

AMENDMENTS TO SENATE BILL NO. 688

Sponsor: REPRESENTATIVE DEASY

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1 Amend Bill, page 1, lines 1 through 33; page 2, lines 1
2 through 4; by striking out all of said lines on said pages and
3 inserting

4 Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An
5 act relating to alcoholic liquors, alcohol and malt and
6 brewed beverages; amending, revising, consolidating and
7 changing the laws relating thereto; regulating and
8 restricting the manufacture, purchase, sale, possession,
9 consumption, importation, transportation, furnishing, holding
10 in bond, holding in storage, traffic in and use of alcoholic
11 liquors, alcohol and malt and brewed beverages and the
12 persons engaged or employed therein; defining the powers and
13 duties of the Pennsylvania Liquor Control Board; providing
14 for the establishment and operation of State liquor stores,
15 for the payment of certain license fees to the respective
16 municipalities and townships, for the abatement of certain
17 nuisances and, in certain cases, for search and seizure
18 without warrant; prescribing penalties and forfeitures;
19 providing for local option, and repealing existing laws," in
20 preliminary provisions, further providing for definitions; in
21 Pennsylvania Liquor Stores, further providing for sales by
22 Pennsylvania Liquor Stores; in licenses and regulations
23 relating to liquor, alcohol and malt and brewed beverages,
24 further providing for liquor importers' licenses, fees,
25 privileges and restrictions, providing for ready-to-drink
26 cocktail permit and for authority to acquire ready-to-drink
27 cocktail permits, further providing for distributors' and
28 importing distributors' restrictions on sales, storage, etc,
29 for unlawful acts relative to malt or brewed beverages and
30 licensees, for unlawful acts relative to liquor, malt and
31 brewed beverages and licensees; and, in distilleries,
32 wineries, bonded warehouses, bailees for hire and
33 transporters for hire, further providing for limited
34 distilleries and distilleries.

35 Amend Bill, page 2, lines 7 through 32; pages 3 through 41,
36 lines 1 through 30; page 42, lines 1 through 3; by striking out

1 all of said lines on said pages and inserting

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

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

8 * * *

9 "Ready-to-drink cocktail" shall mean a beverage, composed in
10 part of distilled liquor, combined with other nonalcoholic
11 ingredients, carbonated or still, by whatever name the beverage
12 may be called, premixed and packaged in original containers by
13 the manufacturer, containing not more than sixteen ounces that
14 is not mixed or adulterated on the licensed premises of a
15 licensee. The term shall include any beverage consisting of at
16 least one-half of one per centum, but not greater than twelve
17 and one-half per centum, alcohol by volume. The term shall not
18 include any beverage composed, in part, of wine or malt or
19 brewed beverages. A ready-to-drink cocktail shall be considered
20 liquor unless the context clearly indicates otherwise.

21 * * *

22 Section 2. Section 305(b) of the act is amended and the
23 section is amended by adding a subsection to read:

24 Section 305. Sales by Pennsylvania Liquor Stores.--* * *

25 (a.2) The following shall apply:

26 (1) Notwithstanding any provision of the law to the
27 contrary, except as provided under paragraph (2), no product
28 that meets the definition of a "ready-to-drink cocktail" may be
29 sold as a special order; the products must be acquired from the
30 board as part of a regular or limited purchase listing.

31 (2) A product that meets the definition of a "ready-to-drink
32 cocktail" may be sold as a special order to licensees that do
33 not possess a ready-to-drink cocktail permit if the products are
34 not sold for off-premises consumption.

35 (b) Every Pennsylvania Liquor Store shall sell liquors,
36 including wine and ready-to-drink cocktails, at wholesale to
37 hotels, restaurants, clubs, and railroad, pullman and steamship
38 companies licensed under this act; and ready-to-drink cocktails
39 to distributors and importing distributors that hold a ready-to-
40 drink cocktail permit; and, under the regulations of the board,
41 to pharmacists duly licensed and registered under the laws of
42 the Commonwealth, and to manufacturing pharmacists, and to
43 reputable hospitals approved by the board, or chemists. Sales to
44 licensees shall be made at a price that includes a discount of
45 ten per centum from the retail price; except that special order
46 sales to licensees authorized in subsection (a) shall not be
47 subject to the ten per centum discount. The board may sell to
48 registered pharmacists only such liquors as conform to the
49 Pharmacopoeia of the United States, the National Formulary, or

