

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

## No. 1690

Session of  
2015

INTRODUCED BY TURZAI, BLOOM, CUTLER, PAYNE, HICKERNELL, GREINER,  
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KNOWLES, KAMPF, ROSS, METCALFE, ZIMMERMAN AND BENNINGHOFF,  
NOVEMBER 12, 2015

SENATOR MCILHINNEY, LAW AND JUSTICE, IN SENATE, AS AMENDED,  
DECEMBER 5, 2015

## AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as  
2 reenacted, "An act relating to alcoholic liquors, alcohol and  
3 malt and brewed beverages; amending, revising, consolidating  
4 and changing the laws relating thereto; regulating and  
5 restricting the manufacture, purchase, sale, possession,  
6 consumption, importation, transportation, furnishing, holding  
7 in bond, holding in storage, traffic in and use of alcoholic  
8 liquors, alcohol and malt and brewed beverages and the  
9 persons engaged or employed therein; defining the powers and  
10 duties of the Pennsylvania Liquor Control Board; providing  
11 for the establishment and operation of State liquor stores,  
12 for the payment of certain license fees to the respective  
13 municipalities and townships, for the abatement of certain  
14 nuisances and, in certain cases, for search and seizure  
15 without warrant; prescribing penalties and forfeitures;  
16 providing for local option, and repealing existing laws," as ~~as~~ <--  
17 follows:-  
18 ~~In preliminary provisions, further providing for definitions.~~  
19 ~~In Pennsylvania Liquor Control Board, further providing for~~  
20 ~~general powers of board.~~  
21 ~~In licenses and regulations, liquor, alcohol and malt and~~  
22 ~~brewed beverages, further providing for license districts,~~  
23 ~~license period and hearings and for issuance, transfer or~~  
24 ~~extension of hotel, restaurant and club liquor licenses,~~  
25 ~~providing for wholesale permit, for wholesale licenses, for wine~~  
26 ~~or liquor expanded permits, for wine or liquor enhanced permits~~  
27 ~~and for grocery store retail permits; further providing for malt~~

~~1 and brewed beverages manufacturers', distributors' and importing-~~  
~~2 distributors' licenses, for malt and brewed beverages retail-~~  
~~3 licenses, for application for distributors', importing-~~  
~~4 distributors' and retail dispensers' licenses, for prohibitions-~~  
~~5 against the grant of licenses, for interlocking business-~~  
~~6 prohibited, for licenses not assignable and transfers, for-~~  
~~7 surrender of restaurant, eating place retail dispenser, hotel,-~~  
~~8 importing distributor and distributor license for benefit of-~~  
~~9 licensee and for unlawful acts relative to malt or brewed-~~  
~~10 beverages and licensees.~~

~~11 In miscellaneous provisions, providing for transition-~~  
~~12 assistance committee, for preference in public employment-~~  
~~13 hiring, career training and post secondary education grant-~~  
~~14 eligibility, for reemployment tax credit and for protection of-~~  
~~15 existing benefits.~~

~~16 The General Assembly finds and declares as follows:~~

~~17 (1) It is the purpose of this act to reform and-~~  
~~18 privatize the system by which alcohol is dispensed and-~~  
~~19 controlled within this Commonwealth to reflect changes in the-~~  
~~20 marketplace while continuing to protect the welfare, health,-~~  
~~21 peace and morals of the citizens of this Commonwealth.~~

~~22 (2) The 21st amendment to the Constitution of the United-~~  
~~23 States dictates that the laws of the states shall govern the-~~  
~~24 transportation and importation of intoxicating liquors into-~~  
~~25 the state for delivery and use within the state.~~

~~26 (3) Further, the United States Supreme Court has opined-~~  
~~27 in interpreting the 21st amendment that "the states'-~~  
~~28 regulatory power over this segment of commerce is largely-~~  
~~29 unfettered by the Constitution's commerce clause."~~

~~30 (4) Revenues derived from the operation of a system for-~~  
~~31 the manufacture, transportation, distribution and sale of-~~  
~~32 alcohol are necessary to implement and sustain a regulated-~~  
~~33 marketplace to continue to protect the welfare, health, peace-~~  
~~34 and morals of the citizens of this Commonwealth and to-~~  
~~35 contribute to the overall economic stability of the-~~  
~~36 Commonwealth.~~

1       ~~(5) In order to adapt to the changing marketplace, this~~  
2 ~~act will:~~

3           ~~(i) Permit private industry to offer additional~~  
4 ~~products for sale while ensuring that the laws of this~~  
5 ~~Commonwealth are thoroughly enforced.~~

6           ~~(ii) Ensure that the value of licenses held by small~~  
7 ~~businesses are not devalued, but are enhanced through the~~  
8 ~~opportunity to expand operations and sales.~~

9           ~~(iii) Provide for the operation of a retail system~~  
10 ~~that promotes competition and convenience to ensure that~~  
11 ~~the residents of this Commonwealth purchase products~~  
12 ~~within this Commonwealth.~~

13           ~~(iv) Establish a system by which these increased~~  
14 ~~opportunities will continue to contribute to overall~~  
15 ~~fiscal stability of the Commonwealth.~~

16       ~~(6) Recognizing the benefits of allowing the private~~  
17 ~~market to offer products directly to licensees and retailers,~~  
18 ~~the General Assembly intends to fully divest of the~~  
19 ~~Commonwealth's wholesale liquor business in order to allow~~  
20 ~~additional products into the marketplace, establish a more~~  
21 ~~reliable system for the distribution of products and provide~~  
22 ~~additional convenience for licensees and retailers.~~

23       ~~(7) Recognition and furtherance of all these elements is~~  
24 ~~essential to the welfare, health, peace and morals of the~~  
25 ~~citizens of this Commonwealth.~~ IN LICENSES AND REGULATIONS, <--  
26 LIQUOR, ALCOHOL AND MALT AND BREWED BEVERAGES, FURTHER  
27 PROVIDING FOR ISSUANCE, TRANSFER OR EXTENSION OF HOTEL,  
28 RESTAURANT AND CLUB LIQUOR LICENSES, FOR MALT AND BREWED  
29 BEVERAGES MANUFACTURERS', DISTRIBUTORS' AND IMPORTING  
30 DISTRIBUTORS' LICENSES, FOR MALT AND BREWED BEVERAGES RETAIL

LICENSES, FOR LICENSES NOT ASSIGNABLE AND TRANSFERS AND FOR  
SURRENDER OF RESTAURANT, EATING PLACE RETAIL DISPENSER,  
HOTEL, IMPORTING DISTRIBUTOR AND DISTRIBUTOR LICENSE FOR  
BENEFIT OF LICENSEE.

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

~~Section 1. The definitions of "distributor," "importing  
distributor" and "liquor" in section 102 of the act of April 12,  
1951 (P.L.90, No.21), known as the Liquor Code, reenacted and  
amended June 29, 1987 (P.L.32, No.14) and amended May 31, 1996  
(P.L.312, No.49), are amended and the section is amended by  
adding definitions to read:~~ <--

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

~~\* \* \*~~

~~"Displaced employee" shall mean a salaried employee of the  
board whose employment is terminated as a sole and direct result  
of the implementation of section 207. The term shall not include  
a person who is terminated for cause or who retires or resigns,  
is furloughed or is otherwise separated from employment for any  
other reason. The term shall not include intermittent liquor  
store clerks and seasonal liquor store clerks.~~

~~\* \* \*~~

~~"Distributor" shall mean any person licensed or holding a  
permit authorized by the board to sell wine, sell liquor or to  
engage in the purchase only from Pennsylvania manufacturers and  
from importing distributors and the resale of malt or brewed  
beverages, except to importing distributors and distributors, in  
the original sealed containers as prepared for the market by the~~

~~manufacturer at the place of manufacture, but not for~~  
~~consumption on the premises where sold, and in quantities of not~~  
~~less than a case or original containers containing one hundred~~  
~~twenty eight ounces or more which may be sold separately.~~

~~\* \* \*~~

~~"Grocery store" shall mean a reputable place operated by~~  
~~persons of good repute, which primarily sells food, supplies for~~  
~~the table and food products for human consumption off the~~  
~~premises and which has an area under one roof of ten thousand~~  
~~square feet or more.~~

~~\* \* \*~~

~~"Importing distributor" shall mean any person licensed or~~  
~~holding a permit authorized by the board to sell wine, sell~~  
~~liquor and to engage in the purchase from manufacturers and~~  
~~other persons located outside this Commonwealth and from persons~~  
~~licensed as manufacturers of malt or brewed beverages and~~  
~~importing distributors under this act, and the resale of malt or~~  
~~brewed beverages in the original sealed containers as prepared~~  
~~for the market by the manufacturer at the place of manufacture,~~  
~~but not for consumption on the premises where sold, and in~~  
~~quantities of not less than a case or original containers~~  
~~containing one hundred twenty eight ounces or more which may be~~  
~~sold separately.~~

~~"Licensed premises" shall mean the premises covered by the~~  
~~license as approved by the board and shall include the term~~  
~~"location" as used in sections 404, 431(b) and 432(d).~~

