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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 867 Session of  
2013

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INTRODUCED BY MUSTIO, KILLION, DAVIDSON, REESE, PAYNE, TAYLOR  
AND KRIEGER, MARCH 11, 2013

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REFERRED TO COMMITTEE ON LIQUOR CONTROL, MARCH 11, 2013

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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," in  
17 preliminary provisions, further providing for definitions; in  
18 Pennsylvania Liquor Control Board, further providing for  
19 general powers of the board; in Pennsylvania Liquor Stores,  
20 further providing for when sales may be made at Pennsylvania  
21 Liquor Stores and for sales by Pennsylvania Liquor Stores;  
22 providing for licensed package stores; in licenses and  
23 regulations and liquor, alcohol and malt and brewed  
24 beverages, further providing for authority to issue liquor  
25 licenses to hotels, restaurants and clubs, for issuance,  
26 transfer or extension of hotel, restaurant and club liquor  
27 licenses, for sales by liquor licensees and restrictions, for  
28 malt and brewed beverages manufacturers', distributors' and  
29 importing distributors' licenses, for malt and brewed  
30 beverages retail licenses, for number and kinds of licenses  
31 allowed same licensee, for licenses not assignable and  
32 transfers, for revocation and suspension of licenses and  
33 fines, for responsible alcohol management and for unlawful  
34 acts relative to liquor, malt and brewed beverages and

1 licensees; providing for privatization of wholesale liquor  
2 distribution; in disposition of moneys collected under  
3 provisions of act, further providing for moneys paid into  
4 Liquor License Fund and returned to municipalities and for  
5 moneys paid into the State Stores Fund for use of the  
6 Commonwealth and providing for Public Education Legislative  
7 Initiative Fund; imposing duties on the Department of General  
8 Services; and making a related repeal.

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

11 Section 1. The definition of "potable distilled spirits" in  
12 section 102 of the act of April 12, 1951 (P.L.90, No.21), known  
13 as the Liquor Code, reenacted and amended June 29, 1987 (P.L.32,  
14 No.14), is amended and the section is amended by adding  
15 definitions to read:

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

19 "Affiliate" or "person affiliated with" shall mean a person  
20 that directly or indirectly, through one or more intermediaries,  
21 controls, is controlled by or is under common control with a  
22 specified person.

23 \* \* \*

24 "Bid-rigging" shall mean the concerted activity of two or  
25 more persons to determine in advance, or attempt to influence,  
26 the selected bidder for a package store license. The term  
27 includes any of the following:

28 (1) Conspiring or cooperating in the preparation of bids,  
29 including the determination of bid amounts.

30 (2) Submitting prearranged bids, agreed-upon higher or lower  
31 bids or other complementary bids.

32 (3) Agreeing to submit identical bids.

33 (4) Agreeing to coordinate the retail zones in which a  
34 person will or will not submit a bid.

1 (5) Agreeing to share profits with or give an equity  
2 interest to a person who does not submit the high bid.

3 (6) Agreeing to set up territories to restrict competition.

4 (7) Agreeing not to submit a bid.

5 "Blended brand valuation" shall mean, for a particular brand  
6 of liquor, the sum of the wholesale profit margin on each  
7 product of a brand.

8 \* \* \*

9 "Brand of liquor" shall mean a liquor product or series of  
10 liquor products produced by a single manufacturer.

11 \* \* \*

12 "Change in control" shall mean, for purposes of wine and  
13 spirits wholesale licensees, the acquisition by a person or  
14 group of persons acting in concert of more than twenty per  
15 centum of:

16 (1) a licensee's securities or other ownership interests,  
17 except for an ownership interest of the person that existed at  
18 the time of initial licensing; or

19 (2) the securities or other ownership interests of a  
20 corporation or other legal entity which owns, directly or  
21 indirectly, at least twenty per centum of the securities or  
22 other ownership interests of the licensee.

23 \* \* \*

24 "Controlling interest" shall mean as follows:

25 (1) For a publicly traded legal entity, an interest in a  
26 legal entity, applicant or licensee by which a person's sole  
27 voting rights under State law or corporate articles or bylaws  
28 entitle the person to elect or appoint one or more of the  
29 members of the board of directors or other governing board or  
30 the ownership, directly or indirectly, of five per centum or

1 more of the securities of the publicly traded corporation.

2 (2) For a privately held corporation, partnership, limited  
3 liability company or other form of a privately held legal  
4 entity, the holding of securities in the legal entity.

5 \* \* \*

6 "Department" shall mean the Department of General Services of  
7 the Commonwealth.

8 \* \* \*

9 "Licensed premises" or "controlled area" shall mean the areas  
10 utilized by a wholesale or retail licensee for the storage, sale  
11 or distribution of liquor.

12 \* \* \*

13 "Package store licensee" shall mean a license issued by the  
14 board authorizing a person to sell and distribute liquor to the  
15 public on a retail basis in accordance with this act.

16 \* \* \*

17 "Potable distilled spirits" or "spirits" shall mean and  
18 include any distillate from grains, wine, fruits, vegetables or  
19 molasses, except ethyl alcohol, capable of being used for  
20 beverage purposes.

21 \* \* \*

22 "Variable pricing" shall mean, for purposes of the wholesale  
23 sale of liquor, a disparity in the price of an item sold to one  
24 licensee as compared to the price of the same item to another  
25 licensee or a licensee of a different classification. The term  
26 shall not include discounts for volume purchases.

27 \* \* \*

28 "Wholesale acquisition factor" shall mean a factor of 2.5  
29 applied to the wholesale profit margin of a brand of liquor in  
30 determining the wholesale license fee.

1 "Wholesale profit margin" shall mean twenty per centum of the  
2 total of costs of goods sold of a particular liquor product over  
3 the most recent twelve-month period for which information is  
4 available.

5 \* \* \*

6 "Wine and spirits wholesale license" shall mean a license  
7 issued by the department or the board authorizing a person to  
8 sell and distribute liquor on a wholesale basis to package store  
9 licensees and other licensees under this act.

10 "Wine and spirits wholesale licensee" shall mean a person  
11 that holds a wine and spirits wholesale license under this act.

12 \* \* \*

13 Section 2. Section 207 of the act, amended or added  
14 February 21, 2002 (P.L.103, No.10), November 30, 2004 (P.L.1727,  
15 No.221) and December 8, 2004 (P.L.1810, No.239), is amended to  
16 read:

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

19 (a) (1) To buy, import or have in its possession for sale  
20 and sell liquor, alcohol, corkscrews, wine and liquor  
21 accessories, trade publications, gift cards, gift certificates,  
22 wine- or liquor-scented candles and wine glasses in the manner  
23 set forth in this act: Provided, however, That all purchases  
24 shall be made subject to the approval of the State Treasurer, or  
25 his designated deputy. The board shall buy liquor and alcohol at  
26 the lowest price and in the greatest variety reasonably  
27 obtainable.

28 (2) Upon substantial divestiture of the board's wholesale  
29 portfolio of wine and spirits to wine and spirits wholesale  
30 licensees under Article IV-A, purchases of liquor and alcohol by

1 the board for sale shall be made only from a wine and spirits  
2 wholesale licensee.

3 (b) (1) To control the manufacture, possession, sale,  
4 consumption, importation, use, storage, transportation and  
5 delivery of liquor, alcohol and malt or brewed beverages in  
6 accordance with the provisions of this act, and to fix the  
7 wholesale and retail prices at which liquors and alcohol shall  
8 be sold at Pennsylvania Liquor Stores. [Prices shall be  
9 proportional with prices paid by the board to its suppliers and  
10 shall reflect any advantage obtained through volume purchases by  
11 the board.] Prices for a particular liquor product offered for  
12 sale by the board shall be uniform throughout this Commonwealth.

13 The board [may] shall, whenever practical, establish a  
14 preferential price structure for wines produced within this  
15 Commonwealth for the promotion of such wines, as long as the  
16 price structure is uniform within each class of wine purchased  
17 by the board. The board shall require each Pennsylvania  
18 manufacturer and each nonresident manufacturer of liquors, other  
19 than wine, selling such liquors to the board, which are not  
20 manufactured in this Commonwealth, to make application for and  
21 be granted a permit by the board before such liquors not  
22 manufactured in this Commonwealth shall be purchased from such  
23 manufacturer. Each such manufacturer shall pay for such permit a  
24 fee which, in the case of a manufacturer of this Commonwealth,  
25 shall be equal to that required to be paid, if any, by a  
26 manufacturer or wholesaler of the state, territory or country of  
27 origin of the liquors, for selling liquors manufactured in  
28 Pennsylvania, and in the case of a nonresident manufacturer,  
29 shall be equal to that required to be paid, if any, in such  
30 state, territory or country by Pennsylvania manufacturers doing

1 business in such state, territory or country. In the event that  
2 any such manufacturer shall, in the opinion of the board, sell  
3 or attempt to sell liquors to the board through another person  
4 for the purpose of evading this provision relating to permits,  
5 the board shall require such person, before purchasing liquors  
6 from him or it, to take out a permit and pay the same fee as  
7 hereinbefore required to be paid by such manufacturer. All  
8 permit fees so collected shall be paid into the State Stores  
9 Fund. The board shall not purchase any alcohol or liquor  
10 fermented, distilled, rectified, compounded or bottled in any  
11 state, territory or country, the laws of which result in  
12 prohibiting the importation therein of alcohol or liquor,  
13 fermented, distilled, rectified, compounded or bottled in  
14 Pennsylvania.

15 (2) The board may not assess a markup on the sale of liquor  
16 that exceeds twenty-five per centum of the cost of the  
17 particular liquor product sold to the board.

18 (c) To determine the municipalities within which  
19 Pennsylvania Liquor Stores shall be established and the  
20 locations of the stores within such municipalities.

21 (d) To grant and issue all licenses and to grant, issue,  
22 suspend and revoke all permits authorized to be issued under  
23 this act.

24 (e) Through the Department of General Services as agent, to  
25 lease and furnish and equip such buildings, rooms and other  
26 accommodations as shall be required for the operation of this  
27 act.

28 (f) To appoint, fix the compensation and define the powers  
29 and duties of such managers, officers, inspectors, examiners,  
30 clerks and other employes as shall be required for the operation

1 of this act, subject to the provisions of The Administrative  
2 Code of 1929 and the Civil Service Act.

3 (g) To determine the nature, form and capacity of all  
4 packages and original containers to be used for containing  
5 liquor, alcohol or malt or brewed beverages.

6 (h) Without in any way limiting or being limited by the  
7 foregoing, to do all such things and perform all such acts as  
8 are deemed necessary or advisable for the purpose of carrying  
9 into effect the provisions of this act and the regulations made  
10 thereunder.

11 (i) From time to time, to make such regulations not  
12 inconsistent with this act as it may deem necessary for the  
13 efficient administration of this act. The board shall cause such  
14 regulations to be published and disseminated throughout the  
15 Commonwealth in such manner as it shall deem necessary and  
16 advisable or as may be provided by law. Such regulations adopted  
17 by the board shall have the same force as if they formed a part  
18 of this act.

19 (j) By regulation, to provide for the use of a computerized  
20 referral system to assist consumers in locating special items at  
21 Pennsylvania Liquor Stores and for the use of electronic  
22 transfer of funds and credit cards for the purchase of liquor  
23 and alcohol at Pennsylvania Liquor Stores.

24 (k) To issue grants to various entities for alcohol  
25 education and prevention efforts.

26 (l) The board may buy, import or have in its possession for  
27 sale to consumers and sell malt or brewed beverages at  
28 Pennsylvania Liquor Stores for off-premises consumption under  
29 the following conditions:

30 (1) For each Pennsylvania Liquor store at which malt or

1 brewed beverages are to be sold, the board shall make a one-time  
2 deposit of fifty thousand dollars (\$50,000) into the Public  
3 Education Legislative Initiative Fund.

4 (2) The board may not warehouse or deliver malt and brewed  
5 beverages. The board shall purchase malt and brewed beverages at  
6 wholesale from an importing distributor licensed under section  
7 431 and shall take delivery of the malt or brewed beverages at  
8 the Pennsylvania Liquor store at which the beverages are to be  
9 sold.

10 (3) The board may not sell malt and brewed beverages to  
11 persons licensed or permitted to sell malt and brewed beverages  
12 by the board.

13 (4) The board shall maintain records of all transactions.

14 Section 3. Section 304 of the act, amended December 8, 2004  
15 (P.L.1810, No.239), is amended to read:

16 Section 304. When Sales May Be Made at Pennsylvania Liquor  
17 Stores.--(a) Except as provided for in subsection (b), every  
18 Pennsylvania Liquor Store shall be open for business week days,  
19 except holidays as that term is defined in section 102. The  
20 board may, with the approval of the Governor, temporarily close  
21 any store in any municipality.

22 (b) Certain Pennsylvania Liquor Stores operated by the board  
23 shall be open for Sunday retail sales between the hours of  
24 [noon] nine o'clock antemeridian and [five] nine o'clock  
25 postmeridian, except that no Sunday sales shall occur on Easter  
26 Sunday or Christmas day. The board shall open up [to twenty-five  
27 per centum of the total number of Pennsylvania Liquor Stores at  
28 its discretion] as many Pennsylvania Liquor Stores as it deems  
29 necessary for Sunday sales as provided for in this subsection.  
30 The board shall submit yearly reports to the Appropriations and

1 the Law and Justice Committees of the Senate and the  
2 Appropriations and the Liquor Control Committees of the House of  
3 Representatives summarizing the total dollar value of sales  
4 under this section.

5 Section 4. Section 305 of the act, amended May 8, 2003  
6 (P.L.1, No.1), July 17, 2003 (P.L.63, No.15), December 8, 2004  
7 (P.L.1810, No.239), July 6, 2005 (P.L.135, No.39) and July 5,  
8 2012 (P.L.1007, No.116), is amended to read:

9 Section 305. Sales by Pennsylvania Liquor Stores.--(a) The  
10 board shall in its discretion determine where and what classes,  
11 varieties and brands of liquor and alcohol it shall make  
12 available to the public and where such liquor and alcohol will  
13 be sold. Every Pennsylvania Liquor Store shall be authorized to  
14 sell combination packages. If a person desires to purchase a  
15 class, variety or brand of liquor or alcohol not currently  
16 available from the board, he or she may place a special order  
17 for such item so long as the order is for two or more bottles.  
18 The board may require a reasonable deposit from the purchaser as  
19 a condition for accepting the order. The customer shall be  
20 notified immediately upon the arrival of the goods.

21 In computing the retail price of such special orders for  
22 liquor or alcohol, the board shall not include the cost of  
23 freight or shipping before applying the mark-up and taxes but  
24 shall add the freight or shipping charges to the price after the  
25 mark-up and taxes have been applied.

26 Unless the customer pays for and accepts delivery of any such  
27 special order within ten days after notice of arrival, the store  
28 may place it in stock for general sale and the customer's  
29 deposit shall be forfeited.

