

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,  
 23 for enforcement and for wine and spirits marketing.

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

3 Providing for wine and spirits distribution.

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

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

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

28 Providing for supplemental provisions.

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

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

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

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

41 \* \* \*

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

1 subsections 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 (h) The board may issue to a convenience store a retail

1 dispenser's license so long as the convenience store complies  
2 with the requirements to hold the license. Notwithstanding any  
3 other provision of law to the contrary, if a convenience store  
4 is located within two miles of a distributor licensed under  
5 section 431 of this act, the convenience store shall purchase a  
6 minimum of fifty per centum of the malt or brewed beverages it  
7 sells from the licensed distributor.

8 Section 26. Sections 436(e) and 437(e) of the act are  
9 amended to read:

10 Section 436. Application for Distributors', Importing  
11 Distributors' and Retail Dispensers' Licenses.--\* \* \*

12 (e) That the applicant is not, or in case of a partnership  
13 or association, that the members or partners are not, and in the  
14 case of a corporation, that the officers and directors are not,  
15 in any manner pecuniarily interested, either directly or  
16 indirectly, in the profits of any other class of business  
17 regulated under this article, except as hereinafter permitted.  
18 The requirements of this section shall not prohibit a  
19 distributor from holding a wine and spirits retail license, or  
20 an importing distributor from holding a wine and spirits  
21 wholesale license, under the conditions provided under Article  
22 III-A.

23 \* \* \*

24 Section 437. Prohibitions Against the Grant of Licenses.--\*

25 \* \*

26 (e) No distributor's or importing distributor's license  
27 shall be issued for any premises in any part of which there is  
28 operated any retail license for the sale of liquor or malt or  
29 brewed beverages. The requirements of this section shall not  
30 prohibit a distributor from holding a wine and spirits retail

1 license or an importing distributor from holding a wine and  
2 spirits wholesale license, under the conditions provided under  
3 Article III-A.

4 \* \* \*

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

7 Section 438. Number and Kinds of Licenses Allowed Same  
8 Licensee.--(a) Any retail dispenser may be granted licenses to  
9 maintain, operate or conduct any number of places for the sale  
10 of malt or brewed beverages, but a separate license must be  
11 secured for each place where malt or brewed beverages are sold.

12 (b) [No person shall possess or be issued more than one  
13 distributor's or importing distributor's license.] A person may  
14 not possess or be issued more than five distributor licenses or  
15 more than one distributor license in a county.

16 (c) No person shall possess more than one class of license,  
17 except that a holder of a retail dispenser's license may also be  
18 a holder of a retail liquor license or a wine and spirits retail  
19 license consistent with the restrictions contained in Article  
20 III-A: Provided, however, That nothing contained in this section  
21 shall be construed to prohibit a member of the governing board  
22 of a public authority created under subdivision (n) of Article  
23 XXIII of the act of August 9, 1955 (P.L.323, No.130), known as  
24 "The County Code," from having an interest in a distributor or  
25 importing distributor license notwithstanding the fact that the  
26 public authority has an interest in one or more retail licenses  
27 or acts as a landlord for one or more retail licenses: And,  
28 provided further, That, notwithstanding any other provision of  
29 this section, an entity may acquire both a manufacturer's  
30 license or a limited winery license and a hotel, restaurant or



1 retail dispenser license for use at the same location and more  
2 than one location may be so licensed. The licenses and a  
3 person's interest in the licenses or in the entity holding the  
4 licenses shall not be subject to this section.

5 Section 28. Section 441 of the act, amended May 31, 1996  
6 (P.L.312, No.49), December 20, 1996 (P.L.1513, No.196), June 18,  
7 1998 (P.L.664, No.86), December 9, 2002 (P.L.1653, No.212), June  
8 28, 2011 (P.L.55, No.11) and December 22, 2011 (P.L.530,  
9 No.113), is amended to read:

10 Section 441. Distributors' and Importing Distributors'  
11 Restrictions on Sales, Storage, Etc.--(a) No distributor or  
12 importing distributor shall purchase, receive or resell any malt  
13 or brewed beverages except:

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

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

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

19 (b) No distributor or importing distributor, except for a  
20 distributor that also holds a distributor package reform permit  
21 under section 431.2, shall sell any malt or brewed beverages in  
22 quantities of less than a case or original containers containing  
23 one hundred twenty-eight ounces or more which may be sold  
24 separately: Provided, That no malt or brewed beverages sold or  
25 delivered shall be consumed upon the premises of the distributor  
26 or importing distributor, or in any place provided for such  
27 purpose by such distributor or importing distributor.

28 Notwithstanding any other provision of this section or act, malt  
29 or brewed beverages which are part of a tasting conducted  
30 pursuant to the board's regulations may be consumed on licensed

1 premises.

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

5 (d) (1) No distributor shall maintain any place for the  
6 storage of malt or brewed beverages except in the same  
7 municipality in which the licensed premises is located and  
8 unless the same has been approved by the board. In the event  
9 there is no place of cold storage in the same municipality, the  
10 board may approve a place of cold storage in the nearest  
11 municipality.

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

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

30 (f) (1) To salvage one or more salable cases from one or

1 more damaged cases, cartons or packages of malt or brewed  
2 beverages, a distributor or importing distributor may repackage  
3 consequent to inadvertent damage and sell a case, carton or  
4 package of identical units of malt or brewed beverages.

5 (2) Repackaging is permissible only to the extent made  
6 necessary by inadvertent damage. Repackaging not consequent to  
7 damage is prohibited.

8 (3) The term "identical units" as used in this subsection  
9 means undamaged bottles or cans of identical brand, package and  
10 volume.

11 (g) All malt or brewed beverages purchased by an importing  
12 distributor from a Pennsylvania manufacturer of malt or brewed  
13 beverages or from any person located outside this Commonwealth  
14 for resale shall be invoiced to the importing distributor, shall  
15 come physically into the possession of such importing  
16 distributor and shall be unloaded into and distributed from the  
17 licensed premises of such importing distributor. The board may  
18 act to further define and control the storage and distribution  
19 of malt or brewed beverages in conformity with this section and  
20 this act.

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

25 (i) Notwithstanding any other provision to the contrary,  
26 when making a sale of malt or brewed beverages to a private  
27 individual, no distributor or importing distributor may be  
28 required to collect the name, address or any other identifying  
29 information of the private individual for the purpose of keeping  
30 a record of the quantity of cases or volume of malt or brewed

1 beverages purchased.

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

6 Section 29. Section 442 of the act, amended December 9, 2002  
7 (P.L.1653, No.212), December 16, 2002 (P.L.1806, No.221), May 8,  
8 2003 (P.L.1, No.1), July 17, 2003 (P.L.63, No.15), November 29,  
9 2006 (P.L.1421, No.155), June 28, 2011 (P.L.55, No.11), December  
10 22, 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007, No.116),  
11 is amended to read:

12 Section 442. Retail Dispensers' Restrictions on Purchases  
13 and Sales.--(a) (1) No retail dispenser shall purchase or  
14 receive any malt or brewed beverages except in original  
15 containers as prepared for the market by the manufacturer at the  
16 place of manufacture. The retail dispenser may thereafter break  
17 the bulk upon the licensed premises and sell or dispense the  
18 same for consumption on or off the premises so licensed. No  
19 retail dispenser may sell malt or brewed beverages for  
20 consumption off the premises in quantities in excess of one  
21 hundred ninety-two fluid ounces[.] unless the licensee acquires  
22 a retail package reform permit issued by the board under section  
23 407(c). Sales may be made in open or closed containers,  
24 Provided, however, That a municipality may adopt an ordinance  
25 restricting open containers in public places. No club licensee  
26 may sell any malt or brewed beverages for consumption off the  
27 premises where sold or to persons not members of the club.

28 (2) Notwithstanding any other provision of law or any  
29 existing permit authorizing the sale of malt or brewed beverages  
30 for consumption off the premises, a retail dispenser licensee

1 located in a city of the first class who is otherwise permitted  
2 to sell malt or brewed beverages for consumption off the  
3 premises may not do so after October 31, 2007, unless it  
4 acquires a permit from the board.

5 (3) The application for a permit to sell malt or brewed  
6 beverages for consumption off the premises shall be on forms  
7 designated by the board and contain such information as the  
8 board may require. The application and renewal fee shall be as  
9 prescribed in section 614-A(28) of the act of April 9, 1929  
10 (P.L.177, No.175), known as "The Administrative Code of 1929."  
11 However, no applicant who currently has a permit shall be  
12 required to pay any additional fees under section 614-A(28) of  
13 "The Administrative Code of 1929" in order to continue selling  
14 malt or brewed beverages for consumption off the premises at its  
15 currently licensed location for the licensing term beginning  
16 November 1, 2007, and ending October 31, 2008.

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

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

1 testimony regarding a request. The hearing board must render a  
2 decision within ninety days of receipt of a request for approval  
3 of a permit to sell malt or brewed beverages for consumption off  
4 the premises. The hearing board must approve the request unless  
5 it finds that doing so would adversely affect the welfare,  
6 health, peace and morals of the city or its residents. A  
7 decision by the hearing board to deny a request may be appealed  
8 to the court of common pleas in the county in which the city is  
9 located. The failure to render a decision by the hearing board  
10 within the required time period shall be deemed approval of the  
11 permit.

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

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

30 (c) For the purpose of this section any person who is an

1 active member of another club which is chartered by the same  
2 state or national organization shall have the same rights and  
3 privileges as members of the particular club.

4 (d) For the purposes of this section, any person who is an  
5 active member of any volunteer firefighting company, association  
6 or group of this Commonwealth, whether incorporated or  
7 unincorporated, shall upon the approval of any club composed of  
8 volunteer firemen licensed under this act, have the same social  
9 rights and privileges as members of such licensed club.

10 (e) (1) The holder of a retail dispenser license located in  
11 a hotel may allow persons to transport malt or brewed beverages  
12 from the licensed portion of the premises to the unlicensed  
13 portion of the premises so long as the malt or brewed beverages  
14 remain on the hotel property.

15 (2) In addition, the holder of a retail dispenser license  
16 located on a golf course may allow its patrons to order malt or  
17 brewed beverages on licensed premises for subsequent delivery by  
18 the licensee on nonlicensed portions of the premises, including  
19 the golf course.

20 (3) In addition, a holder of a restaurant or club license  
21 located on a golf course may sell, furnish or give liquor or  
22 malt or brewed beverages on the unlicensed portion of the golf  
23 course so long as the liquor or malt or brewed beverages remain  
24 on the restaurant, club or golf course.

25 (4) The holder of a restaurant license located immediately  
26 adjacent to and under the same roof of a bowling center may  
27 allow persons to transport liquor or malt or brewed beverages  
28 from the licensed portion of the premises to the unlicensed  
29 portion of the premises so long as the liquor or malt or brewed  
30 beverages remain within the bowling center.

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

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

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

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

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

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

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

28 (7) no malt or brewed beverages may be taken from the  
29 permitted location by a patron, but the applicant may transport  
30 malt or brewed beverages to and from its licensed premises to



1 the proposed premises;

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

5 (9) written notice shall be provided to the board at least  
6 thirty days prior to a catered function. Written notice must  
7 include the location of the function, time of the function, host  
8 of the function, general information regarding the guests  
9 expected at the function as well as any information the board  
10 shall from time to time prescribe. The board may, in its  
11 discretion, accept notice in an electronic format. The board  
12 may, in its discretion, waive the thirty-day notice period for a  
13 catered function if:

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

16 (ii) the applicant is a licensee in good standing with the  
17 board;

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

20 (iv) the applicant pays a late fee of one hundred dollars  
21 (\$100);

22 (10) the board shall, in its discretion, approve or  
23 disapprove a catered function if the applicant fails to provide  
24 timely notice of the catered function, does not intend to  
25 conduct a function that meets the requirements of this act or  
26 has previously conducted a function that did not meet the  
27 requirements of this act;

28 (11) if a catered function is scheduled to occur on private  
29 property, the owner of that property is deemed to have submitted  
30 to the jurisdiction of the enforcement bureau, and the warrant

1 required by section 211(a)(2) of this act shall not be necessary  
2 for the enforcement bureau to enter and search the premises  
3 during the function or any activities related to the function;

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

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

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

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

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

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

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

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

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

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

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

3 (g) Notwithstanding any other provision of law or  
4 regulation, the holder of a retail dispenser license may hold  
5 happy hours up to four consecutive or nonconsecutive hours per  
6 day and up to fourteen hours per week during which the holder  
7 discounts the price of alcoholic beverages. No discounts may be  
8 given between the hours of midnight and the legal closing time.  
9 Notice of all happy hours shall be visibly posted on the  
10 licensed premises seven days prior to the happy hour. Except as  
11 provided in this subsection, a licensee shall comply with the  
12 provisions of 40 Pa. Code § 13.102 (relating to discount pricing  
13 practices). Events conducted under the authority of 40 Pa. Code  
14 § 13.102(b) shall not be counted against the four-hours per day  
15 or fourteen-hours per week.

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

19 Section 443. Interlocking Business Prohibited.--\* \* \*

20 (b) No distributor or importing distributor and no officer  
21 or director of any distributor or importing distributor shall at  
22 the same time be a manufacturer, a retail dispenser or a liquor  
23 licensee, or be an officer, director, stockholder or creditor of  
24 a manufacturer, a retail dispenser or a liquor licensee, or,  
25 directly or indirectly, own any stock of, or have any financial  
26 interest in, or be the owner, proprietor or lessor of, any place  
27 covered by any other malt or brewed beverage or liquor license.  
28 The requirements of this section or any other provision of law,  
29 shall not prohibit the holder of a distributor license from  
30 holding a wine and spirits retail license issued pursuant to

1 Article III-A, or an importing distributor from also holding a  
2 wine and spirits wholesale license issued pursuant to Article  
3 III-A.

4 \* \* \*

5 (h) (1) Notwithstanding any other provision of law, a  
6 manufacturer or licensee and its officers, directors,  
7 shareholders, servants, agents or employes may contribute and a  
8 manufacturer or licensee and its officers, directors,  
9 shareholders, servants, agents or employes may accept moneys or  
10 other things of value solely for the administration of a  
11 responsible alcohol management training program for alcohol  
12 service personnel as provided under section 471.1. The moneys or  
13 other things of value may be provided by or to a manufacturer or  
14 licensee and its officers, directors, shareholders, servants,  
15 agents or employes directly of, by or to a trade organization  
16 consisting, in whole or in part, of a group of licensees.

17 (2) The manufacturer, licensee and trade organization  
18 associated with the person providing moneys or other things of  
19 value must keep a record of the value of the moneys or other  
20 things of value provided, the date provided and the entity to  
21 whom the moneys or other things of value were provided, as part  
22 of the records required under section 493(12).

23 (3) The manufacturer, licensee and trade organization  
24 associated with the person receiving the moneys or other things  
25 of value must keep a record of the value of the moneys or other  
26 things of value received, the date provided, the entity from  
27 whom the moneys or other things of value were received and the  
28 manner in which the moneys or other things of value were used,  
29 as part of the records required under section 493(12) of this  
30 act.

1 Section 31. Section 446(a)(1) of the act, amended December  
2 22, 2011 (P.L.530, No.113), is amended to read:

3 Section 446. Breweries.--(a) Holders of a brewery license  
4 may:

5 (1) Sell malt or brewed beverages produced and owned by the  
6 brewery under such conditions and regulations as the board may  
7 enforce, to individuals for consumption on the licensed premises  
8 in any container or package of any volume and to hotel,  
9 restaurant, club, grocery stores and public service liquor  
10 licensees.

11 \* \* \*

12 Section 32. Section 461(a) of the act, amended October 24,  
13 2012 (P.L.1203, No.149), is amended and the section is amended  
14 by adding a subsection to read:

15 Section 461. Limiting Number of Retail Licenses To Be Issued  
16 In Each County.--(a) No additional restaurant, eating place  
17 retail dispenser or club licenses shall be issued within a  
18 county if the total number of restaurant and eating place retail  
19 dispenser licenses is greater than one license for each three  
20 thousand inhabitants in the county, except the board may issue  
21 licenses to public venues, performing arts facilities,  
22 continuing care retirement communities, airport restaurants,  
23 municipal golf courses, hotels, privately-owned private golf  
24 courses, privately-owned public golf courses, racetracks,  
25 automobile racetracks, nonprimary pari-mutuel wagering  
26 locations, privately-owned ski resorts, grocery stores and to  
27 any other entity which this act specifically exempts from the  
28 limitations provided in this section, and the board may issue a  
29 license to a club situated in a borough having a population less  
30 than eight thousand inhabitants which is located in a county of

1 the second class A whose application is filed on or before  
2 February 28, 2001. In addition, the board may issue an eating  
3 place retail dispenser license for on-premises sales only to the  
4 owner or operator of a facility having a minimum of a one-half  
5 mile asphalt track and having a permanent seating capacity of at  
6 least six thousand people used principally for holding  
7 automobile races, regardless of the number of restaurant and  
8 eating place retail dispenser licenses already issued in that  
9 county. When determining the number of restaurant and eating  
10 place retail dispenser licenses issued in a county for the  
11 purposes of this section, licenses exempted from this limitation  
12 and club licenses shall not be considered. Inhabitants of dry  
13 municipalities shall be considered when determining the  
14 population in a county. Licenses shall not be issued or  
15 transferred into municipalities where such licenses are  
16 prohibited pursuant to local referendum in accordance with  
17 section 472. Licenses approved for intermunicipal transfer may  
18 not be transferred from the receiving municipality for a period  
19 of five years after the date that the licensed premises are  
20 operational in the receiving municipality.

