## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL



INTRODUCED BY PAYNE, D. COSTA, DeLUCA, DIAMOND, FLYNN, GIBBONS, KORTZ, McNEILL, MILLARD, O'NEILL, SANKEY AND THOMAS, JUNE 25, 2015

REFERRED TO COMMITTEE ON LIQUOR CONTROL, JUNE 25, 2015

## AN ACT

Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as reenacted, "An act relating to alcoholic liquors, alcohol and malt and brewed beverages; amending, revising, consolidating and changing the laws relating thereto; regulating and restricting the manufacture, purchase, sale, possession, consumption, importation, transportation, furnishing, holding in bond, holding in storage, traffic in and use of alcoholic liquors, alcohol and malt and brewed beverages and the persons engaged or employed therein; defining the powers and duties of the Pennsylvania Liquor Control Board; providing for the establishment and operation of State liquor stores, for the payment of certain license fees to the respective municipalities and townships, for the abatement of certain nuisances and, in certain cases, for search and seizure without warrant; prescribing penalties and forfeitures; providing for local option, and repealing existing laws," in licenses and regulations, liquor, alcohol and malt and brewed beverages, further providing for license districts, license period and hearings, for applications for hotel, restaurant and club liquor licenses, for issuance, transfer or extension of hotel, restaurant and club liquor licenses and for license fees, for sales by liquor licensees and restrictions; providing for casino liquor license; further providing for limiting number of retail licenses to be issued in each county, for revocation and suspension of licenses and fines and for unlawful acts relative to liquor, malt and brewed beverages and licensees.

The General Assembly of the Commonwealth of Pennsylvania
hereby enacts as follows:
Section 1. Section $402(c)$ of the act of April 12, 1951
(P.L.90, No.21), known as the Liquor Code, reenacted and amended June 29, 1987 (P.L.32, No.14), amended December 20, 2000 (P.L.992, No.141), is amended to read:

Section 402. License Districts; License Period; Hearings.--* * *
(c) This section shall not be construed so as to grant standing to residents residing within five hundred (500) feet of a public venue, slot machine facility or performing arts facility.

Section 2. Section $403(\mathrm{~g})$ of the act, amended December 9, 2002 (P.L.1653, No.272), is amended to read:

Section 403. Applications for Hotel, Restaurant and Club Liquor Licenses.--* * *
(g) Every applicant for a new license or for the transfer of an existing license shall post, for a period of at least thirty days beginning with the day the application is filed with the board, in a conspicuous place on the outside of the premises or at the proposed new location for which the license is applied, a notice of such application. The notice shall indicate whether the applicant is applying for the amusement permit required by section 493(10). The notice shall be in such form, be of such size, and contain such provisions as the board may require by its regulations. Proof of the posting of such notice shall be filed with the board. The posting requirement imposed by this subsection shall not apply to license applications submitted for public venues or slot machine facilities.

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Section 3. Section 404 of the act, amended January 6, 2006 (P.L.1, No.1), is amended to read:

Section 404. Issuance, Transfer or Extension of Hotel,

1 Restaurant and Club Liquor Licenses.--Upon receipt of the application and the proper fees, and upon being satisfied of the truth of the statements in the application that the applicant is the only person in any manner pecuniarily interested in the business so asked to be licensed and that no other person will be in any manner pecuniarily interested therein during the continuance of the license, except as hereinafter permitted, and that the applicant is a person of good repute, that the premises applied for meet all the requirements of this act and the regulations of the board, that the applicant seeks a license for a hotel, restaurant or club, as defined in this act, and that the issuance of such license is not prohibited by any of the provisions of this act, the board shall, in the case of a hotel or restaurant, grant and issue to the applicant a liquor license, and in the case of a club may, in its discretion, issue or refuse a license: Provided, however, That in the case of any new license or the transfer of any license to a new location or the extension of an existing license to cover an additional area the board may, in its discretion, grant or refuse such new license, transfer or extension if such place proposed to be licensed is within three hundred feet of any church, hospital, charitable institution, school, or public playground, or if such new license, transfer or extension is applied for a place which is within two hundred feet of any other premises which is licensed by the board: And provided further, That the board's authority to refuse to grant a license because of its proximity to a church, hospital, charitable institution, public playground or other licensed premises shall not be applicable to license applications submitted for public venues, slot machine facilities or performing arts facilities: And provided further,

