THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL No. 328 Session of 1981

INTRODUCED BY CALTAGIRONE, FEBRUARY 2, 1981

REFERRED TO COMMITTEE ON LIQUOR CONTROL, FEBRUARY 2, 1981

AN ACT

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An act relating to alcoholic liquors, alcohol and malt and brewed beverages; amending, revising, consolidating and changing the laws relating thereto; regulating and restricting the manufacture, purchase, sale, possession, consumption, importation, transportation, furnishing, holding in bond, holding in storage, traffic in and use of alcoholic liquors, alcohol and malt and brewed beverages and the persons engaged or employed therein; defining the powers and duties of the Pennsylvania Liquor Control Board; providing for the establishment and operation of State liquor stores, for the payment of certain license fees to the respective municipalities and townships, for the abatement of certain nuisances and, in certain cases, for search and seizure without warrant; prescribing penalties and forfeitures;
16 17	providing for local option, and repealing existing laws," providing for licensing by the Department of Revenue.
18	The General Assembly of the Commonwealth of Pennsylvania
19	hereby enacts as follows:
20	Section 1. The title, act of April 12, 1951 (P.L.90, No.21),
21	known as the "Liquor Code," is amended to read:
22	AN ACT
23	Relating to alcoholic liquors, alcohol and malt and brewed
24	beverages; amending, revising, consolidating and changing the
25	laws relating thereto; regulating and restricting the

1 manufacture, purchase, sale, possession, consumption, 2 importation, transportation, furnishing, holding in bond, 3 holding in storage, traffic in and use of alcoholic liquors, 4 alcohol and malt and brewed beverages and the persons engaged 5 or employed therein; defining the powers and duties of the 6 Pennsylvania Liquor Control Board and the Department of Revenue; providing for the establishment and operation of 7 State liquor stores, for the payment of certain license fees 8 to the respective municipalities and townships, for the 9 abatement of certain nuisances and, in certain cases, for 10 11 search and seizure without warrant; prescribing penalties and forfeitures; providing for local option, and repealing 12 13 existing laws.

Section 2. Section 102 of the act, amended July 10, 1957 (P.L.638, No.346), August 17, 1965 (P.L.346, No.182), December 2, 1970 (P.L.825, No.271), October 11, 1972 (P.L.906, No.215) and December 12, 1980 (No.221), is amended to read:

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

21 "Alcohol" shall mean ethyl alcohol of any degree of proof 22 originally produced by the distillation of any fermented liquid, 23 whether rectified or diluted with or without water, whatever may 24 be the origin thereof, and shall include synthetic ethyl 25 alcohol, but shall not mean or include ethyl alcohol, whether or 26 not diluted, that has been denatured or otherwise rendered unfit 27 for beverage purposes.

28 "Association" shall mean a partnership, limited partnership29 or any form of unincorporated enterprise owned by two or more30 persons.

19810H0328B0337

- 2 -

1 "Board" shall mean the Pennsylvania Liquor Control Board. "Bonded warehouse" shall mean and include all places and 2 3 warehouses legally established under the provisions of the acts 4 of Congress and the administrative provisions of the internal revenue laws of the Government of the United States of America, 5 for the storage, concentration, distribution and holding in 6 7 bond, (a) of whiskey and any other potable distilled spirits, except ethyl alcohol, when used in Article VII entitled 8 "Distillery Bonded Warehouse Certificates" and, (b) of alcohol 9 10 or liquor when otherwise used.

11 "Club" shall mean any reputable group of individuals associated together not for profit for legitimate purposes of 12 13 mutual benefit, entertainment, fellowship or lawful convenience, 14 having some primary interest and activity to which the sale of 15 liquor or malt and brewed beverages shall be only secondary, 16 which, if incorporated, has been in continuous existence and 17 operation for at least one year, and if first licensed after 18 June sixteenth, one thousand nine hundred thirty-seven, shall have been incorporated in this Commonwealth, and, if 19 20 unincorporated, for at least ten years, immediately preceding 21 the date of its application for a license under this act, and 22 which regularly occupies, as owner or lessee, a clubhouse or 23 quarters for the use of its members. Continuous existence must 24 be proven by satisfactory evidence. The [board] department shall 25 refuse to issue a license if it appears that the charter is not in possession of the original incorporators or their direct or 26 27 legitimate successors. The club shall hold regular meetings, 28 conduct its business through officers regularly elected, admit members by written application, investigation and ballot, and 29 charge and collect dues from elected members, and maintain such 30 - 3 -19810H0328B0337

1 records as the [board] <u>department</u> shall from time to time
2 prescribe, but any such club may waive or reduce in amount, or
3 pay from its club funds, the dues of any person who was a member
4 at the time he was inducted into the military service of the
5 United States or was enrolled in the armed forces of the United
6 States pursuant to any selective service act during the time of
7 the member's actual service or enrollment.

8 "Container" shall mean and include any receptacle, vessel or 9 form of package, tank, vat, cask, barrel, drum, keg, can, bottle 10 or conduit used or capable of use for holding, storing, 11 transferring or shipment of alcohol liquor or malt or brewed 12 beverages.

"Corporation" shall mean a corporation or joint-stock association organized under the laws of this Commonwealth, the United States, or any other state, territory, or foreign country or dependency.

17 "Denatured alcohol" shall mean and include all alcohol or any 18 compound thereof which by the admixture of such denaturing 19 material or materials is rendered unfit for use as a beverage. 20 "Denaturing plant" shall mean and include the premises of a 21 distillery used exclusively for the denaturization of alcohol, 22 either specially or completely, by the admixture of such denaturing materials as shall render the alcohol or any compound 23 in which it is authorized to be used unfit for use as a 24 25 beverage.

26 <u>"Department" shall mean the Department of Revenue.</u>

27 "Distillery" shall mean and include any premises or plant 28 wherein alcohol or liquor is manufactured, made and distilled 29 from raw materials, blended or rectified, or any place wherein 30 alcohol or liquor is produced by any method suitable for the 19810H0328B0337 - 4 - production of alcohol. The term shall not include a "winery"
 where alcohol is derived from by-products of wine production by
 distillation for the sole purpose of adding to the fermented
 products to fortify the same.

5 "Distillery Bonded Warehouse Certificate" shall mean a certificate, receipt, contract or other document given upon the 6 7 storage of whiskey or any other potable distilled spirits, except ethyl alcohol, in a bonded warehouse, and evidencing the 8 ownership of such whiskey or other potable distilled spirits. 9 10 "Distillery certificate broker" shall mean and include every 11 person who engages directly or through an agent in selling, purchasing, exchanging, offering for sale or delivery, or 12 13 entering into agreements for the purchase, sale or exchange, or 14 soliciting subscriptions to or orders for, or undertaking to 15 dispose of, or dealing in any manner in, distillery bonded warehouse certificates. 16

17 "Distributor" shall mean any person licensed by the [board] 18 department to engage in the purchase only from Pennsylvania 19 manufacturers and from importing distributors and the resale of 20 malt or brewed beverages, except to importing distributors and 21 distributors, in the original sealed containers as prepared for 22 the market by the manufacturer at the place of manufacture, but 23 not for consumption on the premises where sold, and in 24 quantities of not less than a case of twenty-four containers, 25 each container holding seven fluid ounces or more, or a case of 26 twelve containers, each container holding twenty-four fluid 27 ounces or more, except original containers containing one 28 hundred twenty-eight ounces or more which may be sold 29 separately.

30 "Eating place" shall mean a premise where food is regularly
19810H0328B0337 - 5 -

and customarily prepared and sold, having a total area of not 1 2 less than three hundred square feet available to the public in 3 one or more rooms, other than living quarters, and equipped with 4 tables and chairs accommodating thirty persons at one time. 5 "Hotel" shall mean any reputable place operated by responsible persons of good reputation where the public may, for 6 a consideration, obtain sleeping accommodations and meals and 7 which, in a city, has at least ten, and in any other place at 8 9 least six, permanent bedrooms for the use of guests, a public 10 dining room or rooms operated by the same management 11 accommodating at least thirty persons at one time, and a kitchen, apart from the public dining room or rooms, in which 12 13 food is regularly prepared for the public.

14 "Importing distributor" shall mean any person licensed by the 15 [board] department to engage in the purchase from manufacturers 16 and other persons located outside this Commonwealth and from persons licensed as manufacturers of malt or brewed beverages 17 18 and importing distributors under this act, and the resale of malt or brewed beverages in the original sealed containers as 19 20 prepared for the market by the manufacturer at the place of 21 manufacture, but not for consumption on the premises where sold, 22 and in quantities of not less than a case of twenty-four containers, each container holding seven fluid ounces or more, 23 24 or a case of twelve containers, each container holding twenty-25 four fluid ounces or more, except original containers containing 26 one hundred twenty-eight ounces or more which may be sold 27 separately.

28 "Limited Winery" shall mean a winery with a maximum output of 29 one hundred thousand (100,000) gallons per year.

30 "Liquor" shall mean and include any alcoholic, spirituous, 19810H0328B0337 - 6 -

vinous, fermented or other alcoholic beverage, or combination of 1 liquors and mixed liquor a part of which is spirituous, vinous, 2 3 fermented or otherwise alcoholic, including all drinks or drinkable liquids, preparations or mixtures, and reused, 4 5 recovered or redistilled denatured alcohol usable or taxable for beverage purposes which contain more than one-half of one per 6 cent of alcohol by volume, except pure ethyl alcohol and malt or 7 brewed beverages. 8

9 "Malt or Brewed Beverages" means any beer, lager beer, ale, 10 porter or similar fermented malt beverage containing one-half of 11 one per centum or more of alcohol by volume, by whatever name 12 such beverage may be called.

13 "Manufacture", when the term is applied to malt or brewed 14 beverages, shall mean and include all means, methods and processes used, employed and made use of, to produce, make and 15 16 manufacture for commercial purposes, malt or brewed beverages 17 from raw materials; when applied otherwise, it shall mean and 18 include all means, methods and processes used, employed and made use of, to produce and make alcohol or liquor from raw 19 20 materials, and shall mean and include rectification and blending 21 of alcohol and liquor, the production, recovery or reuse of 22 alcohol in the making, developing, using in the process of manufacture, denaturing, redistilling or recovering of any 23 24 alcohol or liquor in distilleries, denaturing plants and 25 wineries.

26 "Manufacturer" shall mean any person, association or 27 corporation engaged in the producing, manufacturing, distilling, 28 rectifying or compounding of liquor, alcohol or malt or brewed 29 beverages in this Commonwealth or elsewhere.

30 "Manufacturer of malt or brewed beverages" shall mean any
19810H0328B0337 - 7 -

1 person holding a license issued by the [board] <u>department</u> to 2 engage in the manufacture, transportation and sale of malt or 3 brewed beverages; also, any person engaged in the legal 4 manufacture of malt or brewed beverages within the territorial 5 limits of the United States, outside the Commonwealth of 6 Pennsylvania.

7 "Municipality" shall mean any city, borough, incorporated 8 town, or township of this Commonwealth.

9 "Original container" shall mean all bottles, casks, kegs or 10 other suitable containers that have been securely capped, sealed 11 or corked by the manufacturer of malt or brewed beverages at the 12 place of manufacture, with the name and address of the 13 manufacturer of the malt or brewed beverages contained or to be 14 contained therein permanently affixed to the bottle, cask, keg 15 or other container, or in the case of a bottle or can, to the 16 cap or cork used in sealing the same or to a label securely 17 affixed to a bottle or can.

18 "Package" shall mean any container or containers or 19 receptacle or receptacles used for holding liquor or alcohol as 20 marketed by the manufacturer.

21 "Performing arts facilities" shall mean those halls or 22 theaters in which live musical, concert, dance, ballet and legitimate play book-length productions are performed. 23 24 Performing arts facilities shall not mean those halls or 25 theaters in which burlesque shows or reviews are performed. 26 "Person" shall mean a natural person, association or 27 corporation. Whenever used in a clause prescribing or imposing a fine or imprisonment or both, the term "person", as applied to 28 29 "association", shall mean the partners or members thereof, and 30 as applied to "corporation", shall mean the officers thereof, 19810H0328B0337 - 8 -

except, as to incorporated clubs, the term "person" shall mean 1 such individual or individuals who, under the by-laws of such 2 3 club, shall have jurisdiction over the possession and sale of 4 liquor therein.

5 "Population" shall mean the number of inhabitants as determined by the last preceding decennial census of the United 6 States, or by any other census subsequently taken by the census 7 bureau of the United States and so certified by it: Provided, 8 however, That such other census shall not be a basis for the 9 10 fixing of license fees as provided in article IV. sections 405 11 and 439.

12 "Potable distilled spirits" shall mean and include any 13 distillate from grains, wine, fruits, vegetables or molasses, 14 except ethyl alcohol, capable of being used for beverage 15 purposes.

16 "Regulation" shall mean any regulation prescribed by the board or the department for carrying out the provisions of this 17 18 act.

19 "Restaurant" shall mean a reputable place operated by 20 responsible persons of good reputation and habitually and 21 principally used for the purpose of providing food for the 22 public, the place to have an area within a building of not less 23 than four hundred square feet, equipped with tables and chairs 24 accommodating at least thirty persons at one time.

25 "Retail dispenser" shall mean any person licensed to engage 26 in the retail sale of malt or brewed beverages for consumption 27 on the premises of such licensee, with the privilege of selling malt or brewed beverages in quantities not in excess of one 28 29 hundred forty-four fluid ounces in a single sale to one person, 30 to be carried from the premises by the purchaser thereof. 19810H0328B0337

```
- 9 -
```

"Sale" or "Sell" shall include any transfer of liquor,
 alcohol or malt or brewed beverages for a consideration.

3 "Whiskey" shall mean and include any alcoholic distillate
4 from a fermented mash of grain, capable of being used for
5 beverage purposes.

6 "Winery" shall mean and include any premises and plants where 7 any alcohol or liquor is produced by the process by which wine is produced, or premises and plants wherein liquid such as wine 8 9 is produced; and shall include the manufacture by distillation 10 of alcohol from the by-products of wine fermentation when the 11 alcohol so derived is used solely to fortify the fermented 12 products, under such regulations as are or may be promulgated by 13 the proper agency of the United States Government, and such 14 alcohol, for that purpose only, may be sold or exchanged between 15 wineries holding permits in this Commonwealth, without 16 restriction.

17 Section 3. Section 104 and the heading of Article II of the 18 act are amended to read:

19 Section 104. Interpretation of Act.--(a) This act shall be 20 deemed an exercise of the police power of the Commonwealth for 21 the protection of the public welfare, health, peace and morals 22 of the people of the Commonwealth and to prohibit forever the 23 open saloon, and all of the provisions of this act shall be 24 liberally construed for the accomplishment of this purpose.

25 (b) The provisions of this act are severable and if any of 26 its provisions shall be held unconstitutional the decision of 27 the court shall not affect or impair any of the remaining 28 provisions of this act. It is hereby declared to be the 29 legislative intent that this act would have been adopted had 30 such unconstitutional provisions not been included herein. 19810H0328B0337 - 10 -

1 (c) Except as otherwise expressly provided, the purpose of this act is to prohibit the manufacture of and transactions in 2 3 liquor, alcohol and malt or brewed beverages which take place in 4 this Commonwealth, except by and under the control of the board 5 or the department as herein specifically provided, and every section and provision of the act shall be construed accordingly. 6 The provisions of this act dealing with the manufacture, 7 importation, sale and disposition of liquor, alcohol and malt or 8 9 brewed beverages within the Commonwealth through the 10 instrumentality of the board or the department and otherwise, 11 provide the means by which such control shall be made effective. This act shall not be construed as forbidding, affecting or 12 13 regulating any transaction which is not subject to the 14 legislative authority of this Commonwealth.

15 (d) Any reference in this act to the provisions of law on 16 any subject shall apply to statutes becoming effective after the 17 effective date of this act as well as to those then in 18 existence.

(e) Section headings shall not be taken to govern or limit the scope of the sections of this act. The singular shall include the plural and the masculine shall include the feminine and the neuter.

23

ARTICLE II.

24 PENNSYLVANIA LIQUOR CONTROL BOARD AND 25 POWERS AND DUTIES OF THE DEPARTMENT OF REVENUE. 26 Section 4. Section 207 of the act, amended May 25, 1956 27 (1955 P.L.1743, No.583), January 13, 1966 (1965 P.L.1301, No.518), June 17, 1971 (P.L.180, No.22) and July 27, 1973 28 (P.L.247, No.70), is amended to read: 29 30 Section 207. General Powers of Board.--Under this act, the 19810H0328B0337 - 11 -

1 board shall have the power and its duty shall be:

2 (a) To buy, import or have in its possession for sale, and
3 sell liquor and alcohol in the manner set forth in this act:
4 Provided, however, That all purchases shall be made subject to
5 the approval of the State Treasurer, or his designated deputy.

