
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 908 Session of
2015

INTRODUCED BY WAGNER, MENSCH, STEFANO, VULAKOVICH, SCARNATI,
ALLOWAY, EICHELBERGER, WHITE, BARTOLOTTA AND WARD,
JUNE 22, 2015

REFERRED TO LAW AND JUSTICE, JUNE 22, 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.

24 In Pennsylvania Liquor Stores, further providing for
25 establishment and for sales.

26 Providing for wine and spirits distribution.

27 In licensing, further providing for hotels, restaurants
28 and clubs liquor licenses, for license fees, for liquor
29 license sales and restrictions, for wine auction permits, for
30 importers' license fees, privileges and restrictions, for
31 interlocking business, for application for distributors',

1 importing distributors' and retail dispensers' licenses, for
2 prohibitions against the grant of licenses, for numbers and
3 kinds of licenses, for distributors and importing
4 distributors restrictions, for interlocking business
5 prohibited, for renewal and temporary provisions, for
6 sanctions, for responsible alcohol management, for surrender
7 of restaurant, eating place retail dispenser, hotel,
8 importing distributor and distributor licensee for benefit of
9 licensee, for unlawful acts relative to malt or brewed
10 beverages and licensees, for hours of operation relative to
11 manufacturers, importing distributors and distributors, for
12 unlawful acts relative to liquor, malt and brewed beverages
13 and licensees; providing for unlawful acts relative to wine
14 and spirits retail license holders and for licensees and
15 taxes; and further providing for penalties and for unlawful
16 advertising.

17 In distilleries, wineries, bonded warehouses, bailees and
18 transporters, further providing for limited wineries, for
19 distilleries and for license fees.

20 Providing for supplemental provisions.

21 The General Assembly of the Commonwealth of Pennsylvania

22 hereby enacts as follows:

23 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
24 No.21), known as the Liquor Code, reenacted and amended June 29,
25 1987 (P.L.32, No.14), is amended by adding definitions to read:

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

29 "Affiliate" or "person affiliated with" shall mean a person
30 that directly or indirectly, through one or more intermediaries,
31 controls, is controlled by or is under common control with a
32 specified person.

33 * * *

34 "Blended brand valuation" shall mean, for any particular
35 brand of liquor, the sum of the wholesale profit margin on each
36 product of a brand.

37 * * *

38 "Brand of liquor" shall mean a liquor product or series of

1 liquor products produced by a single manufacturer.

2 * * *

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

4 * * *

5 "Controlling interest" shall mean as follows:

6 (1) For a publicly traded legal entity, an interest in a
7 legal entity, applicant or licensee whereby a person's sole
8 voting rights under State law or corporate articles or bylaws
9 entitles the person to elect or appoint one or more of the
10 members of the board of directors or other governing board or
11 the ownership, directly or indirectly, of five per centum or
12 more of the securities of the publicly traded corporation.

13 (2) For a privately held corporation, partnership, limited
14 liability company or other form of privately held legal entity,
15 the holding of any securities in the legal entity.

16 * * *

17 "Department" shall mean the Department of General Services of
18 the Commonwealth.

19 * * *

20 "Displaced employe" shall mean a salaried employe of the
21 board whose employment is terminated as a sole and direct result
22 of the implementation of Article III-A. The term shall not
23 include a person who is terminated for cause or who retires or
24 resigns, is furloughed or is otherwise separated from employment
25 for any other reason. The term excludes intermittent liquor
26 store clerks and seasonal liquor store clerks.

27 * * *

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

1 * * *

2 "Institution of higher education" shall mean a public or
3 private institution within this Commonwealth authorized by the
4 Department of Education to grant a certificate, associate degree
5 or higher degree. The term includes a branch or satellite campus
6 of the institution.

7 * * *

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

13 * * *

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

17 "Wholesale licensee" shall mean a person that holds a wine
18 and spirits wholesale license issued pursuant to section
19 321.1-A.

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

24 * * *

25 "Wine and spirits wholesale license" shall mean a license
26 issued by the department or the board authorizing a person to
27 sell and distribute liquor on a wholesale basis to the board
28 until all retail licenses have been issued in accordance with
29 Article III-A and to licensees under this act.

30 "Wine and spirits retail permit" shall mean a wine and

1 spirits retail permit issued under section 311-A.

2 "Wine and spirits retail permit holder" shall mean a licensee
3 that has obtained a wine and spirits retail permit.

4 * * *

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

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

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

29 (d) The provisions of this act are intended to create a
30 system for distribution [that shall include the fixing of prices

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

9 * * *

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

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

15 (a) To buy, import or have in its possession for sale and
16 sell liquor, alcohol, corkscrews, wine and liquor accessories,
17 trade publications, gift cards, gift certificates, wine- or
18 liquor-scented candles and wine glasses in the manner set forth
19 in this act: Provided, however, That all purchases shall be made
20 subject to the approval of the State Treasurer, or his
21 designated deputy. The board shall buy liquor and alcohol at the
22 lowest price and in the greatest variety reasonably obtainable.
23 The board's authority to exercise the powers granted pursuant to
24 this subsection is subject to the limitations set forth in
25 Article III-A of this act.

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

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

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

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

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

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

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

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

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

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

1 into effect the provisions of this act and the regulations made
2 thereunder.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (d) The classes, varieties and brands of liquor and alcohol
2 to be kept and sold in Pennsylvania Liquor Stores. In making
3 this determination the board shall meet not less than twice a
4 year.

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

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

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

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

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

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

24 Section 6. Section 211(c) of the act, amended October 5,
25 1994 (P.L.537, No.80), is amended to read:

26 Section 211. Enforcement.--* * *

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

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

6 * * *

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

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

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

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

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

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

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

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

5 Section 9. Section 305 of the act, amended May 8, 2003
6 (P.L.1, No.1), July 17, 2003 (P.L.63, No.15), November 30, 2004
7 (P.L.1727, No.221), December 8, 2004 (P.L.1810, No.239), July 6,
8 2005 (P.L.135, No.39) and July 5, 2012 (P.L.1007, No.116), is
9 amended to read:

10 Section 305. Sales by Pennsylvania Liquor Stores.--(a) The
11 board shall in its discretion determine where and what classes,
12 varieties and brands of liquor and alcohol it shall make
13 available to the public and where such liquor and alcohol will
14 be sold. Every Pennsylvania Liquor Store shall be authorized to
15 sell combination packages. If a person desires to purchase a
16 class, variety or brand of liquor or alcohol not currently
17 available from the board, he or she may place a special order
18 for such item so long as the order is for two or more bottles.
19 The board may require a reasonable deposit from the purchaser as
20 a condition for accepting the order. The customer shall be
21 notified immediately upon the arrival of the goods.

22 In computing the retail price of such special orders for
23 liquor or alcohol, the board shall not include the cost of
24 freight or shipping before applying the mark-up and taxes but
25 shall add the freight or shipping charges to the price after the
26 mark-up and taxes have been applied.

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

1 During the retail divestiture process as provided in Article
2 III-A, the board shall continue to take and process special
3 liquor orders for residents and licensees of the board, and may
4 establish a protocol by which prepaid orders may be picked up at
5 either a Pennsylvania Liquor Store or from the licensed premises
6 of a wine and spirits retail permit holder. A wine and spirits
7 retail permit holder is authorized to assess a handling fee for
8 this purpose. Any product not claimed at the premises of a wine
9 and spirits retail permit holder by the purchaser shall be
10 returned to the board after ten days' notice of arrival was sent
11 to the purchaser.

12 (b) [Every] Until the wholesale divestiture process as
13 provided in Article III-A is complete, every Pennsylvania Liquor
14 Store shall sell liquors at wholesale to wine and spirits retail
15 permit holders, hotels, restaurants, clubs, and railroad,
16 pullman and steamship companies licensed under this act; and,
17 under the regulations of the board, to pharmacists duly licensed
18 and registered under the laws of the Commonwealth, and to
19 manufacturing pharmacists, and to reputable hospitals approved
20 by the board, or chemists. Sales to licensees shall be made at a
21 price that includes a discount of [ten] fourteen per centum from
22 the retail price. The board may sell to registered pharmacists
23 only such liquors as conform to the Pharmacopoeia of the United
24 States, the National Formulary, or the American Homeopathic
25 Pharmacopoeia. The board may sell at special prices under the
26 regulations of the board, to United States Armed Forces
27 facilities which are located on United States Armed Forces
28 installations and are conducted pursuant to the authority and
29 regulations of the United States Armed Forces. All other sales
30 by such stores shall be at retail. A person entitled to purchase

1 liquor at wholesale prices may purchase the liquor at any
2 Pennsylvania Liquor Store upon tendering cash, check or credit
3 card for the full amount of the purchase. For this purpose, the
4 board shall issue a discount card to each licensee identifying
5 such licensee as a person authorized to purchase liquor at
6 wholesale prices. Such discount card shall be retained by the
7 licensee. The board may contract through the Commonwealth
8 bidding process for delivery to wholesale licensees at the
9 expense of the licensee receiving the delivery.

10 (c) Whenever any checks issued in payment of liquor or
11 alcohol purchased from State Liquor Stores by persons holding
12 wholesale purchase permit cards issued by the board shall be
13 returned to the board as dishonored, the board shall charge a
14 fee of five dollars per hundred dollars or fractional part
15 thereof, plus all protest fees, to the maker of such check
16 submitted to the board. Failure to pay the face amount of the
17 check in full and all charges thereon as herein required within
18 ten days after demand has been made by the board upon the maker
19 of the check shall be cause for revocation or suspension of any
20 license issued by the board to the person who issued such check
21 and the cancellation of the wholesale purchase permit card held
22 by such person.

23 (d) No liquor or alcohol package shall be opened on the
24 premises of a Pennsylvania Liquor Store. No manager or other
25 employe of the board employed in a Pennsylvania Liquor Store
26 shall allow any liquor or alcohol to be consumed on the store
27 premises, nor shall any person consume any liquor or alcohol on
28 such premises, except liquor and alcohol which is part of a
29 tasting conducted pursuant to the board's regulations. Such
30 tastings may also be conducted in the board's headquarters or

1 regional offices or at the premises of a wine and spirits retail
2 permit holder.

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

7 Such permits may be issued to the United States or any
8 governmental agency thereof, to any university or college of
9 learning, any laboratory for use exclusively in scientific
10 research, any hospital, sanitorium, eleemosynary institution or
11 dispensary; to physicians, dentists, veterinarians and
12 pharmacists duly licensed and registered under the laws of the
13 Commonwealth of Pennsylvania; to manufacturing chemists and
14 pharmacists or other persons for use in the manufacture or
15 compounding of preparations unfit for beverage purposes.

16 (f) Every purchaser of liquor, alcohol, corkscrews, wine or
17 liquor accessories, trade publications, gift cards, gift
18 certificates, wine- or liquor-scented candles or wine glasses
19 from a Pennsylvania Liquor Store shall receive a numbered
20 receipt which shall show the price paid therefor and such other
21 information as the board may prescribe. Copies of all receipts
22 issued by a Pennsylvania Liquor Store shall be retained by and
23 shall form part of the records of such store.

24 [(g) The board is hereby authorized and empowered to adopt
25 and enforce appropriate rules and regulations to insure the
26 equitable wholesale and retail sale and distribution, through
27 the Pennsylvania Liquor Stores, of available liquor and alcohol
28 at any time when the demand therefor is greater than the
29 supply.]

