

LIQUOR CODE - OMNIBUS AMENDMENTS
Act of Nov. 15, 2016, P.L. 1286, No. 166
Session of 2016
No. 2016-166

Cl. 47

HB 1196

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 preliminary provisions, further providing for definitions; in Pennsylvania Liquor Control Board, further providing for general powers of board; in Pennsylvania liquor stores, further providing for sales by Pennsylvania liquor stores; in licenses and regulations and liquor, alcohol and malt and brewed beverages, further providing for sales by liquor licensees and restrictions, for wine auction permits, for interlocking business prohibited, for public venue license, for wine expanded permits, for malt and brewed beverages manufacturers', distributors' and importing distributors' licenses, for brand registration and for breweries, providing for monthly shipment of malt or brewed beverages and further providing for licenses not assignable and transfers, for local option and for unlawful acts relative to liquor, malt and brewed beverages and licensees; in distilleries, wineries, bonded warehouses, bailees for hire and transporters for hire, further providing for limited wineries and for distilleries; and, in disposition of moneys collected under provisions of act, further providing for moneys paid into the State Stores Fund for use of the Commonwealth.

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

Section 1. The definitions of "alcoholic cider," "distributor," "eligible entity," "importing distributor," "malt or brewed beverages," "mug club" and "zoo" in section 102 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) and amended or added May 31, 1996 (P.L.312, No.49), June 18, 1998 (P.L.664, No.86), December 22, 2011 (P.L.530, No.113) and June 8, 2016 (P.L.273, No.39), are amended and the section is amended by adding definitions to read:

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

* * *

"Alcoholic cider" shall mean a beverage which may contain carbonation in an amount not to exceed [three hundred ninety-two one thousandths of a gram per one hundred milliliters and flavors] **six and four tenths grams per liter**, produced through alcoholic fermentation of any fruit or fruit juice, consisting of at least one-half of one per centum, but not greater than eight and one-half per centum, alcohol by volume and sold or offered for sale as alcoholic cider and not as a wine, a wine product or as a substitute for wine, in bottles, cases, kegs, cans or other suitable containers of the type used for the sale of malt or brewed beverages in this Commonwealth.

* * *

"Distributor" shall mean any person licensed by the board to engage in the purchase only from Pennsylvania manufacturers and from importing distributors and the resale of malt or brewed beverages, except to importing distributors and distributors. [, in the original sealed containers as prepared for the market by the manufacturer at the place of manufacture, but not for consumption on the premises where sold, and in quantities of not less than a case or original containers containing one hundred twenty-eight ounces or more which may be sold separately.]

* * *

"Eligible entity" shall mean a city of the third class, a hospital, a church, a synagogue, a volunteer fire company, a volunteer ambulance company, a volunteer rescue squad, a unit of a nationally chartered club which has been issued a club liquor license, a club which has been issued a club liquor license and which, as of December 31, 2002, has been in existence for at least 100 years, a library, a nationally accredited Pennsylvania nonprofit zoological institution licensed by the United States Department of Agriculture, a nonprofit agricultural association in existence for at least ten years, a bona fide sportsmen's club in existence for at least ten years, a nationally chartered veterans' organization and any affiliated lodge or subdivision of such organization, a fraternal benefit society that is licensed to do business in this Commonwealth and any affiliated lodge or subdivision of such fraternal benefit society, a museum operated by a nonprofit corporation, a nonprofit corporation engaged in the performing arts, an arts council, a nonprofit corporation that operates an arts facility or museum, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to protect the architectural heritage of a municipality and which has been recognized as such by a resolution of the municipality, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) conducting a regatta in a city of the second class with the permit to be used on State park grounds or conducting a family-oriented celebration as part of Welcome America in a city of the first class on property leased from that city for more than fifty years, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) whose purpose is to raise funds for the research and treatment of cystic fibrosis, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) whose purpose is to educate the public on issues dealing with watershed conservation, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law

99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to provide equine assisted activities for children and adults with special needs, a nonprofit economic development agency in a city of the second class with the primary function to serve as an economic generator for the greater southwestern Pennsylvania region by attracting and supporting film, television and related media industry projects and coordinating government and business offices in support of a production, a county tourist promotion agency as defined in section 2 of the act of July 4, 2008 (P.L.621, No.50), known as the "Tourism Promotion Act," a junior league that is a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) that is comprised of women whose purpose is exclusively educational and charitable in promoting the volunteerism of women and developing and participating in community projects and that has been in existence for over seventy years, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 and whose purpose is the education and promotion of American history, a nonprofit organization as defined under section 501(c)(6) of the Internal Revenue Code of 1986 whose purpose is to support business and industry, a brewery which has been issued a license to manufacture malt or brewed beverages and has been in existence for at least 100 years or a club recognized by Rotary International and whose purpose is to provide service to others, to promote high ethical standards and to advance world understanding, goodwill and peace through its fellowship of business, professional and community leaders or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to promote mushrooms while supporting local and regional charities, a museum operated by a not-for-profit corporation in a city of the second class A, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 which is located in a city of the second class A and has as its purpose economic and community development, a nonprofit organization as defined under section 501(c)(3) or (6) of the Internal Revenue Code of 1986 that is located in a city of the third class in a county of the fifth class, a nonprofit social service organization defined under section 501(c)(3) of the Internal Revenue Code of 1986 located in a county of the third class whose purpose is to serve individuals and families in that county of the third class, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose main purpose is to temporarily foster stray and unwanted animals and match them to suitable permanent homes or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 who operates either a Main Street Program or Elm Street Program recognized by the Commonwealth, the National Trust for Historic Preservation or both, a nonprofit radio station that is a member of the National Public Radio network, a nonprofit public television station that is a member of the Pennsylvania Public Television Network or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose purpose is to promote awareness, education and research and to provide a support system for patients with neutropenia and their families through a national resource network, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose main purpose is to stimulate community development by facilitating residential and retail growth in a city of the second class located in a county

of the second class or a nonprofit community development corporation organized under section 501(c)(3) of the Internal Revenue Code of 1986 that serves an adjoining borough and township in a county of the second class and whose main purpose is to facilitate commercial development and foster neighborhood stabilization, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose purpose is to provide young people with a program to build character, to teach the responsibilities of citizenship and to develop personal fitness with a goal of creating future leaders, a nonprofit as defined in section 501(c)(3) of the Internal Revenue Code of 1986 whose main purpose is to assist children and their families who are facing financial hardship due to the death of a parent, a nonprofit as defined under section 501(c)(3) of the Internal Revenue Code of 1986 whose purpose is to allocate funds for research to expedite a cure achromatopsia, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 that is located in a city of the first class, was organized in 1995 as a community development corporation to promote health, safety and welfare of the residents, businesses and institutions of a neighborhood of a city of the first class, and whose works include public promotions, neighborhood improvement projects and commercial corridor improvements, including a business improvement district, or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 that is responsible for providing services to members of the armed forces of the United States and relief to disaster victims in the United States and abroad, or any neighborhood improvement district management association as defined in section 3 of the act of December 20, 2000 (P.L.949, No.130), known as the "Neighborhood Improvement District Act," that has been established as a 501(c)(3) nonprofit organization under section 501(c)(3) of the Internal Revenue Code of 1986, a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 located in a city of the first class whose purpose is to support initiatives to enrich the lives of children, teens and families especially those in need, to reach their full potential as productive and responsible citizens and has been in existence for at least seventy-five years[.], or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 located in a city of the second class and incorporated as a nonprofit in 1982 that offers adult education and family literacy, or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code of 1986 located in a city of the third class and county of the sixth class, whose purpose is primary and secondary education and educational ministry of the Diocese of Erie, or a nonprofit organization as defined under section 501(c)(3) of the Internal Revenue Code located in a county of the fourth class that had a population between 142,000 and 144,000 based on the 2010 Decennial Census of the Bureau of the Census and provides rewards for information that leads to the arrest of individuals that may have committed a crime.

* * *

"Growler" shall mean a refillable container for malt or brewed beverages that can be resealed.