6 To control the manufacture, possession, sale, (b) 7 consumption, importation, use, storage, transportation and delivery of liquor, alcohol and malt or brewed beverages in 8 accordance with the provisions of this act, and to fix the 9 10 wholesale and retail prices at which liquors and alcohol shall 11 be sold at Pennsylvania Liquor Stores: Provided, That in fixing the sale prices, the board shall not give any preference or make 12 13 any discrimination as to classes, brands or otherwise, except to 14 the extent and for the length of time necessary to sell such 15 classes or brands in compliance with any Federal action freezing 16 or otherwise controlling the price of said classes or brands, or 17 except where special sales are deemed necessary to move 18 unsaleable merchandise, or except where the addition of a 19 service or handling charge to the fixed sales price of any 20 merchandise in the same comparable price bracket, regardless of class, brand or otherwise, is, in the opinion of the board, 21 22 required for the efficient operation of the State store system. 23 [The board shall require each Pennsylvania manufacturer and each 24 nonresident manufacturer of liquors, other than wine, selling 25 such liquors to the board, which are not manufactured in this 26 Commonwealth, to make application for and be granted a permit by 27 the board before such liquors not manufactured in this 28 Commonwealth shall be purchased from such manufacturer. Each 29 such manufacturer shall pay for such permit a fee which, in the 30 case of a manufacturer of this Commonwealth, shall be equal to 19810H0328B0337 - 12 -

that required to be paid, if any, by a manufacturer or 1 wholesaler of the state, territory or country of origin of the 2 3 liquors, for selling liquors manufactured in Pennsylvania, and 4 in the case of a nonresident manufacturer, shall be equal to 5 that required to be paid, if any, in such state, territory or country by Pennsylvania manufacturers doing business in such 6 state, territory or country. In the event that any such 7 manufacturer shall, in the opinion of the board, sell or attempt 8 9 to sell liquors to the board through another person for the 10 purpose of evading this provision relating to permits, the board 11 shall require such person, before purchasing liquors from him or it, to take out a permit and pay the same fee as hereinbefore 12 13 required to be paid by such manufacturer. All permit fees so 14 collected shall be paid into the State Stores Fund.] The board 15 shall not purchase any alcohol or liquor fermented, distilled, 16 rectified, compounded or bottled in any state, territory or 17 country, the laws of which result in prohibiting the importation 18 therein of alcohol or liquor, fermented, distilled, rectified, compounded or bottled in Pennsylvania. 19

(c) To determine the municipalities within which
Pennsylvania Liquor Stores shall be established and the
locations of the stores within such municipalities.

[(d) To grant, issue, suspend and revoke all licenses and permits authorized to be issued under this act and the regulations of the board and impose fines on licensees licensed under this act.]

(e) Through the Department of [Property and Supplies]
<u>General Services</u> as agent, to lease and furnish and equip such
buildings, rooms and other accommodations as shall be required
for the operation of this act.

19810H0328B0337

- 13 -

1 (f) To appoint, fix the compensation and define the powers 2 and duties of such managers, officers, inspectors, examiners, 3 clerks and other employes as shall be required for the operation 4 of this act, subject to the provisions of The Administrative 5 Code of 1929 and the Civil Service Act.

(g) To determine the nature, form and capacity of all
packages and original containers to be used for containing
liquor, alcohol or malt or brewed beverages.

9 (h) Without in any way limiting or being limited by the 10 foregoing <u>except licensing</u>, to do all such things and perform 11 all such acts as are deemed necessary or advisable for the 12 purpose of carrying into effect the provisions of this act and 13 the regulations made thereunder.

14 (i) From time to time, to make such regulations not 15 inconsistent with this act as it may deem necessary for the 16 efficient administration of this act. The board shall cause such 17 regulations to be published and disseminated throughout the 18 Commonwealth in such manner as it shall deem necessary and 19 advisable or as may be provided by law. Such regulations adopted 20 by the board shall have the same force as if they formed a part of this act. 21

22 (j) To investigate, whenever any person complains, or when 23 the board is aware that there is reasonable grounds to believe 24 liquor or malt or brewed beverage is being sold on premises not 25 licensed under the provisions of this act. If the investigation 26 produces evidence of the unlawful sale of liquor or malt or 27 brewed beverage or of any other violation of the provisions of this act, the board shall cause the prosecution of the person or 28 29 persons believed to have been criminally liable for the unlawful 30 acts. Any equipment or appurtenances actually used in the 19810H0328B0337 - 14 -

1 commission of the unlawful acts may be confiscated upon 2 direction of the board. The confiscation by or under the 3 direction of the board shall not, in any manner, divest or 4 impair the rights or interest of any bona fide lien holder in 5 the equipment or appurtenances, who had no knowledge that the 6 same was being used in violation of this act.

7 Section 5. The act is amended by adding a section to read:
8 Section 207.1. Powers and Duties of the Department of
9 Revenue.--(a) The department shall have the power and its duty

10 <u>shall be:</u>

11 (1) To require each Pennsylvania manufacturer and each nonresident manufacturer of liquors, other than wine, selling 12 13 such liquors to the board, which are not manufactured in this 14 Commonwealth, to make application for and be granted a permit by 15 the department before such liquors not manufactured in this 16 Commonwealth shall be purchased from such manufacturer. Each such manufacturer shall pay for such permit a fee which, in the 17 18 case of a manufacturer of this Commonwealth, shall be equal to that required to be paid, if any, by a manufacturer or 19 20 wholesaler of the state, territory or country of origin of the 21 liquors, for selling liquors manufactured in Pennsylvania, and 22 in the case of a nonresident manufacturer, shall be equal to 23 that required to be paid, if any, in such state, territory or 24 country by Pennsylvania manufacturers doing business in such 25 state, territory or country. In the event that any such 26 manufacturer shall, in the opinion of the board or the 27 department, sell or attempt to sell liquors to the board through 28 another person for the purpose of evading this provision relating to permits, the board and the department shall require 29 such person, before the board purchases liquors from him or it, 30 19810H0328B0337 - 15 -

to take out a permit and pay the same fee as hereinbefore 1 required to be paid by such manufacturer. All permit fees so 2 3 collected shall be paid into the State Stores Fund. 4 (2) To grant, issue, suspend and revoke all licenses and 5 permits authorized to be issued under this act and the regulations of the department and impose fines on licensees 6 7 licensed under this act. 8 (3) To appoint, fix the compensation and define the powers 9 and duties of such managers, officers, examiners, clerks and 10 other employes as shall be required for the operation of this 11 act, subject to the provisions of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of 1929," 12 13 and the act of August 5, 1941 (P.L.752, No.286), known as the 14 "Civil Service Act." 15 (b) To do all such things and perform all such acts as are 16 deemed necessary or advisable for the purpose of carrying into effect the provisions of this act relating to licensing and the 17 18 regulations made thereunder. (c) From time to time, to make such regulations not 19 20 inconsistent with this act as it may deem necessary for the efficient administration of this act. The department shall cause 21 22 such regulations to be published and disseminated throughout the 23 Commonwealth in such manner as it shall deem necessary and 24 advisable or as may be provided by law. Such regulations adopted 25 by the department shall have the same force as if they formed a 26 part of this act. 27 Section 6. Section 208 of the act, amended July 22, 1970 (P.L.539, No.182) and October 11, 1972 (P.L.906, No.215), is 28 amended to read: 29 30 Section 208. Specific Subjects on Which Board or the

19810H0328B0337

- 16 -

<u>Department</u> May Adopt Regulations.--Subject to the provisions of
 this act and without limiting the general power conferred by the
 preceding section, the board <u>or the department as may be</u>
 <u>appropriate</u> may make regulations regarding:

5 (a) The equipment and management of Pennsylvania Liquor 6 Stores and warehouses in which liquor and alcohol are kept or 7 sold, and the books and records to be kept therein.

8 (b) The duties and conduct of the officers and employes of 9 the board <u>or the department</u>.

10 (c) The purchase, as provided in this act, of liquor and11 alcohol, and its supply to Pennsylvania Liquor Stores.

12 (d) The classes, varieties and brands of liquor and alcohol 13 to be kept and sold in Pennsylvania Liquor Stores. In making 14 this determination the board shall meet not less than twice a 15 year.

16 (e) The issuing and distribution of price lists for the 17 various classes, varieties or brands of liquor and alcohol kept 18 for sale by the board under this act.

(f) The labeling of liquor and alcohol sold under this act and of liquor and alcohol lawfully acquired by any person prior to January first, one thousand nine hundred thirty-four.

22 (g) Forms to be used for the purposes of this act.

(h) The issuance of licenses and permits and the conduct,
management, sanitation and equipment of places licensed or
included in permits.

(i) The place and manner of depositing the receipts of
Pennsylvania Liquor Stores and the transmission of balances to
the Treasury Department through the Department of Revenue.
(j) The solicitation by resident or nonresident vendors of

30 liquor from Pennsylvania licensees and other persons of orders 19810H0328B0337 - 17 - for liquor to be sold through the Pennsylvania Liquor Stores
 and, in the case of nonresident vendors, the collection
 therefrom of license fees for such privilege at the same rate as
 provided herein for importers' licenses.

5 Section 7. Section 210 of the act is amended to read: 6 Section 210. Restrictions on Members of the Board, Officers 7 of the Department of Revenue and Employes of the Commonwealth .--8 (a) A member or employe of the board or officer or employe of the department shall not be directly or indirectly interested or 9 10 engaged in any other business or undertaking dealing in liquor, 11 alcohol, or malt or brewed beverages, whether as owner, part owner, partner, member of syndicate, shareholder, agent or 12 13 employe, and whether for his own benefit or in a fiduciary 14 capacity for some other person.

(b) No member or employe of the board nor any <u>officer or</u> employe of the Commonwealth shall solicit or receive, directly or indirectly, any commission, remuneration or gift whatsoever, from any person having sold, selling or offering liquor or alcohol for sale to the board for use in Pennsylvania Liquor Stores.

Section 8. Section 302 of the act is amended to read: 21 22 Section 302. Selection of Personnel. -- Officers and employes of the board and department performing duties under this act, 23 except as herein otherwise provided, shall be appointed and 24 25 employed subject to the provisions of the Civil Service Act. 26 Section 9. Sections 303, 304 and 305 of the act are repealed. 27 Section 10. Section 401 of the act, amended June 1, 1972 (P.L.355, No.95), is amended to read: 28

29 Section 401. Authority to Issue Liquor Licenses to Hotels, 30 Restaurants and Clubs.--(a) Subject to the provisions of this 19810H0328B0337 - 18 -

act and regulations promulgated under this act, the [board] 1 2 <u>department</u> shall have authority to issue a retail liquor license 3 for any premises kept or operated by a hotel, restaurant or club 4 and specified in the license entitling the hotel, restaurant or 5 club to purchase liquor from a Pennsylvania Liquor Store and to keep on the premises such liquor and, subject to the provisions 6 7 of this act and the regulations made thereunder, to sell the same and also malt or brewed beverages to quests, patrons or 8 9 members for consumption on the hotel, restaurant or club 10 premises. Such licensees, other than clubs, shall be permitted 11 to sell malt or brewed beverages for consumption off the premises where sold in quantities of not more than one hundred 12 13 forty-four fluid ounces in a single sale to one person. Such 14 licenses shall be known as hotel liquor licenses, restaurant 15 liquor licenses and club liquor licenses, respectively. No 16 person who holds, either by appointment or election, any public 17 office which involves the duty to enforce any of the penal laws 18 of the United States of America or the penal laws of the 19 Commonwealth of Pennsylvania or any penal ordinance or 20 resolution of any political subdivision of this Commonwealth 21 shall be issued any hotel or restaurant liquor license, nor 22 shall such a person have any interest, directly or indirectly, in any such license. 23

24 The [board] department may issue to any club which (b) 25 caters to groups of non-members, either privately or for 26 functions, a catering license, and the [board] department shall, by its rules and regulations, define what constitutes catering 27 under this subsection except that any club which is issued a 28 29 catering license shall not be prohibited from catering on 30 Sundays during the hours which the club may lawfully serve 19810H0328B0337 - 19 -

1 liquor, malt or brewed beverages.

2 Section 11. Section 402 of the act is amended to read: 3 Section 402. License Districts; License Year; Hearings.--The 4 [board] department shall, by regulation, divide the State into convenient license districts and shall hold hearings on 5 applications for licenses and renewals thereof, as it deems 6 7 necessary, at a convenient place or places in each of said districts, at such times as it shall fix, by regulation, for the 8 9 purpose of hearing testimony for and against applications for 10 new licenses and renewals thereof. The [board] department may 11 provide for the holding of such hearings by examiners learned in 12 the law, to be appointed by the Governor, who shall not be 13 subject to the "Civil Service Act." Such examiners shall make report to the [board] department in each case with their 14 15 recommendations. The [board] department shall, by regulation, 16 fix the license year for each separate district so that the 17 expiration dates shall be uniform in each of the several 18 districts but staggered as to the State.

19 Section 12. Section 403 of the act, amended November 19, 20 1959 (P.L.1546, No.553) and September 28, 1961 (P.L.1728, 21 No.702), is amended to read:

22 Section 403. Applications for Hotel, Restaurant and Club Liquor Licenses. -- (a) Every applicant for a hotel liquor 23 24 license, restaurant liquor license or club liquor license or for 25 the transfer of an existing license to another premises not then 26 licensed shall file a written application with the [board] 27 department in such form and containing such information as the 28 [board] <u>department</u> shall from time to time prescribe, which 29 shall be accompanied by a filing fee of twenty dollars (\$20), 30 the prescribed license fee, and the bond hereinafter specified. 19810H0328B0337 - 20 -

Every such application shall contain a description of that part 1 2 of the hotel, restaurant or club for which the applicant desires 3 a license and shall set forth such other material information, 4 description or plan of that part of the hotel, restaurant or 5 club where it is proposed to keep and sell liquor as may be required by the regulations of the [board] department. The 6 7 descriptions, information and plans referred to in this 8 subsection shall show the hotel, restaurant, club, or the proposed location for the construction of a hotel, restaurant or 9 10 club, at the time the application is made, and shall show any 11 alterations proposed to be made thereto, or the new building proposed to be constructed after the approval by the [board] 12 13 department of the application for a license or for the transfer 14 of an existing license to another premises not then licensed. No 15 physical alterations, improvements or changes shall be required 16 to be made to any hotel, restaurant or club, nor shall any new 17 building for any such purpose, be required to be constructed 18 until approval of the application for license or for the 19 transfer of an existing license to another premises not then 20 licensed by the [board] <u>department</u>. After approval of the 21 application, the licensee shall make the physical alterations, 22 improvements and changes to the licensed premises, or shall 23 construct the new building in the manner specified by the 24 [board] department at the time of approval, and the licensee 25 shall not transact any business under the license until the 26 [board] department has approved the completed physical 27 alterations, improvements and changes to the licensed premises, 28 or the completed construction of the new building as conforming 29 to the specifications required by the [board] department at the 30 time of issuance or transfer of the license, and is satisfied 19810H0328B0337 - 21 -

that the establishment is a restaurant, hotel or club as defined 1 2 by this act. The [board] department may require that all such 3 alterations or construction or conformity to definition be 4 completed within six months from the time of issuance or 5 transfer of the license. Failure to comply with these requirements shall be considered cause for revocation of the 6 license. No such license shall be transferable between the time 7 of issuance or transfer of the license and the approval of the 8 9 completed alterations or construction by the [board] <u>department</u> 10 and full compliance by the licensee with the requirements of 11 this act, except in the case of death of the licensee prior to full compliance with all of the aforementioned requirements, in 12 13 which event, the license may be transferred by the [board] 14 department as provided in section 468 of this act for the 15 transfer of the license in the case of death of the licensee. 16 (b) If the applicant is a natural person, his application must show that he is a citizen of the United States and has been 17 18 a resident of this Commonwealth for at least two years 19 immediately preceding his application.

(c) If the applicant is a corporation, the application must
show that the corporation was created under the laws of
Pennsylvania or holds a certificate of authority to transact
business in Pennsylvania, that all officers, directors and
stockholders are citizens of the United States, and that the
manager of the hotel, restaurant or club is a citizen of the
United States.

