquor product or series of
6 liquor products produced by a single manufacturer.

7 * * *

8 "Change in control" shall mean, for purposes of wholesale or
9 retail licensees as defined in this section, the acquisition by
10 a person or group of persons acting in concert of more than
11 twenty per centum of a licensee's securities or other ownership
12 interests, with the exception of any ownership interest of the
13 person that existed at the time of initial licensing, or more
14 than twenty per centum of the securities or other ownership
15 interests of a corporation or other legal entity which owns,
16 directly or indirectly, at least twenty per centum of the
17 securities or other ownership interests of the licensee.

18 * * *

19 "Commission" shall mean the State Civil Service Commission.

20 * * *

21 "Controlling interest" shall mean as follows:

22 (1) For a publicly traded legal entity, an interest in a
23 legal entity, applicant or licensee whereby a person's sole
24 voting rights under State law or corporate articles or bylaws
25 entitles the person to elect or appoint one or more of the
26 members of the board of directors or other governing board or
27 the ownership, directly or indirectly, of five per centum or
28 more of the securities of the publicly traded corporation.

29 (2) For a privately held corporation, partnership, limited
30 liability company or other form of privately held legal entity,

1 the holding of any securities in the legal entity.

2 * * *

3 "Department" shall mean the Department of General Services of
4 the Commonwealth.

5 * * *

6 "Displaced employe" shall mean a salaried employe of the
7 board whose employment is terminated as a sole and direct result
8 of the implementation of Article III-A. The term shall not
9 include a person who is terminated for cause or who retires or
10 resigns, is furloughed or is otherwise separated from employment
11 for any other reason. The term excludes intermittent liquor
12 store clerks and seasonal liquor store clerks.

13 * * *

14 "Grocery store" shall mean a reputable place operated by
15 persons of good repute, which primarily sells food, supplies for
16 the table and food products for human consumption off the
17 premises and which has an area under one roof of ten thousand
18 square feet or more.

19 "Growler" shall mean a refillable glass container that holds
20 a minimum of sixty-four fluid ounces for malt or brewed
21 beverages.

22 * * *

23 "Heritage State Stores" shall mean the number of State
24 stores, as determined by the board, located in any given county
25 as of the effective date of this definition.

26 * * *

27 "Institution of higher education" shall mean a public or
28 private institution within this Commonwealth authorized by the
29 Department of Education to grant a certificate, associate degree
30 or higher degree. The term includes a branch or satellite campus

1 of the institution.

2 * * *

3 "Retail licensee" shall mean a person that holds a wine and
4 spirits retail license issued pursuant to section 311-A.

5 * * *

6 "Variable pricing" shall mean, for purposes of the wholesale
7 sale of liquor, any disparity in the price of an item sold to
8 one licensee as compared to the price of the same item to
9 another licensee or a licensee of a different classification.
10 The term shall not include discounts for volume purchases.

11 * * *

12 "Wholesale acquisition factor" shall mean a factor of two and
13 one-half applied to the wholesale profit margin of a brand of
14 liquor in determining a wholesale license fee.

15 "Wholesale licensee" shall mean a person that holds a wine
16 and spirits wholesale license issued pursuant to section
17 321.1-A.

18 "Wholesale profit margin" shall mean, for any particular
19 liquor product, twenty per centum of the total of costs of goods
20 sold of the product in the Commonwealth over the most recent
21 twelve-month period for which information is available.

22 * * *

23 "Wine and spirits retail license" shall mean a license issued
24 by the department or the board authorizing a person to sell and
25 distribute wine and spirits to the public for off the premises
26 consumption.

27 "Wine and spirits wholesale license" shall mean a license
28 issued by the department or the board authorizing a person to
29 sell and distribute liquor on a wholesale basis to the board
30 until all retail licenses have been issued in accordance with

1 Article III-A and to retail licensees and other licensees under
2 this act.

3 * * *

4 Section 2. Section 104(c) and (d) of the act, amended
5 December 7, 1990 (P.L.622, No.160) and December 20, 1996
6 (P.L.1513, No.196), is amended to read:

7 Section 104. Interpretation of Act.--* * *

8 (c) Except as otherwise expressly provided, the purpose of
9 this act is to prohibit the manufacture of and transactions in
10 liquor, alcohol and malt or brewed beverages which take place in
11 this Commonwealth, except by and under the [control] regulatory
12 authority of the board as herein specifically provided, and
13 every section and provision of the act shall be construed
14 accordingly; to provide a structure in this Commonwealth for a
15 distribution system, including the [establishment of
16 Pennsylvania liquor stores and] licensing of wine and spirits
17 wholesalers, wine and spirits retailers, importing distributors
18 and distributors; and to preserve manufacturers of liquor and
19 alcohol and malt and brewed beverages selling those products
20 within this Commonwealth. The provisions of this act dealing
21 with the manufacture, importation, sale, distribution and
22 disposition of liquor, alcohol and malt or brewed beverages
23 within the Commonwealth through [the instrumentality of the
24 board,] licensees and otherwise, provide the means by which such
25 control shall be made effective. This act shall not be construed
26 as forbidding, affecting or regulating any transaction which is
27 not subject to the legislative authority of this Commonwealth.

28 (d) The provisions of this act are intended to create a
29 system for distribution [that shall include the fixing of prices
30 for] of liquor and alcohol and controls placed on [prices for]

1 the sale and distribution of malt and brewed beverages, and each
2 of which shall be construed as integral to the preservation of
3 the system, without which system the Commonwealth's control of
4 the sale of liquor and alcohol and malt and brewed beverages and
5 the Commonwealth's promotion of its policy of temperance and
6 responsible conduct with respect to alcoholic beverages would
7 not be possible.

8 * * *

9 Section 3. Section 207 of the act, amended February 21, 2002
10 (P.L.103, No.10), November 30, 2004 (P.L.1727, No.221) and
11 December 8, 2004 (P.L.1810, No.239), is amended to read:

12 Section 207. General Powers of Board.--Under this act, the
13 board shall have the power and its duty shall be:

14 (a) To buy, import or have in its possession for sale and
15 sell liquor, alcohol, corkscrews, wine and liquor accessories,
16 trade publications, gift cards, gift certificates, wine- or
17 liquor-scented candles and wine glasses in the manner set forth
18 in this act: Provided, however, That all purchases shall be made
19 subject to the approval of the State Treasurer, or his
20 designated deputy. The board shall buy liquor and alcohol at the
21 lowest price and in the greatest variety reasonably obtainable.

22 The board's authority to exercise the powers granted pursuant to
23 this subsection is subject to the limitations set forth in
24 Article III-A of this act.

25 (b) To control the manufacture, possession, sale,
26 consumption, importation, use, storage, transportation and
27 delivery of liquor, alcohol and malt or brewed beverages in
28 accordance with the provisions of this act, and to fix the
29 wholesale and retail prices at which liquors and alcohol shall
30 be sold at Pennsylvania Liquor Stores. Prices shall be

1 proportional with prices paid by the board to its suppliers and
2 shall reflect any advantage obtained through volume purchases by
3 the board. The board may establish a preferential price
4 structure for wines produced within this Commonwealth for the
5 promotion of such wines, as long as the price structure is
6 uniform within each class of wine purchased by the board. The
7 board shall require each Pennsylvania manufacturer and each
8 nonresident manufacturer of liquors, other than wine, selling
9 such liquors to the board, which are not manufactured in this
10 Commonwealth, to make application for and be granted a permit by
11 the board before such liquors not manufactured in this
12 Commonwealth shall be purchased from such manufacturer. Each
13 such manufacturer shall pay for such permit a fee which, in the
14 case of a manufacturer of this Commonwealth, shall be equal to
15 that required to be paid, if any, by a manufacturer or
16 wholesaler of the state, territory or country of origin of the
17 liquors, for selling liquors manufactured in Pennsylvania, and
18 in the case of a nonresident manufacturer, shall be equal to
19 that required to be paid, if any, in such state, territory or
20 country by Pennsylvania manufacturers doing business in such
21 state, territory or country. In the event that any such
22 manufacturer shall, in the opinion of the board, sell or attempt
23 to sell liquors to the board through another person for the
24 purpose of evading this provision relating to permits, the board
25 shall require such person, before purchasing liquors from him or
26 it, to take out a permit and pay the same fee as hereinbefore
27 required to be paid by such manufacturer. All permit fees so
28 collected shall be paid into the State Stores Fund. The board
29 shall not purchase any alcohol or liquor fermented, distilled,
30 rectified, compounded or bottled in any state, territory or

1 country, the laws of which result in prohibiting the importation
2 therein of alcohol or liquor, fermented, distilled, rectified,
3 compounded or bottled in Pennsylvania. The board's authority to
4 exercise the powers granted pursuant to this subsection is
5 subject to the limitations set forth in Article III-A of this
6 act.

7 [(c) To determine the municipalities within which
8 Pennsylvania Liquor Stores shall be established and the
9 locations of the stores within such municipalities.]

10 (d) To grant and issue all licenses and to grant, issue,
11 suspend and revoke all permits authorized to be issued under
12 this act.

13 (e) (1) Through the [Department of General Services]
14 department as agent, to lease and furnish and equip such
15 buildings, rooms and other accommodations as shall be required
16 for the operation of this act.

17 (2) The department shall not relocate a Pennsylvania Liquor
18 Store after the effective date of this paragraph.

19 (f) To appoint, fix the compensation and define the powers
20 and duties of such managers, officers, inspectors, examiners,
21 clerks and other employes as shall be required for the operation
22 of this act, subject to the provisions of The Administrative
23 Code of 1929 and the Civil Service Act.

24 (g) To determine the nature, form and capacity of all
25 packages and original containers to be used for containing
26 liquor, alcohol or malt or brewed beverages.

27 (h) Without in any way limiting or being limited by the
28 foregoing, to do all such things and perform all such acts as
29 are deemed necessary or advisable for the purpose of carrying
30 into effect the provisions of this act and the regulations made

1 thereunder.

2 (i) From time to time, to make such regulations not
3 inconsistent with this act as it may deem necessary for the
4 efficient administration of this act. The board shall cause such
5 regulations to be published and disseminated throughout the
6 Commonwealth in such manner as it shall deem necessary and
7 advisable or as may be provided by law. Such regulations adopted
8 by the board shall have the same force as if they formed a part
9 of this act.

10 (j) By regulation, to provide for the use of a computerized
11 referral system to assist consumers in locating special items at
12 Pennsylvania Liquor Stores and for the use of electronic
13 transfer of funds and credit cards for the purchase of liquor
14 and alcohol at Pennsylvania Liquor Stores. The board's authority
15 to exercise the powers granted pursuant to this subsection is
16 subject to the limitations set forth in Article III-A of this
17 act.

18 (k) To issue grants to various entities for alcohol
19 education and prevention efforts.

20 (l) To close Pennsylvania Liquor Stores as directed under
21 Article III-A of this act.

22 (m) The board may implement a delivery system as a means of
23 providing product to all licensees under this act.

24 Section 4. The act is amended by adding a section to read:

25 Section 207.1. Adjustment of Fees by Regulation.--(a)
26 Notwithstanding any provision of this act or the act of April 9,
27 1929 (P.L.177, No.175), known as "The Administrative Code of
28 1929," to the contrary, all fees required under this act shall
29 be fixed by the board by regulation and shall be subject to the
30 act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory

1 Review Act."

2 (b) The board shall be authorized to increase license fees
3 by regulation under the following conditions:

4 (1) If the revenues raised by the fees imposed under this
5 act are not sufficient to meet all expenditures of the board
6 over a two-year period, the board shall increase the fees by
7 regulation, subject to the "Regulatory Review Act," so that the
8 projected revenues will meet projected expenditures.

9 (2) If the board determines that the fees established by the
10 board under subsection (a) are inadequate to meet the minimum
11 enforcement efforts required under this act, the board, after
12 consultation with the enforcement bureau, and subject to the
13 "Regulatory Review Act," shall increase the fees by regulation
14 in an amount so that adequate revenues are raised to meet the
15 required expenditures.

16 (c) All acts or parts of acts are repealed insofar as they
17 are inconsistent with this section.

18 Section 5. Section 208 of the act is amended to read:

19 Section 208. Specific Subjects on Which Board May Adopt
20 Regulations.--Subject to the provisions of this act and without
21 limiting the general power conferred by the preceding section,
22 the board may make regulations regarding:

23 [(a) The equipment and management of Pennsylvania Liquor
24 Stores and warehouses in which liquor and alcohol are kept or
25 sold, and the books and records to be kept therein.]

26 (b) The duties and conduct of the officers and employes of
27 the board.

28 [(c) The purchase, as provided in this act, of liquor and
29 alcohol, and its supply to Pennsylvania Liquor Stores.

30 (d) The classes, varieties and brands of liquor and alcohol

1 to be kept and sold in Pennsylvania Liquor Stores. In making
2 this determination the board shall meet not less than twice a
3 year.

4 (e) The issuing and distribution of price lists for the
5 various classes, varieties or brands of liquor and alcohol kept
6 for sale by the board under this act.]

7 (f) The labeling of liquor and alcohol sold under this act
8 and of liquor and alcohol lawfully acquired by any person prior
9 to January first, one thousand nine hundred thirty-four.

10 (g) Forms to be used for the purposes of this act.

11 (h) The issuance of licenses and permits and the conduct,
12 management, sanitation and equipment of places licensed or
13 included in permits.

14 [(i) The place and manner of depositing the receipts of
15 Pennsylvania Liquor Stores and the transmission of balances to
16 the Treasury Department through the Department of Revenue.

17 (j) The solicitation by resident or nonresident vendors of
18 liquor from Pennsylvania licensees and other persons of orders
19 for liquor to be sold through the Pennsylvania Liquor Stores
20 and, in the case of nonresident vendors, the collection
21 therefrom of license fees for such privilege at the same rate as
22 provided herein for importers' licenses.]

23 Section 6. Section 211(c) of the act, amended October 5,
24 1994 (P.L.537, No.80), is amended to read:

25 Section 211. Enforcement.--* * *

26 (c) The Pennsylvania State Police Commissioner shall assign
27 State Police Officers to such [supervisory and other] capacities
28 in the enforcement bureau as he deems necessary. All other
29 personnel of the enforcement bureau shall be civilians.

30 Notwithstanding any other provision of law, a State Police

1 officer assigned to the enforcement bureau may not be counted
2 against the complement of officers as prescribed in section 205
3 of the act of April 9, 1929 (P.L.177, No.175), known as "The
4 Administrative Code of 1929."

5 * * *

6 Section 7. Section 215 of the act is repealed:

7 [Section 215. Wine and Spirits Marketing.--

8 (e) The board is authorized to participate in or sponsor
9 wine and spirits events for the purpose of educating consumers
10 as to the wines and spirits available in this Commonwealth. The
11 wine and spirits to be used for the event may be acquired
12 through the State store system or may be donated from outside
13 this Commonwealth. Participation in the tastings may be
14 conditioned on the purchase of a ticket to the event. The event
15 may include events occurring on premises licensed by the board,
16 and the board may sell wine and spirits for off-premises
17 consumption in an area designated by the board for such sale.]

18 Section 8. Section 301 of the act is amended to read:

19 Section 301. Board to Establish State Liquor Stores.--(a)
20 The board shall [establish,] operate and maintain at such places
21 throughout the Commonwealth as it shall deem essential and
22 advisable, stores to be known as "Pennsylvania Liquor Stores,"
23 for the sale of liquor and alcohol in accordance with the
24 provisions of and the regulations made under this act[; except
25 that no store not so already located shall be located within
26 three hundred feet of any elementary or secondary school, nor
27 within a dry municipality without there first having been a
28 referendum approving such location. When the board shall have
29 determined upon the location of a liquor store in any
30 municipality, it shall give notice of such location by public

1 advertisement in two newspapers of general circulation. In
2 cities of the first class, the location shall also be posted for
3 a period of at least fifteen days following its determination by
4 the board as required in section 403(g) of this act. The notice
5 shall be posted in a conspicuous place on the outside of the
6 premises in which the proposed store is to operate or, in the
7 event that a new structure is to be built in a similarly visible
8 location. If, within five days after the appearance of such
9 advertisement, or of the last day upon which the notice was
10 posted, fifteen or more taxpayers residing within a quarter of a
11 mile of such location, or the City Solicitor of the city of the
12 first class, shall file a protest with the court of common pleas
13 of the county averring that the location is objectionable
14 because of its proximity to a church, a school, or to private
15 residences, the court shall forthwith hold a hearing affording
16 an opportunity to the protestants and to the board to present
17 evidence. The court shall render its decision immediately upon
18 the conclusion of the testimony and from the decision there
19 shall be no appeal. If the court shall determine that the
20 proposed location is undesirable for the reasons set forth in
21 the protest, the board shall abandon it and find another
22 location. The board may establish, operate and maintain such
23 establishments for storing and testing liquors as it shall deem
24 expedient to carry out its powers and duties under this act],
25 and subject to the limitations set forth in Article III-A of
26 this act.

27 (b) The board may lease the necessary premises for such
28 stores or establishments, but all such leases shall be made
29 through the [Department of General Services] department as agent
30 of the board. The board, through the [Department of General

1 Services] department, shall have authority to purchase such
2 equipment and appointments as may be required in the operation
3 of such stores or establishments.

4 Section 9. Section 304 of the act, amended December 8, 2004
5 (P.L.1810, No.239), is amended to read:

6 Section 304. When Sales May Be Made at Pennsylvania Liquor
7 Stores.--(a) Except as provided for in subsection (b), every
8 Pennsylvania Liquor Store shall be open for business week days,
9 except holidays as that term is defined in section 102. The
10 board may, with the approval of the Governor, temporarily close
11 any store in any municipality.

12 (b) Certain Pennsylvania Liquor Stores operated by the board
13 shall be open for Sunday retail sales between the hours of
14 [noon] nine o'clock antemeridian and [five] nine o'clock
15 postmeridian, except that no Sunday sales shall occur on Easter
16 Sunday or Christmas day. The board shall open [up to twenty-five
17 per centum of the total number of] Pennsylvania Liquor Stores at
18 its discretion for Sunday sales as provided for in this
19 subsection. The board shall submit yearly reports to the
20 Appropriations and the Law and Justice Committees of the Senate
21 and the Appropriations and the Liquor Control Committees of the
22 House of Representatives summarizing the total dollar value of
23 sales under this section.

24 Section 10. Section 305 of the act, amended May 8, 2003
25 (P.L.1, No.1), July 17, 2003 (P.L.63, No.15), November 30, 2004
26 (P.L.1727, No.221), December 8, 2004 (P.L.1810, No.239), July 6,
27 2005 (P.L.135, No.39) and July 5, 2012 (P.L.1007, No.116), is
28 amended to read:

29 Section 305. Sales by Pennsylvania Liquor Stores.--(a) The
30 board shall in its discretion determine where and what classes,

1 varieties and brands of liquor and alcohol it shall make
2 available to the public and where such liquor and alcohol will
3 be sold. Every Pennsylvania Liquor Store shall be authorized to
4 sell combination packages. If a person desires to purchase a
5 class, variety or brand of liquor or alcohol not currently
6 available from the board, he or she may place a special order
7 for such item so long as the order is for two or more bottles.
8 The board may require a reasonable deposit from the purchaser as
9 a condition for accepting the order. The customer shall be
10 notified immediately upon the arrival of the goods.

11 In computing the retail price of such special orders for
12 liquor or alcohol, the board shall not include the cost of
13 freight or shipping before applying the mark-up and taxes but
14 shall add the freight or shipping charges to the price after the
15 mark-up and taxes have been applied.

16 Unless the customer pays for and accepts delivery of any such
17 special order within ten days after notice of arrival, the store
18 may place it in stock for general sale and the customer's
19 deposit shall be forfeited.

20 During the retail divestiture process as provided in Article
21 III-A, the board shall continue to take and process special
22 liquor orders for residents and licensees of the board, and may
23 establish a protocol by which prepaid orders may be picked up at
24 either a Pennsylvania Liquor Store or from the licensed premises
25 of a wine and spirits retail licensee. A wine and spirits retail
26 licensee is authorized to assess a handling fee for this
27 purpose. Any product not claimed at a wine and spirits retail
28 store by the purchaser shall be returned to the board after ten
29 days' notice of arrival was sent to the purchaser.

30 (b) [Every] Until the wholesale divestiture process as

1 provided in Article III-A is complete, every Pennsylvania Liquor
2 Store shall sell liquors at wholesale to wine and spirits retail
3 licensees, grocery stores, hotels, restaurants, clubs, and
4 railroad, pullman and steamship companies licensed under this
5 act; and, under the regulations of the board, to pharmacists
6 duly licensed and registered under the laws of the Commonwealth,
7 and to manufacturing pharmacists, and to reputable hospitals
8 approved by the board, or chemists. Sales to licensees shall be
9 made at a price that includes a discount of [ten] fourteen per
10 centum from the retail price. The board may sell to registered
11 pharmacists only such liquors as conform to the Pharmacopoeia of
12 the United States, the National Formulary, or the American
13 Homeopathic Pharmacopoeia. The board may sell at special prices
14 under the regulations of the board, to United States Armed
15 Forces facilities which are located on United States Armed
16 Forces installations and are conducted pursuant to the authority
17 and regulations of the United States Armed Forces. All other
18 sales by such stores shall be at retail. A person entitled to
19 purchase liquor at wholesale prices may purchase the liquor at
20 any Pennsylvania Liquor Store upon tendering cash, check or
21 credit card for the full amount of the purchase. For this
22 purpose, the board shall issue a discount card to each licensee
23 identifying such licensee as a person authorized to purchase
24 liquor at wholesale prices. Such discount card shall be retained
25 by the licensee. The board may contract through the Commonwealth
26 bidding process for delivery to wholesale licensees at the
27 expense of the licensee receiving the delivery.

28 (c) Whenever any checks issued in payment of liquor or
29 alcohol purchased from State Liquor Stores by persons holding
30 wholesale purchase permit cards issued by the board shall be

1 returned to the board as dishonored, the board shall charge a
2 fee of five dollars per hundred dollars or fractional part
3 thereof, plus all protest fees, to the maker of such check
4 submitted to the board. Failure to pay the face amount of the
5 check in full and all charges thereon as herein required within
6 ten days after demand has been made by the board upon the maker
7 of the check shall be cause for revocation or suspension of any
8 license issued by the board to the person who issued such check
9 and the cancellation of the wholesale purchase permit card held
10 by such person.

11 (d) No liquor or alcohol package shall be opened on the
12 premises of a Pennsylvania Liquor Store. No manager or other
13 employe of the board employed in a Pennsylvania Liquor Store
14 shall allow any liquor or alcohol to be consumed on the store
15 premises, nor shall any person consume any liquor or alcohol on
16 such premises, except liquor and alcohol which is part of a
17 tasting conducted pursuant to the board's regulations. Such
18 tastings may also be conducted in the board's headquarters or
19 regional offices.

20 (e) The board may sell tax exempt alcohol to the
21 Commonwealth of Pennsylvania and to persons to whom the board
22 shall, by regulation to be promulgated by it, issue special
23 permits for the purchase of such tax exempt alcohol.

24 Such permits may be issued to the United States or any
25 governmental agency thereof, to any university or college of
26 learning, any laboratory for use exclusively in scientific
27 research, any hospital, sanitorium, eleemosynary institution or
28 dispensary; to physicians, dentists, veterinarians and
29 pharmacists duly licensed and registered under the laws of the
30 Commonwealth of Pennsylvania; to manufacturing chemists and

1 pharmacists or other persons for use in the manufacture or
2 compounding of preparations unfit for beverage purposes.

3 (f) Every purchaser of liquor, alcohol, corkscrews, wine or
4 liquor accessories, trade publications, gift cards, gift
5 certificates, wine- or liquor-scented candles or wine glasses
6 from a Pennsylvania Liquor Store shall receive a numbered
7 receipt which shall show the price paid therefor and such other
8 information as the board may prescribe. Copies of all receipts
9 issued by a Pennsylvania Liquor Store shall be retained by and
10 shall form part of the records of such store.

11 [(g) The board is hereby authorized and empowered to adopt
12 and enforce appropriate rules and regulations to insure the
13 equitable wholesale and retail sale and distribution, through
14 the Pennsylvania Liquor Stores, of available liquor and alcohol
15 at any time when the demand therefor is greater than the
16 supply.]

17 (h) Every Pennsylvania Liquor Store shall sell gift
18 certificates and gift cards which may be redeemed for any
19 product sold by the board. In addition, the board may sell
20 corkscrews, wine and liquor accessories, wine- or liquor-scented
21 candles, trade publications and wine sleeves at Pennsylvania
22 Liquor Stores.

23 (i) Notwithstanding any other provision of law to the
24 contrary, the board may sell wine in containers having a
25 capacity of sixty liters or less.

26 Section 11. The act is amended by adding an article to read:

27 ARTICLE III-A

28 WINE AND SPIRITS DISTRIBUTION

29 SUBARTICLE A

30 GENERAL PROVISIONS

1 Section 301-A. Scope of article.

2 This article relates to the privatization of liquor
3 distribution in this Commonwealth.

4 Section 302-A. Legislative intent.

5 The General Assembly finds and declares as follows:

6 (1) The wholesale and retail of liquor should no longer
7 be by the Commonwealth, but rather by private persons
8 licensed and regulated by the Commonwealth.

9 (2) The health and welfare of the citizens of this
10 Commonwealth will be adequately protected by the regulation
11 of private licensees through strict enforcement of laws and
12 rules relating to the purchase and sale of liquor.

13 (3) The sale of liquor through wholesale and retail
14 licensees will provide residents with improved customer
15 convenience, and will provide an opportunity for competitive
16 pricing and enhanced product selection.

17 (4) Modernization of the retail sale of wine and spirits
18 through new outlets for consumption off the premises will
19 further enhance customer convenience.

20 (5) This article will improve operation and efficiency
21 of State government.

22 (6) The authorization of wine and spirits wholesale and
23 retail licenses is intended to continue the generation of
24 revenue to the Commonwealth related to the wholesale and
25 retail sale of liquor.

26 (7) The transition to a privately-owned and privately-
27 operated wholesale and retail liquor distribution system
28 should be accomplished in a manner that protects the public
29 through regulation and policing of all activities involved in
30 the wholesale and retail sale of liquor.

1 (8) The establishment of wine and spirits wholesale and
2 retail licenses is intended to provide broad economic
3 opportunities to the citizens of this Commonwealth and to be
4 implemented in such a manner as to prevent monopolization by
5 establishing reasonable restrictions on the control of
6 wholesale and retail licensees.

7 (9) The transition to a privately-owned and privately-
8 operated wholesale and retail liquor distribution system
9 should be accomplished in a manner that minimizes disruption
10 of services to the public.

11 (10) In conjunction with the transition to privately-
12 owned and privately-operated liquor wholesalers and retail
13 liquor stores, this article is intended to modernize the
14 retail sale of wine and spirits through new outlets for
15 consumption off the premises, further enhancing customer
16 convenience.

17 (11) With the transition to a privately-owned and
18 privately-operated wholesale and retail liquor distribution
19 system, and with the addition of new licensing
20 classifications, it is necessary to enhance alcohol education
21 and enforcement efforts to:

22 (i) ensure against the illegal sale of alcohol;

23 (ii) prevent and combat the illegal consumption of
24 alcohol by minors and visibly intoxicated persons; and

25 (iii) discourage the intemperate use of alcohol.

26 (12) Participation in the wholesale and retail sale of
27 liquor by a wholesale or retail licensee is a privilege,
28 conditioned upon the proper and continued qualification of
29 the licensee and upon the discharge of the affirmative
30 responsibility of the licensee to provide the department and

1 the board with assistance and information necessary to assure
2 that the policies declared by this article are achieved.

3 Section 303-A. Transition to private distribution system,
4 powers and duties of the department and the board.

5 (a) Orderly transition.--The department and the board have
6 the power and duty to implement this article and effect an
7 orderly transition to a privately-owned and privately-operated
8 wholesale and retail liquor distribution system in this
9 Commonwealth in a manner which is consistent with this article
10 and the laws of this Commonwealth and which seeks to maintain
11 uninterrupted service to the public.

12 (b) Retail transition.--

13 (1) The board, in consultation with the department,
14 shall have the authority to issue wine and spirits retail
15 licenses and wine and spirits wholesale licenses, provided
16 that the wine and spirits wholesale licenses are not issued
17 until one year after the effective date of this section. The
18 department shall contract with financial, legal and other
19 advisors as are necessary to assist the department and the
20 board in effectuating the addition of this article. Such
21 contracts shall not be subject to the provisions of 62
22 Pa.C.S. Ch. 5 (relating to source selection and contract
23 formation).

24 (2) The divestiture of the board's retail operations
25 shall be accomplished through the issuance of 1,200 wine and
26 spirits retail licenses that shall be allocated by county. As
27 the State liquor stores wind down operations, 600 wine and
28 spirits retail licenses may be issued by the board which
29 shall be allocated by county. The additional licenses shall
30 be issued if the department determines, in cooperation with

1 the board, that the retail licenses are necessary for
2 consumer convenience. After the determination, the retail
3 licenses shall be issued first to distributor licensees and
4 then on a first-come, first-served basis. Each successful
5 applicant shall be thoroughly investigated to determine
6 whether the person is a reputable and responsible person
7 suitable to be licensed to sell liquor in this Commonwealth.

8 (3) As licenses are awarded in a given county, the board
9 shall determine the necessity of winding down operations in
10 State stores in the county and, as it becomes necessary,
11 terminate applicable lease agreements, redistribute or
12 furlough store personnel and dispose of remaining inventory
13 and store property.

14 (c) Wholesale transition.--

15 (1) Twelve months after the effective date of this
16 section, in consultation with its advisors and the board, the
17 department shall transition the board's wholesale
18 distribution of liquor to privately-owned and privately-
19 operated wholesale licensees.

20 (2) The divestiture of the board's wholesale operations
21 shall be accomplished through the issuance of wine and
22 spirits wholesale licenses by brand of liquor, which shall be
23 subject to an application process as set forth in this
24 article. The transition must fully divest the board of all
25 operations relating to the wholesale distribution of liquor
26 within six months of the commencement of wholesale
27 divestiture.

28 (d) Cooperation required.--

29 (1) The board shall fully cooperate with the department
30 or its advisors in all aspects of implementation of this

1 article and shall provide the department or its consultant
2 with all records and information in the possession of the
3 board upon request.

4 (2) The board shall devote sufficient resources to
5 planning and preparation for the divestiture of its wholesale
6 and retail functions.

7 (3) The board shall use its best efforts in coordinating
8 with the department or its advisors, wine and spirits retail
9 licensees and wine and spirits wholesale licensees so as to
10 maintain uninterrupted service to the residents of this
11 Commonwealth during divestiture.

12 (e) Prohibition.--The board shall not engage in wholesale
13 distribution of liquor following completion of the wholesale
14 transition to a private distribution system.

15 Section 304-A. Reports to the General Assembly.

16 One year after the effective date of this section, and each
17 year thereafter until the board has been fully divested of its
18 wholesale and retail operations, the board, in cooperation with
19 the department, shall submit to the Secretary of the Senate and
20 the Chief Clerk of the House of Representatives, a report on
21 wholesale and retail alcohol sales in this Commonwealth and the
22 implementation of this article, including:

23 (1) the total revenue earned by the issuance of licenses
24 under this article;

25 (2) the distribution and sale of brands through private
26 wholesalers;

27 (3) the net profit or loss of each wine and spirits
28 retail licensed premise and State liquor store in this
29 Commonwealth; and

30 (4) the status of the ongoing transition, including

1 store closures and employee displacement.

2 Section 305-A. Temporary regulations.

3 (a) Promulgation.--In order to facilitate the prompt
4 implementation of this article, regulations promulgated by the
5 department shall be deemed temporary regulations which shall
6 expire no later than five years following the effective date of
7 this section. The department may promulgate temporary
8 regulations not subject to:

9 (1) sections 201, 202 and 203 of the act of July 31,
10 1968 (P.L.769, No.240), referred to as the Commonwealth
11 Documents Law; or

12 (2) the act of June 25, 1982 (P.L.633, No.181), known as
13 the Regulatory Review Act.

14 (b) Expiration.--The authority provided to the department to
15 adopt temporary regulations under subsection (a) shall expire on
16 January 1, 2018.

17 SUBARTICLE B

18 WINE AND SPIRITS RETAIL LICENSES

19 Section 311-A. Issuance of wine and spirits retail licenses,
20 fees, taxes.

21 (a) Sale of retail licenses.--The board may award not more
22 than 1,200 wine and spirits retail licenses to qualified
23 applicants, provided that when the State stores close in a given
24 county because the wine and spirits retail licenses have
25 commenced operation, the department, in cooperation with the
26 board, shall determine if it is necessary to issue additional
27 wine and spirits retail licenses for customer convenience and
28 access. If the department determines more wine and spirits
29 retail licenses are needed, the department may authorize the
30 board to issue not more than 600 additional wine and spirits

1 retail licenses.

2 (b) License classification.--Wine and spirits retail
3 licenses shall be awarded as follows:

4 (1) For the first 12 months after the enactment of this
5 section, the board shall receive applications from
6 distributor licensees licensed under section 431. A
7 distributor licensee applying for a wine and spirits retail
8 license must operate out of a facility with a minimum of
9 1,500 square feet of retail space and dedicate a minimum of
10 50% of shelf space for the sale of malt and brewed beverages.

11 (2) At the conclusion of the 12-month period under
12 paragraph (1), the board may issue the remaining wine and
13 spirits retail licenses on a first-come, first-served basis.
14 A private wine and spirits retail licensee must operate in a
15 facility with not less than 1,500 square feet of retail
16 space.

17 (c) License allocation.--

18 (1) The board, in consultation with the department and
19 its advisors, shall allocate the aggregate number of wine and
20 spirits retail licenses to be available in each county.

21 (2) A county may not be allocated fewer wine and spirits
22 retail licenses than the number of licensed distributors in
23 the county provided that the wine and spirits retail licenses
24 shall be evenly distributed throughout the county on a per
25 capita basis.