30 (h) Every Pennsylvania Liquor Store shall sell gift

1 certificates and gift cards which may be redeemed for any
2 product sold by the board. In addition, the board may sell
3 corkscrews, wine and liquor accessories, wine- or liquor-scented
4 candles, trade publications and wine sleeves at Pennsylvania
5 Liquor Stores.

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

9 Section 10. The act is amended by adding an article to read:

10 ARTICLE III-A

11 WINE AND SPIRITS DISTRIBUTION

12 SUBARTICLE A

13 GENERAL PROVISIONS

14 Section 301-A. Scope of article.

15 This article relates to the privatization of liquor
16 distribution in this Commonwealth.

17 Section 302-A. Transition to private distribution system,
18 powers and duties of the department and the board.

19 (a) Orderly transition.--The department and the board have
20 the power and duty to implement this article and effect an
21 orderly transition to a privately-owned and privately-operated
22 wholesale and retail liquor distribution system in this
23 Commonwealth in a manner which is consistent with this article
24 and the laws of this Commonwealth and which seeks to maintain
25 uninterrupted service to the public.

26 (b) Wholesale transition.--

27 (1) Six months after the effective date of this section,
28 in consultation with its advisors and the board, the
29 department shall transition the board's wholesale
30 distribution of liquor to privately-owned and privately-

1 operated wholesale licensees.

2 (2) The divestiture of the board's wholesale operations
3 shall be accomplished through the issuance of wine and
4 spirits wholesale licenses by brand of liquor, which shall be
5 subject to an application process as set forth in this
6 article. The transition must fully divest the board of all
7 operations relating to the wholesale distribution of liquor
8 within six months of the commencement of wholesale
9 divestiture.

10 (c) Cooperation required.--

11 (1) The board shall fully cooperate with the department
12 or its advisors in all aspects of implementation of this
13 article and shall provide the department or its consultant
14 with all records and information in the possession of the
15 board upon request.

16 (2) The board shall devote sufficient resources to
17 planning and preparation for the divestiture of its wholesale
18 and retail functions.

19 (3) The board shall use its best efforts in coordinating
20 with the department or its advisors, wine and spirits retail
21 permit holders and wine and spirits wholesale licensees so as
22 to maintain uninterrupted service to the residents of this
23 Commonwealth during divestiture.

24 (d) Prohibition.--The board shall not engage in wholesale
25 distribution of liquor following completion of the wholesale
26 transition to a private distribution system.

27 Section 303-A. Reports to the General Assembly.

28 One year after the effective date of this section, and each
29 year thereafter until the board has been fully divested of its
30 wholesale and retail operations, the board, in cooperation with

1 the department, shall submit to the Secretary of the Senate and
2 the Chief Clerk of the House of Representatives, a report on
3 wholesale and retail alcohol sales in this Commonwealth and the
4 implementation of this article, including:

5 (1) the total revenue earned by the issuance of licenses
6 or permits under this article;

7 (2) the distribution and sale of brands through private
8 wholesalers;

9 (3) the net profit or loss of each wine and spirits
10 retail permitted premise and State liquor store in this
11 Commonwealth; and

12 (4) the status of the ongoing transition, including
13 store closures and employee displacement.

14 Section 304-A. Temporary regulations.

15 (a) Promulgation.--In order to facilitate the prompt
16 implementation of this article, regulations promulgated by the
17 department shall be deemed temporary regulations which shall
18 expire no later than five years following the effective date of
19 this section. The department may promulgate temporary
20 regulations not subject to:

21 (1) sections 201, 202 and 203 of the act of July 31,
22 1968 (P.L.769, No.240), referred to as the Commonwealth
23 Documents Law; or

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

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

29 SUBARTICLE B

30 WINE AND SPIRITS RETAIL PERMITS

1 Section 311-A. Issuance of retail permits.

2 (a) General rule.--On the effective date of this section,
3 the department may issue to licensees holding a hotel or
4 restaurant license or a distributor's license a wine and spirits
5 retail permit as provided under this section.

6 (b) Application, issuance and requirements.--Any licensee
7 that wishes to obtain a wine and spirits retail permit must
8 apply to the board on a form prescribed by the board and pay the
9 applicable permitting fees by June 1 of each calendar year. Any
10 licensee that fails to notify the board and pay the permitting
11 fees by June 1 may be precluded from obtaining the permit for
12 that calendar year. The board may allow the issuance of the
13 permit after the June 1 deadline so long as the applicant is a
14 licensee in good standing with the board and complies with the
15 other requirements for the permit. A licensee applying for the
16 permit after the June 1 deadline shall pay the board a late fee
17 equal to the amount of the permit fee listed under subsection
18 (c). Any licensee not granted a license until after June 1 of
19 the calendar year shall have 60 days from the date of the
20 license transfer to notify the board of the licensee's intention
21 to use a wine and spirits retail permit and pay the permitting
22 fee. The servers employed by a licensee who obtains a wine and
23 spirits retail permit must be certified under the board's
24 responsible alcohol management program as required under section
25 471.1.

26 (c) Fees.--The board shall charge the following fees for a
27 wine and spirits retail permit, which shall be paid into The
28 State Stores Fund:

29 (1) For a licensee holding a hotel or restaurant
30 license, \$1,500 per calendar year.

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

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

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

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

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

15 (1) The following shall apply:

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

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

28 (iii) The alcoholic products shipped into this
29 Commonwealth must be delivered to the wholesaler's
30 licensed premises. Upon delivery, the products shall be

1 unloaded, inventoried and remain on the licensed premises
2 for 18 hours before delivery is made to a retailer.
3 During that time period, the board may inspect and
4 inventory wholesale warehouses to verify taxes that are
5 required to be paid on the products. Under certain
6 circumstances, the wholesaler or manufacturer may ask the
7 board to waive the 18-hour delivery hold.

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

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

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

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

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

1 applicant must submit an application for a wine and spirits
2 wholesale license for the brands of liquor specified by the
3 applicant.

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

8 (c) Brands not previously sold.--If, during the term of a
9 wine and spirits wholesale license, a wine and spirits wholesale
10 licensee proposes to sell and distribute a new brand of liquor
11 not previously sold in this Commonwealth, the wine and spirits
12 wholesale licensee shall apply to the board for permission to
13 sell the brand and pay an additional license fee of \$1,000.

14 (d) Term.--

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

18 (2) The license of a wine and spirits wholesale licensee
19 in good standing shall be renewed every two years under this
20 article.

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

25 (i) The status of its license.

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

28 Section 322-A. Application for wine and spirits wholesale
29 license.

30 (a) Applications.--An application for a wine and spirits

1 wholesale license shall be submitted on a form and in a manner
2 as required by the board.

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

6 (1) Neither the applicant nor any affiliate of the
7 applicant has applied for or holds a wine and spirits retail
8 permit or other license which authorizes the retail sale of
9 wine and spirits to consumers.

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

12 (i) A corporation.

13 (ii) A limited liability company.

14 (iii) A limited partnership.

15 (iv) A partnership.

16 (v) An association.

17 (vi) A legal entity other than a legal entity listed
18 under this paragraph.

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

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

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

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

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

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

8 (1) The name, address and tax identification number of
9 the applicant.

10 (2) A statement as to whether the applicant is an
11 individual, corporation, limited liability company, limited
12 partnership, partnership or association and, if the applicant
13 is not an individual, the state of incorporation or
14 organization.

15 (3) If the applicant is not an individual, the name and
16 residence address of each executive officer, director,
17 general or limited partner or person holding a controlling
18 interest in the applicant.

19 (4) If the applicant is an association, the name and
20 residence address of each person constituting the
21 association.

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

25 (6) A sworn statement that the applicant has entered
26 into a contractual relationship with one or more liquor
27 manufacturers, importers or vendors of record for the
28 distribution in this Commonwealth of a brand or brands of
29 liquor, regardless of whether the contractual relationship is
30 contingent upon the board issuing a wine and spirits

1 wholesale license to the applicant.

2 (7) The proposed location and proof of ownership or
3 lease for the wholesale operation, including proposed
4 warehouses, if available.

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

9 (9) Information disclosing all arrests of and all
10 citations issued for nonsummary offenses to an applicant and
11 any affiliate of the applicant, executive officer, director
12 or general or limited partner of the applicant or person
13 holding a controlling interest in the applicant. The
14 information shall include:

15 (i) A brief description of the circumstances
16 surrounding the arrest or issuance of the citation.

17 (ii) The specific offense charged or cited.

18 (iii) The ultimate disposition of the charge or
19 citation, including the details of a dismissal, plea
20 bargain, conviction, sentence, pardon, expungement or
21 order of Accelerated Rehabilitative Disposition.

22 (10) A sworn statement that the applicant and any
23 affiliate of the applicant, or any executive officer,
24 director or general or limited partner of the applicant or
25 person holding a controlling interest in the applicant have
26 never been convicted:

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

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

1 (iii) in a Federal or state tribunal, including this
2 Commonwealth, of the violation of a Federal or state
3 liquor law.

4 (11) A statement that the applicant intends to
5 continuously operate as a wine and spirits wholesale licensee
6 for the duration of the license term and to use its best
7 efforts to provide a level of service, including product
8 availability, reasonably equivalent to the level of service
9 currently provided by the Commonwealth.

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

15 (13) A current tax certificate issued by the Department
16 of Revenue showing the amount of taxes owed to the
17 Commonwealth for the applicant and any affiliate of the
18 applicant, executive officer, director or general or limited
19 partner of the applicant or person holding a controlling
20 interest in the applicant.

21 (14) A signature and verification by oath or affirmation
22 or under penalty of unsworn falsification to authorities by
23 one of the following:

24 (i) The applicant, if the applicant is a natural
25 person.

26 (ii) A person specifically authorized by the legal
27 entity to sign the application, if the applicant is a
28 legal entity. Written evidence of the authority to sign
29 must be attached to the signature and verification.

30 (e) Additional information.--An applicant shall, during the

1 application process, provide any other information determined to
2 be appropriate by the department.

3 (f) Amended application.--If a change occurs in any
4 information provided to the department or the board as part of
5 the application process, the applicant shall immediately notify
6 the department or the board of the change and timely provide
7 amended information to the department or the board in a form and
8 manner determined by the department or the board.

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

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

15 (2) The department shall establish, charge and collect
16 fees from an applicant to recover the costs directly related
17 to the board's review and investigation of the application
18 for a wine and spirits wholesale license. The board shall
19 have the same authority relating to fees as to applications
20 for renewal.

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

22 (a) Completeness of application.--

23 (1) The following shall apply:

24 (i) The department may not consider an incomplete
25 application and shall notify the applicant in writing if
26 an application is incomplete.

27 (ii) An application shall be considered incomplete
28 if it does not include all applicable fees and all
29 information and accompanying documentation required by
30 the department. Unpaid taxes identified on the tax

1 certificate required to be filed under section
2 322-A(d) (13) must be paid before the application is
3 considered complete.

4 (2) A notification of incompleteness shall state the
5 deficiencies in the application that must be corrected prior
6 to consideration of the merits of the application.

7 (3) The applicant must be afforded a reasonable period
8 of time, as determined by the department, to cure the
9 deficiencies.