~~\* \* \*~~

~~"Liquor" except as provided in sections 207(a.1), 410.1(c),~~  
~~415(f) and 416(1), shall mean and include any alcoholic,~~  
~~spirituous, vinous, fermented or other alcoholic beverage, or~~

~~combination of liquors and mixed liquor a part of which is  
spirituous, vinous, fermented or otherwise alcoholic, including  
all drinks or drinkable liquids, preparations or mixtures, and  
reused, recovered or redistilled denatured alcohol usable or  
taxable for beverage purposes which contain more than one half  
of one per cent of alcohol by volume, except pure ethyl alcohol  
and malt or brewed beverages.~~

~~\* \* \*~~

~~"Unlicensed entity" shall mean a person not holding a license  
issued pursuant to this act that possesses a valid wine enhanced  
permit or liquor enhanced permit under section 416(f).~~

~~Section 2. Section 207(b) of the act is amended and the  
section is amended by adding a subsection to read:~~

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

~~\* \* \*~~

~~(a.1) (1) To close Pennsylvania Liquor Stores. Before  
making a determination to close a Pennsylvania Liquor Store, the  
board shall take into consideration the availability and  
accessibility of liquor to the public through the private retail  
market, the pricing of liquor in the area and the profitability  
of the store.~~

~~(2) Availability and accessibility of liquor shall be  
determined by the proximity of the closest holder of a wine and  
liquor enhanced permit under section 416. The board shall  
identify the two closest distributors or importing distributors.  
If one of the distributors or importing distributors is selling  
wine and liquor under section 416 or, if there is an unlicensed  
entity selling wine and liquor under section 416 within the same  
proximity of the two closest distributors or importing~~

~~distributors, then the board shall close the store.~~

~~(3) A Pennsylvania Liquor Store designated for closure shall  
cease operations within sixty days.~~

~~(4) The board shall arrange for the disposition of the  
liquor remaining in inventory at a designated store. In order to  
effectuate this subsection, the board may, in consultation with  
the Department of General Services, do any of the following:~~

~~(i) Coordinate with the vendor of record for the repurchase  
of products by the vendor of record.~~

~~(ii) Sell products to holders of wine or liquor expanded or  
enhanced permits or an unlicensed wine or liquor enhanced permit  
holder.~~

~~(iii) Transport products for sale at another operating  
Pennsylvania Liquor Store.~~

~~(5) The Department of General Services, in consultation with  
the board, shall establish a procedure for the sale of the  
nonliquor inventory, property and fixtures of all Pennsylvania  
Liquor Stores consistent with 62 Pa.C.S. Ch. 15 (relating to  
supply management). The holders of wine or liquor enhanced  
permits shall have the opportunity to bid on the items to be  
sold or otherwise participate in the sale. All proceeds from the  
sales shall be deposited into the State Store Fund.~~

~~(6) The board shall provide immediate notice to the lessor  
upon receipt of notice to close a designated Pennsylvania Liquor  
Store issued by the Department of General Services. The board  
shall reimburse the lessor for any outstanding renovation costs  
that were incurred during the term of the current lease as of  
the effective date of the act.~~

~~(b) To control the manufacture, possession, sale,  
consumption, importation, use, storage, transportation and~~

~~delivery of liquor, alcohol and malt or brewed beverages in accordance with the provisions of this act, and to fix the wholesale and retail prices at which liquors and alcohol shall be sold at Pennsylvania Liquor Stores.~~

~~(1) Prices shall be proportional with prices paid by the board to its suppliers and shall reflect any advantage obtained through volume purchases by the board.~~

~~(2) The board may establish a preferential price structure for wines produced within this Commonwealth for the promotion of such wines, as long as the price structure is uniform within each class of wine purchased by the board.~~

~~(3) The board shall require each Pennsylvania manufacturer and each nonresident manufacturer of liquors, other than wine, selling such liquors to the board, which are not manufactured in this Commonwealth, to make application for and be granted a permit by the board before such liquors not manufactured in this Commonwealth shall be purchased from such manufacturer. Each such manufacturer shall pay for such permit a fee which, in the case of a manufacturer of this Commonwealth, shall be equal to that required to be paid, if any, by a manufacturer or wholesaler of the state, territory or country of origin of the liquors, for selling liquors manufactured in Pennsylvania, and in the case of a nonresident manufacturer, shall be equal to that required to be paid, if any, in such state, territory or country by Pennsylvania manufacturers doing business in such state, territory or country. In the event that any such manufacturer shall, in the opinion of the board, sell or attempt to sell liquors to the board through another person for the purpose of evading this provision relating to permits, the board shall require such person, before purchasing liquors from him or~~



1 ~~it, to take out a permit and pay the same fee as hereinbefore~~  
2 ~~required to be paid by such manufacturer. All permit fees so~~  
3 ~~collected shall be paid into the State Stores Fund.~~

4 ~~(4) The board shall not purchase any alcohol or liquor~~  
5 ~~fermented, distilled, rectified, compounded or bottled in any~~  
6 ~~state, territory or country, the laws of which result in~~  
7 ~~prohibiting the importation therein of alcohol or liquor,~~  
8 ~~fermented, distilled, rectified, compounded or bottled in~~  
9 ~~Pennsylvania.~~

10 ~~(5) The board's authority to exercise the powers granted~~  
11 ~~pursuant to this subsection is subject to the limitations set~~  
12 ~~forth in sections 207(a.1), 410.1 and 410.2.~~

13 ~~\* \* \*~~

14 ~~Section 3. Section 402 of the act is amended by adding a~~  
15 ~~subsection to read:~~

16 ~~Section 402. License Districts; License Period; Hearings. \*~~  
17 ~~\* \*~~

18 ~~(d) This section shall not apply to permit holders holding a~~  
19 ~~valid wine or liquor expanded or wine or liquor enhanced permit~~  
20 ~~or grocery store retail permit under section 415, 416 or 417.~~

21 ~~Section 4. Section 404 of the act, amended January 6, 2006~~  
22 ~~(P.L.1, No.1), is amended to read:~~

23 ~~SECTION 1. SECTION 404 OF THE ACT OF APRIL 12, 1951 (P.L.90, <--~~  
24 ~~NO.21), KNOWN AS THE LIQUOR CODE, REENACTED AND AMENDED JUNE 29,~~  
25 ~~1987 (P.L.32, NO.14) AND AMENDED JANUARY 6, 2006 (P.L.1, NO.1),~~  
26 ~~IS AMENDED TO READ:~~

27 ~~Section 404. Issuance, Transfer or Extension of Hotel,~~  
28 ~~Restaurant and Club Liquor Licenses.--Upon receipt of the~~  
29 ~~application and the proper fees, and upon being satisfied of the~~  
30 ~~truth of the statements in the application that the applicant is~~

1 the only person in any manner pecuniarily interested in the  
2 business so asked to be licensed and that no other person will  
3 be in any manner pecuniarily interested therein during the  
4 continuance of the license, except as hereinafter permitted, and  
5 that the applicant is a person of good repute, that the premises  
6 applied for meet all the requirements of this act and the  
7 regulations of the board, that the applicant seeks a license for  
8 a hotel, restaurant or club, as defined in this act, and that  
9 the issuance of such license is not prohibited by any of the  
10 provisions of this act, the board shall, in the case of a hotel  
11 or restaurant, grant and issue to the applicant a liquor  
12 license, and in the case of a club may, in its discretion, issue  
13 or refuse a license: Provided, however, That in the case of any  
14 new license or the transfer of any license to a new location or  
15 the extension of an existing license to cover an additional area  
16 the board may, in its discretion, grant or refuse such new  
17 license, transfer or extension if such place proposed to be  
18 licensed is within three hundred feet of any church, hospital,  
19 charitable institution, school, or public playground, or if such  
20 new license, transfer or extension is applied for a place which  
21 is within two hundred feet of any other premises which is  
22 licensed by the board: And provided further, That the board's  
23 authority to refuse to grant a license because of its proximity  
24 to a church, hospital, charitable institution, public playground  
25 or other licensed premises shall not be applicable to license  
26 applications submitted for public venues or performing arts  
27 facilities: And provided further, That the board shall refuse  
28 any application for a new license, the transfer of any license  
29 to a new location or the extension of an existing license to  
30 cover an additional area if, in the board's opinion, such new