30 (b) (1) Every Pennsylvania Liquor Store shall sell liquors

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

26 (2) Upon substantial divestiture of wholesale operations to  
27 wine and spirits wholesale licensees under Article IV-A, sales  
28 to persons licensed under this act may be made only in emergency  
29 situations, as defined by the board by regulation.

30 (c) Whenever any checks issued in payment of liquor or

1 alcohol purchased from State Liquor Stores by persons holding  
2 wholesale purchase permit cards issued by the board shall be  
3 returned to the board as dishonored, the board shall charge a  
4 fee of five dollars per hundred dollars or fractional part  
5 thereof, plus all protest fees, to the maker of such check  
6 submitted to the board. Failure to pay the face amount of the  
7 check in full and all charges thereon as herein required within  
8 ten days after demand has been made by the board upon the maker  
9 of the check shall be cause for revocation or suspension of any  
10 license issued by the board to the person who issued such check  
11 and the cancellation of the wholesale purchase permit card held  
12 by such person.

13 (d) No liquor or alcohol package shall be opened on the  
14 premises of a Pennsylvania Liquor Store. No manager or other  
15 employe of the board employed in a Pennsylvania Liquor Store  
16 shall allow any liquor or alcohol to be consumed on the store  
17 premises, nor shall any person consume any liquor or alcohol on  
18 such premises, except liquor and alcohol which is part of a  
19 tasting conducted pursuant to the board's regulations. Such  
20 tastings may also be conducted in the board's headquarters or  
21 regional offices.

22 (e) The board may sell tax exempt alcohol to the  
23 Commonwealth of Pennsylvania and to persons to whom the board  
24 shall, by regulation to be promulgated by it, issue special  
25 permits for the purchase of such tax exempt alcohol.

26 Such permits may be issued to the United States or any  
27 governmental agency thereof, to any university or college of  
28 learning, any laboratory for use exclusively in scientific  
29 research, any hospital, sanitorium, eleemosynary institution or  
30 dispensary; to physicians, dentists, veterinarians and

1 pharmacists duly licensed and registered under the laws of the  
2 Commonwealth of Pennsylvania; to manufacturing chemists and  
3 pharmacists or other persons for use in the manufacture or  
4 compounding of preparations unfit for beverage purposes.

5 (f) Every purchaser of liquor, alcohol, corkscrews, wine or  
6 liquor accessories, trade publications, gift cards, gift  
7 certificates, wine- or liquor-scented candles or wine glasses  
8 from a Pennsylvania Liquor Store shall receive a numbered  
9 receipt which shall show the price paid therefor and such other  
10 information as the board may prescribe. Copies of all receipts  
11 issued by a Pennsylvania Liquor Store shall be retained by and  
12 shall form part of the records of such store.

13 (g) The board is hereby authorized and empowered to adopt  
14 and enforce appropriate rules and regulations to insure the  
15 equitable wholesale and retail sale and distribution, through  
16 the Pennsylvania Liquor Stores, of available liquor and alcohol  
17 at any time when the demand therefor is greater than the supply.

18 (h) Every Pennsylvania Liquor Store shall sell gift  
19 certificates and gift cards which may be redeemed for any  
20 product sold by the board. In addition, the board may sell  
21 corkscrews, wine and liquor accessories, wine- or liquor-scented  
22 candles, trade publications and wine sleeves at Pennsylvania  
23 Liquor Stores.

24 (i) Notwithstanding any other provision of law to the  
25 contrary, the board may sell wine in containers having a  
26 capacity of sixty liters or less.

27 Section 5. The act is amended by adding an article to read:

28 ARTICLE III-A

29 LICENSED PACKAGE STORES

30 Section 301-A. Retail sales through issuance of package store

1           licenses.

2       (a) Authorized retail licenses.--The department may issue  
3 not more than 1,400 package store licenses to qualified  
4 applicants and then to successful bidders in accordance with  
5 this article.

6       (b) Other licenses.--Nothing in this article or this act may  
7 prohibit a package store licensee from applying for and, if  
8 approved, being issued a distributor license as referred to  
9 under section 431 that authorizes the licensee to sell malt and  
10 brewed beverages at retail for off-premises consumption. Use of  
11 the licenses shall be in a manner consistent with section 315-A.  
12 Section 302-A. Sale and auction of package store licenses.

13       (a) Application for package store licenses.--For the first  
14 90 days following the effective date of this section, the  
15 department, with the cooperation and assistance of the board,  
16 shall receive applications from distributors licensed under  
17 section 431 whose license was in active status with the board on  
18 the effective date of this section for the issuance of package  
19 store licenses.

20       (b) Auction of remaining licenses.--

21           (1) At the conclusion of the 90-day period under  
22 subsection (a), the department, with the cooperation and  
23 assistance of the board, shall auction the remaining package  
24 store licenses on a county-by-county basis to bidders.

25           (2) To determine the number of remaining package store  
26 licenses, the department, with the full cooperation of the  
27 board, shall subtract the total number of applications that  
28 were accepted by the department and the board under  
29 subsection (a) from the total number of distributors licensed  
30 under section 431 whose license was in active status with the

1 board on the effective date of this section and add 200,  
2 which shall be the total number of package store licenses  
3 authorized for auction.

4 (3) To determine how many package store licenses in each  
5 county shall be auctioned, the department, with the full  
6 cooperation and assistance of the board, shall assign package  
7 store licenses consistent with all of the following:

8 (i) The department shall assign package store  
9 licenses to counties across this Commonwealth.

10 (ii) In assigning package store licenses, the  
11 department shall balance the factor of historic sales of  
12 liquor, population density and median household income  
13 with the policy objective of assuring adequate and  
14 reasonable liquor distribution in all areas of this  
15 Commonwealth.

16 (4) The department shall assign package store licenses  
17 through the promulgation of temporary regulations and shall  
18 publish the temporary regulations in the Pennsylvania  
19 Bulletin.

20 Section 303-A. Application for package store licenses by  
21 distributors.

22 (a) Application.--In accordance with section 302-A, the  
23 department, with the full cooperation of the board, shall  
24 receive applications for package store licenses from  
25 distributors licensed under section 431 whose licenses were in  
26 active status with the board on the effective date of this  
27 section.

28 (b) Investigation.--Upon receiving an application, the  
29 department shall conduct an investigation based upon the  
30 information submitted to evaluate whether the applicant meets

1 all of the following:

2 (1) The applicant qualifies as a responsible and  
3 suitable person to hold a package store liquor license and  
4 operate a package store location.

5 (2) The applicant has proposed an acceptable facility  
6 and location for a package store.

7 (3) The applicant's planned operation complies with the  
8 requirements prescribed in this article and the statement of  
9 conditions under section 310-A.

10 (c) Additional information.--The department may require  
11 additional information from an applicant and conduct onsite  
12 inspections, as necessary, to complete the application process.

13 (d) Assistance with investigations.--The department may  
14 enter into an agreement with the Pennsylvania State Police or  
15 the Office of Inspector General to assist the department in the  
16 conduct of investigations under this section. The agreement  
17 shall provide for the reimbursement of the Pennsylvania State  
18 Police or the Office of Inspector General for the actual costs  
19 incurred for providing assistance.

20 (e) Application fee.--There shall be an application fee of  
21 \$5,000 payable at the time of application. This fee shall be  
22 refunded to the applicant if, due to no fault of the applicant,  
23 the package store license is not issued to the applicant.

24 (f) Retail license fee.--

25 (1) There shall be a one-time retail license fee payable  
26 by applicants based on the following:

27 (i) For authority to sell wine for consumption off  
28 the licensed premises, \$50,000.

29 (ii) For authority to sell spirits for consumption  
30 off the licensed premises, \$50,000.

1           (2) The retail license fee shall be payable via  
2 certified check or wire transfer to a designated restricted  
3 account established in The State Stores Fund within 60 days  
4 of the date of application by the distributor or prior to the  
5 issuance of the package store license, whichever is earlier  
6 in time.

7           (g) Investigative fees.--The department shall have the  
8 authority to establish, charge and collect fees from an  
9 applicant to recover the costs directly related to the  
10 department's investigation within the application process.

11           (h) Acceptance of qualifications.--An applicant's  
12 qualifications will be accepted by the department if the  
13 department's investigation reveals all of the following:

14           (1) The applicant was truthful.

15           (2) The applicant and its officers, directors and  
16 principals, if any, are of good character, integrity and  
17 suitability.

18           (3) The applicant possesses sufficient financial  
19 resources to operate a package store, pay all taxes due and  
20 meet all other financial obligations.

21           (4) The applicant possesses sufficient business ability  
22 to operate a package store.

23           (5) The proposed facility complies with the requirements  
24 prescribed in this article and the statement of conditions  
25 under section 310-A.

26           (i) Issuance of license.--If an applicant's qualifications  
27 are accepted by the department, the department shall qualify the  
28 applicant and issue a package store license upon the occurrence  
29 of all of the following:

30           (1) The execution and delivery to the department and the

1 board of the statement of conditions required under section  
2 310-A.

3 (2) Payment of any outstanding application, license or  
4 investigation fees.

5 (3) The surrender of the distributor's license issued  
6 pursuant to section 431.

7 (4) Fulfillment of any other conditions required by the  
8 department.

9 (j) License endorsements.--Licenses issued pursuant to this  
10 section shall include endorsements that indicate that the  
11 licensee is authorized to engage in the retail sale of malt and  
12 brewed beverages in packages and volumes as permitted for sale  
13 by distributor licensee under section 431, excluding packages  
14 and volumes authorized via an expanded sales permit under  
15 section 431(g), and:

16 (1) Wine if the one-time license fee under subsection  
17 (f) for wine has been paid.

18 (2) Spirits if the one-time license fee under subsection  
19 (f) for spirits has been paid.

20 (k) Qualifications unacceptable.--If an applicant's  
21 qualifications are not accepted by the department, the  
22 department shall add the license to the number of package store  
23 licenses being made available for auction pursuant to this  
24 article.

25 (l) Approval of qualifications.--If the qualifications of  
26 the applicant are approved by the department, the department  
27 shall issue a package store license to the applicant consistent  
28 with the requirements of subsection (i).

29 (m) License not entitlement.--Nothing contained in this  
30 article is intended or may be construed to create an entitlement

1 to a package store license. A package store license shall be a  
2 privilege as between the board and the licensee, but shall be  
3 property as between the licensee and third parties.

4 (n) Terms of licensure.--A package store license, after  
5 payment of the applicable fees, shall be in effect unless  
6 suspended, revoked or not renewed by the board upon good cause  
7 shown consistent with the license requirements as provided for  
8 under this article. The license of a package store licensee in  
9 good standing shall be subject to renewal every two years  
10 consistent with this article. Nothing under this subsection may  
11 relieve a package store licensee of the affirmative duty to  
12 notify the board of any changes relating to the status of its  
13 license or to any other information contained in the application  
14 materials on file with the department or the board.

15 Section 304-A. Conduct of retail auctions and requirements.

16 (a) Conduct of auctions.--The department shall conduct an  
17 auction for package store licenses for each county in this  
18 Commonwealth to which a package store license has been assigned  
19 for auction under sections 302-A(b) and 303-A(k) consistent with  
20 the following:

21 (1) The department shall establish a deadline for  
22 submission of bids for auctions.

23 (2) The department shall review the submission of timely  
24 bids to determine compliance with the minimum bid  
25 requirements of section 309-A. A bid that does not comply  
26 with the minimum bid amount shall be rejected. Bidder  
27 identification information and bid amount for an accepted bid  
28 shall be made subject to public disclosure.

29 (3) The department shall select the highest bid for best  
30 and final offers. The number of bids selected for each county

1 shall be equal to two times the number of package store  
2 licenses assigned for auction by the department to a given  
3 county. The department shall notify the bidders of the  
4 selected bids in each county.

5 (4) The department shall establish a best and final  
6 offer period in which the bidders making the selected bids  
7 under paragraph (3) shall be provided an opportunity to  
8 submit a revised bid that will represent its best and final  
9 offer. A bidder may not submit a best and final offer that  
10 includes a bid amount less than the bidder's original bid.

11 (5) The department shall review the best and final  
12 offers submitted under paragraph (4) and shall accept a high  
13 bidder for each license in each county.

14 (b) Other bidders.--Nothing in this article may prohibit a  
15 person licensed by the department to sell malt and brewed  
16 beverages at retail for off-premises consumption from submitting  
17 a bid and, if successful, being issued a package store license.  
18 Use of the licenses shall be in a manner consistent with section  
19 314-A.

20 (c) Bidder collusion.--Persons may not collude to rig a bid  
21 involving a package store license.

22 (d) Criminal penalty.--

23 (1) An individual who violates subsection (c) commits a  
24 felony of the third degree and shall, upon conviction, be  
25 sentenced to pay a fine of not more than \$50,000 or to  
26 imprisonment for not more than one year, or both.

27 (2) A person other than an individual that violates  
28 subsection (c) commits a felony of the third degree and  
29 shall, upon conviction, be sentenced to pay a fine of not  
30 more than \$1,000,000.

1 (e) Civil penalty.--

2 (1) Except as set forth in paragraph (2), the Attorney  
3 General may bring a civil action against a person that  
4 violates subsection (c) for a penalty of up to \$100,000.

5 (2) If there is a criminal action under subsection (d),  
6 paragraph (1) shall not apply.

7 (f) Disqualification, termination and debarment.--In  
8 addition to any other criminal or civil penalties imposed under  
9 this section, the following shall apply to a person penalized  
10 under subsection (d) or (e):

11 (1) The person shall be disqualified from bidding on or  
12 holding a package store license or holding any other license  
13 authorized under this act for a period of three years.

14 (2) The board shall revoke any license issued under this  
15 act.

16 (3) The person may be subject to 62 Pa.C.S. § 531  
17 (relating to debarment or suspension).

18 Section 305-A. Postqualification of selected bidders.

19 (a) Investigation.--Upon selection of a bid under section  
20 304-A(a)(5), the department shall conduct an investigation of  
21 each bidder whose bid was accepted under section 304-A(a)(5)  
22 based upon the information submitted to evaluate whether:

23 (1) the bidder qualifies as a responsible and suitable  
24 person to hold a package store license and operate a package  
25 store;

26 (2) the bidder has proposed an acceptable facility and  
27 location for a package store; and

28 (3) the bidder's planned operation complies with this  
29 article.

30 (b) Additional information.--The department may require

1 additional information from a bidder and conduct onsite  
2 inspections, as necessary, to complete the postqualification  
3 process.

4 (c) Assistance with investigations.--The department may  
5 enter into an agreement with the Pennsylvania State Police or  
6 the Office of Inspector General to assist the department in the  
7 conduct of investigations under this section and to provide for  
8 the reimbursement of actual costs incurred for providing  
9 assistance.