1 That the board shall refuse any application for a new license, 2 the transfer of any license to a new location or the extension 3 of an existing license to cover an additional area if, in the board's opinion, such new license, transfer or extension would be detrimental to the welfare, health, peace and morals of the inhabitants of the neighborhood within a radius of five hundred feet of the place proposed to be licensed: And provided further, That the board shall have the discretion to refuse a license to any person or to any corporation, partnership or association if such person, or any officer or director of such corporation, or any member or partner of such partnership or association shall have been convicted or found guilty of a felony within a period of five years immediately preceding the date of application for the said license. The board shall refuse any application for a new license, the transfer of any license to a new location or the extension of any license to cover an additional area where the sale of liquid fuels or oil is conducted. The board may enter into an agreement with the applicant concerning additional restrictions on the license in question. If the board and the applicant enter into such an agreement, such agreement shall be binding on the applicant. Failure by the applicant to adhere to the agreement will be sufficient cause to form the basis for a citation under section 471 and for the nonrenewal of the license under section 470. If the board enters into an agreement with an applicant concerning additional restrictions, those restrictions shall be binding on subsequent holders of the license until the license is transferred to a new location or until the board enters into a subsequent agreement removing those restrictions. If the application in question involves a location previously licensed by the board, then any restrictions imposed by the
board on the previous license at that location shall be binding on the applicant unless the board enters into a new agreement rescinding those restrictions. The board may, in its discretion, refuse an application for an economic development license under section $461(b .1)$ or an application for an intermunicipal transfer of a license if the board receives a protest from the governing body of the receiving municipality. The receiving municipality of an intermunicipal transfer or an economic development license under section $461(\mathrm{~b} .1)$ may file a protest against the transfer of a license into its municipality, and the receiving municipality shall have standing in a hearing to present testimony in support of or against the issuance or transfer of a license. Upon any opening in any quota, an application for a new license shall only be filed with the board for a period of six months following said opening.

Section 4. Section 405 of the act is amended by adding a subsection to read:

Section 405. License Fees.--* * *
(f) Every application for a casino license under section 415 shall be accompanied by an applicant's fee of one million dollars $(\$ 1,000,000)$. Thereafter, the license must be renewed on an annual basis. For the first four (4) years after the initial issue of the license, the license shall be subject to an annual renewal fee of one million dollars $(\$ 1,000,000)$. Thereafter, the licensee shall be subject to an annual renewal fee of two hundred fifty thousand dollars $(\$ 250,000)$. All fees collected or received by the board under this subsection shall be paid into the State Treasury through the Department of Revenue into the General Fund.

Section 5. Section $406(e)(1)$ and (g) of the act, amended

December 22, 2011 (P.L.530, No.113), are amended to read:
Section 406. Sales by Liquor Licensees; Restrictions.--* * *
(e) (1) The holder of a hotel license or the holder of a restaurant license located in a hotel may allow persons to transport liquor or malt or brewed beverages from the licensed portion of the premises to the unlicensed portion of the premises, so long as the liquor or malt or brewed beverages remain on the hotel property. In addition, a holder of a restaurant or club license located on a golf course may sell, furnish or give liquor or malt or brewed beverages on the unlicensed portion of the golf course so long as the liquor or malt or brewed beverages remain on the restaurant, club or golf course. The holder of a restaurant license located immediately adjacent to and under the same roof of a bowling center may allow persons to transport liquor or malt or brewed beverages from the licensed portion of the premises to the unlicensed portion of the premises, so long as the liquor or malt or brewed beverages remain within the bowling center. The holder of a slot machine license may allow liquor or malt or brewed beverages to be transported and consumed off of the licensed portion of the premises so long as it remains within the facility that houses the slot machine license. In addition, the holder of a hotel license or a restaurant license may allow persons who have purchased but only partially consumed a bottle of wine on the premises to remove the bottle from the premises so long as the bottle was purchased in conjunction with a meal which was consumed on the premises and so long as the bottle is resealed. For purposes of this subsection, "wine" shall have the meaning given to it under section $488(i)$. For purposes of this section and section 432, "meal" shall mean food prepared on the
premises, sufficient to constitute breakfast, lunch or dinner; it shall not mean a snack, such as pretzels, popcorn, chips or similar food.