27 (d) Each application shall be signed and verified by oath or 28 affirmation by the owner, if a natural person, or, in the case 29 of an association, by a member or partner thereof, or, in the 30 case of a corporation, by an executive officer thereof or any 19810H0328B0337 -22 - person specifically authorized by the corporation to sign the
 application, to which shall be attached written evidence of his
 authority.

4 (e) If the applicant is an association, the application 5 shall set forth the names and addresses of the persons constituting the association, and if a corporation, the names 6 and addresses of the principal officers thereof. Every club 7 applicant shall file with and as a part of its application a 8 list of the names and addresses of its members, directors, 9 10 officers, agents and employes, together with the dates of their admission, election or employment, and such other information 11 with respect to its affairs as the [board] department shall 12 13 require.

(f) The [board] <u>department</u> shall refuse to issue licenses to
clubs when it appears that the operation of the licensed
business would inure to the benefit of individual members,
officers, agents or employes of the club, rather than to the
benefit of the entire membership of the club.

19 (g) Every applicant for a new license or for the transfer of 20 an existing license to another premises not then licensed shall 21 post, for a period of a least fifteen days beginning with the 22 day the application is filed with the [board] <u>department</u>, in a conspicuous place on the outside of the premises or at the 23 24 proposed new location for which the license is applied, a notice 25 of such application, in such form, of such size, and containing 26 such provisions as the [board] <u>department</u> may require by its 27 regulations. Proof of the posting of such notice shall be filed 28 with the [board] department.

29 (h) If any false statement is intentionally made in any part 30 of the application, the affiant shall be deemed guilty of a 19810H0328B0337 - 23 - misdemeanor and, upon conviction, shall be subject to the
 penalties provided by this article.

3 Section 13. Section 404 of the act, amended September 2,
4 1971 (P.L.429, No.103), is amended to read:

5 Section 404. Issuance of Hotel, Restaurant and Club Liquor Licenses.--Upon receipt of the application, the proper fees and 6 bond, and upon being satisfied of the truth of the statements in 7 the application that the applicant is the only person in any 8 manner pecuniarily interested in the business so asked to be 9 10 licensed and that no other person will be in any manner 11 pecuniarily interested therein during the continuance of the license, except as hereinafter permitted, and that the applicant 12 13 is a person of good repute, that the premises applied for meet 14 all the requirements of this act and the regulations of the 15 [board] department, that the applicant seeks a license for a 16 hotel, restaurant or club, as defined in this act, and that the 17 issuance of such license is not prohibited by any of the 18 provisions of this act, the [board] department shall, in the 19 case of a hotel or restaurant, grant and issue to the applicant 20 a liquor license, and in the case of a club may, in its discretion, issue or refuse a license: Provided, however, That 21 22 in the case of any new license or the transfer of any license to 23 a new location the [board] department may, in its discretion, 24 grant or refuse such new license or transfer if such place 25 proposed to be licensed is within three hundred feet of any 26 church, hospital, charitable institution, school, or public 27 playground, or if such new license or transfer is applied for a 28 place which is within two hundred feet of any other premises 29 which is licensed by the [board] <u>department</u>, or if such new 30 license or transfer is applied for a place where the principal 19810H0328B0337 - 24 -

business is the sale of liquid fuels and oil: And provided 1 further, That the [board] department shall refuse any 2 3 application for a new license or the transfer of any license to 4 a new location if, in the [board] <u>department</u>'s opinion, such new 5 license or transfer would be detrimental to the welfare, health, peace and morals of the inhabitants of the neighborhood within a 6 radius of five hundred feet of the place proposed to be 7 licensed: And provided further, That the [board] department 8 shall not issue new licenses in any license district more than 9 10 twice each license year, effective from specific dates fixed by 11 the [board] department, and new licenses shall not be granted, except for hotels as defined in this act, unless the application 12 13 therefor shall have been filed at least thirty days before the 14 effective date of the license: And provided further, That 15 nothing herein contained shall prohibit the [board] department 16 from issuing a new license for the balance of any unexpired term 17 in any license district to any applicant in such district, who 18 shall have become eligible to hold such license as the result of 19 legislative enactment, when such enactment shall have taken 20 place during the license term of that district for which 21 application is made or within the thirty days immediately 22 preceding such term, nor shall anything herein contained 23 prohibit the [board] department from issuing at any time a new license for an airport restaurant, or municipal golf course, as 24 25 defined in section 461 of this act, for the balance of the 26 unexpired license term in any license district: And provided 27 further, That the [board] department shall have the discretion 28 to refuse a license to any person or to any corporation, partnership or association if such person, or any officer or 29 30 director of such corporation, or any member or partner of such 19810H0328B0337 - 25 -

partnership or association shall have been convicted or found
 guilty of a felony within a period of five years immediately
 preceding the date of application for the said license.

4 Section 14. Section 405 of the act, amended July 18, 19615 (P.L.790, No.348), is amended to read:

6 Section 405. License Fees.--(a) License fees for hotel and 7 restaurant liquor licenses shall be graduated according to the 8 population of the municipality as determined by the last 9 preceding decennial census of the United States in which the 10 hotel or restaurant is located, as follows:

In municipalities having a population of less than fifteen hundred inhabitants, one hundred fifty dollars (\$150.00).

In municipalities, except townships, having a population of fifteen hundred and more but less than ten thousand inhabitants, and in townships having a population of fifteen hundred and more but less than twelve thousand inhabitants, two hundred dollars (\$200.00).

In municipalities, except townships, having a population of ten thousand and more but less than fifty thousand inhabitants, and in townships having a population of twelve thousand and more but less than fifty thousand inhabitants, three hundred dollars (\$300.00).

In those having a population of fifty thousand and more but less than one hundred thousand inhabitants, four hundred dollars (\$400.00).

In those having a population of one hundred thousand and more but less than one hundred fifty thousand inhabitants, five hundred dollars (\$500.00).

In those having a population of one hundred fifty thousand and more inhabitants, six hundred dollars (\$600.00).

19810H0328B0337

- 26 -

1 (b) Every applicant for a club liquor license shall pay to 2 the [board] <u>department</u> a license fee of fifty dollars (\$50.00), 3 except clubs to which catering licenses are issued, in which 4 cases the license fees shall be the same as for hotels and 5 restaurants located in the same municipality.

6 (c) All license fees authorized under this section shall be
7 collected by the [board] <u>department</u> for the use of the
8 municipalities in which such fees were collected.

9 (d) Whenever any checks issued in payment of filing and/or 10 license fees shall be returned to the [board] department as dishonored, the [board] department shall charge a fee of five 11 12 dollars (\$5.00) per hundred dollars, or fractional part thereof, 13 plus all protest fees, to the maker of such check submitted to 14 the [board] department. Failure to pay the face amount of the 15 check in full and all charges thereon as herein required within 16 ten days after demand has been made by the [board] department upon the maker of the check, the license of such person, if 17 18 issued, shall immediately terminate and be cancelled without any action on the part of the [board] department. 19

Section 15. Section 406 of the act, subsection (a) amended 20 21 December 12, 1980 (No.221) and subsection (b) reenacted and 22 amended September 2, 1971 (P.L.429, No.103), is amended to read: 23 Section 406. Sales by Liquor Licensees; Restrictions.--(a) 24 Every hotel, restaurant or club liquor licensee may sell liquor 25 and malt or brewed beverages by the glass, open bottle or other container, and in any mixture, for consumption only in that part 26 27 of the hotel or restaurant habitually used for the serving of food to guests or patrons, or in a bowling alley that is 28 29 immediately adjacent to and under the same roof as a restaurant 30 when no minors are present in the bowling alley, and in the case 19810H0328B0337 - 27 -

of hotels, to guests, and in the case of clubs, to members, in 1 2 their private rooms in the hotel or club. No club licensee nor 3 its officers, servants, agents or employes, other than one 4 holding a catering license, shall sell any liquor or malt or 5 brewed beverages to any person except a member of the club. In the case of a restaurant located in a hotel which is not 6 7 operated by the owner of the hotel and which is licensed to sell liquor under this act, liquor and malt or brewed beverages may 8 9 be sold for consumption in that part of the restaurant 10 habitually used for the serving of meals to patrons and also to 11 guests in private guest rooms in the hotel. For the purpose of 12 this paragraph, any person who is an active member of another 13 club which is chartered by the same state or national 14 organization shall have the same rights and privileges as 15 members of the particular club.

16 Hotel and restaurant liquor licensees, airport restaurant 17 liquor licensees and municipal golf course restaurant liquor 18 licensees may sell liquor and malt or brewed beverages only 19 after seven o'clock antemeridian of any day until two o'clock 20 antemeridian of the following day, except Sunday, and except as 21 hereinafter provided, may sell liquor and malt or brewed 22 beverages on Sunday between the hours of twelve o'clock midnight 23 and two o'clock antemeridian.

Hotel and restaurant liquor licensees, airport restaurant 24 25 liquor licensees and municipal golf course restaurant liquor 26 licensees whose sales of food and nonalcoholic beverages are equal to forty per centum or more of the combined gross sales of 27 28 both food and alcoholic beverages may sell liquor and malt or 29 brewed beverages on Sunday between the hours of one o'clock 30 postmeridian and two o'clock antemeridian Monday upon purchase 19810H0328B0337 - 28 -

1 of a special annual permit from the [board] <u>department</u> at a fee 2 of two hundred dollars (\$200.00) per year, which shall be in 3 addition to any other license fees.

4 Hotel and restaurant liquor licensees, airport restaurant 5 liquor licensees and municipal golf course restaurant liquor licensees which do not qualify for and purchase such annual 6 7 special permit, their servants, agents or employes may sell 8 liquor and malt or brewed beverages only after seven o'clock antemeridian of any day and until two o'clock antemeridian of 9 10 the following day, and shall not sell after two o'clock 11 antemeridian on Sunday. No hotel, restaurant and public service liquor licensee shall sell liquor and malt or brewed beverages 12 13 after two o'clock antemeridian on any day on which a general, 14 municipal, special or primary election is being held until one 15 hour after the time fixed by law for closing the polls, except, that, in the case of a special election for members of the 16 17 General Assembly or members of the Congress of the United 18 States, when such special election is held on other than a primary, municipal or general election day, licensees in those 19 20 Legislative or Congressional Districts may make such sales, as 21 though the day were not a special election day. No club licensee 22 or its servants, agents or employes may sell liquor or malt or 23 brewed beverages between the hours of three o'clock antemeridian 24 and seven o'clock antemeridian on any day. No public service 25 liquor licensee or its servants, agents, or employes may sell 26 liquor or malt or brewed beverages between the hours of two 27 o'clock antemeridian and seven o'clock antemeridian on any day. 28 Any hotel, restaurant, club or public service liquor licensee 29 may, by giving notice to the [board] <u>department</u>, advance by one 30 hour the hours herein prescribed as those during which liquor 19810H0328B0337 - 29 -

and malt or brewed beverages may be sold during such part of the year when daylight saving time is being observed generally in the municipality in which the place of business of such licensee is located. Any licensee who elects to operate his place of business in accordance with daylight saving time shall post a conspicuous notice in his place of business that he is operating in accordance with daylight saving time.

8 Notwithstanding any provisions to the contrary, whenever the 9 thirty-first day of December falls on a Sunday, every hotel or 10 restaurant liquor licensee, their servants, agents or employes 11 may sell liquor and malt or brewed beverages on any such day 12 after one o'clock postmeridian and until two o'clock 13 antemeridian of the following day.

(b) Such Sunday sales by hotel and restaurant liquor licensees which qualify for and purchase such annual special permit, their servants, agents and employes, shall be made subject to the restrictions imposed by the act on sales by hotels and restaurants for sales on week days as well as those restrictions set forth in this section.

20 Section 16 Section 408 of the act, subsections (a), (b) and 21 (c) amended November 26, 1978 (P.L.1389, No.326), is amended to 22 read:

23 Section 408. Public Service Liquor Licenses. -- (a) Subject 24 to the provisions of this act and regulations promulgated under 25 this act, the [board] <u>department</u>, upon application, shall issue 26 retail liquor licenses to railroad or pullman companies permitting liquor and malt or brewed beverages to be sold in 27 dining, club or buffet cars to passengers for consumption while 28 29 enroute on such railroad, and may issue retail liquor licenses 30 to steamship companies permitting liquor or malt or brewed 19810H0328B0337 - 30 -

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

19 (b) For the purpose of considering an application by a 20 steamship or airline company for a public service liquor 21 license, the [board] department may cause an inspection of the 22 steamship or vessel or aircraft for which a license is desired. 23 The [board] department may, in its discretion, grant or refuse 24 the license applied for and there shall be no appeal from its 25 decision, except that an action of mandamus may be brought 26 against the [board] <u>department</u> in the manner provided by law. 27 (c) Every applicant for a public service liquor license shall, before receiving such license, file with the [board] 28 29 department a surety bond as hereinafter prescribed, pay to the 30 [board] department for each of the maximum number of dining, 19810H0328B0337 - 31 -

club or buffet cars which the applicant estimates it will have 1 2 in operation on any one day an annual fee of twenty dollars 3 (\$20.00), and for each steamship or vessel or aircraft for which 4 a license is desired an annual fee of one hundred dollars 5 (\$100.00).

(d) Unless previously revoked, every license issued by the 6 7 [board] department under this section shall expire and terminate on the thirty-first day of December, in the year for which the 8 9 license is issued. Licenses issued under the provisions of this 10 section shall be renewed annually, as herein provided, upon the 11 filing of applications in such form as the [board] department shall prescribe, but no license shall be renewed until the 12 13 applicant shall file with the [board] department a new surety 14 bond and shall pay the requisite license fee specified in this 15 section.

16 (e) Except as otherwise specifically provided, sales of 17 liquor and malt or brewed beverages by the aforesaid public service company licensees shall be made in accordance with, and 18 shall be subject to, the provisions of this act relating to the 19 20 sale of liquors by restaurant licensees.

21 Section 17. Section 408.1 of the act, added December 15, 22 1965 (P.L.1106, No.426) and amended November 17, 1967 (P.L.510, No.247), is amended to read: 23

24 Section 408.1. Trade Show and Convention Licenses.--(a) The 25 [board] department is authorized to issue a license in any city 26 of the first or second class for the retail sale of liquor and malt or brewed beverages by the glass, open bottles or other 27 28 container or in any mixture for consumption in any restaurant or 29 other appropriate location on city-owned premises or on premises 30 of an authority created under the act of July 29, 1953 19810H0328B0337

- 32 -

1 (P.L.1034, No.270), known as the "Public Auditorium Authorities 2 Law" customarily used or available for use for trade shows and 3 conventions. Any concessionaire selected and certified by the 4 city or its authorized agency or by the authority may apply for 5 a license.

(b) The application for a trade show and convention license 6 may be filed at any time and shall conform with all requirements 7 for restaurant liquor license applications except as may be 8 otherwise provided herein. The applicant shall submit such other 9 10 information as the [board] department may require. Application 11 shall be in writing on forms prescribed by the [board] department and shall be signed and submitted to the [board] 12 13 department by the applicant. The filing fee which shall 14 accompany the trade show and convention license application 15 shall be twenty dollars (\$20).

16 (c) Upon receipt of the application in proper form and the 17 application fee, and upon being satisfied that the applicant is 18 of good repute and financially responsible and that the proposed 19 place of business is proper, the [board] <u>department</u> shall issue 20 a license to the applicant.

(d) The license shall be issued for the same period as provided for restaurant licenses and shall be renewed as in section 402. The license shall terminate upon revocation by the [board] <u>department</u> or upon termination of the contract between the concessionaire and the city or authority.

(e) The annual fee for a trade show and convention license shall be six hundred dollars (\$600), and shall accompany the application for the license. Whenever a concessionaire's contract terminates the license shall be returned to the [board] department for cancellation and a new license shall be issued to 19810H0328B0337 - 33 - 1 a new applicant.

2 (f) The penal sum of the bond which shall be filed by an 3 applicant for a trade show and convention license pursuant to 4 section 465 of this article shall be two thousand dollars 5 (\$2,000) and in addition thereto he shall file an additional 6 bond in a sum to assure payment of any suspension of license up 7 to one hundred days.