10 (d) Public input hearings.--During the postqualification  
11 process, the department shall schedule public input hearings in  
12 six regions of this Commonwealth, including one in a city of the  
13 first class, at which interested members of the public will be  
14 provided the opportunity to testify regarding selected bidder  
15 qualifications, including the location of proposed wine and  
16 spirits stores. The testimony of a public witness shall be  
17 considered by the department in the postqualification  
18 investigation of bidders to which the testimony applies.

19 (e) Investigative fees.--The department may charge fees to a  
20 bidder to recover the costs directly related to the department's  
21 investigation within the postqualification process.

22 (f) Acceptance of qualifications.--A bidder's qualifications  
23 shall be accepted by the department if the department's  
24 investigation reveals all of the following:

25 (1) The bid information was truthful.

26 (2) The bidder and its officers, directors and  
27 principals, if any, are of good character, integrity and  
28 suitability.

29 (3) The bidder possesses sufficient financial resources  
30 to operate a package store, pay all taxes due and meet all

1 other financial obligations.

2 (4) The bidder possesses sufficient business ability to  
3 operate a package store.

4 (5) The proposed facilities are compliant with all of  
5 the operational requirements of the statement of conditions  
6 under this article.

7 (g) Issuance of license.--If a selected bidder's  
8 qualifications are accepted by the department, the department  
9 shall qualify the bidder and shall issue a package store license  
10 to the bidder upon the occurrence of the following:

11 (1) Execution and delivery to the department and the  
12 board of the statement of conditions required under section  
13 310-A.

14 (2) Payment of the bid amount by certified check or wire  
15 transfer to a designated restricted account established in  
16 The State Stores Fund.

17 (3) Payment of any outstanding bid or investigation  
18 fees.

19 (4) If the applicant intends to sell malt or brewed  
20 beverages in conjunction with the sale of wine and spirits,  
21 surrender of the applicant's license that authorizes the sale  
22 of malt or brewed beverages for consumption off the licensed  
23 premises.

24 (5) Fulfillment of any other conditions required by the  
25 department.

26 (h) License endorsements.--Licenses issued pursuant to this  
27 section shall include endorsements that indicate that the  
28 licensee is authorized to engage in the retail sale of wine and  
29 spirits and malt and brewed beverages in packages and volumes as  
30 permitted for sale pursuant to the license surrendered by the

1 applicant, if any, excluding packages and volumes authorized by  
2 any expanded sales permit.

3 (i) Qualifications unacceptable.--

4 (1) If a bidder's qualifications are not accepted by the  
5 department, the department shall identify the next highest  
6 bidder that was not selected in the auction under section  
7 304-A(a) (5) and conduct a postqualification investigation of  
8 that bidder, consistent with subsection (a).

9 (2) If the second highest bidder is not approved, the  
10 department shall repeat the postqualification process for the  
11 next highest unselected bidder in the auction for that  
12 county.

13 (3) If the third highest bidder in an auction is not  
14 approved by the department, the department shall have the  
15 authority whether to proceed with a new auction for that  
16 package store license or conduct an additional best and final  
17 offer period to consider additional bids from the original  
18 auction.

19 (j) Approval of qualifications.--If the qualifications of  
20 the bidder are approved by the department under subsection (f),  
21 the department shall issue a package store license to the  
22 successful bidder consistent with the requirements of subsection  
23 (h).

24 (k) License not entitlement.--Nothing contained under this  
25 article is intended to create an entitlement to a package store  
26 license. A package store license shall be a privilege as between  
27 the board and the licensee, but shall be property as between the  
28 licensee and third parties.

29 (l) Terms of licensure.--

30 (1) A package store license shall be in effect unless

1 suspended, revoked or not renewed by the board upon good  
2 cause shown consistent with the license requirements as  
3 provided for under this article.

4 (2) A package store license shall be subject to renewal  
5 every two years consistent with this article.

6 (3) Nothing under this subsection relieves a package  
7 store licensee of the affirmative duty to notify the board of  
8 changes relating to the status of its license or to other  
9 information contained in the application materials on file  
10 with the department or the board.

11 Section 306-A. Auctions with no or insufficient minimum bids.

12 If an insufficient number of bids that meet or exceed the  
13 minimum bid are submitted in an auction in a county, the  
14 department:

15 (1) shall select the bids that meet or exceed the  
16 minimum bid subject to postqualification; and

17 (2) may conduct a new auction for the remaining package  
18 store licenses without a minimum bid or with a modified  
19 minimum bid.

20 Section 307-A. Protest of bid selection.

21 (a) Time period.--Within five days of the selection of a  
22 bidder in an auction for a county, a bidder that is not selected  
23 by the department for the package store license in the county  
24 must file a protest in writing with the department. Failure to  
25 comply with this subsection results in a waiver of the right to  
26 appeal the selection.

27 (b) Requirements.--

28 (1) The subject matter of a protest is restricted to the  
29 conduct of the auction for the specific county in which the  
30 protester participated. A person may not protest an auction

1 in which that person did not participate as a bidder.

2 (2) The protesting party must be represented by an  
3 attorney at law.

4 (3) The protesting party waives its right to and is  
5 disqualified from being selected by the department as the  
6 next highest bidder for postqualification under section  
7 305-A.

8 (4) The protesting party must provide the department  
9 with a bond, letter of credit or other form of security  
10 acceptable to the department in an amount equal to the amount  
11 of the bid that was accepted. The accepted security must be  
12 in an amount equal to the highest bid received from any  
13 bidder. If the bid protest does not result in the overturning  
14 of the department's bid selection for the specific package  
15 store license protested, and the original bidder who was  
16 selected does not pay the bid amount for any reason, the  
17 protester shall forfeit its security to the department.

18 Section 308-A. Content of bids.

19 Each bid submitted to participate in a package store license  
20 auction under this article must meet or include the following  
21 requirements:

22 (1) The bid must include a summary page that clearly  
23 identifies:

24 (i) The name, address and tax identification number  
25 of the bidder.

26 (ii) The county for which the bid is being  
27 submitted.

28 (iii) The amount of the bid.

29 (iv) The amount of the minimum bid for the package  
30 store license auction in which the bidder is

1 participating.

2 (2) A general description of the bid and the location of  
3 the proposed package store, including the estimated square  
4 feet of total retail space in the proposed location.

5 (3) Whether the applicant is an individual, corporation,  
6 limited liability company, limited partnership, partnership  
7 or association or other legal entity and, if the applicant is  
8 not an individual, the state of incorporation or organization  
9 and the names and residence addresses of each executive  
10 officer, director, general or limited partner or person  
11 holding a controlling interest in the applicant.

12 (4) If the bidder is an association, the bid must set  
13 forth the names and addresses of the persons constituting the  
14 association.

15 (5) If the bidder is a corporation, limited liability  
16 company, limited partnership, partnership, association or  
17 other legal entity, the bid must show that the entity is  
18 organized under the laws of this Commonwealth.

19 (6) If the bidder is an individual, the bid must show  
20 that the bidder is a citizen of the United States and a  
21 resident of this Commonwealth and that the bidder is not  
22 acting as an agent for any other person, partnership,  
23 association or group of persons beneficially interested in  
24 the license.

25 (7) The proposed location and ownership of the site for  
26 the package store, including floor plans of existing  
27 facilities to be utilized in the bidder's retail operation or  
28 design plans for any facilities not yet constructed, to the  
29 extent they are available.

30 (8) Information disclosing an arrest of the applicant

1 and an affiliate of the applicant, executive officer,  
2 director or general or limited partner of the applicant or  
3 person holding a controlling interest in the applicant and a  
4 citation issued to the same for an offense that is not a  
5 summary offense. The information must include:

6 (i) A brief description of the circumstances  
7 surrounding the arrest or issuance of the citation.

8 (ii) The specific offense charged or cited.

9 (iii) The ultimate disposition of the charge or  
10 citation, including the details of a dismissal, plea  
11 bargain, conviction, sentence, pardon, expungement or  
12 order of Accelerated Rehabilitative Disposition.

13 (9) A sworn statement that the bidder, an affiliate of  
14 the bidder or an executive officer, director or general or  
15 limited partner of the bidder or person holding a controlling  
16 interest in the bidder have never been convicted of a crime  
17 involving fraud, moral turpitude or racketeering within a  
18 period of ten years immediately preceding the date of the  
19 bid, or been convicted of a felony or equivalent crime in a  
20 Federal or state jurisdiction, including this Commonwealth.

21 (10) A statement that the bidder will continuously  
22 operate a package store for the duration of the two-year  
23 license period.

24 (11) The bidder shall provide a financial statement or  
25 letter of credit, consistent with the requirements prescribed  
26 by the department, which demonstrates the financial  
27 capability to operate the package store and the estimated  
28 volume of business to be conducted.

29 (12) A current tax certificate issued by the Department  
30 of Revenue for the bidder, an affiliate of the bidder and an

1 executive officer, director or general or limited partner of  
2 the bidder or person holding a controlling interest in the  
3 bidder. An unpaid tax identified on a tax certificate  
4 required to be filed with the bid must be paid before the bid  
5 is accepted for submission by the department.

6 (13) There is a bid filing fee of \$10,000 that must be  
7 submitted by certified check with the bid. The bid must be  
8 refunded by the department if, through no fault of the  
9 bidder, the bidder is not issued a package store license. The  
10 term "no fault of the bidder" shall include an instance when  
11 the bid amount exceeded the reserve for the license, but was  
12 not high enough for the bidder to be selected.

13 (14) The bid must be signed and verified by oath or  
14 affirmation by the owner as follows:

15 (i) if an individual or, in the case of an  
16 association, by a member or partner thereof; or

17 (ii) in the case of a corporation or limited  
18 liability company, by an executive officer thereof or a  
19 person specifically authorized by the corporation to sign  
20 the bid. Written evidence of the authority must be  
21 attached to the bid.

22 (15) (i) A noncollusion affidavit executed by the  
23 bidder, if an individual, or a person specifically  
24 authorized by the bidder, if a legal entity, to sign the  
25 affidavit, certifying that the bidder or an affiliate of  
26 the bidder or executive officer, director or general or  
27 limited partner of the bidder or person holding a  
28 controlling interest in the bidder has not engaged in  
29 collusion, bid-rigging or other prohibited activity in  
30 relation to the bid.

1           (ii) The department shall determine the form and  
2           content of the noncollusion affidavit. Failure of a  
3           bidder to provide the required noncollusion affidavit  
4           disqualifies the bid unless cured within a time period  
5           determined by the department.

6           (iii) A required noncollusion affidavit must state  
7           whether or not the bidder or an affiliate of the bidder  
8           or an executive officer, director or general or limited  
9           partner of the bidder or person holding a controlling  
10           interest in the bidder has been convicted or found liable  
11           for an act prohibited by Federal or State law in a  
12           jurisdiction involving conspiracy or collusion with  
13           respect to bidding on a public contract or in relation to  
14           the sale or lease of a public asset within the last ten  
15           years. If the bidder provides an affirmative statement  
16           that the bidder or an affiliate of the bidder or an  
17           executive officer, director or general or limited partner  
18           of the bidder or person holding a controlling interest in  
19           the bidder has been convicted or found liable on the  
20           grounds, the conviction or finding may be grounds for the  
21           department to find the bidder not suitable.

22           (16) A bidder has a continuing duty during the auction  
23           process to update information in the bid and provide any  
24           other information determined to be appropriate by the  
25           department.

26 Section 309-A. Minimum bid for retail auctions.

27           During the initial implementation period as provided for by  
28           section 305-A, the department shall establish a minimum bid  
29           amount for a package store license auction of \$250,000.

30 Section 310-A. Package store licensee statement of conditions.

1 (a) Statement of conditions.--The department shall develop a  
2 statement of conditions to be executed by a package store  
3 licensee that govern the package store licensee.

4 (b) Conditions.--In addition to any other conditions the  
5 department, in consultation with the board, deems necessary or  
6 appropriate for a specific package store licensee, a statement  
7 of conditions under this section must include, at a minimum, the  
8 following conditions and impose the following obligations and  
9 requirements on an ongoing basis:

10 (1) A package store licensee is strictly prohibited from  
11 selling or distributing liquor to persons under 21 years of  
12 age or persons that are visibly intoxicated.

13 (2) A package store licensee may not operate a package  
14 store located within:

15 (i) Three hundred feet of an elementary or secondary  
16 school without board approval.

17 (ii) A dry municipality without first having a  
18 referendum approving the sale of wine and spirits at  
19 retail.

20 (3) A package store license may not be operated where a  
21 business that sells liquid fuel and oil operates if the point  
22 of sale or dispensing of liquid fuel and oil is within 200  
23 feet of the closest point to the physical building where the  
24 license is located.

25 (4) A facility of a package store licensee that is  
26 involved in retail operations, including a change to the  
27 facilities during the term of the license, are subject to the  
28 inspection, investigation and approval of the department or  
29 the board.

30 (5) Package store licensees shall maintain adequate

1 security to protect the licensee's inventory from  
2 unauthorized sale or diversion and prevent its unauthorized  
3 distribution. This paragraph does not preclude a package  
4 store licensee from moving wine and spirits inventory between  
5 package stores under common ownership on a quarterly basis  
6 upon no less than 24 hours' notice to the board.

7 (6) A package store licensee may not engage in a  
8 separate business activity upon a licensed premises on which  
9 retail liquor operations are conducted without prior approval  
10 of the board.

11 (7) A package store licensee may not sell wine or  
12 spirits to a person licensed under Article IV or other  
13 package store licensee except in an emergency, as defined by  
14 regulation by the board.

15 (8) A package store licensee shall notify the board  
16 within 15 days of a change in a person who holds a  
17 controlling interest in the package store licensee.

18 (9) A package store licensee shall notify the board  
19 within 15 days of becoming aware of an arrest or criminal  
20 indictment or conviction by:

21 (i) the package store licensee or an affiliate of  
22 the licensee;

23 (ii) an executive officer, director or general or  
24 limited partner of the licensee; or

25 (iii) a person holding a controlling interest in the  
26 licensee.

27 (10) A package store licensee shall notify the board  
28 within 15 days of becoming aware of a violation of this  
29 article by:

30 (i) the licensee or an affiliate of the licensee;

1           (ii) an executive officer, director or general or  
2           limited partner of the licensee; or

3           (iii) a person holding a controlling interest in the  
4           licensee or employee of the licensee.

5           (11) The premises of each package store must be a self-  
6           contained unit with limited customer access dedicated to the  
7           sale of liquor and related merchandise. A package store may  
8           not have an interior connection with another business or with  
9           a residential building except as provided in this act and as  
10           approved by the board. A purchase of wine and spirits must be  
11           paid for at a location within the confines of the controlled  
12           area.

13           (12) A package store licensee shall design its  
14           controlled area in a manner and with adequate safeguards to  
15           ensure that its liquor products are secure and that the area  
16           may not be accessed during prohibited hours of operation.

17           (13) A package store licensee may not hold, directly or  
18           indirectly, more than 40 package store licenses within this  
19           Commonwealth or own:

20           (i) more than 10% of the package store licenses in a  
21           county that has ten or more package store licenses; and

22           (ii) more than one package store license in a county  
23           that has less than ten package store licenses.