1 the American Homeopathic Pharmacopoeia. The board may sell at
2 special prices under the regulations of the board, to United
3 States Armed Forces facilities which are located on United
4 States Armed Forces installations and are conducted pursuant to
5 the authority and regulations of the United States Armed Forces.
6 All other sales by such stores shall be at retail, except that
7 incentives, such as coupons or discounts on certain products,
8 may be offered to unlicensed customers of the board as provided
9 under sections 207(m) and 493(24) (ii) (B). A person entitled to
10 purchase liquor at wholesale prices may purchase the liquor at
11 any Pennsylvania Liquor Store upon tendering cash, check or
12 credit card for the full amount of the purchase. For this
13 purpose, the board shall issue a discount card to each licensee
14 identifying such licensee as a person authorized to purchase
15 liquor at wholesale prices. Such discount card shall be retained
16 by the licensee. The board may contract through the Commonwealth
17 bidding process for delivery to wholesale licensees at the
18 expense of the licensee receiving the delivery.

19 * * *

20 Section 3. Section 410(e) of the act is amended to read:

21 Section 410. Liquor Importers' Licenses; Fees; Privileges;
22 Restrictions.--* * *

23 (e) Importers' licenses shall permit the holders thereof to
24 bring or import liquor and ready-to-drink cocktails from other
25 states, foreign countries, or insular possessions of the United
26 States, and purchase liquor from manufacturers located within
27 this Commonwealth, to be sold outside of this Commonwealth or to
28 Pennsylvania Liquor Stores within this Commonwealth, or when in
29 original containers of ten gallons or greater capacity, to
30 licensed manufacturers within this Commonwealth.

31 All importations of liquor into Pennsylvania by the licensed
32 importer shall be consigned to the board or the principal place
33 of business or authorized place of storage maintained by the
34 licensee.

35 * * *

36 Section 4. The act is amended by adding a section to read:

37 Section 415.1. Ready-to-Drink Cocktail Permit.--(a) (1)
38 The holder of a restaurant, hotel, distributor or importing
39 distributor license may apply for a ready-to-drink cocktail
40 permit. The board shall issue a ready-to-drink cocktail permit
41 to the applicant if the applicant meets the requirements set
42 forth in this act and the board's regulations and pays the
43 appropriate fees.

44 (2) Nothing in this section shall be construed to affect the
45 ability of an existing licensee to operate within the scope of
46 its current license as authorized by this act, except that no
47 sales of ready-to-drink cocktails for off-premises consumption
48 may take place by a ready-to-drink cocktail permit holder after
49 eleven o'clock postmeridian. Sales by restaurant and hotel
50 license holders may occur on Sundays from the time the licensee
51 may legally begin to sell alcohol that day until eleven o'clock

1 postmeridian if the licensee has a permit authorized under
2 sections 406(a) (3) and 432(f). Sales by distributor and
3 importing distributor license holders may occur on Sundays
4 between the hours of nine o'clock antemeridian and nine o'clock
5 postmeridian if the licensee has a permit authorized under
6 section 492.1(c).

7 (3) A ready-to-drink cocktail permit may not be issued to a
8 license holder whose underlying license is subject to a pending
9 objection by the director of the Bureau of Licensing or the
10 board under section 470(a.1), until the matter is decided.
11 Notwithstanding any other provision of law, a holder of a ready-
12 to-drink cocktail permit may continue to normally operate under
13 the permit if its underlying license is operational,
14 notwithstanding if the underlying license is objected to by the
15 director of the Bureau of Licensing or the board under section
16 470(a.1).

17 (4) If the board has approved the operation of another
18 business which has an inside passage or communication to or with
19 the licensed premises, the sale and purchase of ready-to-drink
20 cocktails shall be confined strictly to the areas covered by the
21 license. The payment for the purchase of goods obtained from the
22 unlicensed area of the premises shall be permitted in the
23 licensed area.

24 (5) For purposes of selling ready-to-drink cocktails for
25 off-premises consumption, a holder of a ready-to-drink cocktail
26 permit is not subject to section 493(14).

27 (6) A ready-to-drink cocktail permit holder shall comply
28 with the responsible alcohol management provisions under section
29 471.1.

30 (7) A ready-to-drink cocktail permit holder may store ready-
31 to-drink cocktails in a noncontiguous area that is not
32 accessible to the public and is:

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

35 (ii) not accessible to employees under eighteen years of
36 age; and

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

39 (8) A ready-to-drink cocktail permit holder shall utilize a
40 transaction scan device to verify the age of an individual who
41 appears to be under thirty-five years of age before making a
42 sale of a ready-to-drink cocktail. A ready-to-drink cocktail
43 permit holder may not sell or share data from the use of a
44 transaction scan device, provided that the licensee may use the
45 data to show the enforcement bureau of the board that the
46 licensee is in compliance with this act. As used in this
47 paragraph, the term "transaction scan device" means a device
48 capable of deciphering, in an electronically readable format,
49 the information encoded on the magnetic strip or bar code of an
50 identification card under section 495(a).