26 (3) A wine and spirits retail licensee may determine
27 whether it will sell wine or spirits or both. If a wine and
28 spirits retail licensee elects to sell either wine or
29 spirits, the board shall consider that one wine and spirits
30 retail license and only the licensee will have the ability to

1 pay an additional fee in the future to sell both wine and
2 spirits.

3 (d) License application.--An applicant for a wine and
4 spirits retail license shall file a written application with the
5 board in the form and containing the information as the board
6 shall prescribe from time to time, which must be accompanied by
7 a filing fee and license fee as prescribed under subsection (f).
8 An application must contain:

9 (1) a description of the part of the premises for which
10 the applicant desires a license;

11 (2) whether the applicant desires to sell wine, spirits
12 or both on the licensed premises. Notwithstanding any other
13 provision of this act, an applicant that chooses to sell wine
14 or spirits may make application at a later date to the board
15 to sell both products and be granted that authority after
16 paying the proper fees; and

17 (3) other information that the board may prescribe.
18 The board may not require physical alterations, improvements or
19 changes to the licensed premises until the wine and spirits
20 license application has been approved.

21 (e) Other licenses.--Nothing in this act shall prohibit a
22 wine and spirits retail licensee from receiving:

23 (1) a distributor license under section 431 that
24 authorizes the licensee to sell malt and brewed beverages for
25 consumption off the premises;

26 (2) a restaurant liquor license or a retail dispenser
27 license as long as the restaurant or retail dispenser does
28 not have an interior connection to or with the wine and
29 spirits retail licensed premises; or

30 (3) an importing distributor license under section 431

1 that authorizes the licensee to sell malt or brewed beverages
2 at wholesale so long as the importing distributor does not
3 obtain a wine and spirits wholesale license.

4 (f) License fees.--The fees for a wine and spirits retail
5 license are as follows:

6 (1) For a distributor licensed under section 431 making
7 application for a wine and spirits retail license:

8 (i) For the privilege of selling wine, the board
9 shall require the following fees:

10 (A) For a county of the first class or second
11 class, \$30,000.

12 (B) For a county of the second class A or third
13 class, \$37,500.

14 (C) For a county of the fourth class or fifth
15 class, \$22,500.

16 (D) For a county of the sixth class or seventh
17 class, \$15,000.

18 (E) For a county of the eighth class, \$7,500.

19 (ii) For the privilege of selling spirits, the board
20 shall require the following fees:

21 (A) For a county of the first class or second
22 class, \$52,500.

23 (B) For a county of the second class A or third
24 class, \$60,000.

25 (C) For a county of the fourth class or fifth
26 class, \$45,000.

27 (D) For a county of the sixth class or seventh
28 class, \$37,500.

29 (E) For a county of the eighth class, \$30,000.

30 (iii) For the privilege of selling both wine and

1 spirits, the board shall require a fee equal to the sum
2 of the fees listed above by county. Nothing in this act
3 shall prevent a licensee who initially makes application
4 to sell either wine or spirits from adding the other
5 product at a later date so long as application is made to
6 the board and the proper fees are paid.

7 (2) For an unlicensed entity making application for a
8 wine and spirits retail license:

9 (i) For the privilege of selling wine, the board
10 shall require the following fees:

11 (A) For a county of the first class or second
12 class, \$165,000.

13 (B) For a county of the second class A or third
14 class, \$187,500.

15 (C) For a county of the fourth class or fifth
16 class, \$142,500.

17 (D) For a county of the sixth class or seventh
18 class, \$120,000.

19 (E) For a county of the eighth class, \$97,500.

20 (ii) For the privilege of selling spirits, the board
21 shall require the following fees:

22 (A) For a county of the first class or second
23 class, \$232,500.

24 (B) For a county of the second class A or third
25 class, \$262,500.

26 (C) For a county of the fourth class or fifth
27 class, \$202,500.

28 (D) For a county of the sixth class or seventh
29 class, \$172,500.

30 (E) For a county of the eighth class, \$142,500.

1 (iii) For the privilege of selling both wine and
2 spirits, the board shall require a fee equal to the sum
3 of the fees listed above by county. Nothing in this act
4 shall prevent a licensee who initially makes application
5 to sell either wine or spirits from adding the other
6 product at a later date so long as application is made to
7 the board and the proper fees are paid.

8 (3) A restaurant or hotel licensee in good standing that
9 applies for a retail wine and spirits license shall pay the
10 same amount for the license as a distributor.

11 (4) The board may not require a distributor making
12 application for a wine and spirits retail license to pay the
13 fees in full prior to issuance of the license. A distributor
14 making application for a wine and spirits license has 48
15 months from the issuance of the license to pay to the board
16 the licensing fees plus a fee of 5%. If the licensee fails to
17 make a payment to the board on a monthly basis, the board
18 shall revoke the wine and spirits retail license and offer it
19 on a first-come, first-served basis.

20 Section 312-A. Postqualification of selected applicants.

21 (a) Investigation.--Upon selection of an applicant under
22 section 303-A, the Bureau of Licensing of the board shall
23 conduct an investigation of an applicant based upon the
24 information submitted to evaluate whether:

25 (1) the applicant qualifies as a reputable, responsible
26 and suitable person to hold a wine and spirits retail license
27 and operate a wine and spirits store;

28 (2) the applicant proposes an acceptable facility and
29 location for a wine and spirits store; and

30 (3) the planned operation of the applicant complies with

1 this article.

2 (b) Authority of the board.--The board may:

3 (1) require additional information from an applicant;

4 and

5 (2) conduct onsite inspections, as necessary, to

6 complete the postqualification process.

7 (c) Agreement.--The board may enter into an agreement with

8 the Pennsylvania State Police or the Office of Inspector General

9 to:

10 (1) assist the board in the conduct of an investigation

11 under this section; and

12 (2) provide for the reimbursement of a cost incurred for

13 providing assistance.

14 (d) Protocol for objections.--The board shall establish

15 protocol for receiving written objections from residents,

16 churches, hospitals, charitable institutions, schools and public

17 playgrounds that are located near a proposed wine and spirits

18 store location. The board may consider a written objection in

19 the postqualification investigation of applicants. An objector

20 under this paragraph may not appeal the decision of the board.

21 (e) Investigative fee.--The board may charge a fee to an

22 applicant to recover the costs directly related to the board's

23 investigation within the postqualification process.

24 (f) Acceptance of qualifications.--The qualifications of an

25 applicant shall be accepted by the board if the investigation by

26 the board reveals the following:

27 (1) the applicant and its officers, directors and

28 principals, if any, are of good repute, responsible and

29 suitable for operating a wine and spirits store;

30 (2) the applicant possesses sufficient financial

1 resources to:

2 (i) operate a wine and spirits store;

3 (ii) pay taxes due; and

4 (iii) meet financial obligations;

5 (3) the applicant possesses sufficient business

6 experience to operate a wine and spirits store;

7 (4) the proposed facilities comply with the operational

8 requirements of the statement of conditions under this

9 article; and

10 (5) the proposed location within the community is

11 suitable.

12 (g) Issuance of license.--If a selected applicant's

13 qualifications are accepted by the board, the board shall

14 qualify the applicant and issue a wine and spirits retail

15 license to the applicant upon the occurrence of the following:

16 (1) execution and delivery to the board of the statement

17 of conditions required under section 313-A;

18 (2) payment of the license fee by certified check or

19 wire transfer to a designated restricted account established

20 in The State Stores Fund. A distributor licensed under

21 section 431 that obtains a wine and spirits retail license

22 has 48 months to pay the license fee;

23 (3) payment of an outstanding investigation fee; and

24 (4) fulfillment of other conditions required by the

25 board.

26 (h) Approval of qualifications.--If the qualifications of

27 the applicant are approved by the board under subsection (f),

28 the board shall issue a wine and spirits retail license to the

29 successful applicant consistent with the requirements of

30 subsection (g).

1 (i) License not entitlement.--

2 (1) This article is not intended to establish an
3 entitlement to a wine and spirits retail license. A wine and
4 spirits retail license is a privilege between the board and
5 the licensee.

6 (2) Between the licensee and a third party, a wine and
7 spirits retail license is property.

8 (j) Terms of licensure.--

9 (1) A wine and spirits retail license is in effect
10 unless the board:

11 (i) revokes, suspends or fails to renew the license;

12 or

13 (ii) revokes the operating authority of the licensee
14 under the license requirements of this article.

15 (2) A wine and spirits retail license is subject to
16 renewal every two years consistent with this article.

17 (3) This subsection does not relieve a wine and spirits
18 retail licensee of the affirmative duty to notify the board
19 of a change relating to the status of its license or to other
20 information contained in the application materials on file
21 with the board.

22 Section 313-A. Wine and spirits retail licensee statement of
23 conditions.

24 (a) Statement of conditions.--The board shall develop a
25 statement of conditions to be executed by a wine and spirits
26 retail licensee governing the operations of the wine and spirits
27 licensee.

28 (b) Conditions.--In addition to other conditions the board
29 deems necessary or appropriate for a specific wine and spirits
30 retail licensee, a statement of conditions under this section

1 shall include, at a minimum, the following conditions and impose
2 the following obligations and requirements:

3 (1) Under section 493.2, a wine and spirits retail
4 licensee may not sell or distribute liquor to an individual
5 under 21 years of age or to an individual who is visibly
6 intoxicated.

7 (2) A wine and spirits retail licensee may not operate a
8 retail wine and spirits store located within:

9 (i) three hundred feet of an elementary or secondary
10 school without the approval of the department or board;
11 or

12 (ii) a municipality that voted to preclude the
13 establishment of a State liquor store, unless the
14 municipality subsequently votes to permit the board to
15 issue a wine and spirits retail license.

16 (3) A wine and spirits retail licensee's wine and
17 spirits store and the facilities involved in its retail
18 operations, including a change to the facilities during the
19 term of the license, are subject to:

20 (i) inspection and investigation by the board and
21 enforcement bureau; and

22 (ii) approval of the board and enforcement bureau.

23 (4) A wine and spirits retail licensee shall maintain
24 adequate security to protect the licensee's inventory from
25 unauthorized sale or diversion and prevent its unauthorized
26 distribution.

27 (5) Unless specifically authorized in this act or with
28 the prior approval of the board, a wine and spirits retail
29 licensee may not engage in a separate business activity upon
30 a licensed premises where retail liquor operations are

1 conducted.

2 (6) A wine and spirits retail licensee shall notify the
3 board within 15 days of a change in persons holding an
4 interest in the wine and spirits license.

5 (7) A wine and spirits retail licensee shall notify the
6 board within 15 days of becoming aware of an arrest, criminal
7 indictment or conviction by the following:

8 (i) if the licensee is an individual, the licensee;

9 (ii) if the licensee is a partnership, a partner;

10 (iii) if the licensee is an association, a member;

11 (iv) if the licensee is a corporation, an officer, a
12 director or a shareholder in the corporation; and

13 (v) an affiliate of the licensee.

14 (8) A wine and spirits retail licensee shall notify the
15 board within 15 days of becoming aware of a violation of this
16 article by an individual listed in paragraph (7).

17 (9) The premises of a wine and spirits store must be a
18 self-contained unit with limited customer access dedicated to
19 the sale of liquor and related merchandise. Except for a
20 licensee that also holds a distributor license, a wine and
21 spirits store may not have an interior connection with
22 another business or with a residential building except as
23 approved by the board. A purchase of wine and spirits must be
24 paid for at a location within the confines of the licensed
25 premises.

26 (10) A wine and spirits retail licensee shall configure
27 its premises in a manner and with adequate safeguards to
28 ensure that:

29 (i) liquor products are secure; and

30 (ii) the licensed area may not be accessed during

1 prohibited hours of operation.

2 (11) A wine and spirits retail licensee may not hold,
3 directly or indirectly, more than five wine and spirits
4 retail locations within this Commonwealth or more than one
5 wine and spirits retail license within a county.

6 (12) A wine and spirits store may sell liquor for
7 consumption off the premises and related merchandise within
8 the licensed area of the store. A sale of related merchandise
9 within the licensed area may not exceed 30% of the gross
10 annual sales of a wine and spirits store. Unless the wine and
11 spirits retail licensee operates another license that
12 authorizes the sale of malt and brewed beverages for
13 consumption off the premises in the same licensed area, a
14 wine and spirits store may not sell malt or brewed beverages
15 within its licensed premises.

16 (13) A wine and spirits retail licensee shall make the
17 premises and the facilities involved in the retail operation
18 and the business and financial books and records of the
19 retail operation available at any time for inspection and
20 audit by the board and the enforcement bureau. The board
21 shall promulgate regulations regarding the records that a
22 wine and spirits retail licensee must maintain in its
23 licensed premises.

24 (14) A wine and spirits retail licensee may sell wine or
25 spirits between 9 a.m. and 11 p.m. of any day except Sunday
26 to a person that is not licensed under this act.

27 (15) In addition to the hours authorized under paragraph
28 (14), a wine and spirits retail licensee may, upon purchasing
29 a permit from the board at an annual fee of \$1,000, sell wine
30 or spirits on Sunday between the hours of 9 a.m. and 9 p.m.

1 to persons not licensed under this act.

2 (16) A wine and spirits retail licensee may not employ
3 an individual under 18 years of age to work on the licensed
4 premises. An employee of a wine and spirits retail licensee
5 under 21 years of age may not engage in the sale of liquor.

6 (17) A wine and spirits retail licensee that is a
7 corporation, a limited liability company, a limited
8 partnership, a partnership, an association or other legal
9 entity must be organized under the laws of this Commonwealth.

10 (18) A wine and spirits retail licensee who is an
11 individual must be a citizen of the United States and a
12 resident of this Commonwealth.

13 (19) A wine and spirits retail licensee shall:

14 (i) comply with the responsible alcohol management
15 program training under section 471.1; and

16 (ii) ensure that the wine and spirits store managers
17 and employees who may engage in the sale of liquor attend
18 the responsible alcohol management training within six
19 months of commencing employment.

20 (20) A wine and spirits retail licensee may place its
21 license in safekeeping for a period not to exceed two years:

22 (i) pending transfer of the license from person-to-
23 person or place-to-place or both; or

24 (ii) during renovation of the premises where retail
25 operations are conducted.

26 (21) A wine and spirits retail license that remains in
27 safekeeping for a period that exceeds two years shall be
28 forfeited and resold by the board in a manner consistent with
29 this subarticle.

30 (22) Except as set forth in paragraph (16), an

1 individual under 21 years of age may not enter the licensed
2 area of a wine and spirits retail licensee unless accompanied
3 by an adult.

4 (23) A wine and spirits retail licensee shall utilize a
5 transaction scan device to verify the age of an individual
6 who appears to be under 35 years of age before making a sale
7 of liquor. A wine and spirits retail licensee may not sell or
8 share data from the use of a transaction scan device provided
9 that the licensee may use the data to show the board or
10 enforcement bureau that the licensee is in compliance with
11 this article. As used in this paragraph, the term
12 "transaction scan device" means a device capable of
13 deciphering, in an electronically readable format, the
14 information encoded on the magnetic strip or bar code of an
15 identification card under section 495(a).

16 (24) A wine and spirits retail licensee may not sell a
17 liquor product at a price less than its underlying cost.

18 (25) A wine and spirits retail licensee may not provide
19 tasting samples of liquor on the premises where retail
20 operations are conducted except in the manner set forth in
21 the board's regulations related to tasting samples provided
22 by sponsors.

23 (26) A wine and spirits retail licensee may not require
24 a customer to purchase a membership or pay a fee in order to
25 purchase products, including wine and spirits, from the
26 premises.

27 (27) In an inquiry or investigation by the board or the
28 enforcement bureau, a wine and spirits retail licensee shall
29 cooperate fully and provide requested information.

30 (c) Sanctions.--

1 (1) A wine and spirits retail licensee that fails to
2 abide by a condition contained in the licensee's statement of
3 conditions or commits a violation of this act or other
4 Federal or State law is subject to citation by the
5 enforcement bureau.

6 (2) A citation under paragraph (1) may result in:

7 (i) a fine or suspension or license revocation;

8 (ii) nonrenewal of a license;

9 (iii) revocation of operating authority; or

10 (iv) another penalty authorized under sections 471
11 and 494.

12 SUBARTICLE C

13 DIVESTITURE OF WHOLESALE LIQUOR DISTRIBUTION

14 Section 321-A. Wholesale divestiture.

15 (a) Utilization.--In effectuating the intent of this
16 article, the department shall utilize the authority provided
17 under section 305-A and any other powers of the department, with
18 the full cooperation and assistance of the board.

19 (b) Establishment.--On the effective date of this section,
20 the department shall establish all of the following:

21 (1) An application process and schedule for the
22 investigation and award of wine and spirits wholesale
23 licenses under this article.

24 (2) A blended brand valuation for each brand of liquor
25 available for sale in this Commonwealth.

26 (3) Procedures and standards governing the relationship
27 between wine and spirits wholesale licensees and
28 manufacturers and the ability and terms upon which that
29 relationship may be terminated.

30 (c) Coordination.--

1 (1) The department shall:

2 (i) coordinate scheduling so that wine and spirits
3 wholesale license applications may be received, processed
4 and investigated by the board's Bureau of Licensing
5 during the retail divestiture process; and

6 (ii) begin a coordinated effort to allow the board
7 to issue licenses 12 months from the effective date of
8 this section.

9 (2) The department must fully divest the board of all
10 operations relating to the wholesale distribution of liquor
11 within six months of commencing wholesale divestiture.

12 Section 321.1-A. Issuance of wine and spirits wholesale
13 licenses.

14 (a) Authorization.--The board may issue wine and spirits
15 wholesale licenses under the following conditions:

16 (1) The following shall apply:

17 (i) One wine and spirits wholesale license may be
18 issued by the board to each qualified applicant.

19 (ii) A wine and spirits wholesale license shall
20 authorize the holder to sell and distribute brands of
21 liquor, as proposed by an applicant and approved by the
22 department, to wine and spirits retail licensees and
23 other licensees of the board authorized to sell or
24 distribute liquor under this act, to United States Armed
25 Forces facilities located on United States Armed Forces
26 installations within this Commonwealth and to the holder
27 of a wholesale alcohol purchase permit issued by the
28 board.

29 (iii) The alcoholic products shipped into this
30 Commonwealth must be delivered to the wholesaler's

1 licensed premises. Upon delivery, the products shall be
2 unloaded, inventoried and remain on the licensed premises
3 for 48 hours before delivery is made to a retailer.
4 During that time period, the board may inspect and
5 inventory wholesale warehouses to verify taxes that are
6 required to be paid on the products.

7 (2) Subject to the conditions and restrictions of this
8 subarticle, wine and spirits wholesale licensees may sell and
9 distribute more than one brand of liquor under the same wine
10 and spirits wholesale license.

11 (3) Upon application by a wine and spirits wholesale
12 licensee, the board may amend its initial authorization under
13 a wine and spirits wholesale license to include additional
14 brands of liquor or exclude previously-approved brands of
15 liquor.

16 (b) Wine and spirits wholesale license fee.--

17 (1) On the effective date of this section, the
18 department shall determine the wine and spirits wholesale
19 license fee for each brand of liquor sold at wholesale by the
20 board through its State liquor stores or via special liquor
21 order for a continuous period of at least one year. The
22 license fee shall be equal to the blended brand valuation for
23 each brand of liquor authorized by the wine and spirits
24 wholesale license multiplied by the wholesale acquisition
25 factor.

26 (2) The department shall publish a notice on its
27 Internet website of the wine and spirits wholesale license
28 fee for each brand of liquor determined under paragraph (1).
29 The department shall establish deadlines within which an
30 applicant must submit an application for a wine and spirits

1 wholesale license for the brands of liquor specified by the
2 applicant.

3 (3) The department must receive the required license fee
4 for the brands of liquor specified by the applicant before a
5 wine and spirits wholesale license is issued by the board to
6 a successful applicant.

7 (c) Brands not previously sold.--

8 (1) For brands of liquor that have not been sold by the
9 board at State liquor stores or via special liquor order for
10 a continuous period of at least one year, the department
11 shall calculate the blended brand valuation utilizing sales
12 data for any portion of the year that the brand was sold in
13 this Commonwealth, after consulting with the board on the
14 most recent sales trends of the brand, both within and
15 outside this Commonwealth.

16 (2) If, during the term of a wine and spirits wholesale
17 license, a wine and spirits wholesale licensee proposes to
18 sell and distribute a new brand of liquor not previously sold
19 in this Commonwealth, the wine and spirits wholesale licensee
20 shall apply to the board for permission to sell the brand and
21 pay an additional license fee determined in accordance with
22 this section. In calculating the blended brand valuation for
23 the new products, the board shall evaluate available sales
24 data in other markets or sales trends of similar products
25 either within or outside this Commonwealth.

26 (d) Term.--

27 (1) A wine and spirits wholesale license, after payment
28 of the required license fee, shall be in effect unless
29 suspended, revoked or not renewed under this article.

30 (2) The license of a wine and spirits wholesale licensee

1 in good standing shall be renewed every two years under this
2 article.

3 (3) Nothing under this subsection shall be construed to
4 relieve a wine and spirits wholesale licensee of the
5 affirmative duty to notify the board of changes relating to
6 any of the following:

7 (i) The status of its license.

8 (ii) Information contained in the application
9 materials on file with the department or the board.

10 Section 322-A. Application for wine and spirits wholesale
11 license.

12 (a) Applications.--An application for a wine and spirits
13 wholesale license shall be submitted on a form and in a manner
14 as required by the board.

15 (b) Eligibility.--A person may be eligible to apply for a
16 wine and spirits wholesale license if the person satisfies all
17 of the following:

18 (1) Neither the applicant nor any affiliate of the
19 applicant has applied for or holds a wine and spirits retail
20 license or other license which authorizes the retail sale of
21 wine and spirits to consumers.

22 (2) The applicant is organized under the laws of this
23 Commonwealth if it is any of the following:

24 (i) A corporation.

25 (ii) A limited liability company.

26 (iii) A limited partnership.

27 (iv) A partnership.

28 (v) An association.

29 (vi) A legal entity other than a legal entity listed
30 under this paragraph.

1 (3) The applicant is a citizen of the United States and
2 a resident of this Commonwealth if that applicant is a
3 natural person.

4 (4) Neither the applicant nor any affiliate of the
5 applicant, executive officer, director or general or limited
6 partner of the applicant or person holding, directly or
7 indirectly, a controlling interest in the applicant has been
8 convicted of a crime listed under subsection (d)(10).

9 (c) Other licenses.--Nothing under this act shall prohibit:

10 (1) A properly licensed importing distributor of malt
11 and brewed beverages from applying for and, if approved,
12 being issued a wine and spirits wholesale license.

13 (2) The holder of a limited winery license, a limited
14 distillery license or a distillery license issued by the
15 board from acquiring a wine and spirits wholesale license.

16 (d) General requirements.--In addition to any other
17 information required under this article or by the department or
18 the board, the applicant for a wine and spirits wholesale
19 license shall include the following:

20 (1) The name, address and tax identification number of
21 the applicant.

22 (2) A statement as to whether the applicant is an
23 individual, corporation, limited liability company, limited
24 partnership, partnership or association and, if the applicant
25 is not an individual, the state of incorporation or
26 organization.

27 (3) If the applicant is not an individual, the name and
28 residence address of each executive officer, director,
29 general or limited partner or person holding a controlling
30 interest in the applicant.

1 (4) If the applicant is an association, the name and
2 residence address of each person constituting the
3 association.

4 (5) A list of the brands of liquor the applicant
5 proposes to engage in wholesale distribution on a Statewide
6 basis.

7 (6) A sworn statement that the applicant has entered
8 into a contractual relationship with one or more liquor
9 manufacturers, importers or vendors of record for the
10 distribution in this Commonwealth of a brand or brands of
11 liquor, regardless of whether the contractual relationship is
12 contingent upon the board issuing a wine and spirits
13 wholesale license to the applicant.

14 (7) The proposed location and proof of ownership or
15 lease for the wholesale operation, including proposed
16 warehouses, if available.

17 (8) Floor plans for any facility proposed to be used in
18 wholesale operations and existing design plans for any
19 facility that is planned, but not yet constructed, to the
20 extent the floor plans are available.

21 (9) Information disclosing all arrests of and all
22 citations issued for nonsummary offenses to an applicant and
23 any affiliate of the applicant, executive officer, director
24 or general or limited partner of the applicant or person
25 holding a controlling interest in the applicant. The
26 information shall include:

27 (i) A brief description of the circumstances
28 surrounding the arrest or issuance of the citation.

29 (ii) The specific offense charged or cited.

30 (iii) The ultimate disposition of the charge or

1 citation, including the details of a dismissal, plea
2 bargain, conviction, sentence, pardon, expungement or
3 order of Accelerated Rehabilitative Disposition.

4 (10) A sworn statement that the applicant and any
5 affiliate of the applicant, or any executive officer,
6 director or general or limited partner of the applicant or
7 person holding a controlling interest in the applicant have
8 never been convicted:

9 (i) of a crime involving fraud, moral turpitude or
10 racketeering within a period of 10 years immediately
11 preceding the date of the application;

12 (ii) of a felony or equivalent crime; or

13 (iii) in a Federal or state tribunal, including this
14 Commonwealth, of the violation of a Federal or state
15 liquor law.

16 (11) A statement that the applicant intends to
17 continuously operate as a wine and spirits wholesale licensee
18 for the duration of the license term and to use its best
19 efforts to provide a level of service, including product
20 availability, reasonably equivalent to the level of service
21 currently provided by the Commonwealth.

22 (12) A financial statement or letter of credit in a form
23 and containing information determined by the department to
24 indicate the applicant's financial capability to operate the
25 wholesale operation and the estimated volume of wholesale
26 business to be conducted annually.

27 (13) A current tax certificate issued by the Department
28 of Revenue showing the amount of taxes owed to the
29 Commonwealth for the applicant and any affiliate of the
30 applicant, executive officer, director or general or limited

1 partner of the applicant or person holding a controlling
2 interest in the applicant.

3 (14) A signature and verification by oath or affirmation
4 or under penalty of unsworn falsification to authorities by
5 one of the following:

6 (i) The applicant, if the applicant is a natural
7 person.

8 (ii) A person specifically authorized by the legal
9 entity to sign the application, if the applicant is a
10 legal entity. Written evidence of the authority to sign
11 must be attached to the signature and verification.

12 (e) Additional information.--An applicant shall, during the
13 application process, provide any other information determined to
14 be appropriate by the department.

15 (f) Amended application.--If a change occurs in any
16 information provided to the department or the board as part of
17 the application process, the applicant shall immediately notify
18 the department or the board of the change and timely provide
19 amended information to the department or the board in a form and
20 manner determined by the department or the board.

21 (g) Application fees and investigative costs.--

22 (1) An application filing fee of \$10,000 shall be due
23 upon application for a wine and spirits wholesale license.
24 The application filing fee shall be refunded if, due to no
25 fault of the applicant, the wine and spirits wholesale
26 license is not approved.

27 (2) The department shall establish, charge and collect
28 fees from an applicant to recover the costs directly related
29 to the board's review and investigation of the application
30 for a wine and spirits wholesale license. The board shall

1 have the same authority relating to fees as to applications
2 for renewal.

3 Section 323-A. Review and investigation of application.

4 (a) Completeness of application.--

5 (1) The following shall apply:

6 (i) The department may not consider an incomplete
7 application and shall notify the applicant in writing if
8 an application is incomplete.

9 (ii) An application shall be considered incomplete
10 if it does not include all applicable fees and all
11 information and accompanying documentation required by
12 the department. Unpaid taxes identified on the tax
13 certificate required to be filed under section
14 322-A(d)(13) must be paid before the application is
15 considered complete.

16 (2) A notification of incompleteness shall state the
17 deficiencies in the application that must be corrected prior
18 to consideration of the merits of the application.

19 (3) The applicant must be afforded a reasonable period
20 of time, as determined by the department, to cure the
21 deficiencies.

22 (4) If the applicant fails to timely cure noticed
23 deficiencies within the time specified by the department, the
24 application shall be deemed denied by the department without
25 further action.

26 (b) Investigation.--After receipt of an application for a
27 wine and spirits wholesale license and a determination that the
28 application is complete, the department shall provide the
29 application to the board's Bureau of Licensing to conduct an
30 investigation of the applicant. The investigation shall include

1 and the applicant shall have the burden of demonstrating the
2 following:

3 (1) The truth and veracity of the information provided
4 in the application.

5 (2) The applicant's cooperation and the cooperation of
6 any affiliate of the applicant and any executive officer,
7 director or general or limited partner of the applicant or
8 person holding a controlling interest in the applicant in the
9 application process and with any request by the department or
10 the board for any information deemed necessary for licensure.

11 (3) The good character, reputation and suitability of
12 the applicant and any affiliate of the applicant, executive
13 officer, director or general or limited partner of the
14 applicant or person holding a controlling interest in the
15 applicant.

16 (4) The applicant possesses sufficient financial
17 resources to:

18 (i) Operate as a wine and spirits wholesale
19 licensee.

20 (ii) Pay all taxes due and owing to the
21 Commonwealth.

22 (iii) Assume liability for the safe operation of the
23 wholesale operations.

24 (5) The applicant possesses sufficient financial
25 resources and experience to create and maintain a successful
26 and efficient wholesale operation that provides service at a
27 level that is reasonably equivalent to the level of service
28 currently provided in this Commonwealth on the effective date
29 of this section.

30 (6) The applicant has entered into a contractual

1 relationship with one or more licensed manufacturers,
2 importers or vendors of record for the distribution in this
3 Commonwealth of a brand or brands of liquor regardless of
4 whether the contractual relationship is contingent upon the
5 board issuing a wine and spirits wholesale license to the
6 applicant.

7 (7) The physical facilities proposed to be used in the
8 applicant's wholesale operations are located and designed to:

9 (i) assure that all warehouses are located within
10 this Commonwealth and licensed for the storage of liquor;

11 (ii) function as a self-contained unit, with limited
12 customer access;

13 (iii) not have any interior connection with any
14 other business or with any residential building without
15 prior department or board approval;

16 (iv) provide adequate security to protect the
17 applicant's inventory from unauthorized sale or
18 diversion; and

19 (v) protect the public interest.

20 (c) Assistance with investigations.--The board may enter
21 into an agreement with the Pennsylvania State Police or the
22 Office of Inspector General to assist the board in conducting
23 investigations under this section and to provide for the
24 reimbursement of actual costs incurred for providing the
25 assistance. The board may establish, charge and collect fees
26 from an applicant to recover the costs of investigation.

27 Section 324-A. Issuance of licenses.

28 (a) Notification.--Upon completion of the investigation
29 under section 323-A, the board shall inform the department of
30 the results of its investigation. The board shall inform the

1 applicant in writing of its decision to approve or deny the
2 application.

3 (b) Approval.--If the application is approved, the
4 department shall require the successful applicant to pay the
5 license fee, as required under section 321.1-A, based on the
6 brand licensing fees established under section 321.1-A for the
7 brands of liquor approved for the applicant.

8 (c) Denial.--

9 (1) If an application is denied, the board shall provide
10 the applicant with the specific reasons for the denial in the
11 written notification required under subsection (a).

12 (2) The applicant shall be entitled to a hearing on the
13 denial, if a hearing is requested within 10 days of the
14 board's notification and the request is in writing on a form
15 and in a manner determined by the board.

16 (3) A hearing under this subsection shall be conducted
17 in accordance with 2 Pa.C.S. Ch. 5 Subch. A (relating to
18 practice and procedure of Commonwealth agencies).

19 (d) Issuance.--After approval of an application, the board
20 shall issue a wine and spirits wholesale license to the
21 applicant for the exclusive privilege to sell approved brands of
22 liquor in this Commonwealth, if the applicant has completed all
23 of the following:

24 (1) Paid the wine and spirits wholesale license fee
25 required under this article. Payment must be made by
26 certified check or wire transfer to a designated restricted
27 account in The State Stores Fund.

28 (2) Paid outstanding application or investigation fees.

29 (3) Executed and delivered to the board the statement of
30 conditions required under section 325-A.

1 (4) Repurchased from the board remaining marketable
2 inventory of the brands authorized under its license which
3 are owned by the board at the board's purchase order cost and
4 paid applicable taxes due and an administrative fee
5 determined by the board. The wine and spirits wholesale
6 licensee shall coordinate, at its own cost, the removal of
7 remaining product owned by the board.

8 (5) Fulfilled any other conditions required by the
9 department or the board or provided for under this article.

10 (e) License as privilege.--

11 (1) Nothing under this article is intended or may be
12 construed to create an entitlement to a wine and spirits
13 wholesale license.

14 (2) The authorization to participate in the distribution
15 and sale of liquor as a wine and spirits wholesale licensee
16 is a privilege conditioned upon this article.

17 (f) Termination of board's authority.--

18 (1) Except as set forth in paragraph (2), if a wine and
19 spirits wholesale license has been issued for a particular
20 brand of liquor, the board may not engage in the sale of that
21 brand of liquor.

22 (2) The board may coordinate the repurchase of remaining
23 board inventory of brands as provided under Subarticle D.

24 (3) The board's Bureau of Licensing shall provide
25 adequate notice to the board's Bureau of Supply Chain that a
26 wine and spirits wholesale license application is ready for
27 license approval to insure that appropriate inventory
28 reduction can be effectuated without causing a shortage of
29 the brand at issue.

30 Section 325-A. Wine and spirits wholesale licensee statement of

1 conditions.

2 (a) Statement of conditions.--The department, in
3 consultation with the board, shall develop a statement of
4 conditions to be executed by each wine and spirits wholesale
5 licensee governing the operation of the wine and spirits
6 wholesale licensee.

7 (b) Conditions, restrictions and prohibited acts.--In
8 addition to any other conditions the department, in consultation
9 with the board, deems necessary or appropriate for a specific
10 wine and spirits wholesale licensee or which may be mandated for
11 all licensees through regulations of the department or the
12 board, the statement of conditions under subsection (a) shall
13 include the following:

14 (1) A wine and spirits wholesale licensee may not sell
15 liquor to a person, except a person specified in section
16 321.1-A(a)(1).

