

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1150 Session of 2015

INTRODUCED BY P. COSTA, DERMODY, HANNA, FRANKEL, YOUNGBLOOD, MARKOSEK, GOODMAN, STURLA, BIZZARRO, BROWNLEE, CALTAGIRONE, COHEN, DEASY, GIBBONS, KINSEY, MAHONEY, MURT, O'BRIEN, PASHINSKI, READSHAW, ROZZI, SABATINA, SCHLOSSBERG, SCHREIBER AND ROEBUCK, MAY 18, 2015

REFERRED TO COMMITTEE ON LIQUOR CONTROL, MAY 18, 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," in  
 17 preliminary provisions, further providing for definitions; in  
 18 Pennsylvania Liquor Control Board, further providing for  
 19 general powers of board; in Pennsylvania Liquor Stores,  
 20 further providing for board to establish State liquor stores,  
 21 for when sales may be made at Pennsylvania Liquor Stores, and  
 22 for sales by Pennsylvania Liquor Stores; and, in licenses and  
 23 regulations and liquor and alcohol and malt and brewed  
 24 beverages, further providing for authority to issue liquor  
 25 licenses to hotels, restaurants and clubs, for sale of malt  
 26 or brewed beverages by liquor licensees, for malt and brewed  
 27 beverages manufacturers', distributors' and importing  
 28 distributors' licenses, for distributors' and importing  
 29 distributors' restrictions on sales, storage, etc., for  
 30 retail dispensers' restrictions on purchases and sales and  
 31 for renewal of licenses and temporary provisions for licenses

1 in armed service, providing for license auction and further  
2 providing for revocation and suspension of licenses and fines  
3 and for shipment of wine into Commonwealth, providing for  
4 direct shipment of wine and for unlawful acts relative to  
5 liquor, malt and brewed beverages and licensees and for  
6 premises to be vacated by patrons.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. The definitions of "distributor," "holiday,"  
10 "importing distributor" and "retail dispenser" in section 102 of  
11 the act of April 12, 1951 (P.L.90, No.21), known as the Liquor  
12 Code, reenacted and amended June 29, 1987 (P.L.32, No.14) and  
13 amended or added May 31, 1996 (P.L.312, No.49) and December 8,  
14 2004 (P.L.1810, No.239), are amended to read:

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

18 \* \* \*

19 "Distributor" shall mean any person licensed by the board to  
20 engage in the purchase only from Pennsylvania manufacturers and  
21 from importing distributors and the resale of malt or brewed  
22 beverages, except to importing distributors and distributors, in  
23 the original sealed containers as prepared for the market by the  
24 manufacturer at the place of manufacture, but not for  
25 consumption on the premises where sold, and in quantities of not  
26 less than a case or original containers containing one hundred  
27 twenty-eight ounces or more, or as provided in section 431(g),  
28 which may be sold separately.

29 \* \* \*

30 "Holiday" shall mean the first day of January, commonly known  
31 as New Year's Day; [the third Monday of January, known as Dr.  
32 Martin Luther King, Jr., Day; the third Monday in February,  
33 known as Presidents' Day; the last Monday in May, known as

1 Memorial Day;] the fourth day of July, known as Independence  
2 Day; [the first Monday of September, known as Labor Day;] the  
3 fourth Thursday in November, known as Thanksgiving Day; and the  
4 twenty-fifth day of December, known as Christmas Day.

5 \* \* \*

6 "Importing distributor" shall mean any person licensed by the  
7 board to engage in the purchase from manufacturers and other  
8 persons located outside this Commonwealth and from persons  
9 licensed as manufacturers of malt or brewed beverages and  
10 importing distributors under this act, and the resale of malt or  
11 brewed beverages in the original sealed containers as prepared  
12 for the market by the manufacturer at the place of manufacture,  
13 but not for consumption on the premises where sold, and in  
14 quantities of not less than a case or original containers  
15 containing one hundred twenty-eight ounces or more, or as  
16 provided in section 431(g), which may be sold separately.

17 \* \* \*

18 "Retail dispenser" shall mean any person licensed to engage  
19 in the retail sale of malt or brewed beverages for consumption  
20 on the premises of such licensee, with the privilege of selling  
21 malt or brewed beverages in quantities not in excess of [one  
22 hundred ninety-two fluid ounces in a single sale to one person]  
23 three hundred eighty-four ounces in not more than twenty-four  
24 original containers in a single sale to one person as provided  
25 in section 407, provided the licensee may not sell a package as  
26 prepared for sale or distribution by the manufacturer containing  
27 more than twelve containers, to be carried from the premises by  
28 the purchaser thereof.

29 \* \* \*

30 Section 2. Section 207(a) and (b) of the act, amended

1 November 30, 2004 (P.L.727, No.221) and December 8, 2004  
2 (P.L.1810, No.239), are amended and the section is amended by  
3 adding subsections to read:

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

6 (a) To buy, import or have in its possession for sale and  
7 sell liquor, alcohol, corkscrews, wine and liquor accessories,  
8 trade publications, gift cards, gift certificates, wine- or  
9 liquor-scented candles and wine glasses in the manner set forth  
10 in this act: Provided, however, That all purchases shall be made  
11 subject to the approval of the State Treasurer, or his  
12 designated deputy. The board shall buy liquor and alcohol at the  
13 lowest price and in the greatest variety reasonably obtainable.  
14 Such sales and purchases may be to or from persons or entities  
15 located both in and outside this Commonwealth.

