

AMENDMENTS TO HOUSE BILL NO. 1497

Sponsor: REPRESENTATIVE A. HARRIS

Printer's No. 2007

1 Amend Bill, page 1, line 20, by striking out the period after
2 "PERMITS" and inserting

3 , for interlocking businesses prohibited and for unlawful acts
4 relative to liquor, malt and brewed beverages and licensees.

5 Amend Bill, page 4, line 14, by striking out "SECTION" where
6 it occurs the second time and inserting

7 Sections

8 Amend Bill, page 4, line 14, by inserting after "(12)"

9 and 411(d) and (e)

10 Amend Bill, page 5, by inserting between lines 4 and 5

11 Section 411. Interlocking Business Prohibited.--* * *

12 (d) Excepting as herein provided, no hotel licensee,
13 restaurant licensee or club licensee, and no officer, director,
14 stockholder, agent or employe of any such licensee shall in any
15 wise be interested, either directly or indirectly, [in the
16 ownership or leasehold of any property or the equipment of any
17 property or any mortgage lien against the same, used by a
18 manufacturer in manufacturing liquor or malt or brewed
19 beverages; nor shall any hotel, restaurant or club licensee, or
20 any officer, director, stockholder, agent or employe of any such
21 licensee, either directly or indirectly,] lend any moneys,
22 credit, or give anything of value or the equivalent thereof, to
23 any manufacturer for equipping, fitting out, or maintaining and
24 conducting, either in whole or in part, an establishment used
25 for the manufacture of liquor or malt or brewed beverages.

26 (e) Except as herein provided, no hotel, restaurant, retail
27 dispenser or club licensee, and no officer, director or
28 stockholder, agent or employe of any such licensee shall in any
29 wise be interested, directly or indirectly, in the ownership or
30 leasehold of any property or the equipment of any property or
31 any mortgage lien against the same, used by a distributor,
32 importing distributor, or by an importer or sacramental wine
33 licensee, in the conduct of his business; nor shall any hotel,

1 restaurant, retail dispenser or club licensee, or any officer,
2 director, stockholder, agent or employe of any such licensee,
3 either directly or indirectly, lend any moneys, credit, or give
4 anything of value or the equivalent thereof, to any distributor,
5 importing distributor, importer or sacramental wine licensee,
6 for equipping, fitting out, or maintaining and conducting,
7 either in whole or in part, an establishment used in the conduct
8 of his business.

9 The purpose of this section is to require a separation of the
10 financial and business interests between manufacturers and
11 holders of hotel or restaurant liquor licenses and, as herein
12 provided, of club licenses, issued under this article, and no
13 person shall, by any device whatsoever, directly or indirectly,
14 evade the provisions of the section. But in view of existing
15 economic conditions, nothing contained in this section shall be
16 construed to prohibit the ownership of property or conflicting
17 interest by a manufacturer of any place occupied by a licensee
18 under this article after the manufacturer has continuously owned
19 and had a conflicting interest in such place for a period of at
20 least five years prior to July eighteenth, one thousand nine
21 hundred thirty-five: Provided, however, That this clause shall
22 not prohibit any hotel, restaurant or club liquor licensee, or
23 any officer, director or stockholder of any such licensee, from
24 owning land or buildings which are leased to a holder of a
25 retail dispenser's license, [a distillery license or a limited
26 distillery license] or a manufacturer's license: And, provided
27 further, That nothing contained in this section shall be
28 construed to prohibit any hotel, restaurant, retail dispenser or
29 club licensee or any officer, director or stockholder, agent or
30 employe of any such licensee from having a financial or other
31 interest, directly or indirectly in [the ownership or leasehold
32 of any property or] the equipment of any property or any
33 mortgage lien against same, used, leased by an importer or
34 sacramental wine licensee for the exclusive purpose of
35 maintaining commercial offices and on the condition that said
36 property is not used for the storage or sale of liquor or malt
37 or brewed beverages in any quantity: And, provided further, That
38 nothing contained in this section shall prohibit an officer or
39 member of a licensed privately owned private golf course
40 catering club from having an interest in a limited winery
41 license: And, provided further, That nothing contained in this
42 section shall be construed to prohibit a member of the governing
43 board of a public authority created under subdivision (n) of
44 Article XXIII of the act of August 9, 1955 (P.L.323, No.130),
45 known as "The County Code," from having an interest in a
46 distributor or importing distributor license notwithstanding the
47 fact that the public authority has an interest in one or more
48 retail licenses or acts as a landlord for one or more retail
49 licenses: And, provided further, That, nothing in this section
50 may prohibit an employe of a hotel or restaurant licensee from
51 having an interest in any property used by a limited winery