17 (2) A wine and spirits wholesale licensee must serve all
18 licensees eligible to purchase and resell liquor under this
19 act and must make liquor available for sale to those
20 licensees under the same pricing structure.

21 (3) Except for a wine and spirits wholesale licensee
22 that holds an importing distributor license under section
23 431, a wine and spirits wholesale licensee may not sell malt
24 or brewed beverages.

25 (4) A wine and spirits wholesale licensee may not engage
26 in conduct that would constitute any of the following:

27 (i) Variable pricing.

28 (ii) Unfair or deceptive trade practices proscribed
29 under Federal or State law or regulation.

30 (iii) Intentional exclusion of competing brands of

1 liquor from the marketplace.

2 (5) A wine and spirits wholesale licensee may only sell
3 and distribute liquor products in this Commonwealth that are
4 subject to a contractual relationship between the wine and
5 spirits wholesale licensee and one or more licensed
6 manufacturers or importers of wine and spirits.

7 (6) (i) A wine and spirits wholesale licensee shall do
8 all of the following:

9 (A) Acquire liquor exclusively from:

10 (I) a licensed manufacturer or importer of
11 wine and spirits with whom the wine and spirits
12 wholesale licensee has the contractual authority
13 to sell at wholesale as provided under this act;
14 or

15 (II) an entity affiliated with the wine and
16 spirits wholesale licensee.

17 (B) Keep a detailed log of wholesale liquor
18 transactions, including acquisitions of liquor from
19 an entity listed under clause (A) and sales to
20 licensees under this act.

21 (ii) If liquor is acquired from an entity affiliated
22 with the wine and spirits wholesale licensee, the entity
23 shall, for taxation purposes, be considered a licensed
24 manufacturer or importer of wine and spirits.

25 (7) A wine and spirits wholesale licensee's licensed
26 premises and all facilities involved in its wholesale
27 operations, including any changes to the facilities during
28 the term of the license, shall be subject to the inspection,
29 investigation and approval of the department or the board or
30 the enforcement bureau.

1 (8) A wine and spirits wholesale licensee shall maintain
2 adequate security to protect the licensee's inventory from
3 unauthorized sale, removal or theft and prevent its
4 unauthorized distribution.

5 (9) As follows:

6 (i) Except as provided under paragraph (1), a wine
7 and spirits wholesale licensee may not engage in a
8 separate business activity on a premises on which
9 wholesale liquor operations are conducted without prior
10 approval of the board.

11 (ii) A wine and spirits wholesale licensee which
12 holds an importing distributor license may engage in
13 sales of malt or brewed beverages under this act.

14 (10) A wine and spirits wholesale licensee shall collect
15 and remit to the Department of Revenue all applicable taxes.

16 (11) A wine and spirits wholesale licensee shall be
17 considered a State liquor store for the purpose of collecting
18 and remitting taxes under Article II of the act of March 4,
19 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
20 from persons licensed to sell liquor for consumption on the
21 premises under Article IV.

22 (12) A wine and spirits wholesale licensee shall notify
23 the board within 15 days of a change in a person holding a
24 controlling interest in the licensee.

25 (13) A wine and spirits wholesale licensee shall notify
26 the board within 15 days of becoming aware of an arrest,
27 criminal indictment or conviction by the licensee, an
28 affiliate of the licensee or an executive officer, director
29 or general or limited partner of the licensee or person
30 holding a controlling interest in the licensee.

1 (14) A wine and spirits wholesale licensee shall notify
2 the board within 15 days of becoming aware of a violation of
3 this act by the licensee, an affiliate of the licensee or an
4 executive officer, director or general or limited partner of
5 the licensee, person holding a controlling interest in the
6 licensee or employee of the licensee.

7 (15) As follows:

8 (i) A wine and spirits wholesale licensee may not
9 operate in a manner which constitutes a violation of
10 Federal or State law, including antitrust or other unfair
11 trade practices, or creates a monopolistic liquor
12 distribution system in this Commonwealth.

13 (ii) If a wine and spirits wholesale licensee seeks
14 to be approved by the department or the board to
15 distribute additional brands of liquor which would give
16 the licensee a control of more than 50% of the liquor
17 distributed in the wholesale market of this Commonwealth,
18 in terms of gross dollar sales, the board shall convene a
19 hearing to determine whether approval of the proposed
20 application for additional brands would constitute a
21 violation of antitrust or other unfair trade practice
22 laws, or would create a monopolistic liquor distribution
23 system in this Commonwealth.

24 (iii) The board is authorized to promulgate
25 regulations providing for the procedure for hearings
26 under subparagraph (ii).

27 (16) A wine and spirits wholesale licensee shall make
28 the licensed premises, all of the facilities involved in the
29 wholesale operation and all of the business and financial
30 books and records of the wholesale operation available at any

1 time for inspection and audit by the department, the board or
2 the enforcement bureau. The board shall promulgate
3 regulations regarding the records that a licensee must
4 maintain on its premises.

5 (17) A wine and spirits wholesale licensee shall
6 cooperate fully in an inquiry or investigation by the
7 department or the board or the enforcement bureau and provide
8 information requested by the department, the board or the
9 enforcement bureau.

10 (18) A wine and spirits wholesale licensee which is a
11 corporation, a limited liability company, limited
12 partnership, partnership, association or other legal entity
13 must be organized under the laws of this Commonwealth.

14 (19) A wine and spirits wholesale licensee which is a
15 natural person must be a citizen of the United States and a
16 resident of this Commonwealth.

17 (c) Sanctions.--A wine and spirits wholesale licensee that
18 fails to abide by a condition contained in the licensee's
19 statement of conditions or commits a violation of this act or
20 Federal or State law:

21 (1) shall be subject to citation by the enforcement
22 bureau; and

23 (2) may be subject to:

24 (i) a fine, suspension or license revocation;

25 (ii) nonrenewal of the license or revocation of
26 temporary operating authority; or

27 (iii) other penalties authorized under sections 471
28 and 494.

29 Section 326-A. Loss of rights to wholesale brands of liquor.

30 The department, in consultation with the board, shall

1 establish procedures and standards governing the relationship
2 between wine and spirits wholesale licensees and manufacturers
3 and the ability and terms upon which that relationship may be
4 terminated. The procedures and standards shall incorporate the
5 following principles:

6 (1) As follows:

7 (i) A manufacturer having a contract, including all
8 written or oral agreements, understandings or other
9 arrangements with a wine and spirits wholesale licensee
10 for the distribution in this Commonwealth of a brand of
11 liquor may terminate the distribution rights and transfer
12 the rights to another wine and spirits wholesale licensee
13 upon the voluntary agreement of both licensees.

14 (ii) If a voluntary termination and transfer occurs,
15 the manufacturer shall provide written notice to the
16 board indicating that affected wine and spirits wholesale
17 licensees have both agreed to the termination and
18 transfer. A copy of the notification to the board shall
19 be provided to both licensees.

20 (2) If a wine and spirits wholesale licensee does not
21 agree to the termination or transfer of its distribution
22 rights, the manufacturer may only terminate or transfer the
23 rights upon payment to the terminated licensee of the blended
24 brand valuation of the products for which the wine and
25 spirits wholesale licensee will no longer hold distribution
26 rights.

27 (3) A voluntary or involuntary termination and transfer
28 of the right to distribute the brand of liquor shall comply
29 with this section.

30 Section 327-A. Transfer of brands of liquor.

1 (a) Prohibition.--No brand of liquor offered for sale in
2 this Commonwealth may be transferred to a different wine and
3 spirits wholesale licensee without prior approval from the
4 board.

5 (b) Transfer fee.--An application to the board to transfer
6 the right to distribute a brand of liquor shall be subject to an
7 application fee equal to 1% of the initial license fee
8 attributable to the brand of liquor or \$1,000, whichever is
9 greater.

10 SUBARTICLE D

11 CLOSURE OF STATE LIQUOR STORES

12 AND ASSISTANCE FOR DISPLACED EMPLOYEES

13 Section 331-A. Closure of State liquor stores.

14 (a) Process for closure.--

15 (1) The board shall review the viability of a store
16 located within a county where the number of privately owned
17 and privately operated wine and spirits retail licenses plus
18 the number of grocery store licenses equal the number of
19 Heritage State Stores.

20 (2) Where the number of Heritage State Stores equals the
21 number of privately owned and privately operated wine and
22 spirits retail licenses plus the grocery store licenses, the
23 board shall provide a rationale to the department for the
24 continued operation or closure of a store located in a
25 county.

26 (3) A Heritage State Store designated for closure shall
27 cease operations within 60 days.

28 (4) Where the number of privately owned and privately
29 operated wine and spirits retail licenses plus the grocery
30 store licenses exceed the number of Heritage State Stores by

1 a factor of two, the Heritage State Stores within a county
2 must close within six months.

3 (5) The board may not operate fewer than 100 Heritage
4 State Stores within this Commonwealth.

5 (b) Disposition of liquor.--The board shall arrange for the
6 disposition of the liquor remaining in inventory at a designated
7 store. In order to effectuate this subsection, the board may, in
8 consultation with the department, do any of the following:

9 (1) Coordinate with the vendor of record for the
10 repurchase products by the vendor of record.

11 (2) Sell products to newly licensed wine and spirits
12 retail licensees.

13 (3) Transport products for sale at another operating
14 State liquor store.

15 (c) Disposition of nonliquor State-owned property.--The
16 department, in consultation with the board, shall establish a
17 procedure for the sale of the nonliquor inventory, property and
18 fixtures of all State liquor stores consistent with 62 Pa.C.S.
19 Ch. 15 (relating to supply management). Wine and spirits retail
20 licensees shall have the opportunity to bid on the items to be
21 sold or otherwise participate in the sale. All proceeds from the
22 sales shall be deposited into The State Stores Fund.

23 (d) Pennsylvania Liquor Store leases.--The board shall
24 provide immediate notice to the lessor upon receipt of the
25 department's notice to close a designated Pennsylvania Liquor
26 Store.

27 (e) Hiring restrictions.--

28 (1) Notwithstanding any other provision of this act, the
29 board may not hire additional salaried or wage employees for
30 the purpose of staffing its retail operations, including its

1 bureau of marketing and retail operations, unless explicitly
2 authorized by the department.

3 (2) Paragraph (1) shall not prohibit the board from
4 hiring personnel, with approval from the department, to
5 adequately staff its Bureau of Supply Chain for the purpose
6 of transitioning its retail and wholesale operations to
7 licensees of this article.

8 Section 331.1-A. Licensee service centers.

9 The board shall work collaboratively with the department to
10 ensure that an adequate number of stores designated for sales to
11 licensees or licensee service center locations are maintained
12 during the retail and wholesale divestiture process so that
13 licensees are able to timely acquire products sold by the board.

14 Section 332-A. Transition assistance committee.

15 (a) Formation.--

16 (1) On the effective date of this section, the
17 department shall designate individuals to serve on a
18 committee for the purpose of managing the staffing transition
19 and displacement of employees during the divestiture process.

20 (2) The committee, which shall be chaired by a
21 representative from the department, shall involve the
22 participation of the Office of Administration, the Civil
23 Service Commission, the Department of Labor and Industry and
24 the board's bureau of human resources, to ensure a
25 coordinated approach to allocating personnel and assisting
26 displaced employees during the transition to find an
27 appropriate position.

28 (3) The department shall contract with advisors
29 necessary to assist the department and the board in
30 administering the duties under paragraph (2). The contracts

1 shall not be subject to the provisions of 62 Pa.C.S. Ch. 5
2 (relating to source selection and contract formation).

3 (b) Counseling and placement.--The committee shall
4 coordinate with the Office of Administration to provide
5 counseling and other general assistance to employees of the
6 board who are displaced to transition the employees to other
7 employment in either the public or private sector.

8 (c) Transition funding.--The costs for the programs provided
9 under this subarticle shall be paid for out of the proceeds from
10 the divestiture of the board's wholesale and retail operations.

11 Section 333-A. Preference in public employment hiring.

12 (a) Civil service examinations.--

13 (1) A displaced employee who successfully passes a civil
14 service appointment examination shall be marked or graded an
15 additional three points above the mark or grade credited for
16 the examination if all of the following apply:

17 (i) The examination is for a paid position
18 administered under the act of August 5, 1941 (P.L.752,
19 No.286), known as the Civil Service Act, and in the
20 classified service existing under the commission's
21 jurisdiction.

22 (ii) The employee establishes the qualifications
23 required by law for appointment to the position.

24 (2) The total mark or grade, including the mark-up under
25 paragraph (1), obtained by the displaced employee shall
26 represent the final mark or grade of the employee and shall
27 determine the employee's standing on any eligibility list
28 certified or furnished to the appointing power.

29 (3) The three additional points awarded under paragraph
30 (1) shall be in addition to any points that shall be afforded

1 to a veteran meeting the requirements of 51 Pa.C.S. § 7103
2 (relating to additional points in grading civil service
3 examinations).

4 (b) Certification.--The commission shall require the board
5 to certify a list of displaced employees under subsection (a).
6 Placement on the list by the board shall establish eligibility
7 for the preference granted under subsection (a).

8 (c) Noncivil service positions.--If a paid State position
9 does not require a civil service examination, a displaced
10 employee, possessing the requisite qualifications and who is
11 eligible for appointment to a paid State position in offices
12 under the Governor's jurisdiction within the executive branch
13 shall be given a preference in the appointment by the appointing
14 authority over nonveteran candidates.

15 (d) (Reserved).

16 (e) Eligibility.--

17 (1) A displaced employee's eligibility for the mark-up
18 provided under subsection (a) and for the preference for
19 noncivil service positions provided under subsection (c)
20 shall cease upon the occurrence of one of the following:

21 (i) The displaced employee's appointment or hiring
22 into a position in the classified service existing under
23 the commission's jurisdiction or into a paid State
24 position where no civil service examination is required.

25 (ii) Four years from the effective date of this
26 section.

27 (2) In order to be eligible for the mark-up provided
28 under subsection (a) and for the preference for noncivil
29 service positions provided under subsection (c), a displaced
30 worker must be terminated as a sole and direct result of the

1 decision to cease wholesale and retail operations under this
2 article and must work until the final day set by the board
3 for that employee's job function.

4 Section 334-A. Career training and post-secondary education
5 grant eligibility.

6 (a) Eligibility.--A displaced employee shall be eligible for
7 a two-year grant for attending a program of instruction at an
8 institution of higher education, including career training and
9 adult education courses of study, within one year of the date of
10 displacement from State service in the following amount:

11 (1) two thousand dollars per year for attendance on a
12 full-time basis; or

13 (2) one thousand dollars per year for attendance on a
14 part-time basis.

15 (b) Certification.--The board shall certify the list of
16 displaced employees to the Pennsylvania Higher Education
17 Assistance Agency.

18 (c) Grant award.--The agency shall make a determination of
19 grant eligibility and shall pay the grant directly to the
20 institution of higher education attended by the displaced
21 employee in a manner consistent with the Pennsylvania Higher
22 Education Assistance Agency's regulations.

23 Section 335-A. Reemployment tax credit.

24 (a) Eligibility.--

25 (1) A displaced employee shall be eligible for a two-
26 year reemployment tax credit voucher in the amount of \$2,000
27 per taxable year.

28 (2) The voucher under paragraph (1) shall be made
29 available to each displaced employee upon termination of
30 employment.

1 (3) Each voucher under paragraph (1) shall be certified
2 by the board before the voucher is provided to the displaced
3 employee.

4 (4) The Department of Revenue shall be informed of each
5 displaced employee to whom a voucher under paragraph (1) has
6 been provided.

7 (b) Transfer of voucher.--An employer in this Commonwealth
8 who employs a displaced employee on a full-time basis may, upon
9 transfer of the voucher from the employee to the employer, use
10 the voucher as a credit against the State tax liability of the
11 employer, if the employer can demonstrate the following:

12 (1) The employee for whom the tax credit is being sought
13 was displaced from the board within 12 months of being
14 employed by the employer.

15 (2) The former board employee has been employed by the
16 employer seeking the tax credit on a full-time basis for a
17 period not less than one year.

18 (c) Voucher submittal.--The employer shall submit the tax
19 credit voucher to the Department of Revenue with the information
20 required under subsection (b) (1) and (2) to claim a tax credit
21 against the employer's liability for a tax identified under
22 subsection (d) (2).

23 (d) Amount of credit.--

24 (1) An employer may claim a reemployment tax credit for
25 each job filled by a displaced employee of \$2,000 per taxable
26 year for a maximum of two taxable years.

27 (2) An employer may apply the reemployment tax credit to
28 100% of the employer's:

29 (i) State corporate net income tax, capital stock
30 and franchise tax or the personal tax of a shareholder of

1 the company if the company is a Pennsylvania S
2 corporation.

3 (ii) Insurance premiums tax, gross receipts tax,
4 bank and trust company shares tax, mutual thrift
5 institutions tax or title insurance companies shares tax.

6 (iii) Any combination of the taxes under
7 subparagraphs (i) and (ii).

8 (3) A displaced employee whose subsequent employment is
9 terminated with an employer and who has utilized the
10 reemployment tax credit voucher to claim a one-year \$2,000
11 tax credit may transfer the voucher to a new employer who may
12 use the remaining \$2,000 tax credit as a claim against the
13 employer's tax liability for taxes identified under paragraph
14 (2).

15 (4) The term of the reemployment tax credit voucher may
16 not exceed two years from the date the voucher is provided to
17 the qualified displaced employee.

18 Section 336-A. Protection of existing benefits.

19 (a) Contract benefits.--Nothing under this section shall be
20 deemed to affect:

21 (1) Pension benefits accrued prior to the date of
22 separation occurring as a sole and direct result of the
23 divestiture of the board's wholesale and retail operations
24 under this article.

25 (2) Payment of an accrued benefit derived from the terms
26 of a preexisting collective bargaining agreement payable upon
27 separation from employment.

28 (b) Collective bargaining.--As a result of the preferential
29 hiring benefits, the tax credit for subsequent employers and the
30 protection of benefits arising from an employee's pension or

1 from a preexisting collective bargaining agreement under this
2 section, the board shall be deemed to have satisfied all
3 obligations to bargain over the impact of the decision to cease
4 wholesale and retail operations under this article which may
5 arise under the act of July 23, 1970 (P.L.563, No.195), known as
6 the Public Employe Relations Act.

7 (c) Local regulation.--This article supersedes a local
8 regulation, ordinance or resolution of a political subdivision
9 regarding notice to displaced workers.

10 SUBARTICLE E

11 MISCELLANEOUS PROVISIONS

12 Section 341-A. License renewals.

13 (a) Renewal.--

14 (1) Wine and spirits licenses issued under this article
15 shall be subject to renewal every two years, with validation.

16 (2) The application for renewal shall be submitted on a
17 form provided by the board at least 30 days prior to the
18 expiration of the wine and spirits license and shall include,
19 at a minimum, an update of the information contained in the
20 initial and prior renewal applications and the payment of any
21 renewal fee required under this article.

22 (3) A wine and spirits license for which a completed
23 renewal application and fee has been received by the board
24 shall continue to be valid until the board sends written
25 notification to the licensee that the board has denied the
26 renewal of the license.

27 (b) Fee.--

28 (1) A renewal fee of \$1,000 shall be due upon
29 application for the renewal or validation of a wine and
30 spirits retail license.

1 (2) A renewal fee of \$5,000 shall be due upon
2 application for the renewal or validation of a wine and
3 spirits wholesale license.

4 (3) The board may adjust the renewal fee to ensure that
5 the fee adequately recovers the costs associated with
6 investigating the renewal application.

7 (c) Renewal hearings.--The director of the board's Bureau of
8 Licensing may object to the renewal of licenses issued under
9 this article pursuant to the same authority granted under
10 section 470. Hearings and appeals arising from the objections
11 shall be conducted in accordance with section 464.

12 (d) Revocation of operating authority.--

13 (1) The board may revoke the operating authority of a
14 wine and spirits license issued under this article if it
15 finds that the licensee or any of its affiliates, executive
16 officers, directors or general or limited partners or persons
17 holding a controlling interest in the licensee:

18 (i) is in violation of any provision of this act;

19 (ii) has furnished the board with false or
20 misleading information; or

21 (iii) is no longer reputable or suitable for
22 licensure.

23 (2) If a wine and spirits license is revoked or not
24 renewed, the wine and spirits licensee's authorization to
25 conduct business as a wine and spirits licensee shall
26 immediately cease until the board notifies the licensee that
27 the operating authority has been reinstated.

28 (e) Affirmative duty.--Nothing under this section shall
29 relieve a wine and spirits licensee of the affirmative duty to
30 notify the board of changes relating to the status of its

1 license or to other information contained in the application
2 materials filed with the board.

3 Section 342-A. Revocation, suspension and fines.

4 (a) Authority of enforcement bureau.--The enforcement bureau
5 shall have the authority to issue a citation against a wine and
6 spirits licensee in the same manner as under section 471. The
7 bureau may issue a citation to the licensee based on the
8 following conduct:

9 (1) The licensee violated any of the following:

10 (i) A provision of this act.

11 (ii) The regulations of the board.

12 (iii) The licensee's signed statement of conditions.

13 (iv) The licensee violated any other law of this
14 Commonwealth.

15 (2) The licensee knowingly presented to the board false,
16 incomplete or misleading information.

17 (3) The licensee pleaded guilty, entered a plea of nolo
18 contendere or has been found guilty of a felony by a judge or
19 jury in a Federal or State court.

20 (4) The licensee failed to operate the business or to
21 provide a reasonable level of consumer service.

22 (5) The licensee failed to remit taxes as required.

23 (b) Administrative Law Judge.--Enforcement matters shall be
24 heard by an administrative law judge in the same manner as under
25 section 471. The administrative law judge may issue a fine and
26 either suspend or revoke the license. Appeals may be taken in
27 the same manner as under section 471.

28 (c) Sales prohibited.--No person may sell liquor at a
29 premises if any of the following apply:

30 (1) The wine and spirits license applicable to that

1 premises has been suspended or revoked or has expired.

2 (2) The operating authority for the wine and spirits
3 license has been revoked.

4 (d) Public sale.--If a wine and spirits retail license is
5 revoked, forfeited or surrendered under this article, the board
6 shall conduct a sale of the license, consistent with this
7 article.

8 Section 343-A. Sale, assignment or transfer of license.

9 (a) Prohibition.--No person may sell, assign or transfer
10 their interest in a wine and spirits license granted under this
11 article to another person until the board has received,
12 investigated and approved a transfer application. If the license
13 is a wine and spirits retail license, the wine and spirits
14 licensee must have been in continuous operation for at least one
15 year prior to the date of the application to transfer the
16 license.

17 (b) Compliance.--Any person to whom a wine and spirits
18 license is transferred must comply with this article prior to
19 the transfer of the license.

20 (c) Transfer fee.--

21 (1) The transfer of a wine and spirits license shall be
22 subject to a transfer fee equal to 1% of the license fee paid
23 for the license and shall be paid as a condition of the
24 transfer of the license.

25 (2) The transfer fee applicable to the transfer of
26 brands of liquor under section 327-A(b) shall not apply to
27 the transfer of a wine and spirits wholesale license.

28 (3) A wine and spirits retail license may not be
29 transferred to another location outside the county in which
30 it was initially issued.

1 (d) Change of control.--For the purposes of this section, a
2 change of control of a wine and spirits wholesale or retail
3 licensee shall be deemed to be a sale, assignment or transfer of
4 a wine and spirits wholesale or retail license. A wine and
5 spirits wholesale or retail licensee must notify the board
6 immediately upon becoming aware of a proposed or contemplated
7 change of control.

8 Section 344-A. The State Stores Fund.

9 All fees, assessments, bid amounts or other charges paid by
10 wine and spirits license applicants or licensees shall be paid
11 or transferred into a restricted account which is hereby
12 established in The State Stores Fund. Funds in the restricted
13 account shall be used for programs under Subarticle D and any
14 other use specified by statute. Any fines collected by the
15 administrative law judge from the licensees shall be remitted to
16 the enforcement bureau for continued enforcement efforts.

17 Section 345-A. Return of fee or bid.

18 (a) Wine and spirits wholesale license fee.--The entire wine
19 and spirits wholesale license fee paid by a wine and spirits
20 wholesale licensee under section 324-A(d) (1) shall be returned
21 if this article is amended or otherwise altered by an act of the
22 General Assembly within five years of the effective date of this
23 section to change provisions relating to the loss of rights to
24 wholesale brands of liquors under section 326-A.

25 (b) Wine and spirits retail licensee fee or bid amount.--The
26 entire wine and spirits retail license fee or retail bid amount
27 paid by a wine and spirits retail licensee shall be returned if
28 this article is amended or otherwise altered by an act of the
29 General Assembly within five years of the effective date of this
30 section to authorize additional wine and spirits retail licenses

1 under section 311-A.

2 Section 12. Section 401 of the act, amended December 22,
3 2011 (P.L.530, No.113), is amended to read:

4 Section 401. Authority to Issue Liquor Licenses to Hotels,
5 Restaurants and Clubs.--(a) Subject to the provisions of this
6 act and regulations promulgated under this act, the board shall
7 have authority to issue a retail liquor license for any premises
8 kept or operated by a hotel, restaurant or club and specified in
9 the license entitling the hotel, restaurant or club to purchase
10 liquor from a Pennsylvania Liquor Store or a wine and spirits
11 wholesale licensee and to keep on the premises such liquor and,
12 subject to the provisions of this act and the regulations made
13 thereunder, to sell the same and also malt or brewed beverages
14 to guests, patrons or members for consumption on the hotel,
15 restaurant or club premises. Such licensees, other than clubs,
16 shall be permitted to sell malt or brewed beverages for
17 consumption off the premises where sold in quantities of not
18 more than one hundred ninety-two fluid ounces in a single sale
19 to one person as provided for in section 407 unless the licensee
20 acquires a retail package reform permit issued by the board
21 under section 407(c). Such licenses shall be known as hotel
22 liquor licenses, restaurant liquor licenses and club liquor
23 licenses, respectively. No person who holds any public office
24 that involves the duty to enforce any of the penal laws of the
25 United States, this Commonwealth or of any political subdivision
26 of this Commonwealth may have any interest in a hotel or
27 restaurant liquor license. This prohibition applies to anyone
28 with arrest authority, including, but not limited to, United
29 States attorneys, State attorneys general, district attorneys,
30 sheriffs and police officers. This prohibition shall also apply

1 to magisterial district judges, judges or any other individuals
2 who can impose a criminal sentence. This prohibition does not
3 apply to members of the General Assembly, township supervisors,
4 city councilpersons, mayors without arrest authority and any
5 other public official who does not have the ability to arrest or
6 the ability to impose a criminal sentence. This section does not
7 apply if the proposed premises are located outside the
8 jurisdiction of the individual in question.

9 (b) The board may issue to any club which caters to groups
10 of non-members, either privately or for functions, a catering
11 license, and the board shall, by its rules and regulations,
12 define what constitutes catering under this subsection except
13 that any club which is issued a catering license shall not be
14 prohibited from catering on Sundays during the hours which the
15 club may lawfully serve liquor, malt or brewed beverages.

16 Section 13. The act is amended by adding sections to read:

17 Section 401.1. Authority to Issue Liquor Licenses to Grocery
18 Stores.--(a) Subject to the provisions of this act and
19 regulations promulgated under this act, the board shall have
20 authority to issue a retail liquor license for any premises kept
21 or operated by a grocery store and specified in the license
22 entitling the grocery store to:

23 (1) Purchase wine from a Pennsylvania liquor wholesale
24 licensee, a wine and spirits store and any person licensed by
25 the board as a producer of wine and subject to section 505.2.

26 (2) Keep on the premises such wine and, subject to the
27 provisions of this act and the regulations made hereunder, to
28 sell the same to patrons for consumption off the licensed
29 premises.

30 (b) Licenses issued under this section shall be known as

1 grocery store retail liquor licenses.

2 (c) No individual who holds any public office that involves
3 the duty to enforce any of the penal laws of the United States,
4 this Commonwealth or of any political subdivision of this
5 Commonwealth may have any interest in a grocery store retail
6 liquor license. This prohibition applies to an individual with
7 arrest authority, including, but not limited to, United States
8 attorneys, State attorneys general, district attorneys, sheriffs
9 and police officers. This prohibition shall also apply to
10 magisterial district judges, judges or any other individuals who
11 may impose a criminal sentence. This prohibition does not apply
12 to members of the General Assembly, township supervisors, city
13 councilpersons, mayors without arrest authority and any other
14 public official who does not have the ability to arrest or the
15 ability to impose a criminal sentence. An individual subject to
16 this prohibition may have an interest in a grocery store retail
17 liquor license if the proposed premises are located outside the
18 jurisdiction of the individual.

19 Section 403.1. Applications for Grocery Store Retail
20 License.--(a) Every applicant for a grocery store retail
21 license or for the transfer of an existing license to another
22 premises not then licensed shall file a written application with
23 the board in such form and containing such information as the
24 board shall from time to time prescribe, which shall be
25 accompanied by a filing fee and an annual license fee as set
26 forth in section 406.1 of this act. Every such application shall
27 contain a description of that part of the grocery store for
28 which the applicant desires a license and shall set forth such
29 other material information, description or plan of that part of
30 the grocery store where it is proposed to keep and sell liquor

1 as may be required by the regulations of the board. The
2 descriptions, information and plans referred to in this
3 subsection shall show the grocery store, or the proposed
4 location for the construction of a grocery store, at the time
5 the application is made, and shall show any alterations proposed
6 to be made thereto, or the new building proposed to be
7 constructed after the approval by the board of the application
8 for a license or for the transfer of an existing license to
9 another premises not then licensed. No physical alterations,
10 improvements or changes shall be required to be made to any
11 grocery store, nor shall any new building for any such purpose
12 be required to be constructed until approval of the application
13 for license or for the transfer of an existing license to
14 another premises not then licensed by the board. After approval
15 of the application, the licensee shall make the physical
16 alterations, improvements and changes to the licensed premises,
17 or shall construct the new building in the manner specified by
18 the board at the time of approval, and the licensee shall not
19 transact any business under the license until the board has
20 approved the completed physical alterations, improvements and
21 changes to the licensed premises, or the completed construction
22 of the new building as conforming to the specifications required
23 by the board at the time of issuance or transfer of the license,
24 and is satisfied that the establishment is a grocery store as
25 defined by this act. The board may require that all such
26 alterations or construction or conformity to definition be
27 completed within six months from the time of issuance or
28 transfer of the license. Failure to comply with these
29 requirements shall be considered cause for revocation of the
30 license. No such license shall be transferable between the time

1 of issuance or transfer of the license and the approval of the
2 completed alterations or construction by the board and full
3 compliance by the licensee with the requirements of this act
4 unless full compliance is impossible for reasons beyond the
5 licensee's control, in which event, the license may be
6 transferred by the board as provided in this act.

7 (b) If the applicant is a natural person, the applicant's
8 application must show that the applicant is a citizen of the
9 United States and has been a resident of this Commonwealth for
10 at least two years immediately preceding the applicant's
11 application.

12 (c) If the applicant is a corporation, the application must
13 show that the corporation was created under the laws of this
14 Commonwealth or holds a certificate of authority to transact
15 business in this Commonwealth, that all officers, directors and
16 stockholders are citizens of the United States and that the
17 manager of the grocery store retail license is a citizen of the
18 United States.

19 (d) Each application shall be signed and verified by oath or
20 affirmation by the owner, if a natural person, or, in the case
21 of an association, by a member or partner thereof, or, in the
22 case of a corporation, by an executive officer thereof or any
23 person specifically authorized by the corporation to sign the
24 application, to which shall be attached written evidence of his
25 authority.

26 (e) Every applicant for a new license or for the transfer of
27 an existing license shall post, for a period of at least thirty
28 days beginning with the day the application is filed with the
29 board, in a conspicuous place on the outside of the premises or
30 at the proposed new location for which the license is applied, a

1 notice of such application. The notice shall be in such form, be
2 of such size and contain such provisions as the board may
3 require by its regulations. Proof of the posting of such notice
4 shall be filed with the board. The posting requirement imposed
5 by this subsection shall not apply to license applications
6 submitted for public venues.

7 (f) If any false statement is intentionally made in any part
8 of the application, the affiant shall be deemed guilty of a
9 misdemeanor and, upon conviction, shall be subject to the
10 penalties provided by this article.

11 (g) Upon receipt of an application for a new license or
12 transfer of an existing license to a new location, the board
13 shall immediately notify, in writing, the municipality in which
14 the premises proposed to be licensed are located.