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

26 \* \* \*

27 Section 33. Section 468(a) and (e) of the act, amended or  
28 added December 20, 2000 (P.L.992, No.141), February 21, 2002  
29 (P.L.103, No.10), June 28, 2011 (P.L.55, No.11) and December 22,  
30 2011 (P.L.530, No.113), are amended to read:

1 Section 468. Licenses Not Assignable; Transfers.--(a) (1)  
2 Licenses issued under this article may not be assigned. The  
3 board, upon payment of the transfer filing fee, is hereby  
4 authorized to transfer any license issued by it under the  
5 provisions of this article from one person to another or from  
6 one place to another, or both. Except for restaurant liquor and  
7 eating place retail dispenser licenses transferred under section  
8 461(b.4), if the license is a retail license, the new location  
9 must be within the same county as the existing location or, if  
10 the municipality is located in more than one county, within the  
11 same municipality as the existing location.

12 (2) In the case of distributor and importing distributor  
13 licenses, the board may transfer any such license from its place  
14 in a municipality to a place in any other municipality within  
15 the same county, or from one place to another place within the  
16 same municipality, or exchange a distributor license for an  
17 importing distributor license or an importing distributor  
18 license for a distributor license, if the building for which the  
19 license is to be issued has, in the case of an importing  
20 distributor license, an area under one roof of two thousand five  
21 hundred square feet and, in the case of a distributor license,  
22 an area under one roof of one thousand square feet: And  
23 provided, That, in the case of all transfers of distributor or  
24 importing distributor licenses, whether from a place within the  
25 same municipality to another place within the same municipality  
26 or from a place in a municipality to a place in any other  
27 municipality within the same county, and, in the case of an  
28 exchange of a distributor license for an importing distributor  
29 license or an importing distributor license for a distributor  
30 license, the premises to be affected by the transfer or exchange

1 shall contain an office separate and apart from the remainder of  
2 the premises to be licensed for the purpose of keeping records,  
3 required by the board, adequate toilet facilities for employes  
4 of the licensee and an entrance on a public thoroughfare:  
5 Provided, however, That in the event that the majority of the  
6 voting electors of a municipality, at an election held under the  
7 provisions of any law so empowering them to do, shall vote  
8 against the issuance of distributor or importing distributor  
9 licenses in such municipality, the board is hereby authorized to  
10 transfer any such distributor or importing distributor license  
11 from its place in such municipality to a place in any other  
12 municipality within the same county, upon application prior to  
13 the expiration of any such license and upon payment of the  
14 transfer filing fee and the execution of a new bond; but no  
15 transfer shall be made to a person who would not have been  
16 eligible to receive the license originally nor for the  
17 transaction of business at a place for which the license could  
18 not lawfully have been issued originally, nor, except as herein  
19 provided, to a place as to which a license has been revoked.

20 (3) [No license shall be transferred to any place or  
21 property upon which is located as a business the sale of liquid  
22 fuels and oil.] Except in cases of emergency such as death,  
23 serious illness, or circumstances beyond the control of the  
24 licensee, as the board may determine such circumstances to  
25 justify its action, transfers of licenses may be made only at  
26 times fixed by the board. In the case of the death of a  
27 licensee, the board may transfer the license to the surviving  
28 spouse or personal representative or to a person designated by  
29 him. From any refusal to grant a transfer or upon the grant of  
30 any transfer, the party aggrieved shall have the right of appeal



1 to the proper court in the manner hereinbefore provided.

2 (4) In the event the license to be transferred has been  
3 ordered to serve a suspension under section 471 and has not  
4 served the suspension at the time the board considers the  
5 application and all appeals regarding the suspension have been  
6 exhausted, the board may require the transferee to serve the  
7 suspension as a condition for approval of the transfer. Further,  
8 the board may convert the outstanding suspension into a fine and  
9 require the transferee to pay the fine as a condition for  
10 approval of the transfer. If the board converts the outstanding  
11 suspension to a fine, the fine need not comply with the minimum  
12 and maximum amounts set forth in section 471 for the underlying  
13 citation.

14 \* \* \*

15 (e) Notwithstanding any other provision of law, the board  
16 may not approve an interior connection that is greater than ten  
17 feet wide between a licensed business and another business. This  
18 subsection shall not prohibit the board from approving a renewal  
19 application of a license, even if the licensed business has an  
20 interior connection that is greater than ten feet wide to an  
21 unlicensed business, if the board had approved the interior  
22 connection prior to the effective date of this subsection. This  
23 subsection shall not apply to the holder of a grocery store  
24 retail license.

25 Section 34. Section 470(a) of the act, amended December 22,  
26 2011 (P.L.530, No.113), is amended to read:

27 Section 470. Renewal of Licenses; Temporary Provisions for  
28 Licensees in Armed Service.--(a) All applications for renewal  
29 or validation of licenses under the provisions of this article  
30 shall be filed with tax clearance from the Department of Revenue

1 and the Department of Labor and Industry and requisite license  
2 and filing fees, including an application surcharge of seven  
3 hundred dollars (\$700), at least sixty days before the  
4 expiration date of same: Provided, however, That the board, in  
5 its discretion, may accept nunc pro tunc a renewal application  
6 filed less than sixty days before the expiration date of the  
7 license with the required fees, upon reasonable cause shown and  
8 the payment of an additional filing fee of one hundred dollars  
9 (\$100.00) for late filing: And provided further, That except  
10 where the failure to file a renewal application on or before the  
11 expiration date has created a license quota vacancy after said  
12 expiration date which has been filled by the issuance of a new  
13 license, after such expiration date, but before the board has  
14 received a renewal application nunc pro tunc within the time  
15 prescribed herein the board, in its discretion, may, after  
16 hearing, accept a renewal application filed within two years  
17 after the expiration date of the license with the required fees  
18 upon the payment of an additional filing fee of two hundred  
19 fifty dollars (\$250.00) for late filing. Where any such renewal  
20 application is filed less than sixty days before the expiration  
21 date, or subsequent to the expiration date, no license shall  
22 issue upon the filing of the renewal application until the  
23 matter is finally determined by the board and if an appeal is  
24 taken from the board's action the courts shall not order the  
25 issuance of the renewal license until final determination of the  
26 matter by the courts. The board may enter into an agreement with  
27 the applicant concerning additional restrictions on the license  
28 in question. If the board and the applicant enter into such an  
29 agreement, such agreement shall be binding on the applicant.  
30 Failure by the applicant to adhere to the agreement will be

1 sufficient cause to form the basis for a citation under section  
2 471 and for the nonrenewal of the license under this section. A  
3 renewal application will not be considered filed unless  
4 accompanied by the requisite filing and license fees and any  
5 additional filing fee required by this section. Unless the board  
6 shall have given ten days' previous notice to the applicant of  
7 objections to the renewal of his license, based upon violation  
8 by the licensee or his servants, agents or employes of any of  
9 the laws of the Commonwealth or regulations of the board  
10 relating to the manufacture, transportation, use, storage,  
11 importation, possession or sale of liquors, alcohol or malt or  
12 brewed beverages, or the conduct of a licensed establishment, or  
13 unless the applicant has by his own act become a person of ill  
14 repute, or unless the premises do not meet the requirements of  
15 this act or the regulations of the board, the license of a  
16 licensee shall be renewed. Notwithstanding any other provision  
17 of this act, a noise violation shall not be the sole basis for  
18 objection by the board to the renewal of a license unless the  
19 licensee has received six prior adjudicated noise citations  
20 within a twenty-four-month period.

21 \* \* \*

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

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

26 \* \* \*

27 (b) Hearing on such citations shall be held in the same  
28 manner as provided herein for hearings on applications for  
29 license. Upon such hearing, if satisfied that any such violation  
30 has occurred or for other sufficient cause, the administrative

1 law judge shall immediately suspend or revoke the license, or  
2 impose a fine of not less than [fifty dollars (\$50)] two hundred  
3 fifty dollars (\$250) nor more than [one thousand dollars  
4 (\$1,000)] five thousand dollars (\$5,000), or both, notifying the  
5 licensee by registered letter addressed to his licensed  
6 premises. If the licensee has been cited and found to have  
7 violated section 493(1) insofar as it relates to sales to minors  
8 or sales to a visibly intoxicated person, section 493(10)  
9 insofar as it relates to lewd, immoral or improper entertainment  
10 or section 493(14), (16) or (21), or has been found to be a  
11 public nuisance pursuant to section 611, or if the owner or  
12 operator of the licensed premises or any authorized agent of the  
13 owner or operator has been convicted of any violation of the act  
14 of April 14, 1972 (P.L.233, No.64), known as "The Controlled  
15 Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. §  
16 5902 (relating to prostitution and related offenses) or 6301  
17 (relating to corruption of minors), at or relating to the  
18 licensed premises, the administrative law judge shall  
19 immediately suspend or revoke the license, or impose a fine of  
20 not less than [one thousand dollars (\$1,000)] five thousand  
21 dollars (\$5,000) nor more than [five thousand dollars (\$5,000)]  
22 ten thousand dollars (\$10,000), or both. However, if a licensee  
23 has been cited and found to have violated section 493(1) as it  
24 relates to sales to minors or sales to a visibly intoxicated  
25 person but at the time of the sale the licensee was in  
26 compliance with the requirements set forth in section 471.1 and  
27 the licensee had not sold to minors or visibly intoxicated  
28 persons in the previous four years, then the administrative law  
29 judge shall immediately suspend or revoke the license, or impose  
30 a fine of not less than [fifty dollars (\$50)] one thousand

1 dollars (\$1,000) nor more than [one thousand dollars (\$1,000)]  
2 five thousand dollars (\$5,000), or both. The administrative law  
3 judge shall notify the licensee by registered mail, addressed to  
4 the licensed premises, of such suspension, revocation or fine.  
5 In the event the fine is not paid within twenty days of the  
6 adjudication, the administrative law judge shall suspend or  
7 revoke the license, notifying the licensee by registered mail  
8 addressed to the licensed premises. Suspensions and revocations  
9 shall not go into effect until thirty days have elapsed from the  
10 date of the adjudication during which time the licensee may take  
11 an appeal as provided for in this act, except that revocations  
12 mandated in section 481(c) shall go into effect immediately. Any  
13 licensee whose license is revoked shall be ineligible to have a  
14 license under this act until the expiration of three years from  
15 the date such license was revoked. In the event a license is  
16 revoked, no license shall be granted for the premises or  
17 transferred to the premises in which the said license was  
18 conducted for a period of at least one year after the date of  
19 the revocation of the license conducted in the said premises,  
20 except in cases where the licensee or a member of his immediate  
21 family is not the owner of the premises, in which case the board  
22 may, in its discretion, issue or transfer a license within the  
23 said year. In the event the bureau or the person who was fined  
24 or whose license was suspended or revoked shall feel aggrieved  
25 by the adjudication of the administrative law judge, there shall  
26 be a right to appeal to the board. The appeal shall be based  
27 solely on the record before the administrative law judge. The  
28 board shall only reverse the decision of the administrative law  
29 judge if the administrative law judge committed an error of law,  
30 abused its discretion or if its decision is not based on

1 substantial evidence. In the event the bureau or the person who  
2 was fined or whose license was suspended or revoked shall feel  
3 aggrieved by the decision of the board, there shall be a right  
4 to appeal to the court of common pleas in the same manner as  
5 herein provided for appeals from refusals to grant licenses.  
6 Each of the appeals shall act as a supersedeas unless, upon  
7 sufficient cause shown, the reviewing authority shall determine  
8 otherwise; however, if the licensee has been cited and found to  
9 have violated section 493(1) insofar as it relates to sales to  
10 minors or sales to a visibly intoxicated person, section 493(10)  
11 insofar as it relates to lewd, immoral or improper entertainment  
12 or section 493(14), (16) or (21), or has been found to be a  
13 public nuisance pursuant to section 611, or if the owner or  
14 operator of the licensed premises or any authorized agent of the  
15 owner or operator has been convicted of any violation of "The  
16 Controlled Substance, Drug, Device and Cosmetic Act," or of 18  
17 Pa.C.S. § 5902 or 6301, at or relating to the licensed premises,  
18 or if the license has been revoked under section 481(c), its  
19 appeal shall not act as a supersedeas unless the reviewing  
20 authority determines otherwise upon sufficient cause shown. In  
21 any hearing on an application for a supersedeas under this  
22 section, the reviewing authority may consider, in addition to  
23 other relevant evidence, documentary evidence, including records  
24 of the bureau, showing the prior history of citations, fines,  
25 suspensions or revocations against the licensee; and the  
26 reviewing authority may also consider, in addition to other  
27 relevant evidence, evidence of any recurrence of the unlawful  
28 activity occurring between the date of the citation which is the  
29 subject of the appeal and the date of the hearing. If the  
30 reviewing authority is the board, no hearing shall be held on

1 the application for a supersedeas; however, a decision shall be  
2 made based on the application, answer and documentary evidence  
3 under this subsection. If the application for a supersedeas is  
4 for a license that has been revoked under section 481(c), the  
5 reviewing authority shall grant the supersedeas only if it finds  
6 that the licensee will likely prevail on the merits. No penalty  
7 provided by this section shall be imposed for any violations  
8 provided for in this act unless the bureau notifies the licensee  
9 of its nature within thirty days of the completion of the  
10 investigation.

11 \* \* \*

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

30 \* \* \*

1 Section 36. Section 471.1(a) of the act, added December 20,  
2 2000 (P.L.992, No.141), is amended to read:

3 Section 471.1. Responsible Alcohol Management.--(a) The  
4 board is authorized to offer a responsible alcohol service  
5 program to licensees. The program shall consist of four parts:  
6 new employe orientation, training for alcohol service personnel,  
7 manager/owner training and the displaying of responsible alcohol  
8 service signage. New employe orientation shall consist of  
9 orienting newly hired alcohol service personnel as to  
10 Pennsylvania law relating to the sale, furnishing or serving of  
11 alcoholic beverages to minors and visibly intoxicated persons.  
12 It shall also mean orienting newly hired alcohol service  
13 personnel to responsible server practices, as the term is  
14 defined by the board, through regulation. Training for alcohol  
15 service personnel shall be as set forth by the board, but at  
16 minimum it shall consist of training to prevent service of  
17 alcohol to minors and to visibly intoxicated persons.  
18 Manager/owner training shall be as set forth by the board, but  
19 at a minimum it shall consist of training on how to monitor  
20 employes, proper service of alcohol and how to develop an  
21 appropriate alcohol service policy. The responsible alcohol  
22 service signage shall be as set forth by the board and shall  
23 consist of signage dealing with the licensee's policy against  
24 sales to minors and visibly intoxicated persons. Alcohol service  
25 personnel training [may] shall be conducted by [the board or by  
26 an entity] entities certified by the board to conduct such  
27 training.

