

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 991 Session of 2017

INTRODUCED BY A. HARRIS, IRVIN, GREINER, ORTITAY, REED, MILLARD AND JAMES, MARCH 28, 2017

REFERRED TO COMMITTEE ON LIQUOR CONTROL, MARCH 28, 2017

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 and for specific subjects on which
 20 board may adopt regulations; in Pennsylvania Liquor Stores,
 21 further providing for sales by Pennsylvania Liquor Stores;
 22 and providing for Pennsylvania retail franchise stores.

23 The General Assembly of the Commonwealth of Pennsylvania
 24 hereby enacts as follows:

25 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
 26 No.21), known as the Liquor Code, is amended by adding
 27 definitions to read:

28 Section 102. Definitions.--The following words or phrases,

1 unless the context clearly indicates otherwise, shall have the
2 meanings ascribed to them in this section:

3 * * *

4 "Product identification number" shall mean the stock keeping
5 unit (SKU) or a successor method of identifying specific
6 products.

7 * * *

8 "Retail outlet" shall mean an establishment at which consumer
9 products are sold, supplied or offered for sale directly to
10 consumers which has an area under one roof of greater than five
11 thousand square feet.

12 "Retailer" shall mean a person who sells, supplies or offers
13 consumer products for sale directly to consumers.

14 * * *

15 "Spirits" shall mean any beverage which contains alcohol
16 obtained by distillation, mixed with water or other substance in
17 solution, and includes brandy, rum, whiskey, gin or other
18 spirituous liquors and such liquors when rectified, blended or
19 otherwise mixed with alcohol or other substances.

20 * * *

21 Section 2. Section 207(b) of the act, amended June 8, 2016
22 (P.L.273, No.39), is amended and the section is amended by
23 adding a subsection to read:

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

26 * * *

27 (b) The following shall apply:

28 (1) To control the manufacture, possession, sale,
29 consumption, importation, use, storage, transportation and
30 delivery of liquor, alcohol and malt or brewed beverages in

1 accordance with the provisions of this act, [and] to fix the
2 wholesale [and] prices at which liquors and alcohol shall be
3 sold to licensees under this act and to fix the retail prices at
4 which liquors and alcohol shall be sold at Pennsylvania Liquor
5 Stores.

6 [(2) Except as provided in paragraphs (3) and (4), prices
7 shall be proportional with prices paid by the board to its
8 suppliers and may include a handling fee. This proportional
9 pricing provision shall not apply to special liquor orders
10 authorized under section 305(a).

11 (3) The board may price its best-selling items and limited
12 purchase items in a manner that maximizes the return on the sale
13 of those items.

14 (4) The board may discount the price of discontinued items.]

15 (2.1) The following shall apply to wholesale prices set by
16 the board:

17 (i) Any liquor or alcohol sold to a permit holder under
18 section 415 or to a franchisee under Article XI shall be sold at
19 the price from which the liquor or alcohol was acquired by the
20 board.

21 (ii) Liquor sold to a franchisee under Article XI shall not
22 include the tax under Article II of the act of March 4, 1971
23 (P.L.6, No.2), known as the "Tax Reform Code of 1971," or the
24 emergency State tax imposed under the act of June 9, 1936 (1st
25 Sp.Sess., P.L.13, No.4), entitled "An act imposing an emergency
26 State tax on liquor, as herein defined, sold by the Pennsylvania
27 Liquor Control Board; providing for the collection and payment
28 of such tax; and imposing duties upon the Department of Revenue
29 and the Pennsylvania Liquor Control Board."

30 (5) All prices of a particular product identification number

1 for sale at Pennsylvania Liquor Stores shall be uniform
2 throughout the Commonwealth. The board may establish a
3 preferential price structure for wines produced within this
4 Commonwealth for the promotion of such wines, as long as the
5 price structure is uniform within each class of wine purchased
6 by the board.

7 (6) On a [quarterly] monthly basis the board shall publish a
8 listing of [the wholesale and] Pennsylvania Liquor Store retail
9 prices on its publicly accessible Internet website.

10 (6.1) The board shall maintain a master list of the price
11 liquors or alcohol was acquired by the board. This list shall be
12 made available to any licensee upon request.

13 (7) No later than April 1st of each year the board shall
14 submit an annual written report to the Law and Justice Committee
15 of the Senate and the Liquor Control Committee of the House of
16 Representatives. The report shall contain information related to
17 the method and rationale for pricing products.

