

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2450 Session of
2006

INTRODUCED BY COSTA, DeLUCA, DeWEESE, FRANKEL, GERGELY, BALDWIN,
CALTAGIRONE, CORNELL, HARHAI, HARPER, HARRIS, HENNESSEY,
HERMAN, JAMES, LEVDANSKY, MANN, McILHATTAN, PAYNE, PISTELLA,
SAYLOR, SIPTROTH, SOLOBAY, J. TAYLOR, THOMAS, TURZAI, WILT
AND YOUNGBLOOD, FEBRUARY 9, 2006

REFERRED TO COMMITTEE ON LIQUOR CONTROL, FEBRUARY 9, 2006

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,"
17 further providing for the definition of "wine," for the
18 general powers of the board, for sales by Pennsylvania Liquor
19 Stores, for wine auction permits, for interlocking business
20 prohibited, for breweries, for unlawful acts relative to
21 liquor, alcohol and liquor licensees, for unlawful acts
22 relative to liquor, malt and brewed beverages and licensees,
23 for licenses required and for limited wineries.

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

26 Section 1. The definition of "wine" in section 102 of the
27 act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code,

1 reenacted and amended June 29, 1987 (P.L.32, No.14) and added
2 December 8, 2004 (P.L.1810, No.239), is amended to read:

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

6 * * *

7 "Wine" shall mean liquor which is fermented from [grapes and
8 other fruits having] agricultural, apicultural, horticultural,
9 silvicultural and viticultural commodities, having an alcoholic
10 content of twenty-four per centum or less. The term "wine" shall
11 not include any products containing alcohol derived from malt,
12 grain, cereal, molasses or cactus.

13 * * *

14 Section 2. Section 207 of the act is amended by adding a
15 subsection to read:

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

18 * * *

19 (1) To deliver liquor to licensed and unlicensed consumers
20 including wines purchased directly from a limited winery. The
21 board may charge a fee for this service.

22 Section 3. Section 305(b) of the act, amended July 6, 2005
23 (P.L.135, No.39), is amended to read:

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

25 (b) Every Pennsylvania Liquor Store shall sell liquors at
26 wholesale to hotels, restaurants, clubs, and railroad, pullman
27 and steamship companies licensed under this act; and, under the
28 regulations of the board, to pharmacists duly licensed and
29 registered under the laws of the Commonwealth, and to
30 manufacturing pharmacists, and to reputable hospitals approved

1 by the board, or chemists. Sales to licensees shall be made at a
2 price that includes a discount of ten per centum from the retail
3 price. The board may sell to registered pharmacists only such
4 liquors as conform to the Pharmacopoeia of the United States,
5 the National Formulary, or the American Homeopathic
6 Pharmacopoeia. The board may sell at special prices under the
7 regulations of the board, to United States Armed Forces
8 facilities which are located on United States Armed Forces
9 installations and are conducted pursuant to the authority and
10 regulations of the United States Armed Forces. All other sales
11 by such stores shall be at retail. A person entitled to purchase
12 liquor at wholesale prices may purchase the liquor at any
13 Pennsylvania Liquor Store upon tendering cash, check or credit
14 card for the full amount of the purchase. For this purpose, the
15 board shall issue a discount card to each licensee identifying
16 such licensee as a person authorized to purchase liquor at
17 wholesale prices. Such discount card shall be retained by the
18 licensee. The board may contract through the Commonwealth
19 bidding process or it may use board employees for delivery to
20 [wholesale licensees] licensed and unlicensed consumers at the
21 expense of the [licensee] consumer receiving the delivery.

22 * * *

23 Section 4. Section 408.12(g) and (h) of the act, added July
24 1, 1994 (P.L.402, No.61), are amended to read:

25 Section 408.12. Wine Auction Permits.--* * *

26 (g) Any wine sold under this section shall be purchased from
27 a Pennsylvania Liquor Store, a [Pennsylvania] limited winery or
28 any seller authorized to sell wine by the bottle or case in this
29 Commonwealth or shall be donated by a person who is neither a
30 licensee nor a permittee who has legally acquired the wine and

1 legally possesses it in this Commonwealth.