1 license, transfer or extension would be detrimental to the  
2 welfare, health, peace and morals of the inhabitants of the  
3 neighborhood within a radius of five hundred feet of the place  
4 proposed to be licensed: And provided further, That the board  
5 shall have the discretion to refuse a license to any person or  
6 to any corporation, partnership or association if such person,  
7 or any officer or director of such corporation, or any member or  
8 partner of such partnership or association shall have been  
9 convicted or found guilty of a felony within a period of five  
10 years immediately preceding the date of application for the said  
11 license. [The board shall refuse any application for a new  
12 license, the transfer of any license to a new location or the  
13 extension of any license to cover an additional area where the  
14 sale of liquid fuels or oil is conducted.] The board shall not  
15 license the area where liquid fuels or oil is sold. No sales of  
16 liquid fuels or oil may be made from a licensee's licensed  
17 premises. A licensed premises may not have an interior  
18 connection with a location that sells liquid fuels or oils  
19 unless it first receives permission from the board for the  
20 interior connection. The approval shall be required regardless  
21 of whether the licensee or another party is the entity selling  
22 the liquid fuels or oils. The board may enter into an agreement  
23 with the applicant concerning additional restrictions on the  
24 license in question. If the board and the applicant enter into  
25 such an agreement, such agreement shall be binding on the  
26 applicant. Failure by the applicant to adhere to the agreement  
27 will be sufficient cause to form the basis for a citation under  
28 section 471 and for the nonrenewal of the license under section  
29 470. If the board enters into an agreement with an applicant  
30 concerning additional restrictions, those restrictions shall be

1 binding on subsequent holders of the license until the license  
2 is transferred to a new location or until the board enters into  
3 a subsequent agreement removing those restrictions. If the  
4 application in question involves a location previously licensed  
5 by the board, then any restrictions imposed by the board on the  
6 previous license at that location shall be binding on the  
7 applicant unless the board enters into a new agreement  
8 rescinding those restrictions. The board may, in its discretion,  
9 refuse an application for an economic development license under  
10 section 461(b.1) or an application for an intermunicipal  
11 transfer of a license if the board receives a protest from the  
12 governing body of the receiving municipality. The receiving  
13 municipality of an intermunicipal transfer or an economic  
14 development license under section 461(b.1) may file a protest  
15 against the transfer of a license into its municipality, and the  
16 receiving municipality shall have standing in a hearing to  
17 present testimony in support of or against the issuance or  
18 transfer of a license. Upon any opening in any quota, an  
19 application for a new license shall only be filed with the board  
20 for a period of six months following said opening.

21 ~~Section 5. The act is amended by adding sections to read:~~ <--

22 ~~Section 410.1. Wholesale Permit. (a) Notwithstanding any~~  
23 ~~other provision of law, an importer licensed under Article V may~~  
24 ~~make application to the board on forms prescribed by the board~~  
25 ~~for a wholesale permit for the purpose of selling and~~  
26 ~~distributing wholesale wine or liquor to licensees, unlicensed~~  
27 ~~wine or liquor enhanced permit holders and to United States~~  
28 ~~Armed Forces facilities located on United States Armed Forces~~  
29 ~~installations within this Commonwealth. Within 30 days of the~~  
30 ~~effective date of this section, the board shall accept~~

~~applications, and the board shall approve the issuance of a  
wholesale permit within 60 days of receipt of the application if  
the applicant meets the requirements under this section.  
Applicants shall submit the initial permit fee with their  
application to the board. The Department of Revenue shall audit  
retailers to determine whether wholesale permit holders,  
licensees or unlicensed wine or liquor enhanced permit holders  
are remitting the tax imposed under sections 415 and 416 and  
Article II of the act of March 4, 1971 (P.L.6, No.2), known as  
the "Tax Reform Code of 1971," for products sold for consumption  
on and off the premises. The following shall apply:~~

~~(1) The wholesale permit holder shall:~~

~~(i) Provide to the board a list of the brands of wine or  
liquor it will distribute.~~

~~(ii) Serve all licensees or unlicensed wine or liquor  
enhanced permit holders authorized to purchase and resell wine  
or liquor under this act and make wine or liquor available for  
sale to those licensees or unlicensed wine or liquor enhanced  
permit holders under the same pricing structure.~~

~~(iii) Post prices with the board and give written notice of  
price changes to the board at least 30 days before the effective  
date of the price change. All price changes shall be effective  
on the first day of the month.~~

~~(iv) Keep a detailed log of wholesale wine or liquor  
transactions, including sales to licensees or unlicensed wine or  
liquor enhanced permit holders under this act.~~

~~(2) The wholesale permit holder may sell and distribute more  
than one brand of wine or liquor under the same permit and shall  
provide any contractual agreements between the wholesale permit  
holder and the licensed manufacturer to the board.~~

~~(3) The wholesale permit holder may amend the list of brands of wine or liquor it distributes to include additional brands of wine or liquor. The following shall apply:~~

~~(i) For brands of liquor that have not been sold by the board at Pennsylvania Liquor Stores or through special liquor orders, the wholesale permit holders shall apply to the board for permission to add that brand to the permit holder's list of brands permitted to be sold under the permit.~~

~~(ii) For each new brand of liquor, an application filing fee of two thousand five hundred dollars (\$2,500) shall be submitted with the application.~~

~~(4) The wine or liquor products shipped into this Commonwealth must be delivered to the wholesale permit holder's licensed premises. Upon delivery, the products shall be unloaded, inventoried and remain on the licensed premises for forty-eight hours before delivery is made to licensees or unlicensed wine or liquor enhanced permit holders. During that time period, the board may inspect and inventory importer warehouses.~~

~~(5) The wholesale permit holder may not engage in conduct that would constitute any of the following:~~

~~(i) Variable pricing.~~

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

~~(iii) Intentional exclusion of competing brands of wine or liquor from the marketplace.~~

~~(6) The wholesale permit holder may only sell and distribute those products in this Commonwealth that are subject to a contractual relationship between the wholesale permit holder and one or more licensed manufacturers or suppliers of wine or~~

~~liquor.~~

~~(7) A wholesale permit holder shall remit to the Department of Revenue all applicable taxes. A wholesale permit holder shall be considered a State Liquor Store for the purpose of collecting and remitting taxes under Article II of the "Tax Reform Code of 1971" for products sold by licensees for on premises consumption.~~

~~(8) The emergency State tax imposed under the act of June 9, 1936 (1st Sp.Sess., P.L.13, No.4), entitled "An act imposing an emergency State tax on liquor, as herein defined, sold by the Pennsylvania Liquor Control Board; providing for the collection and payment of such tax; and imposing duties upon the Department of Revenue and the Pennsylvania Liquor Control Board," shall be included in the retail price of wine or liquor offered for sale by a wine or liquor expanded permit holder under section 415 or by a wine or liquor enhanced permit holder under section 416. The tax may not be assessed at the point of sale to consumers. Licensees or unlicensed wine or liquor enhanced permit holders selling wine or liquor at retail shall be required to remit the taxes to the Department of Revenue.~~

~~(9) No wholesale permit holder under this section may hold a license or permit to engage in any sales of wine or liquor at retail to residents of this Commonwealth and no licensee or permit holder selling wine or liquor at retail in this Commonwealth may obtain a wholesale permit from the board. No wholesale permit may be issued to any wine or liquor manufacturer or producer.~~

~~(10) Any licensed importer that wishes to obtain a wholesale permit shall do all of the following:~~

~~(i) Notify the board in writing.~~

~~(ii) Pay the permitting fees specified under paragraph (11).~~  
~~(iii) Provide a statement to the board indicating that the~~  
~~licensed importer plans to continuously operate under the~~  
~~wholesale permit for the duration of the permit. The wholesale~~  
~~permit shall be in effect for ten years from the date of~~  
~~issuance and shall be renewed yearly with the board unless~~  
~~suspended, revoked or not renewed.~~

~~(11) Wholesale permit fees shall be as follows:~~

~~(i) A licensed importer shall submit an initial fee equal to~~  
~~fifteen per centum (15%) of the cost of goods sold with the~~  
~~application. For purposes of this paragraph, "cost of goods~~  
~~sold" shall be determined as the purchase price the board paid~~  
~~to the licensed importer for products sold by the board in the~~  
~~most recent twelve (12) month period.~~

~~(ii) A wholesale permit holder shall pay a renewal fee equal~~  
~~to fifteen per centum (15%) of its gross receipts for each~~  
~~calendar quarter upon commencement of its wholesale operations.~~

~~(iii) The renewal fee shall be due and payable on the~~  
~~twentieth day of April, July, October and January. The permit~~  
~~holder shall file a return and remit payment on the form as~~  
~~prescribed by the board.~~

~~(iv) For purposes of this paragraph, gross receipts shall be~~  
~~determined as the total of all sales of wine and liquor made to~~  
~~licensees, unlicensed wine or liquor enhanced permit holders and~~  
~~grocery store retail permit holders.~~

~~(12) Any violation of this act or the board's regulations~~  
~~for governing activity occurring under the authority of the~~  
~~wholesale permit may be the basis for any of the following:~~

~~(i) A fine, suspension or wholesale permit revocation.~~

~~(ii) Nonrenewal of the importer license.~~



~~(iii) Other penalties authorized under section 471.~~  
~~(13) The board shall have no authority to do any of the~~  
~~following once wholesale permits have been issued and permit~~  
~~holders have commenced providing wholesale products to licensees~~  
~~and permit holders:~~

~~(i) Determine what wines or liquor products may be sold in~~  
~~this Commonwealth.~~

~~(ii) Set the price at which products may be sold at~~  
~~wholesale or retail in this Commonwealth.~~

~~(iii) Sell products at wholesale to retail licensees or~~  
~~unlicensed wine or liquor enhanced permit holders.~~

