

## AMENDMENTS TO HOUSE BILL NO. 1154

Sponsor: SENATOR REGAN

Printer's No. 1421

1 Amend Bill, page 1, lines 1 through 22, by striking out all  
2 of said lines and inserting  
3 Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An  
4 act relating to alcoholic liquors, alcohol and malt and  
5 brewed beverages; amending, revising, consolidating and  
6 changing the laws relating thereto; regulating and  
7 restricting the manufacture, purchase, sale, possession,  
8 consumption, importation, transportation, furnishing, holding  
9 in bond, holding in storage, traffic in and use of alcoholic  
10 liquors, alcohol and malt and brewed beverages and the  
11 persons engaged or employed therein; defining the powers and  
12 duties of the Pennsylvania Liquor Control Board; providing  
13 for the establishment and operation of State liquor stores,  
14 for the payment of certain license fees to the respective  
15 municipalities and townships, for the abatement of certain  
16 nuisances and, in certain cases, for search and seizure  
17 without warrant; prescribing penalties and forfeitures;  
18 providing for local option, and repealing existing laws," in  
19 preliminary provisions, further providing for definitions; in  
20 Pennsylvania Liquor Stores, further providing for sales by  
21 Pennsylvania Liquor Stores; and, in licenses and regulations,  
22 liquor, alcohol and malt and brewed beverages, further  
23 providing for heading of article, for authority to issue  
24 liquor licenses to hotels, restaurants and clubs, for sales  
25 by liquor licensees and restrictions, for secondary service  
26 area, for sale of malt or brewed beverages by liquor  
27 licensees, for public service liquor licenses, for liquor  
28 importers' licenses, fees, privileges and restrictions, for  
29 public venue license, for performing arts facility license,  
30 for continuing care retirement community retail licenses and  
31 for casino liquor license, for prepared beverages and mixed  
32 drinks for off-premises consumption during disaster  
33 emergency, further providing for malt and brewed beverages  
34 manufacturers', distributors' and importing distributors'  
35 licenses, for sales by manufacturers of malt or brewed  
36 beverages and minimum quantities and for distributors' and  
37 importing distributors' restrictions on sales, storage, etc,  
38 providing for safekeeping and further providing for unlawful

1 acts relative to malt or brewed beverages and licensees.  
2 Amend Bill, page 1, lines 25 through 27; pages 2 through 6,  
3 lines 1 through 30; page 7, lines 1 through 27; by striking out  
4 all of said lines on said pages and inserting

5 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,  
6 No.21), known as the Liquor Code, is amended by adding  
7 definitions to read:

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

11 \* \* \*

12 "Ready-to-drink cocktail" shall mean a beverage, composed in  
13 part of spirits, combined with other nonalcoholic ingredients,  
14 carbonated or still, by whatever name such beverage may be  
15 called, premixed and packaged in original containers, containing  
16 not more than sixteen ounces, provided that it is not mixed or  
17 adulterated on the licensed premises of a licensee. It shall  
18 mean any beverage consisting of at least one-half of one per  
19 centum, but not greater than twelve and one-half per centum,  
20 alcohol by volume. It shall not mean any beverage composed, in  
21 part, of wine or malt or brewed beverages. It shall be treated  
22 like liquor unless the context clearly indicates otherwise.

23 \* \* \*

24 "Spirits" shall mean any beverage which contains alcohol  
25 obtained by distillation, mixed with water or other substances  
26 in solution, and includes brandy, rum, whiskey, gin or other  
27 spirituous liquors and such liquors when rectified, blended or  
28 otherwise mixed with alcohol or other substances.

29 \* \* \*

30 Section 2. Section 305(b) of the act is amended and the  
31 section is amended by adding a subsection to read:

32 Section 305. Sales by Pennsylvania Liquor Stores.--\* \* \*

33 (b) Every Pennsylvania Liquor Store shall sell liquors at  
34 wholesale to hotels, restaurants, clubs, and railroad, pullman  
35 and steamship companies licensed under this act; and, under the  
36 regulations of the board, to pharmacists duly licensed and  
37 registered under the laws of the Commonwealth, and to  
38 manufacturing pharmacists, and to reputable hospitals approved  
39 by the board, or chemists. Sales to licensees shall be made at a  
40 price that includes a discount of ten per centum from the retail  
41 price; except that special order sales to licensees authorized  
42 in subsection (a) shall not be subject to the ten per centum  
43 discount. Ready-to-drink cocktails as defined in section 102  
44 shall not be subject to the ten per centum discount. The board  
45 may sell to registered pharmacists only such liquors as conform  
46 to the Pharmacopoeia of the United States, the National  
47 Formulary, or the American Homeopathic Pharmacopoeia. The board  
48 may sell at special prices under the regulations of the board,

1 to United States Armed Forces facilities which are located on  
2 United States Armed Forces installations and are conducted  
3 pursuant to the authority and regulations of the United States  
4 Armed Forces. All other sales by such stores shall be at retail,  
5 except that incentives, such as coupons or discounts on certain  
6 products, may be offered to unlicensed customers of the board as  
7 provided under sections 207(m) and 493(24)(ii)(B). A person  
8 entitled to purchase liquor at wholesale prices may purchase the  
9 liquor at any Pennsylvania Liquor Store upon tendering cash,  
10 check or credit card for the full amount of the purchase. For  
11 this purpose, the board shall issue a discount card to each  
12 licensee identifying such licensee as a person authorized to  
13 purchase liquor at wholesale prices. Such discount card shall be  
14 retained by the licensee. The board may contract through the  
15 Commonwealth bidding process for delivery to wholesale licensees  
16 at the expense of the licensee receiving the delivery.

17 \* \* \*

18 (l) Pennsylvania Liquor Stores may sell ready-to-drink  
19 cocktails but are not restricted to the ready-to-drink cocktail  
20 container limits or alcohol by volume limits per the definition  
21 in section 102.

22 Section 3. Article IV heading and section 401(a) of the act  
23 are amended to read:

24 ARTICLE IV.  
25 LICENSES AND REGULATIONS; LIQUOR, ALCOHOL AND  
26 MALT AND BREWED BEVERAGES  
27 AND READY-TO-DRINK COCKTAILS.

28 Section 401. Authority to Issue Liquor Licenses to Hotels,  
29 Restaurants and Clubs.--(a) Subject to the provisions of this  
30 act and regulations promulgated under this act, the board shall  
31 have authority to issue a retail liquor license for any premises  
32 kept or operated by a hotel, restaurant or club and specified in  
33 the license entitling the hotel, restaurant or club to purchase  
34 liquor from a Pennsylvania Liquor Store and to keep on the  
35 premises such liquor and, subject to the provisions of this act  
36 and the regulations made thereunder, to sell the same and also  
37 malt or brewed beverages to guests, patrons or members for  
38 consumption on the hotel, restaurant or club premises. Such  
39 licensees, other than clubs, shall be permitted to sell malt or  
40 brewed beverages for consumption off the premises where sold in  
41 quantities of not more than one hundred ninety-two fluid ounces  
42 in a single sale to one person as provided for in section 407.  
43 In addition, such licensees, other than clubs, shall be  
44 permitted to sell ready-to-drink cocktails for off-premises  
45 consumption where sold in quantities of not more than one  
46 hundred ninety-two fluid ounces in a single sale to one person  
47 in the same manner as malt or brewed beverages as provided for  
48 in section 407. Such licenses shall be known as hotel liquor  
49 licenses, restaurant liquor licenses and club liquor licenses,  
50 respectively. No person who holds any public office that  
51 involves the duty to enforce any of the penal laws of the United

1 States, this Commonwealth or of any political subdivision of  
2 this Commonwealth may have any interest in a hotel or restaurant  
3 liquor license. This prohibition applies to anyone with arrest  
4 authority, including, but not limited to, United States  
5 attorneys, State attorneys general, district attorneys, sheriffs  
6 and police officers. This prohibition shall also apply to  
7 magisterial district judges, judges or any other individuals who  
8 can impose a criminal sentence. This prohibition does not apply  
9 to members of the General Assembly, township supervisors, city  
10 councilpersons, mayors without arrest authority and any other  
11 public official who does not have the ability to arrest or the  
12 ability to impose a criminal sentence. This section does not  
13 apply if the proposed premises are located outside the  
14 jurisdiction of the individual in question.