28 \* \* \*

29 Section 37. Section 472(a) of the act, amended February 21,  
30 2002 (P.L.103, No.10), is amended to read:



1 Section 472. Local Option.--(a) In any municipality or any  
2 part of a municipality where such municipality is split so that  
3 each part thereof is separated by another municipality, an  
4 election may be held, subject to subsection (c), on the date of  
5 the primary election immediately preceding any municipal  
6 election, but not oftener than once in four years, to determine  
7 the will of the electors with respect to the granting of liquor  
8 licenses to hotels, restaurants, resort facilities and clubs,  
9 not oftener than once in four years, to determine the will of  
10 the electors with respect to the granting of liquor licenses to  
11 public venues, to performing arts facilities, to continuing care  
12 retirement communities, to hotels located on property owned by  
13 an accredited college or university, to privately-owned private  
14 golf courses or to privately-owned public golf courses, not  
15 oftener than once in four years, to determine the will of the  
16 electors with respect to the granting of licenses to retail  
17 dispensers of malt and brewed beverages, not oftener than once  
18 in four years, to determine the will of the electors with  
19 respect to granting of licenses to wholesale distributors and  
20 importing distributors, not more than once in two years, to  
21 determine the will of the electors with respect to the granting  
22 of club liquor licenses or club retail dispenser licenses to  
23 incorporated units of national veterans' organizations, not  
24 oftener than once in two years to determine the will of the  
25 electors with respect to the granting of special occasion  
26 permits to qualified organizations, not more than once in two  
27 years, to determine the will of the electors with respect to  
28 granting of licenses to grocery stores, or not more than once in  
29 four years, to determine the will of the electors with respect  
30 to the establishment[, operation and maintenance by the board of

1 Pennsylvania liquor stores] of wine and spirits retail  
2 licensees, within the limits of such municipality or part of a  
3 split municipality, under the provisions of this act: Provided,  
4 however, Where an election shall have been held at the primary  
5 preceding a municipal election in any year, another election may  
6 be held under the provisions of this act at the primary  
7 occurring the fourth year after such prior election: And  
8 provided further, That an election on the question of  
9 establishing and operating a State liquor store shall be  
10 initiated only in those municipalities, or that part of a split  
11 municipality that shall have voted against the granting of  
12 liquor licenses; and that an election on the question of  
13 granting wholesale distributor and importing distributor  
14 licenses shall be initiated only in those municipalities or  
15 parts of split municipalities that shall have at a previous  
16 election voted against the granting of dispenser's licenses.  
17 Whenever electors equal to at least twenty-five per centum of  
18 the highest vote cast for any office in the municipality or part  
19 of a split municipality at the last preceding general election  
20 shall file a petition with the county board of elections of the  
21 county for a referendum on the question of granting any of said  
22 classes of licenses [or the establishment of Pennsylvania liquor  
23 stores], the said county board of elections shall cause a  
24 question to be placed on the ballots or on the voting machine  
25 board and submitted at the primary immediately preceding the  
26 municipal election. Separate petitions must be filed for each  
27 question to be voted on. Said proceedings shall be in the manner  
28 and subject to the provisions of the election laws which relate  
29 to the signing, filing and adjudication of nomination petitions,  
30 insofar as such provisions are applicable.

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

3 Do you favor the granting of liquor licenses for the  
4 sale of liquor in..... Yes  
5 of.....? No

6 When the question is in respect to the granting of liquor  
7 licenses to resort facilities in those municipalities that do  
8 not already allow the retail sale of liquor, it shall be in the  
9 following form:

10 Do you favor the granting of liquor licenses to resort  
11 facilities for the sale of liquor in the..... Yes  
12 of.....? No

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

17 Do you favor the granting of liquor licenses to public  
18 venues for the sale of liquor in the..... Yes  
19 of.....? No

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

24 Do you favor the granting of liquor licenses to  
25 performing arts facilities for the sale of liquor in  
26 the..... Yes  
27 of.....? No

28 When the question is in respect to the granting of liquor  
29 licenses for hotels located on property owned by an accredited  
30 college or university in those municipalities that do not

1 already allow the granting of liquor licenses, it shall be in  
2 the following form:

3 Do you favor the granting of liquor licenses to hotels  
4 on property owned by an accredited college or university  
5 in the..... Yes  
6 of.....? No

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

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

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

17 Do you favor the granting of liquor licenses for  
18 privately-owned public golf courses for the sale of  
19 liquor in.....by..... Yes  
20 of.....? No

21 When the question is in respect to the granting of liquor  
22 licenses to continuing care retirement communities in those  
23 municipalities that have not already approved the granting of  
24 liquor licenses, it shall be in the following form:

25 Do you favor the granting of liquor licenses for  
26 continuing care retirement communities  
27 in.....by..... Yes  
28 of.....? No

29 When the question is in respect to the granting of licenses  
30 to retail dispensers of malt and brewed beverages, it shall be

1 in the following form:

2 Do you favor the granting of malt and brewed beverage  
3 retail dispenser licenses for consumption on premises  
4 where sold in the..... Yes  
5 of.....? No

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

9 Do you favor the granting of licenses for grocery stores  
10 for the sale of wine for consumption off the premises  
11 in.....by..... Yes  
12 of.....? No

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

16 Do you favor the granting of malt and brewed beverage  
17 wholesale distributor's and importing distributor's  
18 licenses not for consumption on premises where sold in  
19 the..... Yes  
20 of.....? No

21 When the question is in respect to the granting of club  
22 liquor licenses to incorporated units of national veterans'  
23 organizations, it shall be in the following form:

24 Do you favor the granting of club liquor licenses to  
25 incorporated units of national veterans' organizations  
26 in the..... Yes  
27 of.....? No

28 When the question is in respect to the granting of club  
29 retail dispenser licenses to incorporated units of national  
30 veterans' organizations, it shall be in the following form:

1 Do you favor the granting of club retail dispenser  
2 licenses to incorporated units of national veterans'  
3 organizations in the..... Yes  
4 of.....? No

5 When the question is in respect to the granting of special  
6 occasion permits allowing the sale of liquor by qualified  
7 organizations in municipalities that do not already allow the  
8 retail sale of liquor, it shall be in the following form:

9 Do you favor the granting of special occasion permits to  
10 allow the sale of liquor by qualified organizations in  
11 the..... Yes  
12 of.....? No

13 When the question is in respect to the granting of special  
14 occasion permits allowing the sale of malt or brewed beverages  
15 only by qualified organizations in municipalities that do not  
16 already allow the retail sale of malt or brewed beverages, it  
17 shall be in the following form:

18 Do you favor the granting of special occasion permits to  
19 allow the sale of malt or brewed beverages only by  
20 qualified organizations in the..... Yes  
21 of.....? No

22 When the question is in respect to the [establishment,  
23 operation and maintenance of Pennsylvania liquor stores]  
24 granting of licenses to wine and spirits retail operators for  
25 the sale of liquor for consumption off the premises, it shall be  
26 in the following form:

27 Do you favor the [establishment, operation and Yes  
28 maintenance of Pennsylvania liquor stores] granting of No  
29 wine and spirits retail licenses for the sale of liquor  
30 for consumption off the premises in

1 the.....

2 of.....?

3 In case of a tie vote, the status quo shall obtain. If a  
4 majority of the voting electors on any such question vote "yes,"  
5 then liquor licenses shall be granted by the board to hotels,  
6 restaurants, resort facilities and clubs, or liquor licenses  
7 shall be granted by the board to public venues, to performing  
8 arts facilities, to continuing care retirement communities, to  
9 hotels located on property owned by an accredited college or  
10 university, to privately-owned private golf courses or to  
11 privately-owned public golf courses, or malt and brewed beverage  
12 retail dispenser licenses or wholesale distributor's and  
13 importing distributor's license for the sale of malt or brewed  
14 beverages shall be granted by the board, or club liquor licenses  
15 or club retail dispenser licenses shall be granted by the board  
16 to incorporated units of national veterans' organizations, or  
17 special occasion permits may be issued to qualified  
18 organizations, or [the board may establish, operate and maintain  
19 Pennsylvania liquor stores] licenses to grocery stores or to  
20 wine and spirits retail licensees, as the case may be, in such  
21 municipality or part of a split municipality, as provided by  
22 this act; but if a majority of the electors voting on any such  
23 question vote "no," then the board shall have no power to grant  
24 or to renew upon their expiration any licenses of the class so  
25 voted upon in such municipality or part of a split  
26 municipality[; or if the negative vote is on the question in  
27 respect to the establishment, operation and maintenance of  
28 Pennsylvania liquor stores, the board shall not open and operate  
29 a Pennsylvania liquor store in such municipality or part of a  
30 split municipality, nor continue to operate a then existing

1 Pennsylvania liquor store in the municipality or part of a split  
2 municipality for more than two years thereafter or after the  
3 expiration of the term of the lease on the premises occupied by  
4 such store, whichever period is less, unless and until at a  
5 later election a majority of the voting electors vote "yes" on  
6 such question].

7 \* \* \*

8 Section 38. Section 491 of the act, amended October 5, 1994  
9 (P.L.522, No.77), February 21, 2002 (P.L.103, No.10), December  
10 9, 2002 (P.L.1653, No.212), July 17, 2003 (P.L.63, No.15),  
11 December 22, 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007,  
12 No.116), is amended to read:

13 Section 491. Unlawful Acts Relative to Liquor, Alcohol and  
14 Liquor Licensees.--

15 It shall be unlawful--

16 (1) Sales of Liquor. For any person, by himself or by an  
17 employe or agent, to expose or keep for sale, or directly or  
18 indirectly, or upon any pretense or upon any device, to sell or  
19 offer to sell any liquor within this Commonwealth, except in  
20 accordance with the provisions of this act and the regulations  
21 of the board. This clause shall not be construed to prohibit  
22 hospitals, physicians, dentists or veterinarians who are  
23 licensed and registered under the laws of this Commonwealth from  
24 administering liquor in the regular course of their professional  
25 work and taking into account the cost of the liquor so  
26 administered in making charges for their professional service,  
27 or a pharmacist duly licensed and registered under the laws of  
28 this Commonwealth from dispensing liquor on a prescription of a  
29 duly licensed physician, dentist or veterinarian, or selling  
30 medical preparations containing alcohol, or using liquor in



1 compounding prescriptions or medicines and making a charge for  
2 the liquor used in such medicines, or a manufacturing pharmacist  
3 or chemist from using liquor in manufacturing preparations unfit  
4 for beverage purposes and making a charge for the liquor so  
5 used. All such liquors so administered or sold by hospitals,  
6 physicians, dentists, veterinarians, pharmacists or chemists  
7 shall conform to the Pharmacopoeia of the United States, the  
8 National Formulary, or the American Homeopathic Pharmacopoeia.  
9 This clause shall not be construed to prohibit an executor or an  
10 administrator of a decedent's estate from selling privately or  
11 at public auction liquor which was an asset of the decedent. The  
12 board shall establish regulations to ensure that State taxes  
13 from the sales will be paid by the estate from the proceeds of  
14 the sale. The board may not prohibit a sale of liquor for the  
15 reason that it was not lawfully acquired prior to January 1,  
16 1934 or has not been purchased from a Pennsylvania Liquor Store  
17 or in compliance with Pennsylvania law.

18 (2) Possession or Transportation of Liquor or Alcohol. For  
19 any person, except a manufacturer or the board or the holder of  
20 a sacramental wine license or of an importer's license or a wine  
21 and spirits retail licensee, to possess or transport any liquor  
22 or alcohol within this Commonwealth which was not lawfully  
23 acquired prior to January first, one thousand nine hundred and  
24 thirty-four, or has not been purchased from a Pennsylvania  
25 Liquor Store, a wine and spirits wholesale licensee or a  
26 licensed limited winery in Pennsylvania, except in accordance  
27 with section 488 or the board's regulations. In addition, it  
28 shall be lawful for anyone to possess miniatures totaling less  
29 than one gallon purchased in another state or a foreign country.  
30 The burden shall be upon the person possessing or transporting

1 such liquor or alcohol to prove that it was so acquired.  
2 Notwithstanding this section or any other provision of the law,  
3 wine may be produced by any person without a license if the wine  
4 is not produced for sale and total production does not exceed  
5 two hundred gallons per calendar year. Wine produced in  
6 accordance with this clause may be used at organized affairs,  
7 exhibitions, competitions, contests, tastings or judgments if it  
8 is not sold or offered for sale.

9 None of the provisions herein contained shall prohibit nor  
10 shall it be unlawful for any person to import into Pennsylvania,  
11 transport or have in his possession, an amount of liquor not  
12 exceeding one gallon in volume upon which a State tax has not  
13 been paid, if it can be shown to the satisfaction of the board  
14 that such person purchased the liquor in a foreign country or  
15 United States territory and was allowed to bring it into the  
16 United States. Neither shall the provisions contained herein  
17 prohibit nor make it unlawful for (i) any member of the armed  
18 forces on active duty, or (ii) any retired member of the armed  
19 forces, or (iii) any totally disabled veteran, or (iv) the  
20 spouse of any person included in the foregoing classes of  
21 persons to import into Pennsylvania, transport or have in his  
22 possession an amount of liquor not exceeding one gallon per  
23 month in volume upon which the State tax has not been paid, so  
24 long as such liquor has been lawfully purchased from a package  
25 store established and maintained under the authority of the  
26 United States and is in containers identified in accordance with  
27 regulations issued by the Department of Defense. Such liquor  
28 shall not be possessed, offered for sale or sold on any licensed  
29 premises. The term "package store" as used in this clause shall  
30 mean those retail operations located on any of the United States

1 military installations, including an installation of the Army,  
2 Navy, Air Force, Marine Corps or Coast Guard.

3 None of the provisions herein contained shall prohibit nor  
4 shall it be unlawful for any consul general, consul or other  
5 diplomatic officer of a foreign government to import into  
6 Pennsylvania, transport or have in his possession liquor upon  
7 which a State tax has not been paid, if it can be shown to the  
8 satisfaction of the board that such person acquired the liquor  
9 in a foreign country and was allowed to bring it into the United  
10 States. Such liquor shall not be possessed, offered for sale or  
11 sold on any licensed premises.

12 Any person violating the provisions of this clause for a  
13 first offense involving the possession or transportation in  
14 Pennsylvania of any liquor in a package (bottle or other  
15 receptacle) or wine not purchased from a Pennsylvania Liquor  
16 Store, a wine and spirits wholesale licensee, a wine and spirits  
17 retail licensee or from a licensed limited winery in  
18 Pennsylvania, with respect to which satisfactory proof is  
19 produced that the required Federal tax has been paid and which  
20 was purchased, procured or acquired legally outside of  
21 Pennsylvania shall upon conviction thereof in a summary  
22 proceeding be sentenced to pay a fine of twenty-five dollars  
23 (\$25) for each such package, plus costs of prosecution, or  
24 undergo imprisonment for a term not exceeding ninety (90) days.  
25 Each full quart or major fraction thereof shall be considered a  
26 separate package (bottle or other receptacle) for the purposes  
27 of this clause. Such packages of liquor shall be forfeited to  
28 the Commonwealth in the manner prescribed in Article VI of this  
29 act but the vehicle, boat, vessel, animal or aircraft used in  
30 the illegal transportation of such packages shall not be subject

1 to forfeiture: Provided, however, That if it is a second or  
2 subsequent offense or if it is established that the illegal  
3 possession or transportation was in connection with a commercial  
4 transaction, then the other provisions of this act providing for  
5 prosecution as a misdemeanor and for the forfeiture of the  
6 vehicle, boat, vessel, animal or aircraft shall apply.

7 (3) Purchase of Liquor or Alcohol. For any person within  
8 this Commonwealth, by himself or by an employe or agent, to  
9 attempt to purchase, or directly or indirectly, or upon any  
10 pretense or device whatsoever, to purchase any liquor or alcohol  
11 from any person or source [other than a Pennsylvania Liquor  
12 Store], except in accordance with the provisions of this act or  
13 the regulations of the board.

14 (4) Possession and Use of Decanters. For any person to use  
15 decanters of alcoholic beverages except that the use of  
16 decanters or other similar receptacles by licensees shall be  
17 permitted in the case of wines and then only in accordance with  
18 the regulations of the board, but nothing herein contained shall  
19 prohibit the manufacture and possession of wine as provided in  
20 clause (2) of this section.

21 (5) Failure to Properly Dispose of Empty Liquor Containers.  
22 For any restaurant, hotel or club licensee, his servants, agents  
23 or employes, to fail to break any package in which liquors were  
24 contained, except those decanter packages that the board  
25 determines to be decorative, within twenty-four hours after the  
26 original contents were removed therefrom, unless the licensee  
27 participates in either a municipal recycling program, in  
28 accordance with the act of July 28, 1988 (P.L.556, No.101),  
29 known as the "Municipal Waste Planning, Recycling and Waste  
30 Reduction Act," or a voluntary recycling program. The licensee

1 shall provide proof in writing of the participation in a  
2 recycling program upon the demand of the Bureau of Liquor  
3 Control Enforcement of the Pennsylvania State Police. The proof  
4 of participation shall be provided in a manner as prescribed by  
5 the Pennsylvania Liquor Control Board.