~~(b) All fees paid to the board under this section shall be~~  
~~deposited into the General Fund.~~

~~(c) For the purposes of this section, the term "liquor"~~  
~~shall not include wine.~~

~~Section 410.2. Wholesale Licenses. (a) At the conclusion~~  
~~of the ten year wholesale permit under section 410.1., the~~  
~~Commonwealth's wholesale wine and liquor system shall be~~  
~~divested.~~

~~(b) At the conclusion of the ten year wholesale permit, the~~  
~~holder of a wholesale permit shall be granted a wholesale~~  
~~license to continue operations and shall continue to operate~~  
~~under the requirements of section 410.1 in addition to the~~  
~~following requirements:~~

~~(1) A wholesale license shall be in effect unless suspended,~~  
~~revoked or not renewed under this act. A wholesale license in~~  
~~good standing shall be renewed every year as follows:~~

~~(i) Wholesale licenses issued under this section shall be~~  
~~subject to renewal every year.~~

~~(ii) The application for renewal shall be submitted, on a~~

~~form prescribed by the board, at least thirty days prior to the expiration of the wholesale license and shall include, at a minimum, an update of the information contained in the initial and prior renewal applications and the payment of any renewal fee required under this section.~~

~~(iii) A renewal fee of five per centum (5%) of the wholesale licensee's gross receipts shall be due upon application for the renewal of a wine and spirits retail license. For the purposes of this subparagraph, gross receipts shall be determined as the total of all sales of wine and liquor made to licensees and unlicensed permit holders.~~

~~(iv) The board may revoke a wholesale license issued under this section if it finds that the licensee or any of its affiliates, executive officers, directors or general or limited partners or persons holding a controlling interest in the licensee:~~

~~(A) is in violation of any provision of this act;~~

~~(B) has furnished the board with false or misleading information; or~~

~~(C) is no longer reputable or suitable for licensure.~~

~~(2) (Reserved).~~

~~(c) All fees paid to the board under this section shall be deposited in the General Fund.~~

~~Section 415. Wine or Liquor Expanded Permits. (a) (1) The board shall issue a wine or liquor expanded permit to a person holding and possessing a valid restaurant liquor license or hotel liquor license. Nothing in this section shall be construed to prohibit a person possessing a valid restaurant or hotel liquor license from acquiring both a wine expanded permit and a liquor expanded permit.~~

~~(2) Nothing in this section may affect the ability of an existing licensee to operate within the scope of its current license as authorized by this act, except that no sales of wine or liquor for consumption off the premises may take place by a wine or liquor expanded permit holder after eleven o'clock postmeridian of any day until eight o'clock antemeridian of the next day, including Sundays if the licensee has a permit authorized under sections 406(a)(3) and 432(f).~~

~~(3) No wine or liquor expanded permit may be issued to a license holder whose underlying license is subject to a pending objection by the director of the Bureau of Licensing or the board under section 470(a.1), until the matter is decided. Notwithstanding any other provision of law, a holder of a wine or liquor expanded permit may continue to operate under the permit if its underlying license is objected to by the director of the Bureau of Licensing or the board under section 470(a.1), until the matter is decided.~~

~~(4) If the board has approved the operation of another business which has an inside passage or communication to or with the licensed premises, the sale and purchase of wine and liquor shall be confined strictly to the premises, in a specifically designated area covered by the license. The purchase of goods obtained from the unlicensed area of the premises shall be permitted in the licensed area.~~

~~(5) For purposes of selling wine or liquor for off premises consumption, a holder of a wine or liquor expanded permit is not subject to section 493(14).~~

~~(6) A wine or liquor expanded permit holder shall comply with the responsible alcohol management provisions under section 471.1.~~

~~(7) A wine or liquor expanded permit holder may store wine or liquor in a noncontiguous area that is not accessible to the public and is:~~

~~(i) locked at all times when not being accessed by the licensees' employees;~~

~~(ii) not accessible to employees eighteen years of age or younger; and~~

~~(iii) identified by dimensions and locations on forms submitted to the board.~~

~~(8) A wine or liquor expanded permit holder shall utilize a transaction scan device to verify the age of an individual who appears to be under thirty five years of age before making a sale of wine or liquor. A wine or liquor expanded permit holder may not sell or share data from the use of a transaction scan device, provided that the licensee may use the data to show the enforcement bureau of the board that the licensee is in compliance with this act. As used in this paragraph, the term "transaction scan device" means a device capable of deciphering, in an electronically readable format, the information encoded on the magnetic strip or bar code of an identification card under section 495(a).~~

~~(9) A sale of wine or liquor by a wine or liquor expanded permit holder shall be made through a register which is well designated with signage, which is staffed at all times, which is staffed by a sales clerk who is at least eighteen years of age and has been trained under section 471.1 and which utilizes a transaction scan device for the sale. The sale of wine or liquor may not occur at a point of sale where the customer scans the customer's own purchases.~~

~~(b) The application and renewal fee for a wine expanded~~

~~permit shall be as follows:~~

~~(1) For a wine expanded permit issued to licensees, an initial application fee of two thousand five hundred dollars (\$2,500) and annual renewal fees as follows:~~

~~(i) One thousand dollars (\$1,000) for a licensee whose total annual wine sales are less than one hundred thousand dollars (\$100,000) in the prior calendar year.~~

~~(ii) Two thousand dollars (\$2,000) for a licensee whose total annual wine sales are equal to or greater than one hundred thousand dollars (\$100,000) but less than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(iii) Three thousand dollars (\$3,000) for a licensee whose total annual wine sales are equal to or greater than two hundred thousand (\$200,000) in the prior calendar year.~~

~~(2) (Reserved).~~

~~(c) The application and renewal fee for a liquor expanded permit shall be as follows:~~

~~(1) For a liquor expanded permit issued to licensees, an initial application fee of two thousand five hundred dollars (\$2,500) and annual renewal fees as follows:~~

~~(i) One thousand dollars (\$1,000) for a licensee whose total annual liquor sales are less than one hundred thousand dollars (\$100,000) in the prior calendar year.~~

~~(ii) Two thousand dollars (\$2,000) for a licensee whose total annual liquor sales are equal to or greater than one hundred thousand dollars (\$100,000) but less than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(iii) Three thousand dollars (\$3,000) for a licensee whose total annual liquor sales are equal to or greater than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(2) (Reserved).~~

~~(d) All fees paid to the board under this section shall be deposited into the General Fund.~~

~~(e) A wine or liquor expanded permit holder may sell for consumption off the premises, in a single transaction, up to:~~

~~(1) four and one half liters of wine; and~~

~~(2) one and seventy five one hundredths liters of liquor.~~

~~(f) A wine or liquor expanded permit holder selling wine or liquor for consumption off the premises shall be considered a Pennsylvania Liquor Store for purposes of collecting and remitting taxes under Article II of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971."~~

~~(g) For the purposes of this section, the term "liquor" shall not include wine.~~

~~Section 416. Wine or Liquor Enhanced Permits. (a) (1) The board shall issue a wine or liquor enhanced permit to a person holding and possessing a valid distributor or importing distributor license or to an unlicensed entity. Nothing in this section shall be construed to prohibit a person possessing a valid distributor or importing distributor license or an unlicensed entity from acquiring both a wine enhanced permit and a liquor enhanced permit.~~

~~(2) Nothing in this section may affect the ability of an existing licensee to operate within the scope of its current license as authorized by this act, except that no sales of wine or liquor for consumption off the premises may take place by a wine enhanced permit holder after eleven o'clock postmeridian of any day until eight o'clock antemeridian of the next day.~~

~~(3) No wine or liquor enhanced permit may be issued to a license holder whose underlying license is subject to a pending~~

~~objection by the director of the Bureau of Licensing or the board under section 470(a.1), until the matter is decided. Notwithstanding any other provision of law, a holder of a wine or liquor enhanced permit may continue to operate under the permit if its underlying license is objected to by the director of the Bureau of Licensing or the board under section 470(a.1), until the matter is decided.~~

~~(4) If the board has approved the operation of another business which has an inside passage or communication to or with the licensed premises, the sale and purchase of wine or liquor shall be confined strictly to the premises, in a specifically designated area covered by the license. The purchase of a good obtained from the unlicensed area of the premises shall be permitted in the licensed area. Notwithstanding this paragraph, a distributor or importing distributor with a valid wine or liquor enhanced permit may sell wine or liquor at a location not covered by the distributor's or importing distributor's license as approved by the board.~~

~~(5) A wine or liquor enhanced permit holder must be in compliance with the responsible alcohol management provisions under section 471.1.~~

~~(6) A wine or liquor enhanced permit holder shall utilize a transaction scan device to verify the age of an individual who appears to be under thirty five years of age before making a sale of liquor. A wine or liquor enhanced permit holder may not sell or share data from the use of a transaction scan device, provided that the licensee may use the data to show the enforcement bureau of the board that the licensee is in compliance with this act. As used in this paragraph, the term "transaction scan device" means a device capable of deciphering,~~