15 \* \* \*

16 Section 4. Section 406(a), (c), (d), (e) and (f)  
17 introductory paragraph of the act are amended and the section is  
18 amended by adding subsections to read:

19 Section 406. Sales by Liquor Licensees; Restrictions.--(a)  
20 (1) Every hotel, restaurant or club liquor licensee may sell  
21 liquor, ready-to-drink cocktails and malt or brewed beverages by  
22 the glass, open bottle or other container, and in any mixture,  
23 for consumption only in that part of the hotel or restaurant  
24 habitually used for the serving of food to guests or patrons, or  
25 in a bowling alley that is immediately adjacent to and under the  
26 same roof as a restaurant, and in the case of hotels, to guests,  
27 and in the case of clubs, to members, in their private rooms in  
28 the hotel or club. No club licensee nor its officers, servants,  
29 agents or employes, other than one holding a catering license,  
30 shall sell any liquor, ready-to-drink cocktails or malt or  
31 brewed beverages to any person except a member of the club. The  
32 holder of a restaurant license located in a hotel may sell  
33 liquor, ready-to-drink cocktails or malt or brewed beverages for  
34 consumption in that part of the restaurant habitually used for  
35 the serving of meals to patrons and also to guests in private  
36 guest rooms in the hotel. For the purpose of this paragraph, any  
37 person who is an active member of another club which is  
38 chartered by the same state or national organization shall have  
39 the same rights and privileges as members of the particular  
40 club. For the purpose of this paragraph, any person who is an  
41 active member of any volunteer firefighting company, association  
42 or group of this Commonwealth, whether incorporated or  
43 unincorporated, shall upon the approval of any club composed of  
44 volunteer firemen licensed under this act, have the same social  
45 rights and privileges as members of such licensed club. For the  
46 purposes of this paragraph, the term "active member" shall not  
47 include a social member. Any club licensee which is either an  
48 incorporated unit of a national veterans' organization or an  
49 affiliated organization as defined in section 461.1 shall be  
50 permitted to sell liquor, ready-to-drink cocktails or malt or  
51 brewed beverages to any active member of another unit which is

1 chartered by the same national veterans' organization or to any  
2 member of a nationally chartered auxiliary associated with the  
3 same national veterans' organization.

4 (2) Hotel and restaurant liquor licensees, municipal golf  
5 course restaurant liquor licensees and privately-owned public  
6 golf course restaurant licensees may sell liquor, ready-to-drink  
7 cocktails and malt or brewed beverages only after seven o'clock  
8 antemeridian of any day until two o'clock antemeridian of the  
9 following day, except Sunday, and except as hereinafter  
10 provided, may sell liquor, ready-to-drink cocktails and malt or  
11 brewed beverages on Sunday between the hours of twelve o'clock  
12 midnight and two o'clock antemeridian. No sales of ready-to-  
13 drink cocktails for off-premises consumption may take place  
14 after eleven o'clock postmeridian of any day until the  
15 licensee's permitted hours of operation under this section of  
16 the following day.

17 (2.1) Airport restaurant liquor licensees may sell liquor,  
18 ready-to-drink cocktails and malt or brewed beverages only after  
19 five o'clock antemeridian of any day and until two o'clock  
20 antemeridian of the following day.

21 (3) Hotel and restaurant liquor licensees, municipal golf  
22 course restaurant liquor licensees and privately-owned public  
23 golf course restaurant licensees may sell liquor, ready-to-drink  
24 cocktails and malt or brewed beverages on Sunday between the  
25 hours of nine o'clock antemeridian and two o'clock antemeridian  
26 Monday upon purchase of a special permit from the board at an  
27 annual fee as prescribed in section 614-A of the act of April 9,  
28 1929 (P.L.177, No.175), known as "The Administrative Code of  
29 1929." Airport restaurant liquor licensees may sell liquor,  
30 ready-to-drink cocktails and malt or brewed beverages on Sunday  
31 between the hours of five o'clock antemeridian and two o'clock  
32 antemeridian Monday upon purchase of a special permit from the  
33 board at an annual fee as prescribed in section 614-A of the act  
34 of April 9, 1929 (P.L.177, No.175), known as "The Administrative  
35 Code of 1929." No sales of ready-to-drink cocktails for off-  
36 premises consumption may take place after eleven o'clock  
37 postmeridian of any day until the licensee's permitted hours of  
38 operation under this section of the following day.

39 (4) Hotel and restaurant liquor licensees, municipal golf  
40 course restaurant liquor licensees and privately-owned public  
41 golf course restaurant licensees which do not qualify for and  
42 purchase such special permit, their servants, agents or employes  
43 may sell liquor, ready-to-drink cocktails and malt or brewed  
44 beverages only after seven o'clock antemeridian of any day and  
45 until two o'clock antemeridian of the following day, and shall  
46 not sell after two o'clock antemeridian on Sunday. No club  
47 licensee or its servants, agents or employes may sell liquor,  
48 ready-to-drink cocktails or malt or brewed beverages between the  
49 hours of three o'clock antemeridian and seven o'clock  
50 antemeridian on any day. No public service liquor licensee or  
51 its servants, agents, or employes may sell liquor, ready-to-

1 drink cocktails or malt or brewed beverages between the hours of  
2 two o'clock antemeridian and seven o'clock antemeridian on any  
3 day. No sales of ready-to-drink cocktails for off-premises  
4 consumption may take place after eleven o'clock postmeridian of  
5 any day until the licensee's permitted hours of operation under  
6 this section of the following day.

7 (6) Notwithstanding any provisions to the contrary, whenever  
8 the thirty-first day of December falls on a Sunday, every hotel  
9 or restaurant liquor licensee, their servants, agents or  
10 employes may sell liquor, ready-to-drink cocktails and malt or  
11 brewed beverages on any such day after one o'clock postmeridian  
12 and until two o'clock antemeridian of the following day. No  
13 sales of ready-to-drink cocktails for off-premises consumption  
14 may take place after eleven o'clock postmeridian of any day  
15 until the licensee's permitted hours of operation under this  
16 section of the following day.

17 (6.1) Notwithstanding any provisions to the contrary,  
18 whenever Saint Patrick's Day falls on a Sunday, every hotel or  
19 restaurant liquor licensee, their servants, agents or employes  
20 may sell liquor, ready-to-drink cocktails and malt or brewed  
21 beverages on any such day after seven o'clock antemeridian and  
22 until two o'clock antemeridian of the following day. No sales of  
23 ready-to-drink cocktails for off-premises consumption may take  
24 place after eleven o'clock postmeridian of any day until the  
25 licensee's permitted hours of operation under this section of  
26 the following day.

27 (7) Notwithstanding any other provision of this act, if  
28 Groundhog Day falls on a Sunday, a hotel or restaurant licensee  
29 or the hotel or restaurant licensee's servants, agents or  
30 employes may sell liquor, ready-to-drink cocktails and malt or  
31 brewed beverages on that day after seven o'clock antemeridian  
32 and until two o'clock antemeridian of the following day. No  
33 sales of ready-to-drink cocktails for off-premises consumption  
34 may take place after eleven o'clock postmeridian of any day  
35 until the licensee's permitted hours of operation under this  
36 section of the following day.

37 \* \* \*

38 (c) Notwithstanding any provision of this act, on the Sunday  
39 on which the sporting event commonly referred to as the "Super  
40 Bowl" is conducted, licensees who do not possess the special  
41 annual permit provided for in subsection (a)(3), their servants,  
42 agents or employes may sell liquor, ready-to-drink cocktails and  
43 malt or brewed beverages on such Sunday after one o'clock  
44 postmeridian and until two o'clock antemeridian of the following  
45 day. No sales of ready-to-drink cocktails for off-premises  
46 consumption may take place after eleven o'clock postmeridian of  
47 any day until the licensee's permitted hours of operation under  
48 this section of the following day.

49 (d) Subject to section 412, licensed public venues may sell  
50 liquor, ready-to-drink cocktails and malt or brewed beverages on  
51 Sundays from eleven o'clock antemeridian until midnight without

1 the need to acquire or qualify for a special permit. In  
2 addition, subject to section 413, licensed performing arts  
3 facilities may sell liquor, ready-to-drink cocktails and malt or  
4 brewed beverages on Sundays from ten o'clock antemeridian until  
5 ten o'clock postmeridian without the need to acquire or qualify  
6 for a special permit.