* * *

"Importing distributor" shall mean any person licensed by the board to engage in the purchase from manufacturers and other persons located outside this Commonwealth and from persons

licensed as manufacturers of malt or brewed beverages and importing distributors under this act, and the resale of malt or brewed beverages [in the original sealed containers as prepared for the market by the manufacturer at the place of manufacture, but not for consumption on the premises where sold, and in quantities of not less than a case or original containers containing one hundred twenty-eight ounces or more which may be sold separately].

* * *

"Malt or Brewed Beverages" shall mean any beer, lager beer, ale, porter or similar fermented malt beverage containing one-half of one per centum or more of alcohol by volume, by whatever name such beverage may be called, and shall mean alcoholic cider **and mead**.

* * *

"Mead" shall mean an alcoholic beverage produced by fermenting a solution of at least fifty-one per centum honey, water and other agricultural products and containing not more than eight and one-half per centum alcohol by volume and sold or offered for sale as mead and not as a wine, a wine product or as a substitute for wine, in bottles, cases, kegs, cans or other suitable containers of the type used for the sale of malt or brewed beverages in this Commonwealth.

* * *

"Mug club" shall mean a group organized by a retail licensee or a brewery whose members are entitled to discounted malt or brewed beverages. Membership shall be by written application and the licensee must maintain a written list of active members as part of its records. [Members shall pay] **Licensees may charge** an annual fee as well as a renewal fee [as set by the licensee. Membership shall, at a minimum, entitle the member to a mug, glass or similar container and said container must be used when the member is served any discounted malt or brewed beverages]. No discounted malt or brewed beverages may be provided between midnight and seven o' clock antemeridian.

* * *

"Zoo" shall mean an accredited member of the Association of Zoos and Aquariums **or the Zoological Association of America** and for purposes of section 412 shall have no square footage or permanent seating requirements.

Section 2. Sections 207(m) and (n) and 305(a) and (j) of the act, amended or added June 8, 2016 (P.L.273, No.39), are amended to read:

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

* * *

(m) **The following shall apply:**

(1) Notwithstanding subsection (b), the board may establish and implement a customer relations management program for the purpose of offering incentives, such as coupons or discounts on certain products, to unlicensed customers of the board.

(2) **The names and addresses of individual consumers who participate in a customer relations management program or purchase products from the board, as well as any records or information that would disclose the personal purchase choices of individual consumers, shall not be sold or otherwise made available to the public under any circumstances, including in response to a request made in accordance with the act of February 14, 2008 (P.L.6, No.3), known as the Right-to-Know Law.**

(n) Notwithstanding the act of **December 20, 2015 (P.L.497, No.90)**, known as the Taxpayer-Funded Advertising Transparency

Act, any expenditure for media advertising made by the board shall not be subject to any requirement that the media advertising include any statement identifying the fund from which the expenditure was made, nor any statement that the media advertising was paid for with Pennsylvania taxpayer dollars.

Section 305. Sales by Pennsylvania Liquor Stores.--(a) The board shall in its discretion determine where and what classes, varieties and brands of liquor and alcohol it shall make available to the public and where such liquor and alcohol will be sold. Every Pennsylvania Liquor Store shall be authorized to sell combination packages. If a person desires to purchase a class, variety or brand of liquor or alcohol not currently available from the board, he or she may place a special order for such item [so long as the order is for two or more bottles]. **A supplier of a special order may not refuse an order from a customer placing an order for one bottle of the item and may assess a surcharge on the order if the supplier otherwise requires a minimum quantity purchase.** The board may require a reasonable deposit from the purchaser as a condition for accepting the order. The customer shall be notified immediately upon the arrival of the goods.

In computing the retail price of such special orders for liquor or alcohol, the board shall not include the cost of freight or shipping before applying a mark-up that is equal to ten per centum of the cost of the product and taxes but shall add the freight or shipping charges to the price after the mark-up and taxes have been applied. In addition to the ten per centum mark-up, the board shall impose handling fees on special orders which come to rest at a store, in the same manner that it imposes them on the other alcohol that it sells.

A licensed importer or a licensed vendor may place special orders on behalf of customers and may deliver the orders to customers. The orders do not need to come to rest at a store, but delivery may not occur until payment for the order has been forwarded to the board and the board has authorized the delivery of the order. A handling fee may not be assessed by the board on an order delivered directly to a customer. Liability for special orders that do not come to rest at a store, shall, until the order is delivered to the customer, remain with the licensed importer or licensed vendor that placed the order on behalf of the customer. The board shall, by January 1, 2017, implement a procedure for processing special orders which do not come to rest at a store. The board may continue to accept special orders at its stores even after the procedure is implemented.

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

* * *

(j) A Pennsylvania Liquor Store may continue to sell alcoholic cider **and mead** within the Pennsylvania Liquor Store's inventory after the effective date of this section until the alcoholic cider **and mead** within the Pennsylvania Liquor Store's current inventory is depleted. The board may not purchase additional alcoholic cider **and mead** after the effective date of this section.

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Section 3. (Reserved).

Section 4. (Reserved).

Section 5. Section 406(a)(3) of the act, amended June 8, 2016 (P.L.273, No.39), is amended to read:

Section 406. Sales by Liquor Licensees; Restrictions.--(a)

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(3) Hotel and restaurant liquor licensees, municipal golf course restaurant liquor licensees and privately-owned public golf course restaurant licensees may sell liquor and malt or brewed beverages on Sunday between the hours of [eleven] **nine** o'clock antemeridian and two o'clock antemeridian Monday upon purchase of a special permit from the board at an annual fee 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." [Notwithstanding this provision, a licensee holding such a permit may begin selling liquor and malt or brewed beverages on Sunday between the hours of nine o'clock antemeridian and eleven o'clock antemeridian provided that the licensee offers a meal beginning at nine o'clock antemeridian.] Airport restaurant liquor licensees may sell liquor and malt or brewed beverages on Sunday between the hours of five o'clock antemeridian and two o'clock antemeridian Monday upon purchase of a special permit from the board at an annual fee 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."

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Section 6. Section 408.12 of the act, amended or added July 1, 1994 (P.L.402, No.61) and June 8, 2016 (P.L.273, No.39), is amended to read:

Section 408.12. Wine **and Spirits** Auction Permits.--(a) Upon application of:

- (1) any nonprofit hospital;
- (2) any nonprofit public television station which is a member of the Pennsylvania Public Television Network;
- (3) any orchestra located in a county of the first, second or third class which is operated by a nonprofit corporation;
- (4) any museum located in a county of the first, second, third or fourth class which is operated by a nonprofit corporation;
- (5) any nonprofit corporation located in any county of the third class which trains and places dogs for people who are physically handicapped;
- (6) any nationally recognized community-based voluntary health organization committed to fighting cancer which has been in existence for at least ninety years;
- (7) any nationally recognized emergency response organization that offers humanitarian care to victims of war or natural disaster and has been in existence for at least one hundred twenty-five years;
- (8) any nationally recognized organization whose purpose is to serve as an agent to collect funds for local charities, as well as to coordinate relief services, counsel and refer clients to cooperating agencies and make emergency assistance grants and has been in existence for at least one hundred twenty years;
- (9) any hospice as defined under section 802.1 of the act of July 19, 1979 (P.L.130, No.48), known as the "Health Care Facilities Act"; [or]
- (10) institution of higher education;
- (11) **any nationally recognized community-based health organization committed to funding Type 1 Diabetes research;** or
- (12) **any nationally recognized community-based voluntary health organization committed to fighting cancer which has been in existence for at least twenty years;**

and upon payment of a fee of thirty dollars (\$30) per day, the board shall issue a wine **and spirits** auction permit good for a

period of not more than four consecutive or nonconsecutive days per calendar year.

(b) Subject to clause (1) of section 493 of this act, such wine **and spirits** auction permit shall authorize the permittee to sell, by auction, wine **and spirits** by the bottle or case to any person on any day for which the permit is issued, provided, however, that such permit shall only be issued in any city, borough, incorporated town or township in which the sale of liquor and/or malt or brewed beverages has been approved by the electorate. Any wine **and spirits** purchased under this section shall not be consumed at the place of purchase.

(c) The wine **and spirits** auction permit shall only be valid for the number of days stated in the permit.

