



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 425

PRINTERS NO. 2314

PRIME SPONSOR: Dowling

COST / (SAVINGS)

FUND	FY 2021/22	FY 2022/23
State Stores Fund	See fiscal impact	See fiscal impact
General Fund	See fiscal impact	See fiscal impact

SUMMARY: House Bill 425, printer's number 2314, amends the Liquor Code to further provide for sales by liquor licensees and restrictions, and for prepared beverages and mixed drinks for off-premises consumption during disaster emergency, and providing for safekeeping.

ANALYSIS: This legislation allows a licensee that is permanently closing to sell their remaining stock of wine and liquor to another licensee qualified to sell such products. The licensee that is closing is required to notify the Pennsylvania Liquor Control Board (PLCB) in writing of the name of the licensee, and identifying any product sold to that licensee, as well as the description of the liquor, including brand names, sizes and numbers of containers sold.

The bill allows the PLCB, upon receipt of a request from a licensed club, catering club, restaurant, retail dispenser, hotel, limited distillery, distillery, brewery, or limited winery, to temporarily extend the licensed premises of a licensee to include any outside serving area that is immediately adjacent to the existing licensed areas, or within 1,000 feet of the main licensed building. The PLCB is required to grant immediate operating authority to the applicant to use the outside area while the board processes the request. The expanded operating authority is terminated if a valid protest is received, or if the board determines that the proposed area does not meet the requirements of this act or regulations for the licensing of the defined area. A filing fee is not to be required, but applicants are required to provide information deemed relevant by the PLCB.

House Bill 425 allows the PLCB to authorize an unlimited number of off-premises catered functions to entities that qualify for such permits. An application fee is not to be required, and an application for a catering permit does not need to be submitted prior to March 1 of that calendar year. The five-hour limit on catered functions does not apply to these permits.

In addition, legislation allows the board to provide an additional year of safe keeping for a club, catering club, restaurant, eating place retail dispenser, hotel, importing distributor, and distributor license that was in safekeeping during the proclamation of disaster emergency. It specifies that the license is not subject to a renewal, validation, or late fee that would be due during the additional year, except that the licensee must file a renewal or validation application

that becomes due. It also specifies that the additional year of safekeeping starts on the date of a renewal or validation of the license that occurs after December 31, 2021.

This act shall take effect immediately.

FISCAL IMPACT: To the extent that enactment of this legislation allows for additional sales of spirits by the PLCB to licensees, the Commonwealth may realize additional revenues for the State Stores Fund and the General Fund. Allowing for the sale of products between closing licensees and other licensees will have no adverse impact on Commonwealth funds.

The provisions of the bill that waive the \$500 permit fee for catering permits may result in a potential loss of revenue of over \$250,000. The provisions of the bill that waive the extension of safekeeping fees may result in a reduction of revenue to the State Stores Fund of approximately \$2.4 million. These estimates are based on applications from the prior year, and safekeeping extensions sought in 2019.

PREPARED BY: Casey Martin
House Appropriations Committee (R)

DATE: October 27, 2021

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.