24           (14) A package store may sell wine and spirits and malt  
25           and brewed beverages for off-premises consumption consistent  
26           with the endorsements on the package store license. In  
27           addition to the sale of liquor, a package store may sell  
28           related merchandise within the controlled area of the store.  
29           Sales of related merchandise within the controlled area may  
30           not exceed 30% of the gross annual sales of a package store.

1       (15) A package store licensee shall make the premises  
2 and facilities involved in the retail operation and the  
3 business and financial books and records of the retail  
4 operation available at any time for inspection and audit by  
5 the board.

6       (16) A package store licensee may sell wine or spirits  
7 between 9 a.m. and 11 p.m. of any day except Sunday to  
8 persons not licensed under this act.

9       (17) In addition to the hours authorized under paragraph  
10 (16), a package store licensee may, upon purchasing a permit  
11 from the board at an annual fee of \$1,000, sell wine or  
12 spirits to a person not licensed under this act or a holder  
13 of a special occasion permit on Sunday between the hours of 9  
14 a.m. and 9 p.m.

15       (18) A package store licensee may not employ a person  
16 under 18 years of age to work in a controlled area. An  
17 employee under 21 years of age is permitted to engage in the  
18 sale of liquor.

19       (19) A package store licensee may not hold a wine and  
20 spirits wholesale license.

21       (20) The package store licensee, if a corporation,  
22 limited liability company, limited partnership, partnership,  
23 association or other legal entity, must be organized under  
24 the laws of this Commonwealth.

25       (21) The package store licensee, if an individual, must  
26 be a citizen of the United States and a resident of this  
27 Commonwealth.

28       (22) A licensee shall ensure that the package store  
29 managers and employees authorized to engage in the sale of  
30 liquor complete the training program for responsible alcohol

1 management in accordance with section 471.1 within six months  
2 of commencing employment with the licensee.

3 (23) A package store licensee may place its license in  
4 safekeeping for a period not to exceed two years:

5 (i) pending transfer of the license from person-to-  
6 person or place-to-place or both; or

7 (ii) during renovation of the premises upon which  
8 retail operations are conducted.

9 (24) A package store license that remains in safekeeping  
10 for a period that exceeds two consecutive years must be  
11 forfeited and reauctioned by the board in a manner consistent  
12 with the provisions of this article.

13 (25) Except as permitted under paragraph (18), a package  
14 store licensee shall ensure that no person under 21 years of  
15 age is permitted to enter the controlled area unless  
16 accompanied by an adult.

17 (26) In addition to the provisions of section 495(b) and  
18 (c), a package store licensee shall assure the use of a  
19 transaction scan device to verify the age of a person who  
20 appears to be under 35 years of age. The board shall  
21 promulgate regulations as are necessary for the  
22 implementation and use of a transaction scan device.

23 (27) The package store licensee may not sell a liquor  
24 product at a price less than its underlying cost.

25 (28) The package store licensee may not provide tasting  
26 samples of liquor on the premises where a retail operation is  
27 conducted in individual portions greater than one fluid ounce  
28 or to individuals who are less than 21 years of age.

29 (29) A package store licensee may not require a customer  
30 of the premises where wine and spirits are sold to purchase a

1 membership or otherwise charge a fee in order to purchase a  
2 product, including wine and spirits, from the premises.

3 (30) A package store licensee is considered a  
4 Pennsylvania Liquor Store for the purposes of collecting and  
5 remitting taxes consistent with the act of March 4, 1971  
6 (P.L.6, No.2), known as the Tax Reform Code of 1971, for  
7 transactions involving the sale of liquor.

8 (31) A package store licensee shall pay to the board an  
9 amount equal to 1% of the licensee's annual gross receipts on  
10 the sale of wine and spirits minus the annual taxes paid by  
11 the licensee. The board shall transfer the funds received  
12 under this paragraph to the Department of Drug and Alcohol  
13 Programs or its successor in function for the following  
14 purposes:

15 (i) Treatment and rehabilitation of persons addicted  
16 to the excessive use of alcoholic beverages.

17 (ii) Promotion of education, prevention and early  
18 intervention programs designed to eliminate abuse and  
19 addiction to alcohol or other mood-altering substances or  
20 secure appropriate treatment for persons who are already  
21 addicted.

22 (iii) Study of the problem of addiction.

23 (iv) To issue grants to various entities for alcohol  
24 education and prevention efforts.

25 (c) Sanctions.--A package store licensee that fails to abide  
26 by a condition contained in the licensee's statement of  
27 conditions is subject to board-imposed administrative sanctions  
28 or other penalties authorized under sections 471 and 494.  
29 Section 311-A. License renewals.

30 (a) Renewal.--A package store license issued under this

1 article is subject to renewal every two years. The application  
2 for renewal must be submitted on a form provided by the board at  
3 least 30 days prior to the expiration of the package store  
4 license and must include, at a minimum, an update of the  
5 information contained in the initial and prior renewal  
6 applications, if any, and the payment of a renewal application  
7 filing fee required by this article. A package store license for  
8 which a completed renewal application and fee has been received  
9 by the board continues to be valid unless and until the board  
10 sends written notification to the licensee that the board has  
11 denied the renewal of the license.

12 (b) Renewal fee.--An application filing fee of \$1,000 is due  
13 upon application for the renewal of a package store license. The  
14 board has the authority to adjust the renewal application filing  
15 fee to ensure that the fee adequately recovers the costs  
16 associated with license renewal. The board shall also collect  
17 fees from a renewal applicant to recover the costs of a renewal  
18 investigation.

19 (c) Renewal hearing.--The board may hold a hearing on a  
20 renewal application as it deems necessary at a time and in a  
21 format that it determines. A package store licensee whose  
22 renewal application is denied is entitled to a hearing before  
23 the board in accordance with section 464.

24 (d) Revocation or failure to renew.--In addition to another  
25 sanction the board may impose, the board may, at its discretion,  
26 suspend, revoke or deny renewal of a package store license  
27 issued under this article if it finds that the licensee or any  
28 of its affiliates, executive officers, directors or general or  
29 limited partners or persons holding a controlling interest in  
30 the licensee is in violation of a provision of this act, has

1 furnished the board with false or misleading information or is  
2 no longer suitable for licensure. In the event of a revocation  
3 or failure to renew, the package store licensee's authorization  
4 to conduct business as a package store licensee shall  
5 immediately cease, and the fees paid in connection with  
6 licensure are deemed forfeited. In the event of a suspension,  
7 the licensee's authorization to conduct business shall  
8 immediately cease until the board notifies the licensee that the  
9 suspension is no longer in effect.

10 (e) Affirmative duty.--This section does not relieve a  
11 package store licensee of the affirmative duty to notify the  
12 board of a change relating to the status of its license or  
13 other information contained in the application materials filed  
14 with the board.

15 Section 312-A. Sale, assignment or transfer of license.

16 (a) Prohibition.--A person may not sell, assign or transfer  
17 a package store license granted under this article unless the  
18 following are met:

19 (1) the person obtained the prior written approval of  
20 the board;

21 (2) the person paid the fee under subsection (c); and

22 (3) the package store was in continuous operation for at  
23 least one year prior to the date of the transfer of the  
24 license.

25 (b) Compliance.--A person to whom a package store license is  
26 sold, assigned or transferred shall comply with the provisions  
27 of this article prior to the sale, assignment or transfer of the  
28 license.

29 (c) Transfer fee.--The transfer of a package store license  
30 is subject to a transfer fee equal to 1% of the license fee paid

1 for the license and must be paid as a condition of the transfer  
2 of the license.

3 (d) Change of control.--For the purposes of this section, a  
4 change of control of a package store licensee is deemed to be a  
5 sale, assignment or transfer of a package store wholesale or  
6 retail license. A licensee shall notify the board immediately  
7 upon becoming aware of a proposed or contemplated change of  
8 control.

9 Section 313-A. Suspension or revocation.

10 (a) Authority of board.--The board shall have the authority  
11 to suspend or revoke a package store license issued under this  
12 article when the board finds that any of the following apply:

13 (1) the licensee violated this article or any  
14 regulations of the board;

15 (2) the licensee knowingly presented to the board false,  
16 incomplete or misleading information;

17 (3) the licensee pleaded guilty, entered a plea of nolo  
18 contendere or was found guilty of a felony by a judge or jury  
19 in a Federal or State court; or

20 (4) the licensee failed to operate the business.

21 (b) Hearings.--A suspension and revocation hearing must be  
22 held in accordance with the procedures under section 514.

23 (c) Sales prohibited.--A person may not sell liquor at any  
24 premises if the package store license applicable to the premises  
25 was forfeited, suspended, revoked or expired.

26 (d) Public sale.--In the event of the revocation, forfeiture  
27 or surrender of a package store license in accordance with this  
28 article, the board shall conduct an auction of the license  
29 consistent with the procedures and requirements under this  
30 article.

1 Section 314-A. Combined use of certain licenses.

2 (a) Package store with distributor endorsement.--

3 (1) A package store license with an endorsement for the  
4 sale of malt and brewed beverages established upon the  
5 surrender of a distributor license may not be operated on the  
6 same premises as or have an interior connection to an  
7 unlicensed business or residence.

8 (2) A package store license with an endorsement for the  
9 sale of malt and brewed beverages established pursuant to the  
10 surrender of a distributor license may not be operated with  
11 an interior connection to another business or residence for  
12 which the board authorized a class of retail license that  
13 authorizes the holder of the license to sell malt or brewed  
14 beverages for off-premises consumption.

15 (b) Other package stores.--A package store license that has  
16 no endorsement for the sale of malt and brewed beverages or has  
17 an endorsement for the sale of malt and brewed beverages  
18 established upon the surrender of a retail license, other than a  
19 distributor license, may be operated with an interior connection  
20 to a grocery store or supermarket as provided in subsection (c).

21 (c) Requirements for interior connections to grocery stores  
22 or supermarkets.--The board shall require, as a condition of  
23 authorizing an interior connection for a package store license  
24 and grocery store or supermarket, the following:

25 (1) The construction of a solid, permanent, continuous  
26 physical separation of at least four feet in height between  
27 the licensed business and grocery store or supermarket.

28 (2) Unless additional connections are required by law,  
29 the licensee may not be permitted more than one interior  
30 connection that may not be more than ten feet wide, for every

1 40 linear feet of physical separation under paragraph (1).

2 (d) Definition.--For the purposes of this section, a  
3 "grocery store" or "supermarket" shall mean a retail  
4 establishment where food, food products and supplies for the  
5 table are sold for human off-premises consumption on an ongoing  
6 basis.

7 Section 315-A. Endorsements for package store licenses.

8 (a) General rule.--A package store license must clearly  
9 identify the authority granted under this act for the licensee  
10 to sell wine, spirits and malt or brewed beverages and include  
11 the restrictions on the package size or volume imposed under  
12 this act.

13 (b) Additional endorsements.--The holder of a package store  
14 license that has not obtained an endorsement for the sale of  
15 malt and brewed beverages may obtain the endorsement as follows:

16 (1) the holder of the package store license also holds a  
17 license that authorizes the holder to sell malt and brewed  
18 beverages for off-premises consumption and may be placed in  
19 the municipality in which the package store licensed premises  
20 is located;

21 (2) the license authorizing the holder to sell malt and  
22 brewed beverages for off-premises consumption under paragraph  
23 (1) was surrendered by the licensee; and

24 (3) the authority to sell malt and brewed beverages is  
25 limited to the packages and volumes authorized under the  
26 license surrendered by the package store licensee excluding  
27 an expanded sales permit.

28 (c) Sales for consumption on the premises prohibited.--A  
29 package store with an endorsement for the sale of malt and  
30 brewed beverages does not have the authority to sell liquor,

1 malt and brewed beverages or food for consumption on the  
2 licensed premises and is not required to establish a seating  
3 area for the service of the food or beverages.

4 (d) Revocation of surrendered licenses.--Upon the surrender  
5 of a license that authorizes the holder to sell malt and brewed  
6 beverages for off-premises consumption for the purposes of a  
7 package store endorsement, the license is revoked by the board  
8 and may not be reissued for any reason.

9 Section 316-A. Return of fee or bid.

10 The package store license fee or package store bid amount  
11 paid by a package store licensee under section 303-A(f) or  
12 305-A(g) must be returned if this article is amended or altered  
13 by an act of the General Assembly within five years of the  
14 effective date of this section to authorize additional package  
15 store licenses under section 301-A.

16 Section 317-A. Deposit of fee or bid.

17 The package store license fee or package store bid amount  
18 paid by a package store licensee under section 303-A(f) or  
19 305-A(g) must be deposited into the Public Education Legislative  
20 Initiative Fund.

21 Section 6. Section 401 of the act, amended December 22, 2011  
22 (P.L.530, No.113), is amended to read:

23 Section 401. Authority to Issue Liquor Licenses to Hotels,  
24 Restaurants and Clubs.--(a) (1) Subject to the provisions of  
25 this act and regulations promulgated under this act, the board  
26 shall have authority to issue a retail liquor license for any  
27 premises kept or operated by a hotel, restaurant or club and  
28 specified in the license entitling the hotel, restaurant or club  
29 to purchase liquor from a Pennsylvania Liquor Store or the  
30 holder of a wine and spirits wholesale license under section

1 404-A and to keep on the premises such liquor and, subject to  
2 the provisions of this act and the regulations made thereunder,  
3 to sell the same and also malt or brewed beverages to guests,  
4 patrons or members for consumption on the hotel, restaurant or  
5 club premises. Such licensees, other than clubs, shall be  
6 permitted to sell malt or brewed beverages for consumption off  
7 the premises where sold in quantities of not more than one  
8 hundred ninety-two fluid ounces in a single sale to one person  
9 as provided for in section 407. Such licenses shall be known as  
10 hotel liquor licenses, restaurant liquor licenses and club  
11 liquor licenses, respectively. No person who holds any public  
12 office that involves the duty to enforce any of the penal laws  
13 of the United States, this Commonwealth or of any political  
14 subdivision of this Commonwealth may have any interest in a  
15 hotel or restaurant liquor license. This prohibition applies to  
16 anyone with arrest authority, including, but not limited to,  
17 United States attorneys, State attorneys general, district  
18 attorneys, sheriffs and police officers. This prohibition shall  
19 also apply to magisterial district judges, judges or any other  
20 individuals who can impose a criminal sentence. This prohibition  
21 does not apply to members of the General Assembly, township  
22 supervisors, city councilpersons, mayors without arrest  
23 authority and any other public official who does not have the  
24 ability to arrest or the ability to impose a criminal sentence.  
25 This section does not apply if the proposed premises are located  
26 outside the jurisdiction of the individual in question.

27 (2) Upon substantial divestiture of wholesale operations to  
28 wine and spirits wholesale licensees under Article IV-A, sales  
29 to persons licensed under this act may be made only in emergency  
30 situations, as defined by the board by regulation.