18 (8) No later than June 1st of each year, the board shall
19 appear before the Law and Justice Committee of the Senate and
20 the Liquor Control Committee of the House of Representatives to
21 provide testimony in relation to its annual written report under
22 paragraph (7).

23 (9) The board shall require each Pennsylvania manufacturer
24 and each nonresident manufacturer of liquors, other than wine,
25 selling such liquors to the board, which are not manufactured in
26 this Commonwealth, to make application for and be granted a
27 permit by the board before such liquors not manufactured in this
28 Commonwealth shall be purchased from such manufacturer. Each
29 such manufacturer shall pay for such permit a fee which, in the
30 case of a manufacturer of this Commonwealth, shall be equal to

1 that required to be paid, if any, by a manufacturer or
2 wholesaler of the state, territory or country of origin of the
3 liquors, for selling liquors manufactured in Pennsylvania, and
4 in the case of a nonresident manufacturer, shall be equal to
5 that required to be paid, if any, in such state, territory or
6 country by Pennsylvania manufacturers doing business in such
7 state, territory or country. In the event that any such
8 manufacturer shall, in the opinion of the board, sell or attempt
9 to sell liquors to the board through another person for the
10 purpose of evading this provision relating to permits, the board
11 shall require such person, before purchasing liquors from him or
12 it, 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. The board may not sell
20 private label products. A Pennsylvania Liquor Store may continue
21 to sell private label products within its inventory after the
22 effective date of this section until the private label products
23 within its current inventory are depleted.

24 [(10) The proportional pricing under paragraph (2) shall not
25 apply to special liquor orders authorized under section 305(a).

26 (11) As used in this subsection, the following words and
27 phrases shall have the meanings given to them in this paragraph:

28 "Best-selling items" shall mean the one hundred fifty (150)
29 most sold product identification numbers of wine and the one
30 hundred fifty (150) most sold product identification numbers of

1 liquor as measured by the total number of units sold on a six-
2 month basis calculated every January 1 and July 1.

3 "Discontinued items" shall mean those product identification
4 numbers that the board has voted to delist at a public meeting.

5 "Limited purchase items" shall mean those product
6 identification numbers that the board purchases on either a one-
7 time or nonrecurring basis due to the product's limited
8 availability or finite allocation.

9 "Product identification number" shall mean the stock keeping
10 unit (SKU) or a successor method of identifying specific
11 products.]

12 * * *

13 (o) To provide for and regulate the licensing of franchise
14 stores under Article XI.

15 Section 3. Section 208 of the act is amended by adding a
16 clause to read:

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

21 * * *

22 (k) The licensing, location and operation of franchise
23 stores under Article XI.

24 Section 4. Section 305(a) and (b) of the act, amended June
25 8, 2016 (P.L.273, No.39) and November 15, 2016 (P.L.1286,
26 No.166), are amended to read:

27 Section 305. Sales by Pennsylvania Liquor Stores.--(a) The
28 board shall in its discretion determine where and what classes,
29 varieties and brands of liquor and alcohol it shall make
30 available to the public and where such liquor and alcohol will

1 be sold. Every Pennsylvania Liquor Store shall be authorized to
2 sell combination packages. If a person desires to purchase a
3 class, variety or brand of liquor or alcohol not currently
4 available from the board, he or she may place a special order
5 for such item. A supplier of a special order may not refuse an
6 order from a customer placing an order for one bottle of the
7 item and may assess a surcharge on the order if the supplier
8 otherwise requires a minimum quantity purchase. The board may
9 require a reasonable deposit from the purchaser as a condition
10 for accepting the order. The customer shall be notified
11 immediately upon the arrival of the goods.

12 In computing the retail price of such special orders for
13 liquor or alcohol, the board shall not include the cost of
14 freight or shipping before applying a mark-up that is equal to
15 ten per centum of the cost of the product and taxes but shall
16 add the freight or shipping charges to the price after the mark-
17 up and taxes have been applied. In addition to the ten per
18 centum mark-up, the board shall impose handling fees on special
19 orders which come to rest at a store, in the same manner that it
20 imposes them on the other alcohol that it sells.