(d) Wine **and spirits** auction permits shall only be issued for use at an event which is used by the permittee as a means of raising funds for its operation.

(e) The hours during which the holder of a wine **and spirits** auction permit may sell wine **and spirits** shall be limited to the hours set forth in section 406 of this act which are applicable to hotel and restaurant licensees, provided, however, that wine **and spirits** auction permittees may sell wine **and spirits** on Sunday between the hours of seven o'clock antemeridian and until two o'clock antemeridian Monday.

(f) Wine **and spirits** auction permits may be issued for sales on premises which are either licensed or unlicensed under this act.

(g) Any wine **and spirits** sold under this section shall be purchased from a Pennsylvania Liquor Store, a Pennsylvania limited winery, **limited distillery** or any seller authorized to sell wine **or spirits** by the bottle or case in this Commonwealth or shall be donated by a person who is neither a licensee nor a permittee who has legally acquired the wine **or spirits** and legally possesses it in this Commonwealth.

(h) If any wine **or spirits** sold under this section is purchased from a seller other than a Pennsylvania Liquor Store or a Pennsylvania limited winery **or limited distillery**, the permittee shall provide thirty days' notice to the board of its intent to purchase such wine **or spirits**. The notice shall include a description of the wine **or spirits** to be purchased, the quantity to be purchased, the name of the seller and any other information which the board may require. The permittee shall comply with all board regulations regarding taxes and fees.

(i) The permittee shall be responsible for paying to the board an amount equal to all taxes which would have been paid on such wine **or spirits** if it had been purchased from a Pennsylvania Liquor Store, together with a processing fee to be determined by the board.

(j) As a condition of the permit, the permittee shall not broadcast by way of radio or television or disseminate by print media nor cause the broadcast by way of radio, television or dissemination by the print media of the price of any wine **or spirits** sold or to be sold under this section.

(k) Any person selling wine **or spirits** in violation of this section shall, upon summary conviction, be sentenced to pay a fine of two hundred fifty dollars (\$250) for the first offense and a fine of five hundred dollars (\$500) for each subsequent offense. This fine shall be in addition to any other penalty imposed by law for the illegal sale of liquor or malt or brewed beverages.

(1) "Auction," as used in this section, shall mean the offer to sell wine **and spirits** by the permittee to the members of an audience congregated for the purpose of making bids for the purchase of the wine **and spirits** in an effort by the permittee to advance the amount of the bids to obtain the highest or most favorable offer.

Section 7. Section 411(e) of the act, amended June 8, 2016 (P.L.273, No.39), is amended to read:

Section 411. Interlocking Business Prohibited.--* * *

(e) Except as herein provided, no hotel, restaurant, retail dispenser or club licensee, and no officer, director or stockholder, agent or employe of any such licensee shall in any wise be interested, directly or indirectly, in the ownership or leasehold of any property or the equipment of any property or any mortgage lien against the same, used by a distributor, importing distributor, or by an importer or sacramental wine licensee, in the conduct of his business; nor shall any hotel, restaurant, retail dispenser or club licensee, or any officer, director, stockholder, agent or employe of any such licensee, either directly or indirectly, lend any moneys, credit, or give anything of value or the equivalent thereof, to any distributor, importing distributor, importer or sacramental wine licensee, for equipping, fitting out, or maintaining and conducting, either in whole or in part, an establishment used in the conduct of his business.

The purpose of this section is to require a separation of the financial and business interests between manufacturers and holders of hotel or restaurant liquor licenses and, as herein provided, of club licenses, issued under this article, and no person shall, by any device whatsoever, directly or indirectly, evade the provisions of the section. But in view of existing economic conditions, nothing contained in this section shall be construed to prohibit the ownership of property or conflicting interest by a manufacturer of any place occupied by a licensee under this article after the manufacturer has continuously owned and had a conflicting interest in such place for a period of at least five years prior to July eighteenth, one thousand nine hundred thirty-five: Provided, however, That this clause shall not prohibit any hotel, restaurant or club liquor licensee [from owning land which is leased to, and the buildings thereon owned by, a holder of a retail dispenser's license; and nothing in this clause shall prevent the issuance of a retail dispenser's license to a lessee of such lands who owns the buildings thereon], **or any officer, director or stockholder of any such licensee, from owning land or buildings which are leased to a holder of a retail dispenser's license, a distillery license or a limited distillery license:** And, provided further, That nothing contained in this section shall be construed to prohibit any hotel, restaurant, retail dispenser or club licensee or any officer, director or stockholder, agent or employe of any such licensee from having a financial or other interest, directly or indirectly in the ownership or leasehold of any property or the equipment of any property or any mortgage lien against same, used, leased by an importer or sacramental wine licensee for the exclusive purpose of maintaining commercial offices and on the condition that said property is not used for the storage or sale of liquor or malt or brewed beverages in any quantity: And, provided further, That nothing contained in this section shall prohibit an officer or member of a licensed privately owned private golf course catering club from having an interest in a limited winery license: And, provided further, That nothing contained in this

section shall be construed to prohibit a member of the governing board of a public authority created under subdivision (n) of Article XXIII of the act of August 9, 1955 (P.L.323, No.130), known as "The County Code," from having an interest in a distributor or importing distributor license notwithstanding the fact that the public authority has an interest in one or more retail licenses or acts as a landlord for one or more retail licenses: And, provided further, That, nothing in this section may prohibit an employe of a hotel or restaurant licensee from having an interest in any property used by a limited winery licensee or in guaranteeing any loans, or lending any moneys, providing credit or giving anything of value to a limited winery licensee or its officers, directors and shareholders, provided that the person also is not an officer of or does not have any interest in or exercise any control over any other licensed entity that engages in any sales to or from the licensee: And, provided further, That, notwithstanding any other provision of this section, an entity may acquire both a manufacturer's license or a limited winery license and a hotel, restaurant or retail dispenser license for use at the same location and more than one location may be so licensed. And, provided further, That, notwithstanding any other provision of this section, an entity licensed as a limited winery may hold and operate [under] a restaurant liquor license at one of its additional, board-approved locations instead of at its primary location where manufacturing occurs. The licenses and a person's interest in the licenses or in the entity holding the licenses shall not be subject to this section. Provided further, That, a person who is a holder of [five per centum (5%)] **ten per centum (10%)** or less of securities or other interests in a publicly or privately held domestic or foreign corporation, partnership, limited liability company or other form of legal entity owning a [restaurant liquor license or retail dispenser's] **retail** license shall not be deemed to possess a financial interest and is not subject to the provisions of this section, provided that the person is not an officer of, employe of or does not have any interest in or exercise any control over any other licensed entity that engages in any sales to or from the [restaurant liquor or retail dispenser] **retail** licensee in which the person holds the [five per centum (5%)] **ten per centum (10%)** or less interest.

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Section 8. Section 412(f) of the act, amended February 21, 2002 (P.L.103, No.10), December 9, 2002 (P.L.1653, No.212) and December 22, 2011 (P.L.530, No.113), is amended to read:

Section 412. Public Venue License.--* * *

(f) Licenses issued under this section are to be considered restaurant liquor licenses. However, the following additional restrictions and privileges apply:

(1) Sales may only be made one hour before, during and one hour after any athletic performance, performing arts event, trade show, convention, banquet or any other performance at the facility; however, sales may not be made from two o'clock antemeridian to seven o'clock antemeridian. In addition, sales may not occur prior to eleven o'clock antemeridian on Sundays or seven o'clock antemeridian on Mondays. Notwithstanding this section, facilities that had been licensed under former sections 408.9 and 408.14 may sell liquor and/or malt or brewed beverages anytime except from two o'clock antemeridian to seven o'clock antemeridian or prior to eleven o'clock antemeridian on Sundays or seven o'clock antemeridian on Mondays, regardless of whether there is a performance at the facility.