1 (b) The board may issue to any club which caters to groups  
2 of non-members, either privately or for functions, a catering  
3 license, and the board shall, by its rules and regulations,  
4 define what constitutes catering under this subsection except  
5 that any club which is issued a catering license shall not be  
6 prohibited from catering on Sundays during the hours which the  
7 club may lawfully serve liquor, malt or brewed beverages.

8 Section 7. Section 404 of the act, amended January 6, 2006  
9 (P.L.1, No.1), is amended to read:

10 Section 404. Issuance, Transfer or Extension of Hotel,  
11 Restaurant and Club Liquor Licenses.--Upon receipt of the  
12 application and the proper fees, and upon being satisfied of the  
13 truth of the statements in the application that the applicant is  
14 the only person in any manner pecuniarily interested in the  
15 business so asked to be licensed and that no other person will  
16 be in any manner pecuniarily interested therein during the  
17 continuance of the license, except as hereinafter permitted, and  
18 that the applicant is a person of good repute, that the premises  
19 applied for meet all the requirements of this act and the  
20 regulations of the board, that the applicant seeks a license for  
21 a hotel, restaurant or club, as defined in this act, and that  
22 the issuance of such license is not prohibited by any of the  
23 provisions of this act, the board shall, in the case of a hotel  
24 or restaurant, grant and issue to the applicant a liquor  
25 license, and in the case of a club may, in its discretion, issue  
26 or refuse a license: Provided, however, That in the case of any  
27 new license or the transfer of any license to a new location or  
28 the extension of an existing license to cover an additional area  
29 the board may, in its discretion, grant or refuse such new  
30 license, transfer or extension if such place proposed to be

1 licensed is within three hundred feet of any church, hospital,  
2 charitable institution, school, or public playground, or if such  
3 new license, transfer or extension is applied for a place which  
4 is within two hundred feet of any other premises which is  
5 licensed by the board: And provided further, That the board's  
6 authority to refuse to grant a license because of its proximity  
7 to a church, hospital, charitable institution, public playground  
8 or other licensed premises shall not be applicable to license  
9 applications submitted for public venues or performing arts  
10 facilities: And provided further, That the board shall refuse  
11 any application for a new license, the transfer of any license  
12 to a new location or the extension of an existing license to  
13 cover an additional area if, in the board's opinion, such new  
14 license, transfer or extension would be detrimental to the  
15 welfare, health, peace and morals of the inhabitants of the  
16 neighborhood within a radius of five hundred feet of the place  
17 proposed to be licensed: And provided further, That the board  
18 shall have the discretion to refuse a license to any person or  
19 to any corporation, partnership or association if such person,  
20 or any officer or director of such corporation, or any member or  
21 partner of such partnership or association shall have been  
22 convicted or found guilty of a felony within a period of five  
23 years immediately preceding the date of application for the said  
24 license. The board shall refuse any application for a new  
25 license, the transfer of any license to a new location or the  
26 extension of any license to cover an additional area where the  
27 sale of liquid fuels or oil is conducted if the point of sale or  
28 dispensing of liquid fuels or oil is within two hundred feet of  
29 the closest point to the physical building in which the license  
30 is located. The board may enter into an agreement with the

1 applicant concerning additional restrictions on the license in  
2 question. If the board and the applicant enter into such an  
3 agreement, such agreement shall be binding on the applicant.  
4 Failure by the applicant to adhere to the agreement will be  
5 sufficient cause to form the basis for a citation under section  
6 471 and for the nonrenewal of the license under section 470. If  
7 the board enters into an agreement with an applicant concerning  
8 additional restrictions, those restrictions shall be binding on  
9 subsequent holders of the license until the license is  
10 transferred to a new location or until the board enters into a  
11 subsequent agreement removing those restrictions. If the  
12 application in question involves a location previously licensed  
13 by the board, then any restrictions imposed by the board on the  
14 previous license at that location shall be binding on the  
15 applicant unless the board enters into a new agreement  
16 rescinding those restrictions. The board may, in its discretion,  
17 refuse an application for an economic development license under  
18 section 461(b.1) or an application for an intermunicipal  
19 transfer of a license if the board receives a protest from the  
20 governing body of the receiving municipality. The receiving  
21 municipality of an intermunicipal transfer or an economic  
22 development license under section 461(b.1) may file a protest  
23 against the transfer of a license into its municipality, and the  
24 receiving municipality shall have standing in a hearing to  
25 present testimony in support of or against the issuance or  
26 transfer of a license. Upon any opening in any quota, an  
27 application for a new license shall only be filed with the board  
28 for a period of six months following said opening.

29 Section 8. Section 406 of the act is amended by adding a  
30 subsection to read:

1 Section 406. Sales by Liquor Licensees; Restrictions.--\* \* \*

2 (h) (1) In addition to the authority provided under  
3 sections 401 and 407 for the sale of malt and brewed beverages  
4 for off-premises consumption, a restaurant licensee may apply  
5 for an expanded sales permit which shall grant a restaurant  
6 licensee the authority to sell malt or brewed beverages for off-  
7 premises consumption where sold in quantities of thirty  
8 containers or less containing a total of not more than three  
9 hundred and eighty-four ounces in a single sale to one person.

10 (2) A restaurant expanded sales permit for malt and brewed  
11 beverages application shall be made on a form and in a manner as  
12 prescribed by the board.

13 (3) A restaurant expanded sales permit for malt and brewed  
14 beverages shall be valid for a period not to exceed two years or  
15 until the expiration of the term for the restaurant license held  
16 by the applicant, whichever is shorter.

17 (4) The fee for the initial issuance and renewal of a  
18 restaurant expanded sales permit for malt or brewed beverages  
19 shall be one hundred dollars (\$100.00).

20 (i) (1) In addition to the authority provided under  
21 sections 401 and 407 for the sale of malt and brewed beverages  
22 for off-premises consumption, a restaurant licensee may apply  
23 for an expanded sales permit which shall grant a restaurant  
24 licensee the authority to sell the following for off-premises  
25 consumption, if sold in a single sale to one person:

26 (i) Up to four containers of wine, each containing not more  
27 than one and one-half liters.

28 (ii) A single container of spirits containing not more than  
29 one and one-half liters.

30 (2) A restaurant expanded sales permit for wine and spirits

1 application shall be made on a form and in a manner as  
2 prescribed by the board.

3 (3) A restaurant expanded sales permit for wine and spirits  
4 shall be valid for a period of not more than two years or until  
5 the expiration of the term for the restaurant license held by  
6 the applicant, whichever is shorter.

7 (4) The fee for the initial issuance and renewal of a  
8 restaurant expanded sales permit for wine and spirits beverages  
9 shall be one hundred dollars (\$100.00).

10 (j) A holder of an expanded sales permit under subsection  
11 (h) or (i) may not have an interior connection to another  
12 business or with a residential building. A restaurant licensee  
13 with an interior connection to another business or with a  
14 residential building shall not be eligible to apply for an  
15 expanded sales permit under subsections (h) or (i).

16 Section 9. Section 431(b) of the act, amended December 8,  
17 2004 (P.L.1810, No.239), is amended and the section is amended  
18 by adding subsections to read:

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

21 (b) The board shall issue to any reputable person who  
22 applies therefor, and pays the license fee hereinafter  
23 prescribed, a distributor's or importing distributor's license  
24 for the place which such person desires to maintain for the sale  
25 of malt or brewed beverages, not for consumption on the premises  
26 where sold, and in quantities of not less than a case or  
27 original containers containing one hundred twenty-eight ounces  
28 or more which may be sold separately as prepared for the market  
29 by the manufacturer at the place of manufacture. The board shall  
30 have the discretion to refuse a license to any person or to any

1 corporation, partnership or association if such person, or any  
2 officer or director of such corporation, or any member or  
3 partner of such partnership or association shall have been  
4 convicted or found guilty of a felony within a period of five  
5 years immediately preceding the date of application for the said  
6 license: And provided further, That, in the case of any new  
7 license or the transfer of any license to a new location, the  
8 board may, in its discretion, grant or refuse such new license  
9 or transfer if such place proposed to be licensed is within  
10 three hundred feet of any church, hospital, charitable  
11 institution, school or public playground, or if such new license  
12 or transfer is applied for a place which is within two hundred  
13 feet of any other premises which is licensed by the board: And  
14 provided further, That the board shall refuse any application  
15 for a new license or the transfer of any license to a new  
16 location if, in the board's opinion, such new license or  
17 transfer would be detrimental to the welfare, health, peace and  
18 morals of the inhabitants of the neighborhood within a radius of  
19 five hundred feet of the place proposed to be licensed. The  
20 board shall refuse any application for a new license or the  
21 transfer of any license to a location where the sale of liquid  
22 fuels or oil is conducted if the point of sale or dispensing of  
23 liquid fuels or oil is within two hundred feet of the closest  
24 point to the physical building in which the licensee is located.  
25 The board may enter into an agreement with the applicant  
26 concerning additional restrictions on the license in question.  
27 If the board and the applicant enter into such an agreement,  
28 such agreement shall be binding on the applicant. Failure by the  
29 applicant to adhere to the agreement will be sufficient cause to  
30 form the basis for a citation under section 471 and for the

1 nonrenewal of the license under section 470. If the board enters  
2 into an agreement with an applicant concerning additional  
3 restrictions, those restrictions shall be binding on subsequent  
4 holders of the license until the license is transferred to a new  
5 location or until the board enters into a subsequent agreement  
6 removing those restrictions. If the application in question  
7 involves a location previously licensed by the board, then any  
8 restrictions imposed by the board on the previous license at  
9 that location shall be binding on the applicant unless the board  
10 enters into a new agreement rescinding those restrictions. The  
11 board shall require notice to be posted on the property or  
12 premises upon which the licensee or proposed licensee will  
13 engage in sales of malt or brewed beverages. This notice shall  
14 be similar to the notice required of hotel, restaurant and club  
15 liquor licensees.

16       Except as hereinafter provided, such license shall authorize  
17 the holder thereof to sell or deliver malt or brewed beverages  
18 in quantities above specified anywhere within the Commonwealth  
19 of Pennsylvania, which, in the case of distributors, have been  
20 purchased only from persons licensed under this act as  
21 manufacturers or importing distributors, and in the case of  
22 importing distributors, have been purchased from manufacturers  
23 or persons outside this Commonwealth engaged in the legal sale  
24 of malt or brewed beverages or from manufacturers or importing  
25 distributors licensed under this article. In the case of an  
26 importing distributor, the holder of such a license shall be  
27 authorized to store and repackage malt or brewed beverages owned  
28 by a manufacturer at a segregated portion of a warehouse or  
29 other storage facility authorized by section 441(d) and operated  
30 by the importing distributor within its appointed territory and

1 deliver such beverages to another importing distributor who has  
2 been granted distribution rights by the manufacturer as provided  
3 herein. The importing distributor shall be permitted to receive  
4 a fee from the manufacturer for any related storage, repackaging  
5 or delivery services. In the case of a bailee for hire hired by  
6 a manufacturer, the holder of such a permit shall be authorized:  
7 to receive, store and repackage malt or brewed beverages  
8 produced by that manufacturer for sale by that manufacturer to  
9 importing distributors to whom that manufacturer has given  
10 distribution rights pursuant to this subsection or to purchasers  
11 outside this Commonwealth for delivery outside this  
12 Commonwealth; or to ship to that manufacturer's storage  
13 facilities outside this Commonwealth. The bailee for hire shall  
14 be permitted to receive a fee from the manufacturer for any  
15 related storage, repackaging or delivery services. The bailee  
16 for hire shall, as required in Article V of this act, keep  
17 complete and accurate records of all transactions, inventory,  
18 receipts and shipments and make all records and the licensed  
19 areas available for inspection by the board and for the  
20 Pennsylvania State Police, Bureau of Liquor Control Enforcement,  
21 during normal business hours.

22 Each out of State manufacturer of malt or brewed beverages  
23 whose products are sold and delivered in this Commonwealth shall  
24 give distributing rights for such products in designated  
25 geographical areas to specific importing distributors, and such  
26 importing distributor shall not sell or deliver malt or brewed  
27 beverages manufactured by the out of State manufacturer to any  
28 person issued a license under the provisions of this act whose  
29 licensed premises are not located within the geographical area  
30 for which he has been given distributing rights by such

1 manufacturer. Should a licensee accept the delivery of such malt  
2 or brewed beverages in violation of this section, said licensee  
3 shall be subject to a suspension of his license for at least  
4 thirty days: Provided, That the importing distributor holding  
5 such distributing rights for such product shall not sell or  
6 deliver the same to another importing distributor without first  
7 having entered into a written agreement with the said secondary  
8 importing distributor setting forth the terms and conditions  
9 under which such products are to be resold within the territory  
10 granted to the primary importing distributor by the  
11 manufacturer.

12       When a Pennsylvania manufacturer of malt or brewed beverages  
13 licensed under this article names or constitutes a distributor  
14 or importing distributor as the primary or original supplier of  
15 his product, he shall also designate the specific geographical  
16 area for which the said distributor or importing distributor is  
17 given distributing rights, and such distributor or importing  
18 distributor shall not sell or deliver the products of such  
19 manufacturer to any person issued a license under the provisions  
20 of this act whose licensed premises are not located within the  
21 geographical area for which distributing rights have been given  
22 to the distributor and importing distributor by the said  
23 manufacturer: Provided, That the importing distributor holding  
24 such distributing rights for such product shall not sell or  
25 deliver the same to another importing distributor without first  
26 having entered into a written agreement with the said secondary  
27 importing distributor setting forth the terms and conditions  
28 under which such products are to be resold within the territory  
29 granted to the primary importing distributor by the  
30 manufacturer. Nothing herein contained shall be construed to

1 prevent any manufacturer from authorizing the importing  
2 distributor holding the distributing rights for a designated  
3 geographical area from selling the products of such manufacturer  
4 to another importing distributor also holding distributing  
5 rights from the same manufacturer for another geographical area,  
6 providing such authority be contained in writing and a copy  
7 thereof be given to each of the importing distributors so  
8 affected.

9 \* \* \*

10 (g) (1) A distributor or importing distributor may apply  
11 for an expanded sales permit which shall grant a distributor or  
12 importing distributor the authority to sell malt or brewed  
13 beverages in packages of:

14 (i) six containers or more with a total of at least sixty-  
15 seven and two tenths fluid ounces;

16 (ii) four containers or more with a total of at least  
17 eighty-eight fluid ounces; or

18 (iii) a single container with a total of at least sixty-four  
19 ounces.

20 (2) A distributor expanded sales permit application shall be  
21 made on a form and in a manner as prescribed by the board.

22 (3) A distributor expanded sales permit shall be valid for a  
23 period of not more than two years or until the expiration of the  
24 term for the distributor or importing distributor license held  
25 by the applicant, whichever is shorter.