21 A licensed importer or a licensed vendor may place special
22 orders on behalf of customers and may deliver the orders to
23 customers. The orders do not need to come to rest at a store,
24 but delivery may not occur until payment for the order has been
25 forwarded to the board and the board has authorized the delivery
26 of the order. A handling fee may not be assessed by the board on
27 an order delivered directly to a customer. Liability for special
28 orders that do not come to rest at a store, shall, until the
29 order is delivered to the customer, remain with the licensed
30 importer or licensed vendor that placed the order on behalf of

1 the customer. The board shall, by [January 1,] December 31,
2 2017, implement a procedure for processing special orders which
3 do not come to rest at a store. The board may continue to accept
4 special orders at its stores even after the procedure is
5 implemented.

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

10 * * *

11 (b) Every Pennsylvania Liquor Store shall sell liquors at
12 wholesale to hotels, restaurants, clubs, and railroad, franchise
13 stores, pullman and steamship companies licensed under this act;
14 and, under the regulations of the board, to pharmacists duly
15 licensed and registered under the laws of the Commonwealth, and
16 to manufacturing pharmacists, and to reputable hospitals
17 approved by the board, or chemists. Sales to licensees other
18 than franchisees licensed under Article XI or wine expanded
19 permit holders licensed under section 415 shall be made at a
20 price that includes a discount of ten per centum from the retail
21 price; except that special order sales to licensees authorized
22 in subsection (a) shall not be subject to the ten per centum
23 discount. The board may sell to registered pharmacists only such
24 liquors as conform to the Pharmacopoeia of the United States,
25 the National Formulary, or the American Homeopathic
26 Pharmacopoeia. The board may sell at special prices under the
27 regulations of the board, to United States Armed Forces
28 facilities which are located on United States Armed Forces
29 installations and are conducted pursuant to the authority and
30 regulations of the United States Armed Forces. All other sales

1 by such stores shall be at retail, except that incentives, such
2 as coupons or discounts on certain products, may be offered to
3 unlicensed customers of the board as provided under sections
4 207(m) and 493(24)(ii)(B). A person entitled to purchase liquor
5 at wholesale prices may purchase the liquor at any Pennsylvania
6 Liquor Store upon tendering cash, check or credit card for the
7 full amount of the purchase. For this purpose, the board shall
8 issue a discount card to each licensee identifying such licensee
9 as a person authorized to purchase liquor at wholesale prices.
10 Such discount card shall be retained by the licensee. The board
11 may contract through the Commonwealth bidding process for
12 delivery to wholesale licensees at the expense of the licensee
13 receiving the delivery.

14 * * *

15 Section 5. The act is amended by adding an article to read:

16 ARTICLE XI

17 PENNSYLVANIA RETAIL FRANCHISE STORES

18 Section 1101. Authority to issue licenses to retailers.

19 (a) General rule.--Subject to the provisions of this act and
20 regulations promulgated under this act, the board shall have the
21 authority to issue a license to a retailer operating a retail
22 outlet. The licensees will be known as franchise stores and a
23 holder of a license shall be known as a franchisee.

24 (b) Issuance.--Licenses may be issued at a ratio of one per
25 every 6,000 residents within a county, with a minimum of 15
26 licenses granted to a county.

27 Section 1102. Qualifications.

28 The proposed premises shall:

29 (1) provide adequate linear shelving to display the
30 amount of product required in section 1103(d);

1 (2) have the ability to provide storage space for
2 additional liquor inventory;

3 (3) operate and maintain an updated computer system; and

4 (4) operate and maintain an updated system for recording
5 daily sales and tax collection.

6 Section 1103. Operation.

7 (a) Purchase and storage.--Franchisees licensed under this
8 section shall be permitted to purchase liquor from the board,
9 licensed wineries under section 505 and licensed distilleries
10 under section 505.4. All liquor shall be kept on the premises or
11 in a noncontiguous storage area approved by the board. Subject
12 to the provisions of this act and the regulations made
13 thereunder, franchisees may sell liquor for consumption off the
14 premises.

15 (b) Sale hours for off-premises consumption.--Franchise
16 stores may sell liquor for off-premise consumption between the
17 hours of 9 a.m. and 11 p.m. on any day except Sunday, to a
18 person that is not licensed under this act.

19 (c) Sunday sales.--In addition to the hours authorized under
20 this section, upon purchasing a permit from the board at an
21 annual fee of \$5,000, a franchise store may sell liquor on
22 Sunday between the hours of 9 a.m. and 9 p.m.

23 (d) Product identification numbers.--Franchise stores shall
24 be required to maintain a minimum amount of product
25 identification numbers in inventory at all times as follows:

26 (1) In counties of the first class, second class, third
27 class and fourth class, 200 product identification numbers of
28 wine and 200 product identification numbers of spirits.