16 (b) To control the manufacture, possession, sale,  
17 consumption, importation, use, storage, transportation and  
18 delivery of liquor, alcohol and malt or brewed beverages in  
19 accordance with the provisions of this act, and to fix the  
20 wholesale and retail prices at which liquors and alcohol shall  
21 be sold at Pennsylvania Liquor Stores. Prices shall be  
22 [proportional with prices paid by the board to its suppliers and  
23 shall reflect any advantage obtained through volume purchases by  
24 the board. The board may establish a preferential price  
25 structure for wines produced within this Commonwealth for the  
26 promotion of such wines, as long as the price structure is  
27 uniform within each class of wine purchased by the board.] as  
28 set forth by the board so long as the price of a particular item  
29 is uniform throughout this Commonwealth. The board shall require  
30 each Pennsylvania manufacturer and each nonresident manufacturer

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

27 \* \* \*

28 (1) To be licensed as a lottery sales agent, as set forth in  
29 section 305 of the act of August 26, 1971 (P.L.351, No.91),  
30 known as the "State Lottery Law," and to take any actions

1 authorized by such designation, except that no bond, insurance  
2 or indemnification may be required from the board.

3 (m) To establish and implement a customer relations  
4 management program for the purpose of offering incentives, such  
5 as coupons or discounts on certain products, to unlicensed  
6 customers of the board.

7 Section 3. Section 301(b) of the act is amended to read:

8 Section 301. Board to Establish State Liquor Stores.--\* \* \*

9 (b) The board may lease the necessary premises for such  
10 stores or establishments, but all such leases shall be made  
11 through the Department of General Services as agent of the  
12 board. Notwithstanding any other provision of law to the  
13 contrary, the Department of General Services shall have no more  
14 than ninety days from the date the board officially approves a  
15 lease recommendation to send the final lease packet to the  
16 appropriate agencies for further processing. The Department of  
17 General Services shall be required to submit quarterly reports  
18 to the chairman and minority chairman of the Law and Justice  
19 Committee of the Senate and the chairman and minority chairman  
20 of the Liquor Control Committee of the House of Representatives  
21 indicating the number of lease recommendations approved by the  
22 board during the preceding quarter and whether the corresponding  
23 final lease packets were sent to the appropriate agencies within  
24 the ninety-day deadline. If the Department of General Services  
25 fails to regularly submit these quarterly reports or fails to  
26 regularly meet the ninety-day deadline imposed by this  
27 subsection, then the General Assembly may consider legislation  
28 that would allow the board to lease premises for its stores  
29 without the involvement of the Department of General Services.  
30 The board, through the Department of General Services, shall

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

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

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

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

25 Section 5. Section 305(b) of the act, amended July 6, 2005  
26 (P.L.135, No.39), is amended and the section is amended by  
27 adding a subsection to read:

28 Section 305. Sales by Pennsylvania Liquor Stores.--\* \* \*  
29 (b) Every Pennsylvania Liquor Store shall sell liquors at  
30 wholesale to hotels, restaurants, clubs, and railroad, pullman

1 and steamship companies licensed under this act; and, under the  
2 regulations of the board, to pharmacists duly licensed and  
3 registered under the laws of the Commonwealth, and to  
4 manufacturing pharmacists, and to reputable hospitals approved  
5 by the board, or chemists. Sales to licensees shall be made at a  
6 price that includes a discount of ten per centum from the retail  
7 price. The board may sell to registered pharmacists only such  
8 liquors as conform to the Pharmacopoeia of the United States,  
9 the National Formulary, or the American Homeopathic  
10 Pharmacopoeia. The board may sell at special prices under the  
11 regulations of the board, to United States Armed Forces  
12 facilities which are located on United States Armed Forces  
13 installations and are conducted pursuant to the authority and  
14 regulations of the United States Armed Forces. All other sales  
15 by such stores shall be at retail[.], except that incentives,  
16 such as coupons or discounts on certain products, may be offered  
17 to unlicensed customers of the board as provided for under  
18 sections 207(m) and 493(24)(iii). A person entitled to purchase  
19 liquor at wholesale prices may purchase the liquor at any  
20 Pennsylvania Liquor Store upon tendering cash, check or credit  
21 card for the full amount of the purchase. For this purpose, the  
22 board shall issue a discount card to each licensee identifying  
23 such licensee as a person authorized to purchase liquor at  
24 wholesale prices. Such discount card shall be retained by the  
25 licensee. The board may contract through the Commonwealth  
26 bidding process for delivery to wholesale licensees at the  
27 expense of the licensee receiving the delivery.

28 \* \* \*

29 (j) If the board becomes a licensed lottery sales agent, as  
30 set forth in section 305 of the act of August 26, 1971 (P.L.351,

1 No.91), known as the "State Lottery Law," then the following  
2 shall apply, notwithstanding the provisions of the "State  
3 Lottery Law":

4 (i) The Secretary of Revenue shall permit the board to  
5 operate and maintain Pennsylvania lottery instant ticket vending  
6 machines, player-activated terminals and technologies or systems  
7 subsequently approved by the Department of Revenue for the self-  
8 service sale of lottery tickets and games in Pennsylvania Liquor  
9 Stores. The board and the Secretary of Revenue shall mutually  
10 agree upon the number and location of the stores authorized to  
11 conduct self-service sales of lottery tickets and games.

12 (ii) The board shall not be required to post any type of  
13 bond prior to conducting self-service sales of lottery tickets  
14 and games.

15 (iii) Any commissions, compensation or any type of incentive  
16 award based upon the sale of lottery tickets and games shall be  
17 deposited by the board into the State Stores Fund.

