

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1999 Session of
2005

INTRODUCED BY DONATUCCI, RAYMOND, BUXTON, CALTAGIRONE, CORNELL,
CRAHALLA, DALEY, DIGIROLAMO, J. EVANS, FRANKEL, GOODMAN,
HALUSKA, HARRIS, HERMAN, JAMES, JOSEPHS, KILLION, LEACH,
LEDERER, MANDERINO, MANN, MARKOSEK, MCGILL, MCILHINNEY,
MELIO, MUSTIO, NICKOL, O'NEILL, PAYNE, PERZEL, PISTELLA,
QUIGLEY, RAMALEY, READSHAW, REICHLEY, ROSS, SANTONI,
SCHRODER, SHANER, SOLOBAY, STABACK, T. STEVENSON AND
YOUNGBLOOD, SEPTEMBER 28, 2005

REFERRED TO COMMITTEE ON LIQUOR CONTROL, SEPTEMBER 28, 2005

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,"
17 further providing for general powers of the board; providing
18 for flexible pricing; and imposing a duty on the Legislative
19 Budget and Finance Committee.

20 The General Assembly of the Commonwealth of Pennsylvania
21 hereby enacts as follows:

22 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
23 No.21), known as the Liquor Code, reenacted and amended June 29,

1 1987 (P.L.32, No.14), is amended by adding definitions to read:

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

5 * * *

6 "Border store" shall have the meaning given in a regulation
7 promulgated by the board.

8 * * *

9 "Cluster" shall mean a group of Pennsylvania Liquor Stores
10 which have been segmented together based on demography
11 attributes, similar sales and inventory and geography.

12 * * *

13 "Flexible pricing" shall mean pricing which gives the
14 Chairman and the Director of Marketing of the Pennsylvania
15 Liquor Control Board the ability to sell products at different
16 prices in different stores throughout this Commonwealth.

17 * * *

18 "One-stop shop" shall mean a Pennsylvania Liquor Store which
19 is located in or adjacent to a store which sells merchandise not
20 limited to food.

21 * * *

22 "Outlet store" shall have the meaning given in a regulation
23 promulgated by the board.

24 * * *

25 "Promotional event for tourism" shall mean a one-time event
26 or a recurrent event of limited duration, developed specifically
27 to enhance the awareness, appeal and profitability of a location
28 in this Commonwealth.

29 * * *

30 "Special purchase allowance" shall mean a case discount

1 offered by a supplier.

2 "Supplier" shall mean a manufacturer that produces,
3 manufactures, distills, rectifies or compounds spiritous or
4 vinous beverages.

5 * * *

6 Section 2. Section 207(b) of the act is amended to read:

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

9 * * *

10 (b) To control the manufacture, possession, sale,
11 consumption, importation, use, storage, transportation and
12 delivery of liquor, alcohol and malt or brewed beverages in
13 accordance with the provisions of this act, and to fix the
14 wholesale and retail prices at which liquors and alcohol shall
15 be sold at Pennsylvania Liquor Stores. [Prices] Except as set
16 forth in section 217: prices shall be proportional with prices
17 paid by the board to its suppliers and shall reflect any
18 advantage obtained through volume purchases by the board[. The];
19 and the board may establish a preferential price structure for
20 wines produced within this Commonwealth for the promotion of
21 such wines, as long as the price structure is uniform within
22 each class of wine purchased by the board. The board shall
23 require each Pennsylvania manufacturer and each nonresident
24 manufacturer of liquors, other than wine, selling such liquors
25 to the board, which are not manufactured in this Commonwealth,
26 to make application for and be granted a permit by the board
27 before such liquors not manufactured in this Commonwealth shall
28 be purchased from such manufacturer. Each such manufacturer
29 shall pay for such permit a fee which, in the case of a
30 manufacturer of this Commonwealth, shall be equal to that

1 required to be paid, if any, by a manufacturer or wholesaler of
2 the state, territory or country of origin of the liquors, for
3 selling liquors manufactured in Pennsylvania, and in the case of
4 a nonresident manufacturer, shall be equal to that required to
5 be paid, if any, in such state, territory or country by
6 Pennsylvania manufacturers doing business in such state,
7 territory or country. In the event that any such manufacturer
8 shall, in the opinion of the board, sell or attempt to sell
9 liquors to the board through another person for the purpose of
10 evading this provision relating to permits, the board shall
11 require such person, before purchasing liquors from him or it,
12 to take out a permit and pay the same fee as hereinbefore
13 required to be paid by such manufacturer. All permit fees so
14 collected shall be paid into the State Stores Fund. The board
15 shall not purchase any alcohol or liquor fermented, distilled,
16 rectified, compounded or bottled in any state, territory or
17 country, the laws of which result in prohibiting the importation
18 therein of alcohol or liquor, fermented, distilled, rectified,
19 compounded or bottled in Pennsylvania.

20 * * *

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

22 Section 217. Flexible Pricing.--(a) The board, at the
23 discretion of the Chairman and the Director of Marketing of the
24 board in response to advertisement in other states, shall
25 establish flexible pricing for all of the following:

26 (1) In-store samplings.

27 (2) One-stop shops.

28 (3) Border stores and outlet stores.

29 (4) Promotional events for tourism sanctioned by the board.

30 (5) Special allowances arranged by cluster.

1 (b) Flexible pricing shall provide for all of the following:

2 (1) Prior notice to the supplier of any intent to seek a
3 lower supplier price.

4 (2) Prior consultation and negotiation on supplier pricing
5 between the Chairman and the Director of Marketing of the board
6 and the supplier in those situations in which an adjusted
7 supplier price is required.

8 (c) Any employe within the Bureau of Product Management of
9 the board directly involved with the program under this section
10 shall complete, sign and file an ethics statement.

11 (d) This section shall expire December 31, 2009.

12 Section 4. After the expiration of section 217 of the act,
13 the Legislative Budget and Finance Committee shall examine and
14 render a report on the effectiveness of the flexible pricing
15 program.

16 Section 5. This act shall take effect in 60 days.