10 (4) If the applicant fails to timely cure noticed
11 deficiencies within the time specified by the department, the
12 application shall be deemed denied by the department without
13 further action.

14 (b) Investigation.--After receipt of an application for a
15 wine and spirits wholesale license and a determination that the
16 application is complete, the department shall provide the
17 application to the board's Bureau of Licensing to conduct an
18 investigation of the applicant. The investigation shall include
19 and the applicant shall have the burden of demonstrating the
20 following:

21 (1) The truth and veracity of the information provided
22 in the application.

23 (2) The applicant's cooperation and the cooperation of
24 any affiliate of the applicant and any executive officer,
25 director or general or limited partner of the applicant or
26 person holding a controlling interest in the applicant in the
27 application process and with any request by the department or
28 the board for any information deemed necessary for licensure.

29 (3) The good character, reputation and suitability of
30 the applicant and any affiliate of the applicant, executive

1 officer, director or general or limited partner of the
2 applicant or person holding a controlling interest in the
3 applicant.

4 (4) The applicant possesses sufficient financial
5 resources to:

6 (i) Operate as a wine and spirits wholesale
7 licensee.

8 (ii) Pay all taxes due and owing to the
9 Commonwealth.

10 (iii) Assume liability for the safe operation of the
11 wholesale operations.

12 (5) The applicant possesses sufficient financial
13 resources and experience to create and maintain a successful
14 and efficient wholesale operation that provides service at a
15 level that is reasonably equivalent to the level of service
16 currently provided in this Commonwealth on the effective date
17 of this section.

18 (6) The applicant has entered into a contractual
19 relationship with one or more licensed manufacturers,
20 importers or vendors of record for the distribution in this
21 Commonwealth of a brand or brands of liquor regardless of
22 whether the contractual relationship is contingent upon the
23 board issuing a wine and spirits wholesale license to the
24 applicant.

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

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

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

1 (iii) not have any interior connection with any
2 other business or with any residential building without
3 prior department or board approval;

4 (iv) provide adequate security to protect the
5 applicant's inventory from unauthorized sale or
6 diversion; and

7 (v) protect the public interest.

8 (c) Assistance with investigations.--The board may enter
9 into an agreement with the Pennsylvania State Police or the
10 Office of Inspector General to assist the board in conducting
11 investigations under this section and to provide for the
12 reimbursement of actual costs incurred for providing the
13 assistance. The board may establish, charge and collect fees
14 from an applicant to recover the costs of investigation.

15 Section 324-A. Issuance of licenses.

16 (a) Notification.--Upon completion of the investigation
17 under section 323-A, the board shall inform the department of
18 the results of its investigation. The board shall inform the
19 applicant in writing of its decision to approve or deny the
20 application.

21 (b) Approval.--If the application is approved, the
22 department shall require the successful applicant to pay the
23 license fee, as required under section 321.1-A, based on the
24 brand licensing fees established under section 321.1-A for the
25 brands of liquor approved for the applicant.

26 (c) Denial.--

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

30 (2) The applicant shall be entitled to a hearing on the

1 denial, if a hearing is requested within 10 days of the
2 board's notification and the request is in writing on a form
3 and in a manner determined by the board.

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

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

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

16 (2) Paid outstanding application or investigation fees.

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

19 (4) Repurchased from the board remaining marketable
20 inventory of the brands authorized under its license which
21 are owned by the board at the board's purchase order cost and
22 paid applicable taxes due and an administrative fee
23 determined by the board. The wine and spirits wholesale
24 licensee shall coordinate, at its own cost, the removal of
25 remaining product owned by the board.

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

28 (e) License as privilege.--

29 (1) Nothing under this article is intended or may be
30 construed to create an entitlement to a wine and spirits

1 wholesale license.

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

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

6 (1) Except as set forth in paragraph (2), if a wine and
7 spirits wholesale license has been issued for a particular
8 brand of liquor, the board may not engage in the sale or
9 distribution of that brand of liquor.

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

12 (3) The board's Bureau of Licensing shall provide
13 adequate notice to the board's Bureau of Supply Chain that a
14 wine and spirits wholesale license application is ready for
15 license approval to insure that appropriate inventory
16 reduction can be effectuated without causing a shortage of
17 the brand at issue.

18 Section 325-A. Wine and spirits wholesale licensee statement of
19 conditions.

20 (a) Statement of conditions.--The department, in
21 consultation with the board, shall develop a statement of
22 conditions to be executed by each wine and spirits wholesale
23 licensee governing the operation of the wine and spirits
24 wholesale licensee.

25 (b) Conditions, restrictions and prohibited acts.--In
26 addition to any other conditions the department, in consultation
27 with the board, deems necessary or appropriate for a specific
28 wine and spirits wholesale licensee or which may be mandated for
29 all licensees through regulations of the department or the
30 board, the statement of conditions under subsection (a) shall

1 include the following:

2 (1) A wine and spirits wholesale licensee may not sell
3 liquor to a person, except a person specified in section
4 321.1-A(a)(1).

5 (2) A wine and spirits wholesale licensee must serve all
6 licensees eligible to purchase and resell liquor under this
7 act and must make liquor available for sale to those
8 licensees under the same pricing structure.

9 (3) Except for a wine and spirits wholesale licensee
10 that holds an importing distributor license under section
11 431, a wine and spirits wholesale licensee may not sell malt
12 or brewed beverages.

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

15 (i) Variable pricing.

16 (ii) Unfair or deceptive trade practices proscribed
17 under Federal or State law or regulation.

18 (iii) Intentional exclusion of competing brands of
19 liquor from the marketplace.

20 (5) A wine and spirits wholesale licensee may only sell
21 and distribute liquor products in this Commonwealth that are
22 subject to a contractual relationship between the wine and
23 spirits wholesale licensee and one or more licensed
24 manufacturers or importers of wine and spirits.

25 (6) A wine and spirits wholesale licensee shall do all
26 of the following:

27 (i) Acquire liquor exclusively from a designated
28 agent of the brand owner and/or a licensed manufacturer
29 or importer of wine and spirits with whom the wine and
30 spirits wholesale licensee has the contractual authority

1 to sell at wholesale as provided under this act.

2 (ii) Keep a detailed log of wholesale liquor
3 transactions, including acquisitions of liquor from an
4 entity listed under subparagraph (i) and sales to
5 licensees under this act.

6 (7) A wine and spirits wholesale licensee's licensed
7 premises and all facilities involved in its wholesale
8 operations, including any changes to the facilities during
9 the term of the license, shall be subject to the inspection,
10 investigation and approval of the department or the board or
11 the enforcement bureau.

12 (8) A wine and spirits wholesale licensee shall maintain
13 adequate security to protect the licensee's inventory from
14 unauthorized sale, removal or theft and prevent its
15 unauthorized distribution.

16 (9) As follows:

17 (i) Except as provided under paragraph (1), a wine
18 and spirits wholesale licensee may not engage in a
19 separate business activity on a premises on which
20 wholesale liquor operations are conducted without prior
21 approval of the board.

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

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

27 (11) A wine and spirits wholesale licensee shall be
28 considered a State liquor store for the purpose of collecting
29 and remitting taxes under Article II of the act of March 4,
30 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,

1 from persons licensed to sell liquor for consumption on the
2 premises under Article IV.

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

6 (13) A wine and spirits wholesale licensee shall notify
7 the board within 15 days of becoming aware of an arrest,
8 criminal indictment or conviction by the licensee, an
9 affiliate of the licensee or an executive officer, director
10 or general or limited partner of the licensee or person
11 holding a controlling interest in the licensee.

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

18 (15) As follows:

19 (i) A wine and spirits wholesale licensee may not
20 operate in a manner which constitutes a violation of
21 Federal or State law, including antitrust or other unfair
22 trade practices, or creates a monopolistic liquor
23 distribution system in this Commonwealth.

24 (ii) If a wine and spirits wholesale licensee seeks
25 to be approved by the board to distribute additional
26 brands of liquor which would give the licensee a control
27 of more than 50% of the liquor distributed in the
28 wholesale market of this Commonwealth, in terms of gross
29 dollar sales, the board shall convene a hearing to
30 determine whether approval of the proposed application

1 for additional brands would constitute a violation of
2 antitrust or other unfair trade practice laws, or would
3 create a monopolistic liquor distribution system in this
4 Commonwealth.

5 (iii) The board is authorized to promulgate
6 regulations providing for the procedure for hearings
7 under subparagraph (ii).

8 (16) A wine and spirits wholesale licensee shall make
9 the licensed premises, all of the facilities involved in the
10 wholesale operation and all of the business and financial
11 books and records of the wholesale operation available at any
12 time for inspection and audit by the department, the board or
13 the enforcement bureau. The board shall promulgate
14 regulations regarding the records that a licensee must
15 maintain on its premises.

16 (17) A wine and spirits wholesale licensee shall
17 cooperate fully in an inquiry or investigation by the
18 department or the board or the enforcement bureau and provide
19 information requested by the department, the board or the
20 enforcement bureau.

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

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

28 (c) Sanctions.--A wine and spirits wholesale licensee that
29 fails to abide by a condition contained in the licensee's
30 statement of conditions or commits a violation of this act or

1 Federal or State law:

2 (1) shall be subject to citation by the enforcement
3 bureau; and

4 (2) may be subject to:

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

6 (ii) nonrenewal of the license or revocation of
7 temporary operating authority; or

8 (iii) other penalties authorized under sections 471
9 and 494.

10 Section 326-A. Transfer of brands of liquor.

11 (a) Prohibition.--No brand of liquor offered for sale in
12 this Commonwealth may be transferred to a different wine and
13 spirits wholesale licensee without prior notice from the board.

14 (b) Transfer fee.--An application to the board to transfer
15 the right to distribute a brand of liquor shall be subject to an
16 application fee equal to 1% of the initial license fee
17 attributable to the brand of liquor or \$1,000, whichever is
18 greater.

19 SUBARTICLE D

20 CLOSURE OF STATE LIQUOR STORES

21 AND ASSISTANCE FOR DISPLACED EMPLOYEES

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

23 (a) Process for closure.--

24 (1) The board shall review the viability of a store
25 located within a county where the number of privately owned
26 and privately operated wine and spirits retail permits equal
27 the number of Heritage State Stores.

28 (2) Where the number of Heritage State Stores equals the
29 number of privately owned and privately operated wine and
30 spirits retail permits, the board shall provide a rationale

1 to the department for the continued operation or closure of a
2 store located in a county.

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

5 (4) Where the number of privately owned and privately
6 operated wine and spirits retail permits exceed the number of
7 Heritage State Stores by a factor of two, the Heritage State
8 Stores within a county must close within six months.

9 (5) Once the board is operating fewer than 100 Heritage
10 State Stores within this Commonwealth, the board must
11 immediately begin the process of closing all of them.

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

16 (1) Coordinate with the vendor of record for the
17 repurchase products by the vendor of record.

18 (2) Sell products to a newly licensed wine and spirits
19 retail permit holder.

20 (3) Transport products for sale at another operating
21 State liquor store.

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

30 (d) Pennsylvania Liquor Store leases.--The board shall

1 provide immediate notice to the lessor upon receipt of the
2 department's notice to close a designated Pennsylvania Liquor
3 Store.

4 (e) Hiring restrictions.--

5 (1) Notwithstanding any other provision of this act, the
6 board may not hire additional salaried or wage employees for
7 the purpose of staffing its retail operations, including its
8 bureau of marketing and retail operations, unless explicitly
9 authorized by the department.