51 (9) A sale of ready-to-drink cocktails by a ready-to-drink

1 cocktail permit holder shall be made through a register, which
2 is located on the licensed premises, which is well designated
3 with signage, which is staffed at all times when patrons are on
4 the licensed premises. The actual sale shall be conducted by a
5 person who is at least eighteen years of age and has been
6 trained under section 471.1 and which utilizes a transaction
7 scan device for the sale as set forth in paragraph (8). The sale
8 of ready-to-drink cocktails may not occur at a point of sale
9 where the customer scans the customer's own purchases. Sales of
10 ready-to-drink cocktails must occur on the licensed premises.

11 (10) If a ready-to-drink cocktail permit holder has an
12 interior connection to another business that it operates, the
13 permit holder may use one or more of the registers in the other
14 business to sell ready-to-drink cocktails for off-premises
15 consumption under the following conditions:

16 (i) the building is eleven thousand (11,000) square feet or
17 less;

18 (ii) the registers are located in the same building as the
19 licensed premises;

20 (iii) the registers comply with the signage, staffing,
21 training, carding, scanning and prohibition on the sharing of
22 data provisions of paragraphs (8) and (9); and

23 (iv) the board has been provided notice of compliance with
24 this paragraph by the ready-to-drink cocktail permit holder,
25 including square footage of the building and the location of the
26 specific registers to be used prior to their use.

27 (11) The registers used under paragraph (10) shall be deemed
28 to be licensed areas but no formal application beyond notice to
29 the board shall be required. The registers may be used by the
30 other business.

31 (b) The application and renewal fee for a ready-to-drink
32 cocktail permit shall be as follows:

33 (1) An initial application fee of two thousand and five
34 hundred dollars (\$2,500).

35 (2) An annual renewal fee equal to two per centum of the
36 cost of ready-to-drink cocktails purchased from the board for
37 off-premises consumption.

38 (c) Notwithstanding the provisions of section 802, all fees
39 paid to the board under this section shall be paid into the
40 State Treasury for deposit as follows:

41 (1) All moneys shall be deposited into the State Stores
42 Fund.

43 (2) Beginning June 1, 2025, and every June 1 thereafter, all
44 moneys deposited under paragraph (1) shall be transferred to the
45 General Fund.

46 (d) A restaurant or hotel license holder that is also a
47 ready-to-drink cocktail permit holder may sell for off-premises
48 consumption, in a single transaction, up to one hundred ninety-
49 two (192) fluid ounces. Ounces of ready-to-drink cocktails shall
50 not be combined with wine or malt or brewed beverages for the
51 purpose of calculating the sale restrictions applicable to each

1 of those beverages. A distributor or importing distributor
2 license holder that is also a ready-to-drink cocktail permit
3 holder, may sell ready-to-drink cocktails, in any quantity. No
4 ready-to-drink cocktail permit holder may sell ready-to-drink
5 cocktails to a permit or license holder.

6 (e) (1) Ready-to-drink cocktail permit holders shall comply
7 with the provisions of section 201(f), (k) and (o) of the act of
8 March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of
9 1971," regarding the purchase of ready-to-drink cocktails from a
10 Pennsylvania Liquor Store.

11 (2) The sale of ready-to-drink cocktails by a ready-to-drink
12 cocktail permit holder for off-premises consumption shall be
13 considered a "purchase at retail" under section 201(f) of the
14 "Tax Reform Code of 1971," a "sale at retail" under section
15 201(k) of the "Tax Reform Code of 1971" or a "use" under section
16 201(o) of the "Tax Reform Code of 1971."

17 (3) A ready-to-drink cocktail permit holder may, when filing
18 its required returns under Article II of the "Tax Reform Code of
19 1971," request a refund of any taxes paid in accordance with
20 paragraph (1) for ready-to-drink cocktails sold for off-premises
21 consumption and for which taxes were remitted to the department
22 under paragraph (2). The request for a refund shall include the
23 original receipt from a Pennsylvania Liquor Store showing the
24 amount of taxes paid under paragraph (1) for which the taxpayer
25 is requesting a refund.

26 (4) The department shall refund the amount of taxes paid to
27 a Pennsylvania Liquor Store by a ready-to-drink cocktail permit
28 holder under paragraph (1) for which the taxpayer remitted taxes
29 imposed under paragraph (2). The department may promulgate rules
30 or regulations and prescribe forms as may be necessary to
31 implement the provisions of this subsection.