18 Section 6. Section 401(a) of the act, amended December 22,  
19 2011 (P.L.530, No.113), is amended to read:

20 Section 401. Authority to Issue Liquor Licenses to Hotels,  
21 Restaurants and Clubs.--(a) Subject to the provisions of this  
22 act and regulations promulgated under this act, the board shall  
23 have authority to issue a retail liquor license for any premises  
24 kept or operated by a hotel, restaurant or club and specified in  
25 the license entitling the hotel, restaurant or club to purchase  
26 liquor from a Pennsylvania Liquor Store and to keep on the  
27 premises such liquor and, subject to the provisions of this act  
28 and the regulations made thereunder, to sell the same and also  
29 malt or brewed beverages to guests, patrons or members for  
30 consumption on the hotel, restaurant or club premises. Such

1 licensees, other than clubs, shall be permitted to sell malt or  
2 brewed beverages for consumption off the premises where sold in  
3 quantities of not more than [one hundred ninety-two fluid ounces  
4 in a single sale to one person as provided for in section 407.]  
5 three hundred eighty-four ounces in not more than twenty-four  
6 original containers in a single sale to one person as provided  
7 for in section 407, provided the licensee may not sell a package  
8 as prepared for sale or distribution by the manufacturer  
9 containing more than twelve containers. Such licenses shall be  
10 known as hotel liquor licenses, restaurant liquor licenses and  
11 club liquor licenses, respectively. No person who holds any  
12 public office that involves the duty to enforce any of the penal  
13 laws of the United States, this Commonwealth or of any political  
14 subdivision of this Commonwealth may have any interest in a  
15 hotel or restaurant liquor license. This prohibition applies to  
16 anyone with arrest authority, including, but not limited to,  
17 United States attorneys, State attorneys general, district  
18 attorneys, sheriffs and police officers. This prohibition shall  
19 also apply to magisterial district judges, judges or any other  
20 individuals who can impose a criminal sentence. This prohibition  
21 does not apply to members of the General Assembly, township  
22 supervisors, city councilpersons, mayors without arrest  
23 authority and any other public official who does not have the  
24 ability to arrest or the ability to impose a criminal sentence.  
25 This section does not apply if the proposed premises are located  
26 outside the jurisdiction of the individual in question.

27 \* \* \*

28 Section 7. Section 407(a) of the act, amended June 28, 2011  
29 (P.L.55, No.11), is amended to read:

30 Section 407. Sale of Malt or Brewed Beverages by Liquor

1 Licensees.--(a) Every liquor license issued to a hotel,  
2 restaurant, club, or a railroad, pullman or steamship company  
3 under this subdivision (A) for the sale of liquor shall  
4 authorize the licensee to sell malt or brewed beverages at the  
5 same places but subject to the same restrictions and penalties  
6 as apply to sales of liquor, except that licensees other than  
7 clubs may sell malt or brewed beverages for consumption off the  
8 premises where sold in quantities of not more than [one hundred  
9 ninety-two fluid ounces in a single sale to one person.] three  
10 hundred eighty-four ounces in not more than twenty-four original  
11 containers in a single sale to one person, provided the licensee  
12 may not sell a package as prepared for sale or distribution by  
13 the manufacturer containing more than twelve containers. The  
14 sales may be made in either open or closed containers, Provided,  
15 however, That a municipality may adopt an ordinance restricting  
16 open containers in public places. No licensee under this  
17 subdivision (A) shall at the same time be the holder of any  
18 other class of license, except a retail dispenser's license  
19 authorizing the sale of malt or brewed beverages only.

20 \* \* \*

21 Section 8. Section 431(b) of the act, amended December 8,  
22 2004 (P.L.1810, No.239), is amended and the section is amended  
23 by adding a subsection to read:

24 Section 431. Malt and Brewed Beverages Manufacturers',  
25 Distributors' and Importing Distributors' Licenses.--\* \* \*

26 (b) The board shall issue to any reputable person who  
27 applies therefor, and pays the license fee hereinafter  
28 prescribed, a distributor's or importing distributor's license  
29 for the place which such person desires to maintain for the sale  
30 of malt or brewed beverages, not for consumption on the premises

1 where sold, and except as provided for under subsection (g), in  
2 quantities of not less than a case or original containers  
3 containing one hundred twenty-eight ounces or more which may be  
4 sold separately as prepared for the market by the manufacturer  
5 at the place of manufacture. The board shall have the discretion  
6 to refuse a license to any person or to any corporation,  
7 partnership or association if such person, or any officer or  
8 director of such corporation, or any member or partner of such  
9 partnership or association shall have been convicted or found  
10 guilty of a felony within a period of five years immediately  
11 preceding the date of application for the said license: And  
12 provided further, That, in the case of any new license or the  
13 transfer of any license to a new location, the board may, in its  
14 discretion, grant or refuse such new license or transfer if such  
15 place proposed to be licensed is within three hundred feet of  
16 any church, hospital, charitable institution, school or public  
17 playground, or if such new license or transfer is applied for a  
18 place which is within two hundred feet of any other premises  
19 which is licensed by the board: And provided further, That the  
20 board shall refuse any application for a new license or the  
21 transfer of any license to a new location if, in the board's  
22 opinion, such new license or transfer would be detrimental to  
23 the welfare, health, peace and morals of the inhabitants of the  
24 neighborhood within a radius of five hundred feet of the place  
25 proposed to be licensed. The board shall refuse any application  
26 for a new license or the transfer of any license to a location  
27 where the sale of liquid fuels or oil is conducted. The board  
28 may enter into an agreement with the applicant concerning  
29 additional restrictions on the license in question. If the board  
30 and the applicant enter into such an agreement, such agreement