8 (q) Sales by the holder of a trade show and convention 9 license may be made except to those persons prohibited under 10 clause (1) of section 493 of this act on city-owned or 11 authority-owned, leased or operated premises customarily used or available for use for trade shows and conventions during the 12 13 hours in which the convention or trade show is being held and up 14 to one hour after the scheduled closing, and at functions which 15 are incidental to or a part of the trade show or convention, but 16 such sales may not be made beyond the hours expressed in the act 17 for the sale of liquor by restaurant licensees: Provided, 18 however, That during the hours expressed in this act for the sale of liquor by hotel licensees, sales of such liquor or malt 19 20 or brewed beverages may be made by said licensee at banquets, 21 not incidental to trade shows or conventions, at which more than 22 two thousand persons are scheduled to attend, and at functions 23 irrespective of attendance, which are directly related to the 24 Philadelphia Commercial Museum or the Center for International 25 Visitors: And provided further, That no such sale shall be made 26 at any sporting, athletic or theatrical event.

(h) Whenever a contract is terminated prior to the expiration date provided in the contract between the city or authority and the concessionaire, the city or authority may select and certify to the [board] <u>department</u> a different 19810H0328B0337 - 34 - concessionaire which concessionaire shall apply to the [board]
 <u>department</u> for a new license. If the applicant meets the
 requirements of the [board] <u>department</u> as herein provided a new
 license shall thereupon be issued.

5 (i) If any trade show and convention license is suspended, the offer in compromise shall be accepted at the same rate as 6 7 provided for existing restaurant liquor licenses not in excess of one hundred days. If any trade show and convention license is 8 9 revoked, the [board] <u>department</u> shall issue a new license to any 10 qualified applicant without regard to the prohibition in section 11 471 against the grant of license at the same premises for a period of at least one year. 12

13 Section 18. Section 408.2 of the act, added November 25, 14 1970 (P.L.770, No.255) and amended June 9, 1972 (P.L.379, 15 No.108), is amended to read:

16 Section 408.2. City-Owned Stadia.--(a) The [board] 17 department is authorized to issue a license in any city of the 18 first class for the retail sale of liquor and malt or brewed beverages by the glass, open bottles or other container or in 19 20 any mixture for consumption in any restaurant on city-owned 21 premises principally utilized for competition of professional 22 and amateur athletes and other types of entertainment where there is an available seating capacity within the premises of 23 24 twelve thousand or more.

(b) The application for a city-owned stadium license may be filed at any time by a concessionaire selected and certified by the city or its authorized agency and shall conform with all requirements for restaurant-liquor licenses and applications except as may otherwise be provided herein. Applicant shall submit such other information as the [board] <u>department</u> may 19810H0328B0337 - 35 -

require. Applications shall be in writing on forms prescribed by 1 the [board] department and shall be signed and submitted to the 2 3 [board] department by the applicant. The filing fee which shall 4 accompany the license application shall be twenty dollars (\$20). 5 (c) Upon receipt of the application in proper form and the application fee and upon being satisfied that the applicant is 6 7 of good repute and financially responsible and that the proposed place of business is proper, the [board] department shall issue 8 9 a license to the applicant.

10 (d) The license shall be issued for the same period of time 11 as provided for restaurant licenses and shall be renewed as 12 provided in section 402. The license shall terminate upon 13 revocation by the [board] <u>department</u> or upon termination of the 14 contract between the concessionaire and the city.

15 (e) The annual fee for a stadium license shall be six 16 hundred dollars (\$600), and shall accompany the application for 17 the license. Whenever a concessionaire's contract terminates the 18 license shall be returned to the [board] <u>department</u> for 19 cancellation and a new license shall be issued to a new 20 applicant.

(f) The penal sum of the bond which shall be filed by an applicant for a stadium license pursuant to section 465 of the "Liquor Code" shall be two thousand dollars (\$2,000) and in addition thereto he shall file an additional bond in a sum to assure payment of any fine imposed by the [board] <u>department</u> up to one thousand dollars (\$1,000).

(g) Sales by the holder of a stadium license may be made except to those persons prohibited under clause (1) of section 493 of this act on city-owned premises customarily used or available for use for competition of professional and amateur 19810H0328B0337 - 36 -

athletes and other types of entertainment during the hours in 1 2 which the entertainment is being held and up to one hour after 3 the scheduled closing, and at functions which are incidental to 4 or part of the stadium activities, but such sales may not be 5 made beyond the hours expressed in the code for the sale of liquor by restaurant licensees: Provided, however, That such 6 sales may be made on Sunday between the hours of twelve o'clock 7 noon and ten o'clock postmeridian: And provided further, That 8 9 during the hours expressed in this act for the sale of liquor by 10 hotel licensees, sales of such liquor or malt or brewed 11 beverages may be made by said licensee at banquets, not incidental to stadium activities, at which more than two 12 13 thousand persons are scheduled to attend, and at functions 14 irrespective of attendance, which are directly related to stadia 15 purposes.

16 Whenever a contract is terminated prior to the (h) 17 expiration date provided in the contract between the city and 18 the concessionaire, the city may select and certify to the 19 [board] department a different concessionaire which 20 concessionaire shall apply to the [board] <u>department</u> for a new 21 license. If the applicant meets the requirements of the [board] 22 department as herein provided a new license shall thereupon be issued. If any stadium license is revoked, the [board] 23 24 department shall issue a new license to any qualified applicant 25 without regard to the prohibition in section 471, against the 26 grant of a license at the same premises for a period of at least 27 one year.

28 Section 19. Section 408.3 of the act, added March 23, 197229 (P.L.122, No.46), is amended to read:

 30
 Section 408.3.
 Performing Arts Facilities.--(a)
 The [board]

 19810H0328B0337
 - 37

department is authorized to issue a license to one nonprofit 1 2 corporation operating a theater for the performing arts in each 3 city of the first or second class which has seating 4 accommodations for at least twenty-seven hundred persons except 5 where prohibited by local option for the retail sale of liquor and malt or brewed beverages by the glass, open bottle or other 6 container or in any mixture for consumption in any such theater 7 for the performing arts. 8

9 The application for a performing arts facility license (b) 10 may be filed at any time by a nonprofit corporation operating 11 such a theater for the performing arts or by a concessionaire selected by such nonprofit corporation and shall conform with 12 13 all requirements for restaurant liquor licenses and applications 14 except as may otherwise be provided herein. Applicant shall 15 submit such other information as the [board] department may 16 require. Applications shall be in writing on forms prescribed by 17 the [board] department and shall be signed and submitted to the 18 [board] department by the applicant. The filing fee which shall 19 accompany the license application shall be twenty dollars (\$20). 20 (c) Upon receipt of the application in proper form and the 21 application fee and upon being satisfied that the applicant is 22 of good repute and financially responsible and that the proposed place of business is proper, the [board] department shall issue 23 24 a license to the applicant.

(d) The license shall be issued for the same period of time as provided for restaurant licenses and shall be renewed as provided in section 402. The license shall terminate upon revocation by the [board] <u>department</u> or upon termination of the contract between the concessionaire and such nonprofit corporation.

19810H0328B0337

- 38 -

1 (e) The annual fee for a performing arts facility shall be 2 six hundred dollars (\$600), and shall accompany the application 3 for the license. Whenever and if a concessionaire's contract 4 terminates the license shall be returned to the [board] 5 <u>department</u> for cancellation and a new license shall be issued to 6 a new applicant.

The penal sum of the bond which shall be filed by an 7 (f) applicant for a performing arts facility pursuant to section 465 8 of the "Liquor Code" shall be two thousand dollars (\$2,000). 9 10 (q) Sales by the holder of a performing arts facility 11 license may be made except to those persons prohibited under clause (1) of section 493 of this act on the premises of such a 12 theater for the performing arts during the hours expressed in 13 14 the code for the sale of liquor and malt and brewed beverages by 15 restaurant licensees, and the license may be used for such sales 16 on Sundays between the hours of 1:00 P.M. and 10:00 P.M., 17 irrespective of the volume of food sales.

18 (h) Whenever a contract with a concessionaire is terminated prior to the expiration date provided in the contract between 19 such nonprofit corporation and the concessionaire, such 20 21 nonprofit corporation may select and certify to the [board] 22 department a different concessionaire which concessionaire shall apply to the [board] <u>department</u> for a new license. If the 23 24 applicant meets the requirements of the [board] department as 25 herein provided a new license shall thereupon be issued. If any 26 such performing arts facility license is revoked, the [board] 27 department shall issue a new license to any qualified applicant without regard to the prohibition in section 471, against the 28 29 grant of a license at the same premises for a period of at least 30 one (1) year.

19810H0328B0337

- 39 -

(i) Licenses issued under the provisions of this section
 shall not be subject to the quota restrictions of section 461 of
 this act.

4 (j) Performing arts facility licenses shall not be subject
5 to the provisions of section 404 except in so far as they relate
6 to the reputation of the applicant nor to the provisions of
7 sections 461 and 463 nor to the provisions of clause (10) of
8 section 493 of the "Liquor Code."

9 (k) Sales under such licenses (including food sales) may be 10 limited by the licensee to patrons of the events scheduled in 11 the theater of the performing arts. Provided food is offered for 12 sale when sales are made under the license, such food may be 13 catered from off the premises.

Section 20. Section 408.4 of the act, amended July 11, 1980 (No.117), is amended to read:

16 Section 408.4. Special Occasion Permits.--(a) Upon 17 application of any hospital, church, synagogue, volunteer fire 18 company, bona fide sportsmen's club in existence for at least ten years and upon payment of a fee of fifteen dollars (\$15) per 19 20 day, the [board] <u>department</u> shall issue a special occasion 21 permit good for a period of not more than three consecutive 22 days. Special occasion permits may also be issued to a museum 23 operated by a nonprofit corporation in a city of the third class 24 or a nonprofit corporation engaged in the performing arts in a 25 city of the third class for a period of not more than six 26 nonconsecutive days at a fee of fifteen dollars (\$15) per day. 27 (b) In any city, borough, incorporated town or township in which the sale of liquor and/or malt or brewed beverages has 28 29 been approved by the electorate, such special occasion permit 30 shall authorize the permittee to sell liquor and/or malt or - 40 -19810H0328B0337

brewed beverages as the case may be to any adult person on any
 day for which the permit is issued.

3 Such special occasion permit shall only be valid for the (C) 4 number of days stated in the permit. Only one permit may be 5 issued to any permittee during the year. Provided, that a museum operated by a nonprofit corporation in a city of the third class 6 7 and a nonprofit corporation engaged in the performing arts in a city of the third class may be issued no more than six permits 8 during the year, each permit being valid for only one day. The 9 10 provisions of this subsection relating to the issuance of 11 permits for Bicentennial units shall expire December 31, 1976. 12 (d) Such permits shall only be issued for use at a special 13 event including, but not limited to bazaars, picnics and 14 clambakes. The special event must be one which is used by the 15 permittee as a means of raising funds for itself.

16 (e) The provisions of this section shall not be applicable 17 to any licensee now or hereafter possessing a caterer's license, 18 nor to any professional fund raiser.

(f) Any person selling liquor or malt or brewed beverages in violation of this section shall, upon summary conviction, be sentenced to pay a fine of two hundred fifty dollars (\$250) for the first offense and a fine of five hundred dollars (\$500) for each subsequent offense. This fine shall be in addition to any other penalty imposed by law for the illegal sale of malt or brewed beverages.

Section 21. Section 408.5 of the act, amended July 9, 1976 (P.L.527, No.125), is amended to read:

Section 408.5. Licenses for City-owned Art Museums, Cities First Class and Art Museums Maintained by Certain Non-profit Corporations in Cities of the Second Class.--(a) The [board] 19810H0328B0337 - 41 -

department is authorized to issue a license in any city of the 1 first class for the retail sale of liquor and malt or brewed 2 beverages by the glass, open bottles or other container, and in 3 4 any mixture, for consumption in any city-owned art museum or in 5 any art museum maintained by a non-profit corporation in cities of the second class. For the purpose of this section "non-profit 6 7 corporation" shall mean a corporation organized under the nonprofit corporation laws for the benefit of the public and not 8 for the mutual benefit of its members, and which maintains an 9 10 art museum having a floor area of not less than one hundred 11 thousand square feet in one building.

12 (b) The application for a license may be filed at any time 13 by the city, the non-profit corporation or lessee. The 14 application may also be filed by a concessionaire selected and 15 certified by the city or the non-profit corporation. The 16 application shall conform with all requirements for restaurant 17 liquor licenses and applications except as may otherwise be 18 provided herein. Applicant shall submit such other information 19 as the [board] department may require. The application shall be 20 in writing on forms prescribed by the [board] department and 21 shall be signed and submitted to the [board] <u>department</u> by the 22 applicant. A filing fee of twenty dollars (\$20) shall accompany the license application. 23

(c) Upon receipt of the application in proper form with the application fee and upon being satisfied that the applicant is of good repute and financially responsible and that the proposed place of business is proper, the [board] <u>department</u> shall issue a license to the applicant.

29 (d) The license shall be issued for the same period of time 30 as provided for restaurant licensees and shall be renewed as 19810H0328B0337 - 42 - provided in section 402. The license shall terminate upon
 revocation by the [board] <u>department</u> or upon termination of the
 lease or upon termination of the contract between the
 concessionaire and the city or the non-profit corporation.

5 (g) Sales by the holder of an art museum license may be made 6 except to those persons prohibited by this act on premises used 7 for art museum purposes, but such sales may not be made beyond the hours expressed in this act for the sale of liquor by 8 9 restaurant licenses. However, sales of liquor or malt or brewed 10 beverages may be made by an art museum licensee at banquets at 11 which more than five hundred persons are scheduled to attend and at any other function which is directly related to art museum 12 13 purposes.

14 (h) Whenever a lease or a concession contract is terminated 15 prior to the expiration date provided in the lease or contract 16 between the city or the non-profit corporation and the tenant or 17 concessionaire, the city or the non-profit corporation may 18 select and certify to the [board] department a different 19 licensee or concessionaire who may then apply to the [board] 20 <u>department</u> for a new license. If the applicant meets the 21 requirements of the [board] department as herein provided a new 22 license shall thereupon be issued.

(i) If the [board] <u>department</u> shall revoke any art museum
license, the [board] <u>department</u> shall issue a new license to any
qualified applicant without regard to the prohibition in section
471 against the grant of a license at the same premises for a
period of at least one year.

28 (i.1) Any renewal of a license presently held by a city-29 owned art museum in a city of the first class shall be 30 accomplished by the purchase of a license from an existing 19810H0328B0337 - 43 - 1 licensee.

(i.2) An art museum maintained by a non-profit corporation 2 3 or corporations in a city of the second class which obtains 4 approval of its application for a license from the [board] 5 department shall purchase a license from an existing licensee. (j) The provisions of this act shall supersede or exempt any 6 7 provision of the Liquor Code which would prevent the issuance of 8 a license for the retail sale of liquor and malt or brewed beverages upon any premises owned by the city of the first class 9 10 or by a non-profit corporation in a city of the second class 11 used for art museum purposes.

Section 22. Section 408.6 of the act, added July 11, 1980 (No.117), is amended to read:

14 Section 408.6. Performing Arts Facilities.--(a) The [board] 15 department is authorized to issue a restaurant liquor license to 16 a nonprofit corporation or to a concessionaire selected by such 17 nonprofit corporation in any city of the third class for the 18 retail sale of liquor and malt or brewed beverages by the glass, 19 open bottles or other container or in any mixture for 20 consumption on any city-owned premises utilized as a nonprofit 21 performing arts facility or any other premises utilized as a 22 nonprofit performing arts facility where there is an available 23 seating capacity within the premises of one thousand or more: 24 Provided, however, That no sale or consumption of such beverages 25 shall take place on any portions of such premises other than 26 service areas approved by the [board] department ...

(b) An application for the issuance may be filed at any time any time any a nonprofit corporation operating such a theater for the performing arts or by a concessionaire selected by such nonprofit corporation. Any such license granted under these 19810H0328B0337 - 44 -

provisions need not conform to the requirements of the act 1 relating to restaurant liquor licenses, except as provided 2 herein. Applicant shall submit such other information as the 3 4 [board] department may require. Applications shall be in writing 5 on forms prescribed by the [board] department and shall be signed and submitted to the [board] <u>department</u> by the applicant. 6 7 The filing fee which shall accompany the license application shall be thirty dollars (\$30). 8

(c) Upon receipt of the application in proper form and the 9 10 application fee and upon being satisfied that the applicant is 11 of good repute and financially responsible and that the proposed place of business is proper, the [board] department shall issue 12 13 the restaurant liquor license for the performing arts facility. 14 The license shall be issued for the same period of time (d) 15 as provided for restaurant licenses and shall be renewed as 16 provided in section 402. The license shall terminate upon 17 revocation by the [board] department or upon termination and 18 nonrenewal of the contract between the concessionaire and such 19 nonprofit corporation.