7 (e) (1) The holder of a hotel license or the holder of a  
8 restaurant license located in a hotel may allow persons to  
9 transport liquor, ready-to-drink cocktails or malt or brewed  
10 beverages from the licensed portion of the premises to the  
11 unlicensed portion of the premises, so long as the liquor,  
12 ready-to-drink cocktails or malt or brewed beverages remain on  
13 the hotel property. In addition, a holder of a restaurant or  
14 club license located on a golf course may sell, furnish or give  
15 liquor, ready-to-drink cocktails or malt or brewed beverages on  
16 the unlicensed portion of the golf course so long as the liquor,  
17 ready-to-drink cocktails or malt or brewed beverages remain on  
18 the restaurant, club or golf course. The holder of a restaurant  
19 license located immediately adjacent to and under the same roof  
20 of a bowling center may allow persons to transport liquor,  
21 ready-to-drink cocktails or malt or brewed beverages from the  
22 licensed portion of the premises to the unlicensed portion of  
23 the premises, so long as the liquor, ready-to-drink cocktails or  
24 malt or brewed beverages remain within the bowling center. In  
25 addition, the holder of a hotel license or a restaurant license  
26 may allow persons who have purchased but only partially consumed  
27 a bottle of wine on the premises to remove the bottle from the  
28 premises so long as the bottle was purchased in conjunction with  
29 a meal which was consumed on the premises and so long as the  
30 bottle is resealed. For purposes of this subsection, "wine"  
31 shall have the meaning given to it under section 488(i). For  
32 purposes of this section and section 432, "meal" shall mean food  
33 prepared on the premises, sufficient to constitute breakfast,  
34 lunch or dinner; it shall not mean a snack, such as pretzels,  
35 popcorn, chips or similar food.

36 (2) A holder of a restaurant or club license located on a  
37 golf course may store liquor, ready-to-drink cocktails or malt  
38 or brewed beverages in a permanent facility on the unlicensed  
39 portion of the golf course so long as the liquor, ready-to-drink  
40 cocktails or malt or brewed beverages remain on the restaurant,  
41 club or golf course without regard to whether there is any  
42 intervening public thoroughfare.

43 (f) The holder of a hotel or restaurant liquor license may  
44 obtain an off-premises catering permit subject to section  
45 493(33) to hold a catered function off the licensed premises and  
46 on otherwise unlicensed premises where the licensee may sell  
47 wine, liquor, ready-to-drink cocktails and malt or brewed  
48 beverages by the glass, open bottle or other container, and in  
49 any mixture together with food, for consumption on those  
50 premises. Functions conducted under the authority of the permit  
51 shall be subject to the following:

1 \* \* \*

2 (j) Notwithstanding any provision of this act, a person  
3 holding and possessing a valid restaurant or hotel liquor  
4 license may sell prepared beverages and mixed drinks for off-  
5 premises consumption where meals prepared for pick-up or  
6 curbside pick-up are also available. The following shall apply:

7 (1) Except as provided in this paragraph and paragraph (3),  
8 nothing in this section shall affect the ability of a licensee  
9 to operate within the scope of the licensee's current license as  
10 authorized by this act, provided, however, that no sales of  
11 prepared beverages and mixed drinks for off-premises consumption  
12 may take place after eleven o'clock postmeridian of any day  
13 until the licensee's permitted hours of operation under this  
14 section of the next day, including Sundays if the licensee has a  
15 permit authorized under subsection (a)(3).

16 (2) The following licensees are prohibited from selling  
17 prepared beverages and mixed drinks for off-premises consumption  
18 under this section:

19 (i) A licensee whose underlying license is subject to a  
20 pending objection by the director of the Bureau of Licensing or  
21 the board under section 470(a.1), until the matter is decided.

22 (ii) A licensee whose underlying license has been suspended  
23 under section 1799.6-E of the act of April 9, 1929 (P.L.343,  
24 No.176), known as "The Fiscal Code."

25 (iii) A licensee that has an interior connection to a  
26 grocery store, convenience store or department store.

27 (3) For purposes of selling prepared beverages and mixed  
28 drinks for off-premises consumption, a licensed premises shall  
29 not be subject to section 493(14).

30 (4) A licensee selling prepared beverages and mixed drinks  
31 for off-premises consumption shall utilize a transaction scan  
32 device to verify the age of an individual who appears to be  
33 under thirty-five (35) years of age before making a sale of  
34 prepared beverages and mixed drinks for off-premises  
35 consumption. A licensee may not sell or share consumers'  
36 personal data from the use of a transaction scan device,  
37 provided that the licensee may share the data with the  
38 enforcement bureau of the board as evidence that the licensee is  
39 in compliance with this paragraph.

40 (5) A licensee selling prepared beverages or mixed drinks  
41 for off-premises consumption shall prominently post a warning  
42 sign in a manner that puts consumers on notice of the  
43 restrictions on alcoholic beverages under 75 Pa.C.S. § 3809  
44 (relating to restriction on alcoholic beverages), and that the  
45 prepared beverages and mixed drinks packaged for sale by the  
46 licensee are open containers and may only be transported by the  
47 driver of a motor vehicle in the vehicle's trunk or in some  
48 other area of the vehicle that is not occupied by the driver or  
49 passengers.

50 (6) A prepared beverage or mixed drink for off premise  
51 consumption must be affixed with a label identifying that the



1 product contains alcohol.

2 (7) As used in this subsection, the following words and  
3 phrases shall have the meanings given to them in this paragraph  
4 unless the context clearly indicates otherwise:

5 "Convenience store" shall mean a retail business that sells a  
6 range of everyday items, including coffee, groceries, snack  
7 foods, confectionery, soft drinks, tobacco products, over-the-  
8 counter drugs, toiletries, gasoline and magazines.

9 "Department store" shall mean a retail establishment offering  
10 a wide range of consumer goods in different areas of the store,  
11 which may include food items.

12 "Grocery store" shall mean a retail business that primarily  
13 sells a wide variety of fresh and packaged foods, beverages and  
14 other items to be consumed or used off of the store premises.

15 "Transaction scan device" shall mean a device capable of  
16 deciphering, in an electronically readable format, the  
17 information encoded on the magnetic strip, chip or bar code of  
18 an identification card under section 495(a).

19 (k) Liquor and wine in the possession of a licensee at the  
20 time the licensed business closes permanently may be sold to  
21 another licensee qualified to sell such products. The licensee  
22 shall notify the board in writing advising the board of the name  
23 of the licensee and identifying any product sold to that  
24 licensee, as well as the description of the liquor, including  
25 brand names, sizes and numbers of containers sold to another  
26 licensee.

27 Section 5. Section 406.1(a) of the act is amended to read:

28 Section 406.1. Secondary Service Area.--(a) Upon  
29 application of any restaurant, hotel, club, municipal golf  
30 course liquor licensee, distillery, limited distillery or  
31 manufacturer of malt or brewed beverages or manufacturer of  
32 ready-to-drink cocktails, and payment of the appropriate fee,  
33 the board may approve a secondary service area by extending the  
34 licensed premises to include one additional permanent structure  
35 with dimensions of at least one hundred seventy-five square  
36 feet, enclosed on three sides and having adequate seating. Such  
37 secondary service area must be located on property having a  
38 minimum area of one (1) acre, and must be on land which is  
39 immediate, abutting, adjacent or contiguous to the licensed  
40 premises with no intervening public thoroughfare; however, the  
41 original licensed premises and the secondary service area must  
42 be located on the same tract of land. The board shall have  
43 discretion to refuse the application for a secondary service  
44 area in the same manner it has discretion to refuse an  
45 application for transfer of the license to a new location as set  
46 forth in section 404. There shall be no requirement that the  
47 secondary service area be physically connected to the original  
48 licensed premises. In addition, there shall be no requirement  
49 that the secondary service area be located in the same  
50 municipality as the original licensed premises, provided,  
51 however, that the board shall not approve a secondary service

1 area in this case if that secondary service area is located in  
2 any municipality where the granting of liquor licenses has been  
3 prohibited as provided in this article. Notwithstanding 40 Pa.  
4 Code § 7.21, the licensee shall be permitted to store, serve,  
5 sell or dispense food, liquor, ready-to-drink cocktails and malt  
6 or brewed beverages at the board approved secondary service  
7 area.

8 \* \* \*

9 Section 6. Section 407 heading and (a) (1) and (2) of the  
10 act, amended June 5, 2020 (P.L.213, No.29), are amended to read:

11 Section 407. Sale of Malt or Brewed Beverages and Ready-to-  
12 Drink Cocktails by Liquor Licensees.--(a) (1) Every liquor  
13 license issued to a hotel, restaurant, club, or a railroad,  
14 pullman or steamship company under this subdivision (A) for the  
15 sale of liquor shall authorize the licensee to sell malt or  
16 brewed beverages and ready-to-drink cocktails at the same places  
17 but subject to the same restrictions and penalties as apply to  
18 sales of liquor, except that licensees other than clubs may sell  
19 malt or brewed beverages for consumption off the premises where  
20 sold in quantities of not more than one hundred ninety-two fluid  
21 ounces in a single sale to one person. The sales may be made in  
22 either open or closed containers, Provided, however, That a  
23 municipality may adopt an ordinance restricting open containers  
24 in public places. In addition, licensees, other than clubs, may  
25 sell ready-to-drink cocktails for off-premises consumption where  
26 sold in quantities of not more than one hundred ninety-two fluid  
27 ounces in a single sale to one person. No licensee under this  
28 subdivision (A) shall at the same time be the holder of any  
29 other class of license, except a retail dispenser's license  
30 authorizing the sale of malt or brewed beverages only. Sales of  
31 malt or brewed beverages must occur on the licensed premises.