2 (h) If any wine sold under this section is purchased from a
3 seller other than a Pennsylvania Liquor Store or a
4 [Pennsylvania] limited winery, the permittee shall provide
5 thirty days' notice to the board of its intent to purchase such
6 wine. The notice shall include a description of the wine to be
7 purchased, the quantity to be purchased, the name of the seller
8 and any other information which the board may require. The
9 permittee shall comply with all board regulations regarding
10 taxes and fees.

11 * * *

12 Section 5. Section 443 of the act, amended May 31, 1996
13 (P.L.312, No.49) and June 18, 1998 (P.L.664, No.86), is amended
14 to read:

15 Section 443. Interlocking Business Prohibited.--(a) No
16 manufacturer of malt or brewed beverages and no officer or
17 director of any such manufacturer shall at the same time be a
18 distributor, importing distributor or retail dispenser, or an
19 officer, director or stockholder or creditor of any distributor,
20 importing distributor or retail dispenser, nor, except as
21 hereinafter provided, be the owner, proprietor or lessor of any
22 place for which a license has been issued for any importing
23 distributor, distributor or retail dispenser, or for which a
24 hotel, restaurant or club liquor license has been issued:

25 Provided, however, That a holder of a manufacturer's license
26 under section 431(a) who is eligible to operate a brewery pub
27 under section 446(2) [or a limited winery as provided for under
28 section 505.2] may also hold and operate under a hotel liquor
29 license, a restaurant liquor license or a malt and brewed
30 beverages retail license on the manufacturer's [or limited

1 winery's] licensed premises. The hotel liquor license or
2 restaurant liquor license or the malt and brewed beverages
3 retail license shall be acquired by the manufacturer [or limited
4 winery] subject to section 461 and shall satisfy all
5 requirements for each respective license.

6 (b) No distributor or importing distributor and no officer
7 or director of any distributor or importing distributor shall at
8 the same time be a manufacturer, a retail dispenser or a liquor
9 licensee, or be an officer, director, stockholder or creditor of
10 a manufacturer, a retail dispenser or a liquor licensee, or,
11 directly or indirectly, own any stock of, or have any financial
12 interest in, or be the owner, proprietor or lessor of, any place
13 covered by any other malt or brewed beverage or liquor license.

14 (c) No licensee licensed under this subdivision (B) of
15 Article IV and no officer or director of such licensee shall,
16 directly or indirectly, own any stock of, or have any financial
17 interest in, any other class of business licensed under this
18 subdivision: Provided, however, That a holder of a
19 manufacturer's license under section 431(a) who is eligible to
20 operate a brewery pub under section 446(2) [or a limited winery
21 as provided for under section 505.2] may also hold and operate
22 under a hotel liquor license, a restaurant liquor license or a
23 malt and brewed beverages retail license on the manufacturer's
24 [or limited winery's] licensed premises. The hotel liquor
25 license or restaurant liquor license or the malt and brewed
26 beverages retail license shall be acquired by the manufacturer
27 [or limited winery] subject to section 461 and shall satisfy all
28 requirements for each respective license.

29 (d) Excepting as hereinafter provided, no malt or brewed
30 beverage manufacturer, importing distributor or distributor

1 shall in any wise be interested, either directly or indirectly,
2 in the ownership or leasehold of any property or in any mortgage
3 against the same, for which a liquor or retail dispenser's
4 license is granted; nor shall any such manufacturer, importing
5 distributor or distributor, either directly or indirectly, lend
6 any moneys, credit or equivalent thereof to, or guarantee the
7 payment of any bond, mortgage, note or other obligation of, any
8 liquor licensee or retail dispenser, in equipping, fitting out,
9 or maintaining and conducting, either in whole or in part, an
10 establishment or business operated under a liquor or retail
11 dispenser's license, excepting only the usual and customary
12 credits allowed for returning original containers in which malt
13 or brewed beverages were packaged for market by the manufacturer
14 at the place of manufacture: Provided, however, That a holder of
15 a manufacturer's license under section 431(a) who is eligible to
16 operate a brewery pub under section 446(2) [or a limited winery
17 as provided for under section 505.2] may also hold and operate
18 under a hotel liquor license, a restaurant liquor license or a
19 malt and brewed beverages retail license on the manufacturer's
20 [or limited winery's] licensed premises. The hotel liquor
21 license or restaurant liquor license or the malt and brewed
22 beverages retail license shall be acquired by the manufacturer
23 [or limited winery] subject to section 461 and shall satisfy all
24 requirements for each respective license.