15 Section 14. Section 404 of the act, amended January 6, 2006
16 (P.L.1, No.1), is amended to read:

17 Section 404. Issuance, Transfer or Extension of Hotel,
18 Restaurant and Club Liquor Licenses.--Upon receipt of the
19 application and the proper fees, and upon being satisfied of the
20 truth of the statements in the application that the applicant is
21 the only person in any manner pecuniarily interested in the
22 business so asked to be licensed and that no other person will
23 be in any manner pecuniarily interested therein during the
24 continuance of the license, except as hereinafter permitted, and
25 that the applicant is a person of good repute, that the premises
26 applied for meet all the requirements of this act and the
27 regulations of the board, that the applicant seeks a license for
28 a hotel, restaurant or club, as defined in this act, and that
29 the issuance of such license is not prohibited by any of the
30 provisions of this act, the board shall, in the case of a hotel

1 or restaurant, grant and issue to the applicant a liquor
2 license, and in the case of a club may, in its discretion, issue
3 or refuse a license: Provided, however, That in the case of any
4 new license or the transfer of any license to a new location or
5 the extension of an existing license to cover an additional area
6 the board may, in its discretion, grant or refuse such new
7 license, transfer or extension if such place proposed to be
8 licensed is within three hundred feet of any church, hospital,
9 charitable institution, school, or public playground, or if such
10 new license, transfer or extension is applied for a place which
11 is within two hundred feet of any other premises which is
12 licensed by the board: And provided further, That the board's
13 authority to refuse to grant a license because of its proximity
14 to a church, hospital, charitable institution, public playground
15 or other licensed premises shall not be applicable to license
16 applications submitted for public venues or performing arts
17 facilities: And provided further, That the board shall refuse
18 any application for a new license, the transfer of any license
19 to a new location or the extension of an existing license to
20 cover an additional area if, in the board's opinion, such new
21 license, transfer or extension would be detrimental to the
22 welfare, health, peace and morals of the inhabitants of the
23 neighborhood within a radius of five hundred feet of the place
24 proposed to be licensed: And provided further, That the board
25 shall have the discretion to refuse a license to any person or
26 to any corporation, partnership or association if such person,
27 or any officer or director of such corporation, or any member or
28 partner of such partnership or association shall have been
29 convicted or found guilty of a felony within a period of five
30 years immediately preceding the date of application for the said

1 license. [The board shall refuse any application for a new
2 license, the transfer of any license to a new location or the
3 extension of any license to cover an additional area where the
4 sale of liquid fuels or oil is conducted.] The board may enter
5 into an agreement with the applicant concerning additional
6 restrictions on the license in question. If the board and the
7 applicant enter into such an agreement, such agreement shall be
8 binding on the applicant. Failure by the applicant to adhere to
9 the agreement will be sufficient cause to form the basis for a
10 citation under section 471 and for the nonrenewal of the license
11 under section 470. If the board enters into an agreement with an
12 applicant concerning additional restrictions, those restrictions
13 shall be binding on subsequent holders of the license until the
14 license is transferred to a new location or until the board
15 enters into a subsequent agreement removing those restrictions.
16 If the application in question involves a location previously
17 licensed by the board, then any restrictions imposed by the
18 board on the previous license at that location shall be binding
19 on the applicant unless the board enters into a new agreement
20 rescinding those restrictions. The board may, in its discretion,
21 refuse an application for an economic development license under
22 section 461(b.1) or an application for an intermunicipal
23 transfer of a license if the board receives a protest from the
24 governing body of the receiving municipality. The receiving
25 municipality of an intermunicipal transfer or an economic
26 development license under section 461(b.1) may file a protest
27 against the transfer of a license into its municipality, and the
28 receiving municipality shall have standing in a hearing to
29 present testimony in support of or against the issuance or
30 transfer of a license. Upon any opening in any quota, an

1 application for a new license shall only be filed with the board
2 for a period of six months following said opening.

3 Section 15. The act is amended by adding a section to read:

4 Section 404.1. Issuance or Transfer of Grocery Store Liquor
5 Licenses.--Upon receipt of the application and the proper fees,
6 and upon being satisfied of the truth of the statements in the
7 application that the applicant is the only person in any manner
8 pecuniarily interested in the business so asked to be licensed
9 and that no other person will be in any manner pecuniarily
10 interested therein during the continuance of the license, except
11 as hereinafter permitted, and that the applicant is a person of
12 good repute, that the premises applied for meet all the
13 requirements of this act and the regulations of the board, that
14 the applicant seeks a license for a grocery store, as defined in
15 this act, and that the issuance of such license is not
16 prohibited by any of the provisions of this act, the board shall
17 grant and issue to the applicant a liquor license: Provided,
18 however, That in the case of any new license or the transfer of
19 any license to a new location the board may, in its discretion,
20 grant or refuse such new license, transfer or extension if such
21 place proposed to be licensed is within three hundred feet of
22 any church, hospital, charitable institution, school, or public
23 playground, or if such new license, transfer or extension is
24 applied for a place which is within two hundred feet of any
25 other premises which is licensed by the board: And provided
26 further, That the board shall refuse any application for a new
27 license, the transfer of any license to a new location or the
28 extension of an existing license to cover an additional area if,
29 in the board's opinion, such new license, transfer or extension
30 would be detrimental to the welfare, health, peace and morals of

1 the inhabitants of the neighborhood within a radius of five
2 hundred feet of the place proposed to be licensed: And provided
3 further, That the board shall have the discretion to refuse a
4 license to any person or to any corporation, partnership or
5 association if such person, or any officer or director of such
6 corporation, or any member or partner of such partnership or
7 association shall have been convicted or found guilty of a
8 felony within a period of five years immediately preceding the
9 date of application for the said license. The board may enter
10 into an agreement with the applicant concerning additional
11 restrictions on the license in question. If the board and the
12 applicant enter into such an agreement, such agreement shall be
13 binding on the applicant. Failure by the applicant to adhere to
14 the agreement will be sufficient cause to form the basis for a
15 citation under section 471 and for the nonrenewal of the license
16 under section 470. If the board enters into an agreement with an
17 applicant concerning additional restrictions, those restrictions
18 shall be binding on subsequent holders of the license until the
19 license is transferred to a new location or until the board
20 enters into a subsequent agreement removing those restrictions.
21 If the application in question involves a location previously
22 licensed by the board, then any restrictions imposed by the
23 board on the previous license at that location shall be binding
24 on the applicant unless the board enters into a new agreement
25 rescinding those restrictions.

26 Section 16. Section 405(c) of the act, amended April 29,
27 1994 (P.L.212, No.30), is amended to read:

28 Section 405. License Fees.--* * *

29 (c) All license fees authorized under this section shall be
30 collected by the board for the use of the municipalities in

1 which such fees were collected[.] if the municipalities receive
2 services from a municipal police department. Fees collected in
3 municipalities that do not receive service from a municipal
4 police department must be transferred to the enforcement bureau
5 for continued enforcement efforts.

6 * * *

7 Section 17. Section 406(a)(3) and (e)(1) of the act, amended
8 December 22, 2011 (P.L.530, No.113), are amended and subsection
9 (e) is amended by adding a paragraph to read:

10 Section 406. Sales by Liquor Licensees; Restrictions.--(a)

11 * * *

12 (3) Hotel and restaurant liquor licensees, municipal golf
13 course restaurant liquor licensees and privately-owned public
14 golf course restaurant licensees may sell liquor and malt or
15 brewed beverages on Sunday between the hours of [eleven] nine
16 o'clock antemeridian and two o'clock antemeridian Monday upon
17 purchase of a special permit from the board at an annual fee as
18 prescribed in section 614-A of the act of April 9, 1929
19 (P.L.177, No.175), known as "The Administrative Code of 1929."
20 Notwithstanding this provision, a licensee holding such a permit
21 may begin selling liquor and malt or brewed beverages on Sunday
22 between the hours of nine o'clock antemeridian and eleven
23 o'clock antemeridian provided that the licensee offers a meal
24 beginning at nine o'clock antemeridian. Airport restaurant
25 liquor licensees may sell liquor and malt or brewed beverages on
26 Sunday between the hours of seven o'clock antemeridian and two
27 o'clock antemeridian Monday upon purchase of a special permit
28 from the board at an annual fee as prescribed in section 614-A
29 of the act of April 9, 1929 (P.L.177, No.175), known as "The
30 Administrative Code of 1929."

1 * * *

2 (e) (1) The holder of a hotel license or the holder of a
3 restaurant license located in a hotel may allow persons to
4 transport liquor or malt or brewed beverages from the licensed
5 portion of the premises to the unlicensed portion of the
6 premises, so long as the liquor or malt or brewed beverages
7 remain on the hotel property. In addition, a holder of a
8 restaurant or club license located on a golf course may sell,
9 furnish or give liquor or malt or brewed beverages on the
10 unlicensed portion of the golf course so long as the liquor or
11 malt or brewed beverages remain on the restaurant, club or golf
12 course. The holder of a restaurant license located immediately
13 adjacent to and under the same roof of a bowling center may
14 allow persons to transport liquor or malt or brewed beverages
15 from the licensed portion of the premises to the unlicensed
16 portion of the premises, so long as the liquor or malt or brewed
17 beverages remain within the bowling center. In addition, the
18 holder of a hotel license or a restaurant license may allow
19 persons who have purchased but only partially consumed a bottle
20 of wine on the premises to remove the bottle from the premises
21 so long as the bottle was purchased in conjunction with a meal
22 which was consumed on the premises and so long as the bottle is
23 resealed. Notwithstanding this paragraph, the holder of a hotel
24 license or a restaurant license may sell up to six bottles of
25 wine for consumption off the licensed premises so long as the
26 bottles remain sealed and the holder has obtained a wine-to-go
27 permit as authorized under section 493(35). In addition, the
28 holder of a hotel license or a restaurant license may sell up to
29 one bottle of spirits for consumption off the licensed premises
30 so long as the bottle remains sealed and the holder has obtained

1 a spirits-to-go permit as authorized under section 493(39). For
2 purposes of this subsection, "wine" shall have the meaning given
3 to it under section 488(i). For purposes of this section and
4 section 432, "meal" shall mean food prepared on the premises,
5 sufficient to constitute breakfast, lunch or dinner; it shall
6 not mean a snack, such as pretzels, popcorn, chips or similar
7 food.

8 * * *

9 (3) The holder of a restaurant license whose premises has an
10 interior connection to a grocery store may allow a purchase of
11 beer and wine for consumption off the premises to be paid for at
12 a point of sale other than a point of sale located on the
13 licensed premises. The purchase of beer or wine may not occur at
14 a point of sale where the customer scans his own purchases. All
15 sales of beer and wine shall occur at a point of sale manned by
16 a sales clerk who is at least eighteen years of age.

17 Section 18. The act is amended by adding a section to read:

18 Section 406.2. Sales by Grocery Store Retail Licensees and
19 Restrictions.--(a) Every grocery store retail licensee may sell
20 wine for consumption off the licensed premises from any location
21 within the licensed premises. Educational information regarding
22 the types of products sold by the grocery store retail licensee
23 and regarding the responsible consumption of alcohol shall be
24 displayed and readily available wherever wine is displayed.
25 Grocery store retail licensees may display the alcohol products
26 they offer for sale on shelving units and systems, and in or on
27 refrigerated cases and equipment, within the discretion of the
28 licensee, provided that such displays are not designed to
29 attract minors and, provided further, that the manner and method
30 of display allows access by all customers, including the

1 physically dependent.

2 (b) Grocery store retail licensees may sell no more than
3 twelve bottles of wine in a single sale for consumption off the
4 licensed premises.

5 (c) Grocery store retail licensees may not charge a
6 membership fee in order for customers to make purchases from the
7 grocery store.

8 (d) Sales by grocery store retail licensees shall be made
9 via grocery store registers, well designated with signage and
10 manned by sales clerks who are at least eighteen years of age
11 and have been trained in the Responsible Alcohol Management
12 Program and utilizing a transaction scan device for any
13 purchases. At no time shall the purchase of wine occur at a
14 point of sale where the customer scans his own purchases. All
15 sales of wine shall occur at a point of sale manned by a sales
16 clerk at all times.

17 (e) Grocery store retail licensees may store alcohol in a
18 storage area or storage areas not accessible to the public
19 provided such storage areas are:

20 (1) locked at all times when not being accessed by the
21 licensees' employes; and

22 (2) identified by dimensions and location on forms submitted
23 in advance to the board.

24 (f) Grocery store retail licensees may sell wine from seven
25 o'clock antemeridian until eleven o'clock postmeridian every day
26 except Sunday.

27 (g) Grocery store retail licensees may sell wine from nine
28 o'clock antemeridian until eleven o'clock postmeridian on
29 Sundays upon submission to the board of a Sunday sales permit
30 application and fee of one thousand five hundred dollars

1 (\$1,500) per year.

2 (h) Grocery store retail licensees shall be permitted to
3 hold:

4 (1) Tastings at any location in the grocery store, provided
5 the tastings are in compliance with the provisions and
6 regulations regarding tastings held on restaurant licensed
7 premises.

8 (2) Educational classes, including cooking classes, how to
9 classes, seminars and the like, regarding the proper or
10 recommended use, consumption, identification, pairing,
11 appellation, aging, storage, characteristics, service,
12 presentation and the like, of the alcohol products that they
13 offer for sale, during which classes the incidental consumption
14 of alcohol by registered participants of lawful age shall be
15 permitted; such classes may be free of charge to participants or
16 may be at fee.

17 (i) Grocery store retail licensees shall be permitted to
18 hold restaurant licenses issued for areas within the same
19 building for which the grocery store retail license has been
20 issued or for a different building. Grocery store retail
21 licenses and restaurant licenses issued for areas within the
22 same grocery stores may be issued for areas that are adjacent,
23 abutting and contiguous and the board shall approve interior
24 connections between such areas. In the event that a grocery
25 store retail license and a restaurant license are issued for the
26 same grocery store, wine may only be sold for off-premises
27 consumption in the area licensed for grocery store retail sales.

28 (j) Grocery store retail licensees may not sell wine at a
29 price less than its underlying cost.

30 (k) Grocery store retail licensees shall buy wine sold

1 pursuant to their grocery store retail license from the board, a
2 wine and spirits wholesale licensee or a winery licensed by the
3 Commonwealth.

4 (l) All products purchased by grocery store retail licensees
5 and all products purchased by restaurant and eating place
6 licensees owned by the same individual or company must be
7 separately purchased from the board or a wine and spirits
8 wholesale licensee as required by this act and may not be
9 purchased from another retail licensee. Separate records must be
10 maintained for all purchases and sales by all grocery store
11 retail licensees and restaurant or eating place licensees,
12 whether or not located within the same building or owned by the
13 same individual or company.

14 (m) The following shall apply:

15 (1) The retail license fee payable one time upon application
16 to the board for issuance of the license, shall be as follows:

17 (i) For grocery stores located in counties of the first
18 class or counties of the second class, one hundred sixty-five
19 thousand dollars (\$165,000).

20 (ii) For grocery stores located in counties of the second
21 class A or counties of the third class, one hundred eighty-seven
22 thousand five hundred dollars (\$187,500).

23 (iii) For grocery stores located in counties of the fourth
24 class or fifth class, one hundred forty-two thousand five
25 hundred dollars (\$142,500).

26 (iv) For grocery stores located in counties of the sixth
27 class or seventh class, one hundred twenty thousand dollars
28 (\$120,000).

29 (v) For grocery stores located in counties of the eighth
30 class, ninety-seven thousand five hundred dollars (\$97,500).

1 (2) Grocery store retail licenses shall be renewed every two
2 years. The renewal fee submitted each year shall be:

3 (i) For grocery stores located in counties of the fifth
4 class, counties of the sixth class, counties of the seventh
5 class or counties of the eighth class, two thousand dollars
6 (\$2,000).

7 (ii) For grocery stores located in counties of the first
8 class, counties of the second class, counties of the second
9 class A, counties of the third class or counties of the fourth
10 class, four thousand dollars (\$4,000).

11 (3) The board may accept applications to transfer grocery
12 store retail licenses to new locations, for the same owner, upon
13 submission of transfer applications and fees submitted to the
14 board in the following amounts:

15 (i) For transfers to counties of the fifth class, counties
16 of the sixth class, counties of the seventh class or counties of
17 the eighth class, five thousand dollars (\$5,000).

18 (ii) For transfers to counties of the first class, counties
19 of the second class, counties of the second class A, counties of
20 the third class or counties of the fourth class, ten thousand
21 dollars (\$10,000).

22 (n) (1) Grocery store licensees selling wine for off-
23 premises consumption shall be required to obtain a sales tax
24 license from the Department of Revenue.

25 (2) A grocery store licensee selling wine for off-premises
26 consumption shall be considered a Pennsylvania Liquor Store for
27 purposes of collecting and remitting taxes under Article II of
28 the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform
29 Code of 1971." A grocery store licensee selling wine for off-
30 premises consumption may not be required to pay the sales tax

1 when making wholesale purchases but shall collect the tax at
2 retail.

3 Section 19. Section 407 of the act, amended July 7, 2006
4 (P.L.584, No.84), November 29, 2006 (P.L.1421, No.155) and June
5 28, 2011 (P.L.55, No.11), is amended to read:

6 Section 407. Sale of Malt or Brewed Beverages by Liquor
7 Licensees.--(a) Every liquor license issued to a hotel,
8 restaurant, club, or a railroad, pullman or steamship company
9 under this subdivision (A) for the sale of liquor shall
10 authorize the licensee to sell malt or brewed beverages at the
11 same places but subject to the same restrictions and penalties
12 as apply to sales of liquor, except that licensees other than
13 clubs may sell malt or brewed beverages for consumption off the
14 premises where sold in quantities of not more than one hundred
15 ninety-two fluid ounces in a single sale to one person unless
16 the licensee acquires a retail package permit issued by the
17 board under subsection (c). The sales may be made in either open
18 or closed containers, Provided, however, That a municipality may
19 adopt an ordinance restricting open containers in public places.
20 No licensee under this subdivision (A) shall at the same time be
21 the holder of any other class of license, except a retail
22 dispenser's license authorizing the sale of malt or brewed
23 beverages only.

24 (b) (1) Notwithstanding any other provision of law or any
25 existing permit authorizing the sale of malt or brewed beverages
26 for consumption off the premises, a restaurant licensee located
27 in a city of the first class who is otherwise permitted to sell
28 malt or brewed beverages for consumption off the premises may
29 not do so after October 31, 2007, unless it acquires a permit
30 from the board.

1 (2) The application for a permit to sell malt or brewed
2 beverages for consumption off the premises shall be on forms
3 designated by the board and contain such information as the
4 board may require. The application and renewal fee shall be as
5 prescribed in section 614-A(27) of the act of April 9, 1929
6 (P.L.177, No.175), known as "The Administrative Code of 1929."
7 However, no applicant who currently has a permit shall be
8 required to pay any additional fees under section 614-A(27) of
9 "The Administrative Code of 1929" in order to continue selling
10 malt or brewed beverages for consumption off the premises at its
11 currently licensed location for the licensing term beginning
12 November 1, 2007, and ending October 31, 2008.

13 (3) The application for a permit to sell malt or brewed
14 beverages for consumption off the premises must be accompanied
15 by a copy of the approval of such request by the hearing board
16 authorized by this section.

17 (4) A city of the first class shall create a hearing board
18 within its Department of Licenses and Inspections to hear
19 requests from licensees who are seeking a permit from the
20 hearing board authorizing the licensee to sell malt or brewed
21 beverages for consumption off the premises. Each hearing board
22 shall consist of three persons appointed by the mayor of the
23 city of the first class, who are subject to approval by the city
24 council of the city of the first class. Each person so appointed
25 shall serve at the pleasure of the appointing authority. The
26 hearing board may, in its discretion, hold hearings to adduce
27 testimony regarding a request. The hearing board must render a
28 decision within ninety days of receipt of a request for approval
29 of a permit to sell malt or brewed beverages for consumption off
30 the premises. The hearing board must approve the request unless

1 it finds that doing so would adversely affect the welfare,
2 health, peace and morals of the city or its residents. A
3 decision by the hearing board to deny a request may be appealed
4 to the court of common pleas in the county in which the city is
5 located. The failure to render a decision by the hearing board
6 within the required time period shall be deemed approval of the
7 permit.

8 (5) Upon being satisfied that the applicant has fulfilled
9 all the requirements of this act and the board's regulations,
10 the board shall approve the application. Such permits shall
11 expire upon the transfer of the license to a new entity or to a
12 new location, or both; otherwise, such permits shall expire at
13 the same time as the expiration of the underlying license.

14 (c) (1) The board may issue a retail package reform permit
15 to a restaurant, hotel or retail dispenser licensee that applies
16 and pays the requisite fee for use at the same place that the
17 restaurant, hotel or retail dispenser maintains for the sale of
18 malt or brewed beverages. The permit must allow the holder to
19 sell in a single transaction not more than twenty-four original
20 containers totaling not more than three hundred eighty-four
21 fluid ounces of malt and brewed beverages so long as the
22 original containers are in a package prepared for sale of
23 distribution by the manufacturer of not more than twelve
24 original containers.

25 (2) For the permit issued under paragraph (1), the board
26 shall require an annual fee of five hundred dollars (\$500).

27 Section 20. Section 408.12(g) and (h) of the act, added July
28 1, 1994 (P.L.402, No.61), are amended to read:

29 Section 408.12. Wine Auction Permits.--* * *

30 (g) Any wine sold under this section shall be purchased from

1 a Pennsylvania Liquor Store, a wine and spirits retail licensee,
2 a Pennsylvania limited winery or any seller authorized to sell
3 wine by the bottle or case in this Commonwealth, including a
4 grocery store licensee, restaurant liquor licensee or hotel
5 liquor licensee, or shall be donated by a person who is neither
6 a licensee nor a permittee who has legally acquired the wine and
7 legally possesses it in this Commonwealth.

8 (h) If any wine sold under this section is purchased from a
9 seller other than a Pennsylvania Liquor Store, wine and spirits
10 retail licensee, grocery store licensee, restaurant liquor
11 licensee, hotel liquor licensee or [a] Pennsylvania limited
12 winery, the permittee shall provide thirty days' notice to the
13 board of its intent to purchase such wine. The notice shall
14 include a description of the wine to be purchased, the quantity
15 to be purchased, the name of the seller and any other
16 information which the board may require. The permittee shall
17 comply with all board regulations regarding taxes and fees.

18 * * *

19 Section 21. Section 410(e) of the act is amended to read:

20 Section 410. Liquor Importers' Licenses; Fees; Privileges;
21 Restrictions.--* * *

22 (e) Importers' licenses shall permit the holders thereof to
23 bring or import liquor from other states, foreign countries, or
24 insular possessions of the United States, and purchase liquor
25 from manufacturers located within this Commonwealth, to be sold
26 outside of this Commonwealth or to Pennsylvania Liquor Stores or
27 wine and spirits wholesale licensees within this Commonwealth,
28 or when in original containers of ten gallons or greater
29 capacity, to licensed manufacturers within this Commonwealth.

30 All importations of liquor into Pennsylvania by the licensed

1 importer shall be consigned to the board or the principal place
2 of business or authorized place of storage maintained by the
3 licensee or a wine and spirits wholesale licensee.

4 * * *

5 Section 22. Section 411 of the act is amended by adding a
6 subsection to read:

7 Section 411. Interlocking Business Prohibited.--* * *

8 (f) (1) Notwithstanding any other provision of law, a
9 manufacturer or licensee and its officers, directors,
10 shareholders, servants, agents or employes may contribute, and a
11 manufacturer or licensee and its officers, directors,
12 shareholders, servants, agents or employes may accept moneys or
13 other things of value solely for the administration of a
14 Responsible Alcohol Management Training Program for alcohol
15 service personnel as provided for under section 471.1 of this
16 act. The moneys or other things of value may be provided by or
17 to a manufacturer or licensee and its officers, directors,
18 shareholders, servants, agents or employes directly or by or to
19 a trade organization consisting, in whole or in part, of a group
20 of licensees.

21 (2) The manufacturer, licensee and trade organization
22 associated with the person providing the moneys or other things
23 of value must keep a record of the value of the moneys or other
24 things of value provided, the date provided and the entity to
25 whom it was provided, as part of the records required under
26 section 493(12) of this act.

27 (3) The manufacturer, licensee and trade organization
28 associated with the person receiving moneys or other things of
29 value must keep a record of the value of the moneys or other
30 things of value used, as part of the records required under

1 section 493(12) of this act.

2 Section 23. Section 431(b) of the act, amended December 8,
3 2004 (P.L.1810, No.239), is amended to read:

4 Section 431. Malt and Brewed Beverages Manufacturers',
5 Distributors' and Importing Distributors' Licenses.--* * *

6 (b) The board shall issue to any reputable person who
7 applies therefor, and pays the license fee hereinafter
8 prescribed, a distributor's or importing distributor's license
9 for the place which such person desires to maintain for the sale
10 of malt or brewed beverages, not for consumption on the premises
11 where sold, and in quantities of not less than a case or
12 original containers containing one hundred twenty-eight ounces
13 or more which may be sold separately as prepared for the market
14 by the manufacturer at the place of manufacture. The board shall
15 have the discretion to refuse a license to any person or to any
16 corporation, partnership or association if such person, or any
17 officer or director of such corporation, or any member or
18 partner of such partnership or association shall have been
19 convicted or found guilty of a felony within a period of five
20 years immediately preceding the date of application for the said
21 license: And provided further, That, in the case of any new
22 license or the transfer of any license to a new location, the
23 board may, in its discretion, grant or refuse such new license
24 or transfer if such place proposed to be licensed is within
25 three hundred feet of any church, hospital, charitable
26 institution, school or public playground, or if such new license
27 or transfer is applied for a place which is within two hundred
28 feet of any other premises which is licensed by the board: And
29 provided further, That the board shall refuse any application
30 for a new license or the transfer of any license to a new

1 location if, in the board's opinion, such new license or
2 transfer would be detrimental to the welfare, health, peace and
3 morals of the inhabitants of the neighborhood within a radius of
4 five hundred feet of the place proposed to be licensed. [The
5 board shall refuse any application for a new license or the
6 transfer of any license to a location where the sale of liquid
7 fuels or oil is conducted.] The board may enter into an
8 agreement with the applicant concerning additional restrictions
9 on the license in question. If the board and the applicant enter
10 into such an agreement, such agreement shall be binding on the
11 applicant. Failure by the applicant to adhere to the agreement
12 will be sufficient cause to form the basis for a citation under
13 section 471 and for the nonrenewal of the license under section
14 470. If the board enters into an agreement with an applicant
15 concerning additional restrictions, those restrictions shall be
16 binding on subsequent holders of the license until the license
17 is transferred to a new location or until the board enters into
18 a subsequent agreement removing those restrictions. If the
19 application in question involves a location previously licensed
20 by the board, then any restrictions imposed by the board on the
21 previous license at that location shall be binding on the
22 applicant unless the board enters into a new agreement
23 rescinding those restrictions. The board shall require notice to
24 be posted on the property or premises upon which the licensee or
25 proposed licensee will engage in sales of malt or brewed
26 beverages. This notice shall be similar to the notice required
27 of hotel, restaurant and club liquor licensees.

28 Except as hereinafter provided, such license shall authorize
29 the holder thereof to sell or deliver malt or brewed beverages
30 in quantities above specified anywhere within the Commonwealth

1 of Pennsylvania, which, in the case of distributors, have been
2 purchased only from persons licensed under this act as
3 manufacturers or importing distributors, and in the case of
4 importing distributors, have been purchased from manufacturers
5 or persons outside this Commonwealth engaged in the legal sale
6 of malt or brewed beverages or from manufacturers or importing
7 distributors licensed under this article. If the holder of a
8 distributor license applies for and receives a wine and spirits
9 retail license issued pursuant to Article III-A, that
10 distributor shall be authorized to sell wine and/or spirits on
11 the same premises where malt or brewed beverages are sold, and
12 if a distributor licensee applies for and receives a distributor
13 package reform permit issued pursuant to section 431.2, that
14 distributor shall be authorized to sell malt or brewed beverages
15 in quantities enumerated in section 431.2. In the case of an
16 importing distributor, the holder of such a license shall be
17 authorized to store and repackage malt or brewed beverages owned
18 by a manufacturer at a segregated portion of a warehouse or
19 other storage facility authorized by section 441(d) and operated
20 by the importing distributor within its appointed territory and
21 deliver such beverages to another importing distributor who has
22 been granted distribution rights by the manufacturer as provided
23 herein. The importing distributor shall be permitted to receive
24 a fee from the manufacturer for any related storage, repackaging
25 or delivery services. In the case of a bailee for hire hired by
26 a manufacturer, the holder of such a permit shall be authorized:
27 to receive, store and repackage malt or brewed beverages
28 produced by that manufacturer for sale by that manufacturer to
29 importing distributors to whom that manufacturer has given
30 distribution rights pursuant to this subsection or to purchasers

1 outside this Commonwealth for delivery outside this
2 Commonwealth; or to ship to that manufacturer's storage
3 facilities outside this Commonwealth. The bailee for hire shall
4 be permitted to receive a fee from the manufacturer for any
5 related storage, repackaging or delivery services. The bailee
6 for hire shall, as required in Article V of this act, keep
7 complete and accurate records of all transactions, inventory,
8 receipts and shipments and make all records and the licensed
9 areas available for inspection by the board and for the
10 Pennsylvania State Police, Bureau of Liquor Control Enforcement,
11 during normal business hours.

12 Each out of State manufacturer of malt or brewed beverages
13 whose products are sold and delivered in this Commonwealth shall
14 give distributing rights for such products in designated
15 geographical areas to specific importing distributors, and such
16 importing distributor shall not sell or deliver malt or brewed
17 beverages manufactured by the out of State manufacturer to any
18 person issued a license under the provisions of this act whose
19 licensed premises are not located within the geographical area
20 for which he has been given distributing rights by such
21 manufacturer. Should a licensee accept the delivery of such malt
22 or brewed beverages in violation of this section, said licensee
23 shall be subject to a suspension of his license for at least
24 thirty days: Provided, That the importing distributor holding
25 such distributing rights for such product shall not sell or
26 deliver the same to another importing distributor without first
27 having entered into a written agreement with the said secondary
28 importing distributor setting forth the terms and conditions
29 under which such products are to be resold within the territory
30 granted to the primary importing distributor by the

1 manufacturer.

2 When a Pennsylvania manufacturer of malt or brewed beverages
3 licensed under this article names or constitutes a distributor
4 or importing distributor as the primary or original supplier of
5 his product, he shall also designate the specific geographical
6 area for which the said distributor or importing distributor is
7 given distributing rights, and such distributor or importing
8 distributor shall not sell or deliver the products of such
9 manufacturer to any person issued a license under the provisions
10 of this act whose licensed premises are not located within the
11 geographical area for which distributing rights have been given
12 to the distributor and importing distributor by the said
13 manufacturer: Provided, That the importing distributor holding
14 such distributing rights for such product shall not sell or
15 deliver the same to another importing distributor without first
16 having entered into a written agreement with the said secondary
17 importing distributor setting forth the terms and conditions
18 under which such products are to be resold within the territory
19 granted to the primary importing distributor by the
20 manufacturer. Nothing herein contained shall be construed to
21 prevent any manufacturer from authorizing the importing
22 distributor holding the distributing rights for a designated
23 geographical area from selling the products of such manufacturer
24 to another importing distributor also holding distributing
25 rights from the same manufacturer for another geographical area,
26 providing such authority be contained in writing and a copy
27 thereof be given to each of the importing distributors so
28 affected.

29 * * *

30 Section 24. The act is amended by adding a section to read:

1 Section 431.2. Distributor Package Reform Permit.--(a) The
2 board may issue a distributor package reform permit to a
3 currently licensed distributor who makes application and pays
4 the requisite permit fee for use at the same place the
5 distributor maintains for the sale of malt and brewed beverages.

6 (b) For a permit under subsection (a), the board shall
7 require an annual fee of one thousand dollars (\$1,000).

8 (c) Notwithstanding any other provision of this act, the
9 permit shall allow the holder to:

10 (1) Break the bulk of a case and sell a unit of that case in
11 quantities not less than sixty ounces so long as the holder only
12 sells a package prepared for sale by the manufacturer of no more
13 than twelve original containers.

14 (2) Sell a growler filled with malt or brewed beverages.

15 (d) Before the holder of an enhanced distributor license
16 breaks the bulk of a case of malt or brewed beverages for the
17 purpose of selling units of the case, the licensee shall inspect
18 such case for damage and appropriate production date. When the
19 licensee breaks the bulk of a case of malt or brewed beverages
20 for the purpose of selling units of the case, the licensee shall
21 bear all the risk of loss and shall be responsible for the
22 destruction of any malt or brewed beverages which violate the
23 manufacturer's specifications relating to sales by a certain
24 date or within a number of days of the production date.

25 (e) As used in this section:

26 "Unit" shall mean an undamaged bottle, can from a case or a
27 growler.

28 Section 25. Section 432(d) and (f) of the act, amended
29 January 6, 2006 (P.L.1, No.1) and December 22, 2011 (P.L.530,
30 No.113), are amended and the section is amended by adding a ◀

1 subsection to read:

2 Section 432. Malt and Brewed Beverages Retail Licenses.--* *
3 *

4 (d) The board shall, in its discretion, grant or refuse any
5 new license, the transfer of any license to a new location or
6 the extension of an existing license to cover an additional area
7 if such place proposed to be licensed is within three hundred
8 feet of any church, hospital, charitable institution, school, or
9 public playground, or if such new license, transfer or extension
10 is applied for a place which is within two hundred feet of any
11 other premises which is licensed by the board. The board shall
12 refuse any application for a new license, the transfer of any
13 license to a new location or the extension of an existing
14 license to cover an additional area if, in the board's opinion,
15 such new license, transfer or extension would be detrimental to
16 the welfare, health, peace and morals of the inhabitants of the
17 neighborhood within a radius of five hundred feet of the place
18 to be licensed. The board may enter into an agreement with the
19 applicant concerning additional restrictions on the license in
20 question. If the board and the applicant enter into such an
21 agreement, such agreement shall be binding on the applicant.
22 Failure by the applicant to adhere to the agreement will be
23 sufficient cause to form the basis for a citation under section
24 471 and for the nonrenewal of the license under section 470. If
25 the board enters into an agreement with an applicant concerning
26 additional restrictions, those restrictions shall be binding on
27 subsequent holders of the license until the license is
28 transferred to a new location or until the board enters into a
29 subsequent agreement removing those restrictions. If the
30 application in question involves a location previously licensed

1 by the board, then any restrictions imposed by the board on the
2 previous license at that location shall be binding on the
3 applicant unless the board enters into a new agreement
4 rescinding those restrictions[. The board shall refuse any
5 application for a new license, the transfer of any license to a
6 location where the sale of liquid fuels or oil is conducted or
7 the extension of an existing license to cover an additional
8 area]: And provided further, That the board shall have the
9 discretion to refuse a license to any person or to any
10 corporation, partnership or association if such person, or any
11 officer or director of such corporation, or any member or
12 partner of such partnership or association shall have been
13 convicted or found guilty of a felony within a period of five
14 years immediately preceding the date of application for the said
15 license. The board may, in its discretion, refuse an application
16 for an economic development license under section 461(b.1) or an
17 application for an intermunicipal transfer or a license if the
18 board receives a protest from the governing body of the
19 receiving municipality. The receiving municipality of an
20 intermunicipal transfer or an economic development license under
21 section 461(b.1) may file a protest against the approval for
22 issuance of a license for economic development or an
23 intermunicipal transfer of a license into its municipality, and
24 such municipality shall have standing in a hearing to present
25 testimony in support of or against the issuance or transfer of a
26 license. Upon any opening in any quota, an application for a new
27 license shall only be filed with the board for a period of six
28 months following said opening.