32 (2) If a restaurant liquor license holder has an interior  
33 connection to another business that it operates, the restaurant  
34 liquor license holder may use one or more of the registers in  
35 the other business to sell malt or brewed beverages and ready-  
36 to-drink cocktails for off-premises consumption under the  
37 following conditions:

38 (i) the building is eleven thousand square feet or less;

39 (ii) the registers are located in the same building as the  
40 licensed premises;

41 (iii) the registers comply with the signage, staffing,  
42 training, carding, scanning and prohibition on the sharing of  
43 data provisions of section 415(a) (8) and (9); and

44 (iv) the board has been provided notice of compliance with  
45 this paragraph by the restaurant liquor license holder,  
46 including square footage of the building and the location of the  
47 specific registers to be used prior to their use.

48 \* \* \*

49 Section 7. Section 408(a) and (e) of the act are amended to  
50 read:

51 Section 408. Public Service Liquor Licenses.--(a) Subject

1 to the provisions of this act and regulations promulgated under  
2 this act, the board, upon application, shall issue retail liquor  
3 licenses to railroad or pullman companies permitting liquor,  
4 ready-to-drink cocktails and malt or brewed beverages to be sold  
5 in dining, club or buffet cars to passengers for consumption  
6 while enroute on such railroad, and may issue retail liquor  
7 licenses to steamship companies permitting liquor, ready-to-  
8 drink cocktails or malt or brewed beverages to be sold in the  
9 dining compartments of steamships or vessels wherever operated  
10 in the Commonwealth, except when standing or moored in stations,  
11 terminals or docks within a municipality wherein sales of liquor  
12 for consumption on the premises are prohibited, and may further  
13 issue retail liquor licenses to airline companies permitting  
14 liquor, ready-to-drink cocktails or malt or brewed beverages to  
15 be sold to passengers for consumption while enroute on such  
16 airline. Such licenses shall be known as public service liquor  
17 licenses. The board may issue a master license to railroad or  
18 pullman companies to cover the maximum number of cars which the  
19 company shall estimate that it will operate within the  
20 Commonwealth on any one day. Such licensees shall file monthly  
21 reports with the board showing the maximum number of cars  
22 operated in any one day during the preceding month, and if it  
23 appears that more cars have been operated than covered by its  
24 license it shall forthwith remit to the board the sum of twenty  
25 dollars for each extra car so operated.

26 \* \* \*

27 (e) Except as otherwise specifically provided, sales of  
28 liquor, ready-to-drink cocktails and malt or brewed beverages by  
29 the aforesaid public service company licensees shall be made in  
30 accordance with, and shall be subject to, the provisions of this  
31 act relating to the sale of liquors by restaurant licensees.

32 Section 8. Section 410(e) of the act is amended and the  
33 section is amended by adding a subsection to read:

34 Section 410. Liquor Importers' Licenses; Fees; Privileges;  
35 Restrictions.--\* \* \*

36 (e) Importers' licenses shall permit the holders thereof to  
37 bring or import liquor and ready-to-drink cocktails from other  
38 states, foreign countries, or insular possessions of the United  
39 States, and purchase liquor from manufacturers located within  
40 this Commonwealth, to be sold outside of this Commonwealth or to  
41 Pennsylvania Liquor Stores within this Commonwealth, or when in  
42 original containers of ten gallons or greater capacity, to  
43 licensed manufacturers within this Commonwealth.

44 All importations of liquor into Pennsylvania by the licensed  
45 importer shall be consigned to the board or the principal place  
46 of business or authorized place of storage maintained by the  
47 licensee.

48 \* \* \*

49 (i) The holder of an importer's license may sell and deliver  
50 ready-to-drink cocktails to licensed importers, distributors,  
51 importing distributors, hotels, restaurants and clubs. The sale

1 of ready-to-drink cocktails shall be subject to section 431.

2 Section 9. Sections 412(f) and (g), 413(f), 414(b)(1), (2),  
3 (3) and (4) and 416(a), (e) and (i)(1), (2), (3) and (4) of the  
4 act are amended to read:

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

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

9 (1) Sales may only be made one hour before, during and one  
10 hour after any athletic performance, performing arts event,  
11 trade show, convention, banquet or any other performance at the  
12 facility; however, sales may not be made from two o'clock  
13 antemeridian to seven o'clock antemeridian. In addition, sales  
14 may not occur prior to eleven o'clock antemeridian on Sundays or  
15 seven o'clock antemeridian on Mondays. Notwithstanding this  
16 section, facilities that had been licensed under former sections  
17 408.9 and 408.14 may sell liquor, ready-to-drink cocktails  
18 and/or malt or brewed beverages anytime except from two o'clock  
19 antemeridian to seven o'clock antemeridian or prior to eleven  
20 o'clock antemeridian on Sundays or seven o'clock antemeridian on  
21 Mondays, regardless of whether there is a performance at the  
22 facility.

23 (2) Sales of alcoholic beverages before, during and after  
24 professional and amateur athletic events, performing arts events  
25 or other entertainment events may consist of liquor, ready-to-  
26 drink cocktails or malt or brewed beverages in shatterproof  
27 containers. Sales during trade shows, conventions, banquets or  
28 at other events, or sales made in the club seats or at a  
29 restaurant facility, may consist of liquor, ready-to-drink  
30 cocktails or malt or brewed beverages in any type of container;  
31 however, any liquor, ready-to-drink cocktails or malt or brewed  
32 beverages sold in the club seats or restaurant facility must  
33 remain in the club seating level or restaurant facility. For  
34 purposes of this section, a club seat is any seating located on  
35 the designated club seating level and partitioned from general  
36 seating by a wall, divider, partial wall or railing. The club  
37 seating level must not be accessible by the general public.  
38 Sales at zoos during private banquets and other events may be at  
39 any site within zoo property and may consist of any type of  
40 alcohol in any type of container. The board's records shall  
41 clearly delineate where the sale of liquor, ready-to-drink  
42 cocktails or malt or brewed beverages in any type of container  
43 may occur.

44 (3) Sales of ready-to-drink cocktails and malt or brewed  
45 beverages for off-premises consumption are prohibited.

46 (4) Licenses issued under this section shall not be subject  
47 to: (i) the proximity provisions of sections 402 and 404; (ii)  
48 the quota restrictions of section 461; (iv) the provisions of  
49 section 493(10) except as they relate to lewd, immoral or  
50 improper entertainment; (v) the prohibition against minors  
51 frequenting as described in section 493(14) and (vi) the cost

1 and total display area limitations of section 493(20)(i). In  
2 addition, licenses issued under this section shall not be  
3 subject to the provisions defining "restaurant" in section 102.

4 (g) The board may issue multiple licenses under this section  
5 for use in a public venue with permanent seating of at least  
6 thirty-five thousand people. If the board does issue more than  
7 one license for a specific public venue, written notice of the  
8 event must be provided to the enforcement bureau at least forty-  
9 eight hours in advance of the dispensing of any liquor, ready-  
10 to-drink cocktails or malt or brewed beverages. The notice shall  
11 include the date, time and specific licensed areas to be used.  
12 No more than one license issued under this section shall be in  
13 effect at any location at any time of day at the same time.

14 Section 413. Performing Arts Facility License.--\* \* \*

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

18 (1) Sales of liquor, ready-to-drink cocktails and malt or  
19 brewed beverages may be made two hours before, during and one  
20 hour after any performance at the facility; however, sales may  
21 not be made from two o'clock antemeridian to seven o'clock  
22 antemeridian. In addition, sales may not occur prior to ten  
23 o'clock antemeridian or after ten o'clock postmeridian on  
24 Sundays. However, facilities that had been licensed under former  
25 section 408.3(a) and 408.3(a.2) may sell liquor, ready-to-drink  
26 cocktails and malt or brewed beverages anytime except from two  
27 o'clock antemeridian to seven o'clock antemeridian or prior to  
28 one o'clock postmeridian or after ten o'clock postmeridian on  
29 Sundays, regardless of whether there is a performance at the  
30 facility.

31 (2) Sales of ready-to-drink cocktails and malt or brewed  
32 beverages for off-premises consumption are prohibited.