~~in an electronically readable format, the information encoded on the magnetic strip or bar code of an identification card under section 495(a).~~

~~(b) The initial application fee and renewal fees shall be as follows:~~

~~(1) The initial application fee for a wine enhanced permit issued to a licensee:~~

~~(i) For a county of the first class or second class, thirty thousand dollars (\$30,000).~~

~~(ii) For a county of the second class A or third class, thirty seven thousand five hundred dollars (\$37,500).~~

~~(iii) For a county of the fourth class or fifth class, twenty two thousand five hundred dollars (\$22,500).~~

~~(iv) For a county of the sixth class or seventh class, fifteen thousand dollars (\$15,000).~~

~~(v) For a county of the eighth class, seven thousand five hundred dollars (\$7,500).~~

~~(2) The annual renewal fee for a wine enhanced permit shall be as follows:~~

~~(i) Two thousand dollars (\$2,000) for licensees whose total annual wine sales are less than one hundred thousand dollars (\$100,000) in the prior calendar year.~~

~~(ii) Four thousand dollars (\$4,000) for licensees whose total annual wine sales are equal to or greater than one hundred thousand dollars (\$100,000) but less than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(iii) Six thousand dollars (\$6,000) for licensees whose total annual wine sales are equal to or greater than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(3) The initial application fee for a liquor enhanced permit~~



~~issued to a licensee:~~

~~(i) For a county of the first class or second class, fifty two thousand five hundred dollars (\$52,500).~~

~~(ii) For a county of the second class A or third class, sixty thousand dollars (\$60,000).~~

~~(iii) For a county of the fourth class or fifth class, forty five thousand dollars (\$45,000).~~

~~(iv) For a county of the sixth class or seventh class, thirty seven thousand five hundred dollars (\$37,500).~~

~~(v) For a county of the eighth class, thirty thousand dollars (\$30,000).~~

~~(4) The annual renewal fee for a liquor enhanced permit shall be as follows:~~

~~(i) Two thousand dollars (\$2,000) for licensees whose total annual liquor sales are less than one hundred thousand dollars (\$100,000) in the prior calendar year.~~

~~(ii) Four thousand dollars (\$4,000) for licensees whose total annual liquor sales are equal to or greater than one hundred thousand dollars (\$100,000) but less than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(iii) Six thousand dollars (\$6,000) for licensees whose total annual liquor sales are equal to or greater than two hundred thousand (\$200,000) in the prior calendar year.~~

~~(c) (Reserved).~~

~~(d) A wine or liquor enhanced permit holder may sell unlimited quantities of wine or liquor for consumption off the premises.~~

~~(e) (Reserved).~~

~~(f) The board shall issue wine enhanced permits and liquor enhanced permits in a number equal to the number of licensed~~

~~distributors and importing distributors in a county and in  
existence on the effective date of this section. If there are  
wine or liquor enhanced permits remaining six months after the  
effective date of this section, the board shall auction permits  
to a person who does not possess a distributor or importing  
distributor license. The permitted facility shall meet all of  
the conditions imposed on a licensed distributor under this act,  
including the provisions in section 436 relating to the issuance  
of a distributor or importing distributor license. The issuance  
of a wine or liquor enhanced permit shall be subject to the  
quota and county restrictions under section 437(f).~~

~~(f.1) For the purposes of auctioning wine and liquor  
enhanced permits, the board shall post a listing of all  
remaining permits on the board's Internet website within sixty  
days after the close of the six month period in subsection (f).  
The board shall accept applications from persons interested in  
bidding at an auction for all remaining permits. The application  
shall contain information as the board prescribes. The auction  
shall occur sixty days following the date a permit was posted on  
the board's Internet website. An applicant, who would be  
precluded from acquiring a license under section 443, shall not  
be eligible to participate in an auction or acquire a wine or  
liquor enhanced permit. An auction shall be conducted in the  
manner set forth by the board and at a date and time set by the  
board. The minimum bid for a wine or liquor enhanced permit  
shall be \$150,000. Following an auction, the board shall  
provisionally award a wine or liquor enhanced permit to a person  
making the highest bid for that permit. The highest bidder shall  
then submit to the board information required by the board,  
including the information required under section 436 relating to~~

~~the issuance of a distributor or importing distributor license.~~  
~~Payment shall be made to the board within fourteen days of the~~  
~~auction and in a manner prescribed by the board. If the highest~~  
~~bidder does not make payment to the board within fourteen days~~  
~~of the auction, the second highest bidder shall be awarded the~~  
~~right to file an application for the wine or liquor enhanced~~  
~~permit.~~

~~(g) The annual renewal fee for a wine or liquor enhanced~~  
~~permit for unlicensed entities shall be as follows:~~

~~(1) For a wine enhanced permit, as follows:~~

~~(i) Two thousand dollars (\$2,000) for permit holders whose~~  
~~total annual wine sales are less than one hundred thousand~~  
~~dollars (\$100,000) in the prior calendar year.~~

~~(ii) Four thousand dollars (\$4,000) for permit holders whose~~  
~~total wine sales are equal to or greater than one hundred~~  
~~thousand dollars (\$100,000) but less than two hundred thousand~~  
~~dollars (\$200,000) in the prior calendar year.~~

~~(iii) Six thousand dollars (\$6,000) for permit holders whose~~  
~~total annual wine sales are equal to or greater than two hundred~~  
~~thousand dollars (\$200,000) in the prior calendar year.~~

~~(2) For a liquor enhanced permit, as follows:~~

~~(i) Two thousand dollars (\$2,000) for permit holders whose~~  
~~total annual liquor sales are less than one hundred thousand~~  
~~dollars (\$100,000) in the prior calendar year.~~

~~(ii) Four thousand dollars (\$4,000) for permit holders whose~~  
~~total annual liquor sales are equal to or greater than one~~  
~~hundred thousand dollars (\$100,000) but less than two hundred~~  
~~thousand dollars (\$200,000) in the prior calendar year.~~

~~(iii) Six thousand dollars (\$6,000) for permit holders whose~~  
~~total annual liquor sales are equal to or greater than two~~

~~hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(h) A wine or liquor enhanced permit holder selling wine or liquor for consumption off the premises shall be required to obtain a sales tax permit from the Department of Revenue.~~

~~(i) All fees paid to the board under this section shall be deposited into the General Fund.~~

~~(j) An unlicensed entity may not hold, directly or indirectly, more than three wine enhanced permits or three liquor enhanced permits within this Commonwealth or more than one wine enhanced permit or one liquor enhanced permit per county.~~

~~(k) A wine or liquor enhanced permit holder selling wine or liquor for consumption off the premises shall be considered a Pennsylvania Liquor Store for purposes of collecting and remitting the taxes under Article II of the "Tax Reform Code of 1971."~~

~~(l) For the purposes of this section, the term "liquor," as defined in section 102, shall not include wine.~~

~~Section 417. Grocery Store Retail Permits. (a) The board shall issue a retail permit to any premises kept or operated by a grocery store for the premises specified in the permit.~~

~~(a.1) An additional grocery store retail permit may not be issued within a county if the total number of grocery store retail permits is greater than one permit for every fifteen thousand inhabitants in the county, except that a total of two grocery store retail permits may be granted in a county in this Commonwealth.~~

~~(b) Every applicant for a grocery store retail permit shall file a written application containing information as the board prescribes which shall include, but not be limited to, the~~

following:

(1) A description of the part of the grocery store for which the applicant proposes to keep and sell wine.

(2) Descriptions, information and plans showing the grocery store and any alterations proposed to be made to the grocery store or any proposed construction to be completed after approval of the permit.

(c) Every application shall also be accompanied by the initial application fee as follows:

(1) For grocery stores located in counties of the first class or second class, one hundred sixty five thousand dollars (\$165,000).

(2) For grocery stores located in counties of the second class A or third class, one hundred eighty seven thousand five hundred dollars (\$187,500).

(3) For grocery stores located in counties of the fourth class or fifth class, one hundred forty two thousand five hundred dollars (\$142,500).

(4) For grocery stores located in counties of the sixth class or seventh class, one hundred twenty thousand dollars (\$120,000).

(5) For grocery stores located in counties of the eighth class, ninety seven thousand five hundred dollars (\$97,500).

(d) The annual renewal fee for a grocery store retail permit shall be as follows:

(1) Two thousand dollars (\$2,000) for a grocery store retail permit holder whose total annual wine sales are less than one hundred thousand dollars (\$100,000) in the prior calendar year.