29 * * *

30 (f) Hotel, eating places, or municipal golf course retail

1 dispenser licensees may sell malt or brewed beverages between
2 the hours of [eleven] nine o'clock antemeridian on Sunday and
3 two o'clock antemeridian on Monday upon purchase of a special
4 permit from the board at an annual fee as prescribed in section
5 614-A of the act of April 9, 1929 (P.L.177, No.175), known as
6 "The Administrative Code of 1929," which shall be in addition to
7 any other license fees. Notwithstanding this provision, a
8 licensee holding such a special permit may begin selling malt or
9 brewed beverages on Sunday between the hours of nine o'clock
10 antemeridian and eleven o'clock antemeridian provided that the
11 licensee offers a meal, as that term is defined in section 406,
12 beginning at nine o'clock antemeridian.

13 (g) The board may issue to any retail dispenser licensee a
14 restaurant license in exchange for the retail dispenser license
15 in any municipality which has approved the granting of liquor
16 licenses.

17 (1) An applicant under this section shall surrender his
18 retail dispenser license for cancellation prior to the issuance
19 of the new restaurant license.

20 (2) The applicant for such an exchange of license shall file
21 an application for a restaurant liquor license and shall post
22 notice of such application in the manner provided in section
23 403. In determining whether the exchange shall be granted the
24 board shall have the same discretion as provided in section 404
25 in the case of any new license.

26 (3) The provisions of section 461 pertaining to a quota do
27 not pertain to this section for exchange purposes.

28 (4) The board shall charge a one-time upgrade fee of not
29 more than thirty thousand dollars (\$30,000). ◀

30 Section 26. Sections 436(e) and 437(e) of the act are ◀

1 amended to read:

2 Section 436. Application for Distributors', Importing
3 Distributors' and Retail Dispensers' Licenses.--* * *

4 (e) That the applicant is not, or in case of a partnership
5 or association, that the members or partners are not, and in the
6 case of a corporation, that the officers and directors are not,
7 in any manner pecuniarily interested, either directly or
8 indirectly, in the profits of any other class of business
9 regulated under this article, except as hereinafter permitted.

10 The requirements of this section shall not prohibit a
11 distributor from holding a wine and spirits retail license, or
12 an importing distributor from holding a wine and spirits
13 wholesale license, under the conditions provided under Article
14 III-A.

15 * * *

16 Section 437. Prohibitions Against the Grant of Licenses.--*

17 * *

18 (e) No distributor's or importing distributor's license
19 shall be issued for any premises in any part of which there is
20 operated any retail license for the sale of liquor or malt or
21 brewed beverages. The requirements of this section shall not
22 prohibit a distributor from holding a wine and spirits retail
23 license or an importing distributor from holding a wine and
24 spirits wholesale license, under the conditions provided under
25 Article III-A.

26 * * *

27 Section 27. Section 438 of the act, amended June 25, 2010
28 (P.L.217, No.35), is amended to read:

29 Section 438. Number and Kinds of Licenses Allowed Same
30 Licensee.--(a) Any retail dispenser may be granted licenses to

1 maintain, operate or conduct any number of places for the sale
2 of malt or brewed beverages, but a separate license must be
3 secured for each place where malt or brewed beverages are sold.

4 (b) [No person shall possess or be issued more than one
5 distributor's or importing distributor's license.] A person may
6 not possess or be issued more than five distributor licenses or
7 more than one distributor license in a county.

8 (c) No person shall possess more than one class of license,
9 except that a holder of a retail dispenser's license may also be
10 a holder of a retail liquor license or a wine and spirits retail
11 license consistent with the restrictions contained in Article
12 III-A: Provided, however, That nothing contained in this section
13 shall be construed to prohibit a member of the governing board
14 of a public authority created under subdivision (n) of Article
15 XXIII of the act of August 9, 1955 (P.L.323, No.130), known as
16 "The County Code," from having an interest in a distributor or
17 importing distributor license notwithstanding the fact that the
18 public authority has an interest in one or more retail licenses
19 or acts as a landlord for one or more retail licenses: And,
20 provided further, That, notwithstanding any other provision of
21 this section, an entity may acquire both a manufacturer's
22 license or a limited winery license and a hotel, restaurant or
23 retail dispenser license for use at the same location and more
24 than one location may be so licensed. The licenses and a
25 person's interest in the licenses or in the entity holding the
26 licenses shall not be subject to this section.

27 Section 28. Section 441 of the act, amended May 31, 1996
28 (P.L.312, No.49), December 20, 1996 (P.L.1513, No.196), June 18,
29 1998 (P.L.664, No.86), December 9, 2002 (P.L.1653, No.212), June
30 28, 2011 (P.L.55, No.11) and December 22, 2011 (P.L.530,

1 No.113), is amended to read:

2 Section 441. Distributors' and Importing Distributors'
3 Restrictions on Sales, Storage, Etc.--(a) No distributor or
4 importing distributor shall purchase, receive or resell any malt
5 or brewed beverages except:

6 (1) in the original containers as prepared for the market by
7 the manufacturer at the place of manufacture;

8 (2) in the case of identical containers repackaged in the
9 manner described by subsection (f); or

10 (3) as provided in section 431(b).

11 (b) No distributor or importing distributor, except for a
12 distributor that also holds a distributor package reform permit
13 under section 431.2, shall sell any malt or brewed beverages in
14 quantities of less than a case or original containers containing
15 one hundred twenty-eight ounces or more which may be sold
16 separately: Provided, That no malt or brewed beverages sold or
17 delivered shall be consumed upon the premises of the distributor
18 or importing distributor, or in any place provided for such
19 purpose by such distributor or importing distributor.

20 Notwithstanding any other provision of this section or act, malt
21 or brewed beverages which are part of a tasting conducted
22 pursuant to the board's regulations may be consumed on licensed
23 premises.

24 (c) No distributor or importing distributor shall maintain
25 or operate any place where sales are made other than that for
26 which the license is granted.

27 (d) (1) No distributor shall maintain any place for the
28 storage of malt or brewed beverages except in the same
29 municipality in which the licensed premises is located and
30 unless the same has been approved by the board. In the event

1 there is no place of cold storage in the same municipality, the
2 board may approve a place of cold storage in the nearest
3 municipality.

4 (2) No importing distributor shall maintain any place for
5 the storage of malt or brewed beverages except in the franchise
6 territory in which the licensed premises is located and unless
7 the same has been approved by the board. The board shall issue
8 no more than one storage facility license to an importing
9 distributor. The storage location shall be designated solely as
10 a storage facility, from which only sales to other licensees are
11 permitted. Retail sales may be made at the licensed location
12 pursuant to subsection (c). If the importing distributor
13 maintains a storage location for cold storage in the same
14 municipality in which the importing distributor is licensed or a
15 nearby municipality, the importing distributor may continue to
16 maintain that cold storage location in addition to another
17 storage location within their franchise territory.

18 (e) No distributor or importing distributor shall purchase,
19 sell, resell, receive or deliver any malt or brewed beverages,
20 except in strict compliance with the provisions of subsection
21 (b) of section 431 of this act.

22 (f) (1) To salvage one or more salable cases from one or
23 more damaged cases, cartons or packages of malt or brewed
24 beverages, a distributor or importing distributor may repackage
25 consequent to inadvertent damage and sell a case, carton or
26 package of identical units of malt or brewed beverages.

27 (2) Repackaging is permissible only to the extent made
28 necessary by inadvertent damage. Repackaging not consequent to
29 damage is prohibited.

30 (3) The term "identical units" as used in this subsection

1 means undamaged bottles or cans of identical brand, package and
2 volume.

3 (g) All malt or brewed beverages purchased by an importing
4 distributor from a Pennsylvania manufacturer of malt or brewed
5 beverages or from any person located outside this Commonwealth
6 for resale shall be invoiced to the importing distributor, shall
7 come physically into the possession of such importing
8 distributor and shall be unloaded into and distributed from the
9 licensed premises of such importing distributor. The board may
10 act to further define and control the storage and distribution
11 of malt or brewed beverages in conformity with this section and
12 this act.

13 (h) As used in this section, the term "franchise territory"
14 shall mean the geographically contiguous area in which an
15 importing distributor has been given rights for the sale or
16 resale of malt or brewed beverages.

17 (i) Notwithstanding any other provision to the contrary,
18 when making a sale of malt or brewed beverages to a private
19 individual, no distributor or importing distributor may be
20 required to collect the name, address or any other identifying
21 information of the private individual for the purpose of keeping
22 a record of the quantity of cases or volume of malt or brewed
23 beverages purchased.

24 (j) No distributor shall engage in the sale of wine without
25 first obtaining a wine and spirits retail license under Article
26 III-A. Sales of wine may only be made on premises licensed for
27 the sale of malt or brewed beverages.

28 Section 29. Section 442 of the act, amended December 9, 2002
29 (P.L.1653, No.212), December 16, 2002 (P.L.1806, No.221), May 8,
30 2003 (P.L.1, No.1), July 17, 2003 (P.L.63, No.15), November 29,

1 2006 (P.L.1421, No.155), June 28, 2011 (P.L.55, No.11), December
2 22, 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007, No.116),
3 is amended to read:

4 Section 442. Retail Dispensers' Restrictions on Purchases
5 and Sales.--(a) (1) No retail dispenser shall purchase or
6 receive any malt or brewed beverages except in original
7 containers as prepared for the market by the manufacturer at the
8 place of manufacture. The retail dispenser may thereafter break
9 the bulk upon the licensed premises and sell or dispense the
10 same for consumption on or off the premises so licensed. No
11 retail dispenser may sell malt or brewed beverages for
12 consumption off the premises in quantities in excess of one
13 hundred ninety-two fluid ounces[.] unless the licensee acquires
14 a retail package reform permit issued by the board under section
15 407(c). Sales may be made in open or closed containers,
16 Provided, however, That a municipality may adopt an ordinance
17 restricting open containers in public places. No club licensee
18 may sell any malt or brewed beverages for consumption off the
19 premises where sold or to persons not members of the club.

20 (2) Notwithstanding any other provision of law or any
21 existing permit authorizing the sale of malt or brewed beverages
22 for consumption off the premises, a retail dispenser licensee
23 located in a city of the first class who is otherwise permitted
24 to sell malt or brewed beverages for consumption off the
25 premises may not do so after October 31, 2007, unless it
26 acquires a permit from the board.

27 (3) The application for a permit to sell malt or brewed
28 beverages for consumption off the premises shall be on forms
29 designated by the board and contain such information as the
30 board may require. The application and renewal fee shall be as

1 prescribed in section 614-A(28) of the act of April 9, 1929
2 (P.L.177, No.175), known as "The Administrative Code of 1929."
3 However, no applicant who currently has a permit shall be
4 required to pay any additional fees under section 614-A(28) of
5 "The Administrative Code of 1929" in order to continue selling
6 malt or brewed beverages for consumption off the premises at its
7 currently licensed location for the licensing term beginning
8 November 1, 2007, and ending October 31, 2008.

9 (4) The application for a permit to sell malt or brewed
10 beverages for consumption off the premises must be accompanied
11 by a copy of the approval of such request by the hearing board
12 authorized by this section.

13 (5) A city of the first class shall create a hearing board
14 within its Department of Licenses and Inspections to hear
15 requests from licensees who are seeking a permit from the
16 hearing board authorizing the licensee to sell malt or brewed
17 beverages for consumption off the premises. Each hearing board
18 shall consist of three persons appointed by the mayor of the
19 city of the first class, who are subject to approval by the city
20 council of the city of the first class. Each person so appointed
21 shall serve at the pleasure of the appointing authority. The
22 hearing board may, in its discretion, hold hearings to adduce
23 testimony regarding a request. The hearing board must render a
24 decision within ninety days of receipt of a request for approval
25 of a permit to sell malt or brewed beverages for consumption off
26 the premises. The hearing board must approve the request unless
27 it finds that doing so would adversely affect the welfare,
28 health, peace and morals of the city or its residents. A
29 decision by the hearing board to deny a request may be appealed
30 to the court of common pleas in the county in which the city is

1 located. The failure to render a decision by the hearing board
2 within the required time period shall be deemed approval of the
3 permit.

4 (6) Upon being satisfied that the applicant has fulfilled
5 all the requirements of this act and the board's regulations,
6 the board shall approve the application. Such permits shall
7 expire upon the transfer of the license to a new entity or to a
8 new location, or both; otherwise, such permits shall expire at
9 the same time as the expiration of the underlying license.

10 (b) No retail dispenser shall sell any malt or brewed
11 beverages for consumption on the licensed premises except in a
12 room or rooms or place on the licensed premises at all times
13 accessible to the use and accommodation of the general public,
14 but this section shall not be interpreted to prohibit a retail
15 dispenser from selling malt or brewed beverages in a hotel or
16 club house in any room of such hotel or club house occupied by a
17 bona fide registered guest or member entitled to purchase the
18 same or to prohibit a retail dispenser from selling malt or
19 brewed beverages in a bowling alley where the licensed premises
20 and bowling alley are immediately adjacent and under the same
21 roof.

22 (c) For the purpose of this section any person who is an
23 active member of another club which is chartered by the same
24 state or national organization shall have the same rights and
25 privileges as members of the particular club.

26 (d) For the purposes of this section, any person who is an
27 active member of any volunteer firefighting company, association
28 or group of this Commonwealth, whether incorporated or
29 unincorporated, shall upon the approval of any club composed of
30 volunteer firemen licensed under this act, have the same social

1 rights and privileges as members of such licensed club.

2 (e) (1) The holder of a retail dispenser license located in
3 a hotel may allow persons to transport malt or brewed beverages
4 from the licensed portion of the premises to the unlicensed
5 portion of the premises so long as the malt or brewed beverages
6 remain on the hotel property.

7 (2) In addition, the holder of a retail dispenser license
8 located on a golf course may allow its patrons to order malt or
9 brewed beverages on licensed premises for subsequent delivery by
10 the licensee on nonlicensed portions of the premises, including
11 the golf course.

12 (3) In addition, a holder of a restaurant or club license
13 located on a golf course may sell, furnish or give liquor or
14 malt or brewed beverages on the unlicensed portion of the golf
15 course so long as the liquor or malt or brewed beverages remain
16 on the restaurant, club or golf course.

17 (4) The holder of a restaurant license located immediately
18 adjacent to and under the same roof of a bowling center may
19 allow persons to transport liquor or malt or brewed beverages
20 from the licensed portion of the premises to the unlicensed
21 portion of the premises so long as the liquor or malt or brewed
22 beverages remain within the bowling center.

23 (f) The holder of an eating place retail dispenser license
24 may obtain an off-premises catering permit under section 493(33)
25 to hold a catered function off of the licensed premises and on
26 otherwise unlicensed premises where the licensee may sell malt
27 or brewed beverages by the glass, open bottle or any other
28 container, together with food, for consumption on those premises
29 solely used for catering premises. Functions conducted under the
30 authority of the permit shall be subject to the following:

1 (1) malt or brewed beverages may only be provided during the
2 days and hours that the license holder may otherwise sell malt
3 or brewed beverages;

4 (2) each catered function shall last no longer than one day
5 and not more than fifty catered functions may be held each
6 calendar year by each license holder for use with a particular
7 license;

8 (3) a catered function shall not be held at a location that
9 is already subject to the applicant's or another licensee's
10 license;

11 (4) a permit shall not be issued to an applicant whose
12 license is in safekeeping;

13 (5) a permit shall not be issued to a location that is
14 subject to a pending objection by the director of the Bureau of
15 Licensing or the board under section 470(a.1);

16 (6) a permit shall not be issued to a location that is
17 subject to a pending license suspension under section 471 or the
18 one-year prohibition on the issuance or transfer of a license
19 under section 471(b);

20 (7) no malt or brewed beverages may be taken from the
21 permitted location by a patron, but the applicant may transport
22 malt or brewed beverages to and from its licensed premises to
23 the proposed premises;

24 (8) written notice of the catered function as enumerated in
25 paragraph (9) shall be provided to the local police and the
26 enforcement bureau at least seven days in advance of the event;

27 (9) written notice shall be provided to the board at least
28 thirty days prior to a catered function. Written notice must
29 include the location of the function, time of the function, host
30 of the function, general information regarding the guests

1 expected at the function as well as any information the board
2 shall from time to time prescribe. The board may, in its
3 discretion, accept notice in an electronic format. The board
4 may, in its discretion, waive the thirty-day notice period for a
5 catered function if:

6 (i) the applicant has previously conducted functions that
7 meet the requirements of this act;

8 (ii) the applicant is a licensee in good standing with the
9 board;

10 (iii) notification was received at least fourteen days prior
11 to the catered function; and

12 (iv) the applicant pays a late fee of one hundred dollars
13 (\$100);

14 (10) the board shall, in its discretion, approve or
15 disapprove a catered function if the applicant fails to provide
16 timely notice of the catered function, does not intend to
17 conduct a function that meets the requirements of this act or
18 has previously conducted a function that did not meet the
19 requirements of this act;

20 (11) if a catered function is scheduled to occur on private
21 property, the owner of that property is deemed to have submitted
22 to the jurisdiction of the enforcement bureau, and the warrant
23 required by section 211(a)(2) of this act shall not be necessary
24 for the enforcement bureau to enter and search the premises
25 during the function or any activities related to the function;

26 (12) all servers at the off-premises catered function shall
27 be in compliance with the responsible alcohol management
28 provisions under section 471.1 of this act;

29 (13) no catered function may be held for more than five
30 hours per day and must end by midnight;

1 (14) neither the owner of the property nor the applicant may
2 sell tickets to a catered function unless one of the following
3 conditions is met:

4 (i) the applicant has contracted with an eligible entity for
5 the function, and the function is being used to raise money for
6 the eligible entity's organization;

7 (ii) the applicant has contracted with a nonprofit
8 organization as defined under section 501(c)(3) of the Internal
9 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)),
10 for an event which has the sole purpose of raising funds for
11 that nonprofit organization;

12 (iii) the applicant has contracted with an organization that
13 holds tax-exempt status under section 527 of the Internal
14 Revenue Code of 1986;

15 (15) catered functions held on unlicensed premises shall be
16 subject to section 493(34) of this act;

17 (16) catered functions may not be held in locations that are
18 subject to a pending, protested transfer application;

19 (17) a permit may not be issued to a licensee who is subject
20 to objection under the board's nuisance bar program;

21 (18) a permit shall not be issued to a licensee for use in
22 any location that is mobile; and

23 (19) a permit shall not be issued for use on any location
24 used for parking at a sports event or concert event.

25 (g) Notwithstanding any other provision of law or
26 regulation, the holder of a retail dispenser license may hold
27 happy hours up to four consecutive or nonconsecutive hours per
28 day and up to fourteen hours per week during which the holder
29 discounts the price of alcoholic beverages. No discounts may be
30 given between the hours of midnight and the legal closing time.

1 Notice of all happy hours shall be visibly posted on the
2 licensed premises seven days prior to the happy hour. Except as
3 provided in this subsection, a licensee shall comply with the
4 provisions of 40 Pa. Code § 13.102 (relating to discount pricing
5 practices). Events conducted under the authority of 40 Pa. Code
6 § 13.102(b) shall not be counted against the four-hours per day
7 or fourteen-hours per week.

8 Section 30. Section 443(b) of the act, amended May 31, 1996
9 (P.L.312, No.49), is amended and the section is amended by
10 adding a subsection to read:

11 Section 443. Interlocking Business Prohibited.--* * *

12 (b) No distributor or importing distributor and no officer
13 or director of any distributor or importing distributor shall at
14 the same time be a manufacturer, a retail dispenser or a liquor
15 licensee, or be an officer, director, stockholder or creditor of
16 a manufacturer, a retail dispenser or a liquor licensee, or,
17 directly or indirectly, own any stock of, or have any financial
18 interest in, or be the owner, proprietor or lessor of, any place
19 covered by any other malt or brewed beverage or liquor license.
20 The requirements of this section or any other provision of law,
21 shall not prohibit the holder of a distributor license from
22 holding a wine and spirits retail license issued pursuant to
23 Article III-A, or an importing distributor from also holding a
24 wine and spirits wholesale license issued pursuant to Article
25 III-A.

26 * * *

27 (h) (1) Notwithstanding any other provision of law, a
28 manufacturer or licensee and its officers, directors,
29 shareholders, servants, agents or employes may contribute and a
30 manufacturer or licensee and its officers, directors,

1 shareholders, servants, agents or employes may accept moneys or
2 other things of value solely for the administration of a
3 responsible alcohol management training program for alcohol
4 service personnel as provided under section 471.1. The moneys or
5 other things of value may be provided by or to a manufacturer or
6 licensee and its officers, directors, shareholders, servants,
7 agents or employes directly of, by or to a trade organization
8 consisting, in whole or in part, of a group of licensees.

9 (2) The manufacturer, licensee and trade organization
10 associated with the person providing moneys or other things of
11 value must keep a record of the value of the moneys or other
12 things of value provided, the date provided and the entity to
13 whom the moneys or other things of value were provided, as part
14 of the records required under section 493(12).

15 (3) The manufacturer, licensee and trade organization
16 associated with the person receiving the moneys or other things
17 of value must keep a record of the value of the moneys or other
18 things of value received, the date provided, the entity from
19 whom the moneys or other things of value were received and the
20 manner in which the moneys or other things of value were used,
21 as part of the records required under section 493(12) of this
22 act.

23 Section 31. Section 446(a)(1) of the act, amended December
24 22, 2011 (P.L.530, No.113), is amended to read:

25 Section 446. Breweries.--(a) Holders of a brewery license
26 may:

27 (1) Sell malt or brewed beverages produced and owned by the
28 brewery under such conditions and regulations as the board may
29 enforce, to individuals for consumption on the licensed premises
30 in any container or package of any volume and to hotel,

1 restaurant, club, grocery stores and public service liquor
2 licensees.

3 * * *

4 Section 32. Section 461(a) of the act, amended October 24,
5 2012 (P.L.1203, No.149), is amended and the section is amended
6 by adding a subsection to read:

7 Section 461. Limiting Number of Retail Licenses To Be Issued
8 In Each County.--(a) No additional restaurant, eating place
9 retail dispenser or club licenses shall be issued within a
10 county if the total number of restaurant and eating place retail
11 dispenser licenses is greater than one license for each three
12 thousand inhabitants in the county, except the board may issue
13 licenses to public venues, performing arts facilities,
14 continuing care retirement communities, airport restaurants,
15 municipal golf courses, hotels, privately-owned private golf
16 courses, privately-owned public golf courses, racetracks,
17 automobile racetracks, nonprimary pari-mutuel wagering
18 locations, privately-owned ski resorts, grocery stores and to
19 any other entity which this act specifically exempts from the
20 limitations provided in this section, and the board may issue a
21 license to a club situated in a borough having a population less
22 than eight thousand inhabitants which is located in a county of
23 the second class A whose application is filed on or before
24 February 28, 2001. In addition, the board may issue an eating
25 place retail dispenser license for on-premises sales only to the
26 owner or operator of a facility having a minimum of a one-half
27 mile asphalt track and having a permanent seating capacity of at
28 least six thousand people used principally for holding
29 automobile races, regardless of the number of restaurant and
30 eating place retail dispenser licenses already issued in that

1 county. When determining the number of restaurant and eating
2 place retail dispenser licenses issued in a county for the
3 purposes of this section, licenses exempted from this limitation
4 and club licenses shall not be considered. Inhabitants of dry
5 municipalities shall be considered when determining the
6 population in a county. Licenses shall not be issued or
7 transferred into municipalities where such licenses are
8 prohibited pursuant to local referendum in accordance with
9 section 472. Licenses approved for intermunicipal transfer may
10 not be transferred from the receiving municipality for a period
11 of five years after the date that the licensed premises are
12 operational in the receiving municipality.

13 (a.1) An additional grocery store retail license may not be
14 issued within a county if the total number of grocery store
15 retail licenses is greater than one license for every fifteen
16 thousand inhabitants in the county, provided that a total of two
17 such licenses may be granted in a county in this Commonwealth.

18 * * *

19 Section 33. Section 468(a) and (e) of the act, amended or
20 added December 20, 2000 (P.L.992, No.141), February 21, 2002
21 (P.L.103, No.10), June 28, 2011 (P.L.55, No.11) and December 22,
22 2011 (P.L.530, No.113), are amended to read:

23 Section 468. Licenses Not Assignable; Transfers.--(a) (1)
24 Licenses issued under this article may not be assigned. The
25 board, upon payment of the transfer filing fee, is hereby
26 authorized to transfer any license issued by it under the
27 provisions of this article from one person to another or from
28 one place to another, or both. Except for restaurant liquor and
29 eating place retail dispenser licenses transferred under section
30 461(b.4), if the license is a retail license, the new location

1 must be within the same county as the existing location or, if
2 the municipality is located in more than one county, within the
3 same municipality as the existing location.

4 (2) In the case of distributor and importing distributor
5 licenses, the board may transfer any such license from its place
6 in a municipality to a place in any other municipality within
7 the same county, or from one place to another place within the
8 same municipality, or exchange a distributor license for an
9 importing distributor license or an importing distributor
10 license for a distributor license, if the building for which the
11 license is to be issued has, in the case of an importing
12 distributor license, an area under one roof of two thousand five
13 hundred square feet and, in the case of a distributor license,
14 an area under one roof of one thousand square feet: And
15 provided, That, in the case of all transfers of distributor or
16 importing distributor licenses, whether from a place within the
17 same municipality to another place within the same municipality
18 or from a place in a municipality to a place in any other
19 municipality within the same county, and, in the case of an
20 exchange of a distributor license for an importing distributor
21 license or an importing distributor license for a distributor
22 license, the premises to be affected by the transfer or exchange
23 shall contain an office separate and apart from the remainder of
24 the premises to be licensed for the purpose of keeping records,
25 required by the board, adequate toilet facilities for employes
26 of the licensee and an entrance on a public thoroughfare:
27 Provided, however, That in the event that the majority of the
28 voting electors of a municipality, at an election held under the
29 provisions of any law so empowering them to do, shall vote
30 against the issuance of distributor or importing distributor

1 licenses in such municipality, the board is hereby authorized to
2 transfer any such distributor or importing distributor license
3 from its place in such municipality to a place in any other
4 municipality within the same county, upon application prior to
5 the expiration of any such license and upon payment of the
6 transfer filing fee and the execution of a new bond; but no
7 transfer shall be made to a person who would not have been
8 eligible to receive the license originally nor for the
9 transaction of business at a place for which the license could
10 not lawfully have been issued originally, nor, except as herein
11 provided, to a place as to which a license has been revoked.

12 (3) [No license shall be transferred to any place or
13 property upon which is located as a business the sale of liquid
14 fuels and oil.] Except in cases of emergency such as death,
15 serious illness, or circumstances beyond the control of the
16 licensee, as the board may determine such circumstances to
17 justify its action, transfers of licenses may be made only at
18 times fixed by the board. In the case of the death of a
19 licensee, the board may transfer the license to the surviving
20 spouse or personal representative or to a person designated by
21 him. From any refusal to grant a transfer or upon the grant of
22 any transfer, the party aggrieved shall have the right of appeal
23 to the proper court in the manner hereinbefore provided.

24 (4) In the event the license to be transferred has been
25 ordered to serve a suspension under section 471 and has not
26 served the suspension at the time the board considers the
27 application and all appeals regarding the suspension have been
28 exhausted, the board may require the transferee to serve the
29 suspension as a condition for approval of the transfer. Further,
30 the board may convert the outstanding suspension into a fine and

1 require the transferee to pay the fine as a condition for
2 approval of the transfer. If the board converts the outstanding
3 suspension to a fine, the fine need not comply with the minimum
4 and maximum amounts set forth in section 471 for the underlying
5 citation.

6 * * *

7 (e) Notwithstanding any other provision of law, the board
8 may not approve an interior connection that is greater than ten
9 feet wide between a licensed business and another business. This
10 subsection shall not prohibit the board from approving a renewal
11 application of a license, even if the licensed business has an
12 interior connection that is greater than ten feet wide to an
13 unlicensed business, if the board had approved the interior
14 connection prior to the effective date of this subsection. This
15 subsection shall not apply to the holder of a grocery store
16 retail license.

17 Section 34. Section 470(a) of the act, amended December 22,
18 2011 (P.L.530, No.113), is amended to read:

19 Section 470. Renewal of Licenses; Temporary Provisions for
20 Licensees in Armed Service.--(a) All applications for renewal
21 or validation of licenses under the provisions of this article
22 shall be filed with tax clearance from the Department of Revenue
23 and the Department of Labor and Industry and requisite license
24 and filing fees, including an application surcharge of seven
25 hundred dollars (\$700), at least sixty days before the
26 expiration date of same: Provided, however, That the board, in
27 its discretion, may accept nunc pro tunc a renewal application
28 filed less than sixty days before the expiration date of the
29 license with the required fees, upon reasonable cause shown and
30 the payment of an additional filing fee of one hundred dollars

1 (\$100.00) for late filing: And provided further, That except
2 where the failure to file a renewal application on or before the
3 expiration date has created a license quota vacancy after said
4 expiration date which has been filled by the issuance of a new
5 license, after such expiration date, but before the board has
6 received a renewal application nunc pro tunc within the time
7 prescribed herein the board, in its discretion, may, after
8 hearing, accept a renewal application filed within two years
9 after the expiration date of the license with the required fees
10 upon the payment of an additional filing fee of two hundred
11 fifty dollars (\$250.00) for late filing. Where any such renewal
12 application is filed less than sixty days before the expiration
13 date, or subsequent to the expiration date, no license shall
14 issue upon the filing of the renewal application until the
15 matter is finally determined by the board and if an appeal is
16 taken from the board's action the courts shall not order the
17 issuance of the renewal license until final determination of the
18 matter by the courts. The board may enter into an agreement with
19 the applicant concerning additional restrictions on the license
20 in question. If the board and the applicant enter into such an
21 agreement, such agreement shall be binding on the applicant.
22 Failure by the applicant to adhere to the agreement will be
23 sufficient cause to form the basis for a citation under section
24 471 and for the nonrenewal of the license under this section. A
25 renewal application will not be considered filed unless
26 accompanied by the requisite filing and license fees and any
27 additional filing fee required by this section. Unless the board
28 shall have given ten days' previous notice to the applicant of
29 objections to the renewal of his license, based upon violation
30 by the licensee or his servants, agents or employes of any of

1 the laws of the Commonwealth or regulations of the board
2 relating to the manufacture, transportation, use, storage,
3 importation, possession or sale of liquors, alcohol or malt or
4 brewed beverages, or the conduct of a licensed establishment, or
5 unless the applicant has by his own act become a person of ill
6 repute, or unless the premises do not meet the requirements of
7 this act or the regulations of the board, the license of a
8 licensee shall be renewed. Notwithstanding any other provision
9 of this act, a noise violation shall not be the sole basis for
10 objection by the board to the renewal of a license unless the
11 licensee has received six prior adjudicated noise citations
12 within a twenty-four-month period.