26 (4) The fee for a distributor expanded sales permit shall be  
27 one hundred dollars (\$100.00).

28 Section 10. Section 432(d) of the act, amended January 6,  
29 2006 (P.L.1, No.1), is amended and the section is amended by  
30 adding subsections to read:

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

2 \*

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

1 previous license at that location shall be binding on the  
2 applicant unless the board enters into a new agreement  
3 rescinding those restrictions. The board shall refuse any  
4 application for a new license, the transfer of any license to a  
5 location where the sale of liquid fuels or oil is conducted or  
6 the extension of an existing license to cover an additional area  
7 if the point of sale or dispensing of liquid fuels or oil is  
8 within two hundred feet of the closest point to the physical  
9 building in which the licensee is located: 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 (h) (1) In addition to the authority provided under  
2 sections 401 and 407 for the sale of malt and brewed beverages  
3 for off-premises consumption, a malt and brewed beverage retail  
4 dispenser licensee may apply for an expanded sales permit which  
5 shall grant the licensee the authority to sell malt or brewed  
6 beverages for off-premises consumption if sold in quantities of  
7 thirty containers or less containing a total of not more than  
8 three hundred and eighty-four ounces in a single sale to one  
9 person.

10 (2) An expanded sales permit for malt and brewed beverages  
11 application under this subsection shall be made on a form and in  
12 a manner as prescribed by the board.

13 (3) An expanded sales permit for malt and brewed beverages  
14 under this subsection shall be valid for a period of not more  
15 than two years or until the expiration of the term for the  
16 restaurant license held by the applicant, whichever is shorter.

17 (4) The fee for the initial issuance and renewal of a  
18 restaurant expanded sales permit under this subsection for malt  
19 or brewed beverages shall be one hundred dollars (\$100).

20 (i) A holder of an expanded sales permit under subsection  
21 (h) may not have an interior connection to another business or  
22 with a residential building. A retail dispenser licensee with an  
23 interior connection to another business or with a residential  
24 building may not apply for an expanded sales permit under  
25 subsection (h).

26 Section 11. Section 438 of the act, amended June 25, 2010  
27 (P.L.217, No.35), is amended to read:

28 Section 438. Number and Kinds of Licenses Allowed Same  
29 Licensee.--(a) Any retail dispenser may be granted licenses to  
30 maintain, operate or conduct any number of places for the sale

1 of malt or brewed beverages, but a separate license must be  
2 secured for each place where malt or brewed beverages are sold.

3 (b) No person shall possess or be issued more than [one  
4 distributor's or importing distributor's license.] forty  
5 distributor's licenses, nor shall any person possess or be  
6 issued:

7 (1) more than ten per centum of the distributor licenses in  
8 any one county which has ten or more distributor licenses; or

9 (2) more than one distributor license in any one county  
10 which has fewer than ten distributor licenses.

11 (b.1) No person shall possess or be issued more than one  
12 importing distributor's license.

13 (c) No person shall possess more than one class of license,  
14 except that a holder of a retail dispenser's license may also be  
15 a holder of a retail liquor license: Provided, however, That  
16 nothing contained in this section shall be construed to prohibit  
17 a member of the governing board of a public authority created  
18 under subdivision (n) of Article XXIII of the act of August 9,  
19 1955 (P.L.323, No.130), known as "The County Code," from having  
20 an interest in a distributor or importing distributor license  
21 notwithstanding the fact that the public authority has an  
22 interest in one or more retail licenses or acts as a landlord  
23 for one or more retail licenses: And, provided further, That,  
24 notwithstanding any other provision of this section, an entity  
25 may acquire both a manufacturer's license or a limited winery  
26 license and a hotel, restaurant or retail dispenser license for  
27 use at the same location and more than one location may be so  
28 licensed. The licenses and a person's interest in the licenses  
29 or in the entity holding the licenses shall not be subject to  
30 this section.

1 Section 12. Section 468(a)(3) of the act, amended December  
2 20, 2000 (P.L.992, No.141), is amended to read:

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

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

19 \* \* \*

20 Section 13. Section 471(b) of the act, amended July 6, 2005  
21 (P.L.135, No.39), is amended to read:

22 Section 471. Revocation and Suspension of Licenses; Fines.--

23 \* \* \*

24 (b) Hearing on such citations shall be held in the same  
25 manner as provided herein for hearings on applications for  
26 license. Upon such hearing, if satisfied that any such violation  
27 has occurred or for other sufficient cause, the administrative  
28 law judge shall immediately suspend or revoke the license, or  
29 impose a fine of not less than [fifty dollars (\$50)] one hundred  
30 dollars (\$100) nor more than [one thousand dollars (\$1,000)] two

1 thousand dollars (\$2,000), or both, notifying the licensee by  
2 registered letter addressed to his licensed premises. If the  
3 licensee has been cited and found to have violated section  
4 493(1) insofar as it relates to sales to minors or sales to a  
5 visibly intoxicated person, section 493(10) insofar as it  
6 relates to lewd, immoral or improper entertainment or section  
7 493(14), (16) or (21), or has been found to be a public nuisance  
8 pursuant to section 611, or if the owner or operator of the  
9 licensed premises or any authorized agent of the owner or  
10 operator has been convicted of any violation of the act of April  
11 14, 1972 (P.L.233, No.64), known as "The Controlled Substance,  
12 Drug, Device and Cosmetic Act," or of 18 Pa.C.S. § 5902  
13 (relating to prostitution and related offenses) or 6301  
14 (relating to corruption of minors), at or relating to the  
15 licensed premises, the administrative law judge shall  
16 immediately suspend or revoke the license, or impose a fine of  
17 not less than [one thousand dollars (\$1,000)] five thousand  
18 dollars (\$5,000) nor more than [five thousand dollars (\$5,000)]  
19 ten thousand dollars (\$10,000), or both. However, if a licensee  
20 has been cited and found to have violated section 493(1) as it  
21 relates to sales to minors or sales to a visibly intoxicated  
22 person but at the time of the sale the licensee was in  
23 compliance with the requirements set forth in section 471.1 and  
24 the licensee had not sold to minors or visibly intoxicated  
25 persons in the previous four years, then the administrative law  
26 judge shall immediately suspend or revoke the license, or impose  
27 a fine of not less than [fifty dollars (\$50)] one hundred  
28 dollars (\$100) nor more than [one thousand dollars (\$1,000)] two  
29 thousand dollars (\$2,000), or both. The administrative law judge  
30 shall notify the licensee by registered mail, addressed to the

1 licensed premises, of such suspension, revocation or fine. In  
2 the event the fine is not paid within twenty days of the  
3 adjudication, the administrative law judge shall suspend or  
4 revoke the license, notifying the licensee by registered mail  
5 addressed to the licensed premises. Suspensions and revocations  
6 shall not go into effect until thirty days have elapsed from the  
7 date of the adjudication during which time the licensee may take  
8 an appeal as provided for in this act, except that revocations  
9 mandated in section 481(c) shall go into effect immediately. Any  
10 licensee whose license is revoked shall be ineligible to have a  
11 license under this act until the expiration of three years from  
12 the date such license was revoked. In the event a license is  
13 revoked, no license shall be granted for the premises or  
14 transferred to the premises in which the said license was  
15 conducted for a period of at least one year after the date of  
16 the revocation of the license conducted in the said premises,  
17 except in cases where the licensee or a member of his immediate  
18 family is not the owner of the premises, in which case the board  
19 may, in its discretion, issue or transfer a license within the  
20 said year. In the event the bureau or the person who was fined  
21 or whose license was suspended or revoked shall feel aggrieved  
22 by the adjudication of the administrative law judge, there shall  
23 be a right to appeal to the board. The appeal shall be based  
24 solely on the record before the administrative law judge. The  
25 board shall only reverse the decision of the administrative law  
26 judge if the administrative law judge committed an error of law,  
27 abused its discretion or if its decision is not based on  
28 substantial evidence. In the event the bureau or the person who  
29 was fined or whose license was suspended or revoked shall feel  
30 aggrieved by the decision of the board, there shall be a right

1 to appeal to the court of common pleas in the same manner as  
2 herein provided for appeals from refusals to grant licenses.  
3 Each of the appeals shall act as a supersedeas unless, upon  
4 sufficient cause shown, the reviewing authority shall determine  
5 otherwise; however, if the licensee has been cited and found to  
6 have violated section 493(1) insofar as it relates to sales to  
7 minors or sales to a visibly intoxicated person, section 493(10)  
8 insofar as it relates to lewd, immoral or improper entertainment  
9 or section 493(14), (16) or (21), or has been found to be a  
10 public nuisance pursuant to section 611, or if the owner or  
11 operator of the licensed premises or any authorized agent of the  
12 owner or operator has been convicted of any violation of "The  
13 Controlled Substance, Drug, Device and Cosmetic Act," or of 18  
14 Pa.C.S. § 5902 or 6301, at or relating to the licensed premises,  
15 or if the license has been revoked under section 481(c), its  
16 appeal shall not act as a supersedeas unless the reviewing  
17 authority determines otherwise upon sufficient cause shown. In  
18 any hearing on an application for a supersedeas under this  
19 section, the reviewing authority may consider, in addition to  
20 other relevant evidence, documentary evidence, including records  
21 of the bureau, showing the prior history of citations, fines,  
22 suspensions or revocations against the licensee; and the  
23 reviewing authority may also consider, in addition to other  
24 relevant evidence, evidence of any recurrence of the unlawful  
25 activity occurring between the date of the citation which is the  
26 subject of the appeal and the date of the hearing. If the  
27 reviewing authority is the board, no hearing shall be held on  
28 the application for a supersedeas; however, a decision shall be  
29 made based on the application, answer and documentary evidence  
30 under this subsection. If the application for a supersedeas is

1 for a license that has been revoked under section 481(c), the  
2 reviewing authority shall grant the supersedeas only if it finds  
3 that the licensee will likely prevail on the merits. No penalty  
4 provided by this section shall be imposed for any violations  
5 provided for in this act unless the bureau notifies the licensee  
6 of its nature within thirty days of the completion of the  
7 investigation.

8 Section 14. Section 471.1 of the act, amended or added  
9 December 20, 2000 (P.L.992, No.141) and December 22, 2011  
10 (P.L.530, No.113), is amended to read:

11 Section 471.1. Responsible Alcohol Management.--(a) The  
12 board is authorized to offer, or authorize qualified entities to  
13 offer, a responsible alcohol service program to licensees. The  
14 program shall consist of four parts: new employe orientation,  
15 training for alcohol service personnel, manager/owner training  
16 and the displaying of responsible alcohol service signage. New  
17 employe orientation shall consist of orienting newly hired  
18 alcohol service personnel as to Pennsylvania law relating to the  
19 sale, furnishing or serving of alcoholic beverages to minors and  
20 visibly intoxicated persons. It shall also mean orienting newly  
21 hired alcohol service personnel to responsible server practices,  
22 as the term is defined by the board, through regulation.  
23 Training for alcohol service personnel shall be as set forth by  
24 the board, but at minimum it shall consist of training to  
25 prevent service of alcohol to minors and to visibly intoxicated  
26 persons. Manager/owner training shall be as set forth by the  
27 board, but at a minimum it shall consist of training on how to  
28 monitor employes, proper service of alcohol and how to develop  
29 an appropriate alcohol service policy. The responsible alcohol  
30 service signage shall be as set forth by the board and shall

1 consist of signage dealing with the licensee's policy against  
2 sales to minors and visibly intoxicated persons. Alcohol service  
3 personnel training may be conducted by the board or by an entity  
4 certified by the board to conduct such training.

5 (b) The board shall be authorized to certify and decertify  
6 entities that wish to offer training for alcohol service  
7 personnel. The training entity and the board shall maintain  
8 records establishing the names of individuals who have  
9 successfully undergone alcohol service personnel training.

10 (c) Training for managers and owners must be conducted by  
11 the board or its employes. The board shall maintain records  
12 establishing the names of individuals who have successfully  
13 undergone manager/owner training.

14 (d) In order to be considered in compliance with this  
15 section for purposes of section 471, a restaurant, retail  
16 dispenser, eating place, hotel, club, catering club, distributor  
17 and importing distributor licensee shall:

18 (1) have at least fifty per centum of its alcohol service  
19 personnel certified as having successfully completed an alcohol  
20 beverage servers training;

21 (2) have its manager or owner certified as having  
22 successfully completed manager/owner training;

23 (3) have all alcohol service personnel undergo new employe  
24 orientation; and

25 (4) have appropriate responsible alcohol service signage  
26 posted on the licensed premises.

27 For purposes of this section, an owner is an individual who owns  
28 at least twenty-five per centum of the licensed entity.

29 (e) Licensees ordered to comply with this act pursuant to  
30 section 471 who change managers shall have sixty calendar days

1 to have the new manager trained as required by this section. If  
2 a licensee ordered to comply with this act pursuant to section  
3 471 hires additional alcohol service personnel, those additional  
4 employes shall be deemed to have been certified from their date  
5 of hire if they successfully complete an alcohol serving program  
6 within sixty days of their date of hire.

7 (f) Upon completion of a certified alcohol service personnel  
8 program or the board's owner/manager training program, the  
9 participant will be certified by the training entity or the  
10 board as having successfully completed the program. Said  
11 certification will be valid for two years. The licensee shall  
12 keep records of the certification status of its employes,  
13 managers and owners, including the name of the employe, manager  
14 or owner and the date of that individual's certification, in the  
15 same manner as it keeps other business records pursuant to  
16 section 493(12). The licensee shall also keep records of its new  
17 employe orientation program and records of its responsible  
18 alcohol service signage as set forth by the board by regulation.

19 (g) Unless successfully completed prior to appointment, a  
20 manager appointed by any restaurant, eating place retail  
21 dispenser, hotel, club, limited distillery licensee or  
22 distributor licensee shall be required to complete the  
23 manager/owner training under subsection (c) within one hundred  
24 eighty days of approval of appointment by the board.

25 (h) (1) The board shall require a person who, pursuant to a  
26 license or extended sales permit, is authorized to sell liquor  
27 for consumption off the licensed premises to comply with this  
28 section.

29 (2) Notwithstanding subsection (d) (1), a person authorized  
30 to sell liquor for consumption off the licensed premises shall

1 have all of its alcohol service personnel engaged in the sale of  
2 liquor for sale off the licensed premises consumption certified  
3 as having successfully completed an alcohol beverage servers  
4 training.