32 (f) All ready-to-drink cocktails that are to be sold for
33 off-premises consumption must be acquired from the board. A
34 ready-to-drink cocktail permit holder may not sell ready-to-
35 drink cocktail for off-premises consumption at a price less than
36 the licensee's purchase price from the board of the ready-to-
37 drink cocktail.

38 (g) A ready-to-drink cocktail permit holder may not sell a
39 private label product.

40 (h) Holders of a ready-to-drink cocktail permit may not
41 purchase ready-to-drink cocktails directly from a licensed
42 Pennsylvania manufacturer for the purpose of reselling the
43 ready-to-drink cocktail for off-premises consumption.

44 Section 5. The heading of Subdivision (B) of Article IV of
45 the act is amended to read:

46 (B) Malt and Brewed Beverages and
47 Ready-to-Drink Cocktails (Including Manufacturers).

48 Section 6. The act is amended by adding a section to read:

49 Section 431.2. Authority to Acquire Ready-to-Drink Cocktail
50 Permits.--The holder of a distributor or importing distributor
51 license may acquire a ready-to-drink cocktail permit as set

1 forth in section 415.1. The holder of a ready-to-drink cocktail
2 permit may conduct tastings of ready-to-drink cocktails in
3 accordance with the board's regulations pertaining to tastings
4 for liquor. The ready-to-drink cocktails shall not be subject to
5 the prohibitions set forth in sections 492(13) and 492(14) which
6 would otherwise prohibit distributors and importing distributors
7 from selling, storing, possessing or interacting with liquor.

8 Section 7. Sections 441 and 492(13) and (14) of the act are
9 amended to read:

10 Section 441. Distributors' and Importing Distributors'
11 Restrictions on Sales, Storage, Etc.--(a) No distributor or
12 importing distributor shall purchase, receive or resell any malt
13 or brewed beverages and ready-to-drink cocktails, if a ready-to-
14 drink cocktail permit is obtained, except:

15 (1) in the original containers as prepared for the market by
16 the manufacturer at the place of manufacture;

17 (2) in the case of identical containers repackaged in the
18 manner described by subsection (f); or

19 (3) as provided in section 431(b).

20 (b) (1) No distributor or importing distributor shall sell
21 any malt or brewed beverages in quantities of less than a case
22 or original containers containing one hundred twenty-eight
23 ounces or more which may be sold separately: Provided, That no
24 malt or brewed beverages sold or delivered shall be consumed
25 upon the premises of the distributor or importing distributor,
26 or in any place provided for such purpose by such distributor or
27 importing distributor. Notwithstanding any other provision of
28 this section or act, malt or brewed beverages and ready-to-drink
29 cocktails which are part of a tasting conducted pursuant to the
30 board's regulations may be consumed on licensed premises.

31 (2) Distributors and importing distributors that hold a
32 ready-to-drink cocktail permit shall be permitted to sell ready-
33 to-drink cocktails in any quantity and all sales must be in
34 original containers and may only be acquired from the board.
35 Sales of ready-to-drink cocktails are limited to sales to non-
36 licensees and sales of ready-to-drink cocktails for subsequent
37 resale are prohibited.

38 (c) No distributor or importing distributor shall maintain
39 or operate any place where sales are made other than that for
40 which the license is granted.

41 (d) (1) No distributor shall maintain any place for the
42 storage of malt or brewed beverages and ready-to-drink cocktails
43 except in the same municipality in which the licensed premises
44 is located and unless the same has been approved by the board.
45 In the event there is no place of cold storage in the same
46 municipality, the board may approve a place of cold storage in
47 the nearest municipality.

48 (2) No importing distributor shall maintain any place for
49 the storage of malt or brewed beverages and ready-to-drink
50 cocktails except in the franchise territory in which the
51 licensed premises is located and unless the same has been

1 approved by the board. The board shall issue no more than four
2 storage facilities license to an importing distributor. The
3 storage location shall be designated solely as a storage
4 facility, from which only sales to other licensees are
5 permitted. Retail sales may be made at the licensed location
6 pursuant to subsection (c). If the importing distributor
7 maintains a storage location for cold storage in the same
8 municipality in which the importing distributor is licensed or a
9 nearby municipality, the importing distributor may continue to
10 maintain that cold storage location in addition to another
11 storage location within their franchise territory.

12 (e) No distributor or importing distributor shall purchase,
13 sell, resell, receive or deliver any malt or brewed beverages,
14 except in strict compliance with the provisions of subsection
15 (b) of section 431 of this act.