13 * * *

14 Section 35. Section 471(b) and (e) of the act, amended or
15 added July 6, 2005 (P.L.135, No.39) and April 13, 2006 (P.L.78,
16 No.26), are amended to read:

17 Section 471. Revocation and Suspension of Licenses; Fines.--

18 * * *

19 (b) Hearing on such citations shall be held in the same
20 manner as provided herein for hearings on applications for
21 license. Upon such hearing, if satisfied that any such violation
22 has occurred or for other sufficient cause, the administrative
23 law judge shall immediately suspend or revoke the license, or
24 impose a fine of not less than [fifty dollars (\$50)] two hundred
25 fifty dollars (\$250) nor more than [one thousand dollars
26 (\$1,000)] five thousand dollars (\$5,000), or both, notifying the
27 licensee by registered letter addressed to his licensed
28 premises. If the licensee has been cited and found to have
29 violated section 493(1) insofar as it relates to sales to minors
30 or sales to a visibly intoxicated person, section 493(10)

1 insofar as it relates to lewd, immoral or improper entertainment
2 or section 493(14), (16) or (21), or has been found to be a
3 public nuisance pursuant to section 611, or if the owner or
4 operator of the licensed premises or any authorized agent of the
5 owner or operator has been convicted of any violation of the act
6 of April 14, 1972 (P.L.233, No.64), known as "The Controlled
7 Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. §
8 5902 (relating to prostitution and related offenses) or 6301
9 (relating to corruption of minors), at or relating to the
10 licensed premises, the administrative law judge shall
11 immediately suspend or revoke the license, or impose a fine of
12 not less than [one thousand dollars (\$1,000)] five thousand
13 dollars (\$5,000) nor more than [five thousand dollars (\$5,000)]
14 ten thousand dollars (\$10,000), or both. However, if a licensee
15 has been cited and found to have violated section 493(1) as it
16 relates to sales to minors or sales to a visibly intoxicated
17 person but at the time of the sale the licensee was in
18 compliance with the requirements set forth in section 471.1 and
19 the licensee had not sold to minors or visibly intoxicated
20 persons in the previous four years, then the administrative law
21 judge shall immediately suspend or revoke the license, or impose
22 a fine of not less than [fifty dollars (\$50)] one thousand
23 dollars (\$1,000) nor more than [one thousand dollars (\$1,000)]
24 five thousand dollars (\$5,000), or both. The administrative law
25 judge shall notify the licensee by registered mail, addressed to
26 the licensed premises, of such suspension, revocation or fine.
27 In the event the fine is not paid within twenty days of the
28 adjudication, the administrative law judge shall suspend or
29 revoke the license, notifying the licensee by registered mail
30 addressed to the licensed premises. Suspensions and revocations

1 shall not go into effect until thirty days have elapsed from the
2 date of the adjudication during which time the licensee may take
3 an appeal as provided for in this act, except that revocations
4 mandated in section 481(c) shall go into effect immediately. Any
5 licensee whose license is revoked shall be ineligible to have a
6 license under this act until the expiration of three years from
7 the date such license was revoked. In the event a license is
8 revoked, no license shall be granted for the premises or
9 transferred to the premises in which the said license was
10 conducted for a period of at least one year after the date of
11 the revocation of the license conducted in the said premises,
12 except in cases where the licensee or a member of his immediate
13 family is not the owner of the premises, in which case the board
14 may, in its discretion, issue or transfer a license within the
15 said year. In the event the bureau or the person who was fined
16 or whose license was suspended or revoked shall feel aggrieved
17 by the adjudication of the administrative law judge, there shall
18 be a right to appeal to the board. The appeal shall be based
19 solely on the record before the administrative law judge. The
20 board shall only reverse the decision of the administrative law
21 judge if the administrative law judge committed an error of law,
22 abused its discretion or if its decision is not based on
23 substantial evidence. In the event the bureau or the person who
24 was fined or whose license was suspended or revoked shall feel
25 aggrieved by the decision of the board, there shall be a right
26 to appeal to the court of common pleas in the same manner as
27 herein provided for appeals from refusals to grant licenses.
28 Each of the appeals shall act as a supersedeas unless, upon
29 sufficient cause shown, the reviewing authority shall determine
30 otherwise; however, if the licensee has been cited and found to

1 have violated section 493(1) insofar as it relates to sales to
2 minors or sales to a visibly intoxicated person, section 493(10)
3 insofar as it relates to lewd, immoral or improper entertainment
4 or section 493(14), (16) or (21), or has been found to be a
5 public nuisance pursuant to section 611, or if the owner or
6 operator of the licensed premises or any authorized agent of the
7 owner or operator has been convicted of any violation of "The
8 Controlled Substance, Drug, Device and Cosmetic Act," or of 18
9 Pa.C.S. § 5902 or 6301, at or relating to the licensed premises,
10 or if the license has been revoked under section 481(c), its
11 appeal shall not act as a supersedeas unless the reviewing
12 authority determines otherwise upon sufficient cause shown. In
13 any hearing on an application for a supersedeas under this
14 section, the reviewing authority may consider, in addition to
15 other relevant evidence, documentary evidence, including records
16 of the bureau, showing the prior history of citations, fines,
17 suspensions or revocations against the licensee; and the
18 reviewing authority may also consider, in addition to other
19 relevant evidence, evidence of any recurrence of the unlawful
20 activity occurring between the date of the citation which is the
21 subject of the appeal and the date of the hearing. If the
22 reviewing authority is the board, no hearing shall be held on
23 the application for a supersedeas; however, a decision shall be
24 made based on the application, answer and documentary evidence
25 under this subsection. If the application for a supersedeas is
26 for a license that has been revoked under section 481(c), the
27 reviewing authority shall grant the supersedeas only if it finds
28 that the licensee will likely prevail on the merits. No penalty
29 provided by this section shall be imposed for any violations
30 provided for in this act unless the bureau notifies the licensee

1 of its nature within thirty days of the completion of the
2 investigation.

3 * * *

4 (e) If a licensee has been cited and found to have violated
5 section 493(1) for a second or subsequent offense as it relates
6 to sales to minors or sales to a visibly intoxicated person, the
7 administrative law judge, in addition to the penalties set forth
8 in subsection (b), shall impose a suspension of at least two
9 consecutive weekend days when the offense is a second offense or
10 two consecutive Saturdays of operation if the licensee does not
11 hold a Sunday sales permit, and a suspension of at least seven
12 consecutive days of operation when the offense is a third or
13 subsequent offense. The mandatory suspension provision shall not
14 apply to licensees which also hold a license issued by the
15 Pennsylvania Gaming Control Board for the use of their premises.
16 Further, the administrative law judge may, in such instances,
17 require the licensee to comply with the requirements set forth
18 in section 471.1 pertaining to responsible alcohol management.
19 Such compliance may be required for a period of up to one year.
20 Failure to adhere with such an order is sufficient cause for the
21 issuance of a citation under subsection (a).

22 * * *

23 Section 36. Section 471.1(a) of the act, added December 20,
24 2000 (P.L.992, No.141), is amended to read:

25 Section 471.1. Responsible Alcohol Management.--(a) The
26 board is authorized to offer a responsible alcohol service
27 program to licensees. The program shall consist of four parts:
28 new employe orientation, training for alcohol service personnel,
29 manager/owner training and the displaying of responsible alcohol
30 service signage. New employe orientation shall consist of

1 orienting newly hired alcohol service personnel as to
2 Pennsylvania law relating to the sale, furnishing or serving of
3 alcoholic beverages to minors and visibly intoxicated persons.
4 It shall also mean orienting newly hired alcohol service
5 personnel to responsible server practices, as the term is
6 defined by the board, through regulation. Training for alcohol
7 service personnel shall be as set forth by the board, but at
8 minimum it shall consist of training to prevent service of
9 alcohol to minors and to visibly intoxicated persons.
10 Manager/owner training shall be as set forth by the board, but
11 at a minimum it shall consist of training on how to monitor
12 employes, proper service of alcohol and how to develop an
13 appropriate alcohol service policy. The responsible alcohol
14 service signage shall be as set forth by the board and shall
15 consist of signage dealing with the licensee's policy against
16 sales to minors and visibly intoxicated persons. Alcohol service
17 personnel training [may] shall be conducted by [the board or by
18 an entity] entities certified by the board to conduct such
19 training.

20 * * *

21 Section 37. Section 472(a) of the act, amended February 21,
22 2002 (P.L.103, No.10), is amended to read:

23 Section 472. Local Option.--(a) In any municipality or any
24 part of a municipality where such municipality is split so that
25 each part thereof is separated by another municipality, an
26 election may be held, subject to subsection (c), on the date of
27 the primary election immediately preceding any municipal
28 election, but not oftener than once in four years, to determine
29 the will of the electors with respect to the granting of liquor
30 licenses to hotels, restaurants, resort facilities and clubs,

1 not oftener than once in four years, to determine the will of
2 the electors with respect to the granting of liquor licenses to
3 public venues, to performing arts facilities, to continuing care
4 retirement communities, to hotels located on property owned by
5 an accredited college or university, to privately-owned private
6 golf courses or to privately-owned public golf courses, not
7 oftener than once in four years, to determine the will of the
8 electors with respect to the granting of licenses to retail
9 dispensers of malt and brewed beverages, not oftener than once
10 in four years, to determine the will of the electors with
11 respect to granting of licenses to wholesale distributors and
12 importing distributors, not more than once in two years, to
13 determine the will of the electors with respect to the granting
14 of club liquor licenses or club retail dispenser licenses to
15 incorporated units of national veterans' organizations, not
16 oftener than once in two years to determine the will of the
17 electors with respect to the granting of special occasion
18 permits to qualified organizations, not more than once in two
19 years, to determine the will of the electors with respect to
20 granting of licenses to grocery stores, or not more than once in
21 four years, to determine the will of the electors with respect
22 to the establishment[, operation and maintenance by the board of
23 Pennsylvania liquor stores] of wine and spirits retail
24 licensees, within the limits of such municipality or part of a
25 split municipality, under the provisions of this act: Provided,
26 however, Where an election shall have been held at the primary
27 preceding a municipal election in any year, another election may
28 be held under the provisions of this act at the primary
29 occurring the fourth year after such prior election: And
30 provided further, That an election on the question of

1 establishing and operating a State liquor store shall be
2 initiated only in those municipalities, or that part of a split
3 municipality that shall have voted against the granting of
4 liquor licenses; and that an election on the question of
5 granting wholesale distributor and importing distributor
6 licenses shall be initiated only in those municipalities or
7 parts of split municipalities that shall have at a previous
8 election voted against the granting of dispenser's licenses.
9 Whenever electors equal to at least twenty-five per centum of
10 the highest vote cast for any office in the municipality or part
11 of a split municipality at the last preceding general election
12 shall file a petition with the county board of elections of the
13 county for a referendum on the question of granting any of said
14 classes of licenses [or the establishment of Pennsylvania liquor
15 stores], the said county board of elections shall cause a
16 question to be placed on the ballots or on the voting machine
17 board and submitted at the primary immediately preceding the
18 municipal election. Separate petitions must be filed for each
19 question to be voted on. Said proceedings shall be in the manner
20 and subject to the provisions of the election laws which relate
21 to the signing, filing and adjudication of nomination petitions,
22 insofar as such provisions are applicable.

23 When the question is in respect to the granting of liquor
24 licenses, it shall be in the following form:

25 Do you favor the granting of liquor licenses for the
26 sale of liquor in..... Yes
27 of.....? No

28 When the question is in respect to the granting of liquor
29 licenses to resort facilities in those municipalities that do
30 not already allow the retail sale of liquor, it shall be in the

1 following form:

2 Do you favor the granting of liquor licenses to resort
3 facilities for the sale of liquor in the..... Yes
4 of.....? No

5 When the question is in respect to the granting of restaurant
6 liquor licenses for use at public venues in those municipalities
7 that do not already allow the retail sale of liquor, it shall be
8 in the following form:

9 Do you favor the granting of liquor licenses to public
10 venues for the sale of liquor in the..... Yes
11 of.....? No

12 When the question is in respect to the granting of restaurant
13 liquor licenses for use at performing arts facilities in those
14 municipalities that do not already allow the retail sale of
15 alcohol, it shall be in the following form:

16 Do you favor the granting of liquor licenses to
17 performing arts facilities for the sale of liquor in
18 the..... Yes
19 of.....? No

20 When the question is in respect to the granting of liquor
21 licenses for hotels located on property owned by an accredited
22 college or university in those municipalities that do not
23 already allow the granting of liquor licenses, it shall be in
24 the following form:

25 Do you favor the granting of liquor licenses to hotels
26 on property owned by an accredited college or university
27 in the..... Yes
28 of.....? No

29 When the question is in respect to the granting of liquor
30 licenses, for privately-owned private golf courses, it shall be

1 in the following form:

2 Do you favor the granting of liquor licenses for
3 privately-owned private golf courses for the sale of
4 liquor in.....by..... Yes
5 of.....? No

6 When the question is in respect to the granting of liquor
7 licenses, for privately-owned public golf courses, it shall be
8 in the following form:

9 Do you favor the granting of liquor licenses for
10 privately-owned public golf courses for the sale of
11 liquor in.....by..... Yes
12 of.....? No

13 When the question is in respect to the granting of liquor
14 licenses to continuing care retirement communities in those
15 municipalities that have not already approved the granting of
16 liquor licenses, it shall be in the following form:

17 Do you favor the granting of liquor licenses for
18 continuing care retirement communities
19 in.....by..... Yes
20 of.....? No

21 When the question is in respect to the granting of licenses
22 to retail dispensers of malt and brewed beverages, it shall be
23 in the following form:

24 Do you favor the granting of malt and brewed beverage
25 retail dispenser licenses for consumption on premises
26 where sold in the..... Yes
27 of.....? No

28 When the question is in respect to the granting of grocery
29 store licenses for the sale of wine for consumption off the
30 premises, it shall be in the following form:

1 Do you favor the granting of licenses for grocery stores
2 for the sale of wine for consumption off the premises
3 in.....by..... Yes
4 of.....? No

5 When the question is in respect to the granting of licenses
6 to wholesale distributors of malt or brewed beverages and
7 importing distributors, it shall be in the following form:

8 Do you favor the granting of malt and brewed beverage
9 wholesale distributor's and importing distributor's
10 licenses not for consumption on premises where sold in
11 the..... Yes
12 of.....? No

13 When the question is in respect to the granting of club
14 liquor licenses to incorporated units of national veterans'
15 organizations, it shall be in the following form:

16 Do you favor the granting of club liquor licenses to
17 incorporated units of national veterans' organizations
18 in the..... Yes
19 of.....? No

20 When the question is in respect to the granting of club
21 retail dispenser licenses to incorporated units of national
22 veterans' organizations, it shall be in the following form:

23 Do you favor the granting of club retail dispenser
24 licenses to incorporated units of national veterans'
25 organizations in the..... Yes
26 of.....? No

27 When the question is in respect to the granting of special
28 occasion permits allowing the sale of liquor by qualified
29 organizations in municipalities that do not already allow the
30 retail sale of liquor, it shall be in the following form:

1 Do you favor the granting of special occasion permits to
2 allow the sale of liquor by qualified organizations in
3 the..... Yes
4 of.....? No

5 When the question is in respect to the granting of special
6 occasion permits allowing the sale of malt or brewed beverages
7 only by qualified organizations in municipalities that do not
8 already allow the retail sale of malt or brewed beverages, it
9 shall be in the following form:

10 Do you favor the granting of special occasion permits to
11 allow the sale of malt or brewed beverages only by
12 qualified organizations in the..... Yes
13 of.....? No

14 When the question is in respect to the [establishment,
15 operation and maintenance of Pennsylvania liquor stores]
16 granting of licenses to wine and spirits retail operators for
17 the sale of liquor for consumption off the premises, it shall be
18 in the following form:

19 Do you favor the [establishment, operation and Yes
20 maintenance of Pennsylvania liquor stores] granting of No
21 wine and spirits retail licenses for the sale of liquor
22 for consumption off the premises in
23 the.....
24 of.....?

25 In case of a tie vote, the status quo shall obtain. If a
26 majority of the voting electors on any such question vote "yes,"
27 then liquor licenses shall be granted by the board to hotels,
28 restaurants, resort facilities and clubs, or liquor licenses
29 shall be granted by the board to public venues, to performing
30 arts facilities, to continuing care retirement communities, to

1 hotels located on property owned by an accredited college or
2 university, to privately-owned private golf courses or to
3 privately-owned public golf courses, or malt and brewed beverage
4 retail dispenser licenses or wholesale distributor's and
5 importing distributor's license for the sale of malt or brewed
6 beverages shall be granted by the board, or club liquor licenses
7 or club retail dispenser licenses shall be granted by the board
8 to incorporated units of national veterans' organizations, or
9 special occasion permits may be issued to qualified
10 organizations, or [the board may establish, operate and maintain
11 Pennsylvania liquor stores] licenses to grocery stores or to
12 wine and spirits retail licensees, as the case may be, in such
13 municipality or part of a split municipality, as provided by
14 this act; but if a majority of the electors voting on any such
15 question vote "no," then the board shall have no power to grant
16 or to renew upon their expiration any licenses of the class so
17 voted upon in such municipality or part of a split
18 municipality[; or if the negative vote is on the question in
19 respect to the establishment, operation and maintenance of
20 Pennsylvania liquor stores, the board shall not open and operate
21 a Pennsylvania liquor store in such municipality or part of a
22 split municipality, nor continue to operate a then existing
23 Pennsylvania liquor store in the municipality or part of a split
24 municipality for more than two years thereafter or after the
25 expiration of the term of the lease on the premises occupied by
26 such store, whichever period is less, unless and until at a
27 later election a majority of the voting electors vote "yes" on
28 such question].

29 * * *

30 Section 38. Section 491 of the act, amended October 5, 1994

1 (P.L.522, No.77), February 21, 2002 (P.L.103, No.10), December
2 9, 2002 (P.L.1653, No.212), July 17, 2003 (P.L.63, No.15),
3 December 22, 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007,
4 No.116), is amended to read:

5 Section 491. Unlawful Acts Relative to Liquor, Alcohol and
6 Liquor Licensees.--

7 It shall be unlawful--

8 (1) Sales of Liquor. For any person, by himself or by an
9 employe or agent, to expose or keep for sale, or directly or
10 indirectly, or upon any pretense or upon any device, to sell or
11 offer to sell any liquor within this Commonwealth, except in
12 accordance with the provisions of this act and the regulations
13 of the board. This clause shall not be construed to prohibit
14 hospitals, physicians, dentists or veterinarians who are
15 licensed and registered under the laws of this Commonwealth from
16 administering liquor in the regular course of their professional
17 work and taking into account the cost of the liquor so
18 administered in making charges for their professional service,
19 or a pharmacist duly licensed and registered under the laws of
20 this Commonwealth from dispensing liquor on a prescription of a
21 duly licensed physician, dentist or veterinarian, or selling
22 medical preparations containing alcohol, or using liquor in
23 compounding prescriptions or medicines and making a charge for
24 the liquor used in such medicines, or a manufacturing pharmacist
25 or chemist from using liquor in manufacturing preparations unfit
26 for beverage purposes and making a charge for the liquor so
27 used. All such liquors so administered or sold by hospitals,
28 physicians, dentists, veterinarians, pharmacists or chemists
29 shall conform to the Pharmacopoeia of the United States, the
30 National Formulary, or the American Homeopathic Pharmacopoeia.

1 This clause shall not be construed to prohibit an executor or an
2 administrator of a decedent's estate from selling privately or
3 at public auction liquor which was an asset of the decedent. The
4 board shall establish regulations to ensure that State taxes
5 from the sales will be paid by the estate from the proceeds of
6 the sale. The board may not prohibit a sale of liquor for the
7 reason that it was not lawfully acquired prior to January 1,
8 1934 or has not been purchased from a Pennsylvania Liquor Store
9 or in compliance with Pennsylvania law.

10 (2) Possession or Transportation of Liquor or Alcohol. For
11 any person, except a manufacturer or the board or the holder of
12 a sacramental wine license or of an importer's license or a wine
13 and spirits retail licensee, to possess or transport any liquor
14 or alcohol within this Commonwealth which was not lawfully
15 acquired prior to January first, one thousand nine hundred and
16 thirty-four, or has not been purchased from a Pennsylvania
17 Liquor Store, a wine and spirits wholesale licensee or a
18 licensed limited winery in Pennsylvania, except in accordance
19 with section 488 or the board's regulations. In addition, it
20 shall be lawful for anyone to possess miniatures totaling less
21 than one gallon purchased in another state or a foreign country.
22 The burden shall be upon the person possessing or transporting
23 such liquor or alcohol to prove that it was so acquired.
24 Notwithstanding this section or any other provision of the law,
25 wine may be produced by any person without a license if the wine
26 is not produced for sale and total production does not exceed
27 two hundred gallons per calendar year. Wine produced in
28 accordance with this clause may be used at organized affairs,
29 exhibitions, competitions, contests, tastings or judgments if it
30 is not sold or offered for sale.

1 None of the provisions herein contained shall prohibit nor
2 shall it be unlawful for any person to import into Pennsylvania,
3 transport or have in his possession, an amount of liquor not
4 exceeding one gallon in volume upon which a State tax has not
5 been paid, if it can be shown to the satisfaction of the board
6 that such person purchased the liquor in a foreign country or
7 United States territory and was allowed to bring it into the
8 United States. Neither shall the provisions contained herein
9 prohibit nor make it unlawful for (i) any member of the armed
10 forces on active duty, or (ii) any retired member of the armed
11 forces, or (iii) any totally disabled veteran, or (iv) the
12 spouse of any person included in the foregoing classes of
13 persons to import into Pennsylvania, transport or have in his
14 possession an amount of liquor not exceeding one gallon per
15 month in volume upon which the State tax has not been paid, so
16 long as such liquor has been lawfully purchased from a package
17 store established and maintained under the authority of the
18 United States and is in containers identified in accordance with
19 regulations issued by the Department of Defense. Such liquor
20 shall not be possessed, offered for sale or sold on any licensed
21 premises. The term "package store" as used in this clause shall
22 mean those retail operations located on any of the United States
23 military installations, including an installation of the Army,
24 Navy, Air Force, Marine Corps or Coast Guard.

25 None of the provisions herein contained shall prohibit nor
26 shall it be unlawful for any consul general, consul or other
27 diplomatic officer of a foreign government to import into
28 Pennsylvania, transport or have in his possession liquor upon
29 which a State tax has not been paid, if it can be shown to the
30 satisfaction of the board that such person acquired the liquor

1 in a foreign country and was allowed to bring it into the United
2 States. Such liquor shall not be possessed, offered for sale or
3 sold on any licensed premises.

4 Any person violating the provisions of this clause for a
5 first offense involving the possession or transportation in
6 Pennsylvania of any liquor in a package (bottle or other
7 receptacle) or wine not purchased from a Pennsylvania Liquor
8 Store, a wine and spirits wholesale licensee, a wine and spirits
9 retail licensee or from a licensed limited winery in
10 Pennsylvania, with respect to which satisfactory proof is
11 produced that the required Federal tax has been paid and which
12 was purchased, procured or acquired legally outside of
13 Pennsylvania shall upon conviction thereof in a summary
14 proceeding be sentenced to pay a fine of twenty-five dollars
15 (\$25) for each such package, plus costs of prosecution, or
16 undergo imprisonment for a term not exceeding ninety (90) days.
17 Each full quart or major fraction thereof shall be considered a
18 separate package (bottle or other receptacle) for the purposes
19 of this clause. Such packages of liquor shall be forfeited to
20 the Commonwealth in the manner prescribed in Article VI of this
21 act but the vehicle, boat, vessel, animal or aircraft used in
22 the illegal transportation of such packages shall not be subject
23 to forfeiture: Provided, however, That if it is a second or
24 subsequent offense or if it is established that the illegal
25 possession or transportation was in connection with a commercial
26 transaction, then the other provisions of this act providing for
27 prosecution as a misdemeanor and for the forfeiture of the
28 vehicle, boat, vessel, animal or aircraft shall apply.

29 (3) Purchase of Liquor or Alcohol. For any person within
30 this Commonwealth, by himself or by an employe or agent, to

1 attempt to purchase, or directly or indirectly, or upon any
2 pretense or device whatsoever, to purchase any liquor or alcohol
3 from any person or source [other than a Pennsylvania Liquor
4 Store], except in accordance with the provisions of this act or
5 the regulations of the board.

6 (4) Possession and Use of Decanters. For any person to use
7 decanters of alcoholic beverages except that the use of
8 decanters or other similar receptacles by licensees shall be
9 permitted in the case of wines and then only in accordance with
10 the regulations of the board, but nothing herein contained shall
11 prohibit the manufacture and possession of wine as provided in
12 clause (2) of this section.

13 (5) Failure to Properly Dispose of Empty Liquor Containers.
14 For any restaurant, hotel or club licensee, his servants, agents
15 or employes, to fail to break any package in which liquors were
16 contained, except those decanter packages that the board
17 determines to be decorative, within twenty-four hours after the
18 original contents were removed therefrom, unless the licensee
19 participates in either a municipal recycling program, in
20 accordance with the act of July 28, 1988 (P.L.556, No.101),
21 known as the "Municipal Waste Planning, Recycling and Waste
22 Reduction Act," or a voluntary recycling program. The licensee
23 shall provide proof in writing of the participation in a
24 recycling program upon the demand of the Bureau of Liquor
25 Control Enforcement of the Pennsylvania State Police. The proof
26 of participation shall be provided in a manner as prescribed by
27 the Pennsylvania Liquor Control Board.

28 (6) Sales by Restaurant and Hotel Liquor Licensees. For any
29 restaurant or hotel licensee, his servants, agents or employes,
30 to sell any liquor or malt or brewed beverages for consumption

1 on the licensed premises except in a room or rooms or place on
2 the licensed premises at all times accessible to the use and
3 accommodation of the general public, but this section shall not
4 be interpreted to prohibit a restaurant liquor licensee from
5 providing private affairs the primary function of which is for
6 catering only to weddings or special occasions arranged twenty-
7 four hours in advance, nor to prohibit a hotel licensee, or a
8 restaurant licensee when the restaurant is located in a hotel,
9 from selling liquor or malt or brewed beverages in any room of
10 such hotel occupied by a bona fide guest or to prohibit a
11 restaurant licensee from selling liquor or malt or brewed
12 beverages in a bowling alley where the restaurant and bowling
13 alley are immediately adjacent and under the same roof.

14 (7) Sales of Liquor by Manufacturers and Licensed Importers.
15 For any manufacturer or licensed importer of liquor in this
16 Commonwealth, his agents, servants or employes, to sell or offer
17 to sell any liquor in this Commonwealth except to the board for
18 use in Pennsylvania Liquor Stores, a wine and spirits wholesale
19 licensee, and in the case of a manufacturer, to the holder of a
20 sacramental wine license or an importer's license.
21 Notwithstanding any other provision of this act, a manufacturer
22 or licensed importer may sell or offer to sell liquor for
23 delivery outside of this Commonwealth.

24 (8) Importation and Sales of Alcohol. For any person, to
25 import alcohol into this Commonwealth, or to sell alcohol to any
26 person, except in accordance with section 488 and the provisions
27 of this act or the regulations of the board.

28 (9) Possession of Alcohol. For any person, to have alcohol
29 in his possession, except in accordance with the provisions of
30 this act and the regulations of the board.

1 (10) Fortifying, Adulterating or Contaminating Liquor. For
2 any licensee or any employe or agent of a licensee or of the
3 board, to fortify, adulterate or contaminate any liquor, except
4 as permitted by the regulations of the board, or to refill
5 wholly or in part, with any liquid or substance whatsoever, any
6 liquor bottle or other liquor container.

7 (11) Importation of Liquor. For any person, other than the
8 board, a wine and spirits wholesale licensee or the holder of a
9 sacramental wine license, an importer's license or a direct
10 shipper's license, to import any liquor whatsoever into this
11 Commonwealth, but this section shall not be construed to
12 prohibit railroad and pullman companies from purchasing and
13 selling liquors purchased outside the Commonwealth in their
14 dining, club and buffet cars which are covered by public service
15 liquor licenses and which are operated in this Commonwealth.

16 (12) Delivery of Liquor by Certain Licensees. For a liquor
17 licensee permitted to deliver liquor, to make any deliveries
18 except in his own vehicles bearing his name, address and license
19 number on each side in letters not smaller than two inches in
20 height, or in the vehicle of another person duly authorized to
21 transport liquor within this Commonwealth.

22 (13) Violation of Certain Rules and Regulations of Board.
23 For any person, to violate any rules and regulations adopted by
24 the board [to insure the equitable] relating to wholesale and
25 retail sale and distribution of liquor and alcohol [through the
26 Pennsylvania Liquor Stores] in accordance with the provisions of
27 this act.

28 (14) Offering Commission or Gift to Members of Board [or
29 State Employe]. For any person [selling or offering to sell
30 liquor or alcohol to, or purchasing at wholesale liquor or

1 alcohol from, the board] licensed by the board, either directly
2 or indirectly, to pay or offer to pay any commission, profit or
3 remuneration, or to make or offer to make any gift to any member
4 or employe of the board [or other employe of the Commonwealth]
5 or to anyone on behalf of such member or employe.

6 (15) Importation of alcohol from other states.

7 Notwithstanding any other provision of this act, it shall not be
8 unlawful for a nonlicensed resident of this Commonwealth to
9 purchase alcohol outside of this Commonwealth and import that
10 alcohol back into this Commonwealth so long as the nonlicensed
11 resident remits all applicable taxes to the Department of
12 Revenue. This section shall not apply to alcohol which is
13 shipped into this Commonwealth. Section 488 shall be the sole
14 law governing the shipment of alcohol into this Commonwealth.

15 Section 39. Section 492 of the act, amended February 18,
16 1998 (P.L.162, No.25), November 10, 1999 (P.L.514, No.47),
17 December 20, 2000 (P.L.992, No.141), December 9, 2002 (P.L.1653,
18 No.212), January 6, 2006 (P.L.1, No.1) and December 22, 2011
19 (P.L.530, No.113), is amended to read:

20 Section 492. Unlawful Acts Relative to Malt or Brewed
21 Beverages and Licensees.--

22 It shall be unlawful--

23 (1) Manufacturing Without License. Except as provided
24 herein, for any person, to manufacture malt or brewed beverages,
25 unless such person holds a valid manufacturer's license for such
26 purpose issued by the board. Malt or brewed beverages may be
27 produced by any person without a license if such malt or brewed
28 beverages are produced not for sale and total production does
29 not exceed two hundred gallons per calendar year. Malt or brewed
30 beverages produced in accordance with this paragraph may be used

1 at organized affairs, exhibitions, competitions, contests,
2 tastings or judging provided it is not sold or offered for sale.

3 (2) Sales of Malt or Brewed Beverages for Consumption on the
4 Premises. For any person, to sell to another for consumption
5 upon the premises where sold or to permit another to consume
6 upon the premises where sold, any malt or brewed beverages,
7 unless such person holds a valid retail dispenser license or a
8 valid liquor license issued by the board authorizing the sale of
9 malt or brewed beverages for consumption upon such premises.

10 (3) Sales of Malt or Brewed Beverages Not for Consumption on
11 the Premises. For any person, to sell to another any malt or
12 brewed beverages not for consumption upon the premises where
13 sold, unless such person holds a valid license permitting such
14 sale.

15 (5) Sales of Malt or Brewed Beverages by Hotels, Eating
16 Places or Public Service Licensees During Prohibited Hours.--For
17 any hotel or eating place holding a retail dispenser's license,
18 or the servants, agents or employes of such licensees, to sell,
19 trade or barter in malt or brewed beverages between the hours of
20 two o'clock antemeridian Sunday and seven o'clock in the
21 forenoon of the following Monday, or between the hours of two
22 o'clock antemeridian and seven o'clock antemeridian of any week
23 day: Provided, That notwithstanding any provision to the
24 contrary, whenever the thirty-first day of December falls on a
25 Sunday such sales of malt or brewed beverages may be made on
26 such day after one o'clock postmeridian and until two o'clock
27 antemeridian of the following day. For any public service
28 licensee authorized to sell malt or brewed beverages or the
29 servants, agents or employes of such licensees to sell, trade or
30 barter in malt or brewed beverages between the hours of two

1 o'clock antemeridian and seven o'clock antemeridian on any day.

2 (7) Clubs Selling Between Three O'Clock Antemeridian and
3 Seven O'Clock Antemeridian. For any club retail dispenser, or
4 its servants, agents or employes, to sell malt or brewed
5 beverages between the hours of three o'clock antemeridian and
6 seven o'clock antemeridian on any day.

7 (8) Transportation and Importation of Malt or Brewed
8 Beverages. For any person, to transport malt or brewed beverages
9 except in the original containers, or to transport malt or
10 brewed beverages for another who is engaged in selling either
11 liquor or malt or brewed beverages, unless such person shall
12 hold (a) a license to transport for hire, alcohol, liquor and
13 malt or brewed beverages, as hereinafter provided in this act,
14 or (b) shall hold a permit issued by the board and shall have
15 paid to the board such permit fee, as prescribed in section 614-
16 A of the act of April 9, 1929 (P.L.177, No.175), known as "The
17 Administrative Code of 1929," any other law to the contrary
18 notwithstanding. This clause shall not be construed:

19 (i) to prohibit transportation of malt or brewed beverages
20 through this Commonwealth and not for delivery in this
21 Commonwealth if such transporting is done in accordance with the
22 rules and regulations of the board; or

23 (ii) to prohibit railroad and Pullman companies from selling
24 malt or brewed beverages purchased outside this Commonwealth in
25 their dining, club and buffet cars which are covered by public
26 service liquor licenses and which are operated in this
27 Commonwealth.

28 (9) Transportation of Malt or Brewed Beverages by Licensee.
29 For a malt or brewed beverage licensee, to deliver or transport
30 any malt or brewed beverages, excepting in vehicles bearing the

1 name and address and license number of such licensee painted or
2 affixed on each side of such vehicle in letters no smaller than
3 two inches in height and for purposes not prohibited under this
4 act.

5 (11) Delivery of Malt or Brewed Beverages With Other
6 Commodities. For any manufacturer, importing distributor or
7 distributor, or his servants, agents or employes, except with
8 board approval, to deliver or transport any malt or brewed
9 beverages in any vehicle in which any other commodity is being
10 transported.

11 (12) Distributors and Importing Distributors Engaging in
12 Other Business. For any distributor or importing distributor, or
13 his servants, agents or employes, without the approval of the
14 board, and then only in accordance with board regulations, to
15 engage in any other business whatsoever, except the business of
16 distributing malt or brewed beverages, except that the sale of
17 the following goods shall be permitted on the licensed premises
18 of a distributor or importing distributor:

19 (i) Any book, magazine or other publication related to malt
20 or brewed beverages.

21 (ii) Any equipment, ingredients or other supplies necessary
22 for the unlicensed manufacture of malt or brewed beverages as
23 described in paragraph (1), commonly known as "homebrewing."

24 If the holder of a distributor license acquires a wine and
25 spirits retail license pursuant to Article III-A for use at its
26 licensed premises, it may engage in the sale of liquor, so long
27 as the licensee meets all of the requirements of this act. If
28 the holder of an importing distributor license acquires a wine
29 and spirits wholesale license pursuant to Article III-A for use
30 at its licensed premises, it may engage in the sale of liquor,

1 so long as the licensee meets all of the requirements of this
2 act. The board shall promulgate regulations consistent with this
3 act governing the sale of any other items by a distributor that
4 acquires a wine and spirits retail license, as well as the sale
5 of other items by an importing distributor that acquires a wine
6 and spirits wholesale license.

7 (13) Possession or Storage of Liquor or Alcohol by Certain
8 Licensees. For any distributor, importing distributor or retail
9 dispenser, or his servants, agents or employes, to have in his
10 possession, or to permit the storage of on the licensed premises
11 or in any place contiguous or adjacent thereto accessible to the
12 public or used in connection with the operation of the licensed
13 premises, any alcohol or liquor. This section may not prohibit a
14 distributor that holds a wine and spirits retail license, or an
15 importing distributor that holds a wine and spirits wholesale
16 license, from possessing or permitting the storage of liquor on
17 the licensed premises used in connection with the operation of
18 the licensed premises.

19 (14) Malt or Brewed Beverage Licensees Dealing in Liquor or
20 Alcohol. For any malt or brewed beverage licensee, other than a
21 distributor that holds a wine and spirits retail license, or an
22 importing distributor that holds a wine and spirits wholesale
23 license, a manufacturer, or the servants, agents or employes
24 thereof, to manufacture, import, sell, transport, store, trade
25 or barter in any liquor or alcohol.