1 shall be binding on the applicant. Failure by the applicant to  
2 adhere to the agreement will be sufficient cause to form the  
3 basis for a citation under section 471 and for the nonrenewal of  
4 the license under section 470. If the board enters into an  
5 agreement with an applicant concerning additional restrictions,  
6 those restrictions shall be binding on subsequent holders of the  
7 license until the license is transferred to a new location or  
8 until the board enters into a subsequent agreement removing  
9 those restrictions. If the application in question involves a  
10 location previously licensed by the board, then any restrictions  
11 imposed by the board on the previous license at that location  
12 shall be binding on the applicant unless the board enters into a  
13 new agreement rescinding those restrictions. The board shall  
14 require notice to be posted on the property or premises upon  
15 which the licensee or proposed licensee will engage in sales of  
16 malt or brewed beverages. This notice shall be similar to the  
17 notice required of hotel, restaurant and club liquor licensees.

18       Except as hereinafter provided, such license shall authorize  
19 the holder thereof to sell or deliver malt or brewed beverages  
20 in quantities above specified anywhere within the Commonwealth  
21 of Pennsylvania, which, in the case of distributors, have been  
22 purchased only from persons licensed under this act as  
23 manufacturers or importing distributors, and in the case of  
24 importing distributors, have been purchased from manufacturers  
25 or persons outside this Commonwealth engaged in the legal sale  
26 of malt or brewed beverages or from manufacturers or importing  
27 distributors licensed under this article. In the case of an  
28 importing distributor, the holder of such a license shall be  
29 authorized to store and repackage malt or brewed beverages owned  
30 by a manufacturer at a segregated portion of a warehouse or

1 other storage facility authorized by section 441(d) and operated  
2 by the importing distributor within its appointed territory and  
3 deliver such beverages to another importing distributor who has  
4 been granted distribution rights by the manufacturer as provided  
5 herein. The importing distributor shall be permitted to receive  
6 a fee from the manufacturer for any related storage, repackaging  
7 or delivery services. In the case of a bailee for hire hired by  
8 a manufacturer, the holder of such a permit shall be authorized:  
9 to receive, store and repackage malt or brewed beverages  
10 produced by that manufacturer for sale by that manufacturer to  
11 importing distributors to whom that manufacturer has given  
12 distribution rights pursuant to this subsection or to purchasers  
13 outside this Commonwealth for delivery outside this  
14 Commonwealth; or to ship to that manufacturer's storage  
15 facilities outside this Commonwealth. The bailee for hire shall  
16 be permitted to receive a fee from the manufacturer for any  
17 related storage, repackaging or delivery services. The bailee  
18 for hire shall, as required in Article V of this act, keep  
19 complete and accurate records of all transactions, inventory,  
20 receipts and shipments and make all records and the licensed  
21 areas available for inspection by the board and for the  
22 Pennsylvania State Police, Bureau of Liquor Control Enforcement,  
23 during normal business hours.

24 Each out of State manufacturer of malt or brewed beverages  
25 whose products are sold and delivered in this Commonwealth shall  
26 give distributing rights for such products in designated  
27 geographical areas to specific importing distributors, and such  
28 importing distributor shall not sell or deliver malt or brewed  
29 beverages manufactured by the out of State manufacturer to any  
30 person issued a license under the provisions of this act whose

1 licensed premises are not located within the geographical area  
2 for which he has been given distributing rights by such  
3 manufacturer. Should a licensee accept the delivery of such malt  
4 or brewed beverages in violation of this section, said licensee  
5 shall be subject to a suspension of his license for at least  
6 thirty days: Provided, That the importing distributor holding  
7 such distributing rights for such product shall not sell or  
8 deliver the same to another importing distributor without first  
9 having entered into a written agreement with the said secondary  
10 importing distributor setting forth the terms and conditions  
11 under which such products are to be resold within the territory  
12 granted to the primary importing distributor by the  
13 manufacturer.

14 When a Pennsylvania manufacturer of malt or brewed beverages  
15 licensed under this article names or constitutes a distributor  
16 or importing distributor as the primary or original supplier of  
17 his product, he shall also designate the specific geographical  
18 area for which the said distributor or importing distributor is  
19 given distributing rights, and such distributor or importing  
20 distributor shall not sell or deliver the products of such  
21 manufacturer to any person issued a license under the provisions  
22 of this act whose licensed premises are not located within the  
23 geographical area for which distributing rights have been given  
24 to the distributor and importing distributor by the said  
25 manufacturer: Provided, That the importing distributor holding  
26 such distributing rights for such product shall not sell or  
27 deliver the same to another importing distributor without first  
28 having entered into a written agreement with the said secondary  
29 importing distributor setting forth the terms and conditions  
30 under which such products are to be resold within the territory

1 granted to the primary importing distributor by the  
2 manufacturer. Nothing herein contained shall be construed to  
3 prevent any manufacturer from authorizing the importing  
4 distributor holding the distributing rights for a designated  
5 geographical area from selling the products of such manufacturer  
6 to another importing distributor also holding distributing  
7 rights from the same manufacturer for another geographical area,  
8 providing such authority be contained in writing and a copy  
9 thereof be given to each of the importing distributors so  
10 affected.

