

AMENDMENTS TO HOUSE BILL NO. 763

Sponsor: SENATOR STEFANO

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1 Amend Bill, page 1, line 21, by inserting after "licensees,"
2 for interlocking business prohibited,

3 Amend Bill, page 1, line 23, by inserting after "LICENSEES"
4 , for unlawful acts relative to liquor, malt and brewed
5 beverages and licensees

6 Amend Bill, page 2, lines 2 through 4, by striking out all of
7 said lines and inserting

8 Section 1. Sections 401(a), 406(a)(4) and 407(a) of the act
9 of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, are
10 amended to read:

11 Amend Bill, page 3, line 26, by striking out "LIQUOR OR"

12 Amend Bill, page 4, by inserting between lines 16 and 17

13 Section 2. Section 411(e) of the act is amended and the
14 section is amended by adding a subsection to read:

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

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

32 The purpose of this section is to require a separation of the
33 financial and business interests between manufacturers and

1 holders of hotel or restaurant liquor licenses and, as herein
2 provided, of club licenses, issued under this article, and no
3 person shall, by any device whatsoever, directly or indirectly,
4 evade the provisions of the section. But in view of existing
5 economic conditions, nothing contained in this section shall be
6 construed to prohibit the ownership of property or conflicting
7 interest by a manufacturer of any place occupied by a licensee
8 under this article after the manufacturer has continuously owned
9 and had a conflicting interest in such place for a period of at
10 least five years prior to July eighteenth, one thousand nine
11 hundred thirty-five: Provided, however, That this clause shall
12 not prohibit any hotel, restaurant or club liquor licensee, or
13 any officer, director or stockholder of any such licensee, from
14 owning land or buildings which are leased to a holder of a
15 retail dispenser's license or a manufacturer's license: And,
16 provided further, That nothing contained in this section shall
17 be construed to prohibit any hotel, restaurant, retail dispenser
18 or club licensee or any officer, director or stockholder, agent
19 or employe of any such licensee from having a financial or other
20 interest, directly or indirectly in the ownership or leasehold
21 of any property or the equipment of any property or any mortgage
22 lien against same, used, leased by an importer or sacramental
23 wine licensee for the exclusive purpose of maintaining
24 commercial offices and on the condition that said property is
25 not used for the storage or sale of liquor or malt or brewed
26 beverages in any quantity: And, provided further, That nothing
27 contained in this section shall prohibit an officer or member of
28 a licensed privately owned private golf course catering club
29 from having an interest in a limited winery license: And,
30 provided further, That nothing contained in this section shall
31 be construed to prohibit a member of the governing board of a
32 public authority created under subdivision (n) of Article XXIII
33 of the act of August 9, 1955 (P.L.323, No.130), known as "The
34 County Code," from having an interest in a distributor or
35 importing distributor license notwithstanding the fact that the
36 public authority has an interest in one or more retail licenses
37 or acts as a landlord for one or more retail licenses: And,
38 provided further, That, nothing in this section may prohibit an
39 employe of a hotel or restaurant licensee from guaranteeing any
40 loans, or lending any moneys, providing credit or giving
41 anything of value to a limited winery licensee or its officers,
42 directors and shareholders, provided that the person also is not
43 an officer of or does not have any interest in or exercise any
44 control over any other licensed entity that engages in any sales
45 to or from the licensee: And, provided further, That,
46 notwithstanding any other provision of this section, an entity
47 may acquire both a manufacturer's license or a limited winery
48 license and a hotel, restaurant or retail dispenser license for
49 use at the same location and more than one location may be so
50 licensed. And, provided further, That, notwithstanding any other
51 provision of this section, an entity licensed as a limited