10 (2) Paragraph (1) shall not prohibit the board from
11 hiring personnel, with approval from the department, to
12 adequately staff its Bureau of Supply Chain for the purpose
13 of transitioning its retail and wholesale operations to
14 licensees or permittees of this article.

15 Section 331.1-A. Licensee service centers.

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

21 Section 332-A. Transition assistance committee.

22 (a) Formation.--

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

27 (2) The committee, which shall be chaired by a
28 representative from the department, shall involve the
29 participation of the Office of Administration, the Civil
30 Service Commission, the Department of Labor and Industry and

1 the board's bureau of human resources, to ensure a
2 coordinated approach to allocating personnel and assisting
3 displaced employees during the transition to find an
4 appropriate position.

5 (3) The department shall contract with advisors
6 necessary to assist the department and the board in
7 administering the duties under paragraph (2). The contracts
8 shall not be subject to the provisions of 62 Pa.C.S. Ch. 5
9 (relating to source selection and contract formation).

10 (b) Counseling and placement.--The committee shall
11 coordinate with the Office of Administration to provide
12 counseling and other general assistance to employees of the
13 board who are displaced to transition the employees to other
14 employment in either the public or private sector.

15 (c) Transition funding.--The costs for the programs provided
16 under this subarticle shall be paid for out of the proceeds from
17 the divestiture of the board's wholesale and retail operations.
18 Section 333-A. Preference in public employment hiring.

19 (a) Civil service examinations.--

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

24 (i) The examination is for a paid position
25 administered under the act of August 5, 1941 (P.L.752,
26 No.286), known as the Civil Service Act, and in the
27 classified service existing under the commission's
28 jurisdiction.

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

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

6 (3) The three additional points awarded under paragraph
7 (1) shall be in addition to any points that shall be afforded
8 to a veteran meeting the requirements of 51 Pa.C.S. § 7103
9 (relating to additional points in grading civil service
10 examinations).

11 (b) Certification.--The commission shall require the board
12 to certify a list of displaced employees under subsection (a).
13 Placement on the list by the board shall establish eligibility
14 for the preference granted under subsection (a).

15 (c) Noncivil service positions.--If a paid State position
16 does not require a civil service examination, a displaced
17 employee, possessing the requisite qualifications and who is
18 eligible for appointment to a paid State position in offices
19 under the Governor's jurisdiction within the executive branch
20 shall be given a preference in the appointment by the appointing
21 authority over nonveteran candidates.

22 (d) (Reserved).

23 (e) Eligibility.--

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

28 (i) The displaced employee's appointment or hiring
29 into a position in the classified service existing under
30 the commission's jurisdiction or into a paid State

1 position where no civil service examination is required.

2 (ii) Four years from the effective date of this
3 section.

4 (2) In order to be eligible for the mark-up provided
5 under subsection (a) and for the preference for noncivil
6 service positions provided under subsection (c), a displaced
7 worker must be terminated as a sole and direct result of the
8 decision to cease wholesale and retail operations under this
9 article and must work until the final day set by the board
10 for that employee's job function.

11 Section 334-A. Career training and post-secondary education
12 grant eligibility.

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

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

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

22 (b) Certification.--The board shall certify the list of
23 displaced employees to the Pennsylvania Higher Education
24 Assistance Agency.

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

30 Section 335-A. Reemployment tax credit.

1 (a) Eligibility.--

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

5 (2) The voucher under paragraph (1) shall be made
6 available to each displaced employee upon termination of
7 employment.

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

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

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

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

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

25 (c) Voucher submittal.--The employer shall submit the tax
26 credit voucher to the Department of Revenue with the information
27 required under subsection (b) (1) and (2) to claim a tax credit
28 against the employer's liability for a tax identified under
29 subsection (d) (2).

30 (d) Amount of credit.--

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

4 (2) An employer may apply the reemployment tax credit to
5 100% of the employer's:

6 (i) State corporate net income tax, capital stock
7 and franchise tax or the personal tax of a shareholder of
8 the company if the company is a Pennsylvania S
9 corporation.

10 (ii) Insurance premiums tax, gross receipts tax,
11 bank and trust company shares tax, mutual thrift
12 institutions tax or title insurance companies shares tax.

13 (iii) Any combination of the taxes under
14 subparagraphs (i) and (ii).

15 (3) A displaced employee whose subsequent employment is
16 terminated with an employer and who has utilized the
17 reemployment tax credit voucher to claim a one-year \$2,000
18 tax credit may transfer the voucher to a new employer who may
19 use the remaining \$2,000 tax credit as a claim against the
20 employer's tax liability for taxes identified under paragraph
21 (2).

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

25 Section 336-A. Protection of existing benefits.

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

28 (1) Pension benefits accrued prior to the date of
29 separation occurring as a sole and direct result of the
30 divestiture of the board's wholesale and retail operations

1 under this article.

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

5 (b) Collective bargaining.--As a result of the preferential
6 hiring benefits, the tax credit for subsequent employers and the
7 protection of benefits arising from an employee's pension or
8 from a preexisting collective bargaining agreement under this
9 section, the board shall be deemed to have satisfied all
10 obligations to bargain over the impact of the decision to cease
11 wholesale and retail operations under this article which may
12 arise under the act of July 23, 1970 (P.L.563, No.195), known as
13 the Public Employe Relations Act.

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

17 SUBARTICLE E

18 MISCELLANEOUS PROVISIONS

19 Section 341-A. License renewals.

20 (a) Renewal.--

21 (1) Wine and spirits wholesale licenses issued under
22 this article shall be subject to renewal every two years,
23 with validation.

24 (2) The application for renewal shall be submitted on a
25 form provided by the board at least 30 days prior to the
26 expiration of the wine and spirits wholesale license and
27 shall include, at a minimum, an update of the information
28 contained in the initial and prior renewal applications and
29 the payment of any renewal fee required under this article.

30 (3) A wine and spirits wholesale license for which a

1 completed renewal application and fee has been received by
2 the board shall continue to be valid until the board sends
3 written notification to the licensee that the board has
4 denied the renewal of the license.

5 (b) Fee.--

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

9 (2) The board may adjust the renewal fee to ensure that
10 the fee adequately recovers the costs associated with
11 investigating the renewal application.

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

17 (d) Revocation of operating authority.--

18 (1) The board may revoke the operating authority of a
19 wine and spirits wholesale license issued under this article
20 if it finds that the licensee or any of its affiliates,
21 executive officers, directors or general or limited partners
22 or persons holding a controlling interest in the licensee:

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

24 (ii) has furnished the board with false or
25 misleading information; or

26 (iii) is no longer reputable or suitable for
27 licensure.

28 (2) If a wine and spirits wholesale license is revoked
29 or not renewed, the wine and spirits wholesale licensee's
30 authorization to conduct business as a wine and spirits

1 wholesale licensee shall immediately cease until the board
2 notifies the licensee that the operating authority has been
3 reinstated.

4 (e) Affirmative duty.--Nothing under this section shall
5 relieve a wine and spirits wholesale licensee of the affirmative
6 duty to notify the board of changes relating to the status of
7 its license or to other information contained in the application
8 materials filed with the board.

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

10 (a) Authority of enforcement bureau.--The enforcement bureau
11 shall have the authority to issue a citation against a wine and
12 spirits wholesale licensee in the same manner as under section
13 471. The bureau may issue a citation to the licensee based on
14 the following conduct:

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

16 (i) A provision of this act.

17 (ii) The regulations of the board.

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

19 (iv) The licensee violated any other law of this
20 Commonwealth.

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

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

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

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

29 (b) Administrative Law Judge.--Enforcement matters shall be
30 heard by an administrative law judge in the same manner as under

1 section 471. The administrative law judge may issue a fine and
2 either suspend or revoke the license. Appeals may be taken in
3 the same manner as under section 471.

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

6 (1) The wine and spirits wholesale license or retail
7 permit applicable to that premises has been suspended or
8 revoked or has expired.

9 (2) The operating authority for the wine and spirits
10 wholesale license or retail permit has been revoked.

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

12 (a) Prohibition.--No person may sell, assign or transfer
13 their interest in a wine and spirits wholesale license granted
14 under this article to another person until the board has
15 received, investigated and approved a transfer application.

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

19 (c) Transfer fee.--

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

24 (2) The transfer fee applicable to the transfer of
25 brands of liquor under section 326-A(b) shall not apply to
26 the transfer of a wine and spirits wholesale license.

27 (d) Change of control.--For the purposes of this section, a
28 change of control of a wine and spirits wholesale licensee shall
29 be deemed to be a sale, assignment or transfer of a wine and
30 spirits wholesale license. A wine and spirits wholesale licensee

1 must notify the board immediately upon becoming aware of a
2 proposed or contemplated change of control.

3 Section 344-A. The State Stores Fund.

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

13 Section 11. Section 401 of the act, amended December 22,
14 2011 (P.L.530, No.113), is amended to read:

15 Section 401. Authority to Issue Liquor Licenses to Hotels,
16 Restaurants and Clubs.--(a) Subject to the provisions of this
17 act and regulations promulgated under this act, the board shall
18 have authority to issue a retail liquor license for any premises
19 kept or operated by a hotel, restaurant or club and specified in
20 the license entitling the hotel, restaurant or club to purchase
21 liquor from a Pennsylvania Liquor Store or a wine and spirits
22 wholesale licensee and to keep on the premises such liquor and,
23 subject to the provisions of this act and the regulations made
24 thereunder, to sell the same and also malt or brewed beverages
25 to guests, patrons or members for consumption on the hotel,
26 restaurant or club premises. Such licensees, other than clubs,
27 shall be permitted to sell malt or brewed beverages for
28 consumption off the premises where sold in quantities of not
29 more than one hundred ninety-two fluid ounces in a single sale
30 to one person as provided for in section 407. Such licenses

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

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

26 Section 12. 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 13. Section 406(e)(1) of the act, amended December
8 22, 2011 (P.L.530, No.113), is amended and the subsection is
9 amended by adding a paragraph to read:

10 Section 406. Sales by Liquor Licensees; Restrictions.--* * *

11 (e) (1) The holder of a hotel license or the holder of a
12 restaurant license located in a hotel may allow persons to
13 transport liquor or malt or brewed beverages from the licensed
14 portion of the premises to the unlicensed portion of the
15 premises, so long as the liquor or malt or brewed beverages
16 remain on the hotel property. In addition, a holder of a
17 restaurant or club license located on a golf course may sell,
18 furnish or give liquor or malt or brewed beverages on the
19 unlicensed portion of the golf course so long as the liquor or
20 malt or brewed beverages remain on the restaurant, club or golf
21 course. The holder of a restaurant license located immediately
22 adjacent to and under the same roof of a bowling center may
23 allow persons to transport liquor or malt or brewed beverages
24 from the licensed portion of the premises to the unlicensed
25 portion of the premises, so long as the liquor or malt or brewed
26 beverages remain within the bowling center. In addition, the
27 holder of a hotel license or a restaurant license may allow
28 persons who have purchased but only partially consumed a bottle
29 of wine on the premises to remove the bottle from the premises
30 so long as the bottle was purchased in conjunction with a meal

1 which was consumed on the premises and so long as the bottle is
2 resealed. Notwithstanding this paragraph, the holder of a hotel
3 license or a restaurant license may sell up to three liters of
4 wine for consumption off the licensed premises so long as the
5 bottles remain sealed and the holder has obtained a wine and
6 spirits retail permit. In addition, the holder of a hotel
7 license or a restaurant license may sell up to three liters of
8 spirits for consumption off the licensed premises so long as the
9 bottle remains sealed and the holder has obtained a wine and
10 spirits retail permit. For purposes of this subsection, "wine"
11 shall have the meaning given to it under section 488(i). For
12 purposes of this section and section 432, "meal" shall mean food
13 prepared on the premises, sufficient to constitute breakfast,
14 lunch or dinner; it shall not mean a snack, such as pretzels,
15 popcorn, chips or similar food.