25 (e) Excepting as hereinafter provided, no manufacturer of
26 malt or brewed beverages shall in any wise be interested, either
27 directly or indirectly, in the ownership or leasehold of any
28 property or any mortgage lien against the same, for which a
29 distributor's or importing distributor's license is granted; nor
30 shall any such manufacturer, either directly or indirectly, lend

1 any moneys, credit, or their equivalent to, or guarantee the
2 payment of any bond, mortgage, note or other obligation of, any
3 distributor or importing distributor, in equipping, fitting out,
4 or maintaining and conducting, either in whole or in part, an
5 establishment or business where malt or brewed beverages are
6 licensed for sale by a distributor or importing distributor,
7 excepting only the usual credits allowed for the return of
8 original containers in which malt or brewed beverages were
9 originally packaged for the market by the manufacturer at the
10 place of manufacture: Provided, however, That a holder of a
11 manufacturer's license under section 431(a) who is eligible to
12 operate a brewery pub under section 446(2) [or a limited winery
13 as provided for under section 505.2] may also hold and operate
14 under a hotel liquor license, a restaurant liquor license or a
15 malt and brewed beverages retail license on the manufacturer's
16 [or limited winery's] licensed premises. The hotel liquor
17 license or restaurant liquor license or the malt and brewed
18 beverages retail license shall be acquired by the manufacturer
19 [or limited winery] subject to section 461 and shall satisfy all
20 requirements for each respective license. Nothing in this
21 section shall be construed to prohibit an out of State
22 manufacturer from engaging in a transaction or making payments
23 authorized by section 431(a.1).

24 (f) No distributor, importing distributor or retail
25 dispenser shall in anywise receive, either directly or
26 indirectly, any credit, loan, moneys or the equivalent thereof
27 from any other licensee, or from any officer, director or firm
28 member of any other licensee, or from or through a subsidiary or
29 affiliate of another licensee, or from any firm, association or
30 corporation, except banking institutions, in which another

1 licensee or any officer, director or firm member of another
2 licensee has a substantial interest or exercises a control of
3 its business policy, for equipping, fitting out, payment of
4 license fee, maintaining and conducting, either in whole or in
5 part, an establishment or business operated under a
6 distributor's, importing distributor's or retail dispenser's
7 license, excepting only the usual and customary credits allowed
8 for the return of original containers in which malt or brewed
9 beverages were packaged for the market by the manufacturer at
10 the place of manufacture: Provided, however, That a holder of a
11 manufacturer's license under section 431(a) who is eligible to
12 operate a brewery pub under section 446(2) [or a limited winery
13 as provided for under section 505.2] may also hold and operate
14 under a hotel liquor license, a restaurant liquor license or a
15 malt and brewed beverages retail license on the manufacturer's
16 [or limited winery's] licensed premises. The hotel liquor
17 license or restaurant liquor license or the malt and brewed
18 beverages retail license shall be acquired by the manufacturer
19 [or limited winery] subject to section 461 and shall satisfy all
20 requirements for each respective license. Nothing in this
21 section shall be construed to prohibit an importing distributor
22 from receiving payment from an out of State manufacturer for
23 engaging in a transaction or performing services authorized by
24 section 431(b) or 444(a.1).

25 (g) The purpose of this section is to require a separation
26 of the financial and business interests between the various
27 classes of business regulated by subdivision (B) of this
28 article, and no person or corporation shall, by any device
29 whatsoever, directly or indirectly, evade the provisions of this
30 section. But in view of existing economic conditions, nothing

1 contained in this section shall be construed to prohibit the
2 ownership of property or conflicting interest by a malt or
3 brewed beverage manufacturer of any place occupied by a
4 distributor, importing distributor or retail dispenser after the
5 manufacturer has continuously owned and had a conflicting
6 interest in such place for a period of at least five years prior
7 to the eighteenth day of July, one thousand nine hundred thirty-
8 five: Provided, however, That a holder of a manufacturer's
9 license under section 431(a) who is eligible to operate a
10 brewery pub under section 446(2) [or a limited winery as
11 provided for under section 505.2] may also hold and operate
12 under a hotel liquor license, a restaurant liquor license or a
13 malt and brewed beverages retail license on the manufacturer's
14 [or limited winery's] licensed premises. The hotel liquor
15 license or restaurant liquor license or the malt and brewed
16 beverages retail license shall be acquired by the manufacturer
17 [or limited winery] subject to section 461 and shall satisfy all
18 requirements for each respective license.