26 (15) Selling to Persons Doing Illegal Business. For any malt
27 or brewed beverage licensee, or his servants, agents or
28 employes, to knowingly sell any malt or brewed beverages to any
29 person engaged in the business of illegally selling liquor or
30 malt or brewed beverages.

1 (16) Distributors and Importing Distributors Failing to Keep
2 Records. For any importing distributor or distributor engaged in
3 the sale of products, other than malt or brewed beverages, to
4 fail to keep such complete separate records covering in every
5 respect his transactions in malt or brewed beverages as the
6 board shall by regulation require.

7 (17) Fortifying, Adulterating or Contaminating Malt or
8 Brewed Beverages. For any person, to fortify, adulterate,
9 contaminate, or in any wise to change the character or purity
10 of, the malt or brewed beverages from that as originally
11 marketed by the manufacturer at the place of manufacture.

12 (18) Coercing Distributors and Importing Distributors. For
13 any manufacturer or any officer, agent or representative of any
14 manufacturer to coerce or persuade or attempt to coerce or
15 persuade any person licensed to sell or distribute malt or
16 brewed beverages at wholesale or retail to establish selling
17 prices for its products or to enter into any contracts or
18 agreements, whether written or oral, or take any action which
19 will violate or tend to violate any provisions of this act or
20 any of the rules or regulations promulgated by the board
21 pursuant thereto.

22 (19) Modifying or Terminating Distributing Rights Agreement.
23 For any manufacturer or any officer, agent or representative of
24 any manufacturer to modify, cancel, terminate, rescind or not
25 renew, without good cause, any distributing rights agreement,
26 and in no event shall any modification, cancellation,
27 termination, rescission or nonrenewal of any distributing rights
28 agreement become effective for at least ninety (90) days after
29 written notice of such modification, cancellation, termination,
30 rescission or intention not to renew has been served on the

1 affected party and board by certified mail, return receipt
2 requested, except by written consent of the parties to the
3 agreement. The notice shall state all the reasons for the
4 intended modification, termination, cancellation, rescission or
5 nonrenewal. The distributor or importing distributor holding
6 such agreement shall have ninety (90) days in which to rectify
7 any claimed deficiency, or challenge the alleged cause.

8 If the deficiency shall be rectified within ninety (90) days
9 of notice, then the proposed modification, termination,
10 cancellation, rescission or nonrenewal shall be null and void
11 and without legal effect.

12 If the notice states as one of the reasons for the intended
13 modification, cancellation, termination, rescission or renewal
14 that the importing distributor or distributor's equipment or
15 warehouse requires major changes or additions, then if the
16 distributor or importing distributor shall have taken some
17 positive action to comply with the required changes or
18 additions, the distributor or importing distributor shall have
19 deemed to have complied with the deficiency as set forth in the
20 notice. The notice provisions of this section shall not apply if
21 the reason for termination, cancellation or nonrenewal is
22 insolvency, assignment for the benefit of creditors, bankruptcy,
23 liquidation, fraudulent conduct in its dealings with the
24 manufacturer, revocation or suspension for more than a thirty
25 (30) day period of the importing distributor or distributor
26 license.

27 (20) Interference with Transfer of License, Business or
28 Franchise. (i) For any manufacturer to interfere with or prevent
29 any distributor or importing distributor from selling or
30 transferring his license, business or franchise, whether before

1 or after notice of modification, cancellation, termination,
2 rescission or nonrenewal has been given, provided the proposed
3 purchaser of the business of the distributor or importing
4 distributor meets the material qualifications and standards
5 required of the manufacturers other distributors or importing
6 distributors; (ii) if the proposed transfer of the distributor
7 or importing distributor's business is to a surviving spouse or
8 adult child, the manufacturer shall not, for any reason,
9 interfere with, or prevent, the transfer of the distributor or
10 importing distributor's license, business or franchise. Any
11 subsequent transfer by surviving spouse or adult child shall
12 thereafter be subject to the provisions of subclause (i) above.

13 (21) Inducing or Coercing Distributors or Importing
14 Distributors to Accept Unordered Products or Commit Illegal
15 Acts. For any manufacturer to compel or attempt to compel any
16 distributor or importing distributor to accept delivery of any
17 malt or brewed beverages or any other commodity which shall not
18 have been ordered by the distributor or importing distributor,
19 or to do any illegal act by any means whatsoever including, but
20 not limited to, threatening to amend, cancel, terminate, rescind
21 or refuse to renew any agreement existing between manufacturer
22 and the distributor or importing distributor, or to require a
23 distributor or importing distributor to assent to any condition,
24 stipulation or provision limiting the distributor or importing
25 distributor in his right to sell the products of any other
26 manufacturer.

27 Section 40. Section 492.1 of the act, amended January 6,
28 2006 (P.L.1, No.1) and December 22, 2011 (P.L.530, No.113), is
29 amended to read:

30 Section 492.1. Hours of Operation Relative to Manufacturers,

1 Importing Distributors and Distributors.--(a) Manufacturers may
2 sell or deliver malt or brewed beverages between two o'clock
3 antemeridian of any Monday and twelve o'clock midnight of the
4 following Saturday.

5 (b) (1) Importing distributors and distributors may sell or
6 deliver malt or brewed beverages between two o'clock
7 antemeridian of any Monday and twelve o'clock midnight of the
8 following Saturday to holders of a liquor or malt and brewed
9 beverage license or permit issued by the board.

10 (2) Importing distributors and distributors may sell or
11 deliver malt or brewed beverages between eight o'clock
12 antemeridian and [eleven o'clock postmeridian of any] two
13 o'clock antemeridian of the following day, except Sunday, to
14 persons not licensed or permitted by this act.

15 (c) In addition to the hours authorized under subsections
16 (a) and (b), manufacturers, importing distributors and
17 distributors, upon purchasing a permit from the board at an
18 annual fee of one hundred dollars (\$100) unless the applicant
19 for the permit is a distributor that holds a wine and spirits
20 retail license, in which instance Article III-A governs, may
21 sell malt or brewed beverages to persons not licensed under this
22 act or to a holder of a special occasion permit on Sunday
23 between the hours of nine o'clock antemeridian and [nine o'clock
24 postmeridian] two o'clock antemeridian on Monday.

25 (d) In addition to the hours authorized under subsections
26 (a) and (b), delivery or receiving of malt or brewed beverages
27 shall be permissible on Sunday after prior arrangement in
28 accordance with the following:

29 (1) A manufacturer may, at any time, deliver to any
30 importing distributor or distributor to which the manufacturer

1 has granted wholesale distribution rights for the manufacturer's
2 product.

3 (2) An importing distributor or distributor may deliver to
4 any organization to which a special occasion permit has been
5 issued between the hours of nine o'clock antemeridian and twelve
6 o'clock noon.

7 (3) An importing distributor or distributor may deliver to
8 persons not licensed under this act between the hours of nine
9 o'clock antemeridian and twelve o'clock noon.

10 (e) Notwithstanding any provision of this section to the
11 contrary, a brewery pub operating under section 446 shall be
12 subject to the hours of operation set forth by the board through
13 regulation.

14 (f) The term "prior arrangement" shall mean that malt or
15 brewed beverages having a total sale price, excluding any
16 deposits or credits, exceeding two hundred fifty dollars (\$250)
17 have been ordered, invoiced and paid for in full at the seller's
18 licensed premises before the Sunday of delivery.

19 Section 41. Section 493 of the act, amended December 7, 1990
20 (P.L.622, No.160), October 5, 1994 (P.L.537, No.80), June 18,
21 1998 (P.L.664, No.86), February 21, 2002 (P.L.103, No.10),
22 December 9, 2002 (P.L.1653, No.212), May 8, 2003 (P.L.1, No.1),
23 December 8, 2004 (P.L.1810, No.239), July 6, 2005 (P.L.135,
24 No.39), January 6, 2006 (P.L.1, No.1), July 7, 2006 (P.L.584,
25 No.84), November 29, 2006 (P.L.1421, No.155), July 16, 2007
26 (P.L.107, No.34), June 28, 2011 (P.L.55, No.11), December 22,
27 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007, No.116), is
28 amended to read:

29 Section 493. Unlawful Acts Relative to Liquor, Malt and
30 Brewed Beverages and Licensees.--The term "licensee," when used

1 in this section, shall mean those persons licensed under [the
2 provisions of Article IV] Article III-A or this article, unless
3 the context clearly indicates otherwise.

4 It shall be unlawful--

5 (1) Furnishing Liquor or Malt or Brewed Beverages to Certain
6 Persons. For any licensee or the board, or any employe, servant
7 or agent of such licensee or of the board, or any other person,
8 to sell, furnish or give any liquor or malt or brewed beverages,
9 or to permit any liquor or malt or brewed beverages to be sold,
10 furnished or given, to any person visibly intoxicated, or to any
11 minor: Provided further, That notwithstanding any other
12 provision of law, no cause of action will exist against a
13 licensee or the board or any employe, servant or agent of such
14 licensee or the board for selling, furnishing or giving any
15 liquor or malt or brewed beverages or permitting any liquor or
16 malt or brewed beverages to be sold, furnished or given to any
17 insane person, any habitual drunkard or person of known
18 intemperate habits unless the person sold, furnished or given
19 alcohol is visibly intoxicated or is a minor.

20 (2) Purchase or Sale of Liquor or Malt or Brewed Beverages
21 on Credit; Importing Distributors or Distributors Accepting
22 Cash. For any licensee, his agent, servant or employe, to sell
23 or offer to sell or purchase or receive any liquor or malt or
24 brewed beverages except for cash, excepting credit extended by a
25 hotel or club to a bona fide guest or member, or by railroad or
26 pullman companies in dining, club or buffet cars to passengers,
27 for consumption while enroute, holding authorized credit cards
28 issued by railroad or railroad credit bureaus or by hotel,
29 restaurant, retail dispenser eating place, club and public
30 service licensees, importing distributors or distributors to

1 customers not possessing a license under this article and
2 holding credit cards issued in accordance with regulations of
3 the board or credit cards issued by banking institutions subject
4 to State or Federal regulation: Provided further, That nothing
5 herein contained shall be construed to prohibit the use of
6 checks or drafts drawn on a bank, banking institution, trust
7 company or similar depository, organized and existing under the
8 laws of the United States of America or the laws of any state,
9 territory or possession thereof, in payment for any liquor or
10 malt or brewed beverages if the purchaser is the payor of the
11 check or draft and the licensee is the payee: Provided further,
12 That notwithstanding any other provision of this act to the
13 contrary, it shall be unlawful for an importing distributor or
14 distributor to accept cash for payment of any malt or brewed
15 beverages from anyone possessing a license issued under this
16 article, except it shall be permissible for the importing
17 distributor or distributor to accept credit cards, money orders
18 or cashiers' checks for payment of any malt or brewed beverages
19 in addition to any other type of payment authorized by the board
20 from anyone possessing a license under this article.
21 Notwithstanding any other provision of law to the contrary,
22 distributors and importing distributors may accept credit cards
23 for payment of malt or brewed beverages but they are not
24 required to accept credit cards. No right of action shall exist
25 to collect any claim for credit extended contrary to the
26 provisions of this clause. Nothing herein contained shall
27 prohibit a licensee from crediting to a purchaser the actual
28 price charged for original containers returned by the original
29 purchaser as a credit on any sale, or from refunding to any
30 purchaser the amount paid by such purchaser for such containers

1 or as a deposit on containers when title is retained by the
2 vendor, if such original containers have been returned to the
3 licensee. Nothing herein contained shall prohibit a manufacturer
4 from extending usual and customary credit for liquor or malt or
5 brewed beverages sold to customers or purchasers who live or
6 maintain places of business outside of the Commonwealth of
7 Pennsylvania, when the liquor or malt or brewed beverages so
8 sold are actually transported and delivered to points outside of
9 the Commonwealth: Provided, however, That as to all transactions
10 affecting malt or brewed beverages to be resold or consumed
11 within this Commonwealth, every licensee shall pay and shall
12 require cash deposits on all returnable original containers and
13 all such cash deposits shall be refunded upon return of the
14 original containers.

15 (4) Peddling Liquor or Malt or Brewed Beverages. For any
16 person, to hawk or peddle any liquor or malt or brewed beverages
17 in this Commonwealth.

18 (5) Failure to Have Brands as Advertised. For any licensee,
19 his servants, agents or employes, to advertise or hold out for
20 sale any liquor or malt or brewed beverages by trade name or
21 other designation which would indicate the manufacturer or place
22 of production of the said liquor or malt or brewed beverages,
23 unless he shall actually have on hand and for sale a sufficient
24 quantity of the particular liquor or malt or brewed beverages so
25 advertised to meet requirements to be normally expected as a
26 result of such advertisement or offer.

27 (6) Brand or Trade Name on Spigot. For any licensee, his
28 agents, servants or employes, to furnish or serve any malt or
29 brewed beverages from any faucet, spigot or other dispensing
30 apparatus, unless the trade name or brand of the product served

1 shall appear in full sight of the customer and in legible
2 lettering upon such faucet, spigot or dispensing apparatus.

3 (7) Alcoholic Strength on Label of Malt or Brewed Beverages.

4 For any licensee, or his servants, agents or employes, to
5 transport, sell, deliver or purchase any malt or brewed
6 beverages upon which there shall appear a label or other
7 informative data which refers to the alcoholic contents of the
8 malt or brewed beverage in any terms other than as a percentage
9 of alcohol by volume. This clause shall be construed to permit,
10 but not to require, a manufacturer to designate upon the label
11 or descriptive data the alcoholic content of malt or brewed
12 beverages in percentage of alcohol by volume. This clause shall
13 not be construed to prohibit a manufacturer from designating
14 upon the label or descriptive data the alcoholic content of malt
15 or brewed beverages intended for shipment into another state or
16 territory, when the laws of such state or territory require that
17 the alcoholic content of the malt or brewed beverage must be
18 stated upon the package.

19 (8) Advertisements on Labels Giving Alcoholic Content of

20 Malt or Brewed Beverages. For any manufacturer or other
21 licensee, or his servants, agents or employes, to issue, publish
22 or post, or cause to be issued, published or posted, any
23 advertisement of any malt or brewed beverage including a label
24 which shall refer in any manner to the alcoholic strength of the
25 malt or brewed beverage manufactured, sold or distributed by
26 such licensees, or to use in any advertisement or label such
27 words as "full strength," "extra strength," "high test," "high
28 proof," "pre-war strength," or similar words or phrases, which
29 would lead or induce a consumer to purchase a brand of malt or
30 brewed beverage on the basis of its alcoholic content, or to use

1 in or on any advertisement or label any numeral, unless
2 adequately explained in type of the same size, prominence and
3 color, or for any licensee to purchase, transport, sell or
4 distribute any malt or brewed beverage advertised or labeled
5 contrary to the provisions of this clause.

6 (10) Entertainment on Licensed Premises (Except Clubs);
7 Permits; Fees. For any licensee, his servants, agents or
8 employes, except club licensees, public venue licensees or
9 performing arts facility licensees, to permit in any licensed
10 premises or in any place operated in connection therewith,
11 dancing, theatricals or floor shows of any sort, or moving
12 pictures other than television, or such as are exhibited through
13 machines operated by patrons by the deposit of coins, which
14 project pictures on a screen not exceeding in size twenty-four
15 by thirty inches and which forms part of the machine, unless the
16 licensee shall first have obtained from the board a special
17 permit to provide such entertainment, or for any licensee, under
18 any circumstances, to permit in any licensed premises or in any
19 place operated in connection therewith any lewd, immoral or
20 improper entertainment, regardless of whether a permit to
21 provide entertainment has been obtained or not. The special
22 permit may be used only during the hours when the sale of liquor
23 or malt or brewed beverages is permitted, unless the licensee
24 holds an extended hours food license under section 499(b) which
25 license would allow the special permit to be used while the
26 establishment is open, and between eleven o'clock antemeridian
27 on Sunday and two o'clock antemeridian on the following Monday,
28 regardless of whether the licensee possesses a Sunday sales
29 permit. The board shall have power to provide for the issue of
30 such special permits, and to collect an annual fee for such

1 permits as prescribed in section 614-A of the act of April 9,
2 1929 (P.L.177, No.175), known as "The Administrative Code of
3 1929." All such fees shall be paid into the State Stores Fund.
4 No such permit shall be issued in any municipality which, by
5 ordinance, prohibits amusements in licensed places. Any
6 violation of this clause shall, in addition to the penalty
7 herein provided, subject the licensee to suspension or
8 revocation of his permit and his license.

9 (11) Licensees Employed by Others. For any hotel, restaurant
10 or club liquor licensee, or any malt or brewed beverage
11 licensee, or any officer, servant, agent or employe of such
12 licensee, to be at the same time employed, directly or
13 indirectly, by any distributor, importing distributor,
14 manufacturer, importer or vendor licensee or any out of State
15 manufacturer. It shall also be unlawful for any distributor or
16 importing distributor, or any officer, servant, agent or employe
17 of such licensee, to be at the same time employed, directly or
18 indirectly, by any other distributor, importing distributor,
19 manufacturer, importer, vendor, out of State manufacturer, hotel
20 restaurant, malt or brewed beverage licensee, or club liquor
21 licensee. It shall also be unlawful for any manufacturer,
22 importer, or vendor licensee, or any out of State manufacturer,
23 or any officer, servant, agent or employe of such licensee or
24 manufacturer, to be at the same time employed, directly or
25 indirectly, by any hotel, restaurant or club liquor licensee or
26 any malt or brewed beverage licensee or any distributor or
27 importing distributor licensee. Nothing in this subsection shall
28 be construed to prohibit a manufacturer or limited winery
29 licensee, or any officer, servant, agent or employe of such
30 licensee, to be employed at the same time by a hotel, restaurant

1 or retail dispenser licensee if the hotel, restaurant or retail
2 dispenser licensee is located at the manufacturer or limited
3 winery premises pursuant to section 443. For the purposes of
4 this subsection, an officer, servant, agent or employe of a
5 licensee or manufacturer is an individual who has either an
6 ownership interest in the licensee or manufacturer or who
7 receives compensation for his or her work on behalf of the
8 licensee or manufacturer.

9 (12) Failure to Have Records on Premises. For any liquor
10 licensee, or any importing distributor, distributor or retail
11 dispenser, to fail to keep for a period of at least two years
12 complete and truthful records covering the operation of his
13 licensed business, particularly showing the date of all
14 purchases of liquor and malt or brewed beverages, the actual
15 price paid therefor, and the name of the vendor, including State
16 Store receipts, or for any licensee, his servants, agents or
17 employes, to refuse the board or an authorized employe of the
18 board or the enforcement bureau access thereto or the
19 opportunity to make copies of the same when the request is made
20 during business hours. The records from the most recent six-
21 month period must be maintained on the licensed premises.

22 Records for the remainder of the two-year period may be kept off
23 the licensed premises so long as the records are returned to the
24 licensed premises within twenty-four hours of a request by the
25 board or enforcement bureau. A licensee may remove the records
26 for the most recent six-month period from the licensed premises
27 only for a lawful business purpose provided that they are
28 returned to the premises when that business is completed.

29 (13) Retail Licensees Employing Minors. For any hotel,
30 restaurant or club liquor licensee, or any retail dispenser, to

1 employ or to permit any minor under the age of eighteen to serve
2 any alcoholic beverages or to employ or permit any minor under
3 the age of sixteen to render any service whatever in the
4 licensed premises, nor shall any entertainer under the age of
5 eighteen be employed or permitted to perform in any licensed
6 premises in violation of the labor laws of this Commonwealth:

7 Provided, That in accordance with board regulations minors
8 between the ages of sixteen and eighteen may be employed to
9 serve food, clear tables and perform other similar duties, not
10 to include the dispensing or serving of alcoholic beverages. A
11 ski resort, golf course or amusement park licensee may employ
12 minors fourteen and fifteen years of age to perform duties in
13 rooms or areas of the licensed premises; however, such minors
14 may not perform duties in rooms or areas in which alcohol is
15 being concurrently dispensed or served or in which alcohol is
16 being concurrently stored in an unsecured manner.

17 Notwithstanding any provisions of law to the contrary, a hotel,
18 restaurant or club liquor licensee or any retail dispenser may
19 allow students receiving instruction in a performing art to
20 perform an exhibition if the students are not compensated and
21 are under proper supervision. Written notice of the performance
22 must be provided to the enforcement bureau prior to the
23 performance.

24 (14) Permitting Undesirable Persons or Minors to Frequent
25 Premises. For any hotel, restaurant or club liquor licensee, or
26 any retail dispenser, his servants, agents or employes, to
27 permit persons of ill repute or prostitutes to frequent his
28 licensed premises or any premises operated in connection
29 therewith. Minors may only frequent licensed premises if: (a)
30 they are accompanied by a parent; (b) they are accompanied by a

1 legal guardian; (c) they are under proper supervision; (d) they
2 are attending a social gathering; or (e) the hotel, restaurant
3 or retail dispenser licensee has gross sales of food and
4 nonalcoholic beverages equal to fifty per centum or more of its
5 combined gross sale of both food and alcoholic beverages. If a
6 minor is frequenting a hotel, restaurant or retail dispenser
7 licensee under subsection (e), then the minor may not sit at the
8 bar section of the premises, nor may any alcoholic beverages be
9 served at the table or booth at which the said minor is seated
10 unless said minor is with a parent, legal guardian or under
11 proper supervision. Further, if a hotel, restaurant, club liquor
12 licensee or retail dispenser is hosting a social gathering under
13 subsection (d), then written notice at least forty-eight hours
14 in advance of such gathering shall be given to the Bureau of
15 Enforcement. If a minor is frequenting licensed premises with
16 proper supervision under subsection (c), each supervisor can
17 supervise up to twenty minors, except for premises located in
18 cities of the first class, where each supervisor can supervise
19 up to five minors. Notwithstanding any other provisions of this
20 section, if the minors are on the premises as part of a school-
21 endorsed function, then each supervisor can supervise fifty
22 minors. Nothing in this clause shall be construed to make it
23 unlawful for minors to frequent public venues or performing arts
24 facilities.

25 (15) Cashing Pay Roll, Public Assistance, Unemployment
26 Compensation or Any Other Relief Checks. For any licensee or his
27 servants, agents or employes to cash pay roll checks or to cash,
28 receive, handle or negotiate in any way Public Assistance,
29 Unemployment Compensation or any other relief checks.

30 (16) Furnishing or Delivering Liquor or Malt or Brewed

1 Beverages at Unlawful Hours. For any licensee, his servants,
2 agents or employes, to give, furnish, trade, barter, serve or
3 deliver any liquor or malt or brewed beverages to any person
4 during hours or on days when the licensee is prohibited by this
5 act from selling liquor or malt or brewed beverages.

6 (17) Licensees, etc., Interested or Employed in
7 Manufacturing or Sale of Equipment or Fixtures. For any
8 licensee, or any officer, director, stockholder, servant, agent
9 or employe of any licensee, to own any interest, directly or
10 indirectly, in or be employed or engaged in any business which
11 involves the manufacture or sale of any equipment, furnishings
12 or fixtures to any hotel, restaurant or club licensees, or to
13 any importing distributors, distributors or retail dispensers.
14 Notwithstanding any other provision of this section or this act,
15 licensees may sell glasses at not less than cost and to provide
16 metal keg connectors and tap knobs to other licensees and to
17 holders of special occasion permits.

18 (20) (i) Retail Liquor and Retail Malt or Brewed Beverages
19 Licensee's Inside Advertisements. For any retail liquor or
20 retail malt or brewed beverages licensee, to display or permit
21 the display in the show window or doorways of his licensed
22 premises, any placard or sign advertising the brands of liquor
23 or malt or brewed beverages, if the total display area of any
24 such placard or sign advertising the product or products exceeds
25 six hundred square inches. Nothing herein shall prohibit a
26 licensee from displaying inside his licensed premises point of
27 sale displays advertising brand names of products sold by him,
28 other than a window or door display: Provided, That the total
29 cost of all such point of sale advertising matter relating to
30 any one brand shall not exceed the dollar amount set forth by

1 the board through regulation. All such advertising material,
2 including the window and door signs, may be furnished by a
3 manufacturer, distributor or importing distributor. The
4 restrictions on advertising set forth in subclause (ii) and in
5 clauses (20.1) and (20.2) shall also apply to this subclause.

6 (ii) Cooperative Advertising. No distributor or importing
7 distributor, directly or indirectly, independent or otherwise,
8 shall, except by prior written agreement, be required to
9 participate with a manufacturer in the purchase of any
10 advertising of a brand name product in any name, in any form,
11 whether it be radio, television, newspaper, magazine or
12 otherwise.

13 (20.1) Manufacturer Shall Not Require Advertising. For a
14 manufacturer to require a distributor or importing distributor
15 to purchase any type of advertising.

16 (20.2) Advertising Shall Be Ordered and Authorized in
17 Advance. For any advertising to be done on behalf of a
18 distributor or importing distributor which was not ordered and
19 authorized in advance by the distributor or importing
20 distributor.

21 (21) Refusing The Right of Inspection. For any licensee, or
22 his servants, agents or employes, to refuse the board or the
23 enforcement bureau or any of their authorized employes the right
24 to inspect completely the entire licensed premises at any time
25 during which the premises are open for the transaction of
26 business, or when patrons, guests or members are in that portion
27 of the licensed premises wherein either liquor or malt or brewed
28 beverages are sold.

29 (22) Allowance or Rebate to Induce Purchases. For any
30 licensee, or his servants, agents or employes, to offer, pay,

1 make or allow, or for any licensee, or his servants, agents or
2 employes, to solicit or receive any allowance or rebate, refunds
3 or concessions, whether in the form of money or otherwise, to
4 induce directly the purchase of liquor or malt or brewed
5 beverages.

6 (23) Money or Valuables Given to Employes to Influence
7 Actions of Their Employers. For any licensee, or any agent,
8 employe or representative of any licensee, to give or permit to
9 be given, directly or indirectly, money or anything of
10 substantial value, in an effort to induce agents, employes or
11 representatives of customers or prospective customers to
12 influence their employer or principal to purchase or contract to
13 purchase liquor or malt or brewed beverages from the donor of
14 such gift, or to influence such employers or principals to
15 refrain from dealing or contracting to deal with other
16 licensees.

17 (24) (i) Things of Value Offered as Inducement. Except as
18 provided in subclause (ii), for any licensee under the
19 provisions of this article, or the board or any manufacturer, or
20 any employe or agent of a manufacturer, licensee or of the
21 board, to offer to give anything of value or to solicit or
22 receive anything of value as a premium for the return of caps,
23 stoppers, corks, stamps or labels taken from any bottle, case,
24 barrel or package containing liquor or malt or brewed beverage,
25 or to offer or give or solicit or receive anything of value as a
26 premium or present to induce directly the purchase of liquor or
27 malt or brewed beverage, or for any licensee, manufacturer or
28 other person to offer or give to trade or consumer buyers any
29 prize, premium, gift or other inducement to purchase liquor or
30 malt or brewed beverages, except advertising novelties of

1 nominal value which the board shall define. This section shall
2 not prevent any manufacturer or any agent of a manufacturer from
3 offering and honoring coupons which offer monetary rebates on
4 purchases of wines and spirits through State Liquor Stores or
5 the holder of a wine and spirits retail license or grocery store
6 license, or purchases of malt or brewed beverages through
7 distributors and importing distributors in accordance with
8 conditions or regulations established by the board. The board or
9 the holder of a wine and spirits retail license or grocery store
10 license may redeem coupons offered by a manufacturer or an agent
11 of a manufacturer at the time of purchase. Coupons offered by a
12 manufacturer or an agent of a manufacturer shall not be redeemed
13 without proof of purchase. This section shall not apply to the
14 return of any monies specifically deposited for the return of
15 the original container to the owners thereof.

16 (ii) Notwithstanding subclause (i) or any other provision of
17 law, a holder of a restaurant license that is also approved to
18 hold a slot machine license or a conditional slot machine
19 license under 4 Pa.C.S. Part II (relating to gaming) may give
20 liquor and malt or brewed beverages free of charge to any person
21 actively engaged in playing a slot machine.

22 (iii) Notwithstanding subclause (i) or any other provision
23 of law, the holder of a wine and spirits retail license may
24 establish and implement a consumer relations marketing program
25 for the purpose of offering incentives, such as coupons or
26 discounts on certain products, which may be conditioned on the
27 purchase of liquor by its customers.

28 (25) Employment in Licensed Places. For any licensee or his
29 agent, to employ or permit the employment of any person at his
30 licensed hotel, restaurant or eating place for the purpose of

1 enticing customers, or to encourage them to drink liquor, or
2 make assignments for improper purposes.

3 Any person violating the provisions of this clause shall be
4 guilty of a misdemeanor and, upon conviction of the same, shall
5 be sentenced to pay a fine of not less than one hundred dollars
6 (\$100), nor more than five hundred dollars (\$500), for each and
7 every person so employed, or undergo an imprisonment of not less
8 than three (3) months, nor more than one (1) year, or either or
9 both, at the discretion of the court having jurisdiction of the
10 case. The administrative law judge shall have the power to
11 revoke or refuse licenses for violation of this clause.

12 (26) Worthless Checks. For any retail liquor licensee or any
13 retail dispenser, distributor or importing distributor, to make,
14 draw, utter, issue or deliver, or cause to be made, drawn,
15 uttered, issued or delivered, any check, draft or similar order,
16 for the payment of money in payment for any purchase of malt or
17 brewed beverages, when such retail liquor licensee, retail
18 dispenser, distributor or importing distributor, has not
19 sufficient funds in, or credit with, such bank, banking
20 institution, trust company or other depository, for the payment
21 of such check. Any person who is a licensee under the provisions
22 of this article, who shall receive in payment for malt or brewed
23 beverages sold by him any check, draft or similar order for the
24 payment of money, which is subsequently dishonored by the bank,
25 banking institution, trust company or other depository, upon
26 which drawn, for any reason whatsoever, shall, within five days
27 of receipt of notice of such dishonor, notify by certified mail
28 the person who presented the said worthless check, draft or
29 similar order and the malt beverage compliance officer for the
30 board. If the violation of this clause involving a check, draft

1 or similar order from the purchaser to the seller is
2 subsequently honored within ten days from the day it was made,
3 drawn, uttered, issued or delivered, then the malt beverage
4 compliance officer shall not turn the matter over to the
5 enforcement bureau for a citation.

6 (27) Distributors and Importing Distributors Employing
7 Minors. For any distributor or importing distributor to employ
8 minors under the age of eighteen but persons eighteen and over
9 may be employed to sell and deliver malt and brewed beverages. A
10 distributor holding a wine and spirits retail license may not
11 employ a person under the age of twenty-one to sell liquor.

12 (28) Consumption of Liquor or Malt or Brewed Beverages While
13 Tending Bar. For any licensee, his servants, agents or employes,
14 to consume liquor or malt or brewed beverages while tending bar
15 or otherwise serving liquor or malt or brewed beverages. No
16 action shall be taken against a licensee under this clause
17 unless the licensee is the individual consuming liquor or malt
18 or brewed beverages in violation of this clause.

19 (30) Pyrotechnics Prohibited. For any licensee, his
20 servants, agents or employes, except licensees where pyrotechnic
21 displays are performed by a pyrotechnic operator licensed by the
22 Bureau of Alcohol, Tobacco, Firearms and Explosives and are
23 approved by a municipal fire official, to store, handle, use or
24 display any pyrotechnics within a building on the licensed
25 premises. For purposes of this clause, "pyrotechnics" shall mean
26 any chemical mixture, including pyrotechnic compositions,
27 intended to produce a visible or audible effect by combustion,
28 deflagration or detonation as defined by section 1.5.52 of the
29 National Fire Protection Association Standard 1126 entitled
30 "Standard for the Use of Pyrotechnics before a Proximate

1 Audience," 1992 Edition.

2 (31) (i) Sale or Purchase of Controlled Substance or Drug
3 Paraphernalia by Licensee. For any licensee to possess, furnish,
4 sell, offer to sell, or purchase or receive, or aid and abet in
5 the sale or purchase of any controlled substance or drug
6 paraphernalia, as defined in the act of April 14, 1972 (P.L.233,
7 No.64), known as "The Controlled Substance, Drug, Device and
8 Cosmetic Act," on the licensed premises unless the actions of
9 the licensee are authorized by law.

10 (ii) Sale or Purchase of Controlled Substances or Drug
11 Paraphernalia by Servant, Agent or Employee of the Licensee. For
12 any servants, agents or employees of the licensee to possess,
13 furnish, sell, offer to sell or purchase or receive, or aid and
14 abet in the sale or purchase of any controlled substance or drug
15 paraphernalia, as defined in "The Controlled Substance, Drug,
16 Device and Cosmetic Act," on the licensed premises unless the
17 actions of the person are authorized by law. The licensee shall
18 only be cited for a violation of this subclause if the licensee
19 knew or should have known of the activity and failed to take
20 substantial affirmative steps to prevent the activity on its
21 premises.

22 (32) Sale or Purchase of Alcohol Vaporizing Devices. For any
23 licensee, his servants or agents or employees to possess or to
24 permit an alcohol vaporizing device on the licensed premises.

