

Veto No. 7

HB 527

August 1, 1975

To the Honorable, the House of Representatives
of the Commonwealth of Pennsylvania:

I return herewith, without my approval, House Bill No. 527, Printer's No. 2076, entitled "An act amending the act of April 12, 1951 (P.L.90, No.21), entitled 'Liquor Code,' providing for veterans' organization licenses and further regulating the transfer or surrender of a license."

This bill would be contrary to prior legislation that sought to decrease the number of licensees within the State, as well as be a means where the quota system presently established for retail licensees may be legally avoided.

The provisions of this bill could enable a club to purchase a restaurant liquor license, convert it to a club license, and in accordance with the existing provisions of the Code, any other clubs could apply for a club license, in view of the fact that the established quota would not have been filled by restaurant licensees. It would also require an additional restaurant license to be issued upon application. This could conceivably be continued legally, ad infinitum, and thereby nullify the intent of the Legislature to limit by quota the number of licenses within the Commonwealth.

While I am in complete agreement with the concept of opening government to public scrutiny, I believe that the hearing procedures in sections 402 and 403 are unnecessary and would violate legitimate concerns for business privacy.

It would not only be economically detrimental to owners of liquor licenses to advertise their desire to sell, but at the same time would impose a substantial additional burden of administrative detail and enforcement investigations upon the Liquor Control Board, all of which would be of no particular significance. Under existing law the board in a so-called person to person transfer (a transfer that involves the change of ownership and not of location of a license) is required to issue such transfers unless the transferee does not meet the standards set forth by the Liquor Code. This information is acquired by Board investigation, and when such questions do arise, hearings are normally held to determine whether a transfer should ensue.

For these reasons, House Bill No. 527 is not approved.

MILTON J. SHAPP