6 (6) Sales by Restaurant and Hotel Liquor Licensees. For any  
7 restaurant or hotel licensee, his servants, agents or employes,  
8 to sell any liquor or malt or brewed beverages for consumption  
9 on the licensed premises except in a room or rooms or place on  
10 the licensed premises at all times accessible to the use and  
11 accommodation of the general public, but this section shall not  
12 be interpreted to prohibit a restaurant liquor licensee from  
13 providing private affairs the primary function of which is for  
14 catering only to weddings or special occasions arranged twenty-  
15 four hours in advance, nor to prohibit a hotel licensee, or a  
16 restaurant licensee when the restaurant is located in a hotel,  
17 from selling liquor or malt or brewed beverages in any room of  
18 such hotel occupied by a bona fide guest or to prohibit a  
19 restaurant licensee from selling liquor or malt or brewed  
20 beverages in a bowling alley where the restaurant and bowling  
21 alley are immediately adjacent and under the same roof.

22 (7) Sales of Liquor by Manufacturers and Licensed Importers.  
23 For any manufacturer or licensed importer of liquor in this  
24 Commonwealth, his agents, servants or employes, to sell or offer  
25 to sell any liquor in this Commonwealth except to the board for  
26 use in Pennsylvania Liquor Stores, a wine and spirits wholesale  
27 licensee, and in the case of a manufacturer, to the holder of a  
28 sacramental wine license or an importer's license.  
29 Notwithstanding any other provision of this act, a manufacturer  
30 or licensed importer may sell or offer to sell liquor for

1 delivery outside of this Commonwealth.

2 (8) Importation and Sales of Alcohol. For any person, to  
3 import alcohol into this Commonwealth, or to sell alcohol to any  
4 person, except in accordance with section 488 and the provisions  
5 of this act or the regulations of the board.

6 (9) Possession of Alcohol. For any person, to have alcohol  
7 in his possession, except in accordance with the provisions of  
8 this act and the regulations of the board.

9 (10) Fortifying, Adulterating or Contaminating Liquor. For  
10 any licensee or any employe or agent of a licensee or of the  
11 board, to fortify, adulterate or contaminate any liquor, except  
12 as permitted by the regulations of the board, or to refill  
13 wholly or in part, with any liquid or substance whatsoever, any  
14 liquor bottle or other liquor container.

15 (11) Importation of Liquor. For any person, other than the  
16 board, a wine and spirits wholesale licensee or the holder of a  
17 sacramental wine license, an importer's license or a direct  
18 shipper's license, to import any liquor whatsoever into this  
19 Commonwealth, but this section shall not be construed to  
20 prohibit railroad and pullman companies from purchasing and  
21 selling liquors purchased outside the Commonwealth in their  
22 dining, club and buffet cars which are covered by public service  
23 liquor licenses and which are operated in this Commonwealth.

24 (12) Delivery of Liquor by Certain Licensees. For a liquor  
25 licensee permitted to deliver liquor, to make any deliveries  
26 except in his own vehicles bearing his name, address and license  
27 number on each side in letters not smaller than two inches in  
28 height, or in the vehicle of another person duly authorized to  
29 transport liquor within this Commonwealth.

30 (13) Violation of Certain Rules and Regulations of Board.

1 For any person, to violate any rules and regulations adopted by  
2 the board [to insure the equitable] relating to wholesale and  
3 retail sale and distribution of liquor and alcohol [through the  
4 Pennsylvania Liquor Stores] in accordance with the provisions of  
5 this act.

6 (14) Offering Commission or Gift to Members of Board [or  
7 State Employee]. For any person [selling or offering to sell  
8 liquor or alcohol to, or purchasing at wholesale liquor or  
9 alcohol from, the board] licensed by the board, either directly  
10 or indirectly, to pay or offer to pay any commission, profit or  
11 remuneration, or to make or offer to make any gift to any member  
12 or employe of the board [or other employe of the Commonwealth]  
13 or to anyone on behalf of such member or employe.

14 (15) Importation of alcohol from other states.  
15 Notwithstanding any other provision of this act, it shall not be  
16 unlawful for a nonlicensed resident of this Commonwealth to  
17 purchase alcohol outside of this Commonwealth and import that  
18 alcohol back into this Commonwealth so long as the nonlicensed  
19 resident remits all applicable taxes to the Department of  
20 Revenue. This section shall not apply to alcohol which is  
21 shipped into this Commonwealth. Section 488 shall be the sole  
22 law governing the shipment of alcohol into this Commonwealth.

23 Section 39. Section 492 of the act, amended February 18,  
24 1998 (P.L.162, No.25), November 10, 1999 (P.L.514, No.47),  
25 December 20, 2000 (P.L.992, No.141), December 9, 2002 (P.L.1653,  
26 No.212), January 6, 2006 (P.L.1, No.1) and December 22, 2011  
27 (P.L.530, No.113), is amended to read:

28 Section 492. Unlawful Acts Relative to Malt or Brewed  
29 Beverages and Licensees.--

30 It shall be unlawful--

1 (1) Manufacturing Without License. Except as provided  
2 herein, for any person, to manufacture malt or brewed beverages,  
3 unless such person holds a valid manufacturer's license for such  
4 purpose issued by the board. Malt or brewed beverages may be  
5 produced by any person without a license if such malt or brewed  
6 beverages are produced not for sale and total production does  
7 not exceed two hundred gallons per calendar year. Malt or brewed  
8 beverages produced in accordance with this paragraph may be used  
9 at organized affairs, exhibitions, competitions, contests,  
10 tastings or judging provided it is not sold or offered for sale.

11 (2) Sales of Malt or Brewed Beverages for Consumption on the  
12 Premises. For any person, to sell to another for consumption  
13 upon the premises where sold or to permit another to consume  
14 upon the premises where sold, any malt or brewed beverages,  
15 unless such person holds a valid retail dispenser license or a  
16 valid liquor license issued by the board authorizing the sale of  
17 malt or brewed beverages for consumption upon such premises.

18 (3) Sales of Malt or Brewed Beverages Not for Consumption on  
19 the Premises. For any person, to sell to another any malt or  
20 brewed beverages not for consumption upon the premises where  
21 sold, unless such person holds a valid license permitting such  
22 sale.

23 (5) Sales of Malt or Brewed Beverages by Hotels, Eating  
24 Places or Public Service Licensees During Prohibited Hours.--For  
25 any hotel or eating place holding a retail dispenser's license,  
26 or the servants, agents or employes of such licensees, to sell,  
27 trade or barter in malt or brewed beverages between the hours of  
28 two o'clock antemeridian Sunday and seven o'clock in the  
29 forenoon of the following Monday, or between the hours of two  
30 o'clock antemeridian and seven o'clock antemeridian of any week



1 day: Provided, That notwithstanding any provision to the  
2 contrary, whenever the thirty-first day of December falls on a  
3 Sunday such sales of malt or brewed beverages may be made on  
4 such day after one o'clock postmeridian and until two o'clock  
5 antemeridian of the following day. For any public service  
6 licensee authorized to sell malt or brewed beverages or the  
7 servants, agents or employes of such licensees to sell, trade or  
8 barter in malt or brewed beverages between the hours of two  
9 o'clock antemeridian and seven o'clock antemeridian on any day.

10 (7) Clubs Selling Between Three O'Clock Antemeridian and  
11 Seven O'Clock Antemeridian. For any club retail dispenser, or  
12 its servants, agents or employes, to sell malt or brewed  
13 beverages between the hours of three o'clock antemeridian and  
14 seven o'clock antemeridian on any day.

15 (8) Transportation and Importation of Malt or Brewed  
16 Beverages. For any person, to transport malt or brewed beverages  
17 except in the original containers, or to transport malt or  
18 brewed beverages for another who is engaged in selling either  
19 liquor or malt or brewed beverages, unless such person shall  
20 hold (a) a license to transport for hire, alcohol, liquor and  
21 malt or brewed beverages, as hereinafter provided in this act,  
22 or (b) shall hold a permit issued by the board and shall have  
23 paid to the board such permit fee, as prescribed in section 614-  
24 A of the act of April 9, 1929 (P.L.177, No.175), known as "The  
25 Administrative Code of 1929," any other law to the contrary  
26 notwithstanding. This clause shall not be construed:

27 (i) to prohibit transportation of malt or brewed beverages  
28 through this Commonwealth and not for delivery in this  
29 Commonwealth if such transporting is done in accordance with the  
30 rules and regulations of the board; or

1 (ii) to prohibit railroad and Pullman companies from selling  
2 malt or brewed beverages purchased outside this Commonwealth in  
3 their dining, club and buffet cars which are covered by public  
4 service liquor licenses and which are operated in this  
5 Commonwealth.

6 (9) Transportation of Malt or Brewed Beverages by Licensee.  
7 For a malt or brewed beverage licensee, to deliver or transport  
8 any malt or brewed beverages, excepting in vehicles bearing the  
9 name and address and license number of such licensee painted or  
10 affixed on each side of such vehicle in letters no smaller than  
11 two inches in height and for purposes not prohibited under this  
12 act.

13 (11) Delivery of Malt or Brewed Beverages With Other  
14 Commodities. For any manufacturer, importing distributor or  
15 distributor, or his servants, agents or employes, except with  
16 board approval, to deliver or transport any malt or brewed  
17 beverages in any vehicle in which any other commodity is being  
18 transported.

19 (12) Distributors and Importing Distributors Engaging in  
20 Other Business. For any distributor or importing distributor, or  
21 his servants, agents or employes, without the approval of the  
22 board, and then only in accordance with board regulations, to  
23 engage in any other business whatsoever, except the business of  
24 distributing malt or brewed beverages, except that the sale of  
25 the following goods shall be permitted on the licensed premises  
26 of a distributor or importing distributor:

27 (i) Any book, magazine or other publication related to malt  
28 or brewed beverages.

29 (ii) Any equipment, ingredients or other supplies necessary  
30 for the unlicensed manufacture of malt or brewed beverages as

1 described in paragraph (1), commonly known as "homebrewing."  
2 If the holder of a distributor license acquires a wine and  
3 spirits retail license pursuant to Article III-A for use at its  
4 licensed premises, it may engage in the sale of liquor, so long  
5 as the licensee meets all of the requirements of this act. If  
6 the holder of an importing distributor license acquires a wine  
7 and spirits wholesale license pursuant to Article III-A for use  
8 at its licensed premises, it may engage in the sale of liquor,  
9 so long as the licensee meets all of the requirements of this  
10 act. The board shall promulgate regulations consistent with this  
11 act governing the sale of any other items by a distributor that  
12 acquires a wine and spirits retail license, as well as the sale  
13 of other items by an importing distributor that acquires a wine  
14 and spirits wholesale license.

15 (13) Possession or Storage of Liquor or Alcohol by Certain  
16 Licensees. For any distributor, importing distributor or retail  
17 dispenser, or his servants, agents or employes, to have in his  
18 possession, or to permit the storage of on the licensed premises  
19 or in any place contiguous or adjacent thereto accessible to the  
20 public or used in connection with the operation of the licensed  
21 premises, any alcohol or liquor. This section may not prohibit a  
22 distributor that holds a wine and spirits retail license, or an  
23 importing distributor that holds a wine and spirits wholesale  
24 license, from possessing or permitting the storage of liquor on  
25 the licensed premises used in connection with the operation of  
26 the licensed premises.

27 (14) Malt or Brewed Beverage Licensees Dealing in Liquor or  
28 Alcohol. For any malt or brewed beverage licensee, other than a  
29 distributor that holds a wine and spirits retail license, or an  
30 importing distributor that holds a wine and spirits wholesale

1 license, a manufacturer, or the servants, agents or employes  
2 thereof, to manufacture, import, sell, transport, store, trade  
3 or barter in any liquor or alcohol.

4 (15) Selling to Persons Doing Illegal Business. For any malt  
5 or brewed beverage licensee, or his servants, agents or  
6 employes, to knowingly sell any malt or brewed beverages to any  
7 person engaged in the business of illegally selling liquor or  
8 malt or brewed beverages.

9 (16) Distributors and Importing Distributors Failing to Keep  
10 Records. For any importing distributor or distributor engaged in  
11 the sale of products, other than malt or brewed beverages, to  
12 fail to keep such complete separate records covering in every  
13 respect his transactions in malt or brewed beverages as the  
14 board shall by regulation require.

15 (17) Fortifying, Adulterating or Contaminating Malt or  
16 Brewed Beverages. For any person, to fortify, adulterate,  
17 contaminate, or in any wise to change the character or purity  
18 of, the malt or brewed beverages from that as originally  
19 marketed by the manufacturer at the place of manufacture.

20 (18) Coercing Distributors and Importing Distributors. For  
21 any manufacturer or any officer, agent or representative of any  
22 manufacturer to coerce or persuade or attempt to coerce or  
23 persuade any person licensed to sell or distribute malt or  
24 brewed beverages at wholesale or retail to establish selling  
25 prices for its products or to enter into any contracts or  
26 agreements, whether written or oral, or take any action which  
27 will violate or tend to violate any provisions of this act or  
28 any of the rules or regulations promulgated by the board  
29 pursuant thereto.

30 (19) Modifying or Terminating Distributing Rights Agreement.

1 For any manufacturer or any officer, agent or representative of  
2 any manufacturer to modify, cancel, terminate, rescind or not  
3 renew, without good cause, any distributing rights agreement,  
4 and in no event shall any modification, cancellation,  
5 termination, rescission or nonrenewal of any distributing rights  
6 agreement become effective for at least ninety (90) days after  
7 written notice of such modification, cancellation, termination,  
8 rescission or intention not to renew has been served on the  
9 affected party and board by certified mail, return receipt  
10 requested, except by written consent of the parties to the  
11 agreement. The notice shall state all the reasons for the  
12 intended modification, termination, cancellation, rescission or  
13 nonrenewal. The distributor or importing distributor holding  
14 such agreement shall have ninety (90) days in which to rectify  
15 any claimed deficiency, or challenge the alleged cause.

16 If the deficiency shall be rectified within ninety (90) days  
17 of notice, then the proposed modification, termination,  
18 cancellation, rescission or nonrenewal shall be null and void  
19 and without legal effect.

20 If the notice states as one of the reasons for the intended  
21 modification, cancellation, termination, rescission or renewal  
22 that the importing distributor or distributor's equipment or  
23 warehouse requires major changes or additions, then if the  
24 distributor or importing distributor shall have taken some  
25 positive action to comply with the required changes or  
26 additions, the distributor or importing distributor shall have  
27 deemed to have complied with the deficiency as set forth in the  
28 notice. The notice provisions of this section shall not apply if  
29 the reason for termination, cancellation or nonrenewal is  
30 insolvency, assignment for the benefit of creditors, bankruptcy,

1 liquidation, fraudulent conduct in its dealings with the  
2 manufacturer, revocation or suspension for more than a thirty  
3 (30) day period of the importing distributor or distributor  
4 license.

5 (20) Interference with Transfer of License, Business or  
6 Franchise. (i) For any manufacturer to interfere with or prevent  
7 any distributor or importing distributor from selling or  
8 transferring his license, business or franchise, whether before  
9 or after notice of modification, cancellation, termination,  
10 rescission or nonrenewal has been given, provided the proposed  
11 purchaser of the business of the distributor or importing  
12 distributor meets the material qualifications and standards  
13 required of the manufacturers other distributors or importing  
14 distributors; (ii) if the proposed transfer of the distributor  
15 or importing distributor's business is to a surviving spouse or  
16 adult child, the manufacturer shall not, for any reason,  
17 interfere with, or prevent, the transfer of the distributor or  
18 importing distributor's license, business or franchise. Any  
19 subsequent transfer by surviving spouse or adult child shall  
20 thereafter be subject to the provisions of subclause (i) above.

21 (21) Inducing or Coercing Distributors or Importing  
22 Distributors to Accept Unordered Products or Commit Illegal  
23 Acts. For any manufacturer to compel or attempt to compel any  
24 distributor or importing distributor to accept delivery of any  
25 malt or brewed beverages or any other commodity which shall not  
26 have been ordered by the distributor or importing distributor,  
27 or to do any illegal act by any means whatsoever including, but  
28 not limited to, threatening to amend, cancel, terminate, rescind  
29 or refuse to renew any agreement existing between manufacturer  
30 and the distributor or importing distributor, or to require a

1 distributor or importing distributor to assent to any condition,  
2 stipulation or provision limiting the distributor or importing  
3 distributor in his right to sell the products of any other  
4 manufacturer.

5 Section 40. Section 492.1 of the act, amended January 6,  
6 2006 (P.L.1, No.1) and December 22, 2011 (P.L.530, No.113), is  
7 amended to read:

8 Section 492.1. Hours of Operation Relative to Manufacturers,  
9 Importing Distributors and Distributors.--(a) Manufacturers may  
10 sell or deliver malt or brewed beverages between two o'clock  
11 antemeridian of any Monday and twelve o'clock midnight of the  
12 following Saturday.