(2) [Sales of alcoholic beverages before, during and after all professional and amateur athletic events on the premises shall be limited to sales of malt or brewed beverages in shatterproof containers.] Sales of alcoholic beverages before, during and after **professional and amateur athletic events**, performing arts events or other entertainment events may consist of liquor or malt or brewed beverages in shatterproof containers. Sales during trade shows, conventions, banquets or at other events, or sales made in the club seats or at a restaurant facility, may consist of liquor or malt or brewed beverages in any type of container; however, any liquor or malt or brewed beverages sold in the club seats or restaurant facility must remain in the club seating level or restaurant facility. For purposes of this section, a club seat is any seating located on the designated club seating level and partitioned from general seating by a wall, divider, partial wall or railing. The club seating level must not be accessible by the general public. Sales at zoos during private banquets and other events may be at any site within zoo property and may consist of any type of alcohol in any type of container. The board's records shall clearly delineate where the sale of liquor or malt or brewed beverages in any type of container may occur.

(3) Sales of malt or brewed beverages for off-premises consumption are prohibited.

(4) Licenses issued under this section shall not be subject to: (i) the proximity provisions of sections 402 and 404; (ii) the quota restrictions of section 461; (iv) the provisions of section 493(10) except as they relate to lewd, immoral or improper entertainment; (v) the prohibition against minors frequenting as described in section 493(14) and (vi) the cost and total display area limitations of section 493(20)(i). In addition, licenses issued under this section shall not be subject to the provisions defining "restaurant" in section 102.

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Section 9. Section 415(a)(2) and (9), (b) and (e)(3) and (4) of the act, added June 8, 2016 (P.L.273, No.39), are amended to read:

Section 415. Wine Expanded Permits.--(a) * * *

(2) Nothing in this section may affect the ability of an existing licensee to operate within the scope of its current license as authorized by this act, except that no sales of wine for off-premises consumption may take place by a wine expanded permit holder after eleven o'clock postmeridian of any day until the licensee's permitted hours of operation under section 406 of the next day, including Sundays if the licensee has a permit authorized under [sections 406(a)(3) and 432(f)] **section 406(a)(3)**.

* * *

(9) A sale of wine by a wine expanded permit holder shall be made through a register, **which malt or brewed beverages and restaurant foods sales are made on the licensed premises**, which is well designated with signage, which is staffed at all times **when patrons are on the licensed premises**, which is staffed by a sales clerk who is at least eighteen years of age and has been trained under section 471.1 and which utilizes a transaction scan device for the sale. The sale of wine may not occur at a point of sale where the customer scans the customer's own purchases.

(b) The application and renewal fee for a wine expanded permit shall be as follows:

(1) For a wine expanded permit issued to licensees, an initial application fee of two thousand dollars (\$2,000).

(2) An annual renewal fee equal to two per centum of the **total** cost of wine purchased from the board for off-premises consumption.

* * *

(e) * * *

(3) A wine expanded permit holder may, when filing its required returns under Article II of the Tax Reform Code of 1971, request a [refund] **credit** of any taxes paid in accordance with paragraph (1) for wine sold for off-premises consumption and for which taxes were remitted to the department under paragraph (2). [The request for a refund shall include the original receipt from a Pennsylvania Liquor Store showing the amount of taxes paid under paragraph (1) for which the taxpayer is requesting a refund.

(4) The department shall refund the amount of taxes paid to a Pennsylvania Liquor Store by a wine expanded permit holder under paragraph (1) for which the taxpayer remitted taxes imposed under paragraph (2).] The department may promulgate rules or regulations and prescribe forms as may be necessary to implement the provisions of this subsection.

* * *

Section 10. Section 431(b) and (d)(2) of the act, amended June 8, 2016 (P.L.273, No.39), are reenacted and amended to read:

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

(b) The board shall issue to any reputable person who applies therefor, and pays the license fee hereinafter prescribed, a distributor's or importing distributor's license for the place which such person desires to maintain for the sale of malt or brewed beverages, not for consumption on the premises where sold, and in quantities of not less than a case or original containers containing one hundred twenty-eight ounces or more which may be sold separately as prepared for the market by the manufacturer at the place of manufacture. **In addition, a distributor license holder may sell malt or brewed beverages in any amount to a person not licensed by the board for off-premises consumption. The sales shall not be required to be in the package configuration designated by the manufacturer and may be sold in refillable growlers.** 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: And provided further, That, in the case of any new license or the transfer of any license to a new location, the board may, in its discretion, grant or refuse such new license or transfer 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 or transfer 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 shall refuse any application for a new license or the transfer of any license to a new location if, in the board's opinion, such new license or transfer 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. The board shall not license the area where liquid fuels or oil is sold. No sales of liquid fuels or oil may be made from a

licensee's licensed premises. A licensed premises may not have an interior connection with a location that sells liquid fuels or oil unless it first receives permission from the board for the interior connection. The approval shall be required regardless of whether the licensee or another party is the entity selling the liquid fuels or oil. 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 shall require notice to be posted on the property or premises upon which the licensee or proposed licensee will engage in sales of malt or brewed beverages. This notice shall be similar to the notice required of hotel, restaurant and club liquor licensees.

Except as hereinafter provided, such license shall authorize the holder thereof to sell or deliver malt or brewed beverages in quantities above specified anywhere within the Commonwealth of Pennsylvania, which, in the case of distributors, have been purchased only from persons licensed under this act as manufacturers or importing distributors, and in the case of importing distributors, have been purchased from manufacturers or persons outside this Commonwealth engaged in the legal sale of malt or brewed beverages or from manufacturers or importing distributors licensed under this article. In the case of an importing distributor, the holder of such a license shall be authorized to store and repackage malt or brewed beverages owned by a manufacturer at a segregated portion of a warehouse or other storage facility authorized by section 441(d) and operated by the importing distributor within its appointed territory and deliver such beverages to another importing distributor who has been granted distribution rights by the manufacturer as provided herein. The importing distributor shall be permitted to receive a fee from the manufacturer for any related storage, repackaging or delivery services. In the case of a bailee for hire hired by a manufacturer, the holder of such a permit shall be authorized: to receive, store and repackage malt or brewed beverages produced by that manufacturer for sale by that manufacturer to importing distributors to whom that manufacturer has given distribution rights pursuant to this subsection or to purchasers outside this Commonwealth for delivery outside this Commonwealth; or to ship to that manufacturer's storage facilities outside this Commonwealth. The bailee for hire shall be permitted to receive a fee from the manufacturer for any related storage, repackaging or delivery services. The bailee for hire shall, as required in Article V of this act, keep complete and accurate records of all transactions, inventory, receipts and shipments and make all records and the licensed areas available for inspection by the board and for the

Pennsylvania State Police, Bureau of Liquor Control Enforcement, during normal business hours.

Each out of State manufacturer of malt or brewed beverages whose products are sold and delivered in this Commonwealth shall give distributing rights for such products in designated geographical areas to specific importing distributors, and such importing distributor shall not sell or deliver malt or brewed beverages manufactured by the out of State manufacturer to any person issued a license under the provisions of this act whose licensed premises are not located within the geographical area for which he has been given distributing rights by such manufacturer. **In addition, the holder of a distributor license may not sell or deliver malt or brewed beverages to any licensee whose licensed premises is located within the designated geographical area granted to an importing distributor other than the importing distributor that sold the malt or brewed beverages to the distributor. If the licensee purchasing the malt or brewed beverages from the distributor license holder holds multiple licenses or operates at more than one location, then the malt or brewed beverages may not be consumed or sold at licensed premises located within the designated geographical area granted to an importing distributor other than the importing distributor that sold the malt or brewed beverages to the distributor.** Should a licensee accept the delivery of [such] malt or brewed beverages **or transfer malt or brewed beverages** in violation of this section, said licensee shall be subject to a suspension of his license for at least thirty days: Provided, That the importing distributor holding such distributing rights for such product shall not sell or deliver the same to another importing distributor without first having entered into a written agreement with the said secondary importing distributor setting forth the terms and conditions under which such products are to be resold within the territory granted to the primary importing distributor by the manufacturer.

