



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 148

PRINTERS NO. 1542

PRIME SPONSOR: Payne

COST / (SAVINGS)

| FUND | FY 2010/11 | FY 2011/12 |
|-------------------|------------|----------------------------|
| State Stores Fund | \$0 | (\$450,000) to (\$900,000) |

SUMMARY: The bill amends the act of April 12, 1951 (P.L. 90, No. 21), known as the Liquor Code, as reenacted and amended, to further provide for definitions, and to establish new privileges for restaurant, eating place and hotel liquor licensees. The effective date is 60 days after enactment.

ANALYSIS: The bill amends the Liquor Code as follows:

- Section 102 is amended to add definitions for “catered event” and “happy hour,” and to expand the definition for eligible entity that may obtain special occasion permits to include nonprofit organizations that temporarily foster stray and unwanted animals (i.e. Humane Society) and nonprofit organizations that sponsor Main Street or Elm Street programs.
- Section 404 is amended to specify that the Liquor Control Board may not refuse to renew a liquor license for premises located in a township of the second class within a county of the third class that is a dry municipality if the premises for which the license is being renewed has been continuously licensed for a period 50 years or more.
- Sections 406 and 493 are amended by adding subsections to provide that a holder of a hotel, restaurant, or eating place liquor license may obtain an off-premises catering permit where the licensee may sell wine, liquor and malt or brewed beverages for consumption at catered events in conjunction with a meal to be consumed on the catered premises. At no time may an off-premises catering permittee agree to hold a catered event that includes the sale of alcohol at a location within a dry municipality. At least 48 hours prior to each off-premises catered event, the permittees must give written notice stating the date, time, and place of the catered event to the local police department or the Pennsylvania State Police if there is no local police department. The annual fee for the off-premises catering permit shall not exceed \$500 per year. All such fees shall be paid into the State Stores Fund.
Currently there are approximately 18,000 restaurant and eating place liquor licensees in the Commonwealth.
- Section 406 is also amended to add a subsection to permit the holder of a retail license up to four hours per day and up to fourteen hours per week during which the holder discounts the price of alcoholic beverages (“happy hour”) so long as the hours do not exceed fourteen hours in any given week and so long as no discounts are given between the hours of midnight and the legal closing time. Notice of all happy hours must be visibly posted on the premises seven days prior to the happy hour.

- Section 493 (10) is also amended to add language to allow licensees that hold amusement permits as well as extended hours food licenses to continue to have entertainment on the premises even after they are required to stop selling alcohol.

FISCAL IMPACT: The enactment of this legislation will increase revenue to the State Stores Fund although an exact estimate cannot be determined. The expansion of the entities that may obtain special occasion permits (\$30 per day fee) will result in nominal additional revenue to the State Stores Fund. The addition of the new off-premises catering permits will result in larger sums for the States Stores Fund. Assuming five percent (5%) to ten percent (10%) of the 18,000 eligible licensees obtain the new off-premises catering permit, the State Stores Fund will receive \$450,000 to \$900,000 in increased revenue (assuming the permit fee is set at the maximum annual rate of \$500).

PREPARED BY: Lisa Taglang
House Appropriations Committee (R)

DATE: May 3, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.