13 (b) (1) Importing distributors and distributors may sell or  
14 deliver malt or brewed beverages between two o'clock  
15 antemeridian of any Monday and twelve o'clock midnight of the  
16 following Saturday to holders of a liquor or malt and brewed  
17 beverage license or permit issued by the board.

18 (2) Importing distributors and distributors may sell or  
19 deliver malt or brewed beverages between eight o'clock  
20 antemeridian and [eleven o'clock postmeridian of any] two  
21 o'clock antemeridian of the following day, except Sunday, to  
22 persons not licensed or permitted by this act.

23 (c) In addition to the hours authorized under subsections  
24 (a) and (b), manufacturers, importing distributors and  
25 distributors, upon purchasing a permit from the board at an  
26 annual fee of one hundred dollars (\$100) unless the applicant  
27 for the permit is a distributor that holds a wine and spirits  
28 retail license, in which instance Article III-A governs, may  
29 sell malt or brewed beverages to persons not licensed under this  
30 act or to a holder of a special occasion permit on Sunday

1 between the hours of nine o'clock antemeridian and [nine o'clock  
2 postmeridian] two o'clock antemeridian on Monday.

3 (d) In addition to the hours authorized under subsections  
4 (a) and (b), delivery or receiving of malt or brewed beverages  
5 shall be permissible on Sunday after prior arrangement in  
6 accordance with the following:

7 (1) A manufacturer may, at any time, deliver to any  
8 importing distributor or distributor to which the manufacturer  
9 has granted wholesale distribution rights for the manufacturer's  
10 product.

11 (2) An importing distributor or distributor may deliver to  
12 any organization to which a special occasion permit has been  
13 issued between the hours of nine o'clock antemeridian and twelve  
14 o'clock noon.

15 (3) An importing distributor or distributor may deliver to  
16 persons not licensed under this act between the hours of nine  
17 o'clock antemeridian and twelve o'clock noon.

18 (e) Notwithstanding any provision of this section to the  
19 contrary, a brewery pub operating under section 446 shall be  
20 subject to the hours of operation set forth by the board through  
21 regulation.

22 (f) The term "prior arrangement" shall mean that malt or  
23 brewed beverages having a total sale price, excluding any  
24 deposits or credits, exceeding two hundred fifty dollars (\$250)  
25 have been ordered, invoiced and paid for in full at the seller's  
26 licensed premises before the Sunday of delivery.

27 Section 41. Section 493 of the act, amended December 7, 1990  
28 (P.L.622, No.160), October 5, 1994 (P.L.537, No.80), June 18,  
29 1998 (P.L.664, No.86), February 21, 2002 (P.L.103, No.10),  
30 December 9, 2002 (P.L.1653, No.212), May 8, 2003 (P.L.1, No.1),



1 December 8, 2004 (P.L.1810, No.239), July 6, 2005 (P.L.135,  
2 No.39), January 6, 2006 (P.L.1, No.1), July 7, 2006 (P.L.584,  
3 No.84), November 29, 2006 (P.L.1421, No.155), July 16, 2007  
4 (P.L.107, No.34), June 28, 2011 (P.L.55, No.11), December 22,  
5 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007, No.116), is  
6 amended to read:

7 Section 493. Unlawful Acts Relative to Liquor, Malt and  
8 Brewed Beverages and Licensees.--The term "licensee," when used  
9 in this section, shall mean those persons licensed under [the  
10 provisions of Article IV] Article III-A or this article, unless  
11 the context clearly indicates otherwise.

12 It shall be unlawful--

13 (1) Furnishing Liquor or Malt or Brewed Beverages to Certain  
14 Persons. For any licensee or the board, or any employe, servant  
15 or agent of such licensee or of the board, or any other person,  
16 to sell, furnish or give any liquor or malt or brewed beverages,  
17 or to permit any liquor or malt or brewed beverages to be sold,  
18 furnished or given, to any person visibly intoxicated, or to any  
19 minor: Provided further, That notwithstanding any other  
20 provision of law, no cause of action will exist against a  
21 licensee or the board or any employe, servant or agent of such  
22 licensee or the board for selling, furnishing or giving any  
23 liquor or malt or brewed beverages or permitting any liquor or  
24 malt or brewed beverages to be sold, furnished or given to any  
25 insane person, any habitual drunkard or person of known  
26 intemperate habits unless the person sold, furnished or given  
27 alcohol is visibly intoxicated or is a minor.

28 (2) Purchase or Sale of Liquor or Malt or Brewed Beverages  
29 on Credit; Importing Distributors or Distributors Accepting  
30 Cash. For any licensee, his agent, servant or employe, to sell

1 or offer to sell or purchase or receive any liquor or malt or  
2 brewed beverages except for cash, excepting credit extended by a  
3 hotel or club to a bona fide guest or member, or by railroad or  
4 pullman companies in dining, club or buffet cars to passengers,  
5 for consumption while enroute, holding authorized credit cards  
6 issued by railroad or railroad credit bureaus or by hotel,  
7 restaurant, retail dispenser eating place, club and public  
8 service licensees, importing distributors or distributors to  
9 customers not possessing a license under this article and  
10 holding credit cards issued in accordance with regulations of  
11 the board or credit cards issued by banking institutions subject  
12 to State or Federal regulation: Provided further, That nothing  
13 herein contained shall be construed to prohibit the use of  
14 checks or drafts drawn on a bank, banking institution, trust  
15 company or similar depository, organized and existing under the  
16 laws of the United States of America or the laws of any state,  
17 territory or possession thereof, in payment for any liquor or  
18 malt or brewed beverages if the purchaser is the payor of the  
19 check or draft and the licensee is the payee: Provided further,  
20 That notwithstanding any other provision of this act to the  
21 contrary, it shall be unlawful for an importing distributor or  
22 distributor to accept cash for payment of any malt or brewed  
23 beverages from anyone possessing a license issued under this  
24 article, except it shall be permissible for the importing  
25 distributor or distributor to accept credit cards, money orders  
26 or cashiers' checks for payment of any malt or brewed beverages  
27 in addition to any other type of payment authorized by the board  
28 from anyone possessing a license under this article.  
29 Notwithstanding any other provision of law to the contrary,  
30 distributors and importing distributors may accept credit cards

1 for payment of malt or brewed beverages but they are not  
2 required to accept credit cards. No right of action shall exist  
3 to collect any claim for credit extended contrary to the  
4 provisions of this clause. Nothing herein contained shall  
5 prohibit a licensee from crediting to a purchaser the actual  
6 price charged for original containers returned by the original  
7 purchaser as a credit on any sale, or from refunding to any  
8 purchaser the amount paid by such purchaser for such containers  
9 or as a deposit on containers when title is retained by the  
10 vendor, if such original containers have been returned to the  
11 licensee. Nothing herein contained shall prohibit a manufacturer  
12 from extending usual and customary credit for liquor or malt or  
13 brewed beverages sold to customers or purchasers who live or  
14 maintain places of business outside of the Commonwealth of  
15 Pennsylvania, when the liquor or malt or brewed beverages so  
16 sold are actually transported and delivered to points outside of  
17 the Commonwealth: Provided, however, That as to all transactions  
18 affecting malt or brewed beverages to be resold or consumed  
19 within this Commonwealth, every licensee shall pay and shall  
20 require cash deposits on all returnable original containers and  
21 all such cash deposits shall be refunded upon return of the  
22 original containers.

23 (4) Peddling Liquor or Malt or Brewed Beverages. For any  
24 person, to hawk or peddle any liquor or malt or brewed beverages  
25 in this Commonwealth.

26 (5) Failure to Have Brands as Advertised. For any licensee,  
27 his servants, agents or employes, to advertise or hold out for  
28 sale any liquor or malt or brewed beverages by trade name or  
29 other designation which would indicate the manufacturer or place  
30 of production of the said liquor or malt or brewed beverages,

1 unless he shall actually have on hand and for sale a sufficient  
2 quantity of the particular liquor or malt or brewed beverages so  
3 advertised to meet requirements to be normally expected as a  
4 result of such advertisement or offer.

5 (6) Brand or Trade Name on Spigot. For any licensee, his  
6 agents, servants or employes, to furnish or serve any malt or  
7 brewed beverages from any faucet, spigot or other dispensing  
8 apparatus, unless the trade name or brand of the product served  
9 shall appear in full sight of the customer and in legible  
10 lettering upon such faucet, spigot or dispensing apparatus.

11 (7) Alcoholic Strength on Label of Malt or Brewed Beverages.  
12 For any licensee, or his servants, agents or employes, to  
13 transport, sell, deliver or purchase any malt or brewed  
14 beverages upon which there shall appear a label or other  
15 informative data which refers to the alcoholic contents of the  
16 malt or brewed beverage in any terms other than as a percentage  
17 of alcohol by volume. This clause shall be construed to permit,  
18 but not to require, a manufacturer to designate upon the label  
19 or descriptive data the alcoholic content of malt or brewed  
20 beverages in percentage of alcohol by volume. This clause shall  
21 not be construed to prohibit a manufacturer from designating  
22 upon the label or descriptive data the alcoholic content of malt  
23 or brewed beverages intended for shipment into another state or  
24 territory, when the laws of such state or territory require that  
25 the alcoholic content of the malt or brewed beverage must be  
26 stated upon the package.

27 (8) Advertisements on Labels Giving Alcoholic Content of  
28 Malt or Brewed Beverages. For any manufacturer or other  
29 licensee, or his servants, agents or employes, to issue, publish  
30 or post, or cause to be issued, published or posted, any

1 advertisement of any malt or brewed beverage including a label  
2 which shall refer in any manner to the alcoholic strength of the  
3 malt or brewed beverage manufactured, sold or distributed by  
4 such licensees, or to use in any advertisement or label such  
5 words as "full strength," "extra strength," "high test," "high  
6 proof," "pre-war strength," or similar words or phrases, which  
7 would lead or induce a consumer to purchase a brand of malt or  
8 brewed beverage on the basis of its alcoholic content, or to use  
9 in or on any advertisement or label any numeral, unless  
10 adequately explained in type of the same size, prominence and  
11 color, or for any licensee to purchase, transport, sell or  
12 distribute any malt or brewed beverage advertised or labeled  
13 contrary to the provisions of this clause.

14 (10) Entertainment on Licensed Premises (Except Clubs);  
15 Permits; Fees. For any licensee, his servants, agents or  
16 employes, except club licensees, public venue licensees or  
17 performing arts facility licensees, to permit in any licensed  
18 premises or in any place operated in connection therewith,  
19 dancing, theatricals or floor shows of any sort, or moving  
20 pictures other than television, or such as are exhibited through  
21 machines operated by patrons by the deposit of coins, which  
22 project pictures on a screen not exceeding in size twenty-four  
23 by thirty inches and which forms part of the machine, unless the  
24 licensee shall first have obtained from the board a special  
25 permit to provide such entertainment, or for any licensee, under  
26 any circumstances, to permit in any licensed premises or in any  
27 place operated in connection therewith any lewd, immoral or  
28 improper entertainment, regardless of whether a permit to  
29 provide entertainment has been obtained or not. The special  
30 permit may be used only during the hours when the sale of liquor

1 or malt or brewed beverages is permitted, unless the licensee  
2 holds an extended hours food license under section 499(b) which  
3 license would allow the special permit to be used while the  
4 establishment is open, and between eleven o'clock antemeridian  
5 on Sunday and two o'clock antemeridian on the following Monday,  
6 regardless of whether the licensee possesses a Sunday sales  
7 permit. The board shall have power to provide for the issue of  
8 such special permits, and to collect an annual fee for such  
9 permits as prescribed in section 614-A of the act of April 9,  
10 1929 (P.L.177, No.175), known as "The Administrative Code of  
11 1929." All such fees shall be paid into the State Stores Fund.  
12 No such permit shall be issued in any municipality which, by  
13 ordinance, prohibits amusements in licensed places. Any  
14 violation of this clause shall, in addition to the penalty  
15 herein provided, subject the licensee to suspension or  
16 revocation of his permit and his license.

17 (11) Licensees Employed by Others. For any hotel, restaurant  
18 or club liquor licensee, or any malt or brewed beverage  
19 licensee, or any officer, servant, agent or employe of such  
20 licensee, to be at the same time employed, directly or  
21 indirectly, by any distributor, importing distributor,  
22 manufacturer, importer or vendor licensee or any out of State  
23 manufacturer. It shall also be unlawful for any distributor or  
24 importing distributor, or any officer, servant, agent or employe  
25 of such licensee, to be at the same time employed, directly or  
26 indirectly, by any other distributor, importing distributor,  
27 manufacturer, importer, vendor, out of State manufacturer, hotel  
28 restaurant, malt or brewed beverage licensee, or club liquor  
29 licensee. It shall also be unlawful for any manufacturer,  
30 importer, or vendor licensee, or any out of State manufacturer,

1 or any officer, servant, agent or employe of such licensee or  
2 manufacturer, to be at the same time employed, directly or  
3 indirectly, by any hotel, restaurant or club liquor licensee or  
4 any malt or brewed beverage licensee or any distributor or  
5 importing distributor licensee. Nothing in this subsection shall  
6 be construed to prohibit a manufacturer or limited winery  
7 licensee, or any officer, servant, agent or employe of such  
8 licensee, to be employed at the same time by a hotel, restaurant  
9 or retail dispenser licensee if the hotel, restaurant or retail  
10 dispenser licensee is located at the manufacturer or limited  
11 winery premises pursuant to section 443. For the purposes of  
12 this subsection, an officer, servant, agent or employe of a  
13 licensee or manufacturer is an individual who has either an  
14 ownership interest in the licensee or manufacturer or who  
15 receives compensation for his or her work on behalf of the  
16 licensee or manufacturer.

17 (12) Failure to Have Records on Premises. For any liquor  
18 licensee, or any importing distributor, distributor or retail  
19 dispenser, to fail to keep for a period of at least two years  
20 complete and truthful records covering the operation of his  
21 licensed business, particularly showing the date of all  
22 purchases of liquor and malt or brewed beverages, the actual  
23 price paid therefor, and the name of the vendor, including State  
24 Store receipts, or for any licensee, his servants, agents or  
25 employes, to refuse the board or an authorized employe of the  
26 board or the enforcement bureau access thereto or the  
27 opportunity to make copies of the same when the request is made  
28 during business hours. The records from the most recent six-  
29 month period must be maintained on the licensed premises.  
30 Records for the remainder of the two-year period may be kept off

1 the licensed premises so long as the records are returned to the  
2 licensed premises within twenty-four hours of a request by the  
3 board or enforcement bureau. A licensee may remove the records  
4 for the most recent six-month period from the licensed premises  
5 only for a lawful business purpose provided that they are  
6 returned to the premises when that business is completed.

7 (13) Retail Licensees Employing Minors. For any hotel,  
8 restaurant or club liquor licensee, or any retail dispenser, to  
9 employ or to permit any minor under the age of eighteen to serve  
10 any alcoholic beverages or to employ or permit any minor under  
11 the age of sixteen to render any service whatever in the  
12 licensed premises, nor shall any entertainer under the age of  
13 eighteen be employed or permitted to perform in any licensed  
14 premises in violation of the labor laws of this Commonwealth:  
15 Provided, That in accordance with board regulations minors  
16 between the ages of sixteen and eighteen may be employed to  
17 serve food, clear tables and perform other similar duties, not  
18 to include the dispensing or serving of alcoholic beverages. A  
19 ski resort, golf course or amusement park licensee may employ  
20 minors fourteen and fifteen years of age to perform duties in  
21 rooms or areas of the licensed premises; however, such minors  
22 may not perform duties in rooms or areas in which alcohol is  
23 being concurrently dispensed or served or in which alcohol is  
24 being concurrently stored in an unsecured manner.  
25 Notwithstanding any provisions of law to the contrary, a hotel,  
26 restaurant or club liquor licensee or any retail dispenser may  
27 allow students receiving instruction in a performing art to  
28 perform an exhibition if the students are not compensated and  
29 are under proper supervision. Written notice of the performance  
30 must be provided to the enforcement bureau prior to the



1 performance.