29 (2) In counties of the fifth, sixth class, seventh class
30 and eighth class, 100 product identification numbers of wine

1 and 100 product identification numbers of spirits.

2 (e) Sale price.--Franchise stores shall not sell a liquor
3 product at a price less than the liquor products' underlying
4 cost.

5 (f) Other licenses.--Notwithstanding any other provision of
6 law, nothing in this act shall prohibit a franchisee from
7 holding:

8 (1) a distributor license under section 431;

9 (2) a restaurant liquor license or a retail dispenser
10 license; or

11 (3) an importing distributor license under section 431.

12 Section 1104. Conditions of operation.

13 (a) General rule.--Franchise stores are subject to the
14 following conditions, obligations and requirements:

15 (1) Collect the tax required under Article II of the act
16 of March 4, 1971 (P.L. 6, No.2), known as the Tax Reform Code
17 of 1971, and the emergency State tax imposed under the act of
18 June 9, 1936 (1st Sp.Sess., P.L.13, No.4), entitled "An act
19 imposing an emergency State tax on liquor, as herein defined,
20 sold by the Pennsylvania Liquor Control Board; providing for
21 the collection and payment of such tax; and imposing duties
22 upon the Department of Revenue and the Pennsylvania Liquor
23 Control Board," and remit those taxes to the Department of
24 Revenue. The emergency State tax shall be included in the
25 retail price of liquor offered for sale. The tax shall not be
26 assessed at the point of sale to consumers.

27 (2) Under section 493, shall not sell or distribute
28 liquor to an individual under 21 years of age or to an
29 individual who is visibly intoxicated.

30 (3) The retail outlet and facilities involved in retail

1 operations, including a change to the facilities during the
2 term of license, are subject to inspection and investigation
3 by the board and enforcement bureau as well as approval of
4 the board and enforcement bureau.

5 (4) Adequate security must be maintained to protect the
6 franchisee's inventory from unauthorized sale or diversion
7 and prevent unauthorized distribution.

8 (5) Notify the board within 15 days of a change in
9 persons holding an interest in the license.

10 (6) Notify the board within 15 days of becoming aware of
11 an arrest, criminal indictment or conviction by the
12 following:

13 (i) if the franchisee is an individual, the
14 franchisee;

15 (ii) if the franchisee is a partnership, a partner;

16 (iii) if the franchisee is an association, a member
17 of the association;

18 (iv) if the franchisee is a corporation, an officer,
19 director or shareholder of the corporation; and

20 (v) an affiliate of the franchisee.

21 (7) Notify the board within 15 days of becoming aware of
22 a violation of this article by an individual listed under
23 paragraph (5).

24 (8) The premises shall be configured in a manner and
25 with adequate safeguards to ensure that all liquor products
26 are secure and that liquor products may not be accessed
27 during prohibited hours of sale.

28 (9) An individual younger than 18 years of age may not
29 be employed to work at a register from which the sale of
30 liquor takes place nor be employed to handle any liquor

1 products contained within the franchise store.

2 (10) The presence of at least one register designated by
3 signage where the sale of liquor products will occur which
4 shall be staffed by an individual at least 18 years of age.

5 (11) Comply with the responsible alcohol management
6 program training under section 471.1;

7 (12) All managers and employees who will engage in the
8 sale of liquor must attend responsible alcohol management
9 training within one month of commencing employment.

10 (13) A transaction scan device shall be utilized to
11 verify the age of an individual who appears to be under 35
12 years of age before making a sale of liquor.

13 (b) Violations.--A violation of a condition under this
14 article, a violation of this act or the board's regulations for
15 governing activity occurring under the authority of the license
16 granted to a franchise store may be the basis for any of the
17 following:

18 (1) a fine, suspension or license revocation;

19 (2) nonrenewal of a license;

20 (3) revocation of operating authority; or

21 (4) a penalty authorized under section 471.

22 Section 1105. Applications.

23 (a) General rule.--An applicant for a franchise store shall
24 file a written application with the board in the form and
25 containing the information as the board shall prescribe from
26 time to time, which must be accompanied by a filing fee, license
27 fee as prescribed under section 1108 and other fees provided for
28 in this act. An application must contain:

29 (1) pictures of the retail outlet, including the
30 interior and exterior;

1 (2) a description of the proposed part or parts of the
2 retail outlet in which liquor will be displayed for purchase;

3 (3) a description of alterations proposed to be made to
4 the retail outlet or additional construction plans to be
5 undertaken after the approval by the board of the application
6 for a license;

7 (4) a description of the location at which liquor sales
8 will take place and how many registers will be solely
9 dedicated to the sale of liquor; and

10 (5) proposed storage locations for liquor inventory.

