



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1096

PRINTER'S NO. 1687

PRIME SPONSOR: Malagari

COST / (SAVINGS)

FUND	FY 2023/24	FY 2024/25
State Stores Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY:

This legislation would allow certain hotel licensees to convert their license to a restaurant liquor license, allow amusement parks and certain public gardens to obtain a public venue license, and establish the Stop-and-Go Legislative Task Force.

ANALYSIS:

This legislation amends the Liquor Code to allow certain hotel licensees that were granted a license prior to 1965 to apply to the Pennsylvania Liquor Control Board (PLCB) to convert their license to a restaurant license for a fee of \$30,000 regardless of the quota restrictions. This legislation would also allow hotel licensees that were eligible to convert to a restaurant license under Act 125 of 2020, but did not do so, to similarly convert their licenses. Licensees seeking to convert their license would need to apply to the board by February 27, 2026, to do so.

The legislation would also allow amusement parks as defined in Act 81 of 1984 that are situated on at least 40 acres of land to acquire a public venue liquor license. The legislation would permit an amusement park that currently holds a restaurant license before January 1, 2022, to exchange their license for a public venue license at no cost, and the restaurant license exchanged would be subject to a license auction by PLCB. The legislation would further allow entities that are members of the American Public Garden Association and are comprised of at least 350 acres to be eligible for a public venue liquor license.

Finally, the legislation would establish the Stop-and-Go Legislative Task Force (Task Force) that would have the following duties and responsibilities:

- Review and analyze the law, procedures, practices, processes, and rules relating to the issues involving stop-and-go establishments;
- Hold public hearings for the taking of testimony and the requesting of documents;
- Through the chair, administer oaths and affirmations to witnesses appearing before the Task Force;
- Accept and review written comments from individuals and organizations; and
- Issue a report no later than four months after the Task Force's initial meeting to each member of the General Assembly who represents residents of a city of the first class (Philadelphia), the PLCB, the Chairs of the Senate Law and Justice Committee, and the Chairs of the House Liquor Control Committee. In addition to providing any information deemed appropriate, the report issued by the Task Force will accomplish the following:
 - Defining and creating a liquor license category for stop-and-go establishments operating within Philadelphia; and
 - Providing recommendations for regulating stop-and-go establishments that are operating within Philadelphia.

The Task Force would consist of members who shall be appointed by the following individuals within 25 days after the effective date of the legislation:

- One member appointed by the Governor;
- One member appointed by the President Pro Tempore of the Senate;
- Two members appointed by the Minority Leaders of the Senate and House of Representatives;
- One member appointed by the Speaker of the House of Representatives; and
- An ex officio member from the PLCB, who shall not have voting rights.

Members of the Task Force would not be entitled to receive compensation but shall be reimbursed for reasonable and necessary expenses incurred in service. The Task Force would be required to convene its first public meeting within 45 days of the effective date of the legislation. The Task Force shall expire 30 days after the delivery of the final report submitted.

As used in the bill, a “stop-and-go establishment” is defined as an establishment that is a holder of a restaurant liquor license and is a convenience store or deli that sells beer and liquor, sometimes in quantities as low as a single shot, that may be consumed on the premises or immediately outside of the establishment.

This legislation would take effect 60 days upon enactment.

FISCAL IMPACT:

This legislation could result in increased revenue for the State Stores Fund. First, allowing certain hotel licensees to convert their license to a restaurant license would result in \$30,000 in additional revenue to the fund for every eligible licensee covered under this legislation that applies to the PLCB for a license conversion. The amount of revenue generated is dependent on the number of eligible hotels that applies for the conversion and pays the fee. It is currently unknown how many of these licensees will opt to pay the \$30,000 fee to convert to a restaurant license.

In addition, the State Stores Fund could experience increased revenue from allowing amusement parks and public gardens to obtain a public venue liquor license. It is currently unknown how many of these entities would apply for a public venue license, but they would be required to pay a fee of up to \$1,400 to obtain this license – a \$700 application fee and a \$700 license fee. These entities would also be required to pay renewal fees to maintain their public venue license. Actual revenue increases would depend on the number of entities that apply for a public venue license.

The State Stores Fund may also receive additional revenue through the auction process for a restaurant liquor license that was exchanged by an amusement park for a public venue license. The actual additional revenue generated from this process would depend on 1) the number of amusement parks that opt to exchange their license and 2) the county in which the license is auctioned in. An exchanged restaurant license must remain in the county in which it is located, so counties that have higher license values will result in higher revenue generated through an auction compared to other counties where restaurant licenses are valued less.

Finally, there would be expenses incurred by the PLCB to reimburse members of the Stop-and-Go Legislative Task Force for the necessary expenses of service. However, any expenses are expected to be nominal.

PREPARED BY: Brittany Van Strien
House Appropriations Committee (D)

DATE: December 13, 2023

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