(e) The annual fee for a performing arts facility shall be as provided in section 405 and shall accompany the application for the license. Whenever and if a concessionaire's contract terminates and is not renewed the license shall be returned to the [board] <u>department</u> for cancellation but the [board] <u>department</u> may issue a restaurant liquor license to a subsequent applicant.

(f) The penal sum of the bond which shall be filed by an applicant for a performing arts facility pursuant to section 465 shall be two thousand dollars (\$2,000).

30 (g) Sales by the holder of a performing arts facility 19810H0328B0337 - 45 -

license may be made except to those persons prohibited under 1 clause (1) of section 493 on [board-approved] department-2 3 approved service areas of the premises of such a facility for 4 the performing arts during the hours in which the performance is 5 being held and up to one hour before the scheduled opening and one hour after the scheduled closing, but such sales may not be 6 7 made beyond the hours expressed in the code for the sale of liquor and malt or brewed beverages by restaurant licensees: 8 Provided, however, That such sales may be made on Sunday between 9 10 the hours of one o'clock postmeridian and ten o'clock 11 postmeridian, irrespective of the volume of food sales. 12 (h) Whenever a contract with a concessionaire is terminated 13 prior to the expiration date provided in the contract between 14 such nonprofit corporation and the concessionaire and is not 15 renewed, such nonprofit corporation may apply to the [board] 16 department for the issuance of a restaurant liquor license or 17 may select and certify to the [board] department a different 18 concessionaire which concessionaire shall apply to the [board] 19 department for the issuance of a restaurant liquor license. If 20 the applicant meets the requirements of the [board] department 21 as herein provided, the issuance shall thereupon occur. If any 22 such performing arts facility license is revoked, the [board] 23 department shall issue a new license to any qualified applicant without regard to the prohibition in section 471, against the 24 25 grant of a license at the same premises for a period of at least 26 one year.

(i) Licenses issued under the provisions of this section shall not be subject to the quota restrictions of section 461. (j) Performing arts licenses shall not be subject to the provisions of section 404 except insofar as they relate to the 19810H0328B0337 - 46 - reputation of the applicant nor to the provisions of sections
 461 and 463, nor to the provisions of clause (10) of section
 493.

4 (k) Sales under such licenses (including food sales) may be
5 limited by the licensee to patrons of the events scheduled in
6 the facility of the performing arts. Provided food is offered
7 for sale when sales are made under the license, such food may be
8 catered from off the premises.

9 Section 23. Section 408.7 of the act, added December 12,10 1980 (No.221), is amended to read:

11 Section 408.7. Performing Arts Facilities.--(a) The [board] <u>department</u> is authorized to transfer a restaurant liquor license 12 13 purchased by any person or by a concessionaire selected by such 14 person in any city of the first or second class for the retail 15 sale of liquor and malt or brewed beverages by the glass, open 16 bottles or other container or in any mixture for consumption on any city-owned premises utilized as a performing arts facility 17 18 or any other premise utilized as a performing arts facility where there is an available seating capacity within the premises 19 of one thousand or more: Provided, however, That no sale or 20 21 consumption of such beverages shall take place on any portions 22 of such premises other than service areas approved by the 23 [board] department.

(b) An application for transfer may be filed at any time by 24 25 a person operating such a theater for the performing arts or by 26 a concessionaire selected by such person. Any such license 27 granted under these provisions need not conform to the requirements of the act relating to restaurant liquor licenses, 28 29 except as provided herein. Applicant shall submit such other 30 information as the [board] <u>department</u> may require. Applications 19810H0328B0337 - 47 -

shall be in writing on forms prescribed by the [board]
 <u>department</u> and shall be signed and submitted to the [board]
 <u>department</u> by the applicant. The filing fee which shall
 accompany the license transfer application shall be thirty
 dollars (\$30).

6 (c) Upon receipt of the application in proper form and the 7 application fee and upon being satisfied that the applicant is 8 of good repute and financially responsible and that the proposed 9 place of business is proper, the [board] <u>department</u> shall 10 transfer the restaurant liquor license for the performing arts 11 facility.

(d) The license shall be transferred for the same period of time as provided for restaurant licenses and shall be renewed as provided in section 402. The license shall terminate upon revocation by the [board] <u>department</u> or upon termination and nonrenewal of the contract between the concessionaire and such person.

(e) The annual fee for a performing arts facility shall be as provided in section 405 and shall accompany the application for the license. Whenever and if a concessionaire's contract terminates and is not renewed the license shall be returned to the [board] <u>department</u> for cancellation and the [board] <u>department</u> may transfer a restaurant liquor license purchased by a subsequent applicant.

(f) The penal sum of the bond which shall be filed by an applicant for a performing arts facility pursuant to section 465 shall be two thousand dollars (\$2,000).

(g) Sales by the holder of a performing arts facility
license may be made except to those persons prohibited under
clause (1) of section 493 on [board-approved] <u>department-</u>
19810H0328B0337 - 48 -

approved service areas of the premises of such a facility for 1 the performing arts during the hours in which the performance is 2 3 being held and up to one hour before the scheduled opening and 4 one hour after the scheduled closing, but such sales may not be 5 made beyond the hours expressed in the code for the sale of liquor and malt or brewed beverages by restaurant licensees: 6 Provided, however, That such sales may be made on Sunday between 7 8 the hours of one o'clock postmeridian and ten o'clock postmeridian, irrespective of the volume of food sales. 9

10 (h) Whenever a contract with a concessionaire is terminated 11 prior to the expiration date provided in the contract between 12 such person and the concessionaire and is not renewed, such 13 person may apply to the [board] <u>department</u> for the transfer of a 14 restaurant liquor license purchased by such person, or may 15 select and certify to the [board] department a different 16 concessionaire which concessionaire shall apply to the [board] 17 department for the transfer of a restaurant liquor license 18 purchased by such concessionaire. If the applicant meets the 19 requirements of the [board] department as herein provided, a 20 transfer shall thereupon occur. If any such performing arts facility license is revoked, the [board] department shall 21 22 transfer a license for any qualified applicant who has purchased a restaurant liquor license without regard to the prohibition in 23 24 section 471, against the grant of a license at the same premises 25 for a period of at least one year.

(i) Performing arts licenses shall not be subject to the
provisions of section 404 except insofar as they relate to the
reputation of the applicant nor to the provisions of section
463, nor to the provisions of clause (10) of section 493.
(j) Sales under such licenses (including food sales) may be
19810H0328B0337 - 49 -

limited by the licensee to portions of the events scheduled in
 the facility of the performing arts. Provided food is offered
 for sale when sales are made under the license, such food may be
 catered from off the premises.

5 Section 24. Section 409 of the act, amended February 17,
6 1956 (1955 P.L.1078, No.349) and September 28, 1961 (P.L.1728,
7 No.702), is amended to read:

8 Section 409. Sacramental Wine Licenses; Fees; Privileges; 9 Restrictions.--(a) Subject to the provisions of this act in 10 general and more particularly to the following provisions of 11 this section, the [board] <u>department</u> shall issue sacramental 12 wine licenses to qualified applicants.

13 (b) Every applicant for a sacramental wine license shall 14 file a written application with the [board] department in such 15 form as the [board] department shall from time to time prescribe, which shall be accompanied by a filing fee of twenty 16 dollars (\$20), a license fee of one hundred dollars, and a bond 17 18 as hereinafter prescribed. Every such application shall contain a description of the premises for which the applicant desires a 19 20 license and shall set forth such other material information as 21 may be required by the [board] department.

22 (c) If the applicant is a natural person, his application must show that he is a citizen of the United States and a 23 24 resident of this Commonwealth. If the applicant is an 25 association or partnership, each and every member of the 26 association or partnership must be a citizen of the United 27 States and a resident of this Commonwealth. If the applicant is 28 a corporation, the application must show that the corporation 29 was created under the laws of Pennsylvania or holds a 30 certificate of authority to transact business in Pennsylvania, - 50 -19810H0328B0337

and that all officers, directors and stockholders are citizens
 of the United States.

3 Holders of such licenses may purchase from manufacturers (d) 4 or bring or import into this Commonwealth wine to be used for 5 sacramental or religious purposes only, and bottle and sell the same to priests, clergymen and rabbis for use in the cathedral, 6 7 church, synagogue or temple, or for sustaining members of the congregation or members of the faith who attend religious 8 9 services, duly certified by such priests, clergymen or rabbis. 10 The sale and use of wine for sacramental or religious purposes 11 shall be subject to and in accordance with the regulations of the [board] department. 12

13 (e) Any wine purchased under the authority of this section 14 shall not be used for any other than sacramental or religious 15 purposes. Sacramental wine may not be sold by any person except 16 the holder of a sacramental wine license.

17 (f) Every sacramental wine licensee shall maintain on the 18 licensed premises such records as the [board] department may prescribe. No deliveries of sacramental wine shall be made 19 unless and until an order therefor is on file at the principal 20 21 place of business in Pennsylvania. All shipments into 22 Pennsylvania of wine to be used for sacramental or religious purposes shall be consigned to the principal place of business 23 24 maintained by the licensee.

(g) Any such license may be suspended or revoked by the [board] <u>department</u> upon proof satisfactory to it that the licensee has violated any law of this Commonwealth or any regulation of the [board] <u>department</u> relating to liquor and alcohol. The procedure in such cases shall be the same as for the revocation and suspension of hotel, restaurant and club 19810H0328B0337 - 51 - 1 licenses.

2 Section 25. Section 410 of the act, amended September 28,
3 1961 (P.L.1728, No.702), is amended to read:

Section 410. Liquor Importers' Licenses; Fees; Privileges;
Restrictions.--(a) Subject to the provisions of this act in
general and more particularly to the following provisions of
this section, the [board] <u>department</u> shall issue liquor
importers' licenses to qualified applicants.

(b) Every applicant for an importer's license shall file a 9 10 written application with the [board] department in such form as 11 the [board] department shall from time to time prescribe, which shall be accompanied by a filing fee of twenty dollars (\$20), a 12 13 license fee of one hundred dollars, and a bond as hereinafter 14 required. Every such application shall contain a description of 15 the principal place of business for which the applicant desires 16 a license and shall set forth such other material information as 17 may be required by the [board] department.

18 The holder of an importer's license may have included in (C) such license one warehouse wherein only his liquor may be kept 19 20 and stored, located in the same municipality in which his 21 licensed premises is situate, and not elsewhere, unless such 22 licensee secures from the [board] department a license for each 23 additional storage warehouse desired. The [board] department is 24 authorized and empowered to issue to a holder of an importer's 25 license a license for an additional storage warehouse or warehouses located in this Commonwealth, provided such licensed 26 27 importer files with the [board] department a separate 28 application for each warehouse in such form and containing such 29 information as the [board] department may from time to time 30 require, accompanied by a filing fee of twenty dollars (\$20), a 19810H0328B0337 - 52 -

license fee of twenty-five dollars, and a bond of an approved
 surety company in the amount of ten thousand dollars. Such bond
 shall contain the same provisions and conditions as are required
 in the other license bonds under this article.

5 (d) If the applicant is a natural person, his application must show that he is a citizen of the United States and a 6 resident of this Commonwealth. If the applicant is an 7 association or partnership, each and every member of the 8 association or partnership must be a citizen of the United 9 10 States and a resident of this Commonwealth. If the applicant is a corporation, the application must show that the corporation 11 was created under the laws of Pennsylvania or holds a 12 13 certificate of authority to transact business in Pennsylvania, 14 and that all officers, directors and stockholders are citizens 15 of the United States.

16 Importers' licenses shall permit the holders thereof to (e) bring or import liquor from other states, foreign countries, or 17 18 insular possessions of the United States, and purchase liquor 19 from manufacturers located within this Commonwealth, to be sold 20 outside of this Commonwealth or to [Pennsylvania Liquor Stores] 21 Free Enterprise Stores within this Commonwealth, or when in 22 original containers of ten gallons or greater capacity, to 23 licensed manufacturers within this Commonwealth.

[All importations of liquor into Pennsylvania by the licensed importer shall be consigned to the Pennsylvania Liquor Control Board or the principal place of business or authorized place of storage maintained by the licensee.]

(f) Every importer shall maintain on the licensed premises such records as the [board] <u>department</u> may prescribe. Any such license may be suspended or revoked by the [board] <u>department</u> 19810H0328B0337 - 53 - upon proof satisfactory to it that the licensee has violated any
 law of this Commonwealth or any regulation of the [board]
 <u>department</u> relating to liquor and alcohol. The procedure in such
 cases shall be the same as for the revocation and suspension of
 hotel, restaurant and club licenses.

6 Section 26. Section 431 of the act, amended August 17, 1965
7 (P.L.346, No.182), October 9, 1967 (P.L.395, No.179), May 5,
8 1970 (P.L.342, No.110) and June 22, 1980 (No.73), is amended to
9 read:

10 Section 431. Malt and Brewed Beverages Manufacturers', 11 Distributors' and Importing Distributors' Licenses. -- (a) The 12 [board] <u>department</u> shall issue to any person a resident of this 13 Commonwealth of good repute who applies therefor, pays the license fee hereinafter prescribed, and files the bond 14 15 hereinafter required, a manufacturer's license to produce and 16 manufacture malt or brewed beverages, and to transport, sell and 17 deliver malt or brewed beverages at or from one or more places 18 of manufacture or storage, only in original containers, in quantities of not less than a case of twenty-four containers, 19 20 each container holding seven fluid ounces or more, or a case of 21 twelve containers, each container holding twenty-four fluid 22 ounces or more, except original containers containing one 23 hundred twenty-eight ounces or more which may be sold separately 24 anywhere within the Commonwealth. Licenses for places of storage 25 shall be limited to those maintained by manufacturers on July 26 eighteenth, one thousand nine hundred thirty-five, and the 27 [board] department shall issue no licenses for places of storage 28 in addition to those maintained on July eighteenth, one thousand 29 nine hundred thirty-five. The application for such license shall 30 be in such form and contain such information as the [board] - 54 -19810H0328B0337

department shall require. All such licenses shall be granted for 1 2 the calendar year. Every manufacturer shall keep at his or its 3 principal place of business, within the Commonwealth daily 4 permanent records which shall show, (1) the quantities of raw 5 materials received and used in the manufacture of malt or brewed beverages and the quantities of malt or brewed beverages 6 manufactured and stored, (2) the sales of malt or brewed 7 beverages, (3) the quantities of malt or brewed beverages stored 8 for hire or transported for hire by or for the licensee, and (4) 9 10 the names and addresses of the purchasers or other recipients 11 thereof. Every place licensed as a manufacturer shall be subject to inspection by members of the [board] department or by persons 12 13 duly authorized and designated by the [board] department, at any 14 and all times of the day or night, as they may deem necessary, 15 for the detection of violations of this act or of the rules and 16 regulations of the [board] department, or for the purpose of 17 ascertaining the correctness of the records required to be kept 18 by licensees. The books and records of such licensees shall at 19 all times be open to inspection by members of the [board] 20 <u>department</u> or by persons duly authorized and designated by the 21 [board] department. Members of the [board] department and its 22 duly authorized agents shall have the right, without hindrance, 23 to enter any place which is subject to inspection hereunder or any place where such records are kept for the purpose of making 24 25 such inspections and making transcripts thereof.

(b) The [board] <u>department</u> shall issue to any reputable person who applies therefor, pays the license fee hereinafter prescribed, and files the bond hereinafter required, a distributor's or importing distributor's license for the place which such person desires to maintain for the sale of malt or 19810H0328B0337 - 55 -

brewed beverages, not for consumption on the premises where 1 sold, and in quantities of not less than twenty-four containers, 2 3 each container holding seven fluid ounces or more, or twelve 4 containers, each container holding twenty-four fluid ounces or 5 more, except original containers containing one hundred twentyeight ounces or more which may be sold separately and such 6 containers to be the original containers as prepared for the 7 market by the manufacturer at the place of manufacture: And 8 provided further, That the [board] department shall have the 9 10 discretion to refuse a license to any person or to any 11 corporation, partnership or association, if such person, or any officer or director of such corporation, or any member or 12 13 partner of such partnership or association shall have been 14 convicted or found guilty of a felony within a period of five 15 years immediately preceding the date of application for the said 16 license.