11 \* \* \*

12 (g) (1) In addition to being able to sell in case  
13 quantities as provided under subsection (b), a distributor or  
14 importing distributor may break the bulk of a case and sell  
15 units of any case in quantities of not less than forty-two  
16 ounces, provided the distributor or importing distributor sells  
17 a package as prepared for sale by the manufacturer.

18 (2) Before a distributor or importing distributor breaks the  
19 bulk of a case for the purpose of selling units, the distributor  
20 or importing distributor shall inspect the case for damage and  
21 appropriate production date. When the distributor or importing  
22 distributor breaks the bulk of a case for the purpose of selling  
23 units of the case, the distributor or importing distributor  
24 bears the risk of loss and is responsible for the destruction of  
25 any malt and brewed beverages that violate the manufacturer's  
26 specifications relating to sales by a certain date or within a  
27 number of days of the production date.

28 (3) The term "unit" as used in this subsection means an  
29 undamaged bottle or can from a case.

30 Section 9. Section 441(a) and (b) of the act, amended June

1 18, 1998 (P.L.664, No.86) and December 9, 2002 (P.L.1653,  
2 No.212), are amended to read:

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

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

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

11 (3) as provided in section 431(b) and (g).

12 (b) [No] Except as provided for in section 431(g), no  
13 distributor or importing distributor shall sell any malt or  
14 brewed beverages in quantities of less than a case or original  
15 containers containing one hundred twenty-eight ounces or more  
16 which may be sold separately: Provided, That no malt or brewed  
17 beverages sold or delivered shall be consumed upon the premises  
18 of the distributor or importing distributor, or in any place  
19 provided for such purpose by such distributor or importing  
20 distributor. Notwithstanding any other provision of this section  
21 or act, malt or brewed beverages which are part of a tasting  
22 conducted pursuant to the board's regulations may be consumed on  
23 licensed premises.

24 \* \* \*

25 Section 10. Section 442(a)(1) of the act, amended June 28,  
26 2011 (P.L.55, No.11), is amended to read:

27 Section 442. Retail Dispensers' Restrictions on Purchases  
28 and Sales.--(a) (1) No retail dispenser shall purchase or  
29 receive any malt or brewed beverages except in original  
30 containers as prepared for the market by the manufacturer at the

1 place of manufacture. The retail dispenser may thereafter break  
2 the bulk upon the licensed premises and sell or dispense the  
3 same for consumption on or off the premises so licensed. No  
4 retail dispenser may sell malt or brewed beverages for  
5 consumption off the premises in quantities in excess of [one  
6 hundred ninety-two fluid ounces.] three hundred eighty-four  
7 ounces in not more than twenty-four original containers in a  
8 single sale to one person as provided in section 407, provided  
9 the licensee may not sell a package as prepared for sale or  
10 distribution by the manufacturer containing more than twelve  
11 containers. Sales may be made in open or closed containers,  
12 Provided, however, That a municipality may adopt an ordinance  
13 restricting open containers in public places. No club licensee  
14 may sell any malt or brewed beverages for consumption off the  
15 premises where sold or to persons not members of the club.

16 \* \* \*

17 Section 10.1. Section 470(a) of the act, amended December  
18 22, 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 (\$700.00), 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 and  
27 administrative fees and any additional filing fee required by  
28 this section. Unless the board shall have given ten days'  
29 previous notice to the applicant of objections to the renewal of  
30 his license, based upon violation by the licensee or his

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

14 \* \* \*

15 Section 10.2. The act is amended by adding a section to  
16 read:

17 Section 470.3. License Auction.--(a) A restaurant liquor  
18 license or eating place retail dispenser license which is  
19 subject to the quota restrictions set forth in section 461(a)  
20 and which has not been renewed as required by section 470, has  
21 been revoked under section 471 or as required by section 474.1,  
22 or which the board refused to renew under section 470, shall be  
23 offered for auction by the board. The auction shall occur in  
24 July of the calendar year after the license becomes available  
25 for auction, on a date to be determined by the board. For  
26 purposes of this section, a license becomes available for  
27 auction the day after the deadline has passed for appealing a  
28 decision revoking or nonrenewing the license or the day after  
29 the two-year window to file a renewal application nunc pro tunc  
30 set forth in section 470, has passed.

1 (b) By March 1 of each year, the board shall post on its  
2 Internet website a listing of all the licenses that shall be  
3 available for auction in July of that year. The list shall also  
4 be available upon request.

5 (c) The board shall accept applications from persons  
6 interested in bidding at the auction beginning March 1. The  
7 application shall be in writing and shall contain such  
8 information as the board shall from time to time prescribe. The  
9 board shall accept applications until June 15th and may, in its  
10 discretion, accept applications after that date.

11 (d) A person who would be precluded from acquiring a license  
12 by sections 411 or 443, or who, in the board's opinion, is not  
13 of good repute may not apply for a license under this section.

14 (e) The auction shall be conducted in the manner set forth  
15 by the board, in July at the date and time appointed by the  
16 board. After the auction, the board shall provisionally award to  
17 the person making the highest bid for the license the right to  
18 file an application for the license. However, the board may not  
19 accept a bid lower than the following amounts:

20 (1) In counties of the first through fourth class, one  
21 hundred thousand dollars (\$100,000).

22 (2) In counties of the fifth through eighth class, fifty  
23 thousand dollars (\$50,000).

24 (f) The winning bidder shall pay to the board the bid amount  
25 within two weeks. Payment shall be by cashier's check, certified  
26 check or any other method acceptable to the board. If the  
27 winning bidder does not pay the bid amount within two weeks, the  
28 second highest bidder shall be awarded the right to file an  
29 application for the license, so long as the bid amount is in  
30 accordance with subsection (e).