When a Pennsylvania manufacturer of malt or brewed beverages licensed under this article names or constitutes a distributor or importing distributor as the primary or original supplier of his product, he shall also designate the specific geographical area for which the said distributor or importing distributor is given distributing rights, and such distributor or importing distributor shall not sell or deliver the products of such manufacturer to any person issued a license under the provisions of this act whose licensed premises are not located within the geographical area for which distributing rights have been given to the distributor and importing distributor by the said manufacturer. **In addition, the holder of a distributor license may not sell or deliver malt or brewed beverages to a licensee whose licensed premises is located within the designated geographical area granted to an importing distributor other than the importing distributor that sold the malt or brewed beverages to the distributor. If the licensee purchasing the malt or brewed beverages from the distributor license holder holds multiple licenses or operates at more than one location, the malt or brewed beverages may not be consumed or sold at licensed premises located within the designated geographical area granted to an importing distributor other than the importing distributor that sold the malt or brewed beverages to the distributor. If a licensee accepts the delivery of malt or brewed beverages or transfers malt or brewed beverages in violation of this section, the**

licensee shall be subject to suspension of his license for at least thirty days: Provided, That the importing distributor holding such distributing rights for such product shall not sell or deliver the same to another importing distributor without first having entered into a written agreement with the said secondary importing distributor setting forth the terms and conditions under which such products are to be resold within the territory granted to the primary importing distributor by the manufacturer. Nothing herein contained shall be construed to prevent any manufacturer from authorizing the importing distributor holding the distributing rights for a designated geographical area from selling the products of such manufacturer to another importing distributor also holding distributing rights from the same manufacturer for another geographical area, providing such authority be contained in writing and a copy thereof be given to each of the importing distributors so affected.

(d) * * *

(2) After January 1, 1980, no manufacturer shall enter into any agreement with more than one distributor or importing distributor for the purpose of establishing more than one agreement for designated brand or brands of malt or brewed beverages in any one territory. Each franchise territory which is granted by a manufacturer shall be geographically contiguous or in counties which are contiguous with one another. All importing distributors shall maintain sufficient records to evidence compliance of this section. With regard to any territorial distribution authority granted to an importing distributor by a manufacturer of malt or brewed beverages after January 1, 1996, the records shall establish that each and every case of a brand of malt or brewed beverages for which the importing distributor is assigned was sold, resold, stored, delivered or transported by the importing distributor, either from a point or to a point with the assigned geographically contiguous territory or in counties which are contiguous with one another, to any person or persons, whether such person or persons are licensed by this act or not licensed by this act.

* * *

Section 10.1. Section 445 of the act is amended by adding a subsection to read:

Section 445. Brand Registration.--* * *

(c) Any person selling malt or brewed beverages at wholesale, and any person selling at retail malt or brewed beverages that were not sold at wholesale, shall report to the Pennsylvania Liquor Control Board the volume of such packaged and draft malt or brewed beverages sold. The report, in the form and manner determined by the board, shall be made for each calendar month no later than sixty days after the end of each calendar month and shall show product volumes, broken down by brewer. All volumes shall be reported in thirty-one-gallon barrel equivalents, regardless of package size. The board shall, within fourteen days of the receipt of the report, place the reports on the Internet in a manner accessible to the general public. The board shall maintain the reports on the Internet in a manner accessible to the general public for a period of at least two years and shall archive the reports for a period of at least ten years.

Section 11. Section 446(a) of the act, amended June 8, 2016 (P.L.273, No.39), is amended to read:

Section 446. Breweries.--(a) Holders of a brewery license may:

(1) Sell malt or brewed beverages produced and owned by the brewery under such conditions and regulations as the board may enforce, to individuals for consumption on the licensed premises in any container or package of any volume and to hotel, restaurant, club and public service liquor licensees.

(2) Operate a restaurant or brewery pub on the licensed premises under such conditions and regulations as the board may enforce: Provided, however, That sales on Sunday may be made irrespective of the volume of food sales if the licensed premises are at a public venue location. The holder of a brewery license may sell [at its brewery pub premises wines] **wines and alcoholic cider** produced by the holder of a limited winery license [or], **malt or brewed beverages produced by a manufacturer licensed by the board** and liquor produced by a [licensed] limited distillery or distillery **licensed by the board**: Provided, however, That said wines, **malt or brewed beverages produced by another manufacturer** and liquor must be consumed at the licensed [brewery pub] premises. **In addition, the combined sales of wine, malt or brewed beverages produced by another manufacturer and liquor may not, on a yearly basis, exceed fifty per centum (50%) of the on-premises sales of the brewery's own malt or brewed beverages for the preceding calendar year: however, if a brewery did not operate for an entire calendar year during the preceding year, then its combined sales of wine, malt or brewed beverages produced by another manufacturer and liquor may not, on a yearly basis, exceed fifty per centum (50%) of the on-premises sales of the brewery's own malt or brewed beverages for that year.**

(3) Use brewery storage and distribution facilities for the purpose of receiving, storing and distributing malt or brewed beverages manufactured outside this Commonwealth if the beverages are distributed in this Commonwealth only through specific importing distributors who shall have first been given distributing rights for such products in designated geographical areas through the distribution system required for out-of-State manufacturers under section 431(b) as well as all other pertinent sections of this act. The manufacturer of the beverages must comply with section 444.

(4) Apply for and hold a hotel liquor license, a restaurant liquor license or a malt and brewed beverages retail license to sell for consumption at the restaurant or brewery pub on the licensed brewery premises, liquor, wine and malt or brewed beverages regardless of the place of manufacture, under the same conditions and regulations as any other hotel liquor license, restaurant liquor license or malt and brewed beverages retail license, but must brew at least two hundred fifty barrels per year. Each holder of a brewery license who receives a hotel liquor license, a restaurant liquor license or a malt or brewed beverages retail license to operate a brew pub shall not sell directly to any person licensed by this act, except if any malt or brewed beverage is to be distributed in this Commonwealth it shall be only through specific importing distributors who shall have first been given distributing rights for such products in designated geographical areas through the distribution system required for out-of-State manufacturers under section 431(b) as well as all other pertinent sections of this act.

* * *

Section 11.1. The act is amended by adding a section to read:

Section 448. Monthly Shipment of Malt or Brewed Beverages.--(a) The out-of-State shipment of malt or brewed beverages to residents of this Commonwealth shall be governed by this section.

(b) Notwithstanding any other provision of this act or law, a person licensed by another state or country as a wholesaler or retailer of malt or brewed beverages and who obtains a malt or brewed beverage shipper license as provided for in this section may ship up to one hundred ninety-two ounces in a month of any malt or brewed beverage on the order of any resident of this Commonwealth who is at least twenty-one (21) years of age for the resident's personal use and not for resale. No more than ninety-six ounces of a specific registered or unregistered brand of malt or brewed beverages may be shipped to any one (1) resident during a calendar year.

(c) Prior to issuing a direct malt or brewed beverage shipper license, the board shall require an applicant to:

(1) File an application with the board.

(2) Pay a registration fee of two hundred fifty dollars (\$250).

(3) Provide to the board a true copy of the applicant's current alcoholic beverage license issued by another state or country.

(4) Provide documentation which evidences that the applicant has obtained a sales tax license from the Department of Revenue.

(5) Provide the board with any other information that the board deems necessary and appropriate.

(d) A direct malt or brewed beverage shipper shall do all of the following:

(1) Report to the board each year the total of malt or brewed beverages shipped to residents of this Commonwealth in the preceding calendar year.

(2) Permit the board, the enforcement bureau or the Secretary of Revenue, or their designated representatives, to perform an audit of the malt or brewed beverage shipper's records upon request.

(3) Be deemed to have submitted to the jurisdiction of the board, any other State agency and the courts of this Commonwealth for purposes of enforcement of this section and any related laws, rules or regulations.

(4) Require proof of age of the recipient, in a manner or format approved by the board, before malt or brewed beverages are shipped to a resident of this Commonwealth.

(5) Ensure that all boxes or exterior containers of malt or brewed beverages shipped directly to a resident of this Commonwealth are conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR DELIVERY."

(6) Pay to the Department of Revenue all taxes due on sales to residents of this Commonwealth. The amount of the taxes shall be calculated as if the sales were in this Commonwealth at the locations where delivery was made. The malt or brewed beverages delivered under this subsection shall be subject to only the following:

(i) The sales and use tax imposed by section 202 and Article II-B of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971."