Except as hereinafter provided, such license shall authorize 17 18 the holder thereof to sell or deliver malt or brewed beverages 19 in quantities above specified anywhere within the Commonwealth of Pennsylvania, which, in the case of distributors, have been 20 21 purchased only from persons licensed under this act as 22 manufacturers or importing distributors, and in the case of 23 importing distributors, have been purchased from manufacturers 24 or persons outside this Commonwealth engaged in the legal sale 25 of malt or brewed beverages or from manufacturers or importing 26 distributors licensed under this article.

Each out of State manufacturer of malt or brewed beverages whose products are sold and delivered in this Commonwealth shall give distributing rights for such products in designated geographical areas to specific importing distributors, and such 19810H0328B0337 - 56 -

importing distributor shall not sell or deliver malt or brewed 1 2 beverages manufactured by the out of State manufacturer to any person issued a license under the provisions of this act whose 3 4 licensed premises are not located within the geographical area 5 for which he has been given distributing rights by such manufacturer: Provided, That the importing distributor holding 6 such distributing rights for such product shall not sell or 7 deliver the same to another importing distributor without first 8 9 having entered into a written agreement with the said secondary 10 importing distributor setting forth the terms and conditions 11 under which such products are to be resold within the territory granted to the primary importing distributor by the 12 13 manufacturer.

14 When a Pennsylvania manufacturer of malt or brewed beverages 15 licensed under this article names or constitutes a distributor 16 or importing distributor as the primary or original supplier of 17 his product, he shall also designate the specific geographical 18 area for which the said distributor or importing distributor is given distributing rights, and such distributor or importing 19 20 distributor shall not sell or deliver the products of such 21 manufacturer to any person issued a license under the provisions 22 of this act whose licensed premises are not located within the geographical area for which distributing rights have been given 23 24 to the distributor and importing distributor by the said 25 manufacturer: Provided, That the importing distributor holding 26 such distributing rights for such product shall not sell or 27 deliver the same to another importing distributor without first having entered into a written agreement with the said secondary 28 29 importing distributor setting forth the terms and conditions 30 under which such products are to be resold within the territory 19810H0328B0337 - 57 -

granted to the primary importing distributor by the 1 manufacturer. Nothing herein contained shall be construed to 2 prevent any manufacturer from authorizing the importing 3 4 distributor holding the distributing rights for a designated 5 geographical area from selling the products of such manufacturer to another importing distributor also holding distributing 6 7 rights from the same manufacturer for another geographical area, providing such authority be contained in writing and a copy 8 9 thereof be given to each of the importing distributors so 10 affected.

11 (c) The aforesaid licenses shall be issued only to reputable 12 individuals, partnerships and associations who are, or whose 13 members are, citizens of the United States and have for two 14 years prior to the date of their applications been residents of 15 the Commonwealth of Pennsylvania or to reputable corporations 16 organized or duly registered under the laws of the Commonwealth 17 of Pennsylvania. Such licenses shall be issued to corporations 18 duly organized or registered under the laws of the Commonwealth 19 of Pennsylvania only when it appears that all of the officers 20 and directors of the corporation are citizens of the United States and have been residents of the Commonwealth of 21 22 Pennsylvania for a period of at least two years prior to the 23 date of application, and that at least fifty-one per centum of 24 the capital stock of such corporation is actually owned by individuals who are citizens of the United States and have been 25 26 residents of the Commonwealth of Pennsylvania for a period of at least two years prior to the date of application: Provided, That 27 28 the provisions of this subsection with respect to residence 29 requirements shall not apply to individuals, partners, officers, 30 directors and owners of capital stock, of corporations licensed 19810H0328B0337 - 58 -

or applying for licenses as manufacturers of malt or brewed
 beverages, nor shall the provisions of this subsection with
 respect to stockholder requirements apply to corporations
 licensed or applying for licenses as manufacturers of malt or
 brewed beverages.

(d) (1) All distributing rights as hereinabove required 6 shall be in writing, shall be equitable in their provisions and 7 shall be substantially similar as to terms and conditions with 8 9 all other distributing rights agreements between the 10 manufacturer giving such agreement and its other importing 11 distributors and distributors shall not be modified, cancelled, terminated or rescinded by the manufacturer without good cause, 12 13 and shall contain a provision in substance or effect as follows: 14 "The manufacturer recognizes that the importing distributor and 15 distributor are free to manage their business in the manner the 16 importing distributor and distributor deem best and that this 17 prerogative vests in the importing distributor and distributor 18 the exclusive right to establish a selling price, to select the 19 brands of malt or brewed beverages they wish to handle and to 20 determine the efforts and resources which the importing 21 distributor and distributor will exert to develop and promote 22 the same of the manufacturer's products handled by the importing 23 distributor and distributor. However, the manufacturer expects 24 that the importing distributor and distributor will price 25 competitively the products handled by them, devote reasonable 26 effort and resources to the sale of such products and maintain a reasonable sales level." "Good cause" shall mean the failure by 27 any party to an agreement, without reasonable excuse or 28 29 justification, to comply substantially with an essential, 30 reasonable and commercially acceptable requirement imposed by - 59 -19810H0328B0337

1 the other party under the terms of an agreement.

(2) After January 1, 1980, no manufacturer shall enter into 2 3 any agreement with more than one distributor or importing 4 distributor for the purpose of establishing more than one 5 agreement for designated brand or brands of malt or brewed beverages in any one territory. Each franchise territory which 6 7 is granted by a manufacturer shall be geographically contiguous. 8 (3) Except for discontinuance of a brand or a valid 9 termination for good cause, the purchaser of the assets of the 10 manufacturer as defined in this act shall become obligated to 11 all the territorial and brand designations of the agreement in effect on the date of purchase. Purchase of assets as defined 12 13 for the purposes of this act shall include, but not be limited 14 to, the sale of stock, sale of assets, merger, lease, transfer 15 or consolidation.

16 The court of common pleas of the county wherein the (4) 17 licensed premises of the importing distributor or distributor 18 are located is hereby vested with jurisdiction and power to enjoin the modification, rescission, cancellation or termination 19 20 of a franchise or agreement between a manufacturer and an 21 importing distributor or distributor at the instance of such 22 importing distributor or distributor who is or might be 23 adversely affected by such modification, rescission, 24 cancellation or termination, and in granting an injunction the 25 court shall provide that no manufacturer shall supply the 26 customers or territory of the importing distributor or 27 distributor by servicing the territory or customers through 28 other importing distributors or distributors or any other means while the injunction is in effect: Provided, however, That any 29 30 injunction issued under this subsection shall require the 19810H0328B0337 - 60 -

posting of sufficient bond against damages arising from an injunction improvidently granted and a showing that the danger of irrevocable loss or damage is immediate and that during the pendency of such injunction the importing distributor or distributor shall continue to service the accounts of the manufacturer in good faith.

7 (5) The provisions of this subsection shall not apply to Pennsylvania manufacturers whose principal place of business is 8 9 located in Pennsylvania unless they name or constitute a 10 distributor or importing distributor as a primary or original 11 supplier of their products subsequent to the effective date of this act, or unless such Pennsylvania manufacturers have named 12 or constituted a distributor or importing distributor as a 13 14 primary or original supplier of their products prior to the 15 effective date of this act, and which status is continuing when this act becomes effective. 16

17 Section 27. Section 432 of the act, amended January 19, 1952 18 (1951 P.L.2170, No.619), June 19, 1961 (P.L.482, No.244) and 19 October 9, 1967 (P.L.392, No.177), is amended to read: 20 Section 432. Malt and Brewed Beverages Retail Licenses.--(a) 21 Subject to the restrictions hereinafter provided in this act, 22 and upon being satisfied of the truth of the statements in the 23 application, that the premises and the applicant meet all the 24 requirements of this act and the regulations of the [board] 25 <u>department</u>, that the applicant seeks a license for a reputable 26 hotel, eating place or club, as defined in this act, the [board] 27 department shall, in the case of a hotel or eating place, grant and issue, and in the case of a club may, in its discretion, 28 29 issue or refuse the applicant a retail dispenser's license. 30 (b) In the case of hotels and eating places, licenses shall - 61 -19810H0328B0337

be issued only to reputable persons who are citizens of the 1 United States and have for two years been residents of the 2 3 Commonwealth of Pennsylvania at the date of their application, 4 or to reputable corporations organized or duly registered under the laws of the Commonwealth of Pennsylvania, all of whose 5 officers and directors are citizens of the United States. In the 6 case of incorporated clubs, licenses shall be issued only to 7 those incorporated under the laws of Pennsylvania. 8

9 (c) No retail dispenser's licenses shall be granted or 10 renewed upon their expiration in any municipality in which the 11 electors shall vote, as hereinafter provided, against the 12 licensing therein of places where malt or brewed beverages may 13 be sold for consumption on the premises where sold.

14 The [board] department shall, in its discretion, grant (d) 15 or refuse any new license or the transfer of any license to a 16 new location if such place proposed to be licensed is within 17 three hundred feet of any church, hospital, charitable 18 institution, school, or public playground, or if such new 19 license or transfer is applied for a place which is within two 20 hundred feet of any other premises which is licensed by the 21 [board] department, or if such new license or transfer is 22 applied for a place where the principal business conducted is 23 the sale of liquid fuels and oil. The [board] department shall 24 refuse any application for a new license or the transfer of any 25 license to a new location if, in the [board's] department's 26 opinion, such new license or transfer would be detrimental to 27 the welfare, health, peace and morals of the inhabitants of the neighborhood within a radius of five hundred feet of the place 28 29 to be licensed. The [board] department shall not issue new 30 licenses, except as herein otherwise provided, in any license 19810H0328B0337 - 62 -

district more than twice each license year effective from 1 specific dates fixed by the [board] department, and new licenses 2 3 shall not be granted unless the application therefor shall have 4 been filed at least thirty days before the effective date of the 5 license. Nothing herein contained shall prohibit the [board] department from issuing a new license for the balance of any 6 unexpired term in any license district to any applicant in such 7 district, who shall have become eliqible to hold such license as 8 the result of legislative enactment, when such enactment shall 9 10 have taken place during the license term of that district for 11 which application is made, or within the thirty days immediately preceding such term: And provided further, That the [board] 12 13 department shall have the discretion to refuse a license to any 14 person or to any corporation, partnership or association if such 15 person, or any officer or director of such corporation, or any 16 member or partner of such partnership or association shall have 17 been convicted or found guilty of a felony within a period of 18 five years immediately preceding the date of application for the 19 said license.

20 (e) Every applicant for a new or for the transfer of an 21 existing license to another premises not then licensed shall 22 post, for a period of at least fifteen days beginning with the day the application is filed with the [board] department, in a 23 conspicuous place on the outside of the premises or in a window 24 25 plainly visible from the outside of the premises for which the license is applied or at the proposed new location, a notice of 26 such application, in such form, of such size, and containing 27 28 such provisions as the [board] <u>department</u> may require by its regulations. Proof of the posting of such notice shall be filed 29 30 with the [board] department.

19810H0328B0337

- 63 -

1 Section 28. Section 433 of the act is amended to read: Section 433. Public Service Licenses. -- The [board] 2 3 department may issue public service malt and brewed beverage 4 licenses to a railroad, pullman or steamship company permitting 5 malt or brewed beverages to be sold at retail in dining, club or buffet cars, or the dining compartments of steamships or 6 vessels, for consumption on the trains, steamships or vessels 7 wherever operated in the State, except when standing in stations 8 9 or terminals within a municipality wherein retail sales are 10 prohibited. Such licenses shall only be granted to reputable 11 persons and for fit places. The [board] department may issue a master license to railroad or pullman companies to cover the 12 13 maximum number of cars which the company shall estimate that it 14 will operate within the Commonwealth on any one day. Such 15 licensees shall file monthly reports with the [board] department 16 showing the maximum number of cars operated at any time on any day during the preceding month, and if it appears that more cars 17 18 have been operated than covered by its license it shall forthwith remit to the [board] department the sum of ten dollars 19 20 for each extra car so operated. The [board] department shall 21 have the power to suspend or revoke any such licenses for cause 22 after granting a hearing thereon to the licensee. Any person aggrieved by the decision of the [board] <u>department</u> in refusing, 23 24 suspending or revoking any such license may appeal to the court 25 of [quarter sessions] common pleas of Dauphin County in the same 26 manner as provided in this article for appeals from refusals of 27 licenses.

Section 29. Section 433.1 of the act, amended July 10, 1961 (P.L.561, No.275), November 17, 1967 (P.L.510, No.247) and July 30 9, 1976 (P.L.924, No.173), is amended to read: 19810H0328B0337 - 64 -

1 Section 433.1. Stadium or Arena Permits.--(a) The [board] department is hereby authorized to issue, in cities of the 2 3 first, second and third class and in counties of the third 4 class, special permits allowing the holders thereof to make 5 retail sales of malt or brewed beverages in shatterproof containers at all events on premises principally utilized for 6 7 competition of professional and amateur athletes and other types 8 of entertainment having an available seating capacity of twelve thousand or more in cities of the first and second class and 9 10 seven thousand or more and owned by the city in cities of the 11 third class and four thousand two hundred or more and owned by counties of the third class: Provided, however, That in cities 12 13 of the second class this section shall be applicable only to 14 premises owned, leased or operated by any authority created 15 under the act of July 29, 1953 (P.L.1034, No.270), known as the 16 "Public Auditorium Authorities Law." Such sales may be made only 17 to adults and only on days when the premises are so used and 18 only during the period from one hour before the start of and 19 ending one-half hour after the close of the event on the 20 premises.

21 (b) The owner or lessee or a concessionaire of any such 22 premises may make application for a permit. The aforesaid permits shall be issued only to reputable individuals, 23 24 partnerships and associations, who are or whose members are 25 citizens of the United States and have for two years prior to 26 the date of their applications been residents of the 27 Commonwealth of Pennsylvania, or to reputable corporations 28 organized or duly registered under the laws of the Commonwealth of Pennsylvania, all of whose officers and directors are 29 30 citizens of the United States. Each applicant shall furnish 19810H0328B0337 - 65 -

proof satisfactory to the [board] department that he is of good 1 repute and financially responsible and that the premises upon 2 which he proposes to do business is a proper place. The 3 4 applicant shall submit such other information as the [board] 5 department may require. Applications shall be, in writing on forms prescribed by the [board] department, and signed and sworn 6 7 to by the applicant. Every application shall be accompanied by an application fee of twenty-five dollars (\$25), a permit fee of 8 one hundred dollars (\$100) and a surety bond in the amount of 9 one thousand dollars (\$1000) conditioned the same as the license 10 11 bonds required by this act for retail dispenser licenses. 12 (c) Upon receipt of the application in proper form, the 13 application fee, the permit fee and bond, and upon being 14 satisfied that the applicant is of good repute and financially 15 responsible and that the proposed place of business is proper, 16 the [board] department shall issue a special permit to the 17 applicant. Only one permit issued under this section shall be in 18 effect on any such premises at any time.

19 (d) No permit shall be transferable or assignable. The 20 [board] department may by regulation fix the permit year and provide for the renewal of such permits. Whenever a permit is 21 22 revoked, another may be issued for the same premises to another applicant upon compliance with the provisions of this section. 23 24 The [board] department shall have the power to refuse (e) 25 the issuance of any permit for cause, and to revoke or suspend 26 any permit for cause or for any violation of the liquor or malt 27 and brewed beverage laws. Any applicant or holder of a permit 28 aggrieved by any ruling of the [board] department or by its refusal to issue a permit, or by its suspension or revocation 29 30 thereof, shall have the right to a hearing and appeal therefrom 19810H0328B0337 - 66 -

in the same manner as provided in sections 464 and 471 of this 1 2 act authorizing appeals from orders of the [board] department. 3 Section 30. Section 434 of the act is amended to read: 4 Section 434. License Year. -- (a) Licenses issued under this 5 article to distributors, importing distributors and retail dispensers shall, unless revoked in the manner provided in this 6 7 act, be valid for the license year which may be established by 8 the [board] department for the particular license district in which the license issues. 9

10 (b) Malt or brewed beverage licenses issued under this 11 article to manufacturers and public service companies shall, 12 unless revoked in the manner herein provided, be valid for the 13 calendar year for which they are issued. Licenses to such 14 manufacturers and public service companies may be issued at any 15 time during a calendar year.