11 (b) Citizenship and residency.--If the applicant is a
12 natural person, the applicant's application must show that the
13 applicant is a citizen of the United States and has been a
14 resident of this Commonwealth for at least two years immediately
15 preceding the application.

16 (c) Corporate applicant.--If the applicant is a corporation,
17 the application must show that:

18 (1) the corporation was created under the laws of
19 Pennsylvania or holds a certificate of authority to transact
20 business in this Commonwealth;

21 (2) all officers, directors and stockholders are
22 citizens of the United States; and

23 (3) the manager of the hotel, restaurant or club is a
24 citizen of the United States.

25 (d) Verified signature required.--Each application shall be
26 signed and verified by oath or affirmation by one of the
27 following:

28 (1) the owner, if a natural person;

29 (2) if an association, by a member or partner of the
30 association;

1 (3) if a corporation, by an executive officer of the
2 corporation or a person specifically authorized by the
3 corporation to sign the application, to which shall be
4 attached written evidence of the person's authority.

5 (e) Posting notice of application.--Every applicant for a
6 license shall post, for a period of at least 30 days beginning
7 with the day on which the application is filed with the board,
8 in a conspicuous place on the outside of the premises or at the
9 proposed new location for which the license is applied, a notice
10 of the application. The notice shall be in a form, be of the
11 size, and contain any provisions as the board may require by
12 regulation. Proof of the posting of the notice shall be filed
13 with the board.

14 (f) False statements.--If any false statement is
15 intentionally made in any part of the application, the affiant
16 shall be deemed guilty of a misdemeanor and, upon conviction,
17 shall be subject to the penalties provided by this act.

18 (g) Municipality notified.--Upon receipt of an application
19 for a new franchise store, the board shall immediately notify,
20 in writing, the municipality in which the premises proposed to
21 be licensed are located.

22 Section 1106. Licensing decisions.

23 (a) Investigation.--The board shall investigate:

24 (1) if the applicant and officers, directors and
25 principals, if any, are of good repute, responsible and
26 suitable candidates for operating a franchise store;

27 (2) whether the applicant possesses adequate legitimate
28 and verifiable financial resources to:

29 (i) operate a franchise store;

30 (ii) purchase and maintain the required amount of

1 inventory under section 1103(d);
2 (iii) meet and maintain all financial obligations to
3 continually operate a franchise store;
4 (3) whether the applicant proposes an acceptable retail
5 outlet and location for the sale of liquor; and
6 (4) whether the planned operation of the applicant
7 complies with this article and all applicable sections of the
8 act.

9 (b) Location.--The board shall conduct an investigation to
10 determine the feasibility of the location and type of retail
11 outlet that applicant is currently operating. The board shall
12 take into account:

13 (1) proximity of the proposed location to an existing
14 Pennsylvania State Liquor Store or proposed or existing
15 franchise store;

16 (2) whether the proposed location would impact the
17 public health, welfare, peace and morals;

18 (3) whether the existence of a franchise store in the
19 proposed location could create law enforcement issues;

20 (4) whether the interior and exterior premises of the
21 retail outlet are clean, orderly and are in full compliance
22 with all State and local zoning and building code ordinances;

23 (5) that the proposed location within the community is
24 suitable to the local governing body.

25 (c) License prohibition.--Licenses shall not be granted if
26 the proposed location is:

27 (1) within 300 feet of a preschool, elementary or
28 secondary school, a church, hospital, charitable institution
29 or public playground without approval of the board or
30 municipality;

1 (2) in a municipality that voted to preclude the
2 establishment of a Pennsylvania Liquor Store;

3 (3) within the same shopping center as a Pennsylvania
4 Liquor Store or franchise store;

5 (4) within 1,200 yards of a Pennsylvania Liquor Store or
6 franchise store in an urbanized area, or within two miles of
7 a Pennsylvania Liquor Store or franchise store in a rural
8 area. For the purposes of this paragraph, the term "rural
9 area" shall mean an area outside urbanized areas as defined
10 by the United States Bureau of Census. Distances shall be
11 measured from the main entrance of a Pennsylvania Liquor
12 Store or franchise store, to the proposed location by the
13 most reasonable direct route of travel;

14 (5) in an area that would adversely impact the public
15 health, peace, welfare or morals; or

16 (6) in an area that could create law enforcement issues.