16 * * *

17 (3) The holder of a restaurant license whose premises has an
18 interior connection to a grocery store may allow a purchase of
19 beer, wine and spirits for consumption off the premises to be
20 paid for at a point of sale other than a point of sale located
21 on the licensed premises. The purchase of beer, wine or spirits
22 may not occur at a point of sale where the customer scans his
23 own purchases. All sales of beer and wine shall occur at a point
24 of sale manned by a sales clerk who is at least twenty-one years
25 of age.

26 Section 14. Section 408.12(g) and (h) of the act, added July
27 1, 1994 (P.L.402, No.61), are amended to read:

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

29 (g) Any wine sold under this section shall be purchased from
30 a Pennsylvania Liquor Store, a wine and spirits retail permit

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

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

17 * * *

18 Section 15. Section 410(e) of the act is amended to read:

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

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

29 All importations of liquor into Pennsylvania by the licensed
30 importer shall be consigned to the board or the principal place

1 of business or authorized place of storage maintained by the
2 licensee or a wine and spirits wholesale licensee.

3 * * *

4 Section 16. Section 411 of the act is amended by adding a
5 subsection to read:

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

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

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

26 (3) The manufacturer, licensee and trade organization
27 associated with the person receiving moneys or other things of
28 value must keep a record of the value of the moneys or other
29 things of value used, as part of the records required under
30 section 493(12) of this act.

1 Section 17. Section 431(b) of the act, amended December 8,
2 2004 (P.L.1810, No.239), is amended to read:

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

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

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

27 Except as hereinafter provided, such license shall authorize
28 the holder thereof to sell or deliver malt or brewed beverages
29 in quantities above specified anywhere within the Commonwealth
30 of Pennsylvania, which, in the case of distributors, have been

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

1 for hire shall, as required in Article V of this act, keep
2 complete and accurate records of all transactions, inventory,
3 receipts and shipments and make all records and the licensed
4 areas available for inspection by the board and for the
5 Pennsylvania State Police, Bureau of Liquor Control Enforcement,
6 during normal business hours.

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

27 When a Pennsylvania manufacturer of malt or brewed beverages
28 licensed under this article names or constitutes a distributor
29 or importing distributor as the primary or original supplier of
30 his product, he shall also designate the specific geographical

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

24 * * *

25 Section 18. Sections 436(e) and 437(e) of the act are
26 amended to read:

27 Section 436. Application for Distributors', Importing
28 Distributors' and Retail Dispensers' Licenses.--Application for
29 distributors', importing distributors' and retail dispensers'
30 licenses, or for the transfer of an existing license to another

1 premises not then licensed or to another person, shall contain
2 or have attached thereto the following information and
3 statements:

4 * * *

5 (e) That the applicant is not, or in case of a partnership
6 or association, that the members or partners are not, and in the
7 case of a corporation, that the officers and directors are not,
8 in any manner pecuniarily interested, either directly or
9 indirectly, in the profits of any other class of business
10 regulated under this article, except as hereinafter permitted.
11 The requirements of this section shall not prohibit an importing
12 distributor from holding a wine and spirits wholesale license
13 under the conditions provided under Article III-A.

14 * * *

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

16 * *

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

24 * * *

25 Section 19. Section 438 of the act, amended June 25, 2010
26 (P.L.217, No.35), is amended to read:

27 Section 438. Number and Kinds of Licenses Allowed Same
28 Licensee.--(a) Any retail dispenser may be granted licenses to
29 maintain, operate or conduct any number of places for the sale
30 of malt or brewed beverages, but a separate license must be

1 secured for each place where malt or brewed beverages are sold.

2 (b) [No person shall possess or be issued more than one
3 distributor's or importing distributor's license.] A person may
4 not possess or be issued more than ten distributor licenses.

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

23 Section 20. Section 441 of the act is amended by adding a
24 subsection to read:

25 Section 441. Distributors' and Importing Distributors'
26 Restrictions on Sales, Storage, Etc.--* * *

27 (j) The holder of a distributor's license may sell unlimited
28 quantities of wine for consumption off the licensed premises so
29 long as the bottles remain sealed and the holder has obtained a
30 wine and spirits retail permit. In addition, the holder of a

1 distributor's license may sell unlimited quantities of spirits
2 for consumption off the licensed premises so long as the bottle
3 remains sealed and the holder has obtained a wine and spirits
4 retail permit.

5 Section 21. Section 443(b) of the act, amended May 31, 1996
6 (P.L.312, No.49), is amended and the section is amended by
7 adding a subsection to read:

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

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

20 * * *

21 (h) (1) Notwithstanding any other provision of law, a
22 manufacturer or licensee and its officers, directors,
23 shareholders, servants, agents or employes may contribute and a
24 manufacturer or licensee and its officers, directors,
25 shareholders, servants, agents or employes may accept moneys or
26 other things of value solely for the administration of a
27 responsible alcohol management training program for alcohol
28 service personnel as provided under section 471.1. The moneys or
29 other things of value may be provided by or to a manufacturer or
30 licensee and its officers, directors, shareholders, servants,

1 agents or employes directly of, by or to a trade organization
2 consisting, in whole or in part, of a group of licensees.

3 (2) The manufacturer, licensee and trade organization
4 associated with the person providing moneys or other things of
5 value must keep a record of the value of the moneys or other
6 things of value provided, the date provided and the entity to
7 whom the moneys or other things of value were provided, as part
8 of the records required under section 493(12).

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

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

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

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

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

13 * * *

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

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

18 * * *

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

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

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

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

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

3 * * *

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

22 * * *

23 Section 24. Section 471.1(a) of the act, added December 20,
24 2000 (P.L.992, No.141), is amended and the section is amended by
25 adding subsections to read:

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

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

21 (a.1) It is the intent of the General Assembly that the
22 board's Bureau of Alcohol Education expand training
23 opportunities for alcohol service personnel by certifying all
24 private third-party providers of alcohol education who, at a
25 minimum, teach the information contained in the Bureau of
26 Alcohol Education's standard curriculum. Private industry in
27 this Commonwealth engaged in the business of training alcohol
28 service personnel will become more competitive by creating the
29 opportunity for enhanced training beyond the scope of the Bureau
30 of Alcohol Education's standard curriculum while not

1 compromising the standards set forth by the board. It is further
2 the intent of the General Assembly that the board allow private
3 third-party providers of alcohol education flexibility in the
4 manner by which they present training materials to alcohol
5 service personnel. The private industry offers a variety of
6 successful training programs, and certifying these entities will
7 not diminish the training received, but will enhance it. It is
8 further the intent of the General Assembly to require the Bureau
9 of Alcohol Education to notify within thirty days those private
10 third-party providers of alcohol education whose curriculum is
11 deemed deficient and provide a written explanation detailing
12 what content is deemed to be deficient. By establishing a
13 certification process, private industry will have a more
14 predictable and transparent relationship with the board and a
15 better understanding of the Bureau of Alcohol Education's
16 certification process. Private third-party providers of training
17 to alcohol service personnel will be better able to:

18 (1) Provide the opportunity to more easily receive
19 additional industry-related certifications, making the service
20 personnel more marketable to employers and better trained in
21 their field.

22 (2) Operate more efficiently with the board.

23 (3) Increase the amount of trainers in this Commonwealth,
24 which will allow business to more easily expand.

25 * * *

26 (h) Within sixty days of the effective date of this
27 subsection, the board shall certify private third-party
28 providers of training under subsection (b) that cover, at a
29 minimum, the content contained in the board's Bureau of Alcohol
30 Education's standard curriculum. The following shall apply:

1 (1) If the third-party provider's curriculum is not
2 equivalent to the standard curriculum, the provider shall be
3 advised in writing by the board as to where the curriculum is
4 deficient.

5 (2) The board shall permit private third-party providers of
6 alcohol training to modify the order in which the content of the
7 Bureau of Alcohol Education's standard curriculum is presented
8 so long as the material is taught.

9 Section 25. Section 474.1(g) of the act, amended November
10 29, 2006 (P.L.1421, No.155), is amended to read:

11 Section 474.1. Surrender of Restaurant, Eating Place Retail
12 Dispenser, Hotel, Importing Distributor and Distributor License
13 for Benefit of Licensee.--* * *

14 (g) (1) A licensee whose license is subject to this section
15 may, upon written request, apply to the board to allow the
16 license to remain in safekeeping for an additional one year. The
17 written request must be accompanied by a [five thousand dollar
18 (\$5,000)] thirty thousand dollar (\$30,000) fee for licenses
19 placed in safekeeping from counties of the first class, second
20 class, second class A, third class and fourth class and a fee of
21 [two thousand five hundred dollars (\$2,500)] fifteen thousand
22 dollars (\$15,000) for licenses placed in safekeeping from
23 counties of the fifth through eighth classes. The board shall
24 approve the request unless the license or licensee no longer
25 meets the requirements of this act or the board's regulations.
26 The fee collected shall be paid into the State Treasury through
27 the Department of Revenue into the State Store Fund.

28 (2) A licensee whose license remains in safekeeping after
29 the expiration of an approved additional one-year period may
30 submit a written request for additional one-year periods;

1 however, each such request must be accompanied by a [five
2 thousand dollar (\$5,000)] thirty thousand dollar (\$30,000) fee
3 for licenses placed in safekeeping from counties of the first
4 class, second class, second class A, third class and fourth
5 class and a fee of [two thousand five hundred dollars (\$2,500)]
6 fifteen thousand dollars (\$15,000) for licenses placed in
7 safekeeping from counties of the fifth through eighth classes.

8 Section 26. 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 permit holder, to possess or transport any
22 liquor or alcohol within this Commonwealth which was not
23 lawfully acquired prior to January first, one thousand nine
24 hundred and thirty-four, or has not been purchased from a
25 Pennsylvania Liquor Store, a wine and spirits wholesale licensee
26 or a licensed limited winery in Pennsylvania, except in
27 accordance with section 488 or the board's regulations. In
28 addition, it shall be lawful for anyone to possess miniatures
29 totaling less than one gallon purchased in another state or a
30 foreign country. The burden shall be upon the person possessing

1 or transporting such liquor or alcohol to prove that it was so
2 acquired. Notwithstanding this section or any other provision of
3 the law, wine may be produced by any person without a license if
4 the wine is not produced for sale and total production does not
5 exceed 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 or spirits wholesale licensee, a wine and spirits
17 retail permit holder 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 27. 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 permit 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 permit holder meets all of the requirements of this act.
6 If the holder of an importing distributor license acquires a
7 wine and spirits wholesale license pursuant to Article III-A for
8 use at its licensed premises, it may engage in the sale of
9 liquor, so long as the licensee meets all of the requirements of
10 this act. The board shall promulgate regulations consistent with
11 this act governing the sale of any other items by a distributor
12 that acquires a wine and spirits retail permit, as well as the
13 sale of other items by an importing distributor that acquires a
14 wine 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 permit, or an
23 importing distributor that holds a wine or 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 permit, 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 28. Section 492.1(c) of the act, amended December
6 22, 2011 (P.L.530, No.113), is amended to read:

7 Section 492.1. Hours of Operation Relative to Manufacturers,
8 Importing Distributors and Distributors.--* * *

9 (c) In addition to the hours authorized under subsections
10 (a) and (b), manufacturers, importing distributors and
11 distributors, upon purchasing a permit from the board at an
12 annual fee of one hundred dollars (\$100) unless the applicant
13 for the permit is a distributor that holds a wine and spirits
14 retail permit, in which instance Article III-A governs, may sell
15 malt or brewed beverages to persons not licensed under this act
16 or to a holder of a special occasion permit on Sunday between
17 the hours of nine o'clock antemeridian and nine o'clock
18 postmeridian.