(2) Four thousand dollars (\$4,000) for a grocery store retail permit holder whose total annual wine sales are equal to

~~or greater than one hundred thousand (\$100,000) but less than two hundred thousand dollars (\$200,000) in the prior calendar year.~~

~~(3) Six thousand dollars (\$6,000) for a grocery store retail permit holder whose total annual wine sales are equal to or greater than two hundred thousand (\$200,000) in the prior calendar year.~~

~~(e) A grocery store retail permit holder may sell for consumption off the premises, in a single transaction, up to nine (9) liters of wine.~~

~~(f) Every applicant for a permit shall post, for a period of at least thirty days beginning with the day the application is filed with the board, in a conspicuous place on the outside of the premises, a notice of the application. The notice shall be in the form, size and contain provisions as required by the board by regulation. Proof of the posting of the notice shall be filed with the board.~~

~~(g) Upon receipt of an application for a permit under this section, the board shall immediately notify, in writing, the municipality in which the premises proposed to be licensed are located.~~

~~(h) Every grocery store retail permit holder may sell wine for consumption off the licensed premises from any location within the licensed premises. Educational information regarding the types of products sold by the grocery store retail permit holder and regarding the responsible consumption of alcohol shall be displayed and readily available wherever alcohol is displayed. Permit holders under this section may display the alcohol products the permit holders offer for sale on shelving units and systems, and in or on refrigerated cases and~~

~~equipment, within the discretion of the grocery store retail permit holder, if the displays are not designed to attract minors and the manner and method of display allows access by all customers, including the physically dependent.~~

~~(i) Grocery store retail permit holders may not charge a membership fee in order for customers to make purchases from the grocery store.~~

~~(j) A grocery store retail permit holder shall utilize a transaction scan device to verify the age of an individual who appears to be under thirty five (35) years of age before making a sale of wine. A grocery store retail permit holder may not sell or share data from the use of a transaction scan device, provided that the grocery store retail permit holder may use the data to show the enforcement bureau of the board that the permit holder is in compliance with this act. As used in this paragraph, the term "transaction scan device" means a device capable of deciphering, in an electronically readable format, the information encoded on the magnetic strip or bar code of an identification card under section 495(a).~~

~~(k) A sale of wine shall be made through a register which is well designated with signage, which is staffed at all times, which is staffed by a sales clerk who is at least eighteen years of age (18) and has been trained under section 471.1 and which utilizes a transaction scan device for the sale. The sale of wine may not occur at a point of sale where the customer scans the customer's own purchases.~~

~~(l) Grocery store retail permit holders may store alcohol in a storage area or storage areas not accessible to the public, provided such storage areas are:~~

~~(1) locked at all times when not being accessed by the~~

~~grocery store retail permit holder's employees;~~

~~(2) not accessible to employees eighteen years of age (18) or younger; and~~

~~(3) identified by dimensions and location on forms submitted in advance to the board.~~

~~(m) Grocery store retail permit holders may sell wine from eight o'clock antemeridian until eleven o'clock postmeridian every day except Sunday.~~

~~(n) Grocery store retail permit holders may sell wine from nine o'clock antemeridian until eleven o'clock postmeridian on Sundays upon submission to the board of a Sunday sales permit application and fee of one thousand five hundred dollars (\$1,500) per year.~~

~~(o) Grocery store retail permit holders shall be permitted to hold:~~

~~(1) Tastings at any location in the grocery store, if the tastings are in compliance with the provisions and regulations regarding tastings held on restaurant licensed premises.~~

~~(2) Educational classes, including cooking classes, how to classes, seminars and similar classes, regarding the proper or recommended use, consumption, identification, pairing, appellation, aging, storage, characteristics, service, presentation and similar subjects, of the alcohol products that the grocery store permit holder offers for sale, during which the incidental consumption of alcohol by registered participants of lawful age shall be permitted. The classes may be free of charge to participants or may be at a fee.~~

~~(p) Grocery store retail permit holders shall be permitted to hold restaurant licenses issued for areas within the same building for which the grocery store retail permit has been~~



~~issued or for a different building. Grocery store retail permits  
and restaurant licenses issued for areas within the same grocery  
stores may be issued for areas that are adjacent, abutting and  
contiguous and the board shall approve interior connections  
between the areas. If a grocery store retail permit and a  
restaurant license are issued for the same grocery store, wine  
may only be sold for off premises consumption in the area  
licensed for grocery store retail sales.~~

~~(g) Grocery store retail permit holders may not sell wine at  
a price less than the wine's underlying cost.~~

~~(r) All fees paid to the board under this section shall be  
deposited into the General Fund.~~

~~(s) A grocery store retail permit holder selling wine and  
liquor for off premises consumption shall be considered a  
Pennsylvania Liquor Store for purposes of collecting and  
remitting taxes under Article II of the act of March 4, 1971  
(P.L.6, No.2), known as the "Tax Reform Code of 1971."~~

~~(r) For the purposes of this section, the term "liquor"  
shall not include wine.~~

Section ~~6~~ 2. Section 431(b) of the act, amended December 8, <--  
2004 (P.L.1810, No.239), is amended to read:

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

(b) The board shall issue to any reputable person who  
applies therefor, and pays the license fee hereinafter  
prescribed, a distributor's or importing distributor's license  
for the place which such person desires to maintain for the sale  
of malt or brewed beverages, not for consumption on the premises  
where sold, and in quantities of not less than a case or  
original containers containing one hundred twenty-eight ounces

1 or more which may be sold separately as prepared for the market  
2 by the manufacturer at the place of manufacture. The board shall  
3 have the discretion to refuse a license to any person or to any  
4 corporation, partnership or association if such person, or any  
5 officer or director of such corporation, or any member or  
6 partner of such partnership or association shall have been  
7 convicted or found guilty of a felony within a period of five  
8 years immediately preceding the date of application for the said  
9 license: And provided further, That, in the case of any new  
10 license or the transfer of any license to a new location, the  
11 board may, in its discretion, grant or refuse such new license  
12 or transfer if such place proposed to be licensed is within  
13 three hundred feet of any church, hospital, charitable  
14 institution, school or public playground, or if such new license  
15 or transfer is applied for a place which is within two hundred  
16 feet of any other premises which is licensed by the board: And  
17 provided further, That the board shall refuse any application  
18 for a new license or the transfer of any license to a new  
19 location if, in the board's opinion, such new license or  
20 transfer would be detrimental to the welfare, health, peace and  
21 morals of the inhabitants of the neighborhood within a radius of  
22 five hundred feet of the place proposed to be licensed. [The  
23 board shall refuse any application for a new license or the  
24 transfer of any license to a location where the sale of liquid  
25 fuels or oil is conducted.] The board shall not license the area  
26 where liquid fuels or oil is sold. No sales of liquid fuels or  
27 oil may be made from a licensee's licensed premises. A licensed  
28 premises may not have an interior connection with a location  
29 that sells liquid fuels or oils unless it first receives  
30 permission from the board for the interior connection. The

approval shall be required regardless of whether the licensee or another party is the entity selling the liquid fuels or oils.

The board may enter into an agreement with the applicant concerning additional restrictions on the license in question.

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

Except as hereinafter provided, such license shall authorize the holder thereof to sell or deliver malt or brewed beverages in quantities above specified anywhere within the Commonwealth of Pennsylvania, which, in the case of distributors, have been purchased only from persons licensed under this act as manufacturers or importing distributors, and in the case of importing distributors, have been purchased from manufacturers

1 or persons outside this Commonwealth engaged in the legal sale  
2 of malt or brewed beverages or from manufacturers or importing  
3 distributors licensed under this article. ~~If the holder of a~~ <--  
4 ~~distributor or importing distributor license has applied for and~~  
5 ~~received a wine or liquor enhanced permit pursuant to section~~  
6 ~~416, that distributor or importing distributor may sell liquor~~  
7 ~~on the same premises where malt or brewed beverages are sold.~~ In  
8 the case of an importing distributor, the holder of such a  
9 license shall be authorized to store and repackage malt or  
10 brewed beverages owned by a manufacturer at a segregated portion  
11 of a warehouse or other storage facility authorized by section  
12 441(d) and operated by the importing distributor within its  
13 appointed territory and deliver such beverages to another  
14 importing distributor who has been granted distribution rights  
15 by the manufacturer as provided herein. The importing  
16 distributor shall be permitted to receive a fee from the  
17 manufacturer for any related storage, repackaging or delivery  
18 services. In the case of a bailee for hire hired by a  
19 manufacturer, the holder of such a permit shall be authorized:  
20 to receive, store and repackage malt or brewed beverages  
21 produced by that manufacturer for sale by that manufacturer to  
22 importing distributors to whom that manufacturer has given  
23 distribution rights pursuant to this subsection or to purchasers  
24 outside this Commonwealth for delivery outside this  
25 Commonwealth; or to ship to that manufacturer's storage  
26 facilities outside this Commonwealth. The bailee for hire shall  
27 be permitted to receive a fee from the manufacturer for any  
28 related storage, repackaging or delivery services. The bailee  
29 for hire shall, as required in Article V of this act, keep  
30 complete and accurate records of all transactions, inventory,

1 receipts and shipments and make all records and the licensed  
2 areas available for inspection by the board and for the  
3 Pennsylvania State Police, Bureau of Liquor Control Enforcement,  
4 during normal business hours.