19 The term "manufacturer" as used in this section shall include
20 manufacturers of malt or brewed beverages as defined in this act
21 and any person manufacturing any malt or brewed beverages
22 outside of this Commonwealth.

23 Section 6. Section 446(2) of the act, amended January 6,
24 2006 (P.L.1, No.1), is amended to read:

25 Section 446. Breweries.--Holders of a brewery license may:

26 * * *

27 (2) Operate a restaurant or brewery pub on the licensed
28 premises under such conditions and regulations as the board may
29 enforce: Provided, however, That sales on Sunday may be made
30 irrespective of the volume of food sales if the licensed

1 premises are at a public venue location. The holder of a brewery
2 license may sell at its brewery pub premises [Pennsylvania]
3 wines it has purchased from either the holder of a
4 [Pennsylvania] limited winery license or from the board:
5 Provided, however, That said wines must be consumed at the
6 licensed brewery pub premises.

7 * * *

8 Section 7. Section 491(2) of the act, amended February 21,
9 2002 (P.L.103, No.10), is amended to read:

10 Section 491. Unlawful Acts Relative to Liquor, Alcohol and
11 Liquor Licensees.--

12 It shall be unlawful--

13 * * *

14 (2) Possession or Transportation of Liquor or Alcohol. For
15 any person, except a manufacturer or the board or the holder of
16 a sacramental wine license or of an importer's license, to
17 possess or transport any liquor or alcohol within this
18 Commonwealth which was not lawfully acquired prior to January
19 first, one thousand nine hundred and thirty-four, or has not
20 been purchased from a Pennsylvania Liquor Store or a licensed
21 limited winery [in Pennsylvania], except in accordance with
22 section 488 or the board's regulations. In addition, it shall be
23 lawful for anyone to possess miniatures totaling less than one
24 gallon purchased in another state or a foreign country. The
25 burden shall be upon the person possessing or transporting such
26 liquor or alcohol to prove that it was so acquired. But nothing
27 herein contained shall prohibit the manufacture or possession of
28 wine by any person in his home for consumption of himself, his
29 family and guests and not for sale, not exceeding, during any
30 one calendar year, two hundred gallons, any other law to the

1 contrary notwithstanding. Such wine shall not be manufactured,
2 possessed, offered for sale or sold on any licensed premises.

3 None of the provisions herein contained shall prohibit nor
4 shall it be unlawful for any person to import into Pennsylvania,
5 transport or have in his possession, an amount of liquor not
6 exceeding one gallon in volume upon which a State tax has not
7 been paid, if it can be shown to the satisfaction of the board
8 that such person purchased the liquor in a foreign country or
9 United States territory and was allowed to bring it into the
10 United States. Neither shall the provisions contained herein
11 prohibit nor make it unlawful for (i) any member of the armed
12 forces on active duty, or (ii) any retired member of the armed
13 forces, or (iii) any totally disabled veteran, or (iv) the
14 spouse of any person included in the foregoing classes of
15 persons to import into Pennsylvania, transport or have in his
16 possession an amount of liquor not exceeding one gallon per
17 month in volume upon which the State tax has not been paid, so
18 long as such liquor has been lawfully purchased from a package
19 store established and maintained under the authority of the
20 United States and is in containers identified in accordance with
21 regulations issued by the Department of Defense. Such liquor
22 shall not be possessed, offered for sale or sold on any licensed
23 premises.

