



## PENNSYLVANIA STATE ASSOCIATION OF BOROUGHES

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**TO:** House Liquor Control Committee  
**FROM:** Ed Troxell, Director of Government Affairs  
**DATE:** April 2, 2018  
**RE:** **Act 39's Effects on Dry Municipalities**

The Pennsylvania State Association of Boroughs (PSAB) presents this memo\* for the committee's consideration as you review the *effects of Act 39 of 2016* to the PA Liquor Code. As you know, PSAB is a statewide, non-partisan, non-profit organization dedicated to serving its 956 borough governments. Since 1911, PSAB has represented the interests of boroughs and helped to shape the laws that laid their foundation. With more than 2.6 million Pennsylvanians residing in borough communities, our members strive to deliver quality leadership and service to citizens across the Commonwealth.

One of the guiding principles of PSAB is insuring boroughs and their citizens, the opportunity to determine what works best in their communities. Often, we refer to this as "Local Control," yet a more accurate term would be "Local Decision-making." Elected officials accountable to their citizens should have the ability to determine what is or is not desirable in their community. This holds especially true concerning matters of economic development and its desired ends. Therefore, PSAB would like the House Liquor Control Committee to be aware of and reckon with respect the impacts of changes to the PA Liquor Code and in this case, *prohibitions based on local referendum*.

Dry municipalities have been unique assets to our Commonwealth, dating back to the 19<sup>th</sup> Century. When Prohibition ended in 1933, the state enabled municipalities to stay dry or become wet or prohibit sales of certain types of alcohol. Today, Pennsylvania has over 684 municipalities that are either dry or partially dry. Many of our boroughs are among these municipalities. One of these affected boroughs is Stoystown, located in Somerset County.

*In 1975, the voters of the borough elected to prohibit the sale of malt and brewed beverages and liquor through two referenda.* By this decision, the community made a local decision to stay dry and assumed they were a dry municipality, that is until **Act 39 of 2016**. When Act 39 of 2016 was signed into law by Governor Wolf it permitted licensed limited distilleries to sell their own products for on-premises consumption. In addition, it also enabled licensed limited distilleries to sell wine, malt or brewed beverages for on-premises consumption provided that the wine and malt or brewed beverages are produced by licensed limited wineries and licensed breweries. Furthermore, Act 166 of 2016 expanded the products distilleries can sell to include alcoholic cider.

In 2017, the PLCB granted a limited distillery license within Stoystown Borough. However, since the Liquor Code does not include a Local Option referendum for Limited Distilleries, the Borough was not able to prohibit this type of licensed sales in their community. Unfortunately, this oversight in the Liquor Code *undermines the long history of local decisions* in this area of law. Attached is relevant documentation regarding Stoystown's referenda, its resolution and the PSAB resolution endorsing amendments to the Liquor Code. PSAB trusts the committee will recognize this problem with Acts 39 & 166 and return the power of self-determination back to the citizens of our communities.

\*Enclosures (2)

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