(ii) The sales and use tax imposed by Article XXXI-B of the act of July 28, 1953 (P.L.723, No.230), known as the "Second Class County Code."

(iii) The sales and use tax imposed by the act of June 5, 1991 (P.L.9, No.6), known as the "Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class."

(iv) The malt beverage tax imposed by Article XX of the "Tax Reform Code of 1971."

(7) Annually renew its license by paying a renewal fee of two hundred fifty dollars (\$250).

(e) Any person who resells malt or brewed beverages obtained under this section commits a misdemeanor of the second degree. A person convicted of selling or offering to sell any malt or brewed beverage in violation of this section shall, in addition to any other penalty prescribed by law, be sentenced to pay a fine of four dollars (\$4) per fluid ounce for each container of malt or brewed beverage found on the premises where the sale was made or attempted. The amount of fine per container shall be based on the capacity of the container when full, whether or not the container is full at the time of sale or attempted sale. Each malt or brewed beverage found on the premises shall be confiscated.

(f) The board may promulgate rules and regulations as are necessary to implement and enforce the provisions of this section.

(g) The board shall submit annual reports to the Appropriations Committee and the Law and Justice Committee of the Senate and to the Appropriations Committee and the Liquor Control Committee of the House of Representatives summarizing the number of direct shipper licenses issued by the board and the quantity of malt or brewed beverages sold under this section.

(h) Delivery shall be by a licensed transporter for hire. The licensed transporter for hire shall:

(1) keep records as required under section 512 pertaining to the direct shipment of malt or brewed beverages; and

(2) permit the board and the enforcement bureau, or their designated representatives, to inspect the records under section 513.

(i) Malt or brewed beverages sold under this section shall not be subject to:

(1) the provisions of section 431 that require a manufacturer to grant distribution rights to an importing distributor for each brand of malt or brewed beverages that it sells; or

(2) the brand registration requirements of section 445.

(j) Except for a shipment expressly authorized under subsection (b), nothing under this section may be construed as altering any existing or future distributing rights agreement between a manufacturer and an importing distributor or distributor.

Section 11.2. Section 468(e) of the act, added December 22, 2011 (P.L.530, No.113), is amended to read:

Section 468. Licenses Not Assignable; Transfers.--* * *

(e) Notwithstanding any other provision of law, [the] directive or regulation to the contrary, the following shall apply:

(1) The board may not approve an interior connection that is greater than ten feet wide between a licensed business and another business.

(2) The board shall have no authority to require an exterior entrance to a licensed premises as a condition for approving a license or approving a renewal application of a license in instances when hours of operation for the licensed premises do

not exceed the hours of operation for the unlicensed premises for which the board has approved an interior connection.

(3) This subsection shall not prohibit the board from approving a renewal application of a license, even if the licensed business has an interior connection that is greater than ten feet wide to an unlicensed business, if the board had approved the interior connection prior to the effective date of this subsection.

Section 11.3. Section 472(a) of the act, amended June 8, 2016 (P.L.273, No.39), is amended to read:

Section 472. Local Option.--(a) In any municipality or any part of a municipality where such municipality is split so that each part thereof is separated by another municipality, an election may be held, subject to subsection (c), not oftener than once in four years, to determine the will of the electors with respect to the granting of liquor licenses to hotels, restaurants, resort facilities and clubs, not oftener than once in four years, to determine the will of the electors with respect to the granting of liquor licenses to public venues, to performing arts facilities, to continuing care retirement communities, to hotels located on property owned by an accredited college or university, to privately-owned private golf courses or to privately-owned public golf courses, not oftener than once in four years, to determine the will of the electors with respect to the granting of licenses to retail dispensers of malt and brewed beverages, not oftener than once in four years, to determine the will of the electors with respect to granting of licenses to wholesale distributors and importing distributors, not more than once in two years, to determine the will of the electors with respect to the granting of club liquor licenses or club retail dispenser licenses to incorporated units of national veterans' organizations, not oftener than once in two years to determine the will of the electors with respect to the granting of special occasion permits to qualified organizations, not more than once in four years, to determine the will of the electors with respect to the establishment, operation and maintenance by the board of Pennsylvania liquor stores, within the limits of such municipality or part of a split municipality, or not more than once in two years, to determine the will of the electors with respect to the granting of liquor licenses to ski resort facilities, under the provisions of this act: Provided, That an election on the question of establishing and operating a State liquor store shall be initiated only in those municipalities, or that part of a split municipality that shall have voted against the granting of liquor licenses; and that an election on the question of granting wholesale distributor and importing distributor licenses shall be initiated only in those municipalities or parts of split municipalities that shall have at a previous election voted against the granting of dispenser's licenses. Whenever electors equal to at least twenty-five per centum of the highest vote cast for any office in the municipality or part of a split municipality at the last preceding general election shall file a petition with the county board of elections of the county for a referendum on the question of granting any of said classes of licenses or the establishment of Pennsylvania liquor stores, the said county board of elections shall cause a question to be placed on the ballots or on the voting machine board and submitted at any election. Separate petitions must be filed for each question to be voted on. Said proceedings shall be in the manner and subject to the provisions of the election laws which relate to

the signing, filing and adjudication of nomination petitions, insofar as such provisions are applicable.

When the question is in respect to the granting of liquor licenses, it shall be in the following form:

Do you favor the granting of liquor licenses for the sale of liquor in..... Yes of.....? No

When the question is in respect to the granting of liquor licenses to resort facilities in those municipalities that do not already allow the retail sale of liquor, it shall be in the following form:

Do you favor the granting of liquor licenses to resort facilities for the sale of liquor in the..... Yes of.....? No

When the question is in respect to the granting of liquor licenses to ski resorts in those municipalities that do not already allow the retail sale of liquor, it shall be in the following form:

Do you favor the granting of liquor licenses to ski resort facilities for the sale of liquor in theof? No

When the question is in respect to the granting of restaurant liquor licenses for use at public venues in those municipalities that do not already allow the retail sale of liquor, it shall be in the following form:

Do you favor the granting of liquor licenses to public venues for the sale of liquor in the..... Yes of.....? No

When the question is in respect to the granting of restaurant liquor licenses for use at performing arts facilities in those municipalities that do not already allow the retail sale of alcohol, it shall be in the following form:

Do you favor the granting of liquor licenses to performing arts facilities for the sale of liquor in the..... Yes of.....? No

When the question is in respect to the granting of liquor licenses for hotels located on property owned by an accredited college or university in those municipalities that do not already allow the granting of liquor licenses, it shall be in the following form:

Do you favor the granting of liquor licenses to hotels on property owned by an accredited college or university in the..... Yes of.....? No

When the question is in respect to the granting of liquor licenses, for privately-owned private golf courses, it shall be in the following form:

Do you favor the granting of liquor licenses for privately-owned private golf courses for the sale of liquor in.....by..... Yes of.....? No

When the question is in respect to the granting of liquor licenses, for privately-owned public golf courses, it shall be in the following form:

Do you favor the granting of liquor licenses for privately-owned public golf courses for the sale of liquor in.....by..... Yes of.....? No

When the question is in respect to the granting of liquor licenses to continuing care retirement communities in those

municipalities that have not already approved the granting of liquor licenses, it shall be in the following form:

Do you favor the granting of liquor licenses for continuing care retirement communities in.....by..... Yes of.....? No

When the question is in respect to the granting of licenses to retail dispensers of malt and brewed beverages, it shall be in the following form:

Do you favor the granting of malt and brewed beverage retail dispenser licenses for consumption on premises where sold in the..... Yes of.....? No

When the question is in respect to the granting of licenses to wholesale distributors of malt or brewed beverages and importing distributors, it shall be in the following form:

Do you favor the granting of malt and brewed beverage wholesale distributor's and importing distributor's licenses not for consumption on premises where sold in the..... Yes of.....? No

When the question is in respect to the granting of club liquor licenses to incorporated units of national veterans' organizations, it shall be in the following form:

Do you favor the granting of club liquor licenses to incorporated units of national veterans' organizations inthe..... Yes of.....? No

When the question is in respect to the granting of club retail dispenser licenses to incorporated units of national veterans' organizations, it shall be in the following form:

Do you favor the granting of club retail dispenser licenses to incorporated units of national veterans' organizations inthe..... Yes of.....? No

When the question is in respect to the granting of special occasion permits allowing the sale of liquor by qualified organizations in municipalities that do not already allow the retail sale of liquor, it shall be in the following form:

Do you favor the granting of special occasion permits to allow the sale of liquor by qualified organizations inthe..... Yes of.....? No

When the question is in respect to the granting of special occasion permits allowing the sale of malt or brewed beverages only by qualified organizations in municipalities that do not already allow the retail sale of malt or brewed beverages, it shall be in the following form:

Do you favor the granting of special occasion permits to allow the sale of malt or brewed beverages only by qualified organizations in the..... Yes of.....? No

When the question is in respect to the establishment, operation and maintenance of Pennsylvania liquor stores it shall be in the following form:

Do you favor the establishment, operation and maintenance of Pennsylvania liquor stores in the..... Yes of.....? No

When the question is in respect to the granting of liquor licenses to an airport authority in those municipalities that

do not already allow the retail sale of liquor, it shall be in the following form:

Do you favor the granting of liquor licenses to an airport authority for the sale of liquor in the..... Yes of.....? No

In case of a tie vote, the status quo shall obtain. If a majority of the voting electors on any such question vote "yes," then liquor licenses shall be granted by the board to hotels, restaurants, ski resorts, resort facilities and clubs, or liquor licenses shall be granted by the board to public venues, to performing arts facilities, to continuing care retirement communities, to hotels located on property owned by an accredited college or university, to privately-owned private golf courses or to privately-owned public golf courses, or malt and brewed beverage retail dispenser licenses or wholesale distributor's and importing distributor's license for the sale of malt or brewed beverages shall be granted by the board, or club liquor licenses or club retail dispenser licenses shall be granted by the board to incorporated units of national veterans' organizations, or special occasion permits may be issued to qualified organizations, or the board may establish, operate and maintain Pennsylvania liquor stores, as the case may be, in such municipality or part of a split municipality, as provided by this act; but if a majority of the electors voting on any such question vote "no," then the board shall have no power to grant or to renew upon their expiration any licenses of the class so voted upon in such municipality or part of a split municipality; or if the negative vote is on the question in respect to the establishment, operation and maintenance of Pennsylvania liquor stores, the board shall not open and operate a Pennsylvania liquor store in such municipality or part of a split municipality, nor continue to operate a then existing Pennsylvania liquor store in the municipality or part of a split municipality for more than two years thereafter or after the expiration of the term of the lease on the premises occupied by such store, whichever period is less, unless and until at a later election a majority of the voting electors vote "yes" on such question.

* * *

Section 12. (Reserved).

Section 13. Section 493(6) of the act is reenacted and 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--

* * *

(6) Brand or Trade Name on Spigot. For any licensee, his agents, servants or employes, to furnish or serve any malt or brewed beverages from any faucet, spigot or other dispensing apparatus, unless the trade name or brand of the product served shall appear in full sight of the customer [and in legible lettering upon such faucet, spigot or dispensing apparatus].

* * *

Section 14. Section 505.2 of the act, amended December 8, 2004 (P.L.1810, No.239), July 16, 2007 (P.L.107, No.34), June 25, 2010 (P.L.217, No.35), June 28, 2011 (P.L.55, No.11), December 22, 2011 (P.L.530, No.113) and June 8, 2016 (P.L.273, No.39), is amended to read:

Section 505.2. Limited Wineries.--(a) In the interest of promoting tourism and recreational development in Pennsylvania, holders of a limited winery license may:

(1) Produce alcoholic ciders, **mead**, wines and wine coolers, subject to the exceptions provided under this section, only from an agricultural commodity grown in Pennsylvania.

(2) Sell alcoholic cider, **mead**, wine and wine coolers produced by the limited winery or purchased in bulk in bond from another Pennsylvania limited winery on the licensed premises, under such conditions and regulations as the board may enforce, to the board, to individuals and to brewery, **importing distributor, distributor**, hotel, restaurant, club and public service liquor licensees, and to Pennsylvania winery licensees: Provided, That a limited winery shall not, in any calendar year, purchase alcoholic cider, **mead** or wine produced by other limited wineries in an amount in excess of fifty per centum of the alcoholic cider, **mead** or wine produced by the purchasing limited winery in the preceding calendar year. In addition, the holder of a limited winery license may purchase wine in bottles from another Pennsylvania limited winery if these wines undergo a second fermentation process. Such wine may be sold in bottles bearing the purchasing limited winery's label or the producing limited winery's label. Such wines, if sold by the board, may be sold by the producing limited winery to the purchasing limited winery at a price lower than the price charged by the board.

(2.1) Notwithstanding any other provision of this act or law to the contrary, only ship wine in accordance with the provisions of section 488.

(3) Separately or in conjunction with other limited wineries, sell alcoholic cider, **mead**, wine and wine coolers produced by the limited winery on no more than five (5) board-approved locations other than the licensed premises, with no bottling or production requirement at those additional board-approved locations and under such conditions and regulations as the board may enforce, to the board, to individuals and to brewery, hotel, restaurant, club and public service liquor licensees. If two or more limited wineries apply to operate an additional board-approved location in conjunction with each other, the wineries need only have one board-approved manager for the location, need only pay one application fee and need not designate specific or distinct areas for each winery's licensed area. Each limited winery must file an application for such an additional board-approved location, and such location shall count as one of the five permitted for each limited winery. Each limited winery is responsible for keeping only its own complete records. A limited winery may be cited for a violation of the recordkeeping requirements of sections 512 and 513 pertaining to its own records only.

(4) At the discretion of the board, obtain a special permit to participate in alcoholic cider, **mead**, wine and food expositions off the licensed premises. A special permit shall be issued upon proper application and payment of a fee of thirty dollars (\$30) per day for each day of permitted use, not to exceed thirty (30) consecutive days. The total number of days for all the special permits may not exceed one hundred (100) days in any calendar year. A special permit shall entitle the holder to engage in the sale by the glass, by the bottle or in case lots of alcoholic cider, **mead** or wine produced by the permittee under the authority of a limited winery license. Holders of special permits may provide tasting samples of wines in individual portions not to exceed one fluid ounce. Samples

at alcoholic cider, **mead**, wine and food expositions may be sold or offered free of charge. Except as provided herein, limited wineries utilizing special permits shall be governed by all applicable provisions of this act as well as by all applicable regulations or conditions adopted by the board.

For the purposes of this clause, "alcoholic cider, **mead**, wine and food expositions" are defined as affairs held indoors or outdoors with the intent of promoting Pennsylvania products by educating those in attendance of the availability, nature and quality of Pennsylvania-produced alcoholic ciders, **mead** and wines in conjunction with suitable food displays, demonstrations and sales. Alcoholic cider, **mead**, wine and food expositions may also include activities other than alcoholic cider, **mead**, wine and food displays, including arts and crafts, musical activities, cultural exhibits, agricultural exhibits and farmers markets.

(4.1) At the discretion of the board, obtain a farmers market permit. The permit shall entitle the holder to participate in more than one farmers market at any given time and an unlimited number throughout the year and sell alcoholic cider, **mead** or wine produced under the authority of the underlying limited winery license by the bottle or in case lots. Samples not to exceed one fluid ounce per brand of **mead or** wine may be offered free of charge. A farmers market permit shall be issued upon proper application and payment of an annual fee of two hundred fifty dollars (\$250). A permit holder may participate in more than one farmers market at any given time. Sales by permit holders shall take place during the standard hours of operation of the farmers market. Written notice of the date, times and location the permit is to be used shall be provided by the permit holder to the enforcement bureau at least two (2) weeks prior to the event. Except as provided in this subsection, limited wineries utilizing farmers market permits shall be governed by all applicable provisions of this act as well as by all applicable regulations adopted by the board.

(5) Do either of the following:

(i) Apply for and hold a hotel liquor license, a restaurant liquor license or a malt and brewed beverages retail license to sell for consumption at the restaurant or limited winery on the licensed winery premises, liquor, wine and malt or brewed beverages regardless of the place of manufacture under the same conditions and regulations as any other hotel liquor license, restaurant liquor license or malt and brewed beverages retail license.