1 (g) If there are no bids for a license or if there are no  
2 bids that meet the bid amounts set forth in subsection (f), the  
3 license shall be revoked and may not be reissued.

4 (h) Within six months of a bidder being informed that he is  
5 the winning bidder and that the winning bid has been processed,  
6 the winning bidder shall file an application to transfer the  
7 license to itself or to an assignee. The application shall be  
8 processed in the same manner as any other transfer application  
9 and shall be subject to the same restrictions as any other  
10 transfer application, including any conditional licensing  
11 agreements, but not including any unpaid fines or unserved  
12 suspensions accrued by the previous license holder. The  
13 application may be filed on a prior approval basis.

14 Section 10.3. Section 471(b) of the act, amended July 6,  
15 2005 (P.L.135, No.39), is amended to read:

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

17 \* \* \*

18 (b) Hearing on such citations shall be held in the same  
19 manner as provided herein for hearings on applications for  
20 license. Upon such hearing, if satisfied that any such violation  
21 has occurred or for other sufficient cause, the administrative  
22 law judge shall immediately suspend or revoke the license, or  
23 impose a fine of not less than [fifty dollars (\$50)] one hundred  
24 dollars (\$100) nor more than [one thousand dollars (\$1,000)] two  
25 thousand dollars (\$2,000), or both, notifying the licensee by  
26 registered letter addressed to his licensed premises. If the  
27 licensee has been cited and found to have violated section  
28 493(1) insofar as it relates to sales to minors or sales to a  
29 visibly intoxicated person, section 493(10) insofar as it  
30 relates to lewd, immoral or improper entertainment or section

1 493(14), (16) or (21), or has been found to be a public nuisance  
2 pursuant to section 611, or if the owner or operator of the  
3 licensed premises or any authorized agent of the owner or  
4 operator has been convicted of any violation of the act of April  
5 14, 1972 (P.L.233, No.64), known as "The Controlled Substance,  
6 Drug, Device and Cosmetic Act," or of 18 Pa.C.S. § 5902  
7 (relating to prostitution and related offenses) or 6301  
8 (relating to corruption of minors), at or relating to the  
9 licensed premises, the administrative law judge shall  
10 immediately suspend or revoke the license, or impose a fine of  
11 not less than [one thousand dollars (\$1,000)] two thousand  
12 dollars (\$2,000) nor more than [five thousand dollars (\$5,000)]  
13 ten thousand dollars (\$10,000), or both. However, if a licensee  
14 has been cited and found to have violated section 493(1) as it  
15 relates to sales to minors or sales to a visibly intoxicated  
16 person but at the time of the sale the licensee was in  
17 compliance with the requirements set forth in section 471.1 and  
18 the licensee had not sold to minors or visibly intoxicated  
19 persons in the previous four years, then the administrative law  
20 judge shall immediately suspend or revoke the license, or impose  
21 a fine of not less than [fifty dollars (\$50)] one hundred  
22 dollars (\$100) nor more than [one thousand dollars (\$1,000)] two  
23 thousand dollars (\$2,000), or both. The administrative law judge  
24 shall notify the licensee by registered mail, addressed to the  
25 licensed premises, of such suspension, revocation or fine. In  
26 the event the fine is not paid within twenty days of the  
27 adjudication, the administrative law judge shall suspend or  
28 revoke the license, notifying the licensee by registered mail  
29 addressed to the licensed premises. Suspensions and revocations  
30 shall not go into effect until thirty days have elapsed from the

1 date of the adjudication during which time the licensee may take  
2 an appeal as provided for in this act, except that revocations  
3 mandated in section 481(c) shall go into effect immediately. Any  
4 licensee whose license is revoked shall be ineligible to have a  
5 license under this act until the expiration of three years from  
6 the date such license was revoked. In the event a license is  
7 revoked, no license shall be granted for the premises or  
8 transferred to the premises in which the said license was  
9 conducted for a period of at least one year after the date of  
10 the revocation of the license conducted in the said premises,  
11 except in cases where the licensee or a member of his immediate  
12 family is not the owner of the premises, in which case the board  
13 may, in its discretion, issue or transfer a license within the  
14 said year. In the event the bureau or the person who was fined  
15 or whose license was suspended or revoked shall feel aggrieved  
16 by the adjudication of the administrative law judge, there shall  
17 be a right to appeal to the board. The appeal shall be based  
18 solely on the record before the administrative law judge. The  
19 board shall only reverse the decision of the administrative law  
20 judge if the administrative law judge committed an error of law,  
21 abused its discretion or if its decision is not based on  
22 substantial evidence. In the event the bureau or the person who  
23 was fined or whose license was suspended or revoked shall feel  
24 aggrieved by the decision of the board, there shall be a right  
25 to appeal to the court of common pleas in the same manner as  
26 herein provided for appeals from refusals to grant licenses.  
27 Each of the appeals shall act as a supersedeas unless, upon  
28 sufficient cause shown, the reviewing authority shall determine  
29 otherwise; however, if the licensee has been cited and found to  
30 have violated section 493(1) insofar as it relates to sales to

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

1 investigation.