5 Section 15. Section 493(24)(i) of the act, amended November  
6 29, 2006 (P.L.1421, No.155), is amended to read:

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

12 It shall be unlawful--

13 \* \* \*

14 (24) (i) Things of Value Offered as Inducement. Except as  
15 provided in subclause (ii), for any licensee under the  
16 provisions of this article, or the board or any manufacturer, or  
17 any employe or agent of a manufacturer, licensee or of the  
18 board, to offer to give anything of value or to solicit or  
19 receive anything of value as a premium for the return of caps,  
20 stoppers, corks, stamps or labels taken from any bottle, case,  
21 barrel or package containing liquor or malt or brewed beverage,  
22 or to offer or give or solicit or receive anything of value as a  
23 premium or present to induce directly the purchase of liquor or  
24 malt or brewed beverage, or for any licensee, manufacturer or  
25 other person to offer or give to trade or consumer buyers any  
26 prize, premium, gift or other inducement to purchase liquor or  
27 malt or brewed beverages, except advertising novelties of  
28 nominal value which the board shall define. This section shall  
29 not prevent any manufacturer or any agent of a manufacturer from  
30 offering and honoring coupons which offer monetary rebates on

1 purchases of wines and spirits through State Liquor Stores or  
2 purchases of malt or brewed beverages through distributors and  
3 importing distributors in accordance with conditions or  
4 regulations established by the board. The board may redeem  
5 coupons offered by a manufacturer or an agent of a manufacturer  
6 at the time of purchase. Coupons offered by a manufacturer or an  
7 agent of a manufacturer shall not be redeemed without proof of  
8 purchase. This section shall not apply to the return of any  
9 monies specifically deposited for the return of the original  
10 container to the owners thereof.

11 (ii) Notwithstanding subclause (i) or any other provision of  
12 law, a holder of a restaurant license that is also approved to  
13 hold a slot machine license or a conditional slot machine  
14 license under 4 Pa.C.S. Part II (relating to gaming) may give  
15 liquor and malt or brewed beverages free of charge to any person  
16 actively engaged in playing a slot machine.

17 (iii) Notwithstanding subclause (i) or any other provision  
18 of law, the board may establish and implement a customer  
19 relations marketing program for the purpose of offering  
20 incentives, including coupons or discounts on products which may  
21 be conditioned upon the purchase of liquor, to customers of the  
22 board.

23 \* \* \*

24 Section 16. The act is amended by adding an article to read:

25 ARTICLE IV-A

26 PRIVATIZATION OF

27 WHOLESALE LIQUOR DISTRIBUTION

28 Section 401-A. Wine and spirits wholesale divestiture.

29 (a) Authorized wine and spirits wholesale licenses.--

30 (1) One wine and spirits wholesale license may be issued

1 by the department to a successful applicant. The wine and  
2 spirits wholesale license shall authorize the distribution of  
3 the brands of liquor to licensees authorized to sell or  
4 distribute liquor under this act, as proposed by an applicant  
5 and approved by the department.

6 (2) Subject to the conditions enumerated under section  
7 405-A, a wholesale licensee may distribute more than one  
8 brand of liquor under the same wine and spirits wholesale  
9 license.

10 (3) Upon application by a wine and spirits wholesale  
11 licensee, the board may amend the authorization under a wine  
12 and spirits wholesale license to include or exclude an  
13 additional brand of liquor.

14 (b) Wholesale license fee.--

15 (1) At the time of issuance, the department shall impose  
16 a one-time wholesale license fee to be paid by a successful  
17 applicant for a wine and spirits wholesale license in an  
18 amount equal to the blended brand valuation for a brand of  
19 liquor authorized by the wine and spirits wholesale license  
20 multiplied by the wholesale acquisition factor.

21 (2) Within the 90 days of the effective date of this  
22 section, the department shall determine and publish as a  
23 notice in the Pennsylvania Bulletin the wholesale license fee  
24 for each brand of liquor sold at Pennsylvania Liquor Stores  
25 for a continuous period of at least one year prior to the  
26 effective date of this section.

27 (c) Brands not previously sold.--

28 (1) The department may not impose a one-time wine and  
29 spirits wholesale license fee for a brand of liquor, not sold  
30 at Pennsylvania Liquor Stores for a continuous period of one

1 year in the ten years prior to the effective date of this  
2 section and is proposed to be distributed by an applicant for  
3 a wine and spirits wholesale license on a Statewide basis.

4 (2) If, at any time during the term of a wine and  
5 spirits wholesale license, the wine and spirits wholesale  
6 licensee proposes to sell and distribute a new brand of  
7 liquor not previously sold in this Commonwealth, the wine and  
8 spirits wholesale licensee shall apply to the board for  
9 permission to sell the brand and pay an additional license  
10 fee determined in accordance with this section.

11 (d) Term.--

12 (1) After payment of the wholesale license fee, a wine  
13 and spirits wholesale license is in effect unless the board  
14 suspends, revokes or does not renew the wine and spirits  
15 wholesale license upon good cause consistent with the license  
16 requirements as provided for under this article.

17 (2) The license of a wine and spirits wholesale licensee  
18 in good standing must be renewed every two years consistent  
19 with this article.

20 (3) This subsection may not be construed to relieve a  
21 wine and spirits wholesale licensee of the affirmative duty  
22 to notify the board of a change relating to the status of its  
23 license or other information contained in the application  
24 materials on file with the department or the board.

25 Section 402-A. Application for wine and spirits wholesale  
26 license.

27 (a) Applications.--An application for a wine and spirits  
28 wholesale license shall be submitted on a form and in a manner  
29 as shall be required by the department.

30 (b) Eligibility.--A person may be eligible to apply for a

1 wine and spirits wholesale license if the person satisfies all  
2 of the following:

3 (1) Neither the applicant nor any affiliate of the  
4 applicant has applied for or holds a license which authorizes  
5 the retail sale of wine and spirits to consumers in this  
6 Commonwealth.

7 (2) The applicant, if a corporation, a limited liability  
8 company, limited partnership, partnership, association or  
9 other legal entity, is organized under the laws of this  
10 Commonwealth.

11 (3) The applicant, if a natural person, is a citizen of  
12 the United States and a resident of this Commonwealth.

13 (4) Neither the applicant nor any affiliate of the  
14 applicant, executive officer, director or general or limited  
15 partner of the applicant or person holding, directly or  
16 indirectly, a controlling interest in the applicant has been  
17 convicted of a crime identified under subsection (d) (9).

18 (c) Other licenses.--Nothing under this article or act shall  
19 be construed to prohibit a properly licensed importing  
20 distributor of malt and brewed beverages from applying for and,  
21 if approved, being issued a wine and spirits wholesale license.

22 (d) General requirements.--In addition to any other  
23 information required under this article or as may be required by  
24 the department, the applicant for a wine and spirits wholesale  
25 license shall include, at a minimum, the following:

26 (1) The name and address of the applicant.

27 (2) A statement as to whether the applicant is an  
28 individual, corporation, limited liability company, limited  
29 partnership, partnership or association and, if the applicant  
30 is not an individual, the state of incorporation or

1 organization.

2 (3) If the applicant is not an individual, the names and  
3 residence addresses of each executive officer, director,  
4 general or limited partner or person holding a controlling  
5 interest in the applicant.

6 (4) If the applicant is an association, the names and  
7 residence addresses of the persons constituting the  
8 association.

9 (5) A statement of the brands of liquor the applicant  
10 proposes to engage in wholesale distribution on a Statewide  
11 basis.

12 (6) The proposed location and proof of ownership or  
13 lease for the wholesale operation, including any proposed  
14 warehouses, if available.

15 (7) Floor plans for any facility proposed to be used in  
16 wholesale operations and existing design plans for any  
17 facility that is planned, but not yet constructed, to the  
18 extent they are available.

19 (8) Information disclosing all arrests of the applicant  
20 and any affiliate of the applicant, executive officer,  
21 director or general or limited partner of the applicant or  
22 person holding a controlling interest in the applicant and  
23 all citations issued to the same for nonsummary offenses.  
24 The information shall include:

25 (i) A brief description of the circumstances  
26 surrounding the arrest or issuance of the citation.

27 (ii) The specific offense charged or cited.

28 (iii) The ultimate disposition of the charge or  
29 citation, including the details of any dismissal, plea  
30 bargain, conviction, sentence, pardon, expungement or

1 order of Accelerated Rehabilitative Disposition.

2 (9) A sworn statement that the applicant and any  
3 affiliate of the applicant, or any executive officer,  
4 director or general or limited partner of the applicant or  
5 person holding a controlling interest in the applicant have  
6 never been convicted:

7 (i) of any crime involving fraud, moral turpitude or  
8 racketeering within a period of ten years immediately  
9 preceding the date of the application; or

10 (ii) of any felony or equivalent crime.

11 (10) A statement that the applicant intends to  
12 continuously operate as a wine and spirits wholesale licensee  
13 for the duration of the license term and to provide a level  
14 of service, including product availability, reasonably  
15 equivalent to the level of service currently provided by the  
16 Commonwealth.

17 (11) A financial statement or letter of credit in a form  
18 and containing such information as the department shall  
19 prescribe to indicate the applicant's financial capability to  
20 operate the wholesale operation and the estimated volume of  
21 wholesale business to be conducted annually.

22 (12) A current tax certificate issued by the Department  
23 of Revenue showing any amount of taxes owed to the  
24 Commonwealth for the applicant and any affiliate of the  
25 applicant, executive officer, director or general or limited  
26 partner of the applicant or person holding a controlling  
27 interest in the applicant. Any unpaid taxes identified on the  
28 tax certificate must be paid before the application is  
29 considered complete and reviewed by the department.

30 (13) A signature and verification by oath or

1 affirmation, or under penalty of unsworn falsification to  
2 authorities, by the applicant, if a natural person, or, when  
3 the applicant is a legal entity, a person specifically  
4 authorized by the legal entity to sign the application, to  
5 which shall be attached written evidence of that authority.

6 (e) Additional information.--An applicant shall, during the  
7 application process, provide any other information determined to  
8 be appropriate by the department.

9 (f) Amended application.--When a change occurs in any  
10 information provided to the department as part of the  
11 application process, the applicant shall immediately notify the  
12 department of the change and timely provide amended information  
13 to the department in a form and manner determined by the  
14 department.

15 (g) Application fees and investigative costs.--The following  
16 shall apply:

17 (1) An application filing fee of \$1,000 shall be due  
18 upon application for a wine and spirits wholesale license.  
19 The application filing fee shall be refunded if, due to no  
20 fault on the part of the applicant, the wine and spirits  
21 wholesale license is not approved.

22 (2) The department shall establish, charge and collect  
23 fees from an applicant to recover the costs directly related  
24 to the department's review and investigation of the  
25 application for a wine and spirits wholesale license. The  
26 board shall have the same duty relating to fees as to  
27 applications for renewal.

28 Section 403-A. Review and investigation of application.

29 (a) Completeness of application.--

30 (1) The following shall apply:

1           (i) The department may not consider an incomplete  
2 application and shall notify the applicant in writing if  
3 an application is incomplete.

4           (ii) An application shall be considered incomplete  
5 if it does not include all applicable fees and all  
6 information and accompanying documentation required by  
7 the department, including the payment of any unpaid taxes  
8 identified on any tax certificate required to be filed  
9 with the application.

10          (2) A notification of incompleteness shall state the  
11 deficiencies in the application that must be corrected prior  
12 to consideration of the merits of the application.

13          (3) The applicant shall be afforded a reasonable period  
14 of time, as determined by the department, to cure the  
15 deficiencies.

16          (4) If the applicant fails to timely cure noticed  
17 deficiencies, the application shall be deemed denied by the  
18 department without further action.

19          (b) Investigation.--After receipt of an application for a  
20 wine and spirits wholesale license and a determination that the  
21 application is complete, the department shall conduct an  
22 investigation of the application as deemed necessary or  
23 desirable. The investigation shall include, and the applicant  
24 shall have the burden of demonstrating, at a minimum, the  
25 following:

26           (1) The truth and veracity of the information provided  
27 in the application.

28           (2) The applicant's cooperation and the cooperation of  
29 any affiliate of the applicant and any executive officer,  
30 director or general or limited partner of the applicant or

1 person holding a controlling interest in the applicant in the  
2 application process and with any request by the department or  
3 the board for any information deemed necessary for licensure.

4 (3) The good character, integrity and suitability of the  
5 applicant and any affiliate of the applicant, executive  
6 officer, director or general or limited partner of the  
7 applicant or person holding a controlling interest in the  
8 applicant.

9 (4) The applicant possesses sufficient financial  
10 resources to:

11 (i) Operate as a wholesale licensee.

12 (ii) Pay all taxes due and owing to the  
13 Commonwealth.

14 (iii) Assume liability for the safe operation of the  
15 wholesale operations.

16 (5) The applicant possesses sufficient business ability  
17 and experience to create and maintain a successful and  
18 efficient wholesale operation that provides service at a  
19 level that is reasonably equivalent to the level of service  
20 currently provided in this Commonwealth at the time of  
21 enactment of this article.

22 (6) The applicant has entered into a contractual  
23 relationship with one or more licensed manufacturers or  
24 importers for the distribution in this Commonwealth of a  
25 brand or brands of liquor regardless of whether the  
26 contractual relationship is contingent upon the board issuing  
27 a wine and spirits wholesale license to the applicant.

28 (7) The physical facilities proposed to be used in the  
29 applicant's wholesale operations are located and designed in  
30 such a manner as to:

1           (i) Assure that all warehouses are located within  
2 this Commonwealth.

3           (ii) Function as a self-contained unit, with limited  
4 customer access.

5           (iii) Not have any interior connection with any  
6 other business or with any residential building without  
7 prior board approval.

8           (iv) Provide adequate security to protect the  
9 applicant's inventory from unauthorized sale or  
10 diversion.

11           (v) Protect the public interest.

12       (c) Assistance with investigations.--The department may  
13 enter into an agreement with the Pennsylvania State Police or  
14 the Office of Inspector General to assist the department in  
15 conducting investigations under this section and to provide for  
16 the reimbursement of actual costs incurred for providing the  
17 assistance.

18 Section 404-A. Issuance of licenses.

19       (a) Notification.--Upon completion of the investigation  
20 under section 403-A, the department shall inform the applicant  
21 in writing of its decision to approve or deny the application.

22       (b) Approval.--If the application is approved, the  
23 department shall notify the successful applicant of the  
24 licensing fee due, as required under section 401-A for the  
25 brands of liquor approved for the applicant.

26       (c) Denial.--The following shall apply:

27           (1) If an application is denied, the department shall  
28 provide the applicant with the specific reasons for the  
29 denial in the written notification required under subsection

30 (a).

1       (2) The applicant shall be entitled to a hearing on the  
2 denial, if a hearing is requested within ten days of the  
3 department's notification and the request is in writing on a  
4 form and in a manner prescribed by the department.

5       (3) Any hearing conducted under this section shall  
6 comply with 2 Pa.C.S. (relating to administrative law and  
7 procedure).

8       (d) Issuance.--After approval of an application, the  
9 department shall issue a wine and spirits wholesale license to  
10 the applicant, if the applicant has completed all of the  
11 following acts:

12       (1) Paid the wholesale license fee required under this  
13 article. Payment shall be made by certified check or wire  
14 transfer to a designated restricted account in The State  
15 Stores Fund.

16       (2) Paid any outstanding application or investigation  
17 fees.