2 (14) Permitting Undesirable Persons or Minors to Frequent  
3 Premises. For any hotel, restaurant or club liquor licensee, or  
4 any retail dispenser, his servants, agents or employes, to  
5 permit persons of ill repute or prostitutes to frequent his  
6 licensed premises or any premises operated in connection  
7 therewith. Minors may only frequent licensed premises if: (a)  
8 they are accompanied by a parent; (b) they are accompanied by a  
9 legal guardian; (c) they are under proper supervision; (d) they  
10 are attending a social gathering; or (e) the hotel, restaurant  
11 or retail dispenser licensee has gross sales of food and  
12 nonalcoholic beverages equal to fifty per centum or more of its  
13 combined gross sale of both food and alcoholic beverages. If a  
14 minor is frequenting a hotel, restaurant or retail dispenser  
15 licensee under subsection (e), then the minor may not sit at the  
16 bar section of the premises, nor may any alcoholic beverages be  
17 served at the table or booth at which the said minor is seated  
18 unless said minor is with a parent, legal guardian or under  
19 proper supervision. Further, if a hotel, restaurant, club liquor  
20 licensee or retail dispenser is hosting a social gathering under  
21 subsection (d), then written notice at least forty-eight hours  
22 in advance of such gathering shall be given to the Bureau of  
23 Enforcement. If a minor is frequenting licensed premises with  
24 proper supervision under subsection (c), each supervisor can  
25 supervise up to twenty minors, except for premises located in  
26 cities of the first class, where each supervisor can supervise  
27 up to five minors. Notwithstanding any other provisions of this  
28 section, if the minors are on the premises as part of a school-  
29 endorsed function, then each supervisor can supervise fifty  
30 minors. Nothing in this clause shall be construed to make it

1 unlawful for minors to frequent public venues or performing arts  
2 facilities.

3 (15) Cashing Pay Roll, Public Assistance, Unemployment  
4 Compensation or Any Other Relief Checks. For any licensee or his  
5 servants, agents or employes to cash pay roll checks or to cash,  
6 receive, handle or negotiate in any way Public Assistance,  
7 Unemployment Compensation or any other relief checks.

8 (16) Furnishing or Delivering Liquor or Malt or Brewed  
9 Beverages at Unlawful Hours. For any licensee, his servants,  
10 agents or employes, to give, furnish, trade, barter, serve or  
11 deliver any liquor or malt or brewed beverages to any person  
12 during hours or on days when the licensee is prohibited by this  
13 act from selling liquor or malt or brewed beverages.

14 (17) Licensees, etc., Interested or Employed in  
15 Manufacturing or Sale of Equipment or Fixtures. For any  
16 licensee, or any officer, director, stockholder, servant, agent  
17 or employe of any licensee, to own any interest, directly or  
18 indirectly, in or be employed or engaged in any business which  
19 involves the manufacture or sale of any equipment, furnishings  
20 or fixtures to any hotel, restaurant or club licensees, or to  
21 any importing distributors, distributors or retail dispensers.  
22 Notwithstanding any other provision of this section or this act,  
23 licensees may sell glasses at not less than cost and to provide  
24 metal keg connectors and tap knobs to other licensees and to  
25 holders of special occasion permits.

26 (20) (i) Retail Liquor and Retail Malt or Brewed Beverages  
27 Licensee's Inside Advertisements. For any retail liquor or  
28 retail malt or brewed beverages licensee, to display or permit  
29 the display in the show window or doorways of his licensed  
30 premises, any placard or sign advertising the brands of liquor

1 or malt or brewed beverages, if the total display area of any  
2 such placard or sign advertising the product or products exceeds  
3 six hundred square inches. Nothing herein shall prohibit a  
4 licensee from displaying inside his licensed premises point of  
5 sale displays advertising brand names of products sold by him,  
6 other than a window or door display: Provided, That the total  
7 cost of all such point of sale advertising matter relating to  
8 any one brand shall not exceed the dollar amount set forth by  
9 the board through regulation. All such advertising material,  
10 including the window and door signs, may be furnished by a  
11 manufacturer, distributor or importing distributor. The  
12 restrictions on advertising set forth in subclause (ii) and in  
13 clauses (20.1) and (20.2) shall also apply to this subclause.

14 (ii) Cooperative Advertising. No distributor or importing  
15 distributor, directly or indirectly, independent or otherwise,  
16 shall, except by prior written agreement, be required to  
17 participate with a manufacturer in the purchase of any  
18 advertising of a brand name product in any name, in any form,  
19 whether it be radio, television, newspaper, magazine or  
20 otherwise.

21 (20.1) Manufacturer Shall Not Require Advertising. For a  
22 manufacturer to require a distributor or importing distributor  
23 to purchase any type of advertising.

24 (20.2) Advertising Shall Be Ordered and Authorized in  
25 Advance. For any advertising to be done on behalf of a  
26 distributor or importing distributor which was not ordered and  
27 authorized in advance by the distributor or importing  
28 distributor.

29 (21) Refusing The Right of Inspection. For any licensee, or  
30 his servants, agents or employes, to refuse the board or the

1 enforcement bureau or any of their authorized employes the right  
2 to inspect completely the entire licensed premises at any time  
3 during which the premises are open for the transaction of  
4 business, or when patrons, guests or members are in that portion  
5 of the licensed premises wherein either liquor or malt or brewed  
6 beverages are sold.

7 (22) Allowance or Rebate to Induce Purchases. For any  
8 licensee, or his servants, agents or employes, to offer, pay,  
9 make or allow, or for any licensee, or his servants, agents or  
10 employes, to solicit or receive any allowance or rebate, refunds  
11 or concessions, whether in the form of money or otherwise, to  
12 induce directly the purchase of liquor or malt or brewed  
13 beverages.

14 (23) Money or Valuables Given to Employes to Influence  
15 Actions of Their Employers. For any licensee, or any agent,  
16 employe or representative of any licensee, to give or permit to  
17 be given, directly or indirectly, money or anything of  
18 substantial value, in an effort to induce agents, employes or  
19 representatives of customers or prospective customers to  
20 influence their employer or principal to purchase or contract to  
21 purchase liquor or malt or brewed beverages from the donor of  
22 such gift, or to influence such employers or principals to  
23 refrain from dealing or contracting to deal with other  
24 licensees.

25 (24) (i) Things of Value Offered as Inducement. Except as  
26 provided in subclause (ii), for any licensee under the  
27 provisions of this article, or the board or any manufacturer, or  
28 any employe or agent of a manufacturer, licensee or of the  
29 board, to offer to give anything of value or to solicit or  
30 receive anything of value as a premium for the return of caps,

1 stoppers, corks, stamps or labels taken from any bottle, case,  
2 barrel or package containing liquor or malt or brewed beverage,  
3 or to offer or give or solicit or receive anything of value as a  
4 premium or present to induce directly the purchase of liquor or  
5 malt or brewed beverage, or for any licensee, manufacturer or  
6 other person to offer or give to trade or consumer buyers any  
7 prize, premium, gift or other inducement to purchase liquor or  
8 malt or brewed beverages, except advertising novelties of  
9 nominal value which the board shall define. This section shall  
10 not prevent any manufacturer or any agent of a manufacturer from  
11 offering and honoring coupons which offer monetary rebates on  
12 purchases of wines and spirits through State Liquor Stores or  
13 the holder of a wine and spirits retail license or grocery store  
14 license, or purchases of malt or brewed beverages through  
15 distributors and importing distributors in accordance with  
16 conditions or regulations established by the board. The board or  
17 the holder of a wine and spirits retail license or grocery store  
18 license may redeem coupons offered by a manufacturer or an agent  
19 of a manufacturer at the time of purchase. Coupons offered by a  
20 manufacturer or an agent of a manufacturer shall not be redeemed  
21 without proof of purchase. This section shall not apply to the  
22 return of any monies specifically deposited for the return of  
23 the original container to the owners thereof.

24 (ii) Notwithstanding subclause (i) or any other provision of  
25 law, a holder of a restaurant license that is also approved to  
26 hold a slot machine license or a conditional slot machine  
27 license under 4 Pa.C.S. Part II (relating to gaming) may give  
28 liquor and malt or brewed beverages free of charge to any person  
29 actively engaged in playing a slot machine.

30 (iii) Notwithstanding subclause (i) or any other provision

1 of law, the holder of a wine and spirits retail license may  
2 establish and implement a consumer relations marketing program  
3 for the purpose of offering incentives, such as coupons or  
4 discounts on certain products, which may be conditioned on the  
5 purchase of liquor by its customers.

6 (25) Employment in Licensed Places. For any licensee or his  
7 agent, to employ or permit the employment of any person at his  
8 licensed hotel, restaurant or eating place for the purpose of  
9 enticing customers, or to encourage them to drink liquor, or  
10 make assignments for improper purposes.

11 Any person violating the provisions of this clause shall be  
12 guilty of a misdemeanor and, upon conviction of the same, shall  
13 be sentenced to pay a fine of not less than one hundred dollars  
14 (\$100), nor more than five hundred dollars (\$500), for each and  
15 every person so employed, or undergo an imprisonment of not less  
16 than three (3) months, nor more than one (1) year, or either or  
17 both, at the discretion of the court having jurisdiction of the  
18 case. The administrative law judge shall have the power to  
19 revoke or refuse licenses for violation of this clause.

20 (26) Worthless Checks. For any retail liquor licensee or any  
21 retail dispenser, distributor or importing distributor, to make,  
22 draw, utter, issue or deliver, or cause to be made, drawn,  
23 uttered, issued or delivered, any check, draft or similar order,  
24 for the payment of money in payment for any purchase of malt or  
25 brewed beverages, when such retail liquor licensee, retail  
26 dispenser, distributor or importing distributor, has not  
27 sufficient funds in, or credit with, such bank, banking  
28 institution, trust company or other depository, for the payment  
29 of such check. Any person who is a licensee under the provisions  
30 of this article, who shall receive in payment for malt or brewed

1 beverages sold by him any check, draft or similar order for the  
2 payment of money, which is subsequently dishonored by the bank,  
3 banking institution, trust company or other depository, upon  
4 which drawn, for any reason whatsoever, shall, within five days  
5 of receipt of notice of such dishonor, notify by certified mail  
6 the person who presented the said worthless check, draft or  
7 similar order and the malt beverage compliance officer for the  
8 board. If the violation of this clause involving a check, draft  
9 or similar order from the purchaser to the seller is  
10 subsequently honored within ten days from the day it was made,  
11 drawn, uttered, issued or delivered, then the malt beverage  
12 compliance officer shall not turn the matter over to the  
13 enforcement bureau for a citation.

14 (27) Distributors and Importing Distributors Employing  
15 Minors. For any distributor or importing distributor to employ  
16 minors under the age of eighteen but persons eighteen and over  
17 may be employed to sell and deliver malt and brewed beverages. A  
18 distributor holding a wine and spirits retail license may not  
19 employ a person under the age of twenty-one to sell liquor.

20 (28) Consumption of Liquor or Malt or Brewed Beverages While  
21 Tending Bar. For any licensee, his servants, agents or employes,  
22 to consume liquor or malt or brewed beverages while tending bar  
23 or otherwise serving liquor or malt or brewed beverages. No  
24 action shall be taken against a licensee under this clause  
25 unless the licensee is the individual consuming liquor or malt  
26 or brewed beverages in violation of this clause.

27 (30) Pyrotechnics Prohibited. For any licensee, his  
28 servants, agents or employes, except licensees where pyrotechnic  
29 displays are performed by a pyrotechnic operator licensed by the  
30 Bureau of Alcohol, Tobacco, Firearms and Explosives and are

1 approved by a municipal fire official, to store, handle, use or  
2 display any pyrotechnics within a building on the licensed  
3 premises. For purposes of this clause, "pyrotechnics" shall mean  
4 any chemical mixture, including pyrotechnic compositions,  
5 intended to produce a visible or audible effect by combustion,  
6 deflagration or detonation as defined by section 1.5.52 of the  
7 National Fire Protection Association Standard 1126 entitled  
8 "Standard for the Use of Pyrotechnics before a Proximate  
9 Audience," 1992 Edition.

10 (31) (i) Sale or Purchase of Controlled Substance or Drug  
11 Paraphernalia by Licensee. For any licensee to possess, furnish,  
12 sell, offer to sell, or purchase or receive, or aid and abet in  
13 the sale or purchase of any controlled substance or drug  
14 paraphernalia, as defined in the act of April 14, 1972 (P.L.233,  
15 No.64), known as "The Controlled Substance, Drug, Device and  
16 Cosmetic Act," on the licensed premises unless the actions of  
17 the licensee are authorized by law.

18 (ii) Sale or Purchase of Controlled Substances or Drug  
19 Paraphernalia by Servant, Agent or Employee of the Licensee. For  
20 any servants, agents or employees of the licensee to possess,  
21 furnish, sell, offer to sell or purchase or receive, or aid and  
22 abet in the sale or purchase of any controlled substance or drug  
23 paraphernalia, as defined in "The Controlled Substance, Drug,  
24 Device and Cosmetic Act," on the licensed premises unless the  
25 actions of the person are authorized by law. The licensee shall  
26 only be cited for a violation of this subclause if the licensee  
27 knew or should have known of the activity and failed to take  
28 substantial affirmative steps to prevent the activity on its  
29 premises.

30 (32) Sale or Purchase of Alcohol Vaporizing Devices. For any



1 licensee, his servants or agents or employes to possess or to  
2 permit an alcohol vaporizing device on the licensed premises.

3 (33) Off-premises Catering Permit; Fees. For any licensee,  
4 his servants, agents or employes to sell alcohol at a location  
5 other than its licensed premises, unless the sale is  
6 specifically authorized under this act, or unless the licensee  
7 receives a special permit from the board to do so. Only those  
8 licensees holding a current and valid restaurant, hotel, brew  
9 pub or eating place license shall be allowed to apply for such a  
10 permit. Any licensee that wishes to obtain an off-premises  
11 catering permit must notify the board and pay the permitting fee  
12 by March of each calendar year regardless of whether the  
13 licensee has scheduled catered events. Any licensee that fails  
14 to notify the board and pay the permit fee by March 1 shall be  
15 precluded from obtaining the permit for that calendar year. If a  
16 licensee notifies the board and pays the permitting fee by March  
17 1 and does not then use the permit throughout the calendar year,  
18 the licensee shall not be entitled to a return of the permitting  
19 fee. Any licensee not granted a license until after March 1 of  
20 the calendar year shall have sixty days from the date of the  
21 license transfer to notify the board of the licensee's intention  
22 to use an off-premises catering permit and pay the permitting  
23 fee. All servers at the off-premises catered function shall be  
24 certified under the board's responsible alcohol management  
25 program as required under section 471.1. The board may charge a  
26 fee of five hundred dollars (\$500) each calendar year, to each  
27 applicant for the initial permit associated with a particular  
28 license, but no further fee shall be charged for any subsequent  
29 permits issued to the applicant for the license during the same  
30 calendar year. The applicant shall submit written notice to the

1 board thirty days prior to each catered event, unless this time  
2 frame has been waived by the board, and the board may approve or  
3 disapprove each event if the applicant fails to provide timely  
4 notice of the catered function, does not intend to conduct a  
5 function that meets the requirements of this act or has  
6 previously conducted a function that did not meet the  
7 requirements of this act. The fees shall be paid into the State  
8 Stores Fund. Any violation of this act or the board's  
9 regulations for governing activity occurring under the authority  
10 of this permit may be the basis for the issuance of a citation  
11 under section 471, the nonrenewal of the license under section  
12 470 or the refusal by the board to issue subsequent permits or  
13 honor subsequent dates on the existing permit. This penalty  
14 shall be in addition to any other remedies available to the  
15 enforcement bureau or the board.

16 (34) Noise. Notwithstanding any law or regulation to the  
17 contrary, a licensee may not use or permit to be used inside or  
18 outside of the licensed premises a loudspeaker or similar device  
19 whereby the sound of music or other entertainment, or the  
20 advertisement thereof, can be heard beyond the licensee's  
21 property line; however, any licensee that is located in an area  
22 which is subject to an exemption from the board's regulation  
23 regarding amplified music being heard off the licensed premises  
24 shall be exempt from compliance with this paragraph until the  
25 expiration of the board's order granting the exemption. The  
26 board's regulation regarding amplified music being heard off the  
27 licensed premises is otherwise superseded by this paragraph.

28 (35) Wine-to-go permit and fees. For any licensee, his  
29 servants, agents or employes to sell unopened bottles of wine  
30 for consumption off the licensed premises, unless the sale is

1 specifically authorized under this act, or unless the licensee  
2 receives a special permit from the board to do so. Only those  
3 licensees holding a current and valid hotel or restaurant  
4 license shall be allowed to apply for such a permit. Any  
5 licensee that wishes to obtain a wine-to-go permit must make  
6 application to the board on a form prescribed by the board and  
7 pay the permitting fees. This permit shall not be issued to a  
8 restaurant licensee that has an interior connection to another  
9 unlicensed business. The board may charge a fee of five hundred  
10 dollars (\$500) per calendar year to each applicant for this  
11 permit. The fees shall be paid into The State Stores Fund. Any  
12 violation of this act or the board's regulations for governing  
13 activity occurring under the authority of this permit may be the  
14 basis for the issuance of a citation under section 471, the  
15 nonrenewal of the license under section 470 or the refusal by  
16 the board to issue subsequent permits or honor subsequent dates  
17 on the existing permit. The penalty shall be in addition to any  
18 other remedies available to the enforcement bureau or the board.