25 (33) Off-premises Catering Permit; Fees. For any licensee,
26 his servants, agents or employees to sell alcohol at a location
27 other than its licensed premises, unless the sale is
28 specifically authorized under this act, or unless the licensee
29 receives a special permit from the board to do so. Only those
30 licensees holding a current and valid restaurant, hotel, brew

1 pub or eating place license shall be allowed to apply for such a
2 permit. Any licensee that wishes to obtain an off-premises
3 catering permit must notify the board and pay the permitting fee
4 by March of each calendar year regardless of whether the
5 licensee has scheduled catered events. Any licensee that fails
6 to notify the board and pay the permit fee by March 1 shall be
7 precluded from obtaining the permit for that calendar year. If a
8 licensee notifies the board and pays the permitting fee by March
9 1 and does not then use the permit throughout the calendar year,
10 the licensee shall not be entitled to a return of the permitting
11 fee. Any licensee not granted a license until after March 1 of
12 the calendar year shall have sixty days from the date of the
13 license transfer to notify the board of the licensee's intention
14 to use an off-premises catering permit and pay the permitting
15 fee. All servers at the off-premises catered function shall be
16 certified under the board's responsible alcohol management
17 program as required under section 471.1. The board may charge a
18 fee of five hundred dollars (\$500) each calendar year, to each
19 applicant for the initial permit associated with a particular
20 license, but no further fee shall be charged for any subsequent
21 permits issued to the applicant for the license during the same
22 calendar year. The applicant shall submit written notice to the
23 board thirty days prior to each catered event, unless this time
24 frame has been waived by the board, and the board may approve or
25 disapprove each event if the applicant fails to provide timely
26 notice of the catered function, does not intend to conduct a
27 function that meets the requirements of this act or has
28 previously conducted a function that did not meet the
29 requirements of this act. The fees shall be paid into the State
30 Stores Fund. Any violation of this act or the board's

1 regulations for governing activity occurring under the authority
2 of this permit may be the basis for the issuance of a citation
3 under section 471, the nonrenewal of the license under section
4 470 or the refusal by the board to issue subsequent permits or
5 honor subsequent dates on the existing permit. This penalty
6 shall be in addition to any other remedies available to the
7 enforcement bureau or the board.

8 (34) Noise. Notwithstanding any law or regulation to the
9 contrary, a licensee may not use or permit to be used inside or
10 outside of the licensed premises a loudspeaker or similar device
11 whereby the sound of music or other entertainment, or the
12 advertisement thereof, can be heard beyond the licensee's
13 property line; however, any licensee that is located in an area
14 which is subject to an exemption from the board's regulation
15 regarding amplified music being heard off the licensed premises
16 shall be exempt from compliance with this paragraph until the
17 expiration of the board's order granting the exemption. The
18 board's regulation regarding amplified music being heard off the
19 licensed premises is otherwise superseded by this paragraph.

20 (35) Wine-to-go permit and fees. For any licensee, his
21 servants, agents or employes to sell unopened bottles of wine
22 for consumption off the licensed premises, unless the sale is
23 specifically authorized under this act, or unless the licensee
24 receives a special permit from the board to do so. Only those
25 licensees holding a current and valid hotel or restaurant
26 license shall be allowed to apply for such a permit. Any
27 licensee that wishes to obtain a wine-to-go permit must make
28 application to the board on a form prescribed by the board and
29 pay the permitting fees. This permit shall not be issued to a
30 restaurant licensee that has an interior connection to another

1 unlicensed business. The board may charge a fee of five hundred
2 dollars (\$500) per calendar year to each applicant for this
3 permit. The fees shall be paid into The State Stores Fund. Any
4 violation of this act or the board's regulations for governing
5 activity occurring under the authority of this permit may be the
6 basis for the issuance of a citation under section 471, the
7 nonrenewal of the license under section 470 or the refusal by
8 the board to issue subsequent permits or honor subsequent dates
9 on the existing permit. The penalty shall be in addition to any
10 other remedies available to the enforcement bureau or the board.

11 (36) Grocery stores employing minors. For any servant, agent
12 or employe of a grocery store to make a sale of alcohol unless
13 the servant, agent or employe is eighteen years of age or older.

14 (37) Sale of wine received by direct shipment. For any
15 licensee to sell or offer to sell wine purchased or acquired
16 from a direct wine shipper pursuant to the authority of section
17 488.

18 (38) Duties performed by distributors and importing
19 distributors. For any licensee to require that a distributor or
20 importing distributor stock merchandise in the licensee's
21 cooler, rotate the licensee's stock of malt or brewed beverages,
22 set up displays in the licensee's premises or pay any type of
23 fee required for making the distributor's product available on
24 the licensee's store shelves. This clause supersedes a contrary
25 provision of a contract.

26 (39) Spirits-to-go permit. For any licensee, his servants,
27 agents or employes to sell an unopened bottle of liquor for
28 consumption off the licensed premises unless the sale is
29 specifically authorized under this act or unless the licensee
30 receives a special permit from the board to do so. Only the

1 licensees holding a current and valid hotel or restaurant
2 license may apply for the permit. Any licensee that wishes to
3 obtain a spirits-to-go permit must apply to the board on a form
4 prescribed by the board and pay the permitting fees by June of
5 each calendar year. Any licensee that fails to notify the board
6 and pay the permitting fees by June 1 may be precluded from
7 obtaining the permit for that calendar year. The board may allow
8 the issuance of the permit after the June deadline so long as
9 the applicant is a licensee in good standing with the board and
10 complies with the other requirements for the permit. A licensee
11 applying for the permit after the June deadline shall pay the
12 board a late fee equal to the amount of the permit fee listed
13 below. Any licensee not granted a license until after June 1 of
14 the calendar year has sixty days from the date of the license
15 transfer to notify the board of the licensee's intention to use
16 a spirits-to-go permit and pay the permitting fee. The servers
17 employed by a licensee who obtains a spirits-to-go permit,
18 including any retail dispenser licensee who upgrades to a
19 restaurant license under section 432(g), must be certified under
20 the board's responsible alcohol management program as required
21 under section 471.1. The board shall charge a fee of five
22 hundred dollars (\$500) per calendar year to an applicant for the
23 permit. The fees shall be paid into The State Stores Fund. Any
24 violation of this act or the board's regulations for governing
25 activity occurring under the authority of this permit may be the
26 basis for the issuance of a citation under section 471, the
27 nonrenewal of the license under section 470 or the refusal by
28 the board to issue subsequent permits. The penalty imposed under
29 this paragraph shall be in addition to the other remedies
30 available to the enforcement bureau or the board.

1 Section 42. The act is amended by adding sections to read:

2 Section 493.2. Unlawful Acts Relative to Wine and Spirits

3 Retail Licensees.--(a) It is unlawful for a wine and spirits

4 retail licensee, or an employe, servant or agent of the licensee

5 or another person to sell, furnish or give liquor or malt or

6 brewed beverages or to permit liquor or malt or brewed beverages

7 to be sold, furnished or given to a minor or person who is

8 visibly intoxicated.

9 (b) A wine and spirits retail licensee who violates the

10 provisions of subsection (a) is subject to the penalty

11 provisions set forth in section 471.

12 Section 493.3. Licensees and Taxes.--Notwithstanding any

13 other provision of this act or the act of March 4, 1971 (P.L.6,

14 No.2), known as the "Tax Reform Code of 1971," the following

15 shall apply:

16 (1) The sale of malt and brewed beverages and wine and

17 spirits by an entity licensed under this act, including the sale

18 of malt and brewed beverages and wine and spirits from the areas

19 of a licensee's premises utilized under a retail license for

20 consumption on the premises, shall be considered a sale by a

21 retail dispenser under section 201 of the "Tax Reform Code of

22 1971."

23 (2) The sale of malt and brewed beverages and wine and

24 spirits to an entity described in paragraph (1) for the purpose

25 of sales from the areas of a licensee's premises utilized under

26 a retail license for consumption on the premises shall be

27 considered a sale to a retail dispenser subject to the tax

28 imposed under Article II of the "Tax Reform Code of 1971."

29 (3) Except for sales under paragraphs (1) and (2), any other

30 sale of malt and brewed beverages shall be considered a sale by

1 a distributor, and any other sale of wine or spirits shall be
2 considered a sale of liquor by a Pennsylvania Liquor Store under
3 section 201 of the "Tax Reform Code of 1971."

4 Section 43. Section 494 of the act, amended April 29, 1994
5 (P.L.212, No.30) and November 10, 1999 (P.L.514, No.47), is
6 amended to read:

7 Section 494. Penalties.--(a) Any person who shall violate
8 any of the provisions of this article, except as otherwise
9 specifically provided, shall be guilty of a misdemeanor and,
10 upon conviction thereof, shall be sentenced to pay a fine of not
11 less than one hundred dollars (\$100), nor more than five hundred
12 dollars (\$500), and on failure to pay such fine, to imprisonment
13 for not less than one month, nor more than three months, and for
14 any subsequent offense, shall be sentenced to pay a fine not
15 less than three hundred dollars (\$300), nor more than five
16 hundred dollars (\$500), and to undergo imprisonment for a period
17 not less than three months, nor more than one year, or both. If
18 the person, at or relating to the licensed premises, violates
19 section 493(1), (10), (14), (16) or (21), or if the owner or
20 operator of the licensed premises or any authorized agent of the
21 owner or operator violates the act of April 14, 1972 (P.L.233,
22 No.64), known as "The Controlled Substance, Drug, Device and
23 Cosmetic Act," or 18 Pa.C.S. § 5902 (relating to prostitution
24 and related offenses) or 6301 (relating to corruption of
25 minors), he shall be sentenced to pay a fine not exceeding [five
26 thousand dollars (\$5,000)] ten thousand dollars (\$10,000) or to
27 undergo imprisonment for a period not less than [three] six
28 months, nor more than [one year] two years, or both.

29 (b) The right to suspend and revoke licenses granted under
30 this article shall be in addition to the penalty set forth in

1 this section.

2 (c) A person convicted of selling or offering to sell any
3 liquor or malt or brewed beverage without being licensed is in
4 violation of this article and shall, in addition to any other
5 penalty prescribed by law, be sentenced to pay a fine of two
6 dollars (\$2) per fluid ounce for each container of malt or
7 brewed beverages and four dollars (\$4) per fluid ounce for each
8 container of wine or liquor found on the premises where the sale
9 was made or attempted. The amount of fine per container will be
10 based upon the capacity of the container when full, whether or
11 not it is full at the time of the sale or attempted sale. In
12 addition, all malt or brewed beverages, wine and liquor found on
13 the premises shall be confiscated. If a person fails to pay the
14 full amount of the fine levied under this subsection, the
15 premises on which the malt or brewed beverages, wine or liquor
16 was found shall be subject to a lien in the amount of the unpaid
17 fine if the premises are owned by the person against whom the
18 fine was levied or by any other person who had knowledge of the
19 proscribed activity. The lien shall be superior to any other
20 liens on the premises other than a duly recorded mortgage.

21 Section 44. Section 499 of the act, amended October 5, 1994
22 (P.L.522, No.77) and February 21, 2002 (P.L.103, No.10), is
23 amended to read:

24 Section 499. Premises to be Vacated by Patrons.--(a) Except
25 as provided for elsewhere in this section, all patrons of a
26 licensee shall be required to leave that part of the premises
27 habitually used for the serving of liquor or malt or brewed
28 beverages to guests or patrons not later than one-half hour
29 after the time the licensee is required by this act to cease
30 serving liquor or malt or brewed beverages and shall not be

1 permitted to have any previously served liquor or malt or brewed
2 beverages in their possession, nor shall they be permitted to
3 remove any previously served liquor or malt or brewed beverages
4 from that part of the premises. Patrons of a licensee shall not
5 be permitted to reenter that portion of the premises habitually
6 used for the serving of liquor or malt or brewed beverages
7 between the time designated by this act for patrons to vacate
8 the licensed premises and the time designated by this act when
9 the serving of liquor or malt or brewed beverages is allowed to
10 begin unless the licensee has been granted a permit for extended
11 hours food service.

12 (a.1) Subsection (a) shall not apply to sales of malt and
13 brewed beverages for consumption off the premises when the
14 following conditions are met:

15 (1) no licensee may sell malt or brewed beverages in excess
16 of one hundred ninety-two fluid ounces in any one sale for
17 consumption off the premises unless the licensee possesses a
18 retail package reform permit;

19 (2) sales and service of malt and brewed beverages for
20 consumption off the premises are made prior to the designated
21 time the licensee is required by this act to cease serving
22 liquor, malt or brewed beverages;

23 (3) persons who have purchased malt and brewed beverages for
24 consumption off the premises shall remove the malt and brewed
25 beverages from the premises by the designated time as contained
26 in this act that patrons are required to vacate the premises;

27 (4) no club licensee may sell any malt or brewed beverage
28 for consumption off the premises where sold or to any persons
29 who are not members of the club.

30 (b) A licensee may remain open between the hours of two

1 o'clock antemeridian and seven o'clock antemeridian for the
2 purpose of serving food on any day if such licensee either
3 possesses or is eligible to purchase a Sunday sales permit and
4 receives an extended hours food license. The board shall
5 establish an annual fee for the extended hours food license
6 which shall not exceed fifty dollars (\$50).

7 (b.1) Upon application of any club, the board shall issue a
8 club extended hours food permit for a period of six (6) days
9 during the term of its license. The board shall issue
10 regulations governing terms of the application. The permits
11 shall be used solely for the purpose of serving food between the
12 hours of three o'clock antemeridian and seven o'clock
13 antemeridian. All patrons of a licensee shall be required to
14 leave that part of the premises habitually used for the serving
15 of liquor or malt or brewed beverages to guests or patrons not
16 later than one-half hour after the time the licensee is required
17 by this act to cease serving liquor or malt or brewed beverages
18 and shall not be permitted to have any previously served liquor
19 or malt or brewed beverages in their possession, nor shall they
20 be permitted to remove any previously served liquor or malt or
21 brewed beverages from that part of the premises.

22 (c) Any licensee who violates this section for the first
23 offense commits a summary offense and shall, upon conviction, be
24 sentenced to pay a fine of not more than three hundred dollars
25 (\$300) or to imprisonment for not more than ninety (90) days, or
26 both, and for the second or any subsequent offense commits a
27 misdemeanor of the third degree and shall, upon conviction, be
28 sentenced to pay a fine of not more than two thousand five
29 hundred dollars (\$2,500) or to imprisonment for not more than
30 one (1) year, or both.

1 (d) This section shall not apply to holders of public
2 service licenses.

3 (e) Nothing in this section shall prohibit restaurant
4 liquor, eating place retail dispenser or hotel licenses from
5 being open seven o'clock ante meridian on Sunday until two
6 o'clock ante meridian Monday for the purpose of serving food and
7 nonalcoholic beverages.

8 Section 45. Section 505.2 of the act, amended December 8,
9 2004 (P.L.1810, No.239), July 16, 2007 (P.L.107, No.34), June
10 25, 2010 (P.L.217, No.35), June 28, 2011 (P.L.55, No.11) and
11 December 22, 2011 (P.L.530, No.113), is amended to read:

12 Section 505.2. Limited Wineries.--(a) In the interest of
13 promoting tourism and recreational development in Pennsylvania,
14 holders of a limited winery license may:

15 (1) Produce alcoholic ciders, wines and wine coolers,
16 subject to the exceptions provided under this section, only from
17 an agricultural commodity grown in Pennsylvania.

18 (2) Sell alcoholic cider, wine and wine coolers produced by
19 the limited winery or purchased in bulk in bond from another
20 Pennsylvania limited winery on the licensed premises, under such
21 conditions and regulations as the board may enforce, to the
22 board, to wine and spirits retail licensees, to individuals and
23 to brewery, hotel, restaurant, club, grocery store and public
24 service liquor licensees, and to Pennsylvania winery licensees:
25 Provided, That a limited winery shall not, in any calendar year,
26 purchase alcoholic cider or wine produced by other limited
27 wineries in an amount in excess of fifty per centum of the
28 alcoholic cider or wine produced by the purchasing limited
29 winery in the preceding calendar year. In addition, the holder
30 of a limited winery license may purchase wine in bottles from

1 another Pennsylvania limited winery if these wines undergo a
2 second fermentation process. Such wine may be sold in bottles
3 bearing the purchasing limited winery's label or the producing
4 limited winery's label. [Such wines, if sold by the board, may
5 be sold by the producing limited winery to the purchasing
6 limited winery at a price lower than the price charged by the
7 board.]

8 (3) Separately or in conjunction with other limited
9 wineries, sell alcoholic cider, wine and wine coolers produced
10 by the limited winery on no more than five (5) board-approved
11 locations other than the licensed premises, with no bottling or
12 production requirement at those additional board-approved
13 locations and under such conditions and regulations as the board
14 may enforce, to the board, wine and spirits retail licensees, to
15 individuals and to brewery, hotel, restaurant, club, grocery
16 store and public service liquor licensees. If two or more
17 limited wineries apply to operate an additional board-approved
18 location in conjunction with each other, the wineries need only
19 have one board-approved manager for the location, need only pay
20 one application fee and need not designate specific or distinct
21 areas for each winery's licensed area. Each limited winery must
22 file an application for such an additional board-approved
23 location, and such location shall count as one of the five
24 permitted for each limited winery. Each limited winery is
25 responsible for keeping only its own complete records. A limited
26 winery may be cited for a violation of the recordkeeping
27 requirements of sections 512 and 513 pertaining to its own
28 records only.

29 (4) At the discretion of the board, obtain a special permit
30 to participate in alcoholic cider, wine and food expositions off

1 the licensed premises. A special permit shall be issued upon
2 proper application and payment of a fee of thirty dollars (\$30)
3 per day for each day of permitted use, not to exceed thirty (30)
4 consecutive days. The total number of days for all the special
5 permits may not exceed one hundred (100) days in any calendar
6 year. A special permit shall entitle the holder to engage in the
7 sale by the glass, by the bottle or in case lots of alcoholic
8 cider or wine produced by the permittee under the authority of a
9 limited winery license. Holders of special permits may provide
10 tasting samples of wines in individual portions not to exceed
11 one fluid ounce. Samples at alcoholic cider, wine and food
12 expositions may be sold or offered free of charge. Except as
13 provided herein, limited wineries utilizing special permits
14 shall be governed by all applicable provisions of this act as
15 well as by all applicable regulations or conditions adopted by
16 the board.

17 For the purposes of this clause, "alcoholic cider, wine and
18 food expositions" are defined as affairs held indoors or
19 outdoors with the intent of promoting Pennsylvania products by
20 educating those in attendance of the availability, nature and
21 quality of Pennsylvania-produced alcoholic ciders and wines in
22 conjunction with suitable food displays, demonstrations and
23 sales. Alcoholic cider, wine and food expositions may also
24 include activities other than alcoholic cider, wine and food
25 displays, including arts and crafts, musical activities,
26 cultural exhibits, agricultural exhibits and farmers markets.

27 (4.1) At the discretion of the board, obtain a farmers
28 market permit. The permit shall entitle the holder to
29 participate in more than one farmers market at any given time
30 and an unlimited number throughout the year and sell alcoholic

1 cider or wine produced under the authority of the underlying
2 limited winery license by the bottle or in case lots. Samples
3 not to exceed one fluid ounce per brand of wine may be offered
4 free of charge. A farmers market permit shall be issued upon
5 proper application and payment of an annual fee of two hundred
6 fifty dollars (\$250). A permit holder may participate in more
7 than one farmers market at any given time. Sales by permit
8 holders shall take place during the standard hours of operation
9 of the farmers market. Written notice of the date, times and
10 location the permit is to be used shall be provided by the
11 permit holder to the enforcement bureau at least two (2) weeks
12 prior to the event. Except as provided in this subsection,
13 limited wineries utilizing farmers market permits shall be
14 governed by all applicable provisions of this act as well as by
15 all applicable regulations adopted by the board.

16 (5) Apply for and hold a hotel liquor license, a restaurant
17 liquor license or a malt and brewed beverages retail license to
18 sell for consumption at the restaurant or limited winery on the
19 licensed winery premises, liquor, wine and malt or brewed
20 beverages regardless of the place of manufacture under the same
21 conditions and regulations as any other hotel liquor license,
22 restaurant liquor license or malt and brewed beverages retail
23 license.

24 (6) (i) Secure a permit from the board to allow the holder
25 of a limited winery license to use up to twenty-five per centum
26 permitted fruit, not wine, in the current year's production.
27 Each permit is valid only for the calendar year in which it is
28 issued.

29 (ii) The fee for a permit to import and use permitted fruit
30 shall be in an amount to be determined by the board.

1 (iii) The purpose of this section is to increase the
2 productivity of limited wineries while at the same time
3 protecting the integrity and unique characteristics of wine
4 produced from fruit primarily grown in this Commonwealth.
5 Prevailing climatic conditions have a significant impact on the
6 character of the fruit. Accordingly, "permitted fruit" shall
7 mean fruit grown or juice derived from fruit grown within three
8 hundred fifty (350) miles of the winery.

9 (iv) The department is authorized to promulgate regulations
10 requiring the filing of periodic reports by limited wineries to
11 ensure compliance with the provisions of this section.

12 (6.1) Sell food for consumption on or off the licensed
13 premises and at the limited winery's additional board-approved
14 locations and sell by the glass, at the licensed premises and at
15 the limited winery's additional board-approved locations, only
16 wine and alcoholic ciders that may otherwise be sold by the
17 bottle.

18 (6.2) Sell wine- or liquor-scented candles acquired or
19 produced by the limited winery.

20 (6.3) Sell alcoholic cider, wine and wine coolers only
21 between the hours of nine o'clock antemeridian and eleven
22 o'clock postmeridian. A limited winery also may request approval
23 from the board to extend sales hours in individual locations at
24 other times during the year or beyond the limits set forth in
25 this clause. The request shall be made in writing to the board's
26 Office of the Chief Counsel and shall detail the exact locations
27 where sales hours are proposed to be extended, the proposed
28 hours and dates of extended operation and the reason for the
29 proposed extended hours.

30 (6.4) Store alcoholic cider, wine and wine coolers produced

1 by the limited winery at no more than two (2) board-approved
2 locations other than the licensed premises and those premises
3 referenced in clause (3) pertaining to the five (5) board-
4 approved locations for the sale of wine, with no bottling or
5 production requirement at those additional locations and under
6 such conditions and regulations as the board may enforce. If two
7 (2) or more businesses will operate out of the same storage
8 facility, the limited winery must designate specific and
9 distinct areas for its storage. The limited winery's designated
10 storage area must be secured and no one other than the licensee
11 and his employees may be allowed access to the storage area. No
12 board-approved manager will be necessary for the storage
13 facility. The limited winery must fill out an application for
14 such an additional board-approved storage location, and such
15 location shall count as one of the two permitted for each
16 limited winery. The limited winery is responsible for keeping
17 only its own complete records. A limited winery may be cited for
18 a violation of the recordkeeping requirements of sections 512
19 and 513 pertaining to its own records only.

20 (b) The total production of alcoholic ciders, wine and wine
21 coolers by a limited winery may not exceed two hundred thousand
22 (200,000) gallons per year.

23 (c) As used in this section:

24 "Agricultural commodity" shall include any of the following:
25 agricultural, apicultural, horticultural, silvicultural and
26 viticultural commodities.

27 "Farmers market" shall include any building, structure or
28 other place:

29 (1) owned, leased or otherwise in the possession of a
30 person, municipal corporation or public or private organization;

1 (2) used or intended to be used by two or more farmers or an
2 association of farmers, who are certified by the Department of
3 Agriculture of the Commonwealth to participate in the Farmers'
4 Market Nutrition Program subject to 7 CFR Pt. 249 (relating to
5 Senior Farmers' Market Nutrition Program (SFMNP)), for the
6 purpose of selling agricultural commodities produced in this
7 Commonwealth directly to consumers;

8 (3) which is physically located within this Commonwealth;
9 and

10 (4) which is not open for business more than twelve hours
11 each day.

12 Section 46. Section 505.4 of the act, amended December 22,
13 2011 (P.L.530, No.113), is amended to read:

14 Section 505.4. Distilleries.--(a) The board may issue a
15 distillery of historical significance license to any distillery
16 which was established prior to January 1, 1875. The holder of
17 the license may manufacture and sell liquor produced on the
18 licensed premises to the board, to wine and spirits retail
19 licensees, to other entities licensed by the board and to the
20 public under such conditions and regulations as the board may
21 enforce. Production at the distillery of historical significance
22 shall be limited to an amount not to exceed twenty thousand
23 (20,000) gallons per year. The distillery does not need to
24 establish continuous operation since January 1, 1875, in order
25 to qualify for a license under this section.

26 (b) (1) The board may issue a limited distillery license
27 that will allow the holder thereof to operate a distillery that
28 shall not exceed production of one hundred thousand (100,000)
29 gallons of distilled liquor per year. The holder of the license
30 may manufacture and sell bottled liquors produced on the

1 licensed premises to the board, to wine and spirits retail
2 licensees, to other entities licensed by the board and to the
3 public between the hours of nine o'clock antemeridian and eleven
4 o'clock postmeridian so long as a specific code of distilled
5 liquor which is listed for sale as a stock item by the board in
6 State liquor stores may not be offered for sale at a licensed
7 limited distillery location at a price which is lower than that
8 charged by the board and under such conditions and regulations
9 as the board may enforce.

10 (2) (i) The holder of a limited distillery license may,
11 separately or in conjunction with other limited distillery
12 licensees, sell bottled liquors produced by the distillery at no
13 more than two (2) board-approved locations other than the
14 licensed premises, with no bottling or production requirement at
15 those additional board-approved locations and under such
16 conditions and regulations as the board may enforce to the
17 board, to individuals and to entities licensed by the board.

18 (ii) If two (2) or more limited distilleries apply to
19 operate an additional board-approved location in conjunction
20 with each other, the distilleries need only have one (1) board-
21 approved manager for the location, need only pay one application
22 fee and need not designate specific or distinct areas for each
23 distillery's licensed area. A limited distillery must file an
24 application for the additional board-approved location, and that
25 location shall count as one (1) of the two (2) permitted for
26 each limited distillery. A limited distillery is responsible for
27 keeping only its own complete records. A limited distillery may
28 be cited for a violation of the recordkeeping requirements of
29 sections 512 and 513 pertaining to its own records only.

30 (3) The holder of a limited distillery license may apply for

1 and hold a hotel liquor license, a restaurant liquor license or
2 a malt and brewed beverages retail license to sell for
3 consumption at the restaurant or limited distillery on the
4 licensed distillery premises liquor, wine and malt or brewed
5 beverages regardless of the place of manufacture under the same
6 conditions and regulations as any other hotel liquor license,
7 restaurant liquor license or malt and brewed beverages retail
8 license.

9 (4) The holder of a limited distillery license may sell food
10 for consumption on or off the licensed premises and at the
11 limited distillery's additional board-approved locations, and
12 may sell by the glass, at the licensed premises and at the
13 limited distillery's additional board-approved locations, only
14 liquor that may otherwise be sold by the bottle.

15 (5) The holder of a limited distillery license may provide
16 tasting samples of liquor that in total do not exceed one and
17 one-half (1.5) fluid ounces per person on the licensed premises
18 and at the two (2) board-approved locations. Samples may be sold
19 or provided free of charge and may only be provided between the
20 hours of nine o'clock antemeridian and eleven o'clock
21 postmeridian.

22 (6) The fee for the limited distillery license shall be in
23 an amount to be determined by the board but shall not exceed one
24 thousand five hundred dollars (\$1,500).

25 (7) The board may issue to the holder of a distillery
26 license a limited distillery license in exchange for the
27 distillery license provided that the applicant has not
28 manufactured more than one hundred thousand (100,000) gallons of
29 distilled liquor in the prior calendar year. The board may not
30 charge a fee for this exchange. An applicant under this

1 subsection shall surrender his distillery license for
2 cancellation prior to the issuance of the new limited distillery
3 license. The authority of the board to exchange a distillery
4 license for a limited distillery license under this subsection
5 and this subsection shall expire December 31, 2012.

6 (c) (1) The holder of a distillery license as issued under
7 section 505 may sell bottled liquors produced on the licensed
8 premises to the board, to wine and spirits retail licensees and
9 other entities licensed by the board and to the public between
10 the hours of nine o'clock antemeridian and eleven o'clock
11 postmeridian so long as a specific code of distilled liquor
12 which is listed for sale as a stock item by the board in State
13 liquor stores may not be offered for sale at a licensed
14 distillery location at a price which is lower than that charged
15 by the board and under such conditions and regulations as the
16 board may enforce.

17 (2) The holder of a distillery license as issued under
18 section 505 may provide tasting samples of liquor that in total
19 do not exceed one and one-half (1.5) fluid ounces. Samples may
20 be sold or provided free of charge between the hours of nine
21 o'clock antemeridian and eleven o'clock postmeridian.

22 Section 47. Section 508 of the act, amended April 29, 1994
23 (P.L.212, No.30), is amended to read:

24 Section 508. License Fees.--(a) The annual fee for every
25 license issued to a limited winery or a winery shall be as
26 prescribed in section 614-A of the act of April 9, 1929
27 (P.L.177, No.175), known as "The Administrative Code of 1929."
28 The fee for every license issued to a distillery (manufacturer)
29 shall be as prescribed in section 614-A of "The Administrative
30 Code of 1929." The annual fee for all other licenses shall be as

1 prescribed in section 614-A of "The Administrative Code of
2 1929." An applicant for renewal of a license issued under this
3 article shall file a written application with the board together
4 with an application surcharge of seven hundred dollars (\$700).
5 Whenever any checks issued in payment of filing and/or license
6 fees shall be returned to the board as dishonored, the board
7 shall charge a fee of five dollars (\$5.00) per hundred dollars
8 or fractional part thereof, plus all protest fees, to the maker
9 of such check submitted to the board. Failure to make full
10 payment or pay the face amount of the check in full and all
11 charges thereon as herein required within ten days after demand
12 has been made by the board upon the maker of the check, the
13 license of such person shall not be renewed for the license
14 period or validated for any interim period for such year.

15 (b) For the purpose of this section, the term "proof gallon"
16 shall mean a gallon liquid which contains one-half its volume of
17 alcohol of a specific gravity of seven thousand nine hundred
18 thirty-nine ten thousandths (.7939) at sixty degrees Fahrenheit.

19 Section 48. Section 801 of the act is amended to read:

20 Section 801. Moneys Paid Into Liquor License Fund and
21 Returned to Municipalities.--(a) The following fees collected
22 by the board under the provisions of this act shall be paid into
23 the State Treasury through the Department of Revenue into a
24 special fund to be known as the "Liquor License Fund":

25 (1) License fees for hotel, restaurant and club liquor
26 licenses.

27 (2) License fees for retail dispensers' (malt and brewed
28 beverages) licenses.

29 (a.1) The license fees for grocery stores collected by the
30 board under the provisions of this act shall be paid into the

1 State Treasury through the Department of Revenue into The State
2 Stores Fund.

3 (b) The moneys in the Liquor License Fund shall, on the
4 first days of February and August of each year, be paid by the
5 board to the respective municipalities in which the respective
6 licensed places are situated, in such amounts as represent the
7 aggregate license fees collected from licenses in such
8 municipalities during the preceding period.

9 (c) The board shall have the power to appropriate moneys in
10 the Liquor License Fund for the payment of claims for refunds
11 allowed and approved by the board for moneys paid into the
12 Liquor License Fund because of the over-payment or overcharge on
13 license fees. In the event that the moneys in the Liquor License
14 Fund have been distributed to the respective municipalities, the
15 board shall have the authority to deduct from the next semi-
16 annual payment to the respective municipalities the amount of
17 any over-payment previously refunded by the board to any person
18 on account of an overcharge or over-payment on a license fee.

19 Section 49. The act is amended by adding an article to read:

20 ARTICLE VIII-A

21 SUPPLEMENTAL PROVISIONS

22 Section 801-A. Definitions.

23 The following words and phrases when used in this article
24 shall have the meanings given to them in this section unless the
25 context clearly indicates otherwise:

26 "Emergency act." The act of June 6, 1936 (Sp.Sess., P.L.13,
27 No.4), entitled, as reenacted, "An act imposing an emergency
28 State tax on liquor, as herein defined, sold by the Pennsylvania
29 Liquor Control Board; providing for the collection and payment
30 of such tax; and imposing duties upon the Department of Revenue

1 and the Pennsylvania Liquor Control Board."

2 Section 802-A. Controlling provisions.

3 For the purpose of the emergency act, the following shall
4 apply:

5 (1) The term "board" in the emergency act shall include:

6 (i) The board only to the extent the board is making
7 sales:

8 (A) to the general public; or

9 (B) of liquor sold for on-premises consumption
10 to licensees holding a license permitting on-premises
11 consumption of liquor.

12 (ii) A wine or spirits retail licensee.

13 (iii) A wine or spirits wholesale licensee only to
14 the extent the wholesale licensee makes sales of liquor
15 sold for on-premises consumption to licensees holding a
16 license permitting on-premises consumption of liquor.

17 (iv) A grocery store licensee only to the extent
18 that the sales of liquor are not sold under a license
19 authorizing the on-premises consumption of liquor.

20 (v) Any entity selling liquor to another entity that
21 is not required to pay the tax imposed by the emergency
22 act.

23 (2) The term "net price" shall mean total receipts
24 received from the sale of liquor without any deductions for
25 cost or expenses, including, but not limited to:

26 (i) Any reimbursement from manufacturers, purchasers
27 or other parties.

28 (ii) In the case of a bundled sale which includes
29 liquor, the term includes the entire purchase price
30 charged for the bundled sale, unless a fair market price

1 for the liquor is separately stated on the sales document
2 given to the purchaser, then the term shall only include
3 the price charged for the liquor.

4 (3) The tax imposed by the emergency act shall be
5 included in any advertised price, shelf price or any other
6 price for a container of liquor and shall not be listed as an
7 itemized tax on any sales receipt for the sale of liquor.

8 (4) The emergency act shall be administered and enforced
9 under the provisions of Article II of the act of March 4,
10 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
11 including the provisions of Article II concerning returns,
12 payment, assessment and enforcement where applicable, except
13 that the exclusions and exemptions under Article II of the
14 Tax Reform Code of 1971 shall not apply to the emergency act,
15 except for the resale exemption, provided that exemption
16 shall not be claimed for liquor purchased for on-premises
17 consumption.

18 (5) The term "fiscal month" shall mean "calendar month."

19 Section 50. This act shall take effect as follows:

20 (1) The addition of Article III-A of the act shall take
21 effect in 120 days.

22 (2) The addition of sections 401.1, 403.1, 404.1 and
23 406.2 of the act shall take effect in 60 days.

24 (3) The amendment or repeal of sections 207, 215 and 301
25 of the act shall take effect upon completion of divestiture
26 of retail sale operations under Subarticle B of Article III-A
27 of the act.

28 (4) The amendment of section 208 of the act shall take
29 effect upon completion of divestiture of wholesale operation
30 under Subarticle C of Article III-A of the act.

1 (5) The remainder of this act shall take effect
2 immediately.