33 \* \* \*

34 Section 414. Continuing Care Retirement Community Retail  
35 Licenses.--\* \* \*

36 (b) Licenses issued under this section are restaurant liquor  
37 licenses for all purposes except as provided herein. However,  
38 the following additional restrictions and privileges apply:

39 (1) Licenses issued under this section are not subject to  
40 the quota restrictions of section 461.

41 (2) Sales of liquor, ready-to-drink cocktails and malt or  
42 brewed beverages may not occur from two o'clock antemeridian to  
43 seven o'clock antemeridian. In addition, sales may not occur  
44 prior to one o'clock postmeridian or after ten o'clock  
45 postmeridian on Sunday.

46 (3) Liquor, ready-to-drink cocktails and malt or brewed  
47 beverages sold or furnished by the licensee may be possessed  
48 anywhere within the continuing care retirement community  
49 regardless of whether that portion of the premises is licensed.  
50 However, no liquor, ready-to-drink cocktails or malt or brewed  
51 beverages sold or furnished by the licensee may be taken beyond

1 the confines of the continuing care retirement community.

2 (4) Sales of liquor, ready-to-drink cocktails or malt or  
3 brewed beverages may occur in those portions of the premises  
4 licensed by the board as well as in rooms that are lived in or  
5 used by residents of the continuing care retirement community.  
6 Sales of liquor, ready-to-drink cocktails and malt or brewed  
7 beverages are limited to residents of the continuing care  
8 retirement community and the guests of residents in conjunction  
9 with the normal, regularly scheduled dining, entertainment or  
10 social activities of the continuing care retirement community.

11 \* \* \*

12 Section 416. Casino Liquor License.--(a) Notwithstanding  
13 any provision of law or regulation, a slot machine licensee or  
14 an affiliated designee holding a restaurant liquor or eating  
15 place retail dispenser license and which sells liquor, ready-to-  
16 drink cocktails or malt or brewed beverages at or adjacent to a  
17 gaming facility under this act may apply to the board for a  
18 casino liquor license. The board may issue a casino liquor  
19 license to a slot machine licensee for use at the casino liquor  
20 licensee's licensed facility in accordance with this section.

21 \* \* \*

22 (e) Notwithstanding any other provision of law, a holder of  
23 a casino liquor license may sell or serve liquor, ready-to-drink  
24 cocktails and malt or brewed beverages twenty-four (24) hours a  
25 day, seven (7) days a week.

26 \* \* \*

27 (i) In addition to any other restrictions and privileges, a  
28 casino liquor license shall be subject to the following:

29 (1) Sales may be made at any time the facility is open to  
30 the public.

31 (2) Liquor, ready-to-drink cocktails or malt or brewed  
32 beverages may be transported and consumed off the gaming floor  
33 if the liquor, ready-to-drink cocktails or malt or brewed  
34 beverage remains within the premises of the licensed facility.

35 (3) Sales of ready-to-drink cocktails and malt or brewed  
36 beverages for off-premises consumption are prohibited.

37 (4) In addition to the provisions of section 493(24)(ii),  
38 the holder of a casino liquor license may give liquor, ready-to-  
39 drink cocktails and malt or brewed beverages free of charge to  
40 any person attending an invitation-only event held anywhere on  
41 the premises of the licensed facility.

42 \* \* \*

43 Section 10. The heading of section 417 of the act, added May  
44 21, 2020 (P.L.149, No.21), is amended and the section is amended  
45 by adding subsections to read:

46 Section 417. [Prepared Beverages and Mixed Drinks for Off-  
47 Premises Consumption During] COVID-19 Disaster Emergency.--\* \* \*

48 (a.1) Notwithstanding any other provision of this act, the  
49 following shall apply to the temporary extension of the licensed  
50 premises:

51 (1) Upon receipt of a request from a licensed club, catering

1 club, restaurant, retail dispenser, hotel, limited distillery,  
2 distillery, brewery or limited winery, the board may temporarily  
3 extend the licensed premises of the applicant to include any  
4 outside serving area that is:

5 (i) immediately adjacent to the existing licensed areas; or  
6 (ii) within one thousand feet of the main licensed building,  
7 notwithstanding that the area to be temporarily licensed and the  
8 main licensed building are separated by a public thoroughfare.

9 (2) The board shall grant immediate operating authority to  
10 the applicant to use the outside area subject to the request  
11 while the board processes the request.

12 (3) The operating authority under this subsection shall be  
13 terminated if:

14 (i) a valid protest is received; or  
15 (ii) the board determines that the proposed area does not  
16 meet the requirements of this act and board regulations for the  
17 licensing of the area in question.

18 (4) A filing fee may not be required from an applicant under  
19 this subsection.

20 (5) The board may require the applicant to provide any  
21 information that the board deems relevant.

22 (a.2) The following shall apply to the issuance of off-  
23 premises catering permits:

24 (1) The board may authorize an unlimited number of off-  
25 premises catered functions to entities that qualify for the  
26 permits under this act.

27 (2) An application fee may not be required from an entity  
28 requesting a catering permit under this subsection.

29 (3) An application for a catering permit under this  
30 subsection shall not need to be submitted prior to March 1 of  
31 that calendar year.

32 (4) A five-hour limit on catered functions shall not apply  
33 to a catering permit under this subsection.

34 (5) Each requirement under this act applicable to a catered  
35 function that is not specifically waived under this subsection  
36 shall apply.

37 (a.3) Subsections (a.1) and (a.2) shall expire December 31,  
38 2022.

39 \* \* \*

40 Section 11. The heading of subdivision (B) of Article IV of  
41 the act is amended to read:

42 (B) Malt and Brewed Beverages and  
43 Ready-to-Drink Cocktails (Including Manufacturers).

44 Section 12. Section 431(b), (b.1), (c), (d) and (f) of the  
45 act, amended June 5, 2020 (P.L.213, No.29), are amended and the  
46 section is amended by adding a subsection to read:

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

49 (b) The board shall issue to any reputable person who  
50 applies therefor, and pays the license fee hereinafter  
51 prescribed, a distributor's or importing distributor's license

1 for the place which such person desires to maintain for the sale  
2 of malt or brewed beverages and ready-to-drink cocktails, not  
3 for consumption on the premises where sold, and in quantities of  
4 not less than a case or original containers containing one  
5 hundred twenty-eight ounces or more which may be sold separately  
6 as prepared for the market by the manufacturer at the place of  
7 manufacture. In addition, a distributor license holder may sell  
8 malt or brewed beverages and ready-to-drink cocktails in any  
9 amount to a person not licensed by the board for off-premises  
10 consumption. The sales shall not be required to be in the  
11 package configuration designated by the manufacturer and may be  
12 sold in refillable growlers; however ready-to-drink cocktails  
13 shall only be sold in the original container. The board shall  
14 have the discretion to refuse a license to any person or to any  
15 corporation, partnership or association if such person, or any  
16 officer or director of such corporation, or any member or  
17 partner of such partnership or association shall have been  
18 convicted or found guilty of a felony within a period of five  
19 years immediately preceding the date of application for the said  
20 license: And provided further, That, in the case of any new  
21 license or the transfer of any license to a new location, the  
22 board may, in its discretion, grant or refuse such new license  
23 or transfer if such place proposed to be licensed is within  
24 three hundred feet of any church, hospital, charitable  
25 institution, school or public playground, or if such new license  
26 or transfer is applied for a place which is within two hundred  
27 feet of any other premises which is licensed by the board: And  
28 provided further, That the board shall refuse any application  
29 for a new license or the transfer of any license to a new  
30 location if, in the board's opinion, such new license or  
31 transfer would be detrimental to the welfare, health, peace and  
32 morals of the inhabitants of the neighborhood within a radius of  
33 five hundred feet of the place proposed to be licensed. The  
34 board may enter into an agreement with the applicant concerning  
35 additional restrictions on the license in question. If the board  
36 and the applicant enter into such an agreement, such agreement  
37 shall be binding on the applicant. Failure by the applicant to  
38 adhere to the agreement will be sufficient cause to form the  
39 basis for a citation under section 471 and for the nonrenewal of  
40 the license under section 470. If the board enters into an  
41 agreement with an applicant concerning additional restrictions,  
42 those restrictions shall be binding on subsequent holders of the  
43 license until the license is transferred to a new location or  
44 until the board enters into a subsequent agreement removing  
45 those restrictions. If the application in question involves a  
46 location previously licensed by the board, then any restrictions  
47 imposed by the board on the previous license at that location  
48 shall be binding on the applicant unless the board enters into a  
49 new agreement rescinding those restrictions. The board shall  
50 require notice to be posted on the property or premises upon  
51 which the licensee or proposed licensee will engage in sales of



1 malt or brewed beverages and ready-to-drink cocktails. This  
2 notice shall be similar to the notice required of hotel,  
3 restaurant and club liquor licensees.