2 \* \* \*

3 Section 11. Section 488 of the act, added February 21, 2002  
4 (P.L.103, No.10), is amended to read:

5 Section 488. Shipment of Wine [into Commonwealth.--(a) The  
6 shipment of wine from out-of-State to residents of this  
7 Commonwealth is prohibited, except as otherwise provided for in  
8 this section.] to Pennsylvania Liquor Stores.--

9 (b) Notwithstanding any other provision of this act or law  
10 to the contrary, a person licensed by another state as a  
11 producer, supplier, importer, wholesaler, distributor or  
12 retailer of wine and who obtains a [direct wine shipper] direct-  
13 to-store wine shipper license as provided for in this section  
14 may ship up to nine liters per month of any wine [not included  
15 on the list provided for in subsection (c)] on the [Internet]  
16 order of any resident of this Commonwealth who is at least  
17 twenty-one (21) years of age for such resident's personal use  
18 and not for resale.

19 [(c) Each month, the board shall publish on the Internet a  
20 list of all classes, varieties and brands of wine available for  
21 sale in the Pennsylvania Liquor Stores. A person holding a  
22 direct shipper license may ship only those classes, varieties  
23 and brands of wine not included on the list at the time an  
24 Internet order is placed.]

25 (d) [An out-of-State] A direct-to-store wine shipper shall:

26 (1) Not ship more than nine liters per month on the Internet  
27 order of any person in this Commonwealth.

28 (2) Report to the board each year the total amount of wine  
29 shipped [into this Commonwealth] to Pennsylvania Liquor Stores  
30 in the preceding calendar year.

1 (3) Permit the board, the enforcement bureau or the  
2 Secretary of Revenue, or their designated representatives, to  
3 perform an audit of the [out-of-State] direct-to-store wine  
4 shipper's records upon request.

5 (4) Be deemed to have submitted to the jurisdiction of the  
6 board, any other State agency and the courts of this  
7 Commonwealth for purposes of enforcement of this section and any  
8 related laws, rules or regulations.

9 (e) A [direct] direct-to-store wine shipper may ship wine on  
10 the [Internet] order of a resident into this Commonwealth  
11 provided that the wine is shipped to a Pennsylvania Liquor Store  
12 selected by the resident. The wine will be subject to taxes in  
13 the same manner as wine sold directly by the board. The wine  
14 will not be released by the State store until all moneys due,  
15 including all taxes and fees, have been paid by the resident.

16 (f) A person shall sign an affidavit provided by the  
17 Pennsylvania Liquor Store where the wine was delivered to  
18 stating that the wine will only be used for the person's  
19 personal use. Any person who resells wine obtained under this  
20 section commits a misdemeanor of the second degree.

21 (g) The board may promulgate such rules and regulations as  
22 are necessary to implement and enforce the provisions of this  
23 section. The board may charge the resident a fee to cover the  
24 cost associated with processing the [Internet] order.

25 (h) The board shall submit [monthly] annual reports to the  
26 Appropriations Committee and the Law and Justice Committee of  
27 the Senate and to the Appropriations Committee and the Liquor  
28 Control Committee of the House of Representatives summarizing  
29 the number of [direct] direct-to-store wine shipper licenses  
30 issued by the board, the quantity of wine sold and shipped by

1 direct-to-store wine shipper licensees pursuant to this section  
2 and the total dollar value of sales under this section.

3 (i) The term "wine" as used in this section shall mean  
4 liquor which is fermented from [grapes and other fruits, having  
5 alcoholic content of twenty-four per centum or less. The term  
6 "wine" shall not include malt or brewed beverages nor shall wine  
7 include any products containing alcohol derived from malt,  
8 grain, cereal, molasses or cactus] an agricultural commodity as  
9 that term is defined in section 505.2(c).

10 Section 12. The act is amended by adding a section to read:

11 Section 489. Direct Shipment of Wine.--(a) Notwithstanding  
12 any other provision of law, a person licensed by the board or  
13 another state as a producer of wine, and who obtains a license  
14 as provided for in this section, may ship up to eighteen liters  
15 per month of any wine on the order of any resident of this  
16 Commonwealth who is at least twenty-one years of age for such  
17 resident's personal use and not for resale.

18 (b) Prior to issuing such a license, the board shall require  
19 the person seeking the license to:

20 (1) File an application with the board.

21 (2) Pay a registration fee of one hundred dollars (\$100).

22 (3) Provide to the board a copy of the applicant's current  
23 alcoholic beverage license issued by the board or another state,  
24 if applicable.

25 (4) Provide documentation to the board which evidences that  
26 the applicant has obtained a sales tax license from the  
27 Department of Revenue.

28 (5) Obtain a tax bond, in the amount of one thousand dollars  
29 (\$1,000), such that if the licensee does not pay the taxes  
30 imposed under this section when due, the surety of the bond

1 shall pay all taxes and any related penalties, and any interest  
2 that may be due or become due.

3 (6) Provide the board with any other information that the  
4 board deems necessary and appropriate.

5 (c) The licensee shall:

6 (1) Require proof of age of the recipient, in a manner or  
7 format approved by the board, before any wine is shipped to a  
8 resident of this Commonwealth.

9 (2) Ensure that all boxes or exterior containers of wine  
10 shipped directly to a resident of this Commonwealth are  
11 conspicuously labeled with the words "CONTAINS ALCOHOL:  
12 SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR  
13 DELIVERY."

14 (3) Ensure that shipments shall be delivered by an entity  
15 holding a valid transporter-for-hire license issued by the board  
16 and that such transporter-for-hire shall not deliver any wine  
17 unless it does all of the following:

18 (i) Obtains the signature of the recipient of the wine upon  
19 delivery.

20 (ii) Verifies by inspecting a valid form of photo  
21 identification, as provided for in section 495(a), that the  
22 recipient is at least twenty-one (21) years of age.