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

25 When a Pennsylvania manufacturer of malt or brewed beverages  
26 licensed under this article names or constitutes a distributor  
27 or importing distributor as the primary or original supplier of  
28 his product, he shall also designate the specific geographical  
29 area for which the said distributor or importing distributor is  
30 given distributing rights, and such distributor or importing

1 distributor shall not sell or deliver the products of such  
2 manufacturer to any person issued a license under the provisions  
3 of this act whose licensed premises are not located within the  
4 geographical area for which distributing rights have been given  
5 to the distributor and importing distributor by the said  
6 manufacturer: 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. Nothing herein contained shall be construed to  
14 prevent any manufacturer from authorizing the importing  
15 distributor holding the distributing rights for a designated  
16 geographical area from selling the products of such manufacturer  
17 to another importing distributor also holding distributing  
18 rights from the same manufacturer for another geographical area,  
19 providing such authority be contained in writing and a copy  
20 thereof be given to each of the importing distributors so  
21 affected.

22 \* \* \*

23 Section ~~6-1~~ 3. Section 432(d) of the act, amended January 6, <--  
24 2006 (P.L.1, No.1), is amended ~~and the section is amended by~~ <--  
25 ~~adding a subsection~~ to read:

26 Section 432. Malt and Brewed Beverages Retail Licenses.--\* \*  
27 \*

28 (d) The board shall, in its discretion, grant or refuse any  
29 new license, the transfer of any license to a new location or  
30 the extension of an existing license to cover an additional area

1 if such place proposed to be licensed is within three hundred  
2 feet of any church, hospital, charitable institution, school, or  
3 public playground, or if such new license, transfer or extension  
4 is applied for a place which is within two hundred feet of any  
5 other premises which is licensed by the board. The board shall  
6 refuse any application for a new license, the transfer of any  
7 license to a new location or the extension of an existing  
8 license to cover an additional area if, in the board's opinion,  
9 such new license, transfer or extension would be detrimental to  
10 the welfare, health, peace and morals of the inhabitants of the  
11 neighborhood within a radius of five hundred feet of the place  
12 to be licensed. The board may enter into an agreement with the  
13 applicant concerning additional restrictions on the license in  
14 question. If the board and the applicant enter into such an  
15 agreement, such agreement shall be binding on the applicant.  
16 Failure by the applicant to adhere to the agreement will be  
17 sufficient cause to form the basis for a citation under section  
18 471 and for the nonrenewal of the license under section 470. If  
19 the board enters into an agreement with an applicant concerning  
20 additional restrictions, those restrictions shall be binding on  
21 subsequent holders of the license until the license is  
22 transferred to a new location or until the board enters into a  
23 subsequent agreement removing those restrictions. If the  
24 application in question involves a location previously licensed  
25 by the board, then any restrictions imposed by the board on the  
26 previous license at that location shall be binding on the  
27 applicant unless the board enters into a new agreement  
28 rescinding those restrictions. [The board shall refuse any  
29 application for a new license, the transfer of any license to a  
30 location where the sale of liquid fuels or oil is conducted or

1 the extension of an existing license to cover an additional  
2 area] The board shall not license the area where liquid fuels or  
3 oil is sold. No sales of liquid fuels or oil may be made from a  
4 licensee's licensed premises. A licensed premises may not have  
5 an interior connection with a location that sells liquid fuels  
6 or oils unless it first receives permission from the board for  
7 the interior connection. The approval shall be required  
8 regardless of whether the licensee or another party is the  
9 entity selling the liquid fuels or oils: And provided further,  
10 That the board shall have the discretion to refuse a license to  
11 any person or to any corporation, partnership or association if  
12 such person, or any officer or director of such corporation, or  
13 any member or partner of such partnership or association shall  
14 have been convicted or found guilty of a felony within a period  
15 of five years immediately preceding the date of application for  
16 the said license. The board may, in its discretion, refuse an  
17 application for an economic development license under section  
18 461(b.1) or an application for an intermunicipal transfer or a  
19 license if the board receives a protest from the governing body  
20 of the receiving municipality. The receiving municipality of an  
21 intermunicipal transfer or an economic development license under  
22 section 461(b.1) may file a protest against the approval for  
23 issuance of a license for economic development or an  
24 intermunicipal transfer of a license into its municipality, and  
25 such municipality shall have standing in a hearing to present  
26 testimony in support of or against the issuance or transfer of a  
27 license. Upon any opening in any quota, an application for a new  
28 license shall only be filed with the board for a period of six  
29 months following said opening.

30 \* \* \*



1 ~~(g) The board may, in a municipality which has approved the~~ <--  
2 ~~granting of liquor licenses, issue to a retail dispenser~~  
3 ~~licensee a restaurant liquor license in exchange for the retail~~  
4 ~~dispenser's retail dispenser license.~~

5 ~~(1) An applicant under this subsection shall surrender his~~  
6 ~~or her retail dispenser license for cancellation prior to the~~  
7 ~~issuance of the new restaurant liquor license.~~

8 ~~(2) An applicant under this subsection shall file an~~  
9 ~~application for a restaurant liquor license and shall post~~  
10 ~~notice of the application as provided under section 403. In~~  
11 ~~determining whether the exchange shall be granted, the board~~  
12 ~~shall have the same discretion as provided under section 404 for~~  
13 ~~a new license.~~

14 ~~(3) The provisions of section 461 pertaining to a quota~~  
15 ~~shall not apply to this section for exchange purposes.~~

16 ~~(4) The board shall charge a one time upgrade fee of not~~  
17 ~~more than thirty thousand dollars (\$30,000).~~

18 ~~Section 7. Sections 436(e) and 437(e) of the act are amended~~  
19 ~~to read:~~

20 ~~Section 436. Application for Distributors', Importing~~  
21 ~~Distributors' and Retail Dispensers' Licenses. Application for~~  
22 ~~distributors', importing distributors' and retail dispensers'~~  
23 ~~licenses, or for the transfer of an existing license to another~~  
24 ~~premises not then licensed or to another person, shall contain~~  
25 ~~or have attached thereto the following information and~~  
26 ~~statements:~~

27 ~~\* \* \*~~

28 ~~(e) That the applicant is not, or in case of a partnership~~  
29 ~~or association, that the members or partners are not, and in the~~  
30 ~~case of a corporation, that the officers and directors are not,~~

~~in any manner pecuniarily interested, either directly or indirectly, in the profits of any other class of business regulated under this article, except as hereinafter permitted. The requirements of this section shall not prohibit a distributor or importing distributor from holding a wine or liquor enhanced permit pursuant to section 416.~~

~~\* \* \*~~

~~Section 437. Prohibitions Against the Grant of Licenses. \*~~

~~\* \*~~

~~(e) No distributor's or importing distributor's license shall be issued for any premises in any part of which there is operated any retail license for the sale of liquor or malt or brewed beverages. The requirements of this section shall not prohibit a distributor or importing distributor from holding a wine or liquor enhanced permit pursuant to section 416.~~

~~\* \* \*~~

~~Section 8. Section 443(b) of the act, amended May 31, 1996 (P.L.312, No.49), is amended to read:~~

~~Section 443. Interlocking Business Prohibited. \* \* \*~~

~~(b) No distributor or importing distributor and no officer or director of any distributor or importing distributor shall at the same time be a manufacturer, a retail dispenser or a liquor licensee, or be an officer, director, stockholder or creditor of a manufacturer, a retail dispenser or a liquor licensee, or, directly or indirectly, own any stock of, or have any financial interest in, or be the owner, proprietor or lessor of, any place covered by any other malt or brewed beverage or liquor license. The requirements of this section may not prohibit a distributor or importing distributor from holding a wine or liquor enhanced permit pursuant to section 416.~~

1        \* \* \*

2        Section ~~8.1~~ 4. Section 468(a)(3) of the act, amended        <--  
3        December 20, 2000 (P.L.992, No.141), is amended to read:

4        Section 468. Licenses Not Assignable; Transfers.--(a)        \* \* \*

5        [(3) No license shall be transferred to any place or  
6        property upon which is located as a business the sale of liquid  
7        fuels and oil. Except in cases of emergency such as death,  
8        serious illness, or circumstances beyond the control of the  
9        licensee, as the board may determine such circumstances to  
10       justify its action, transfers of licenses may be made only at  
11       times fixed by the board. In the case of the death of a  
12       licensee, the board may transfer the license to the surviving  
13       spouse or personal representative or to a person designated by  
14       him. From any refusal to grant a transfer or upon the grant of  
15       any transfer, the party aggrieved shall have the right of appeal  
16       to the proper court in the manner hereinbefore provided.]

17        \* \* \*

18        Section ~~9~~ 5. Section 474.1(b), (c) and (g) of the act,        <--  
19        amended November 29, 2006 (P.L.1421, No.155), are amended to  
20        read:

21        Section 474.1. Surrender of Restaurant, Eating Place Retail  
22        Dispenser, Hotel, Importing Distributor and Distributor License  
23        for Benefit of Licensee.--\* \* \*

24        (b) The board may hold the license in safekeeping for a  
25        period not to exceed [three] two consecutive years. Any license  
26        remaining in safekeeping for more than [three] two consecutive  
27        years shall be immediately revoked by the Bureau of Licensing  
28        unless a transfer application or request for reissue from  
29        safekeeping has been filed prior to the expiration of the  
30        [three-year] two-year period or unless the board has approved a

request to extend the safekeeping for an additional year as set forth in subsection (g). In addition, the board shall extend the period for an additional year if, at the end of the [three-year] two-year period, the licensed premises are unavailable due to fire, flood or other similar natural disaster; no further extension beyond one additional year shall be granted by the board regardless of whether the licensed premises are unavailable due to fire, flood or other similar natural disaster unless an application is made as set forth in subsection (g).