17 Section 1107. Hearings.

18 (a) General rule.--The board may hold hearings on
19 applications for franchise store licenses and license renewals,
20 as it deems necessary, at a time the board shall fix for the
21 purpose of hearing testimony for and against applications for
22 new franchise store licenses and license renewals. The board
23 shall hold a hearing on a new application or the transfer of a
24 franchise store license under the limitations of section
25 1110(c), upon the request of any person with standing to testify
26 under subsection (b) if the request is filed with the board
27 within the first 15 days of posting of the notice of application
28 under section 1105(g).

29 (b) Resident testimony.--Where a hearing is held in the case
30 of a new application, the board shall permit residents residing

1 within a radius of 500 feet of the premises to testify at the
2 hearing. The board and a hearing examiner of the board shall
3 give appropriate evidentiary weight to any testimony of a
4 resident given at the hearing.

5 Section 1108. Initial license fees.

6 (a) General rule.--License fees shall be graduated according
7 to the total square footage of the retail outlet as follows:

8 (1) One hundred thousand dollars for a retail outlet
9 with square footage greater than 5,000 square feet but less
10 than 10,000 square feet.

11 (2) Two hundred thousand dollars for a retail outlet
12 with square footage greater than 10,000 square feet but less
13 than 25,000 square feet.

14 (3) Three hundred thousand dollars for a retail outlet
15 with square footage greater than 25,000 square feet but less
16 than 50,000 square feet.

17 (4) Four hundred thousand dollars for a retail outlet
18 with square footage greater than 50,000 square feet but less
19 than 75,000 square feet.

20 (5) Five hundred thousand dollars for a retail outlet
21 with square footage greater than 75,000 square feet.

22 (b) Extension of premises.--A franchisee that seeks to
23 extend the premises of a retail outlet beyond the initial square
24 footage noted on the application and approved by the board for a
25 license under this section shall pay a fee of \$100 per each
26 square foot requested for approval of an extension of premises.
27 The fee shall be due at the time of application for the
28 extension of premises.

29 (c) Collection of fees.--All license fees authorized under
30 this section shall be collected by the board and shall be

1 transferred from the State Stores Fund to the General Fund on a
2 quarterly basis.

3 Section 1109. Renewal of license.

4 (a) Annual renewal.--A franchise store shall be renewed on
5 an annual basis.

6 (b) Fee.--A renewal fee equal to 5% of the total gross
7 receipts shall be due at the time the renewal application is
8 filed. For purposes of this subsection, gross receipts shall be
9 determined as the total of all sales of liquor made to consumers
10 for off-premise consumption in the previous 12 months inclusive
11 of taxes. Renewal fees shall be collected by the board and shall
12 be transferred from the State Stores Fund to the General Fund on
13 a quarterly basis.

14 (c) Renewal considerations.--In reviewing applications for
15 renewal, the board shall consider:

16 (1) the licensee's inventory of liquor;

17 (2) whether the franchisee can establish continued
18 financial viability of the franchise store under section
19 1106(a)(2);

20 (3) any changes in the interior selling location of the
21 premises or proposed renovations;

22 (4) any complaints lodged; and

23 (5) any violations charged against the licensee.

24 Section 1110. Terms of licensure.

25 (a) General rule.--A franchise store license is in effect
26 unless the board:

27 (1) revokes, suspends or fails to renew the license; or

28 (2) revokes the operating authority of the licensee
29 under the license requirements of this article.

30 (b) Suspension or revocation.--The board may suspend or

1 revoke a franchise store license issued under this section if
2 the board finds that the franchisee or any of the franchisee's
3 affiliates, executive officers, directors or general or limited
4 partners or persons holding a controlling interest in the
5 licensee:

6 (1) is in violation of any provision of this act;

7 (2) has furnished the board with false or misleading
8 information;

9 (3) is unable to establish continued financial viability
10 of the franchise store under section 1106(a)(2); or

11 (4) is no longer reputable or suitable for licensure.

12 (c) Transfer prohibited generally.--Franchise licenses shall
13 not be transferred, except that nothing in this subsection shall
14 preclude a transfer of ownership to another eligible person as
15 franchisee of the franchise store nor shall it preclude
16 relocation of the franchise store to another location subject to
17 the restrictions of this act and board regulations.

18 Section 6. This act shall take effect in 60 days.