19 * * *

20 Section 29. Section 493 of the act, amended December 7, 1990
21 (P.L.622, No.160), October 5, 1994 (P.L.537, No.80), June 18,
22 1998 (P.L.664, No.86), February 21, 2002 (P.L.103, No.10),
23 December 9, 2002 (P.L.1653, No.212), May 8, 2003 (P.L.1, No.1),
24 December 8, 2004 (P.L.1810, No.239), July 6, 2005 (P.L.135,
25 No.39), January 6, 2006 (P.L.1, No.1), July 7, 2006 (P.L.584,
26 No.84), November 29, 2006 (P.L.1421, No.155), July 16, 2007
27 (P.L.107, No.34), June 28, 2011 (P.L.55, No.11), December 22,
28 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007, No.116), is
29 amended to read:

30 Section 493. Unlawful Acts Relative to Liquor, Malt and

1 Brewed Beverages and Licensees.--The term "licensee," when used
2 in this section, shall mean those persons licensed under [the
3 provisions of Article IV] Article III-A or this article, unless
4 the context clearly indicates otherwise.

5 It shall be unlawful--

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

21 (2) Purchase or Sale of Liquor or Malt or Brewed Beverages
22 on Credit; Importing Distributors or Distributors Accepting
23 Cash. For any licensee, his agent, servant or employe, to sell
24 or offer to sell or purchase or receive any liquor or malt or
25 brewed beverages except for cash, excepting credit extended by a
26 hotel or club to a bona fide guest or member, or by railroad or
27 pullman companies in dining, club or buffet cars to passengers,
28 for consumption while enroute, holding authorized credit cards
29 issued by railroad or railroad credit bureaus or by hotel,
30 restaurant, retail dispenser eating place, club and public

1 service licensees, importing distributors or distributors to
2 customers not possessing a license under this article and
3 holding credit cards issued in accordance with regulations of
4 the board or credit cards issued by banking institutions subject
5 to State or Federal regulation: Provided further, That nothing
6 herein contained shall be construed to prohibit the use of
7 checks or drafts drawn on a bank, banking institution, trust
8 company or similar depository, organized and existing under the
9 laws of the United States of America or the laws of any state,
10 territory or possession thereof, in payment for any liquor or
11 malt or brewed beverages if the purchaser is the payor of the
12 check or draft and the licensee is the payee: Provided further,
13 That notwithstanding any other provision of this act to the
14 contrary, it shall be unlawful for an importing distributor or
15 distributor to accept cash for payment of any malt or brewed
16 beverages from anyone possessing a license issued under this
17 article, except it shall be permissible for the importing
18 distributor or distributor to accept credit cards, money orders
19 or cashiers' checks for payment of any malt or brewed beverages
20 in addition to any other type of payment authorized by the board
21 from anyone possessing a license under this article.

22 Notwithstanding any other provision of law to the contrary,
23 distributors and importing distributors may accept credit cards
24 for payment of malt or brewed beverages but they are not
25 required to accept credit cards. No right of action shall exist
26 to collect any claim for credit extended contrary to the
27 provisions of this clause. Nothing herein contained shall
28 prohibit a licensee from crediting to a purchaser the actual
29 price charged for original containers returned by the original
30 purchaser as a credit on any sale, or from refunding to any

1 purchaser the amount paid by such purchaser for such containers
2 or as a deposit on containers when title is retained by the
3 vendor, if such original containers have been returned to the
4 licensee. Nothing herein contained shall prohibit a manufacturer
5 from extending usual and customary credit for liquor or malt or
6 brewed beverages sold to customers or purchasers who live or
7 maintain places of business outside of the Commonwealth of
8 Pennsylvania, when the liquor or malt or brewed beverages so
9 sold are actually transported and delivered to points outside of
10 the Commonwealth: Provided, however, That as to all transactions
11 affecting malt or brewed beverages to be resold or consumed
12 within this Commonwealth, every licensee shall pay and shall
13 require cash deposits on all returnable original containers and
14 all such cash deposits shall be refunded upon return of the
15 original containers.

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

19 (5) Failure to Have Brands as Advertised. For any licensee,
20 his servants, agents or employes, to advertise or hold out for
21 sale any liquor or malt or brewed beverages by trade name or
22 other designation which would indicate the manufacturer or place
23 of production of the said liquor or malt or brewed beverages,
24 unless he shall actually have on hand and for sale a sufficient
25 quantity of the particular liquor or malt or brewed beverages so
26 advertised to meet requirements to be normally expected as a
27 result of such advertisement or offer.

28 (6) Brand or Trade Name on Spigot. For any licensee, his
29 agents, servants or employes, to furnish or serve any malt or
30 brewed beverages from any faucet, spigot or other dispensing

1 apparatus, unless the trade name or brand of the product served
2 shall appear in full sight of the customer and in legible
3 lettering upon such faucet, spigot or dispensing apparatus.

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

20 (8) Advertisements on Labels Giving Alcoholic Content of
21 Malt or Brewed Beverages. For any manufacturer or other
22 licensee, or his servants, agents or employes, to issue, publish
23 or post, or cause to be issued, published or posted, any
24 advertisement of any malt or brewed beverage including a label
25 which shall refer in any manner to the alcoholic strength of the
26 malt or brewed beverage manufactured, sold or distributed by
27 such licensees, or to use in any advertisement or label such
28 words as "full strength," "extra strength," "high test," "high
29 proof," "pre-war strength," or similar words or phrases, which
30 would lead or induce a consumer to purchase a brand of malt or

1 brewed beverage on the basis of its alcoholic content, or to use
2 in or on any advertisement or label any numeral, unless
3 adequately explained in type of the same size, prominence and
4 color, or for any licensee to purchase, transport, sell or
5 distribute any malt or brewed beverage advertised or labeled
6 contrary to the provisions of this clause.

7 (10) Entertainment on Licensed Premises (Except Clubs);
8 Permits; Fees. For any licensee, his servants, agents or
9 employes, except club licensees, public venue licensees or
10 performing arts facility licensees, to permit in any licensed
11 premises or in any place operated in connection therewith,
12 dancing, theatricals or floor shows of any sort, or moving
13 pictures other than television, or such as are exhibited through
14 machines operated by patrons by the deposit of coins, which
15 project pictures on a screen not exceeding in size twenty-four
16 by thirty inches and which forms part of the machine, unless the
17 licensee shall first have obtained from the board a special
18 permit to provide such entertainment, or for any licensee, under
19 any circumstances, to permit in any licensed premises or in any
20 place operated in connection therewith any lewd, immoral or
21 improper entertainment, regardless of whether a permit to
22 provide entertainment has been obtained or not. The special
23 permit may be used only during the hours when the sale of liquor
24 or malt or brewed beverages is permitted, unless the licensee
25 holds an extended hours food license under section 499(b) which
26 license would allow the special permit to be used while the
27 establishment is open, and between eleven o'clock antemeridian
28 on Sunday and two o'clock antemeridian on the following Monday,
29 regardless of whether the licensee possesses a Sunday sales
30 permit. The board shall have power to provide for the issue of

1 such special permits, and to collect an annual fee for such
2 permits as prescribed in section 614-A of the act of April 9,
3 1929 (P.L.177, No.175), known as "The Administrative Code of
4 1929." All such fees shall be paid into the State Stores Fund.
5 No such permit shall be issued in any municipality which, by
6 ordinance, prohibits amusements in licensed places. Any
7 violation of this clause shall, in addition to the penalty
8 herein provided, subject the licensee to suspension or
9 revocation of his permit and his license.

10 (11) Licensees Employed by Others. For any hotel, restaurant
11 or club liquor licensee, or any malt or brewed beverage
12 licensee, or any officer, servant, agent or employe of such
13 licensee, to be at the same time employed, directly or
14 indirectly, by any distributor, importing distributor,
15 manufacturer, importer or vendor licensee or any out of State
16 manufacturer. It shall also be unlawful for any distributor or
17 importing distributor, or any officer, servant, agent or employe
18 of such licensee, to be at the same time employed, directly or
19 indirectly, by any other distributor, importing distributor,
20 manufacturer, importer, vendor, out of State manufacturer, hotel
21 restaurant, malt or brewed beverage licensee, or club liquor
22 licensee. It shall also be unlawful for any manufacturer,
23 importer, or vendor licensee, or any out of State manufacturer,
24 or any officer, servant, agent or employe of such licensee or
25 manufacturer, to be at the same time employed, directly or
26 indirectly, by any hotel, restaurant or club liquor licensee or
27 any malt or brewed beverage licensee or any distributor or
28 importing distributor licensee. Nothing in this subsection shall
29 be construed to prohibit a manufacturer or limited winery
30 licensee, or any officer, servant, agent or employe of such

1 licensee, to be employed at the same time by a hotel, restaurant
2 or retail dispenser licensee if the hotel, restaurant or retail
3 dispenser licensee is located at the manufacturer or limited
4 winery premises pursuant to section 443. For the purposes of
5 this subsection, an officer, servant, agent or employe of a
6 licensee or manufacturer is an individual who has either an
7 ownership interest in the licensee or manufacturer or who
8 receives compensation for his or her work on behalf of the
9 licensee or manufacturer.

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

23 Records for the remainder of the two-year period may be kept off
24 the licensed premises so long as the records are returned to the
25 licensed premises within twenty-four hours of a request by the
26 board or enforcement bureau. A licensee may remove the records
27 for the most recent six-month period from the licensed premises
28 only for a lawful business purpose provided that they are
29 returned to the premises when that business is completed.

30 (13) Retail Licensees Employing Minors. For any hotel,

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

25 (14) Permitting Undesirable Persons or Minors to Frequent
26 Premises. For any hotel, restaurant or club liquor licensee, or
27 any retail dispenser, his servants, agents or employes, to
28 permit persons of ill repute or prostitutes to frequent his
29 licensed premises or any premises operated in connection
30 therewith. Minors may only frequent licensed premises if: (a)

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

26 (15) Cashing Pay Roll, Public Assistance, Unemployment
27 Compensation or Any Other Relief Checks. For any licensee or his
28 servants, agents or employes to cash pay roll checks or to cash,
29 receive, handle or negotiate in any way Public Assistance,
30 Unemployment Compensation or any other relief checks.