(c) In the event a transfer application filed prior to the expiration of the [three-year] two-year period is disapproved by the board, then the license may remain in safekeeping so long as the licensee has submitted and the board has approved a request to extend the safekeeping for an additional year as set forth in subsection (g). Such request must be submitted within thirty days of the board's decision notwithstanding any appeal filed in the matter; however, the fee set forth in subsection (g) shall be refunded if the board's decision is overturned.

\* \* \*

(g) (1) A licensee whose license is subject to this section may, upon written request, apply to the board to allow the license to remain in safekeeping for an additional one year. The written request must be accompanied by a [five thousand dollar (\$5,000)] ten thousand dollar (\$10,000) fee for licenses placed in safekeeping from counties of the first class, second class, second class A, third class and fourth class and a fee of [two thousand five hundred dollars (\$2,500)] five thousand dollars (\$5,000) for licenses placed in safekeeping from counties of the fifth through eighth classes. For each subsequent year in safekeeping, the fees set forth in this paragraph shall be

doubled over the amount charged for the previous year's fee. No  
fee shall be required if the licensee can prove that he or she  
is unable to use the license through no fault of his or her own,  
including a fire, flood or other event that renders the licensed  
premises unusable. The board shall approve the request unless  
the license or licensee no longer meets the requirements of this  
act or the board's regulations. The fee collected shall be paid  
into the State Treasury through the Department of Revenue into  
the State Store Fund.

[ (2) A licensee whose license remains in safekeeping after  
the expiration of an approved additional one-year period may  
submit a written request for additional one-year periods;  
however, each such request must be accompanied by a five  
thousand dollar (\$5,000) fee for licenses placed in safekeeping  
from counties of the first class, second class, second class A,  
third class and fourth class and a fee of two thousand five  
hundred dollars (\$2,500) for licenses placed in safekeeping from  
counties of the fifth through eighth classes.]

~~Section 10. Section 492(12), (13) and (14) of the act,~~ <--  
~~amended December 22, 2011 (P.L.530, No.113), are amended to~~  
~~read:~~

~~Section 492. Unlawful Acts Relative to Malt or Brewed~~  
~~Beverages and Licensees.~~

~~It shall be unlawful—~~

~~\* \* \*~~

~~(12) Distributors and Importing Distributors Engaging in~~  
~~Other Business. For any distributor or importing distributor, or~~  
~~his servants, agents or employees, without the approval of the~~  
~~board, and then only in accordance with board regulations, to~~  
~~engage in any other business whatsoever, except the business of~~

~~distributing malt or brewed beverages, except that the sale of the following goods shall be permitted on the licensed premises of a distributor or importing distributor:~~

~~(i) Any book, magazine or other publication related to malt or brewed beverages.~~

~~(ii) Any equipment, ingredients or other supplies necessary for the unlicensed manufacture of malt or brewed beverages as described in paragraph (1), commonly known as "homebrewing."~~

~~(iii) If the holder of a distributor or importing distributor license acquires a wine or liquor enhanced permit pursuant to section 416 for use at its licensed premises, it may engage in the sale of wine or liquor, so long as the licensee meets all of the requirements of this act.~~

~~(13) Possession or Storage of Liquor or Alcohol by Certain Licensees. For any distributor, importing distributor or retail dispenser, or his servants, agents or employees, to have in his possession, or to permit the storage of on the licensed premises or in any place contiguous or adjacent thereto accessible to the public or used in connection with the operation of the licensed premises, any alcohol or liquor. This section shall not prohibit a licensed distributor or importing distributor that holds a wine or liquor enhanced permit issued pursuant to section 416 from possessing or permitting the storage of wine or liquor on the licensed premises used in connection with the operation of the licensed premises.~~

~~(14) Malt or Brewed Beverage Licensees Dealing in Liquor or Alcohol. For any malt or brewed beverage licensee, other than a distributor or importing distributor that holds a wine or liquor enhanced permit, manufacturer, or the servants, agents or employees thereof, to manufacture, import, sell, transport,~~

1 ~~store, trade or barter in any liquor or alcohol.~~

2 ~~\* \* \*~~

3 ~~Section 11. The act is amended by adding sections to read:~~

4 ~~Section 1002. Transition Assistance Committee. (a) The~~  
5 ~~following shall apply to the transition assistance committee:~~

6 ~~(1) On the effective date of this section, the Department of~~  
7 ~~General Services shall designate individuals to serve on a~~  
8 ~~committee for the purpose of managing the staffing transition~~  
9 ~~and displacement of employees during the divestiture process.~~

10 ~~(2) The committee, which shall be chaired by a~~  
11 ~~representative from the department, shall involve the~~  
12 ~~participation of the Office of Administration, the Civil Service~~  
13 ~~Commission, the Department of Labor and Industry and the board's~~  
14 ~~Bureau of Human Resources, to ensure a coordinated approach to~~  
15 ~~allocating personnel and assisting displaced employees during~~  
16 ~~the transition to find an appropriate position.~~

17 ~~(3) The department shall contract with advisors necessary to~~  
18 ~~assist the department and the board in administering the duties~~  
19 ~~under paragraph (2). The contracts shall not be subject to the~~  
20 ~~provisions of 62 Pa.C.S. Ch. 5 (relating to source selection and~~  
21 ~~contract formation).~~

22 ~~(b) The committee shall coordinate with the Office of~~  
23 ~~Administration to provide counseling and other general~~  
24 ~~assistance to employees of the board who are displaced to~~  
25 ~~transition the employees to other employment in either the~~  
26 ~~public or private sector.~~

27 ~~(c) The costs for the programs provided under this section~~  
28 ~~and sections 1003, 1004, 1005 and 1006 shall be transferred from~~  
29 ~~the State Stores Fund.~~

30 ~~Section 1003. Preference in Public Employment Hiring. (a)~~

~~The following shall apply to civil service examinations:~~

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

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

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

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

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

~~(b) The commission shall require the board to certify a list of displaced employees under subsection (a). Placement on the list by the board shall establish eligibility for the preference granted under subsection (a).~~

~~(c) If a paid State position does not require a civil service examination, a displaced employee, possessing the requisite qualifications and who is eligible for appointment to a paid State position in offices under the Governor's jurisdiction within the executive branch shall be given a preference in the appointment by the appointing authority over~~



~~nonveteran candidates.~~

~~(d) (Reserved).~~

~~(e) The following shall apply:~~

~~(1) A displaced employee's eligibility for the markup provided under subsection (a) and for the preference for noncivil service positions provided under subsection (c) shall cease upon the occurrence of one of the following:~~

~~(i) The displaced employee's appointment or hiring into a position in the classified service existing under the commission's jurisdiction or into a paid State position where no civil service examination is required.~~

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

~~(2) In order to be eligible for the markup provided under subsection (a) and for the preference for noncivil service positions provided under subsection (c), a displaced worker must be terminated as a sole and direct result of the decision to cease wholesale and retail operations under this section and sections 1004, 1005 and 1006, and must work until the final day set by the board for that employee's job function.~~

~~Section 1004. Career Training and Post secondary Education Grant Eligibility. (a) A displaced employee shall be eligible for a two year grant for attending a program of instruction at an institution of higher education, including career training and adult education courses of study, within one year of the date of displacement from State service in the following amount:~~

~~(1) two thousand dollars (\$2,000) per year for attendance on a full time basis; or~~

~~(2) one thousand dollars (\$1,000) per year for attendance on a part time basis.~~

~~(b) The board shall certify the list of displaced employees~~

~~to the Pennsylvania Higher Education Assistance Agency.~~

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

~~Section 1005. Reemployment Tax Credit. (a) The following shall apply:~~

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

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

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

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

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

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

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

~~(c) The employer shall submit the tax credit voucher to the Department of Revenue with the information required under subsection (b) (1) and (2) to claim a tax credit against the employer's liability for a tax identified under subsection (d) (2).~~

~~(d) The following shall apply:~~

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

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

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

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

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

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

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

~~Section 1006. Protection of Existing Benefits. (a) Nothing~~

~~under this section shall be deemed to affect:~~

~~(1) Pension benefits accrued prior to the date of separation occurring as a sole and direct result of the divestiture of the board's wholesale and retail operations under this article.~~

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

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

~~(c) The provisions of this section and sections 1002, 1003, 1004 and 1005 supersedes a local regulation, ordinance or resolution of a political subdivision regarding notice to displaced workers.~~

~~Section 12. The regulations of the board at 40 Pa. Code §§ 3.52 and 3.53 are abrogated to the extent of any inconsistency with this act.~~

~~Section 13 6. This act shall take effect in 60 days.~~

<--