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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1612 Session of  
2023

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INTRODUCED BY O'NEAL, SMITH, KEEFER, ROWE AND LEADBETER,  
AUGUST 15, 2023

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REFERRED TO COMMITTEE ON LIQUOR CONTROL, AUGUST 15, 2023

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AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An  
2 act relating to alcoholic liquors, alcohol and malt and  
3 brewed beverages; amending, revising, consolidating and  
4 changing the laws relating thereto; regulating and  
5 restricting the manufacture, purchase, sale, possession,  
6 consumption, importation, transportation, furnishing, holding  
7 in bond, holding in storage, traffic in and use of alcoholic  
8 liquors, alcohol and malt and brewed beverages and the  
9 persons engaged or employed therein; defining the powers and  
10 duties of the Pennsylvania Liquor Control Board; providing  
11 for the establishment and operation of State liquor stores,  
12 for the payment of certain license fees to the respective  
13 municipalities and townships, for the abatement of certain  
14 nuisances and, in certain cases, for search and seizure  
15 without warrant; prescribing penalties and forfeitures;  
16 providing for local option, and repealing existing laws," in  
17 preliminary provisions, further providing for definitions;  
18 and, in licenses and regulations and liquor, alcohol and malt  
19 and brewed beverages, providing for spirit expanded permits.

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

22 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,  
23 No.21), known as the Liquor Code, is amended by adding a  
24 definition to read:

25 Section 102. Definitions.--The following words or phrases,  
26 unless the context clearly indicates otherwise, shall have the

1 meanings ascribed to them in this section:

2 \* \* \*

3 "Spirits" shall mean any beverage which contains alcohol  
4 obtained by distillation, mixed with water or other substance in  
5 solution, and includes brandy, rum, whiskey, gin or other  
6 spirituous liquors, and such liquors when rectified, blended or  
7 otherwise mixed with alcohol or other substances.

8 \* \* \*

9 Section 2. The act is amended by adding a section to read:

10 Section 418. Spirit Expanded Permits.--(a) The following  
11 apply:

12 (1) The board shall issue a spirit expanded permit to a  
13 person holding and possessing a valid restaurant liquor license  
14 or hotel liquor license.

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

23 (3) A spirit expanded permit may not be issued to a license  
24 holder whose underlying license is subject to a pending  
25 objection by the director of the Bureau of Licensing or the  
26 board under section 470(a.1), until the matter is decided, so  
27 long as the underlying license is authorized to operate.

28 Notwithstanding any other provision of law, a holder of a spirit  
29 expanded permit may continue to operate under the permit if its  
30 underlying license is objected to by the director of the Bureau

1 of Licensing or the board under section 470(a.1), until the  
2 matter is decided.

3 (4) If the board has approved the operation of another  
4 business which has an inside passage or communication to or with  
5 the licensed premises, the sale and purchase of spirits shall be  
6 confined strictly to the premises in a specifically designated  
7 area covered by the license. The purchase of goods obtained from  
8 the unlicensed area of the premises shall be permitted in the  
9 licensed area.

10 (5) For purposes of selling spirits for off-premises  
11 consumption, a holder of a spirit expanded permit is not subject  
12 to section 493(14).

13 (6) A spirit expanded permit holder shall comply with the  
14 responsible alcohol management provisions under section 471.1.

15 (7) A spirit expanded permit holder may store spirits in a  
16 noncontiguous area that is not accessible to the public and is:

17 (i) locked at all times when not being accessed by the  
18 licensee's employes;

19 (ii) not accessible to employes under eighteen (18) years of  
20 age; and

21 (iii) identified by dimensions and locations on forms  
22 submitted to the board.

23 (8) A spirit expanded permit holder shall utilize a  
24 transaction scan device to verify the age of an individual who  
25 appears to be under thirty-five (35) years of age before making  
26 a sale of spirits. A spirit expanded permit holder may not sell  
27 or share data from the use of a transaction scan device,  
28 provided that the licensee may use the data to show the  
29 enforcement bureau of the board that the licensee is in  
30 compliance with this act. As used in this paragraph and

1 paragraph (9), the term "transaction scan device" means a device  
2 capable of deciphering, in an electronically readable format,  
3 the information encoded on the magnetic strip or bar code of an  
4 identification card under section 495(a).

5 (9) A sale of spirits by a spirit expanded permit holder  
6 shall be made through a register which is well designated with  
7 signage, which is staffed at all times, which is staffed by a  
8 sales clerk who is eighteen (18) years of age or older and has  
9 been trained under section 471.1 and which utilizes a  
10 transaction scan device for the sale. The sale of spirits may  
11 not occur at a point of sale where the customer scans the  
12 customer's own purchases.

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

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

17 (2) An annual renewal fee equal to two per centum (2%) of  
18 the cost of spirits purchased from the board for off-premises  
19 consumption.

20 (c) Notwithstanding the provisions of section 802, all fees  
21 paid to the board under this section shall be paid into the  
22 State Treasury for deposit as follows:

23 (1) All moneys shall be deposited into The State Stores  
24 Fund.

25 (2) Every June 1, all moneys deposited under paragraph (1)  
26 shall be transferred to the General Fund.

27 (d) A spirit expanded permit holder may sell for off-  
28 premises consumption, in a single transaction, up to three  
29 thousand (3,000) milliliters of spirits.

30 (e) The following apply:

1 (1) Spirit expanded permit holders shall comply with the  
2 provisions of section 201(f), (k) and (o) of the act of March 4,  
3 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
4 regarding the purchase of spirits from a Pennsylvania Liquor  
5 Store.

6 (2) The sale of spirits by a spirit expanded permit holder  
7 for off-premises consumption shall be considered a "purchase at  
8 retail" under section 201(f) of the Tax Reform Code of 1971, a  
9 "sale at retail" under section 201(k) of the Tax Reform Code of  
10 1971 or a "use" under section 201(o) of the Tax Reform Code of  
11 1971.

12 (3) A spirit expanded permit holder may, when filing its  
13 required returns under Article II of the Tax Reform Code of  
14 1971, request a credit of any taxes paid in accordance with  
15 paragraph (1) for spirits sold for off-premises consumption and  
16 for which taxes were remitted to the department under paragraph  
17 (2).

18 (f) A spirit expanded permit holder may not sell a spirits  
19 product for off-premises consumption at a price less than the  
20 licensee's purchase price from the board of the spirits product.

21 (g) A spirit expanded permit holder may not sell a private  
22 label product.

23 Section 3. This act shall take effect in 60 days.