Section 31. Section 435 of the act, amended September 28, 17 1961 (P.L.1728, No.702), is amended to read:

18 Section 435. Filing of Applications for Distributors', Importing Distributors' and Retail Dispensers' Licenses; Filing 19 20 Fee.--Every person intending to apply for a distributor's, 21 importing distributor's or retail dispenser's license, as 22 aforesaid, in any municipality of this Commonwealth, shall file with the [board] <u>department</u> his or its application. All such 23 24 applications shall be filed at a time to be fixed by the [board] 25 department for the particular license district as set up by the 26 [board] department under the provisions of this act. The 27 applicant shall, at the time of filing the application and bond, pay said [board] <u>department</u> the filing fee of twenty dollars 28 29 (\$20), as hereinafter specified.

 30
 Section 32.
 Section 436 of the act, amended June 19, 1961

 19810H0328B0337
 - 67

1 (P.L.482, No.244) and June 29, 1965 (P.L.151, No.101), is 2 amended to read:

3 Section 436. Application for Distributors', Importing
4 Distributors' and Retail Dispensers' Licenses.--Application for
5 distributors', importing distributors' and retail dispensers'
6 licenses, or for the transfer of an existing license to another
7 premises not then licensed, shall contain or have attached
8 thereto the following information and statements:

9 (a) The name and residence of the applicant and how long he 10 has resided there, and if an association, partnership or 11 corporation, the residences of the members, officers and 12 directors for the period of two years next preceding the date of 13 such application.

14 (b) The particular place for which the license is desired 15 and a detailed description thereof. The description, information 16 and plans referred to in this subsection shall show the premises 17 or the proposed location for the construction of the premises at 18 the time the application is made, and shall show any alterations 19 proposed to be made thereto, or the new building proposed to be 20 constructed after the approval by the [board] department of the application for a license, or for the transfer of an existing 21 22 license to another premises not then licensed. No physical alterations, improvements or changes shall be required to be 23 made to any hotel, eating place or club, nor shall any new 24 25 building for any such purpose be required to be constructed 26 until approval of the application for license or for the 27 transfer of an existing license to another premises not then 28 licensed by the [board] <u>department</u>. After approval of the 29 application, the licensee shall make the physical alterations, 30 improvements and changes to the licensed premises, or shall 19810H0328B0337 - 68 -

construct the new building in the manner specified by the 1 [board] department at the time of approval. The licensee shall 2 3 not transact any business under the license until the [board] 4 department has approved the completed physical alterations, 5 improvements and changes of the licensed premises or the completed construction of the new building as conforming to the 6 7 specifications required by the [board] department at the time of 8 issuance or transfer of the license and is satisfied that the premises meet the requirements for a distributor's or importing 9 10 distributor's license as set forth in this act or that the 11 establishment is an eating place, hotel or club as defined by this act. The [board] department may require that all such 12 13 alterations or construction or conformity to definition be 14 completed within six months from the time of issuance or 15 transfer of the license. Failure to comply with these 16 requirements shall be considered cause for revocation of the 17 license. No such license shall be transferable between the time 18 of issuance or transfer of the license and the approval of the 19 completed alterations or construction by the [board] <u>department</u> 20 and full compliance by the licensee with the requirements of 21 this act, except in the case of death of the licensee prior to 22 full compliance with all of the aforementioned requirements, in 23 which event the license may be transferred by the [board] department as provided in section 468 of this act for the 24 25 transfer of the license in the case of death of the licensee. 26 (c) Place of birth of applicant, and if a naturalized 27 citizen, where and when naturalized, and if a corporation 28 organized or registered under the laws of the Commonwealth, when 29 and where incorporated, with the names and addresses of each officer and director, all of whom shall be citizens of the 30 19810H0328B0337 - 69 -

United States; if the application is for a distributor's or importing distributor's license and the applicant therefor is a corporation, the application shall also contain a statement of facts showing the qualifications of the corporation, as hereinbefore required, together with the names and addresses of all stockholders.

7 (d) Name of owner of premises and his residence.

8 That the applicant is not, or in case of a partnership (e) 9 or association, that the members or partners are not, and in the 10 case of a corporation, that the officers and directors are not, 11 in any manner pecuniarily interested, either directly or indirectly, in the profits of any other class of business 12 13 regulated under this article, except as hereinafter permitted. 14 That applicant is the only person in any manner (f) 15 pecuniarily interested in the business so asked to be licensed, 16 and that no other person shall be in any manner pecuniarily 17 interested therein during the continuance of the license, except 18 as hereinafter permitted.

19 (g) Whether applicant, or in case of a partnership or 20 association, any member or partner thereof, or in case of a 21 corporation, any officer or director thereof, has during the 22 three years immediately preceding the date of said application had a license for the sale of malt or brewed beverages or 23 24 spirituous and vinous liquors revoked, or has during the same 25 period been convicted of any criminal offense, and if so, a 26 detailed history thereof.

(h) A full description of that portion of the premises for which license is asked, and if any other business is to be conducted concurrently with the sale and distribution of malt or brewed beverages, a full history of such business, relating the 19810H0328B0337 - 70 - nature thereof, the length of time it has so previously been
 conducted by the applicant or his predecessor at such location,
 and such additional information as the [board] <u>department</u> may
 require.

5 (i) Every club applicant shall file with and as a part of 6 its application a list of the names and addresses of its 7 members, directors, officers, agents and employes, together with 8 the dates of their admission, election or employment, and such 9 other information with respect to its affairs as the [board] 10 <u>department</u> shall require.

(j) The application must be verified by affidavit of applicant, and if any false statement is intentionally made in any part of the application, the affiant shall be deemed guilty of a misdemeanor and, upon conviction, shall be subject to the penalties provided by this article.

Section 33. Section 437 of the act, amended December 22, 17 1965 (P.L.1149, No.445), is amended to read:

Section 437. Prohibitions Against the Grant of Licenses.--(a) The [board] <u>department</u> shall refuse to grant any licenses unless the application therefor contains the information required by this act, and the premises meet such reasonable sanitary requirements as the [board] <u>department</u>, by regulation, shall prescribe.

(b) The [board] <u>department</u> shall refuse to grant a license to any club when it appears that the operation of such license would inure to the benefit of individual members, officers, agents or employes of the club, rather than to the benefit of the entire membership of the club.

29 (c) Licenses shall be granted by the [board] <u>department</u> only 30 to reputable individuals, or to associations, partnerships and 19810H0328B0337 - 71 - corporations whose members or officers and directors are
 reputable individuals.

3 (d) No person who holds, either by appointment or election, 4 any public office which involves the duty to enforce any of the 5 penal laws of the United States of America or any of the penal 6 laws of this Commonwealth or any penal ordinance or resolution 7 of any political subdivision of this Commonwealth shall be 8 issued any manufacturer's, importing distributor's,

9 distributor's or retail dispenser's license, nor shall such a 10 person have any interest, directly or indirectly, in any such 11 license.

(e) No distributor's or importing distributor's license shall be issued for any premises in any part of which there is operated any retail license for the sale of liquor or malt or brewed beverages.

16 (f) No new distributor's or importing distributor's license 17 shall hereafter be granted by the [board] <u>department</u> in any 18 county of the Commonwealth where the combined number of 19 distributor and importing distributor licenses exceeds one 20 license for each fifteen thousand inhabitants of the county in which the license is to be issued: Provided, That a combined 21 22 total of five such licenses may be granted in any county of the 23 Commonwealth.

Nothing in this subsection shall be construed as denying the 24 25 right of the [board] <u>department</u> to renew or to transfer existing 26 distributors' or importing distributors' licenses or to exchange 27 a distributor's license for an importing distributor's license or to exchange an importing distributor's license for a 28 29 distributor's license, upon adjustment of the applicable fee, 30 notwithstanding that the number of such licensed places in the 19810H0328B0337 - 72 -

county shall exceed the limitation hereinbefore prescribed:
 Provided, That no distributor's license or importing
 distributor's license shall be transferred from one county to
 another county so long as the quota is filled in the county to
 which the license is proposed to be transferred.

6 Section 34. Section 439 of the act, amended September 28,
7 1961 (P.L.1728, No.702), is amended to read:

8 Section 439. Malt or Brewed Beverage License Fees.--No 9 public service license and no license to any manufacturer, 10 distributor, importing distributor or retail dispenser shall be 11 issued under the provisions of this subdivision (B) until the 12 licensee shall have first paid an annual license fee, as 13 follows:

14 (a) In the case of a manufacturer, the license fee shall be 15 one thousand dollars (\$1,000) for each place of manufacture and shall be paid to the [board] department. The fee for all such 16 17 licenses when applied for and issued on or after April 1, but prior to July 1, shall be three-fourths of the annual fee; July 18 1, but prior to October 1, shall be one-half of the annual fee; 19 20 October 1, but prior to January 1, shall be one quarter of the 21 annual fee.

(b) In the case of a distributor, the license fee shall be four hundred dollars (\$400) and shall be paid to the [board] department.

(c) In the case of an importing distributor, the license fee shall be nine hundred dollars (\$900) and shall be paid to the [board] <u>department</u>.

28 (d) In the case of a retail dispenser, except clubs, the 29 license fee shall be graduated according to the population of 30 the municipality in which the place of business is located and 19810H0328B0337 - 73 -

shall be paid to the [board] department, as follows: 1 2 (1)Less than 10,000.....\$100 3 (2)10,000 and more, but less than 50,000.....\$150 4 (3) 50,000 and more, but less than 100,000.....\$200 5 (4) 100,000 and more, but less than 150,000.....\$250 150,000 and more.....\$300 6 (5) In the case of a club, the fee shall be twenty-five 7 (e) dollars in all cases and shall be paid to the [board] 8 9 department.

10 (f) In the case of a public service license for cars, the 11 fee shall be ten dollars per car for the maximum number of cars 12 operated on any one day on which malt or brewed beverages are 13 sold, to be paid to the [board] <u>department</u>.

14 (g) In the case of a public service license for the sale of 15 malt or brewed beverages on a boat or vessel, the fee shall be 16 fifty dollars for each such vessel or boat and shall be paid to 17 the [board] <u>department</u>.

(h) The fee for filing applications for licenses and for
renewals shall be twenty dollars (\$20) which, together with fees
for transfers, shall be paid to the [board] <u>department</u>.

(i) The license fees fixed by this section shall be paidbefore the license or renewal is issued.

23 Section 35. Section 440 of the act, amended August 17, 196524 (P.L.346, No.182), is amended to read:

25 Section 440. Sales by Manufacturers of Malt or Brewed 26 Beverages; Minimum Quantities.--No manufacturer shall sell any 27 malt or brewed beverages for consumption on the premises where 28 sold, nor sell or deliver any such malt or brewed beverages in 29 other than original containers approved as to capacity by the 30 [board] <u>department</u>, nor in quantities of less than a case of 19810H0328B0337 - 74 -

twenty-four containers, each container holding seven fluid 1 ounces or more, or a case of twelve containers, each container 2 holding twenty-four fluid ounces or more, except original 3 containers containing one hundred twenty-eight ounces or more 4 5 which may be sold separately; nor shall any manufacturer maintain or operate within the Commonwealth any place or places 6 other than the place or places covered by his or its license 7 where malt or brewed beverages are sold or where orders are 8 9 taken.

Section 36. Section 441 of the act, amended October 23, 1959
(P.L.1360, No.471) and August 17, 1965 (P.L.346, No.182), is
amended to read:

Section 441. Distributors' and Importing Distributors' Restrictions on Sales, Storage, Etc.--(a) No distributor or importing distributor shall purchase, receive or resell any malt or brewed beverages except in the original containers as prepared for the market by the manufacturer at the place of manufacture.

19 (b) No distributor or importing distributor shall sell any 20 malt or brewed beverages in quantities of less than a case of 21 twenty-four containers, each container holding seven fluid 22 ounces or more, or a case of twelve containers, each container 23 holding twenty-four fluid ounces or more, except original 24 containers containing one hundred twenty-eight ounces or more 25 which may be sold separately: Provided, That no malt or brewed 26 beverages sold or delivered shall be consumed upon the premises 27 of the distributor or importing distributor, or in any place provided for such purpose by such distributor or importing 28 distributor. 29

30 (c) No distributor or importing distributor shall maintain 19810H0328B0337 - 75 - or operate any place where sales are made other than that for
 which the license is granted.

3 (d) No distributor or importing distributor shall maintain 4 any place for the storage of malt or brewed beverages except in 5 the same municipality in which the licensed premises is located 6 and unless the same has been approved by the [board] <u>department</u>. 7 In the event there is no place of cold storage in the same 8 municipality, the [board] <u>department</u> may approve a place of cold 9 storage in the nearest municipality.

(e) No distributor or importing distributor shall purchase,
sell, resell, receive or deliver any malt or brewed beverages,
except in strict compliance with the provisions of subsection
(b) of section 431 of this act.

14 Section 37. Section 444 of the act, subsections (e), (f) and 15 (i) amended December 12, 1980 (No.221), is amended to read: 16 Section 444. Malt or Brewed Beverages Manufactured Outside 17 This Commonwealth. -- (a) In addition to compliance with all 18 other provisions of this act, the [board] department shall require each person desiring to sell any malt or brewed 19 20 beverages manufactured outside this Commonwealth to Pennsylvania 21 licensees, and shall require each Pennsylvania licensee who 22 desires to purchase and resell any such malt or brewed 23 beverages, to pay to the [board] <u>department</u> the same fees as are 24 required to be paid by Pennsylvania licensees or by persons or 25 licenses in any state, territory or country outside of Pennsylvania who desires to sell malt or brewed beverages 26 27 manufactured in Pennsylvania to licensees in such other state, territory or country of origin of such malt or brewed beverages 28 29 not manufactured in Pennsylvania, and to observe and comply with 30 the same regulations, prohibitions and restrictions as are 19810H0328B0337 - 76 -

required of or enforced against Pennsylvania licensees or
 persons who desire to purchase and resell malt or brewed
 beverages manufactured in Pennsylvania in such other state,
 territory or country of origin.

5 (b) In all cases where the [board] department shall have issued any reciprocal regulations or orders concerning malt or 6 brewed beverages manufactured in any state, territory or country 7 other than Pennsylvania, no Pennsylvania licensee shall purchase 8 9 any such malt or brewed beverages if their importation has been 10 prohibited, or if not entirely prohibited, unless such 11 regulations or orders have been observed and complied with by the Pennsylvania licensee and by the person from or through whom 12 13 the Pennsylvania licensee desires to purchase.

14 (c) Any malt or brewed beverages manufactured outside of 15 Pennsylvania which are sold, transported or possessed in 16 Pennsylvania contrary to any such regulations or orders of the 17 [board] department, or without the payment of the fees herein 18 required, shall be considered contraband and shall be 19 confiscated by the [board] department and disposed of in the 20 same manner as any other illegal liquor or malt or brewed 21 beverages.

22 Upon learning of the commission by a manufacturer of (d) malt or brewed beverages whose principal place of business is 23 24 outside this Commonwealth, or by any servant, agent, employe or 25 representative of such manufacturer, within or partly within and 26 partly outside this Commonwealth, of any violation of this act 27 or any laws of this Commonwealth relating to liquor, alcohol or 28 malt or brewed beverages, or of any regulation of the [board] 29 department adopted pursuant thereto, or of any violation of any 30 laws of this Commonwealth or of the United States of America 19810H0328B0337 - 77 -

relating to the tax payment of liquor or malt or brewed 1 2 beverages, the [board] department shall cite such manufacturer 3 to appear before it or its examiner not less than ten nor more 4 than fifteen days from the date of mailing such manufacturer at 5 his principal place of business, wherever located, by registered mail, a notice to show cause why the further importation into 6 this Commonwealth of malt or brewed beverages manufactured by 7 him should not be prohibited. 8

9 (e) Upon such hearing, whether or not an appearance was made 10 by such outside manufacturer, if satisfied that any such 11 violation has occurred, the [board] <u>department</u> is specifically empowered and directed to issue an order imposing a fine upon 12 13 such outside manufacturer of not less than five hundred dollars 14 (\$500) or more than ten thousand dollars (\$10,000), or 15 prohibiting the importation of malt or brewed beverages 16 manufactured by such outside manufacturer into this Commonwealth 17 for a period not exceeding three years, or both. Such fine or 18 prohibition shall not go into effect until twenty days have 19 elapsed from the date of notice of issuance of the board's 20 order, during which time such manufacturer may take an appeal as 21 provided for in this act. The aforesaid appeal shall act as a 22 supersedeas unless upon sufficient cause shown the court shall 23 determine otherwise.