18       (3) Executed and delivered to the department the  
19 statement of conditions required under section 405-A.

20       (4) Purchased the board's marketable surplus warehouse  
21 inventory of all brands of liquor the applicant is being  
22 authorized to distribute at the board's original cost plus an  
23 administrative fee to be determined by the board.

24       (5) Fulfilled any other conditions required by the  
25 department or the board or provided for under this article.

26       (e) License not entitlement.--Nothing in this article shall  
27 be construed to create an entitlement to a wine and spirits  
28 wholesale license.

29       (f) Other licenses.--Nothing in this act shall be construed  
30 to prohibit a wine and spirits wholesale licensee from applying

1 for and, if approved, being issued a license as an importing  
2 distributor of malt and brewed beverages.

3 Section 405-A. Wholesale licensee statement of conditions.

4 (a) Statement of conditions.--The department shall develop a  
5 statement of conditions to be executed by a wine and spirits  
6 wholesale licensee governing the wine and spirits wholesale  
7 licensee.

8 (b) Conditions.--In addition to any other conditions the  
9 department deems necessary or appropriate for a specific wine  
10 and spirits wholesale licensee, a statement of conditions under  
11 this section shall include, at a minimum, the following  
12 conditions and impose the following obligations and requirements  
13 on an ongoing basis:

14 (1) Wine and spirits wholesale licensees may not sell  
15 liquor to persons that are not licensed under this act.

16 (2) Wine and spirits wholesale licensees shall:

17 (i) serve all licensees eligible to purchase liquor  
18 under this act and the board; and

19 (ii) shall make liquor available for sale to those  
20 licensees and the board under the same pricing structure.

21 (3) Except for wine and spirits wholesale licensees that  
22 hold an importing distributor license under section 431, wine  
23 and spirits wholesale licensees may not under any  
24 circumstances sell malt or brewed beverages.

25 (4) Wine and spirits wholesale licensees may not engage  
26 in the conduct that would constitute any of the following:

27 (i) Variable pricing.

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

30 (iii) Intentional exclusion of competing brands of

1           liquor from the marketplace.

2           (5) A wine and spirits wholesale licensee shall only  
3 sell and distribute liquor that is subject to a contractual  
4 relationship between the wine and spirits wholesale licensee  
5 and one or more licensed manufacturers or importers of wine  
6 and spirits.

7           (6) The following shall apply:

8                 (i) A wine and spirits wholesale licensee shall do  
9 all of the following:

10                     (A) Acquire liquor exclusively from:

11                             (I) a licensed manufacturer or importer of  
12 wine and spirits with whom the wine and spirits  
13 wholesale licensee has the contractual authority  
14 to sell at wholesale as provided under this act;  
15 or

16                             (II) an entity affiliated with the wine and  
17 spirits wholesale licensee.

18                     (B) Keep a detailed log of all wholesale liquor  
19 transactions, including both acquisitions and sales  
20 to licensees under this act.

21                 (ii) When liquor is acquired from an entity  
22 affiliated with the wine and spirits wholesale licensee,  
23 the entity shall be considered a licensed manufacturer or  
24 importer of wine and spirits.

25           (7) A wine and spirits wholesale licensee's licensed  
26 premises and all facilities involved in its wholesale  
27 operations, including any changes to those facilities during  
28 the term of the license, shall be subject to the inspection,  
29 investigation and approval of the department or the board.

30           (8) A wine and spirits wholesale licensee shall maintain

1 adequate security to protect the licensee's inventory from  
2 unauthorized sale or diversion and prevent its unauthorized  
3 distribution.

4 (9) Wine and spirits wholesale licensees shall not  
5 engage in any separate business activity upon any premises on  
6 which wholesale liquor operations are conducted without prior  
7 approval of the board.

8 (10) Wine and spirits wholesale licensees may sell  
9 liquor between 2 a.m. of any Monday and 12 midnight of the  
10 following Saturday.

11 (11) A wine and spirits wholesale licensee shall be  
12 considered a Pennsylvania Liquor Store for the purposes of  
13 collecting and remitting taxes consistent with the act of  
14 March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
15 1971, for wholesale transactions to licensees authorized to  
16 sell wine and spirits in this Commonwealth.

17 (12) A wine and spirits wholesale licensee shall notify  
18 the board within 15 days of any change in persons holding a  
19 controlling interest in the license.

20 (13) A wine and spirits wholesale licensee shall notify  
21 the board within 15 days of becoming aware of any arrest or  
22 criminal indictments or convictions by the licensee or any  
23 affiliate of the licensee, or any executive officer, director  
24 or general or limited partner of the licensee or person  
25 holding a controlling interest in the licensee.

26 (14) A wine and spirits wholesale licensee shall notify  
27 the board within 15 days of becoming aware of any violation  
28 of this act by the licensee or any affiliate of the licensee,  
29 or any executive officer, director or general or limited  
30 partner of the licensee, person holding a controlling

1 interest in the licensee or employee of the licensee.

2 (15) Neither a wine and spirits wholesale licensee, nor  
3 any of its affiliates, shall, at any time, seek to be  
4 approved or be approved by the department or the board to  
5 distribute brands of liquor in a manner which constitutes a  
6 violation of Federal or State law, including, but not limited  
7 to, antitrust or other unfair trade practices, or creates a  
8 monopolistic liquor distribution system in this Commonwealth.

9 (16) Wine and spirits wholesale licensees shall make the  
10 licensed premises, all of the facilities involved in the  
11 wholesale operation and all of the business and financial  
12 books and records of the wholesale operation available at any  
13 time for inspection and audit by the department or the board.

14 (17) Wine and spirits wholesale licensees shall  
15 cooperate fully in any inquiry or investigation by the  
16 department or the board and provide any information requested  
17 by the department or the board.

18 (18) A wine and spirits wholesale licensee, if a  
19 corporation, a limited liability company, limited  
20 partnership, partnership, association or other legal entity,  
21 shall at all times be organized under the laws of this  
22 Commonwealth.

23 (19) A wine and spirits wholesale licensee, if a natural  
24 person, shall at all times be a citizen of the United States  
25 and a resident of this Commonwealth.

26 (20) A wine and spirits wholesale licensee shall pay to  
27 the board an amount equal to 1% of the licensee's annual  
28 gross receipts on the sale of wine and spirits minus the  
29 annual taxes paid by the licensee. The board shall transfer  
30 the funds received under this paragraph to the Department of

1 Drug and Alcohol Programs or its successor in function for  
2 the following purposes:

3 (i) Treatment and rehabilitation of persons addicted  
4 to the excessive use of alcoholic beverages.

5 (ii) Promotion of education, prevention and early  
6 intervention programs designed to eliminate abuse and  
7 addiction to alcohol or other mood-altering substances or  
8 secure appropriate treatment for persons who are already  
9 addicted.

10 (iii) Study of the problem of addiction.

11 (iv) To issue grants to various entities for alcohol  
12 education and prevention efforts.

13 (c) Sanctions.--A wine and spirits wholesale licensee that  
14 fails to comply with any condition contained in the licensee's  
15 statement of conditions shall be subject to board-imposed  
16 administrative sanctions or other penalties authorized under  
17 sections 471 and 494.

18 Section 406-A. Loss of rights to wholesale brands of liquor.

19 The department shall establish procedures and standards to  
20 govern the relationship between wine and spirits wholesale  
21 licensees and manufacturers which shall, at a minimum,  
22 incorporate the following principles:

23 (1) A manufacturer having a contract, including all  
24 agreements, understandings or other arrangements, whether  
25 written or oral, with a wine and spirits wholesale licensee  
26 for the distribution in this Commonwealth of a brand or  
27 brands of liquor may terminate the distribution rights and  
28 transfer the rights to another wine and spirits wholesale  
29 licensee upon the voluntary agreement of both licensees. In  
30 the event of a voluntary termination and transfer, the

1 manufacturer shall provide written notice to the board  
2 indicating that affected wine and spirits wholesale licensees  
3 have both agreed to the termination and transfer. A copy of  
4 the notification to the board shall be provided to both  
5 licensees.

6 (2) If a wine and spirits wholesale licensee does not  
7 agree to the termination or transfer of its distribution  
8 rights, the manufacturer may terminate or transfer the rights  
9 only for good cause, as defined by the department or the  
10 board, or upon payment to the terminated licensee of  
11 reasonable compensation, as determined by the board to  
12 reflect the value of the wine and spirits wholesale  
13 licensee's business related to the terminated brand of  
14 liquor.

15 (3) Whether voluntary or involuntary, the termination  
16 and transfer of the right to distribute the brand of liquor  
17 shall comply with section 408-A.

18 Section 407-A. Sale, assignment or transfer of license.

19 (a) Prohibition.--No person may sell, assign or otherwise  
20 transfer a wholesale wine and spirits license granted under this  
21 article unless all of the following are met:

22 (1) The person has obtained the prior written approval  
23 of the board.

24 (2) The person has paid the fee under subsection (c).

25 (b) Compliance.--Any person to whom a wholesale wine and  
26 spirits license is sold, assigned or transferred shall comply  
27 with the provisions of this article prior to the sale,  
28 assignment or transfer of the license.

29 (c) Transfer fee.--The transfer of a wine and spirits  
30 license shall be subject to a transfer fee equal to 1% of the

1 license fee paid for the license and shall be paid as a  
2 condition of the transfer of the license. The transfer fee  
3 applicable to the transfer of brands of liquor under section  
4 408-A(b) shall not apply to the transfer of a package store  
5 wholesale license.

6 (d) Change of control.--For the purposes of this section, a  
7 change of control of a package store licensee shall be deemed to  
8 be a sale, assignment or transfer of a package store wholesale  
9 or retail license. A licensee shall notify the board immediately  
10 upon becoming aware of any proposed or contemplated change of  
11 control.

12 Section 408-A. Transfer of brands of liquor.

13 (a) Prohibition.--No brand of liquor offered for sale in  
14 this Commonwealth may be transferred to a different wine and  
15 spirits wholesale licensee without prior approval from the  
16 board.

17 (b) Transfer fee.--An application to the board to transfer  
18 the right to distribute a brand of liquor shall be subject to an  
19 application fee equal to 1% of the initial license fee  
20 attributable to the brand of liquor or \$1,000, whichever is  
21 greater.

22 Section 409-A. Return of fee or bid.

23 The entire wholesale license fee paid by a wine and spirits  
24 wholesale licensee under section 401-A(b) shall be returned if  
25 this article is amended or otherwise altered by an act of the  
26 General Assembly within five years of the effective date of this  
27 section to change provisions relating to the loss of rights to  
28 wholesale brands of liquors under section 406-A.

29 Section 410-A. Deposit of license fees.

30 The license fee paid by a wine and spirits wholesale licensee

1 under section 401-A (b) shall be deposited into the Public  
2 Education Legislative Initiative Fund.

3 Section 411-A. Excise tax on wine and spirits.

4 (a) Duty to collect taxes.--A wine and spirits wholesale  
5 licensee shall collect from each licensee authorized to purchase  
6 and sell wine and spirits to consumers an excise tax on wine and  
7 spirits sold in this Commonwealth at a rate of 21.5%.

8 (b) Remittance of excise tax.--A wine and spirits wholesale  
9 licensee shall remit the tax imposed and collected under this  
10 section to the Department of Revenue monthly on or before the  
11 tenth day of the month following the collection of the tax.

12 (c) Exemptions.--A tax imposed under this section does not  
13 apply to:

14 (1) a malt and brewed beverage; or

15 (2) liquor sold to a post exchange, ship service store  
16 or base exchange located in a military, naval or air force  
17 reservation within this Commonwealth.

18 Section 412-A. Duties of the Department of General Services.

19 The Department of General Services shall:

20 (1) determine when the Pennsylvania Liquor Control Board  
21 substantially divested of its wholesale liquor function to  
22 wine and spirits wholesale licensees under this article; and

23 (2) publish the date determined under paragraph (1) as a  
24 notice in the Pennsylvania Bulletin.

25 Section 17. Section 801(b) of the act is amended and the  
26 section is amended by adding a subsection to read:

27 Section 801. Moneys Paid Into Liquor License Fund and  
28 Returned to Municipalities.--\* \* \*

29 (b) The moneys in the Liquor License Fund shall, on the  
30 first days of February and August of each year, be paid by the

1 board to the respective municipalities in which the respective  
2 licensed places are situated, if the municipalities have a  
3 municipal police force, in such amounts as represent the  
4 aggregate license fees collected from licenses in such  
5 municipalities during the preceding period.

6 (b.1) Money in the Liquor License Fund that is due to  
7 municipalities that have a municipal police force shall be paid  
8 to the enforcement bureau on the first days of February and  
9 August of each year to be utilized for the implementation of  
10 compliance checks for underage sales by licensees.

11 \* \* \*

12 Section 18. Section 802(c) of the act is amended to read:

13 Section 802. Moneys Paid Into The State Stores Fund for Use  
14 of the Commonwealth.--\* \* \*

15 (c) [Two] Five per centum of annual profits from the sale of  
16 liquor and alcohol shall be annually transferred to the  
17 Department [of Health for use by the Office] of Drug and Alcohol  
18 Programs, or its successor in function, for the following  
19 purposes:

20 (1) Treatment and rehabilitation of persons addicted to the  
21 excessive use of alcoholic beverages.

22 (2) Promotion of education, prevention and early  
23 intervention programs designed to eliminate abuse and addiction  
24 to alcohol or other mood-altering substances or secure  
25 appropriate treatment for the already addicted.

26 (3) Study of the problem of addiction.

27 (4) To issue grants to various entities for alcohol  
28 education and prevention efforts.

29 \* \* \*

30 Section 19. The act is amended by adding a section to read:

1 Section 804. Public Education Legislative Initiative Fund.--

2 (a) The Public Education Legislative Initiative Fund is  
3 established as a restricted receipts account in the General  
4 Fund.

5 (b) Money shall be deposited into the Public Education  
6 Legislation Initiative Fund in accordance with this act.

7 (c) Money in the Public Education Legislation Initiative  
8 Fund may be appropriated by the General Assembly for the  
9 purposes of improving the delivery and quality of primary and  
10 secondary public education to Commonwealth residents.

11 Section 20. Repeals are as follows:

12 (1) The General Assembly declares that the repeal under  
13 paragraph (2) is necessary to effectuate the addition of  
14 section 336-A of the act.

15 (2) The the act of June 9, 1936 (1st Sp.Sess., P.L.13,  
16 No.4), entitled "An act imposing an emergency State tax on  
17 liquor, as herein defined, sold by the Pennsylvania Liquor  
18 Control Board; providing for the collection and payment of  
19 such tax; and imposing duties upon the Department of Revenue  
20 and the Pennsylvania Liquor Control Board," is repealed.

21 Section 21. This act shall take effect as follows:

22 (1) The provisions of section 20 shall take effect upon  
23 publication of the notice under section 412-A(2) of the act.

24 (2) The remainder of this act shall take effect in 90  
25 days.