24 None of the provisions herein contained shall prohibit nor
25 shall it be unlawful for any consul general, consul or other
26 diplomatic officer of a foreign government to import into
27 Pennsylvania, transport or have in his possession liquor upon
28 which a State tax has not been paid, if it can be shown to the
29 satisfaction of the board that such person acquired the liquor
30 in a foreign country and was allowed to bring it into the United

1 States. Such liquor shall not be possessed, offered for sale or
2 sold on any licensed premises.

3 Any person violating the provisions of this clause for a
4 first offense involving the possession or transportation in
5 Pennsylvania of any liquor in a package (bottle or other
6 receptacle) or wine not purchased from a Pennsylvania Liquor
7 Store or from a licensed limited winery [in Pennsylvania], with
8 respect to which satisfactory proof is produced that the
9 required Federal tax has been paid and which was purchased,
10 procured or acquired legally outside of Pennsylvania shall upon
11 conviction thereof in a summary proceeding be sentenced to pay a
12 fine of twenty-five dollars (\$25) for each such package, plus
13 costs of prosecution, or undergo imprisonment for a term not
14 exceeding ninety (90) days. Each full quart or major fraction
15 thereof shall be considered a separate package (bottle or other
16 receptacle) for the purposes of this clause. Such packages of
17 liquor shall be forfeited to the Commonwealth in the manner
18 prescribed in Article VI of this act but the vehicle, boat,
19 vessel, animal or aircraft used in the illegal transportation of
20 such packages shall not be subject to forfeiture: Provided,
21 however, That if it is a second or subsequent offense or if it
22 is established that the illegal possession or transportation was
23 in connection with a commercial transaction, then the other
24 provisions of this act providing for prosecution as a
25 misdemeanor and for the forfeiture of the vehicle, boat, vessel,
26 animal or aircraft shall apply.

27 * * *

28 Section 8. Section 493(11) of the act, amended June 18, 1998
29 (P.L.664, No.86), is amended to read:

30 Section 493. Unlawful Acts Relative to Liquor, Malt and

1 Brewed Beverages and Licensees.--The term "licensee," when used
2 in this section, shall mean those persons licensed under the
3 provisions of Article IV, unless the context clearly indicates
4 otherwise.

5 It shall be unlawful--

6 * * *

7 (11) Licensees Employed by Others. For any hotel, restaurant
8 or club liquor licensee, or any malt or brewed beverage
9 licensee, or any officer, servant, agent or employe of such
10 licensee, to be at the same time employed, directly or
11 indirectly, by any distributor, importing distributor,
12 manufacturer, importer or vendor licensee or any out of State
13 manufacturer. It shall also be unlawful for any distributor or
14 importing distributor, or any officer, servant, agent or employe
15 of such licensee, to be at the same time employed, directly or
16 indirectly, by any other distributor, importing distributor,
17 manufacturer, importer, vendor, out of State manufacturer, hotel
18 restaurant, malt or brewed beverage licensee, or club liquor
19 licensee. It shall also be unlawful for any manufacturer,
20 importer, or vendor licensee, or any out of State manufacturer,
21 or any officer, servant, agent or employe of such licensee or
22 manufacturer, to be at the same time employed, directly or
23 indirectly, by any hotel, restaurant or club liquor licensee or
24 any malt or brewed beverage licensee or any distributor or
25 importing distributor licensee. Nothing in this subsection shall
26 be construed to prohibit a manufacturer or limited winery
27 licensee, or any officer, servant, agent or employe of such
28 licensee, to be employed at the same time by a hotel, restaurant
29 or retail dispenser licensee if the hotel, restaurant or retail
30 dispenser licensee is located at the manufacturer or limited

1 winery premises pursuant to section 443 or 505.2. For the
2 purposes of this subsection, an officer, servant, agent or
3 employe of a licensee or manufacturer is an individual who has
4 either an ownership interest in the licensee or manufacturer or
5 who receives compensation for his or her work on behalf of the
6 licensee or manufacturer.

7 * * *

8 Section 9. Section 501 of the act is amended to read:

9 Section 501. License Required.--Except as otherwise provided
10 in this article, and except as otherwise provided in article
11 four as to malt and brewed beverages, it shall be unlawful for
12 any person without a license obtained under provisions of this
13 article to hold in storage as bailee for hire, or transport for
14 hire, any malt or brewed beverage, or to manufacture, produce,
15 distill, develop or use in the process of manufacture, denature,
16 redistill, recover, rectify, blend, reuse, hold in bond, hold in
17 storage as bailee for hire, or transport for hire, within this
18 Commonwealth, any alcohol or liquor, [, except that a person may
19 manufacture wine out of grapes grown in Pennsylvania by
20 fermentation only and with no alcohol or alcoholic product added
21 thereto by way of fortification and sell the same to a licensed
22 winery.]