1 winery may hold and operate a restaurant liquor license at one
2 of its additional, board-approved locations instead of at its
3 primary location where manufacturing occurs. The licenses and a
4 person's interest in the licenses or in the entity holding the
5 licenses shall not be subject to this section. Provided further,
6 That, a person who is a holder of ten per centum (10%) or less
7 of securities or other interests in a publicly or privately held
8 domestic or foreign corporation, partnership, limited liability
9 company or other form of legal entity owning a retail license
10 shall not be deemed to possess a financial interest and is not
11 subject to the provisions of this section, provided that the
12 person is not an officer of, employe of or does not have any
13 interest in or exercise any control over any other licensed
14 entity that engages in any sales to or from the retail licensee
15 in which the person holds the ten per centum (10%) or less
16 interest.[: And, provided further, That nothing in this section
17 shall prohibit a person who has an ownership interest in a
18 limited winery license from being employed by an entity that
19 holds a hotel, restaurant, eating place or club license if the
20 person is not employed as alcohol service personnel or as
21 manager.]

22 (e.1) Nothing in subsection (e) shall prohibit any of the
23 following:

24 (1) A person who has an ownership interest in a limited
25 winery license from being employed by an entity that holds a
26 hotel, restaurant, eating place or club license if the person is
27 not employed as alcohol service personnel or as manager.

28 (2) A person who has an ownership interest in a brewery
29 license from being employed by an entity that holds a hotel,
30 restaurant, eating place or club license if the person has no
31 job duties or responsibilities on, or connected with, the
32 licensed premises in any capacity.

33 * * *

34 Section 3. Section 442(a)(1), 492(7), 493(11) and 499(a.1)
35 (4) of the act are amended to read:

36 Amend Bill, page 5, by inserting between lines 18 and 19

37 Section 493. Unlawful Acts Relative to Liquor, Malt and
38 Brewed Beverages and Licensees.--The term "licensee," when used
39 in this section, shall mean those persons licensed under the
40 provisions of Article IV, unless the context clearly indicates
41 otherwise.

42 It shall be unlawful--

43 * * *

44 (11) Licensees Employed by Others. For any hotel, restaurant
45 or club liquor licensee, or any malt or brewed beverage
46 licensee, or any officer, servant, agent or employe of such
47 licensee, to be at the same time employed, directly or
48 indirectly, by any distributor, importing distributor,
49 manufacturer, importer or vendor licensee or any out of State

1 manufacturer. It shall also be unlawful for any distributor or
2 importing distributor, or any officer, servant, agent or employe
3 of such licensee, to be at the same time employed, directly or
4 indirectly, by any other distributor, importing distributor,
5 manufacturer, importer, vendor, out of State manufacturer, hotel
6 restaurant, malt or brewed beverage licensee, or club liquor
7 licensee. It shall also be unlawful for any manufacturer,
8 importer, or vendor licensee, or any out of State manufacturer,
9 or any officer, servant, agent or employe of such licensee or
10 manufacturer, to be at the same time employed, directly or
11 indirectly, by any hotel, restaurant or club liquor licensee or
12 any malt or brewed beverage licensee or any distributor or
13 importing distributor licensee. Nothing in this subsection shall
14 be construed to prohibit a manufacturer or limited winery
15 licensee, or any officer, servant, agent or employe of such
16 licensee, to be employed at the same time by a hotel, restaurant
17 or retail dispenser licensee if the hotel, restaurant or retail
18 dispenser licensee is located at the manufacturer or limited
19 winery premises pursuant to section 443. For the purposes of
20 this subsection, an officer, servant, agent or employe of a
21 licensee or manufacturer is an individual who has either an
22 ownership interest in the licensee or manufacturer or who
23 receives compensation for his or her work on behalf of the
24 licensee or manufacturer: Provided further, That nothing in this
25 section shall prohibit a person who has an ownership interest in
26 a limited winery license from being employed by an entity that
27 holds a hotel, restaurant, eating place or club license if the
28 person is not employed as alcohol service personnel or as a
29 manager[.]: And, provided further, That nothing in this section
30 shall prohibit a person who has an ownership interest in a
31 brewery license from being employed by an entity that holds a
32 hotel, restaurant, eating place or club license if the person
33 has no job duties or responsibilities on, or connected with, the
34 licensed premises in any capacity.

35 * * *

36 Amend Bill, page 5, line 28, by striking out "2" and
37 inserting

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