19 (36) Grocery stores employing minors. For any servant, agent  
20 or employe of a grocery store to make a sale of alcohol unless  
21 the servant, agent or employe is eighteen years of age or older.

22 (37) Sale of wine received by direct shipment. For any  
23 licensee to sell or offer to sell wine purchased or acquired  
24 from a direct wine shipper pursuant to the authority of section  
25 488.

26 (38) Duties performed by distributors and importing  
27 distributors. For any licensee to require that a distributor or  
28 importing distributor stock merchandise in the licensee's  
29 cooler, rotate the licensee's stock of malt or brewed beverages,  
30 set up displays in the licensee's premises or pay any type of

1 fee required for making the distributor's product available on  
2 the licensee's store shelves. This clause supersedes a contrary  
3 provision of a contract.

4 (39) Spirits-to-go permit. For any licensee, his servants,  
5 agents or employes to sell an unopened bottle of liquor for  
6 consumption off the licensed premises unless the sale is  
7 specifically authorized under this act or unless the licensee  
8 receives a special permit from the board to do so. Only the  
9 licensees holding a current and valid hotel or restaurant  
10 license may apply for the permit. Any licensee that wishes to  
11 obtain a spirits-to-go permit must apply to the board on a form  
12 prescribed by the board and pay the permitting fees by June of  
13 each calendar year. Any licensee that fails to notify the board  
14 and pay the permitting fees by June 1 may be precluded from  
15 obtaining the permit for that calendar year. The board may allow  
16 the issuance of the permit after the June deadline so long as  
17 the applicant is a licensee in good standing with the board and  
18 complies with the other requirements for the permit. A licensee  
19 applying for the permit after the June deadline shall pay the  
20 board a late fee equal to the amount of the permit fee listed  
21 below. Any licensee not granted a license until after June 1 of  
22 the calendar year has sixty days from the date of the license  
23 transfer to notify the board of the licensee's intention to use  
24 a spirits-to-go permit and pay the permitting fee. The servers  
25 employed by a licensee who obtains a spirits-to-go permit,  
26 including any retail dispenser licensee who upgrades to a  
27 restaurant license under section 432(g), must be certified under  
28 the board's responsible alcohol management program as required  
29 under section 471.1. The board shall charge a fee of five  
30 hundred dollars (\$500) per calendar year to an applicant for the

1 permit. The fees shall be paid into The State Stores Fund. Any  
2 violation of this act or the board's regulations for governing  
3 activity occurring under the authority of this permit may be the  
4 basis for the issuance of a citation under section 471, the  
5 nonrenewal of the license under section 470 or the refusal by  
6 the board to issue subsequent permits. The penalty imposed under  
7 this paragraph shall be in addition to the other remedies  
8 available to the enforcement bureau or the board.

9 Section 42. The act is amended by adding sections to read:

10 Section 493.2. Unlawful Acts Relative to Wine and Spirits  
11 Retail Licensees.--(a) It is unlawful for a wine and spirits  
12 retail licensee, or an employe, servant or agent of the licensee  
13 or another person to sell, furnish or give liquor or malt or  
14 brewed beverages or to permit liquor or malt or brewed beverages  
15 to be sold, furnished or given to a minor or person who is  
16 visibly intoxicated.

17 (b) A wine and spirits retail licensee who violates the  
18 provisions of subsection (a) is subject to the penalty  
19 provisions set forth in section 471.

20 Section 493.3. Licensees and Taxes.--Notwithstanding any  
21 other provision of this act or the act of March 4, 1971 (P.L.6,  
22 No.2), known as the "Tax Reform Code of 1971," the following  
23 shall apply:

24 (1) The sale of malt and brewed beverages and wine and  
25 spirits by an entity licensed under this act, including the sale  
26 of malt and brewed beverages and wine and spirits from the areas  
27 of a licensee's premises utilized under a retail license for  
28 consumption on the premises, shall be considered a sale by a  
29 retail dispenser under section 201 of the "Tax Reform Code of  
30 1971."

1 (2) The sale of malt and brewed beverages and wine and  
2 spirits to an entity described in paragraph (1) for the purpose  
3 of sales from the areas of a licensee's premises utilized under  
4 a retail license for consumption on the premises shall be  
5 considered a sale to a retail dispenser subject to the tax  
6 imposed under Article II of the "Tax Reform Code of 1971."

7 (3) Except for sales under paragraphs (1) and (2), any other  
8 sale of malt and brewed beverages shall be considered a sale by  
9 a distributor, and any other sale of wine or spirits shall be  
10 considered a sale of liquor by a Pennsylvania Liquor Store under  
11 section 201 of the "Tax Reform Code of 1971."

12 Section 43. Section 494 of the act, amended April 29, 1994  
13 (P.L.212, No.30) and November 10, 1999 (P.L.514, No.47), is  
14 amended to read:

15 Section 494. Penalties.--(a) Any person who shall violate  
16 any of the provisions of this article, except as otherwise  
17 specifically provided, shall be guilty of a misdemeanor and,  
18 upon conviction thereof, shall be sentenced to pay a fine of not  
19 less than one hundred dollars (\$100), nor more than five hundred  
20 dollars (\$500), and on failure to pay such fine, to imprisonment  
21 for not less than one month, nor more than three months, and for  
22 any subsequent offense, shall be sentenced to pay a fine not  
23 less than three hundred dollars (\$300), nor more than five  
24 hundred dollars (\$500), and to undergo imprisonment for a period  
25 not less than three months, nor more than one year, or both. If  
26 the person, at or relating to the licensed premises, violates  
27 section 493(1), (10), (14), (16) or (21), or if the owner or  
28 operator of the licensed premises or any authorized agent of the  
29 owner or operator violates the act of April 14, 1972 (P.L.233,  
30 No.64), known as "The Controlled Substance, Drug, Device and

1 Cosmetic Act," or 18 Pa.C.S. § 5902 (relating to prostitution  
2 and related offenses) or 6301 (relating to corruption of  
3 minors), he shall be sentenced to pay a fine not exceeding [five  
4 thousand dollars (\$5,000)] ten thousand dollars (\$10,000) or to  
5 undergo imprisonment for a period not less than [three] six  
6 months, nor more than [one year] two years, or both.

7 (b) The right to suspend and revoke licenses granted under  
8 this article shall be in addition to the penalty set forth in  
9 this section.

10 (c) A person convicted of selling or offering to sell any  
11 liquor or malt or brewed beverage without being licensed is in  
12 violation of this article and shall, in addition to any other  
13 penalty prescribed by law, be sentenced to pay a fine of two  
14 dollars (\$2) per fluid ounce for each container of malt or  
15 brewed beverages and four dollars (\$4) per fluid ounce for each  
16 container of wine or liquor found on the premises where the sale  
17 was made or attempted. The amount of fine per container will be  
18 based upon the capacity of the container when full, whether or  
19 not it is full at the time of the sale or attempted sale. In  
20 addition, all malt or brewed beverages, wine and liquor found on  
21 the premises shall be confiscated. If a person fails to pay the  
22 full amount of the fine levied under this subsection, the  
23 premises on which the malt or brewed beverages, wine or liquor  
24 was found shall be subject to a lien in the amount of the unpaid  
25 fine if the premises are owned by the person against whom the  
26 fine was levied or by any other person who had knowledge of the  
27 proscribed activity. The lien shall be superior to any other  
28 liens on the premises other than a duly recorded mortgage.

29 Section 44. Section 499 of the act, amended October 5, 1994  
30 (P.L.522, No.77) and February 21, 2002 (P.L.103, No.10), is

1 amended to read:

2 Section 499. Premises to be Vacated by Patrons.--(a) Except  
3 as provided for elsewhere in this section, all patrons of a  
4 licensee shall be required to leave that part of the premises  
5 habitually used for the serving of liquor or malt or brewed  
6 beverages to guests or patrons not later than one-half hour  
7 after the time the licensee is required by this act to cease  
8 serving liquor or malt or brewed beverages and shall not be  
9 permitted to have any previously served liquor or malt or brewed  
10 beverages in their possession, nor shall they be permitted to  
11 remove any previously served liquor or malt or brewed beverages  
12 from that part of the premises. Patrons of a licensee shall not  
13 be permitted to reenter that portion of the premises habitually  
14 used for the serving of liquor or malt or brewed beverages  
15 between the time designated by this act for patrons to vacate  
16 the licensed premises and the time designated by this act when  
17 the serving of liquor or malt or brewed beverages is allowed to  
18 begin unless the licensee has been granted a permit for extended  
19 hours food service.

20 (a.1) Subsection (a) shall not apply to sales of malt and  
21 brewed beverages for consumption off the premises when the  
22 following conditions are met:

23 (1) no licensee may sell malt or brewed beverages in excess  
24 of one hundred ninety-two fluid ounces in any one sale for  
25 consumption off the premises unless the licensee possesses a  
26 retail package reform permit;

27 (2) sales and service of malt and brewed beverages for  
28 consumption off the premises are made prior to the designated  
29 time the licensee is required by this act to cease serving  
30 liquor, malt or brewed beverages;



1 (3) persons who have purchased malt and brewed beverages for  
2 consumption off the premises shall remove the malt and brewed  
3 beverages from the premises by the designated time as contained  
4 in this act that patrons are required to vacate the premises;

5 (4) no club licensee may sell any malt or brewed beverage  
6 for consumption off the premises where sold or to any persons  
7 who are not members of the club.

8 (b) A licensee may remain open between the hours of two  
9 o'clock antemeridian and seven o'clock antemeridian for the  
10 purpose of serving food on any day if such licensee either  
11 possesses or is eligible to purchase a Sunday sales permit and  
12 receives an extended hours food license. The board shall  
13 establish an annual fee for the extended hours food license  
14 which shall not exceed fifty dollars (\$50).

15 (b.1) Upon application of any club, the board shall issue a  
16 club extended hours food permit for a period of six (6) days  
17 during the term of its license. The board shall issue  
18 regulations governing terms of the application. The permits  
19 shall be used solely for the purpose of serving food between the  
20 hours of three o'clock antemeridian and seven o'clock  
21 antemeridian. All patrons of a licensee shall be required to  
22 leave that part of the premises habitually used for the serving  
23 of liquor or malt or brewed beverages to guests or patrons not  
24 later than one-half hour after the time the licensee is required  
25 by this act to cease serving liquor or malt or brewed beverages  
26 and shall not be permitted to have any previously served liquor  
27 or malt or brewed beverages in their possession, nor shall they  
28 be permitted to remove any previously served liquor or malt or  
29 brewed beverages from that part of the premises.

30 (c) Any licensee who violates this section for the first

1 offense commits a summary offense and shall, upon conviction, be  
2 sentenced to pay a fine of not more than three hundred dollars  
3 (\$300) or to imprisonment for not more than ninety (90) days, or  
4 both, and for the second or any subsequent offense commits a  
5 misdemeanor of the third degree and shall, upon conviction, be  
6 sentenced to pay a fine of not more than two thousand five  
7 hundred dollars (\$2,500) or to imprisonment for not more than  
8 one (1) year, or both.

9 (d) This section shall not apply to holders of public  
10 service licenses.

11 (e) Nothing in this section shall prohibit restaurant  
12 liquor, eating place retail dispenser or hotel licenses from  
13 being open seven o'clock ante meridian on Sunday until two  
14 o'clock ante meridian Monday for the purpose of serving food and  
15 nonalcoholic beverages.

16 Section 45. Section 505.2 of the act, amended December 8,  
17 2004 (P.L.1810, No.239), July 16, 2007 (P.L.107, No.34), June  
18 25, 2010 (P.L.217, No.35), June 28, 2011 (P.L.55, No.11) and  
19 December 22, 2011 (P.L.530, No.113), is amended to read:

20 Section 505.2. Limited Wineries.--(a) In the interest of  
21 promoting tourism and recreational development in Pennsylvania,  
22 holders of a limited winery license may:

23 (1) Produce alcoholic ciders, wines and wine coolers,  
24 subject to the exceptions provided under this section, only from  
25 an agricultural commodity grown in Pennsylvania.

26 (2) Sell alcoholic cider, wine and wine coolers produced by  
27 the limited winery or purchased in bulk in bond from another  
28 Pennsylvania limited winery on the licensed premises, under such  
29 conditions and regulations as the board may enforce, to the  
30 board, to wine and spirits retail licensees, to individuals and

1 to brewery, hotel, restaurant, club, grocery store and public  
2 service liquor licensees, and to Pennsylvania winery licensees:  
3 Provided, That a limited winery shall not, in any calendar year,  
4 purchase alcoholic cider or wine produced by other limited  
5 wineries in an amount in excess of fifty per centum of the  
6 alcoholic cider or wine produced by the purchasing limited  
7 winery in the preceding calendar year. In addition, the holder  
8 of a limited winery license may purchase wine in bottles from  
9 another Pennsylvania limited winery if these wines undergo a  
10 second fermentation process. Such wine may be sold in bottles  
11 bearing the purchasing limited winery's label or the producing  
12 limited winery's label. [Such wines, if sold by the board, may  
13 be sold by the producing limited winery to the purchasing  
14 limited winery at a price lower than the price charged by the  
15 board.]

16 (3) Separately or in conjunction with other limited  
17 wineries, sell alcoholic cider, wine and wine coolers produced  
18 by the limited winery on no more than five (5) board-approved  
19 locations other than the licensed premises, with no bottling or  
20 production requirement at those additional board-approved  
21 locations and under such conditions and regulations as the board  
22 may enforce, to the board, wine and spirits retail licensees, to  
23 individuals and to brewery, hotel, restaurant, club, grocery  
24 store and public service liquor licensees. If two or more  
25 limited wineries apply to operate an additional board-approved  
26 location in conjunction with each other, the wineries need only  
27 have one board-approved manager for the location, need only pay  
28 one application fee and need not designate specific or distinct  
29 areas for each winery's licensed area. Each limited winery must  
30 file an application for such an additional board-approved

1 location, and such location shall count as one of the five  
2 permitted for each limited winery. Each limited winery is  
3 responsible for keeping only its own complete records. A limited  
4 winery may be cited for a violation of the recordkeeping  
5 requirements of sections 512 and 513 pertaining to its own  
6 records only.

7 (4) At the discretion of the board, obtain a special permit  
8 to participate in alcoholic cider, wine and food expositions off  
9 the licensed premises. A special permit shall be issued upon  
10 proper application and payment of a fee of thirty dollars (\$30)  
11 per day for each day of permitted use, not to exceed thirty (30)  
12 consecutive days. The total number of days for all the special  
13 permits may not exceed one hundred (100) days in any calendar  
14 year. A special permit shall entitle the holder to engage in the  
15 sale by the glass, by the bottle or in case lots of alcoholic  
16 cider or wine produced by the permittee under the authority of a  
17 limited winery license. Holders of special permits may provide  
18 tasting samples of wines in individual portions not to exceed  
19 one fluid ounce. Samples at alcoholic cider, wine and food  
20 expositions may be sold or offered free of charge. Except as  
21 provided herein, limited wineries utilizing special permits  
22 shall be governed by all applicable provisions of this act as  
23 well as by all applicable regulations or conditions adopted by  
24 the board.

25 For the purposes of this clause, "alcoholic cider, wine and  
26 food expositions" are defined as affairs held indoors or  
27 outdoors with the intent of promoting Pennsylvania products by  
28 educating those in attendance of the availability, nature and  
29 quality of Pennsylvania-produced alcoholic ciders and wines in  
30 conjunction with suitable food displays, demonstrations and

1 sales. Alcoholic cider, wine and food expositions may also  
2 include activities other than alcoholic cider, wine and food  
3 displays, including arts and crafts, musical activities,  
4 cultural exhibits, agricultural exhibits and farmers markets.