1 (16) Furnishing or Delivering Liquor or Malt or Brewed
2 Beverages at Unlawful Hours. For any licensee, his servants,
3 agents or employes, to give, furnish, trade, barter, serve or
4 deliver any liquor or malt or brewed beverages to any person
5 during hours or on days when the licensee is prohibited by this
6 act from selling liquor or malt or brewed beverages.

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

19 (20) (i) Retail Liquor and Retail Malt or Brewed Beverages
20 Licensee's Inside Advertisements. For any retail liquor or
21 retail malt or brewed beverages licensee, to display or permit
22 the display in the show window or doorways of his licensed
23 premises, any placard or sign advertising the brands of liquor
24 or malt or brewed beverages, if the total display area of any
25 such placard or sign advertising the product or products exceeds
26 six hundred square inches. Nothing herein shall prohibit a
27 licensee from displaying inside his licensed premises point of
28 sale displays advertising brand names of products sold by him,
29 other than a window or door display: Provided, That the total
30 cost of all such point of sale advertising matter relating to

1 any one brand shall not exceed the dollar amount set forth by
2 the board through regulation. All such advertising material,
3 including the window and door signs, may be furnished by a
4 manufacturer, distributor or importing distributor. The
5 restrictions on advertising set forth in subclause (ii) and in
6 clauses (20.1) and (20.2) shall also apply to this subclause.

7 (ii) Cooperative Advertising. No distributor or importing
8 distributor, directly or indirectly, independent or otherwise,
9 shall, except by prior written agreement, be required to
10 participate with a manufacturer in the purchase of any
11 advertising of a brand name product in any name, in any form,
12 whether it be radio, television, newspaper, magazine or
13 otherwise.

14 (20.1) Manufacturer Shall Not Require Advertising. For a
15 manufacturer to require a distributor or importing distributor
16 to purchase any type of advertising.

17 (20.2) Advertising Shall Be Ordered and Authorized in
18 Advance. For any advertising to be done on behalf of a
19 distributor or importing distributor which was not ordered and
20 authorized in advance by the distributor or importing
21 distributor.

22 (21) Refusing The Right of Inspection. For any licensee, or
23 his servants, agents or employes, to refuse the board or the
24 enforcement bureau or any of their authorized employes the right
25 to inspect completely the entire licensed premises at any time
26 during which the premises are open for the transaction of
27 business, or when patrons, guests or members are in that portion
28 of the licensed premises wherein either liquor or malt or brewed
29 beverages are sold.

30 (22) Allowance or Rebate to Induce Purchases. For any

1 licensee, or his servants, agents or employes, to offer, pay,
2 make or allow, or for any licensee, or his servants, agents or
3 employes, to solicit or receive any allowance or rebate, refunds
4 or concessions, whether in the form of money or otherwise, to
5 induce directly the purchase of liquor or malt or brewed
6 beverages.

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

18 (24) (i) Things of Value Offered as Inducement. Except as
19 provided in subclause (ii), for any licensee under the
20 provisions of this article, or the board or any manufacturer, or
21 any employe or agent of a manufacturer, licensee or of the
22 board, to offer to give anything of value or to solicit or
23 receive anything of value as a premium for the return of caps,
24 stoppers, corks, stamps or labels taken from any bottle, case,
25 barrel or package containing liquor or malt or brewed beverage,
26 or to offer or give or solicit or receive anything of value as a
27 premium or present to induce directly the purchase of liquor or
28 malt or brewed beverage, or for any licensee, manufacturer or
29 other person to offer or give to trade or consumer buyers any
30 prize, premium, gift or other inducement to purchase liquor or

1 malt or brewed beverages, except advertising novelties of
2 nominal value which the board shall define. This section shall
3 not prevent any manufacturer or any agent of a manufacturer from
4 offering and honoring coupons which offer monetary rebates on
5 purchases of wines and spirits through State Liquor Stores or
6 the holder of a wine and spirits retail permit or purchases of
7 malt or brewed beverages through distributors and importing
8 distributors in accordance with conditions or regulations
9 established by the board. The board or the holder of a wine and
10 spirits retail permit may redeem coupons offered by a
11 manufacturer or an agent of a manufacturer at the time of
12 purchase. Coupons offered by a manufacturer or an agent of a
13 manufacturer shall not be redeemed without proof of purchase.
14 This section shall not apply to the return of any monies
15 specifically deposited for the return of the original container
16 to the owners thereof.

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

23 (iii) Notwithstanding subclause (i) or any other provision
24 of law, the holder of a wine and spirits retail permit may
25 establish and implement a consumer relations marketing program
26 for the purpose of offering incentives, such as coupons or
27 discounts on certain products, which may be conditioned on the
28 purchase of liquor by its customers.

29 (25) Employment in Licensed Places. For any licensee or his
30 agent, to employ or permit the employment of any person at his

1 licensed hotel, restaurant or eating place for the purpose of
2 enticing customers, or to encourage them to drink liquor, or
3 make assignments for improper purposes.

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

13 (26) Worthless Checks. For any retail liquor licensee or any
14 retail dispenser, distributor or importing distributor, to make,
15 draw, utter, issue or deliver, or cause to be made, drawn,
16 uttered, issued or delivered, any check, draft or similar order,
17 for the payment of money in payment for any purchase of malt or
18 brewed beverages, when such retail liquor licensee, retail
19 dispenser, distributor or importing distributor, has not
20 sufficient funds in, or credit with, such bank, banking
21 institution, trust company or other depository, for the payment
22 of such check. Any person who is a licensee under the provisions
23 of this article, who shall receive in payment for malt or brewed
24 beverages sold by him any check, draft or similar order for the
25 payment of money, which is subsequently dishonored by the bank,
26 banking institution, trust company or other depository, upon
27 which drawn, for any reason whatsoever, shall, within five days
28 of receipt of notice of such dishonor, notify by certified mail
29 the person who presented the said worthless check, draft or
30 similar order and the malt beverage compliance officer for the

1 board. If the violation of this clause involving a check, draft
2 or similar order from the purchaser to the seller is
3 subsequently honored within ten days from the day it was made,
4 drawn, uttered, issued or delivered, then the malt beverage
5 compliance officer shall not turn the matter over to the
6 enforcement bureau for a citation.

7 (27) Distributors and Importing Distributors Employing
8 Minors. For any distributor or importing distributor to employ
9 minors under the age of eighteen but persons eighteen and over
10 may be employed to sell and deliver malt and brewed beverages. A
11 distributor holding a wine and spirits retail permit may not
12 employ a person under the age of twenty-one to sell liquor.

13 (28) Consumption of Liquor or Malt or Brewed Beverages While
14 Tending Bar. For any licensee, his servants, agents or employes,
15 to consume liquor or malt or brewed beverages while tending bar
16 or otherwise serving liquor or malt or brewed beverages. No
17 action shall be taken against a licensee under this clause
18 unless the licensee is the individual consuming liquor or malt
19 or brewed beverages in violation of this clause.

20 (30) Pyrotechnics Prohibited. For any licensee, his
21 servants, agents or employes, except licensees where pyrotechnic
22 displays are performed by a pyrotechnic operator licensed by the
23 Bureau of Alcohol, Tobacco, Firearms and Explosives and are
24 approved by a municipal fire official, to store, handle, use or
25 display any pyrotechnics within a building on the licensed
26 premises. For purposes of this clause, "pyrotechnics" shall mean
27 any chemical mixture, including pyrotechnic compositions,
28 intended to produce a visible or audible effect by combustion,
29 deflagration or detonation as defined by section 1.5.52 of the
30 National Fire Protection Association Standard 1126 entitled

1 "Standard for the Use of Pyrotechnics before a Proximate
2 Audience," 1992 Edition.

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

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

23 (32) Sale or Purchase of Alcohol Vaporizing Devices. For any
24 licensee, his servants or agents or employes to possess or to
25 permit an alcohol vaporizing device on the licensed premises.

26 (33) Off-premises Catering Permit; Fees. For any licensee,
27 his servants, agents or employes to sell alcohol at a location
28 other than its licensed premises, unless the sale is
29 specifically authorized under this act, or unless the licensee
30 receives a special permit from the board to do so. Only those

1 licensees holding a current and valid restaurant, hotel, brew
2 pub or eating place license shall be allowed to apply for such a
3 permit. Any licensee that wishes to obtain an off-premises
4 catering permit must notify the board and pay the permitting fee
5 by March of each calendar year regardless of whether the
6 licensee has scheduled catered events. Any licensee that fails
7 to notify the board and pay the permit fee by March 1 shall be
8 precluded from obtaining the permit for that calendar year. If a
9 licensee notifies the board and pays the permitting fee by March
10 1 and does not then use the permit throughout the calendar year,
11 the licensee shall not be entitled to a return of the permitting
12 fee. Any licensee not granted a license until after March 1 of
13 the calendar year shall have sixty days from the date of the
14 license transfer to notify the board of the licensee's intention
15 to use an off-premises catering permit and pay the permitting
16 fee. All servers at the off-premises catered function shall be
17 certified under the board's responsible alcohol management
18 program as required under section 471.1. The board may charge a
19 fee of five hundred dollars (\$500) each calendar year, to each
20 applicant for the initial permit associated with a particular
21 license, but no further fee shall be charged for any subsequent
22 permits issued to the applicant for the license during the same
23 calendar year. The applicant shall submit written notice to the
24 board thirty days prior to each catered event, unless this time
25 frame has been waived by the board, and the board may approve or
26 disapprove each event if the applicant fails to provide timely
27 notice of the catered function, does not intend to conduct a
28 function that meets the requirements of this act or has
29 previously conducted a function that did not meet the
30 requirements of this act. The fees shall be paid into the State

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

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

21 (35) Sale of wine for off-premises consumption. For any
22 licensee, his servants, agents or employes to sell unopened
23 bottles of wine for consumption off the licensed premises,
24 unless the sale is specifically authorized under this act, or
25 unless the licensee receives a special permit from the board to
26 do so.

27 (36) Sale of wine received by direct shipment. For any
28 licensee to sell or offer to sell wine purchased or acquired
29 from a direct wine shipper pursuant to the authority of section
30 488.

1 (37) Duties performed by distributors and importing
2 distributors. For any licensee to require that a distributor or
3 importing distributor stock merchandise in the licensee's
4 cooler, rotate the licensee's stock of malt or brewed beverages,
5 set up displays in the licensee's premises or pay any type of
6 fee required for making the distributor's product available on
7 the licensee's store shelves. This clause supersedes a contrary
8 provision of a contract.

9 (38) Sale of spirits for off-premises consumption. For any
10 licensee, his servants, agents or employes to sell an unopened
11 bottle of liquor for consumption off the licensed premises
12 unless the sale is specifically authorized under this act or
13 unless the licensee receives a special permit from the board to
14 do so.

15 Section 30. The act is amended by adding sections to read:

16 Section 493.2. Unlawful Acts Relative to Wine and Spirits
17 Retail Permit Holders.--(a) It is unlawful for a wine and
18 spirits retail permit holder, or an employe, servant or agent of
19 the permit holder or another person to sell, furnish or give
20 liquor or malt or brewed beverages or to permit liquor or malt
21 or brewed beverages to be sold, furnished or given to a minor or
22 person who is visibly intoxicated.

23 (b) A wine and spirits retail permit holder who violates the
24 provisions of subsection (a) is subject to the penalty
25 provisions set forth in section 471.