23 (iii) Determines that the recipient is not visibly  
24 intoxicated at the time of delivery.

25 (4) On a quarterly basis, remit to the Department of Revenue  
26 all taxes due on sales to residents of this Commonwealth.

27 (5) Permit the board, the enforcement bureau or the  
28 Secretary of Revenue, or their designated representatives, to  
29 perform an audit of the licensee's records upon request.

30 (6) Be deemed to have submitted to the jurisdiction of the

1 board, any other State agency and the courts of this  
2 Commonwealth for purposes of enforcement of this section and any  
3 related laws, rules or regulations, including the collection and  
4 remission of taxes as required under this section.

5 (7) Annually renew its license by paying a renewal fee  
6 established by the board and report to the board, at the time of  
7 renewal, the total amount of wine shipped to residents of this  
8 Commonwealth in the preceding calendar year.

9 (d) Wine delivered under the authority of this section is  
10 subject to the sales and use tax imposed by section 202 of the  
11 act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform  
12 Code of 1971," the sales and use tax imposed by Article XXXI-B  
13 of the act of July 28, 1953 (P.L.723, No.230), known as the  
14 "Second Class County Code," the sales and use tax imposed by the  
15 act of February 12, 2004 (P.L.73, No.11), known as the  
16 "Intergovernmental Cooperation Authority Act for Cities of the  
17 Second Class," and the emergency State tax imposed on wines sold  
18 by the board under the act of June 9, 1936 (1st Sp. Sess.,  
19 P.L.13, No.4), entitled "An act imposing an emergency State tax  
20 on liquor, as herein defined, sold by the Pennsylvania Liquor  
21 Control Board; providing for the collection and payment of such  
22 tax; and imposing duties upon the Department of Revenue and the  
23 Pennsylvania Liquor Control Board."

24 (e) A transporter for hire shall:

25 (1) keep records as required under section 512 pertaining to  
26 the direct shipment of wine; and

27 (2) permit the board and the enforcement bureau, or their  
28 designated representatives, to inspect such records in  
29 accordance with section 513.

30 (f) Any person who resells wine obtained under this section

1 commits a misdemeanor of the second degree.

2 (g) Shipments of wine to persons in this Commonwealth from  
3 persons who do not possess a license from the board authorizing  
4 such shipments are prohibited. Any person who knowingly makes,  
5 participates in, transports, imports or receives such shipment  
6 commits a misdemeanor.

7 (h) The board shall submit annual reports to the  
8 Appropriations Committee of the Senate and the Law and Justice  
9 Committee of the Senate and to the Appropriations Committee of  
10 the House of Representatives and the Liquor Control Committee of  
11 the House of Representatives summarizing the number of licenses  
12 issued by the board under this section, the quantity of wine  
13 sold and shipped by licensees pursuant to this section and the  
14 total dollar value of sales under this section.

15 (i) The board may promulgate such rules and regulations as  
16 are necessary to implement and enforce the provisions of this  
17 section.

18 (j) The term "wine" as used in this section shall mean  
19 liquor which is fermented from an agricultural commodity as that  
20 term is defined in section 505.2(c).

21 Section 13. Section 493(24) of the act, amended November 29,  
22 2006 (P.L.1421, No.155), is amended and the section is amended  
23 by adding a paragraph to read:

24 Section 493. Unlawful Acts Relative to Liquor, Malt and  
25 Brewed Beverages and Licensees.--The term "licensee," when used  
26 in this section, shall mean those persons licensed under the  
27 provisions of Article IV, unless the context clearly indicates  
28 otherwise.

29 It shall be unlawful--

30 \* \* \*

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

28       (ii) Notwithstanding subclause (i) or any other provision of  
29 law, a holder of a restaurant license that is also approved to  
30 hold a slot machine license or a conditional slot machine

1 license under 4 Pa.C.S. Part II (relating to gaming) may give  
2 liquor and malt or brewed beverages free of charge to any person  
3 actively engaged in playing a slot machine.

4 (iii) Notwithstanding subclause (i) or any other provision  
5 of law, the board may establish and implement a customer  
6 relations management program for the purpose of offering  
7 incentives, such as coupons or discounts on certain products  
8 which may be conditioned upon the purchase of liquor, to  
9 unlicensed customers of the board.

10 \* \* \*

11 (35) Sale of wine received by direct-to-store or direct  
12 shipment. For any licensee to sell or offer to sell any wine  
13 purchased or acquired, directly or indirectly, from a licensee  
14 pursuant to the authority of section 488, or from a licensee  
15 pursuant to the authority of section 489.

16 Section 14. Section 499(a.1) of the act, amended October 5,  
17 1994 (P.L.522, No.77), is amended to read:

18 Section 499. Premises to be Vacated by Patrons.--\* \* \*

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

22 (1) no licensee may sell malt or brewed beverages in excess  
23 of [one hundred ninety-two fluid ounces] three hundred eighty-  
24 four ounces in not more than twenty-four original containers in  
25 a single sale to one person as provided in section 407, provided  
26 the licensee may not sell a package as prepared for sale or  
27 distribution by the manufacturer containing more than twelve  
28 containers, in any one sale for consumption off the premises;

29 (2) sales and service of malt and brewed beverages for  
30 consumption off the premises are made prior to the designated

1 time the licensee is required by this act to cease serving  
2 liquor, malt or brewed beverages;

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

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

10 \* \* \*

11 Section 15. This act shall take effect in 60 days.