4 Except as hereinafter provided, such license shall authorize  
5 the holder thereof to sell or deliver malt or brewed beverages  
6 and ready-to-drink cocktails in quantities above specified  
7 anywhere within the Commonwealth of Pennsylvania, which, in the  
8 case of distributors, have been purchased only from persons  
9 licensed under this act as manufacturers or importing  
10 distributors, and in the case of importing distributors, have  
11 been purchased from manufacturers or persons outside this  
12 Commonwealth engaged in the legal sale of malt or brewed  
13 beverages and ready-to-drink cocktails or from manufacturers or  
14 importing distributors licensed under this article. In the case  
15 of an importing distributor, the holder of such a license shall  
16 be authorized to store and repackage malt or brewed beverages  
17 and ready-to-drink cocktails owned by a manufacturer at a  
18 segregated portion of a warehouse or other storage facility  
19 authorized by section 441(d) and operated by the importing  
20 distributor within its appointed territory and deliver such  
21 beverages to another importing distributor who has been granted  
22 distribution rights by the manufacturer as provided herein. The  
23 importing distributor shall be permitted to receive a fee from  
24 the manufacturer for any related storage, repackaging or  
25 delivery services. In the case of a bailee for hire hired by a  
26 manufacturer, the holder of such a permit shall be authorized:  
27 to receive, store and repackage malt or brewed beverages and  
28 ready-to-drink cocktails produced by that manufacturer for sale  
29 by that manufacturer to importing distributors to whom that  
30 manufacturer has given distribution rights pursuant to this  
31 subsection or to purchasers outside this Commonwealth for  
32 delivery outside this Commonwealth; or to ship to that  
33 manufacturer's storage facilities outside this Commonwealth. The  
34 bailee for hire shall be permitted to receive a fee from the  
35 manufacturer for any related storage, repackaging or delivery  
36 services. The bailee for hire shall, as required in Article V of  
37 this act, keep complete and accurate records of all  
38 transactions, inventory, receipts and shipments and make all  
39 records and the licensed areas available for inspection by the  
40 board and for the Pennsylvania State Police, Bureau of Liquor  
41 Control Enforcement, during normal business hours.

42 Each out of State manufacturer [of] and manufacturer of  
43 ready-to-drink cocktails and malt or brewed beverages whose  
44 products are sold and delivered in this Commonwealth shall give  
45 distributing rights for such products in designated geographical  
46 areas to specific importing distributors, and such importing  
47 distributor shall not sell or deliver malt or brewed beverages  
48 and ready-to-drink cocktails manufactured by the out of State  
49 manufacturer to any person issued a license under the provisions  
50 of this act whose licensed premises are not located within the  
51 geographical area for which he has been given distributing

1 rights by such manufacturer. In addition, the holder of a  
2 distributor license may not sell or deliver malt or brewed  
3 beverages and ready-to-drink cocktails to any licensee whose  
4 licensed premises is located within the designated geographical  
5 area granted to an importing distributor other than the  
6 importing distributor that sold the malt or brewed beverages to  
7 the distributor. If the licensee purchasing the malt or brewed  
8 beverages and ready-to-drink cocktails from the distributor  
9 license holder holds multiple licenses or operates at more than  
10 one location, then the malt or brewed beverages and ready-to-  
11 drink cocktails may not be consumed or sold at licensed premises  
12 located within the designated geographical area granted to an  
13 importing distributor other than the importing distributor that  
14 sold the malt or brewed beverages and ready-to-drink cocktails  
15 to the distributor. Should a licensee accept the delivery of  
16 malt or brewed beverages and ready-to-drink cocktails or  
17 transfer malt or brewed beverages and ready-to-drink cocktails  
18 in violation of this section, said licensee shall be subject to  
19 a suspension of his license for at least thirty days: Provided,  
20 That the importing distributor holding such distributing rights  
21 for such product shall not sell or deliver the same to another  
22 importing distributor without first having entered into a  
23 written agreement with the said secondary importing distributor  
24 setting forth the terms and conditions under which such products  
25 are to be resold within the territory granted to the primary  
26 importing distributor by the manufacturer.

27 When a Pennsylvania manufacturer of malt or brewed beverages  
28 or manufacturer of ready-to-drink cocktails licensed under this  
29 article names or constitutes a distributor or importing  
30 distributor as the primary or original supplier of his product,  
31 he shall also designate the specific geographical area for which  
32 the said distributor or importing distributor is given  
33 distributing rights, and such distributor or importing  
34 distributor shall not sell or deliver the products of such  
35 manufacturer to any person issued a license under the provisions  
36 of this act whose licensed premises are not located within the  
37 geographical area for which distributing rights have been given  
38 to the distributor and importing distributor by the said  
39 manufacturer. In addition, the holder of a distributor license  
40 may not sell or deliver malt or brewed beverages and ready-to-  
41 drink cocktails to a licensee whose licensed premises is located  
42 within the designated geographical area granted to an importing  
43 distributor other than the importing distributor that sold the  
44 malt or brewed beverages and ready-to-drink cocktails to the  
45 distributor. If the licensee purchasing the malt or brewed  
46 beverages and ready-to-drink cocktails from the distributor  
47 license holder holds multiple licenses or operates at more than  
48 one location, the malt or brewed beverages and ready-to-drink  
49 cocktails may not be consumed or sold at licensed premises  
50 located within the designated geographical area granted to an  
51 importing distributor other than the importing distributor that

1 sold the malt or brewed beverages and ready-to-drink cocktails  
2 to the distributor. If a licensee accepts the delivery of malt  
3 or brewed beverages and ready-to-drink cocktails or transfers  
4 malt or brewed beverages and ready-to-drink cocktails in  
5 violation of this section, the licensee shall be subject to  
6 suspension of his license for at least thirty days: Provided,  
7 That the importing distributor holding such distributing rights  
8 for such product shall not sell or deliver the same to another  
9 importing distributor without first having entered into a  
10 written agreement with the said secondary importing distributor  
11 setting forth the terms and conditions under which such products  
12 are to be resold within the territory granted to the primary  
13 importing distributor by the manufacturer. Nothing herein  
14 contained shall be construed to prevent any manufacturer from  
15 authorizing the importing distributor holding the distributing  
16 rights for a designated geographical area from selling the  
17 products of such manufacturer to another importing distributor  
18 also holding distributing rights from the same manufacturer for  
19 another geographical area, providing such authority be contained  
20 in writing and a copy thereof be given to each of the importing  
21 distributors so affected.

22 (b.1) (1) Any person in this Commonwealth or elsewhere who  
23 shall purchase or in any manner whatsoever acquire or otherwise  
24 succeed to the business of a manufacturer, assets or rights to  
25 import, market, ship into this Commonwealth or distribute a  
26 brand of beer or ready-to-drink cocktail, or to use and exploit  
27 any trademark incorporated as part of a brand of beer or ready-  
28 to-drink cocktail produced by such a manufacturer shall be  
29 obligated to all terms of the manufacturer's franchise  
30 agreements in effect on the effective date of the purchase,  
31 acquisition or succession, or, if earlier, at the time the  
32 agreement contemplating the purchase, acquisition or succession  
33 is actually made.

34 (2) "Purchase" or "acquisition," for purposes of this  
35 section, includes, but is not limited to, a purchase,  
36 acquisition, lease, license or assignment of all or a  
37 controlling interest in the capital stock or operating assets,  
38 including brand trademarks rights; merger; any corporate  
39 reorganization or consolidation; and also, without limitation,  
40 any license, cross-license, joint venture or other agreement or  
41 arrangement, directly or indirectly, transferring, substituting  
42 or materially changing the person or persons authorized by the  
43 one owning or controlling a brand or any trademark as part of a  
44 brand, to produce, import, ship, market or distribute the brand  
45 of beer into or within this Commonwealth.

46 (3) "Manufacturer," as used in this subsection, shall mean  
47 any person, including any agent of such person, who (i) is  
48 licensed as a manufacturer of malt or brewed beverages or  
49 manufacturer of ready-to-drink cocktails located within the  
50 Commonwealth of Pennsylvania, (ii) holds a distributor or  
51 importing distributor license, or (iii) manufactures any malt

1 beverage and ready-to-drink cocktail, has title to any malt  
2 beverage and ready-to-drink cocktail products or has the  
3 contractual right to distribute any malt beverage product and  
4 ready-to-drink cocktail, whether licensed in this Commonwealth  
5 or not, who enters into an "agreement" with any importing  
6 distributor licensed to do business in this Commonwealth.