5 (4.1) At the discretion of the board, obtain a farmers  
6 market permit. The permit shall entitle the holder to  
7 participate in more than one farmers market at any given time  
8 and an unlimited number throughout the year and sell alcoholic  
9 cider or wine produced under the authority of the underlying  
10 limited winery license by the bottle or in case lots. Samples  
11 not to exceed one fluid ounce per brand of wine may be offered  
12 free of charge. A farmers market permit shall be issued upon  
13 proper application and payment of an annual fee of two hundred  
14 fifty dollars (\$250). A permit holder may participate in more  
15 than one farmers market at any given time. Sales by permit  
16 holders shall take place during the standard hours of operation  
17 of the farmers market. Written notice of the date, times and  
18 location the permit is to be used shall be provided by the  
19 permit holder to the enforcement bureau at least two (2) weeks  
20 prior to the event. Except as provided in this subsection,  
21 limited wineries utilizing farmers market permits shall be  
22 governed by all applicable provisions of this act as well as by  
23 all applicable regulations adopted by the board.

24 (5) Apply for and hold a hotel liquor license, a restaurant  
25 liquor license or a malt and brewed beverages retail license to  
26 sell for consumption at the restaurant or limited winery on the  
27 licensed winery premises, liquor, wine and malt or brewed  
28 beverages regardless of the place of manufacture under the same  
29 conditions and regulations as any other hotel liquor license,  
30 restaurant liquor license or malt and brewed beverages retail

1 license.

2 (6) (i) Secure a permit from the board to allow the holder  
3 of a limited winery license to use up to twenty-five per centum  
4 permitted fruit, not wine, in the current year's production.  
5 Each permit is valid only for the calendar year in which it is  
6 issued.

7 (ii) The fee for a permit to import and use permitted fruit  
8 shall be in an amount to be determined by the board.

9 (iii) The purpose of this section is to increase the  
10 productivity of limited wineries while at the same time  
11 protecting the integrity and unique characteristics of wine  
12 produced from fruit primarily grown in this Commonwealth.  
13 Prevailing climatic conditions have a significant impact on the  
14 character of the fruit. Accordingly, "permitted fruit" shall  
15 mean fruit grown or juice derived from fruit grown within three  
16 hundred fifty (350) miles of the winery.

17 (iv) The department is authorized to promulgate regulations  
18 requiring the filing of periodic reports by limited wineries to  
19 ensure compliance with the provisions of this section.

20 (6.1) Sell food for consumption on or off the licensed  
21 premises and at the limited winery's additional board-approved  
22 locations and sell by the glass, at the licensed premises and at  
23 the limited winery's additional board-approved locations, only  
24 wine and alcoholic ciders that may otherwise be sold by the  
25 bottle.

26 (6.2) Sell wine- or liquor-scented candles acquired or  
27 produced by the limited winery.

28 (6.3) Sell alcoholic cider, wine and wine coolers only  
29 between the hours of nine o'clock antemeridian and eleven  
30 o'clock postmeridian. A limited winery also may request approval

1 from the board to extend sales hours in individual locations at  
2 other times during the year or beyond the limits set forth in  
3 this clause. The request shall be made in writing to the board's  
4 Office of the Chief Counsel and shall detail the exact locations  
5 where sales hours are proposed to be extended, the proposed  
6 hours and dates of extended operation and the reason for the  
7 proposed extended hours.

8 (6.4) Store alcoholic cider, wine and wine coolers produced  
9 by the limited winery at no more than two (2) board-approved  
10 locations other than the licensed premises and those premises  
11 referenced in clause (3) pertaining to the five (5) board-  
12 approved locations for the sale of wine, with no bottling or  
13 production requirement at those additional locations and under  
14 such conditions and regulations as the board may enforce. If two  
15 (2) or more businesses will operate out of the same storage  
16 facility, the limited winery must designate specific and  
17 distinct areas for its storage. The limited winery's designated  
18 storage area must be secured and no one other than the licensee  
19 and his employees may be allowed access to the storage area. No  
20 board-approved manager will be necessary for the storage  
21 facility. The limited winery must fill out an application for  
22 such an additional board-approved storage location, and such  
23 location shall count as one of the two permitted for each  
24 limited winery. The limited winery is responsible for keeping  
25 only its own complete records. A limited winery may be cited for  
26 a violation of the recordkeeping requirements of sections 512  
27 and 513 pertaining to its own records only.

28 (b) The total production of alcoholic ciders, wine and wine  
29 coolers by a limited winery may not exceed two hundred thousand  
30 (200,000) gallons per year.

1 (c) As used in this section:

2 "Agricultural commodity" shall include any of the following:  
3 agricultural, apicultural, horticultural, silvicultural and  
4 viticultural commodities.

5 "Farmers market" shall include any building, structure or  
6 other place:

7 (1) owned, leased or otherwise in the possession of a  
8 person, municipal corporation or public or private organization;

9 (2) used or intended to be used by two or more farmers or an  
10 association of farmers, who are certified by the Department of  
11 Agriculture of the Commonwealth to participate in the Farmers'  
12 Market Nutrition Program subject to 7 CFR Pt. 249 (relating to  
13 Senior Farmers' Market Nutrition Program (SFMNP)), for the  
14 purpose of selling agricultural commodities produced in this  
15 Commonwealth directly to consumers;

16 (3) which is physically located within this Commonwealth;  
17 and

18 (4) which is not open for business more than twelve hours  
19 each day.

20 Section 46. Section 505.4 of the act, amended December 22,  
21 2011 (P.L.530, No.113), is amended to read:

22 Section 505.4. Distilleries.--(a) The board may issue a  
23 distillery of historical significance license to any distillery  
24 which was established prior to January 1, 1875. The holder of  
25 the license may manufacture and sell liquor produced on the  
26 licensed premises to the board, to wine and spirits retail  
27 licensees, to other entities licensed by the board and to the  
28 public under such conditions and regulations as the board may  
29 enforce. Production at the distillery of historical significance  
30 shall be limited to an amount not to exceed twenty thousand



1 (20,000) gallons per year. The distillery does not need to  
2 establish continuous operation since January 1, 1875, in order  
3 to qualify for a license under this section.

4 (b) (1) The board may issue a limited distillery license  
5 that will allow the holder thereof to operate a distillery that  
6 shall not exceed production of one hundred thousand (100,000)  
7 gallons of distilled liquor per year. The holder of the license  
8 may manufacture and sell bottled liquors produced on the  
9 licensed premises to the board, to wine and spirits retail  
10 licensees, to other entities licensed by the board and to the  
11 public between the hours of nine o'clock antemeridian and eleven  
12 o'clock postmeridian so long as a specific code of distilled  
13 liquor which is listed for sale as a stock item by the board in  
14 State liquor stores may not be offered for sale at a licensed  
15 limited distillery location at a price which is lower than that  
16 charged by the board and under such conditions and regulations  
17 as the board may enforce.

18 (2) (i) The holder of a limited distillery license may,  
19 separately or in conjunction with other limited distillery  
20 licensees, sell bottled liquors produced by the distillery at no  
21 more than two (2) board-approved locations other than the  
22 licensed premises, with no bottling or production requirement at  
23 those additional board-approved locations and under such  
24 conditions and regulations as the board may enforce to the  
25 board, to individuals and to entities licensed by the board.

26 (ii) If two (2) or more limited distilleries apply to  
27 operate an additional board-approved location in conjunction  
28 with each other, the distilleries need only have one (1) board-  
29 approved manager for the location, need only pay one application  
30 fee and need not designate specific or distinct areas for each

1 distillery's licensed area. A limited distillery must file an  
2 application for the additional board-approved location, and that  
3 location shall count as one (1) of the two (2) permitted for  
4 each limited distillery. A limited distillery is responsible for  
5 keeping only its own complete records. A limited distillery may  
6 be cited for a violation of the recordkeeping requirements of  
7 sections 512 and 513 pertaining to its own records only.

8 (3) The holder of a limited distillery license may apply for  
9 and hold a hotel liquor license, a restaurant liquor license or  
10 a malt and brewed beverages retail license to sell for  
11 consumption at the restaurant or limited distillery on the  
12 licensed distillery premises liquor, wine and malt or brewed  
13 beverages regardless of the place of manufacture under the same  
14 conditions and regulations as any other hotel liquor license,  
15 restaurant liquor license or malt and brewed beverages retail  
16 license.

17 (4) The holder of a limited distillery license may sell food  
18 for consumption on or off the licensed premises and at the  
19 limited distillery's additional board-approved locations, and  
20 may sell by the glass, at the licensed premises and at the  
21 limited distillery's additional board-approved locations, only  
22 liquor that may otherwise be sold by the bottle.

23 (5) The holder of a limited distillery license may provide  
24 tasting samples of liquor that in total do not exceed one and  
25 one-half (1.5) fluid ounces per person on the licensed premises  
26 and at the two (2) board-approved locations. Samples may be sold  
27 or provided free of charge and may only be provided between the  
28 hours of nine o'clock antemeridian and eleven o'clock  
29 postmeridian.

30 (6) The fee for the limited distillery license shall be in

1 an amount to be determined by the board but shall not exceed one  
2 thousand five hundred dollars (\$1,500).

3 (7) The board may issue to the holder of a distillery  
4 license a limited distillery license in exchange for the  
5 distillery license provided that the applicant has not  
6 manufactured more than one hundred thousand (100,000) gallons of  
7 distilled liquor in the prior calendar year. The board may not  
8 charge a fee for this exchange. An applicant under this  
9 subsection shall surrender his distillery license for  
10 cancellation prior to the issuance of the new limited distillery  
11 license. The authority of the board to exchange a distillery  
12 license for a limited distillery license under this subsection  
13 and this subsection shall expire December 31, 2012.

14 (c) (1) The holder of a distillery license as issued under  
15 section 505 may sell bottled liquors produced on the licensed  
16 premises to the board, to wine and spirits retail licensees and  
17 other entities licensed by the board and to the public between  
18 the hours of nine o'clock antemeridian and eleven o'clock  
19 postmeridian so long as a specific code of distilled liquor  
20 which is listed for sale as a stock item by the board in State  
21 liquor stores may not be offered for sale at a licensed  
22 distillery location at a price which is lower than that charged  
23 by the board and under such conditions and regulations as the  
24 board may enforce.

25 (2) The holder of a distillery license as issued under  
26 section 505 may provide tasting samples of liquor that in total  
27 do not exceed one and one-half (1.5) fluid ounces. Samples may  
28 be sold or provided free of charge between the hours of nine  
29 o'clock antemeridian and eleven o'clock postmeridian.

30 Section 47. Section 508 of the act, amended April 29, 1994

1 (P.L.212, No.30), is amended to read:

2 Section 508. License Fees.--(a) The annual fee for every  
3 license issued to a limited winery or a winery shall be as  
4 prescribed in section 614-A of the act of April 9, 1929  
5 (P.L.177, No.175), known as "The Administrative Code of 1929."  
6 The fee for every license issued to a distillery (manufacturer)  
7 shall be as prescribed in section 614-A of "The Administrative  
8 Code of 1929." The annual fee for all other licenses shall be as  
9 prescribed in section 614-A of "The Administrative Code of  
10 1929." An applicant for renewal of a license issued under this  
11 article shall file a written application with the board together  
12 with an application surcharge of seven hundred dollars (\$700).

13 Whenever any checks issued in payment of filing and/or license  
14 fees shall be returned to the board as dishonored, the board  
15 shall charge a fee of five dollars (\$5.00) per hundred dollars  
16 or fractional part thereof, plus all protest fees, to the maker  
17 of such check submitted to the board. Failure to make full  
18 payment or pay the face amount of the check in full and all  
19 charges thereon as herein required within ten days after demand  
20 has been made by the board upon the maker of the check, the  
21 license of such person shall not be renewed for the license  
22 period or validated for any interim period for such year.

23 (b) For the purpose of this section, the term "proof gallon"  
24 shall mean a gallon liquid which contains one-half its volume of  
25 alcohol of a specific gravity of seven thousand nine hundred  
26 thirty-nine ten thousandths (.7939) at sixty degrees Fahrenheit.

27 Section 48. Section 801 of the act is amended to read:

28 Section 801. Moneys Paid Into Liquor License Fund and  
29 Returned to Municipalities.--(a) The following fees collected  
30 by the board under the provisions of this act shall be paid into

1 the State Treasury through the Department of Revenue into a  
2 special fund to be known as the "Liquor License Fund":

3 (1) License fees for hotel, restaurant and club liquor  
4 licenses.

5 (2) License fees for retail dispensers' (malt and brewed  
6 beverages) licenses.

7 (a.1) The license fees for grocery stores collected by the  
8 board under the provisions of this act shall be paid into the  
9 State Treasury through the Department of Revenue into The State  
10 Stores Fund.

11 (b) The moneys in the Liquor License Fund shall, on the  
12 first days of February and August of each year, be paid by the  
13 board to the respective municipalities in which the respective  
14 licensed places are situated, in such amounts as represent the  
15 aggregate license fees collected from licenses in such  
16 municipalities during the preceding period.

17 (c) The board shall have the power to appropriate moneys in  
18 the Liquor License Fund for the payment of claims for refunds  
19 allowed and approved by the board for moneys paid into the  
20 Liquor License Fund because of the over-payment or overcharge on  
21 license fees. In the event that the moneys in the Liquor License  
22 Fund have been distributed to the respective municipalities, the  
23 board shall have the authority to deduct from the next semi-  
24 annual payment to the respective municipalities the amount of  
25 any over-payment previously refunded by the board to any person  
26 on account of an overcharge or over-payment on a license fee.

27 Section 49. The act is amended by adding an article to read:

28 ARTICLE VIII-A

29 SUPPLEMENTAL PROVISIONS

30 Section 801-A. Definitions.

1 The following words and phrases when used in this article  
2 shall have the meanings given to them in this section unless the  
3 context clearly indicates otherwise:

4 "Emergency act." The act of June 6, 1936 (Sp.Sess., P.L.13,  
5 No.4), entitled, as reenacted, "An act imposing an emergency  
6 State tax on liquor, as herein defined, sold by the Pennsylvania  
7 Liquor Control Board; providing for the collection and payment  
8 of such tax; and imposing duties upon the Department of Revenue  
9 and the Pennsylvania Liquor Control Board."

10 Section 802-A. Controlling provisions.

11 For the purpose of the emergency act, the following shall  
12 apply:

13 (1) The term "board" in the emergency act shall include:

14 (i) The board only to the extent the board is making  
15 sales:

16 (A) to the general public; or

17 (B) of liquor sold for on-premises consumption  
18 to licensees holding a license permitting on-premises  
19 consumption of liquor.

20 (ii) A wine or spirits retail licensee.

21 (iii) A wine or spirits wholesale licensee only to  
22 the extent the wholesale licensee makes sales of liquor  
23 sold for on-premises consumption to licensees holding a  
24 license permitting on-premises consumption of liquor.

25 (iv) A grocery store licensee only to the extent  
26 that the sales of liquor are not sold under a license  
27 authorizing the on-premises consumption of liquor.

28 (v) Any entity selling liquor to another entity that  
29 is not required to pay the tax imposed by the emergency  
30 act.

1           (2) The term "net price" shall mean total receipts  
2 received from the sale of liquor without any deductions for  
3 cost or expenses, including, but not limited to:

4           (i) Any reimbursement from manufacturers, purchasers  
5 or other parties.

6           (ii) In the case of a bundled sale which includes  
7 liquor, the term includes the entire purchase price  
8 charged for the bundled sale, unless a fair market price  
9 for the liquor is separately stated on the sales document  
10 given to the purchaser, then the term shall only include  
11 the price charged for the liquor.

12           (3) The tax imposed by the emergency act shall be  
13 included in any advertised price, shelf price or any other  
14 price for a container of liquor and shall not be listed as an  
15 itemized tax on any sales receipt for the sale of liquor.

16           (4) The emergency act shall be administered and enforced  
17 under the provisions of Article II of the act of March 4,  
18 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
19 including the provisions of Article II concerning returns,  
20 payment, assessment and enforcement where applicable, except  
21 that the exclusions and exemptions under Article II of the  
22 Tax Reform Code of 1971 shall not apply to the emergency act,  
23 except for the resale exemption, provided that exemption  
24 shall not be claimed for liquor purchased for on-premises  
25 consumption.

26           (5) The term "fiscal month" shall mean "calendar month."  
27 Section 50. This act shall take effect as follows:

28           (1) The addition of Article III-A of the act shall take  
29 effect in 120 days.

30           (2) The addition of sections 401.1, 403.1, 404.1 and

1 406.2 of the act shall take effect in 60 days.

2 (3) The amendment or repeal of sections 207, 215 and 301  
3 of the act shall take effect upon completion of divestiture  
4 of retail sale operations under Subarticle B of Article III-A  
5 of the act.

6 (4) The amendment of section 208 of the act shall take  
7 effect upon completion of divestiture of wholesale operation  
8 under Subarticle C of Article III-A of the act.

9 (5) The remainder of this act shall take effect  
10 immediately.