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(g) Notwithstanding any other provision of law or regulation, the holder of a retail license may hold happy hours up to four consecutive or nonconsecutive hours per day and up to fourteen hours per week during which the holder discounts the price of alcoholic beverages. No discounts may be given between the hours of midnight and the legal closing time. Notice of all happy hours shall be visibly posted on the licensed premises seven days prior to the happy hour. Except as provided in this subsection, a licensee shall comply with the provisions of 40 Pa. Code § 13.102 (relating to discount pricing practices). Events conducted under the authority of 40 Pa . Code § $13.102(\mathrm{~b})$ shall not be counted against the four-hour per day or fourteenhour per week limit. The holder of a slot machine license shall not be subject to the restrictions set forth in this subsection or the restrictions set forth in 40 Pa . Code § 13.102.

Section 6. The act is amended by adding a section to read:
Section 415. Casino liquor license.--(a) The board is authorized to issue a casino liquor license to any person approved to hold a slot machine license under 4 Pa.C.S. Part II (relating to gaming) for use at a facility that houses a slot machine license.
(b) An application for a casino liquor license under this section may be made by the holder of a slot machine license pursuant to $4 \mathrm{~Pa} . C . S$. Pt. II or its affiliate, intermediary, subsidiary, holding company or otherwise under common ownership with a person approved to hold a slot machine license or
licensed facility, as that term is defined in 4 Pa.C.S. S 1103
(relating to definitions).
(h) Licenses issued under this section are nontransferable,
provided that nothing in this subsection shall preclude a
transfer of ownership of a casino license to anyone approved
under subsection (a) to be used at the same licensed premises.
(i) Licenses under this section shall expire upon:
(1) revocation by an administrative law judge under section
471;
(2) nonrenewal by the board under section 470;
(3) nonrenewal of the license by the license holder; or
(4) upon request by the slot machine license holder.
(j) The board may issue a license under this section at any
time to a new applicant even if the previous license had:
(1) been revoked by an administrative law judge under
section 471;
(2) not been renewed by the board under section 470;
(3) not been renewed by the license holder; or
(4) expired upon request by the slot machine license holder.
(k) Licenses issued under this section are subject to the
following additional restrictions and privileges:
(1) Sales may be made at any time the facility is open to
the public.
(2) Liquor or malt or brewed beverages may be transported
and consumed off of the licensed portion of the premises so long
as it remains within the facility that houses the slot machine
license.
(3) Sales of malt or brewed beverages for off-premises
consumption are prohibited.
(4) Licenses issued under this section shall not be subject
retail dispenser or club licenses shall be issued within a county if the total number of restaurant and eating place retail dispenser licenses is greater than one license for each three thousand inhabitants in the county, except the board may issue licenses to public venues, slot machine facilities, performing arts facilities, continuing care retirement communities, airport restaurants, municipal golf courses, hotels, privately-owned private golf courses, privately-owned public golf courses, racetracks, automobile racetracks, nonprimary pari-mutuel wagering locations, privately-owned ski resorts and to any other entity which this act specifically exempts from the limitations provided in this section, and the board may issue a license to a club situated in a borough having a population less than eight thousand inhabitants which is located in a county of the second class $A$ whose application is filed on or before February 28, 2001. In addition, the board may issue an eating place retail dispenser license for on-premises sales only to the owner or operator of a facility having a minimum of a one-half mile asphalt track and having a permanent seating capacity of at least six thousand people used principally for holding automobile races, regardless of the number of restaurant and eating place retail dispenser licenses already issued in that county. When determining the number of restaurant and eating place retail dispenser licenses issued in a county for the purposes of this section, licenses exempted from this limitation and club licenses shall not be considered. Inhabitants of dry municipalities shall be considered when determining the population in a county. Licenses shall not be issued or transferred into municipalities where such licenses are prohibited pursuant to local referendum in accordance with
section 472. Licenses approved for intermunicipal transfer may not be transferred from the receiving municipality for a period of five years after the date that the licensed premises are operational in the receiving municipality.