7 (c) The aforesaid licenses shall be issued only to reputable  
8 individuals, partnerships and associations who are, or whose  
9 members are, citizens of the United States and are residents of  
10 the Commonwealth of Pennsylvania or to reputable corporations  
11 organized or duly registered under the laws of the Commonwealth  
12 of Pennsylvania. Such licenses shall be issued to corporations  
13 duly organized or registered under the laws of the Commonwealth  
14 of Pennsylvania only when it appears that all of the officers  
15 and directors of the corporation are citizens of the United  
16 States and are residents of the Commonwealth of Pennsylvania,  
17 and that at least fifty-one per centum of the capital stock of  
18 such corporation is actually owned by individuals who are  
19 citizens of the United States and are residents of the  
20 Commonwealth of Pennsylvania: Provided, That the provisions of  
21 this subsection with respect to residence requirements shall not  
22 apply to individuals, partners, officers, directors and owners  
23 of capital stock, of corporations licensed or applying for  
24 licenses as manufacturers of malt or brewed beverages and ready-  
25 to-drink cocktails, nor shall the provisions of this subsection  
26 with respect to stockholder requirements apply to corporations  
27 licensed or applying for licenses as manufacturers of malt or  
28 brewed beverages and ready-to-drink cocktails.

29 (d) (1) All distributing rights as hereinabove required  
30 shall be in writing, shall be equitable in their provisions and  
31 shall be substantially similar as to terms and conditions with  
32 all other distributing rights agreements between the  
33 manufacturer giving such agreement and its other importing  
34 distributors and distributors shall not be modified, cancelled,  
35 terminated or rescinded by the manufacturer without good cause,  
36 and shall contain a provision in substance or effect as follows:  
37 "The manufacturer recognizes that the importing distributor and  
38 distributor are free to manage their business in the manner the  
39 importing distributor and distributor deem best and that this  
40 prerogative vests in the importing distributor and distributor  
41 the exclusive right to establish a selling price, to select the  
42 brands of malt or brewed beverages and ready-to-drink cocktails  
43 they wish to handle and to determine the efforts and resources  
44 which the importing distributor and distributor will exert to  
45 develop and promote the same of the manufacturer's products  
46 handled by the importing distributor and distributor. However,  
47 the manufacturer expects that the importing distributor and  
48 distributor will price competitively the products handled by  
49 them, devote reasonable effort and resources to the sale of such  
50 products and maintain a reasonable sales level." "Good cause"  
51 shall mean the failure by any party to an agreement, without

1 reasonable excuse or justification, to comply substantially with  
2 an essential, reasonable and commercially acceptable requirement  
3 imposed by the other party under the terms of an agreement.

4 (2) After January 1, 1980, no manufacturer shall enter into  
5 any agreement with more than one distributor or importing  
6 distributor for the purpose of establishing more than one  
7 agreement for designated brand or brands of malt or brewed  
8 beverages and ready-to-drink cocktails in any one territory.  
9 Each franchise territory which is granted by a manufacturer  
10 shall be geographically contiguous or in counties which are  
11 contiguous with one another. All importing distributors shall  
12 maintain sufficient records to evidence compliance of this  
13 section. With regard to any territorial distribution authority  
14 granted to an importing distributor by a manufacturer of malt or  
15 brewed beverages and ready-to-drink cocktails after January 1,  
16 1996, the records shall establish that each and every case of a  
17 brand of malt or brewed beverages and ready-to-drink cocktails  
18 for which the importing distributor is assigned was sold,  
19 resold, stored, delivered or transported by the importing  
20 distributor, either from a point or to a point with the assigned  
21 geographically contiguous territory or in counties which are  
22 contiguous with one another, to any person or persons, whether  
23 such person or persons are licensed by this act or not licensed  
24 by this act.

25 (3) Except for discontinuance of a brand or a valid  
26 termination for good cause, the purchaser of the assets of the  
27 manufacturer as defined in this act shall become obligated to  
28 all the territorial and brand designations of the agreement in  
29 effect on the date of purchase. Purchase of assets as defined  
30 for the purposes of this act shall include, but not be limited  
31 to, the sale of stock, sale of assets, merger, lease, transfer  
32 or consolidation.

33 (4) The court of common pleas of the county wherein the  
34 licensed premises of the importing distributor or distributor  
35 are located is hereby vested with jurisdiction and power to  
36 enjoin the modification, rescission, cancellation or termination  
37 of a franchise or agreement between a manufacturer and an  
38 importing distributor or distributor at the instance of such  
39 importing distributor or distributor who is or might be  
40 adversely affected by such modification, rescission,  
41 cancellation or termination, and in granting an injunction the  
42 court shall provide that no manufacturer shall supply the  
43 customers or territory of the importing distributor or  
44 distributor by servicing the territory or customers through  
45 other importing distributors or distributors or any other means  
46 while the injunction is in effect: Provided, however, That any  
47 injunction issued under this subsection shall require the  
48 posting of sufficient bond against damages arising from an  
49 injunction improvidently granted and a showing that the danger  
50 of irrevocable loss or damage is immediate and that during the  
51 pendency of such injunction the importing distributor or

1 distributor shall continue to service the accounts of the  
2 manufacturer in good faith.

3 (5) The provisions of this subsection shall not apply to  
4 Pennsylvania manufacturers whose principal place of business is  
5 located in Pennsylvania unless they name or constitute a  
6 distributor or importing distributor as a primary or original  
7 supplier of their products subsequent to the effective date of  
8 this act, or unless such Pennsylvania manufacturers have named  
9 or constituted a distributor or importing distributor as a  
10 primary or original supplier of their products prior to the  
11 effective date of this act, and which status is continuing when  
12 this act becomes effective.

13 \* \* \*

14 (f) (1) Any malt or brewed beverage and ready-to-drink  
15 cocktail produced outside this Commonwealth that is repackaged  
16 by a bailee for hire or importing distributor on behalf of an  
17 out of State manufacturer must be returned to the out of State  
18 manufacturer and come to rest out of State before it may reenter  
19 this Commonwealth. Such repackaged malt or brewed beverages and  
20 ready-to-drink cocktails must be distributed through the three-  
21 tier system. Any malt or brewed beverage or ready-to-drink  
22 cocktail that is repackaged by a bailee for hire or importing  
23 distributor on behalf of an in State manufacturer must be  
24 returned to the in State manufacturer and come to rest at the in  
25 State manufacturer's licensed facility.

26 (2) For purposes of this section, "repackage" shall mean any  
27 change or alteration to the containers or container  
28 configuration of a case.

29 \* \* \*

30 (h) Notwithstanding any other provision of law, sales made  
31 to the Pennsylvania Liquor Control Board and sales made by the  
32 Pennsylvania Liquor Control Board to licensees and nonlicensees  
33 shall not be subject to this section.

34 Section 13. Sections 440 and 441 of the act are amended to  
35 read:

36 Section 440. Sales by Manufacturers of Malt or Brewed  
37 Beverages; Minimum Quantities.--A manufacturer may sell malt or  
38 brewed beverages and ready-to-drink cocktails produced and owned  
39 by the manufacturer to individuals on the licensed premises for  
40 consumption on the licensed premises where sold only if it  
41 complies with the conditions and regulations placed upon holders  
42 of brewery licenses under section 446(a)(1). A manufacturer also  
43 may sell any malt or brewed beverages and ready-to-drink  
44 cocktails produced and owned by the manufacturer to individuals  
45 on the licensed premises for consumption off the licensed  
46 premises in containers or packages of unlimited quantity and of  
47 any volume. No manufacturer may maintain or operate within the  
48 Commonwealth any place or places other than the place or places  
49 covered by his or its license where malt or brewed beverages and  
50 ready-to-drink cocktails are sold or where orders are taken.

