

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2377 Session of
1976

INTRODUCED BY CAPUTO AND RYAN, MAY 13, 1976

REFERRED TO COMMITTEE ON LIQUOR CONTROL, MAY 17, 1976

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,"
17 removing retail dispenser from the provision on interlocking
18 business and permitting licensees to have commercial offices
19 on certain premises.

20 The General Assembly of the Commonwealth of Pennsylvania

21 hereby enacts as follows:

22 Section 1. Subsection (e) and the last paragraph of section
23 411, act of April 12, 1951 (P.L.90, No.21), known as the "Liquor
24 Code," are amended to read:

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

26 (e) Except as herein provided, no hotel, restaurant or club
27 licensee, and no officer, director or stockholder, agent or

1 employe of any such licensee shall in any wise be interested,
2 directly or indirectly, in the ownership or leasehold of any
3 property or the equipment of any property or any mortgage lien
4 against the same, used by a distributor, importing distributor,
5 [retail dispenser,] or by an importer or sacramental wine
6 licensee, in the conduct of his business; nor shall any hotel,
7 restaurant or club licensee, or any officer, director,
8 stockholder, agent or employe of any such licensee, either
9 directly or indirectly, lend any moneys, credit, or give
10 anything of value or the equivalent thereof, to any distributor,
11 importing distributor, [retail dispenser,] importer or
12 sacramental wine licensee, for equipping, fitting out, or
13 maintaining and conducting, either in whole or in part, an
14 establishment used in the conduct of his business.

15 The purpose of this section is to require a separation of the
16 financial and business interests between manufacturers and
17 holders of hotels or restaurant liquor licenses and, as herein
18 provided, of club licenses, issued under this article, and no
19 person shall, by any device whatsoever, directly or indirectly,
20 evade the provisions of the section. But in view of existing
21 economic conditions, nothing contained in this section shall be
22 construed to prohibit the ownership of property or conflicting
23 interest by a manufacturer of any place occupied by a licensee
24 under this article after the manufacturer has continuously owned
25 and had a conflicting interest in such place for a period of at
26 least five years prior to July eighteenth, one thousand nine
27 hundred thirty-five: Provided, however, That this clause shall
28 not prohibit any hotel, restaurant or club liquor licensee from
29 owning land which is leased to, and the buildings thereon owned
30 by, a holder of a retail dispenser's license; and nothing in

1 this clause shall prevent the issuance of a retail dispenser's
2 license to a lessee of such lands who owns the buildings
3 thereon: And, provided further, That nothing contained in this
4 section shall be construed to prohibit any hotel, restaurant or
5 club licensee or any officer, director or stockholder, agent or
6 employee of any such licensee from having a financial or other
7 interest, directly or indirectly in the ownership or leasehold
8 of any property or the equipment of any property or any mortgage
9 lien against same, used, leased by a distributor, importing
10 distributor, or by an importer or sacramental wine licensee for
11 the exclusive purpose of maintaining commercial offices and on
12 the condition that said property is not used for the storage or
13 sale of liquor or malt or brewed beverages in any quantity.

14 Section 2. This act shall take effect in 60 days.