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Section 8. Section $471(\mathrm{~b})$ of the act, amended July 6, 2005 (P.L.135, No.39), is amended to read:

Section 471. Revocation and Suspension of Licenses; Fines.-* * *
(b) Hearing on such citations shall be held in the same manner as provided herein for hearings on applications for license. Upon such hearing, if satisfied that any such violation has occurred or for other sufficient cause, the administrative law judge shall immediately suspend or revoke the license, or impose a fine of not less than fifty dollars (\$50) nor more than one thousand dollars (\$1,000), or both, notifying the licensee by registered letter addressed to his licensed premises. However, if the license was issued pursuant to section 415, then the administrative law judge, upon being satisfied that a violation has occurred, shall immediately revoke the license or impose a fine of not less than one thousand dollars $(\$ 1,000)$ nor more than five thousand dollars (\$5,000), or both. If the licensee has been cited and found to have violated section $493(1)$ insofar as it relates to sales to minors or sales to a visibly intoxicated person, section $493(10)$ insofar as it relates to lewd, immoral or improper entertainment or section 493(14), (16) or (21), or has been found to be a public nuisance pursuant to section 611, or if the owner or operator of the licensed premises or any authorized agent of the owner or operator has been convicted of any violation of the act of April

1 14, 1972 (P.L.233, No.64), known as "The Controlled Substance,
2 Drug, Device and Cosmetic Act," or of 18 Pa.C.S. § 5902 (relating to prostitution and related offenses) or 6301 (relating to corruption of minors), at or relating to the licensed premises, the administrative law judge shall immediately suspend or revoke the license, or impose a fine of not less than one thousand dollars $(\$ 1,000)$ nor more than five thousand dollars (\$5,000), or both. However, [if a licensee] if the license was issued pursuant to section 415 , then the administrative law judge, upon being satisfied that a violation has occurred, shall immediately revoke the license or impose a fine of not less than five thousand dollars ( $\$ 5,000$ ) nor more than fifty thousand dollars $(\$ 50,000)$, or both. If any licensee, except one whose license was issued pursuant to section 415, has been cited and found to have violated section 493(1) as it relates to sales to minors or sales to a visibly intoxicated person but at the time of the sale the licensee was in compliance with the requirements set forth in section 471.1 and the licensee had not sold to minors or visibly intoxicated persons in the previous four years, then the administrative law judge shall immediately suspend or revoke the license, or impose a fine of not less than fifty dollars (\$50) nor more than one thousand dollars (\$1,000), or both. A licensee, whose license was issued pursuant to section 415, that has been cited and found to have violated section $493(1)$ as it relates to sales to minors or sales to a visibly intoxicated person but at the time of the sale the licensee was in compliance with the requirements set forth in section 471.1 and the licensee had not sold to minors or visibly intoxicated persons in the previous four years, shall be subject to a fine of not less than one thousand shall notify the licensee by registered mail, addressed to the licensed premises, of such suspension, revocation or fine. In the event the fine is not paid within twenty days of the adjudication, the administrative law judge shall suspend or revoke the license, notifying the licensee by registered mail addressed to the licensed premises. Suspensions and revocations shall not go into effect until thirty days have elapsed from the date of the adjudication during which time the licensee may take an appeal as provided for in this act, except that revocations mandated in section $481(c)$ shall go into effect immediately. Any licensee whose license is revoked shall be ineligible to have a license under this act until the expiration of three years from the date such license was revoked. In the event a license is revoked, no license shall be granted for the premises or transferred to the premises in which the said license was conducted for a period of at least one year after the date of the revocation of the license conducted in the said premises, except in cases where the licensee or a member of his immediate family is not the owner of the premises, in which case the board may, in its discretion, issue or transfer a license within the said year. In the event the bureau or the person who was fined or whose license was suspended or revoked shall feel aggrieved by the adjudication of the administrative law judge, there shall be a right to appeal to the board. The appeal shall be based solely on the record before the administrative law judge. The board shall only reverse the decision of the administrative law judge if the administrative law judge committed an error of law, abused its discretion or if its decision is not based on