(ii) Apply for and hold a restaurant liquor license for use at one of the additional board-approved locations referenced under clause (3), as long as such location does not serve as an additional board-approved location for any other manufacturer.

(6) (i) Secure a permit from the board to allow the holder of a limited winery license to use up to twenty-five per centum permitted fruit, not wine, in the current year's production. Each permit is valid only for the calendar year in which it is issued.

(ii) The fee for a permit to import and use permitted fruit shall be in an amount to be determined by the board.

(iii) The purpose of this section is to increase the productivity of limited wineries while at the same time protecting the integrity and unique characteristics of wine produced from fruit primarily grown in this Commonwealth. Prevailing climatic conditions have a significant impact on the character of the fruit. Accordingly, "permitted fruit" shall

mean fruit grown or juice derived from fruit grown within three hundred fifty (350) miles of the winery.

(iv) The department is authorized to promulgate regulations requiring the filing of periodic reports by limited wineries to ensure compliance with the provisions of this section.

(6.1) Sell food for consumption on or off the licensed premises and at the limited winery's additional board-approved locations and sell by the glass, at the licensed premises and at the limited winery's additional board-approved locations, wine, **mead** and alcoholic ciders that may otherwise be sold by the bottle. In addition, the holder of a limited winery license may sell for consumption on the licensed premises and at the limited winery's additional board-approved locations, liquor produced by a licensed distillery or limited distillery, **wine and alcoholic cider produced by another limited winery** and malt or brewed beverages produced by a licensed brewery. **The combined sales of wine and alcoholic cider produced by another limited winery, malt or brewed beverages and liquor may not, on a yearly basis, exceed fifty per centum of the on-premises sales of the limited winery's own sales of wine and alcoholic cider for the preceding calendar year: however, if a limited winery did not operate for an entire calendar year during the preceding year, then its combined sales of wine and alcohol produced by another limited winery, malt or brewed beverages and liquor may not, on a yearly basis, exceed fifty per centum of the on-premises sales of the limited winery's own wine and alcoholic cider for that year.**

(6.2) Sell wine- or liquor-scented candles acquired or produced by the limited winery.

(6.3) Sell alcoholic cider, **mead**, wine and wine coolers only between the hours of nine o'clock antemeridian and eleven o'clock postmeridian. A limited winery also may request approval from the board to extend sales hours in individual locations at other times during the year or beyond the limits set forth in this clause. The request shall be made in writing to the board's Office of the Chief Counsel and shall detail the exact locations where sales hours are proposed to be extended, the proposed hours and dates of extended operation and the reason for the proposed extended hours.

(6.4) Store alcoholic cider, **mead**, wine and wine coolers produced by the limited winery at no more than two (2) board-approved locations other than the licensed premises and those premises referenced in clause (3) pertaining to the five (5) board-approved locations for the sale of wine, with no bottling or production requirement at those additional locations and under such conditions and regulations as the board may enforce. If two (2) or more businesses will operate out of the same storage facility, the limited winery must designate specific and distinct areas for its storage. The limited winery's designated storage area must be secured and no one other than the licensee and his employees may be allowed access to the storage area. No board-approved manager will be necessary for the storage facility. The limited winery must fill out an application for such an additional board-approved storage location, and such location shall count as one of the two permitted for each limited winery. The limited winery is responsible for keeping only its own complete records. A limited winery may be cited for a violation of the recordkeeping requirements of sections 512 and 513 pertaining to its own records only.

(b) The total production of alcoholic ciders, **mead**, wine and wine coolers by a limited winery may not exceed two hundred thousand (200,000) gallons per year.

(c) As used in this section:

"Agricultural commodity" shall include any of the following: agricultural, apicultural, horticultural, silvicultural and viticultural commodities.

"Farmers market" shall include any building, structure or other place:

(1) owned, leased or otherwise in the possession of a person, municipal corporation or public or private organization;

(2) used or intended to be used by two or more farmers or an association of farmers, who are certified by the Department of Agriculture of the Commonwealth to participate in the Farmers' Market Nutrition Program subject to 7 CFR Pt. 249 (relating to Senior Farmers' Market Nutrition Program (SFMNP)), for the purpose of selling agricultural commodities produced in this Commonwealth directly to consumers;

(3) which is physically located within this Commonwealth; and

(4) which is not open for business more than twelve hours each day.

Section 15. Section 505.4(b)(1) and (c) of the act, amended June 8, 2016 (P.L.273, No.39), are amended to read:

Section 505.4. Distilleries.--* * *

(b) (1) The board may issue a limited distillery license that will allow the holder thereof to operate a distillery that shall not exceed production of one hundred thousand (100,000) gallons of distilled liquor per year. The holder of the license may manufacture and sell bottled liquors produced on the licensed premises to the board, to entities licensed by the board and to the public between the hours of nine o'clock antemeridian and eleven o'clock postmeridian so long as a specific code of distilled liquor which is listed for sale as a stock item by the board in State liquor stores may not be offered for sale at a licensed limited distillery location at a price which is lower than that charged by the board and under such conditions and regulations as the board may enforce. The holder of a limited distillery license may not sell a product or a substantially similar product which is listed for sale as a stock item by the board in State Liquor Stores to a licensee at a price which is lower than that charged by the board and under such conditions and regulations as the board may enforce. The holder of a limited distillery license may also sell [wines] **wine and alcoholic cider** produced by a licensed limited winery [or], **liquor produced by a licensed distillery or limited distillery and** malt or brewed beverages produced by a licensed brewery for on-premises consumption. **The combined sales of wine, malt or brewed beverages and liquor produced by another licensed distillery or limited distillery may not, on a yearly basis, exceed fifty per centum of the on-premises sales of the limited distillery's own sales of liquor for the preceding calendar year: however, if a limited distillery did not operate for an entire calendar year during the preceding year, then its combined sales of wine, malt or brewed beverages and liquor produced by another licensed distillery or limited distillery may not, on a yearly basis, exceed fifty per centum of the on-premises sales of the limited distillery's own liquor for that year.**

* * *

(c) (1) The holder of a distillery license as issued under section 505 may sell bottled liquors produced on the licensed premises to the board, to entities licensed by the board and to the public between the hours of nine o'clock antemeridian and eleven o'clock postmeridian so long as a specific code of distilled liquor which is listed for sale as a stock item by the board in State liquor stores may not be offered for sale at a licensed distillery location at a price which is lower than that charged by the board and under such conditions and regulations as the board may enforce. The holder of a distillery license may not sell a product or a substantially similar product which is listed for sale as a stock item by the board in State Liquor Stores to a licensee at a price which is lower than that charged by the board and under such conditions and regulations as the board may enforce. The holder of a distillery license may also sell [wines] **its liquor, wine and alcoholic cider** produced by a licensed limited winery [or], **liquor produced by a licensed distillery or limited distillery and malt or brewed beverages produced by a licensed brewery for on-premises consumption. The combined sales of wine, malt or brewed beverages and liquor produced by another licensed distillery or limited distillery may not, on a yearly basis, exceed fifty per centum of the on-premises sales of the distillery's own sales of liquor for the preceding calendar year: however, if a distillery did not operate for an entire calendar year during the preceding year, then its combined sales of wine, malt or brewed beverages and liquor produced by another licensed distillery or limited distillery may not, on a yearly basis, exceed fifty per centum of the on-premises sales of the distillery's own liquor for that year.**

(2) The holder of a distillery license as issued under section 505 may provide tasting samples of liquor that in total do not exceed one and one-half (1.5) fluid ounces. Samples may be sold or provided free of charge between the hours of nine o'clock antemeridian and eleven o'clock postmeridian.

Section 16. Section 802 of the act is amended by adding a subsection to read:

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

(h) All moneys collected under sections 416, 432(h) and 470.3 of this act shall be transferred from the State Stores Fund to the General Fund on a quarterly basis.

Section 17. This act shall take effect in 60 days.

APPROVED--The 15th day of November, A.D. 2016.

TOM WOLF