

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 81

PRINTER'S NO. 996

AMOUNT

No Adverse Fiscal Impact

FUND

Liquor License Fund
State Store Fund

DATE INTRODUCED

Jan. 29, 2009

PRIME SPONSOR

Senator Earll

HISTORY OF BILL

Referred to LAW & JUSTICE, Jan. 29, 2009
Reported as amended, March 11, 2009
First consideration, March 11, 2009
Re-referred to APPROPRIATIONS, March 16, 2009
Re-reported as amended, May 5, 2009

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 81 makes the following changes to the act of April 12, 1951 (P.L. 90, No. 21) known as the Liquor Code:

Special Occasion Permits

Amends definition of "eligible entity" in Section 102 (Definitions) to allow the use of a special occasion permit by a non-profit whose purpose is the education and promotion of American history in Second Class A and Third Class counties.

Satellite Wine Store

Adds the definition of "satellite wine store" to Section 102. A satellite wine store is an automated self-service kiosk that dispenses bottled wine. It exempts satellite wine stores from the twenty-five percent limit of state stores that may operate on Sundays contained in Section 304 (When sales may be made at Pennsylvania Liquor Stores).

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Customer Relations Marketing Program

Adds language to Section 207 (General Powers of the Board) to authorize the Liquor Control Board to implement customer relations and marketing programs for the purpose of offering incentives, such as coupons and discounts.

Wine and Spirits Festivals

Adds the term "spirits" to Section 215 (Wine and Spirits Marketing) to authorize the Liquor Control Board to participate in "whiskey festivals" in the same manner as wine festivals.

Interlocking Business Prohibitions

Amends Sections 411, 438 and 443 relating to interlocking business prohibitions to clarify that a member of the governing board of a public authority may own an interest in a retail liquor license or act as a landlord for a retail liquor license.

Multiple Licenses for Manufacturers

Amends Section 438 (Number and Kind of Licenses Allowed Same Licensee) to allow an entity to acquire both a manufacturer's license or a limited winery license and a hotel, restaurant or retail license for use at the same location and more than one location may be licensed.

License Transfers

Adds language to Section 505 (Licenses Issued) to provide for the transfer of limited winery, distillery, transport for hire, and bailee-for-hire licenses to new owners. A license fee of \$550 is added for transfer to a new location, \$650 to a new location and \$700 to a new person at a new location.

FISCAL IMPACT:

Senate Bill 81 will have no adverse fiscal impact on Commonwealth funds. The license and permit fee provisions in the bill and provisions authorizing whiskey festival and coupons and discounts that result from the customer relations marketing program may generate additional revenue for the Liquor License Fund and the State Stores Fund respectively.

The costs to manufacture and operate the satellite wine store kiosks will be borne by the contractor through the sale of advertising on the kiosks. In addition, the contractor will reimburse the Liquor Control

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Board for up to \$2.2 million annually for costs related to operating and leasing space for the kiosks and developing a centralized monitoring system for sales at kiosks. The board believes that sales from the kiosks will cover any other related costs.