51 Section 441. Distributors' and Importing Distributors'

1 Restrictions on Sales, Storage, Etc.--(a) No distributor or  
2 importing distributor shall purchase, receive or resell any malt  
3 or brewed beverages and ready-to-drink cocktails except:  
4 (1) in the original containers as prepared for the market by  
5 the manufacturer at the place of manufacture;  
6 (2) in the case of identical containers repackaged in the  
7 manner described by subsection (f); or  
8 (3) as provided in section 431(b).  
9 (b) No distributor or importing distributor shall sell any  
10 malt or brewed beverages and ready-to-drink cocktails in  
11 quantities of less than a case or malt and brewed beverages in  
12 original containers containing less than one hundred twenty-  
13 eight ounces [or more which may be sold separately]: Provided,  
14 That no malt or brewed beverages and ready-to-drink cocktails  
15 sold or delivered shall be consumed upon the premises of the  
16 distributor or importing distributor, or in any place provided  
17 for such purpose by such distributor or importing distributor.  
18 Notwithstanding any other provision of this section or act, malt  
19 or brewed beverages and ready-to-drink cocktails which are part  
20 of a tasting conducted pursuant to the board's regulations may  
21 be consumed on licensed premises.  
22 (c) No distributor or importing distributor shall maintain  
23 or operate any place where sales are made other than that for  
24 which the license is granted.  
25 (d) (1) No distributor shall maintain any place for the  
26 storage of malt or brewed beverages and ready-to-drink cocktails  
27 except in the same municipality in which the licensed premises  
28 is located and unless the same has been approved by the board.  
29 In the event there is no place of cold storage in the same  
30 municipality, the board may approve a place of cold storage in  
31 the nearest municipality.  
32 (2) No importing distributor shall maintain any place for  
33 the storage of malt or brewed beverages and ready-to-drink  
34 cocktails except in the franchise territory in which the  
35 licensed premises is located and unless the same has been  
36 approved by the board. The board shall issue no more than four  
37 storage facilities license to an importing distributor. The  
38 storage location shall be designated solely as a storage  
39 facility, from which only sales to other licensees are  
40 permitted. Retail sales may be made at the licensed location  
41 pursuant to subsection (c). If the importing distributor  
42 maintains a storage location for cold storage in the same  
43 municipality in which the importing distributor is licensed or a  
44 nearby municipality, the importing distributor may continue to  
45 maintain that cold storage location in addition to another  
46 storage location within their franchise territory.  
47 (e) No distributor or importing distributor shall purchase,  
48 sell, resell, receive or deliver any malt or brewed beverages  
49 and ready-to-drink cocktails, except in strict compliance with  
50 the provisions of subsection (b) of section 431 of this act.  
51 (f) (1) To salvage one or more salable cases from one or

1 more damaged cases, cartons or packages of malt or brewed  
2 beverages and ready-to-drink cocktails, a distributor or  
3 importing distributor may repackage consequent to inadvertent  
4 damage and sell a case, carton or package of identical units of  
5 malt or brewed beverages.

6 (2) Repackaging is permissible only to the extent made  
7 necessary by inadvertent damage. Repackaging not consequent to  
8 damage is prohibited.

9 (3) The term "identical units" as used in this subsection  
10 means undamaged bottles or cans of identical brand, package and  
11 volume.

12 (g) All malt or brewed beverages and ready-to-drink  
13 cocktails purchased by an importing distributor from a  
14 Pennsylvania manufacturer of malt or brewed beverages or ready-  
15 to-drink cocktails or from any person located outside this  
16 Commonwealth for resale shall be invoiced to the importing  
17 distributor, shall come physically into the possession of such  
18 importing distributor and shall be unloaded into and distributed  
19 from the licensed premises of such importing distributor. The  
20 board may act to further define and control the storage and  
21 distribution of malt or brewed beverages and ready-to-drink  
22 cocktails in conformity with this section and this act.

23 (h) As used in this section, the term "franchise territory"  
24 shall mean the geographically contiguous area in which an  
25 importing distributor has been given rights for the sale or  
26 resale of malt or brewed beverages and ready-to-drink cocktails.

27 (i) Notwithstanding any other provision to the contrary,  
28 when making a sale of malt or brewed beverages and ready-to-  
29 drink cocktails to a private individual, no distributor or  
30 importing distributor may be required to collect the name,  
31 address or any other identifying information of the private  
32 individual for the purpose of keeping a record of the quantity  
33 of cases or volume of malt or brewed beverages or ready-to-drink  
34 cocktails purchased.

35 Section 14. The act is amended by adding a section to read:  
36 Section 462.1. Safekeeping.--In addition to the authority  
37 under section 462 and notwithstanding any other provision of  
38 this act, the board shall do the following:

39 (1) Provide an additional year of safekeeping for a club or  
40 catering club license that was in safekeeping during the  
41 proclamation of disaster emergency. A license under this  
42 paragraph may not be subject to a renewal, validation or late  
43 fee that would be due during the additional year, except that  
44 the licensee must file a renewal or validation that becomes due.  
45 An additional year of safekeeping under this paragraph shall  
46 start on the date of a renewal or validation of the license that  
47 occurs after December 31, 2021, and shall be in addition to the  
48 two years authorized under section 474.

49 (2) Provide an additional year of safekeeping for a  
50 restaurant, eating place retail dispenser, hotel, importing  
51 distributor and distributor license that was in safekeeping



1 during the proclamation of disaster emergency. A license under  
2 this paragraph may not be subject to a renewal, validation, late  
3 or safekeeping fee that would be due during the additional year,  
4 except that the licensee must file a renewal or validation that  
5 becomes due. An additional year of safekeeping under this  
6 paragraph shall start on the date of a renewal or validation of  
7 the license that occurs after December 31, 2021.

8 Section 15. Section 492(11), (12), (13), (14), (18) and (21)  
9 of the act are amended to read:

10 Section 492. Unlawful Acts Relative to Malt or Brewed  
11 Beverages and Licensees.--

12 It shall be unlawful--

13 \* \* \*

14 (11) Delivery of Malt or Brewed Beverages And Ready-to-Drink  
15 Cocktails With Other Commodities. For any manufacturer,  
16 importing distributor or distributor, or his servants, agents or  
17 employes, except with board approval, to deliver or transport  
18 any malt or brewed beverages or ready-to-drink cocktails in any  
19 vehicle in which any other commodity is being transported.

20 (12) Distributors and Importing Distributors Engaging in  
21 Other Business. For any distributor or importing distributor, or  
22 his servants, agents or employes, without the approval of the  
23 board, and then only in accordance with board regulations, to  
24 engage in any other business whatsoever, except the business of  
25 distributing malt or brewed beverages and ready-to-drink  
26 cocktails, except that the sale of the following goods shall be  
27 permitted on the licensed premises of a distributor or importing  
28 distributor:

29 (i) Any book, magazine or other publication related to malt  
30 or brewed beverages and ready-to-drink cocktails.

31 (ii) Any equipment, ingredients or other supplies necessary  
32 for the unlicensed manufacture of malt or brewed beverages as  
33 described in paragraph (1), commonly known as "homebrewing."

34 (13) Possession or Storage of Liquor or Alcohol by Certain  
35 Licensees. For any distributor, importing distributor or retail  
36 dispenser, or his servants, agents or employes, to have in his  
37 possession, or to permit the storage of on the licensed premises  
38 or in any place contiguous or adjacent thereto accessible to the  
39 public or used in connection with the operation of the licensed  
40 premises, any alcohol or liquor[.], except importing  
41 distributors and distributors and their servants, agents and  
42 their employes may possess and store ready-to-drink cocktails.

43 (14) Malt or Brewed Beverage and Ready-to-drink Cocktail  
44 Licensees Dealing in Liquor or Alcohol. For any malt or brewed  
45 beverage licensee, other than a manufacturer, or the servants,  
46 agents or employes thereof, to manufacture, import, sell,  
47 transport, store, trade or barter in any liquor or alcohol[.],  
48 except importing distributors and their servants, agents and  
49 their employes may import sell, transport and store ready-to-  
50 drink cocktails and distributors and their servants, agents and  
51 their employes may sell, transport and store ready-to-drink

1 cocktails.

2 \* \* \*

3 (18) Coercing Distributors and Importing Distributors. For  
4 any manufacturer or any officer, agent or representative of any  
5 manufacturer to coerce or persuade or attempt to coerce or  
6 persuade any person licensed to sell or distribute malt or  
7 brewed beverages or ready-to-drink cocktails at wholesale or  
8 retail to establish selling prices for its products or to enter  
9 into any contracts or agreements, whether written or oral, or  
10 take any action which will violate or tend to violate any  
11 provisions of this act or any of the rules or regulations  
12 promulgated by the board pursuant thereto.

13 \* \* \*

14 (21) Inducing or Coercing Distributors or Importing  
15 Distributors to Accept Unordered Products or Commit Illegal  
16 Acts. For any manufacturer to compel or attempt to compel any  
17 distributor or importing distributor to accept delivery of any  
18 malt or brewed beverages or ready-to-drink cocktails or any  
19 other commodity which shall not have been ordered by the  
20 distributor or importing distributor, or to do any illegal act  
21 by any means whatsoever including, but not limited to,  
22 threatening to amend, cancel, terminate, rescind or refuse to  
23 renew any agreement existing between manufacturer and the  
24 distributor or importing distributor, or to require a  
25 distributor or importing distributor to assent to any condition,  
26 stipulation or provision limiting the distributor or importing  
27 distributor in his right to sell the products of any other  
28 manufacturer.

29 \* \* \*

30 Section 16. This act shall take effect immediately.