1 licensee or in guaranteeing any loans, or lending any moneys,
2 providing credit or giving anything of value to a limited winery
3 licensee or its officers, directors and shareholders, provided
4 that the person also is not an officer of or does not have any
5 interest in or exercise any control over any other licensed
6 entity that engages in any sales to or from the licensee: And,
7 provided further, That, notwithstanding any other provision of
8 this section, an entity may acquire both a manufacturer's
9 license or a limited winery license and a hotel, restaurant or
10 retail dispenser license for use at the same location and more
11 than one location may be so licensed. And, provided further,
12 That, notwithstanding any other provision of this section, an
13 entity licensed as a limited winery may hold and operate a
14 restaurant liquor license at one of its additional, board-
15 approved locations instead of at its primary location where
16 manufacturing occurs. The licenses and a person's interest in
17 the licenses or in the entity holding the licenses shall not be
18 subject to this section. Provided further, That, a person who is
19 a holder of ten per centum (10%) or less of securities or other
20 interests in a publicly or privately held domestic or foreign
21 corporation, partnership, limited liability company or other
22 form of legal entity owning a retail license shall not be deemed
23 to possess a financial interest and is not subject to the
24 provisions of this section, provided that the person is not an
25 officer of, employe of or does not have any interest in or
26 exercise any control over any other licensed entity that engages
27 in any sales to or from the retail licensee in which the person
28 holds the ten per centum (10%) or less interest[.]: And,
29 provided further, That nothing in this section shall prohibit a
30 person who has an ownership interest in a limited winery license
31 from being employed by an entity that holds a hotel, restaurant,
32 eating place or club license so long as the person is not
33 employed as an alcohol service personnel or as manager.

34 * * *

35 Section 3. Section 493(11) of the act is amended to read:

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

41 It shall be unlawful--

42 * * *

43 (11) Licensees Employed by Others. For any hotel, restaurant
44 or club liquor licensee, or any malt or brewed beverage
45 licensee, or any officer, servant, agent or employe of such
46 licensee, to be at the same time employed, directly or
47 indirectly, by any distributor, importing distributor,
48 manufacturer, importer or vendor licensee or any out of State
49 manufacturer. It shall also be unlawful for any distributor or
50 importing distributor, or any officer, servant, agent or employe
51 of such licensee, to be at the same time employed, directly or

1 indirectly, by any other distributor, importing distributor,
2 manufacturer, importer, vendor, out of State manufacturer, hotel
3 restaurant, malt or brewed beverage licensee, or club liquor
4 licensee. It shall also be unlawful for any manufacturer,
5 importer, or vendor licensee, or any out of State manufacturer,
6 or any officer, servant, agent or employe of such licensee or
7 manufacturer, to be at the same time employed, directly or
8 indirectly, by any hotel, restaurant or club liquor licensee or
9 any malt or brewed beverage licensee or any distributor or
10 importing distributor licensee. Nothing in this subsection shall
11 be construed to prohibit a manufacturer or limited winery
12 licensee, or any officer, servant, agent or employe of such
13 licensee, to be employed at the same time by a hotel, restaurant
14 or retail dispenser licensee if the hotel, restaurant or retail
15 dispenser licensee is located at the manufacturer or limited
16 winery premises pursuant to section 443. For the purposes of
17 this subsection, an officer, servant, agent or employe of a
18 licensee or manufacturer is an individual who has either an
19 ownership interest in the licensee or manufacturer or who
20 receives compensation for his or her work on behalf of the
21 licensee or manufacturer[.]: Provided further, That nothing in
22 this section shall prohibit a person who has an ownership
23 interest in a limited winery license from being employed by an
24 entity that holds a hotel, restaurant, eating place or club
25 license so long as the person is not employed as an alcohol
26 service personnel or as manager.

27 * * *

28 Amend Bill, page 5, line 5, by striking out "3" and inserting

29 4