16 (f) (1) To salvage one or more salable cases from one or
17 more damaged cases, cartons or packages of malt or brewed
18 beverages and ready-to-drink cocktails, a distributor or
19 importing distributor may repackage consequent to inadvertent
20 damage and sell a case, carton or package of identical units of
21 malt or brewed beverages or ready-to-drink cocktails.

22 (2) Repackaging is permissible only to the extent made
23 necessary by inadvertent damage. Repackaging not consequent to
24 damage is prohibited.

25 (3) The term "identical units" as used in this subsection
26 means undamaged bottles or cans of identical brand, package and
27 volume.

28 (g) All malt or brewed beverages purchased by an importing
29 distributor from a Pennsylvania manufacturer of malt or brewed
30 beverages or from any person located outside this Commonwealth
31 for resale shall be invoiced to the importing distributor, shall
32 come physically into the possession of such importing
33 distributor and shall be unloaded into and distributed from the
34 licensed premises of such importing distributor. The board may
35 act to further define and control the storage and distribution
36 of malt or brewed beverages and ready-to-drink cocktails in
37 conformity with this section and this act.

38 (h) As used in this section, the term "franchise territory"
39 shall mean the geographically contiguous area in which an
40 importing distributor has been given rights for the sale or
41 resale of malt or brewed beverages and ready-to-drink cocktails.

42 (i) Notwithstanding any other provision to the contrary,
43 when making a sale of malt or brewed beverages and ready-to-
44 drink cocktails to a private individual, no distributor or
45 importing distributor may be required to collect the name,
46 address or any other identifying information of the private
47 individual for the purpose of keeping a record of the quantity
48 of cases or volume of malt or brewed beverages or ready-to-drink
49 cocktails purchased.

50 Section 492. Unlawful Acts Relative to Malt or Brewed
51 Beverages and Licensees.--

1 It shall be unlawful--

2 * * *

3 (13) Possession or Storage of Liquor or Alcohol by Certain
4 Licensees. For any distributor, importing distributor or retail
5 dispenser, or his servants, agents or employes, to have in his
6 possession, or to permit the storage of on the licensed premises
7 or in any place contiguous or adjacent thereto accessible to the
8 public or used in connection with the operation of the licensed
9 premises, any alcohol or liquor. The provisions of this section
10 shall not apply to the possession or storage of ready-to-drink
11 cocktails that are purchased in compliance with section 441 of
12 this act.

13 (14) Malt or Brewed Beverage Licensees Dealing in Liquor or
14 Alcohol. For any malt or brewed beverage licensee, other than a
15 distributor or importing distributor that possesses a ready-to-
16 drink cocktail permit, a manufacturer, or the servants, agents
17 or employes thereof, to manufacture, import, sell, transport,
18 store, trade or barter in any liquor or alcohol.

19 * * *

20 Section 8. Section 493 of the act is amended by adding a
21 paragraph to read:

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

27 It shall be unlawful--

28 * * *

29 (35) (i) Ready-to-Drink Cocktails. For any licensee that
30 does not hold a ready-to-drink cocktail permit to sell an
31 alcoholic beverage that meets the definition of a "ready-to-
32 drink cocktail" for off-premises consumption, except that an
33 entity licensed under section 505.4 may sell an alcoholic
34 beverage that meets the definition of a "ready-to-drink
35 cocktail" if the purchaser is either unlicensed or is licensed
36 and is only reselling the product for on-premises consumption.

37 (ii) For any licensee to acquire an alcoholic beverage that
38 meets the definition of a "ready-to-drink cocktail" from anyone
39 other than the board, except that a licensee may acquire an
40 alcoholic beverage that meets the definition of a "ready-to-
41 drink cocktail" from an entity licensed under section 505.4, if
42 the purchasing licensee does not resell the alcoholic beverage
43 for off-premises consumption.

44 (iii) For a licensee who acquired an alcoholic beverage that
45 meets the definition of a "ready-to-drink cocktail" as a special
46 order to sell the alcoholic beverage that meets the definition
47 of a "ready-to-drink cocktail" for off-premises consumption
48 regardless of whether the licensee holds a ready-to-drink
49 cocktail permit.

50 Section 9. Section 505.4 of the act is amended by adding a
51 subsection to read:

1 Section 505.4. Limited Distilleries and Distilleries.--* * *
2 (d) The holder of a license issued under this section may
3 only sell alcoholic beverages that meet the definition of a
4 "ready-to-drink cocktail" to unlicensed purchasers and to
5 licensees who will not resell the alcoholic beverage for off-
6 premises consumption.
7 Section 10. This act shall take effect immediately.