23 Section 10. Section 505.2 of the act, amended December 8,
24 2004 (P.L.1810, No.239), is amended to read:

25 Section 505.2. Limited Wineries.--(a) [In the interest of
26 promoting tourism and recreational development in Pennsylvania,
27 holders] HOLDERS of a limited winery license may:

28 (1) Produce alcoholic ciders[, wines and wine coolers,
29 subject to the exceptions provided under this section, only from
30 an agricultural commodity grown in Pennsylvania] and wines.

1 (2) Sell alcoholic cider[, wine and wine coolers] and wine
2 produced by the limited winery or purchased in bulk in bond from
3 another Pennsylvania limited winery on the licensed premises,
4 under such conditions and regulations as the board may enforce,
5 to the board, to individuals and to brewery, hotel, restaurant,
6 club and public service liquor licensees, and to [Pennsylvania]
7 limited winery licensees: Provided, That a limited winery shall
8 not, in any calendar year, purchase alcoholic cider or wine
9 produced by other limited wineries in an amount in excess of
10 fifty per centum of the alcoholic cider or wine produced by the
11 purchasing limited winery in the preceding calendar year. [In
12 addition, the holder of a limited winery license may purchase
13 wine in bottles from another Pennsylvania limited winery if
14 these wines undergo a second fermentation process. Such wine may
15 be sold in bottles bearing the purchasing limited winery's label
16 or the producing limited winery's label. Such wines, if sold by
17 the board, may be sold by the producing limited winery to the
18 purchasing limited winery at a price lower than the price
19 charged by the board.]

20 (3) [Separately or in conjunction with other limited
21 wineries, sell] Sell alcoholic cider[, wine and wine coolers]
22 and wine produced by the limited winery on no more than five (5)
23 board-approved satellite locations other than the primary
24 licensed premises location, with no bottling or production
25 requirement at [those additional] the board-approved satellite
26 locations and under such conditions and regulations as the board
27 may enforce, to the board, to individuals and to brewery, hotel,
28 restaurant, club and public service liquor licensees. [If two or
29 more limited wineries apply to operate an additional board-
30 approved location in conjunction with each other, the wineries

1 need only have one board-approved manager for the location, need
2 only pay one application fee and need not designate specific or
3 distinct areas for each winery's licensed area. Each limited
4 winery must file an application for such an additional board-
5 approved location, and such location shall count as one of the
6 five permitted for each limited winery. Each limited winery is
7 responsible for keeping only its own complete records. A limited
8 winery may be cited for a violation of the recordkeeping
9 requirements of sections 512 and 513 pertaining to its own
10 records only.] A limited winery seeking a board-approved
11 satellite location must file an application seeking board
12 approval.

13 (4) At the discretion of the board, obtain a special permit
14 to participate in alcoholic cider, wine and food expositions off
15 the licensed premises. A special permit shall be issued upon
16 proper application and payment of a fee of thirty dollars (\$30)
17 per day for each day of permitted use, not to exceed five (5)
18 consecutive days. The total number of days for all the special
19 permits may not exceed forty (40) days in any calendar year. A
20 special permit shall entitle the holder to engage in the sale by
21 the glass, by the bottle or in case lots of alcoholic cider or
22 wine produced by the permittee under the authority of a limited
23 winery license. Holders of special permits may provide tasting
24 samples of alcoholic ciders and wines in individual portions not
25 to exceed one fluid ounce. Samples at alcoholic cider, wine and
26 food expositions may be sold or offered free of charge. Except
27 as provided herein, limited wineries utilizing special permits
28 shall be governed by all applicable provisions of this act as
29 well as by all applicable regulations or conditions adopted by
30 the board. Notwithstanding any other provisions of law, permits

1 may not be utilized in supermarkets or other similar locations.

2 For the purposes of this clause, "alcoholic cider, wine and
3 food expositions" are defined as affairs held indoors or
4 outdoors with the primary intent of educating those in
5 attendance of the availability, nature and quality of
6 [Pennsylvania-produced] alcoholic ciders and wines in
7 conjunction with suitable food displays, demonstrations and
8 sales. Alcoholic cider, wine and food expositions may also
9 include activities other than alcoholic cider, wine and food
10 displays, including arts and crafts, musical activities,
11 cultural exhibits, agricultural exhibits and similar activities.