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

30 (1) The sale of malt and brewed beverages and wine and

1 spirits by an entity licensed under this act, including the sale
2 of malt and brewed beverages and wine and spirits from the areas
3 of a licensee's premises utilized under a retail license for
4 consumption on the premises, shall be considered a sale by a
5 retail dispenser under section 201 of the "Tax Reform Code of
6 1971."

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

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

18 Section 31. Section 494 of the act, amended April 29, 1994
19 (P.L.212, No.30) and November 10, 1999 (P.L.514, No.47), is
20 amended to read:

21 Section 494. Penalties.--(a) Any person who shall violate
22 any of the provisions of this article, except as otherwise
23 specifically provided, shall be guilty of a misdemeanor and,
24 upon conviction thereof, shall be sentenced to pay a fine of not
25 less than one hundred dollars (\$100), nor more than five hundred
26 dollars (\$500), and on failure to pay such fine, to imprisonment
27 for not less than one month, nor more than three months, and for
28 any subsequent offense, shall be sentenced to pay a fine not
29 less than three hundred dollars (\$300), nor more than five
30 hundred dollars (\$500), and to undergo imprisonment for a period

1 not less than three months, nor more than one year, or both. If
2 the person, at or relating to the licensed premises, violates
3 section 493(1), (10), (14), (16) or (21), or if the owner or
4 operator of the licensed premises or any authorized agent of the
5 owner or operator violates the act of April 14, 1972 (P.L.233,
6 No.64), known as "The Controlled Substance, Drug, Device and
7 Cosmetic Act," or 18 Pa.C.S. § 5902 (relating to prostitution
8 and related offenses) or 6301 (relating to corruption of
9 minors), he shall be sentenced to pay a fine not exceeding [five
10 thousand dollars (\$5,000)] ten thousand dollars (\$10,000) or to
11 undergo imprisonment for a period not less than [three] six
12 months, nor more than [one year] two years, or both.

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

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

1 fine if the premises are owned by the person against whom the
2 fine was levied or by any other person who had knowledge of the
3 proscribed activity. The lien shall be superior to any other
4 liens on the premises other than a duly recorded mortgage.

5 Section 32. Section 498 of the act is amended by adding a
6 subsection to read:

7 Section 498. Unlawful Advertising.--* * *

8 (f.1) In order to advertise or provide free wine, spirits or
9 malt or brewed beverages, an entity must possess a retail
10 license under this act. A nonlicensed entity may not advertise
11 or provide free wine, spirits or malt or brewed beverages.

12 * * *

13 Section 33. Section 505.2 of the act, amended December 8,
14 2004 (P.L.1810, No.239), July 16, 2007 (P.L.107, No.34), June
15 25, 2010 (P.L.217, No.35), June 28, 2011 (P.L.55, No.11) and
16 December 22, 2011 (P.L.530, No.113), is amended to read:

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

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

23 (2) Sell alcoholic cider, wine and wine coolers produced by
24 the limited winery or purchased in bulk in bond from another
25 Pennsylvania limited winery on the licensed premises, under such
26 conditions and regulations as the board may enforce, to the
27 board, to wine and spirits retail permit holders, to individuals
28 and to brewery, hotel, restaurant, club and public service
29 liquor licensees, and to Pennsylvania winery licensees:

30 Provided, That a limited winery shall not, in any calendar year,

1 purchase alcoholic cider or wine produced by other limited
2 wineries in an amount in excess of fifty per centum of the
3 alcoholic cider or wine produced by the purchasing limited
4 winery in the preceding calendar year. In addition, the holder
5 of a limited winery license may purchase wine in bottles from
6 another Pennsylvania limited winery if these wines undergo a
7 second fermentation process. Such wine may be sold in bottles
8 bearing the purchasing limited winery's label or the producing
9 limited winery's label. [Such wines, if sold by the board, may
10 be sold by the producing limited winery to the purchasing
11 limited winery at a price lower than the price charged by the
12 board.]

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

1 winery may be cited for a violation of the recordkeeping
2 requirements of sections 512 and 513 pertaining to its own
3 records only.

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

22 For the purposes of this clause, "alcoholic cider, wine and
23 food expositions" are defined as affairs held indoors or
24 outdoors with the intent of promoting Pennsylvania products by
25 educating those in attendance of the availability, nature and
26 quality of Pennsylvania-produced alcoholic ciders and wines in
27 conjunction with suitable food displays, demonstrations and
28 sales. Alcoholic cider, wine and food expositions may also
29 include activities other than alcoholic cider, wine and food
30 displays, including arts and crafts, musical activities,

1 cultural exhibits, agricultural exhibits and farmers markets.

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

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

29 (6) (i) Secure a permit from the board to allow the holder
30 of a limited winery license to use up to twenty-five per centum

1 permitted fruit, not wine, in the current year's production.

2 Each permit is valid only for the calendar year in which it is
3 issued.

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

6 (iii) The purpose of this section is to increase the
7 productivity of limited wineries while at the same time
8 protecting the integrity and unique characteristics of wine
9 produced from fruit primarily grown in this Commonwealth.

10 Prevailing climatic conditions have a significant impact on the
11 character of the fruit. Accordingly, "permitted fruit" shall
12 mean fruit grown or juice derived from fruit grown within three
13 hundred fifty (350) miles of the winery.

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

17 (6.1) Sell food for consumption on or off the licensed
18 premises and at the limited winery's additional board-approved
19 locations and sell by the glass, at the licensed premises and at
20 the limited winery's additional board-approved locations, only
21 wine and alcoholic ciders that may otherwise be sold by the
22 bottle.

23 (6.2) Sell wine- or liquor-scented candles acquired or
24 produced by the limited winery.

25 (6.3) Sell alcoholic cider, wine and wine coolers only
26 between the hours of nine o'clock antemeridian and eleven
27 o'clock postmeridian. A limited winery also may request approval
28 from the board to extend sales hours in individual locations at
29 other times during the year or beyond the limits set forth in
30 this clause. The request shall be made in writing to the board's

1 Office of the Chief Counsel and shall detail the exact locations
2 where sales hours are proposed to be extended, the proposed
3 hours and dates of extended operation and the reason for the
4 proposed extended hours.

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

25 (b) The total production of alcoholic ciders, wine and wine
26 coolers by a limited winery may not exceed two hundred thousand
27 (200,000) gallons per year.

28 (c) As used in this section:

29 "Agricultural commodity" shall include any of the following:
30 agricultural, apicultural, horticultural, silvicultural and

1 viticultural commodities.

2 "Farmers market" shall include any building, structure or
3 other place:

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

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

13 (3) which is physically located within this Commonwealth;
14 and

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

17 Section 34. Section 505.4 of the act, amended December 22,
18 2011 (P.L.530, No.113), is amended to read:

19 Section 505.4. Distilleries.--(a) The board may issue a
20 distillery of historical significance license to any distillery
21 which was established prior to January 1, 1875. The holder of
22 the license may manufacture and sell liquor produced on the
23 licensed premises to the board, to wine and spirits retail
24 permit holders, to other entities licensed by the board and to
25 the public under such conditions and regulations as the board
26 may enforce. Production at the distillery of historical
27 significance shall be limited to an amount not to exceed twenty
28 thousand (20,000) gallons per year. The distillery does not need
29 to establish continuous operation since January 1, 1875, in
30 order to qualify for a license under this section.

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

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

23 (ii) If two (2) or more limited distilleries apply to
24 operate an additional board-approved location in conjunction
25 with each other, the distilleries need only have one (1) board-
26 approved manager for the location, need only pay one application
27 fee and need not designate specific or distinct areas for each
28 distillery's licensed area. A limited distillery must file an
29 application for the additional board-approved location, and that
30 location shall count as one (1) of the two (2) permitted for

1 each limited distillery. A limited distillery is responsible for
2 keeping only its own complete records. A limited distillery may
3 be cited for a violation of the recordkeeping requirements of
4 sections 512 and 513 pertaining to its own records only.

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

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

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

27 (6) The fee for the limited distillery license shall be in
28 an amount to be determined by the board but shall not exceed one
29 thousand five hundred dollars (\$1,500).

30 (7) The board may issue to the holder of a distillery

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

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

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

27 Section 35. Section 508 of the act, amended April 29, 1994
28 (P.L.212, No.30), is amended to read:

29 Section 508. License Fees.--(a) The annual fee for every
30 license issued to a limited winery or a winery shall be as

1 prescribed in section 614-A of the act of April 9, 1929
2 (P.L.177, No.175), known as "The Administrative Code of 1929."
3 The fee for every license issued to a distillery (manufacturer)
4 shall be as prescribed in section 614-A of "The Administrative
5 Code of 1929." The annual fee for all other licenses shall be as
6 prescribed in section 614-A of "The Administrative Code of
7 1929." An applicant for renewal of a license issued under this
8 article shall file a written application with the board together
9 with an application surcharge of seven hundred dollars (\$700).
10 Whenever any checks issued in payment of filing and/or license
11 fees shall be returned to the board as dishonored, the board
12 shall charge a fee of five dollars (\$5.00) per hundred dollars
13 or fractional part thereof, plus all protest fees, to the maker
14 of such check submitted to the board. Failure to make full
15 payment or pay the face amount of the check in full and all
16 charges thereon as herein required within ten days after demand
17 has been made by the board upon the maker of the check, the
18 license of such person shall not be renewed for the license
19 period or validated for any interim period for such year.

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

24 Section 36. The act is amended by adding an article to read:

25 ARTICLE VIII-A

26 SUPPLEMENTAL PROVISIONS

27 Section 801-A. Definitions.

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

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

7 Section 802-A. Controlling provisions.

8 For the purpose of the emergency act, the following shall
9 apply:

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

11 (i) The board only to the extent the board is making
12 sales:

13 (A) to the general public; or

14 (B) of liquor sold for on-premises consumption
15 to licensees holding a license permitting on-premises
16 consumption of liquor.

17 (ii) A wine and spirits retail permit holder.

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

22 (iv) Any entity selling liquor to another entity
23 that is not required to pay the tax imposed by the
24 emergency act.

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

28 (i) Any reimbursement from manufacturers, purchasers
29 or other parties.

30 (ii) In the case of a bundled sale which includes

1 liquor, the term includes the entire purchase price
2 charged for the bundled sale, unless a fair market price
3 for the liquor is separately stated on the sales document
4 given to the purchaser, then the term shall only include
5 the price charged for the liquor.

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

10 (4) The emergency act shall be administered and enforced
11 under the provisions of Article II of the act of March 4,
12 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,
13 including the provisions of Article II concerning returns,
14 payment, assessment and enforcement where applicable, except
15 that the exclusions and exemptions under Article II of the
16 Tax Reform Code of 1971 shall not apply to the emergency act,
17 except for the resale exemption, provided that exemption
18 shall not be claimed for liquor purchased for on-premises
19 consumption.

20 (5) The term "fiscal month" shall mean "calendar month."
21 Section 37. This act shall take effect as follows:

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

24 (2) The amendment or repeal of sections 207, 215 and 301
25 of the act shall take effect upon completion of divestiture
26 of retail sale operations under Article III-A of the act.

27 (3) The amendment of section 208 of the act shall take
28 effect upon completion of divestiture of wholesale operations
29 under Article III-A of the act.

30 (4) The remainder of this act shall take effect

1 immediately.