1 substantial evidence. In the event the bureau or the person who 2 was fined or whose license was suspended or revoked shall feel aggrieved by the decision of the board, there shall be a right to appeal to the court of common pleas in the same manner as herein provided for appeals from refusals to grant licenses. Each of the appeals shall act as a supersedeas unless, upon sufficient cause shown, the reviewing authority shall determine otherwise; however, if the licensee has been cited and found to have violated section $493(1)$ insofar as it relates to sales to minors or sales to a visibly intoxicated person, section 493 (10) insofar as it relates to lewd, immoral or improper entertainment or section $493(14)$, (16) or (21), or has been found to be a public nuisance pursuant to section 611, or if the owner or operator of the licensed premises or any authorized agent of the owner or operator has been convicted of any violation of "The Controlled Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. § 5902 or 6301, at or relating to the licensed premises, or if the license has been revoked under section $481(c)$, its appeal shall not act as a supersedeas unless the reviewing authority determines otherwise upon sufficient cause shown. In any hearing on an application for a supersedeas under this section, the reviewing authority may consider, in addition to other relevant evidence, documentary evidence, including records of the bureau, showing the prior history of citations, fines, suspensions or revocations against the licensee; and the reviewing authority may also consider, in addition to other relevant evidence, evidence of any recurrence of the unlawful activity occurring between the date of the citation which is the subject of the appeal and the date of the hearing. If the reviewing authority is the board, no hearing shall be held on
the application for a supersedeas; however, a decision shall be made based on the application, answer and documentary evidence under this subsection. If the application for a supersedeas is for a license that has been revoked under section $481(c)$, the reviewing authority shall grant the supersedeas only if it finds that the licensee will likely prevail on the merits. No penalty provided by this section shall be imposed for any violations provided for in this act unless the bureau notifies the licensee of its nature within thirty days of the completion of the investigation.

Section 9. Section $493(10)$ and (24) (ii) of the act, amended November 29, 2006 (P.L.1421, No.155) and June 28, 2011 (P.L.55, No.11), are amended to read:

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

It shall be unlawful--

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(10) Entertainment on Licensed Premises (Except Clubs);

Permits; Fees. For any licensee, his servants, agents or employes, except club licensees, public venue licensees, slot machine license holders or performing arts facility licensees, to permit in any licensed premises or in any place operated in connection therewith, dancing, theatricals or floor shows of any sort, or moving pictures other than television, or such as are exhibited through machines operated by patrons by the deposit of coins, which project pictures on a screen not exceeding in size
twenty-four by thirty inches and which forms part of the machine, unless the licensee shall first have obtained from the board a special permit to provide such entertainment, or for any licensee, under any circumstances, to permit in any licensed premises or in any place operated in connection therewith any lewd, immoral or improper entertainment, regardless of whether a permit to provide entertainment has been obtained or not. The special permit may be used only during the hours when the sale of liquor or malt or brewed beverages is permitted, unless the licensee holds an extended hours food license under section $499(\mathrm{~b})$ which license would allow the special permit to be used while the establishment is open, and between eleven o'clock antemeridian on Sunday and two o'clock antemeridian on the following Monday, regardless of whether the licensee possesses a Sunday sales permit. The board shall have power to provide for the issue of such special permits, and to collect an annual fee for such permits as prescribed in section $614-A$ of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929." All such fees shall be paid into the State Stores Fund. No such permit shall be issued in any municipality which, by ordinance, prohibits amusements in licensed places. Any violation of this clause shall, in addition to the penalty herein provided, subject the licensee to suspension or revocation of his permit and his license.

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(24) * * *
(ii) Notwithstanding subclause (i) or any other provision of law, a holder of a restaurant license that is also approved to hold a slot machine license or a conditional slot machine license under 4 Pa.C.S. Part II (relating to gaming) or the