12 (5) Apply for and hold a hotel liquor license, a restaurant
13 liquor license or a malt and brewed beverages retail license to
14 sell for consumption at the restaurant or limited winery on the
15 licensed winery premises, liquor, wine and malt or brewed
16 beverages regardless of the place of manufacture under the same
17 conditions and regulations as any other hotel liquor license,
18 restaurant liquor license or malt and brewed beverages retail
19 license.

20 [(6) (i) Secure a permit from the board to allow the holder
21 of a limited winery license to use up to twenty-five per centum
22 permitted fruit, not wine, in the current year's production.
23 Each permit is valid only for the calendar year in which it is
24 issued.

25 (ii) The fee for a permit to import and use permitted fruit
26 shall be in an amount to be determined by the board.

27 (iii) The purpose of this section is to increase the
28 productivity of limited wineries while at the same time
29 protecting the integrity and unique characteristics of wine
30 produced from fruit primarily grown in this Commonwealth.

1 Prevailing climatic conditions have a significant impact on the
2 character of the fruit. Accordingly, "permitted fruit" shall
3 mean fruit grown or juice derived from fruit grown within three
4 hundred fifty (350) miles of the winery.

5 (iv) The department is authorized to promulgate regulations
6 requiring the filing of periodic reports by limited wineries to
7 ensure compliance with the provisions of this section.]

8 (6.1) [Sell] At the primary licensed premises location only,
9 sell food for consumption on or off the licensed premises and
10 sell by the glass only wine and alcoholic ciders that may
11 otherwise be sold by the bottle.

12 (6.2) Sell wine- or liquor-scented candles acquired or
13 produced by the limited winery.

14 (6.3) Sell alcoholic cider, wine and wine coolers only
15 between the hours of nine o'clock antemeridian and nine o'clock
16 postmeridian. During the period from Thanksgiving Day through
17 New Year's Day, limited winery sales locations may remain open
18 to conform with the closing times of neighboring mall or
19 shopping district businesses but no later than ten o'clock
20 postmeridian. A limited winery also may request approval from
21 the board to extend sales hours in individual locations at other
22 times during the year or beyond the limits set forth in this
23 clause. The request shall be made in writing to the board's
24 Office of the Chief Counsel and shall detail the exact locations
25 where sales hours are proposed to be extended, the proposed
26 hours and dates of extended operation and the reason for the
27 proposed extended hours. This paragraph shall not be construed
28 as regulating the hours of operation by a limited winery for a
29 location outside of this Commonwealth.

30 (b) The total production of alcoholic ciders, wine and wine

1 coolers by a limited winery may not exceed [two hundred thousand
2 (200,000) gallons per year.] eighty thousand (80,000) gallons
3 per year, including wine in bulk in bond sold to or obtained
4 from other limited wineries.

5 [(c) The term "agricultural commodity" as used in this
6 section shall include any of the following: agricultural,
7 apicultural, horticultural, silvicultural and viticultural
8 commodities.]

9 (d) No limited winery licensee, or its officers, directors,
10 shareholders or members, shall hold any interest in any other
11 license issued by the board; nor shall any limited winery
12 licensee, or its officers, directors, shareholders or members,
13 either directly or indirectly, lend any moneys, credit or
14 equivalent thereof to any other licensee; nor shall any limited
15 winery licensee, or its officers, directors, shareholders or
16 members guarantee the payment of any bond, mortgage, note or
17 other obligation of any other licensee; nor shall any limited
18 winery licensee, or its officers, directors, shareholders or
19 members, be the owner, proprietor or lessor of any place for
20 which any other license has been issued by the board.

21 Notwithstanding this section, a limited winery licensee may hold
22 and operate a hotel liquor license, a restaurant liquor license
23 or a malt or brewed beverages retail dispenser license at the
24 limited winery licensee's primary licensed premises location.

25 (e) No limited winery licensee, or its officers, directors,
26 shareholders, members, employees, servants or agents may deliver
27 wine to a licensed or unlicensed customer off of the limited
28 winery's licensed premises, except in accordance with section
29 207(e). Wine sold directly by the limited winery and delivered
30 to customers pursuant to section 207(e) is subject to taxes in

1 the same manner as wine sold through the Pennsylvania Liquor
2 Stores.

3 Section 11. This act shall take effect in 60 days.