(f) If, after hearing, the [board] department prohibits the 24 25 importation of malt or brewed beverages manufactured by such 26 outside manufacturer into this Commonwealth, notice of such 27 [board] department action shall be given immediately to such 28 manufacturer and to all persons licensed to import malt or 29 brewed beverages within this Commonwealth by mailing a copy of 30 such order to such manufacturer at its principal place of 19810H0328B0337 - 78 -

1 business, wherever located, and to such licensees at their 2 licensed premises. Thereafter, it shall be unlawful for any 3 person licensed to import malt or brewed beverages within this 4 Commonwealth to purchase any malt or brewed beverages 5 manufactured by such outside manufacturer during the term of 6 such prohibition.

7 (g) Any violation of such prohibitory order shall be a 8 misdemeanor and shall be punished in the same manner as herein 9 provided for any other violation of this act, and shall also 10 constitute grounds for revocation or suspension of a license to 11 import malt or brewed beverages.

12 (h) In all such cases, the [board] <u>department</u> shall file of 13 record at least a brief statement in the form of an opinion of 14 the reasons for the ruling or order.

(i) Any outside manufacturer aggrieved by the action of the
board may appeal to the Commonwealth Court in the same manner as
herein provided for appeals from refusals to grant licenses.
Upon appeal, the court shall in the exercise of its discretion,
sustain, reject, alter or modify the findings, conclusions and
penalties of the [board] <u>department</u>, based on the findings of
fact and conclusions of law as found by the court.

22 Section 38. Section 461 of the act, amended June 19, 1961
23 (P.L.484, No.245), September 2, 1971 (P.L.429, No.103) and
24 December 12, 1980 (No.221), is amended to read:

25 Section 461. Limiting Number of Retail Licenses To Be Issued 26 In Each Municipality.--(a) No licenses shall hereafter be 27 granted by the [board] <u>department</u> for the retail sale of malt or 28 brewed beverages or the retail sale of liquor and malt or brewed 29 beverages in excess of one of such licenses of any class for 30 each two thousand inhabitants in any municipality, exclusive of 19810H0328B0337 - 79 -

licenses granted to airport restaurants, municipal golf courses 1 and hotels, as defined in this section, and clubs; but at least 2 3 one such license may be granted in each municipality and in each 4 part of a municipality where such municipality is split so that 5 each part thereof is separated by another municipality, except in municipalities where the electors have voted against the 6 7 granting of any retail licenses and except in that part of a split municipality where the electors have voted against the 8 9 granting of any retail licenses. Nothing contained in this 10 section shall be construed as denying the right to the [board] 11 department to renew or to transfer existing retail licenses of any class notwithstanding that the number of such licensed 12 13 places in a municipality shall exceed the limitation 14 hereinbefore prescribed; but where such number exceeds the 15 limitation prescribed by this section, no new license, except 16 for hotels, municipal golf courses, and airport restaurants, as 17 defined in this section, shall be granted so long as said 18 limitation is exceeded.

(b) The [board] <u>department</u> shall have the power to increase the number of licenses in any such municipality which in the opinion of the [board] <u>department</u> is located within a resort area.

23 The word "hotel" as used in this section shall mean any (C) 24 reputable place operated by a responsible person of good 25 reputation where the public may, for a consideration, obtain 26 sleeping accommodations, and which shall have the following 27 number of bedrooms and requirements in each case--at least onehalf of the required number of bedrooms shall be regularly 28 29 available to transient guests seven days weekly, except in 30 resort areas; at least one-third of such bedrooms shall be - 80 -19810H0328B0337

1 equipped with hot and cold water, a lavatory, commode, bathtub 2 or shower and a clothes closet; and an additional one-third of 3 the total of such required rooms shall be equipped with lavatory 4 and commode:

5 (1) In municipalities having a population of less than three 6 thousand, at least twelve permanent bedrooms for the use of 7 guests.

8 (2) In municipalities having a population of three thousand 9 and more but less than ten thousand inhabitants, at least 10 sixteen permanent bedrooms for the use of guests.

11 (3) In municipalities having a population of ten thousand 12 and more but less than twenty-five thousand inhabitants, at 13 least thirty permanent bedrooms for the use of guests.

14 (4) In municipalities having a population of twenty-five 15 thousand and more but less than one hundred thousand 16 inhabitants, at least forty permanent bedrooms for the use of 17 guests.

18 (5) In municipalities having a population of one hundred
19 thousand and more inhabitants, at least fifty permanent bedrooms
20 for the use of guests.

(6) A public dining room or rooms operated by the same management accommodating at least thirty persons at one time and a kitchen, apart from the dining room or rooms, in which food is regularly prepared for the public.

25 (7) Each room to be considered a bedroom under the 26 requirements of this section shall have an area of not less than 27 eighty square feet and an outside window.

28 (8) The provisions of this subsection (c) shall not apply to 29 hotel licenses granted prior to the first day of September, one 30 thousand nine hundred forty-nine, or that have been granted on 19810H0328B0337 - 81 - any application made and pending prior to said date, nor to any
 renewal or transfer thereof, or hotels under construction or for
 which a bona fide contract had been entered into for
 construction prior to said date. In such cases, the provisions
 of section one of the act, approved the twenty-fourth day of
 June, one thousand nine hundred thirty-nine (Pamphlet Laws 806),
 shall continue to apply.

8 "Airport restaurant," as used in this section, shall (d) mean restaurant facilities at any airport for public 9 10 accommodation, which are owned or operated directly or through 11 lessees by the Commonwealth of Pennsylvania, by any municipal authority, county or city, either severally or jointly, with any 12 13 other municipal authority, county or city, but shall not include 14 any such restaurant facilities at any airport situated in a 15 municipality where by vote of the electors the retail sale of 16 liquor and malt or brewed beverages is not permitted.

17 (e) "Municipal golf course" as used in this section shall 18 mean the restaurant facilities at any municipal golf course open for public accommodation, which are owned or operated directly 19 20 or through lessees by a county, municipality or a municipal 21 authority, severally or jointly with any other county, 22 municipality or municipal authority, including any such restaurant facilities at any municipal golf course situate in a 23 municipality where by vote of the electors the retail sale of 24 25 liquor and malt and brewed beverages is not permitted. 26 Section 39. Section 461.1 of the act, added December 12,

27 1980 (No.221), is amended to read:

Section 461.1. Incorporated Units of National Veterans' Organizations.--(a) The [board] <u>department</u> shall have the authority to issue new licenses to incorporated units of 19810H0328B0337 - 82 - national veterans' organizations, as defined herein, in
 municipalities where the number of licenses exceeds the
 limitation prescribed by section 461.

4 (b) The term "national veterans' organization" shall mean 5 any veterans' organization having a national charter.

6 The term "incorporated unit of a national veterans' 7 organization" shall mean any incorporated post, branch, camp, 8 detachment, lodge or other subordinate unit of a national 9 veterans' organization having one hundred or more paid up 10 members and organized for a period of at least three years prior 11 to filing the application for a license.

12 (c) When the charter of an incorporated unit of a national 13 veterans' organization is suspended or revoked, the retail 14 license of the organization shall also be suspended or revoked. 15 The retail license of an incorporated unit of a national 16 veterans' organization is not transferable to any other 17 organization or person.

Section 40. Section 462 of the act is amended to read: Section 462. Licensed Places May Be Closed During Period of Emergency.--The [board] <u>department</u> may, with the approval of the Governor,

(a) Temporarily close all licensed places within any
municipality during any period of emergency proclaimed to be
such by the Governor.

(b) Advance by one hour the hours prescribed in this act as the hours during which liquor and malt or brewed beverages may be sold in any municipality during such part of the year when daylight saving time may be observed generally in such municipality.

30 Section 41. Section 463 of the act, amended November 17, 19810H0328B0337 - 83 - 1967 (P.L.510, No.247) March 23, 1972 (P.L.122, No.46) and
 2 December 12, 1980 (No.221), is amended to read:

3 Section 463. Places of Amusement Not To Be Licensed; 4 Penalty.--(a) No license for the sale of liquor or malt or 5 brewed beverages in any quantity shall be granted to the proprietors, lessees, keepers or managers of any theater, 6 7 circus, museum or other place of amusement, nor shall any house be licensed for the sale of liquor or malt or brewed beverages 8 9 which has passage or communication to or with any theater, 10 circus, museum or other place of amusement, and any license 11 granted contrary to this act shall be null and void. Nothing contained in this section shall be construed as denying to the 12 13 [board] department the right to grant a restaurant liquor 14 license regardless of quota restrictions to the owner or 15 operator of a restaurant in a building on a plot of ground owned 16 or possessed under lease by a corporation incorporated under the 17 laws of this Commonwealth and used principally by such 18 corporation for holding outdoor sport events wherein such events 19 are held under a license issued as provided by law to such 20 corporation by a department, board or commission of the 21 Commonwealth of Pennsylvania. The restaurant liquor license 22 aforementioned shall be subject to all the conditions and restrictions herein applicable to restaurant liquor licenses, 23 24 except the above prohibition against any passageway or 25 communication between such licensed premises and the place of 26 amusement.

27 Nothing contained in this act shall be construed as denying 28 to the [board] <u>department</u> the right to grant a new restaurant 29 liquor license, regardless of quota restrictions, at any time, 30 to the owner or operator of a restaurant in a building or plot 19810H0328B0337 - 84 - of ground having a seating capacity in excess of twenty-five
 thousand, used principally for holding automobile races.

3 (a.1) Nothing contained in subsection (a) of this section or 4 in section 102 of this act shall be construed as denying to the 5 [board] department the right to grant a club or restaurant liquor or malt and brewed beverage license to a club 6 7 incorporated in this Commonwealth which has been in existence less than one year prior to making application under this 8 section or to a restaurant either of which has a clubhouse or 9 10 restaurant located in a stadium or arena having an available 11 seating capacity of twelve thousand or more and owned and 12 operated by or pursuant to an agreement with any city of the 13 first class or created and operated under and in compliance with 14 the act of July 29, 1953 (P.L.1034, No.270), known as the 15 "Public Auditorium Authorities Law," and used principally for 16 events at which athletes compete or other types of performers 17 entertain. The club or restaurant liquor or malt and brewed 18 beverage license aforementioned shall be subject to all the 19 conditions and restrictions applicable to such licenses and 20 licenses for places of amusement, except the above prohibition 21 against any passageway or communication between such licensed 22 premises and the place of amusement.

23 (a.2) Nothing contained in this act shall be construed to 24 prevent the holder of restaurant liquor or malt and brewed 25 beverage license from selling liquor and malt or brewed 26 beverages in a bowling alley when no minors are present where 27 the restaurant and bowling alley are immediately adjacent and 28 under the same roof. The restaurant liquor or malt and brewed 29 beverage licensee aforementioned shall be subject to all the 30 conditions and restrictions applicable to such restaurant 19810H0328B0337 - 85 -

licenses except the above prohibition against any passageway or
 communication between a licensed premise and a place of
 amusement.

4 (b) Any proprietor, lessee, keeper or manager of any
5 theater, circus, museum or other place of amusement, or any
6 other person who shall violate the provisions of this section,
7 shall be guilty of a misdemeanor and, upon conviction thereof,
8 shall be sentenced to pay a fine of one hundred dollars and to
9 undergo an imprisonment of not less than thirty days.

Section 42. Sections 464, 465 and 466 of the act are amended to read:

Section 464. Hearings Upon Refusal of Licenses, Renewals or 12 13 Transfers; Appeals. -- The [board] department may of its own 14 motion, and shall upon the written request of any applicant for 15 club, hotel or restaurant liquor license, or any applicant for 16 any malt or brewed beverage license other than a public service 17 license, or for renewal or transfer thereof, whose application 18 for such license, renewal or transfer has been refused, fix a time and place for hearing of such application for license or 19 20 for renewal or transfer thereof, notice of which hearing shall 21 be mailed to the applicant at the address given in his 22 application. Such hearing shall be before the [board] 23 department, a member thereof, or an examiner designated by the 24 [board] <u>department</u>. At such hearing, the [board] <u>department</u> 25 shall present its reasons for its refusal or withholding of 26 license, renewal or transfer thereof. The applicant may appear in person or by counsel, may cross-examine the witnesses for the 27 28 [board] department and may present evidence which shall likewise 29 be subject to cross-examination by the [board] department. Such 30 hearing shall be stenographically recorded. The examiner shall 19810H0328B0337 - 86 -

thereafter report to the [board] <u>department</u> upon such hearing. 1 2 The [board] department shall thereupon grant or refuse the 3 license, renewal or transfer thereof. In considering the renewal 4 of a license, the [board] department shall not refuse any such 5 renewal on the basis of the propriety of the original issuance or any prior renewal of such license. If the [board] department 6 shall refuse such license, renewal or transfer following such 7 hearing, notice in writing of such refusal shall be mailed to 8 9 the applicant at the address given in his application. In all 10 such cases, the [board] department shall file of record at least 11 a brief statement in the form of an opinion of the reasons for the ruling or order and furnish a copy thereof to the applicant. 12 13 Any applicant who has appeared before the [board] department or 14 any agent thereof at any hearing, as above provided, who is 15 aggrieved by the refusal of the [board] <u>department</u> to issue any 16 such license or to renew or transfer any such license may appeal, or any church, hospital, charitable institution, school 17 18 or public playground located within three hundred feet of the premises applied for, aggrieved by the action of the [board] 19 20 department in granting the issuance of any such license or the 21 transfer of any such license, may take an appeal limited to the 22 question of such grievance, within twenty days from date of refusal or grant, to the court of [quarter sessions] common 23 24 pleas of the county in which the premises applied for is located 25 or the county court of Allegheny County. Such appeal shall be 26 upon petition of the aggrieved party, who shall serve a copy 27 thereof upon the [board] department, whereupon a hearing shall be held upon the petition by the court upon ten days' notice to 28 the [board] department, which shall be represented in the 29 30 proceeding by the Department of Justice. The said appeal shall 19810H0328B0337 - 87 -

act as a supersedeas unless upon sufficient cause shown the 1 court shall determine otherwise. The court shall hear the 2 3 application de novo on questions of fact, administrative 4 discretion and such other matters as are involved, at such time 5 as it shall fix, of which notice shall be given to the [board] department. The court shall either sustain or over-rule the 6 7 action of the [board] department and either order or deny the issuance of a new license or the renewal or transfer of the 8 9 license to the applicant.

10 The jurisdiction of the county court of Allegheny County 11 conferred hereby shall be exclusive within the territorial 12 limits of its jurisdiction.

Section 465. All Licensees to Furnish Bond.--(a) No license shall be issued to any applicant under the provisions of this article until such applicant has filed with the [board] <u>department</u> an approved bond and a warrant of attorney to confess judgment payable to the Commonwealth of Pennsylvania in the amount hereinafter prescribed.

(b) Bonds of all such applicants shall have as surety a 19 20 surety company authorized to do business in this Commonwealth, or shall have deposited therewith, as collateral security, cash 21 22 or negotiable obligations of the United States of America or the 23 Commonwealth of Pennsylvania in the same amount as herein 24 provided for the penal sum of bonds. In all cases where cash or 25 securities in lieu of other surety have been deposited with the 26 [board] department, the depositor shall be permitted to continue 27 the same deposit from year to year on each renewal of license, 28 but in no event shall he be permitted to withdraw his deposit during the time he holds said license, or until six months after 29 30 the expiration of the license held by him, or while revocation 19810H0328B0337 - 88 -

proceedings are pending against such license. All cash or securities received by the [board] <u>department</u> in lieu of other surety shall be turned over by the [board] <u>department</u> to the State Treasurer and held by him. The State Treasurer shall repay or return money or securities deposited with him to the respective depositors only on the order of the [board] <u>department</u>.

8 (c) No such bond shall be accepted until approved by the 9 [board] <u>department</u>. All such bonds shall be conditioned for the 10 faithful observance of all the laws of this Commonwealth 11 relating to liquor, alcohol and malt or brewed beverages and the 12 regulations of the [board] <u>department</u>. All bonds shall be 13 retained by the [board] <u>department</u>.

14 (d) The penal sum of the respective bonds filed under the 15 provisions of this section shall be as follows:

16 (1) Manufacturers of malt or brewed beverages, ten thousand 17 dollars (\$10,000.00) for each place at which the licensee is 18 authorized to manufacture.

19 (2) Liquor importers, ten thousand dollars (\$10,000.00) for20 each license.

(3) Sacramental wine licensees, ten thousand dollars(\$10,000.00).

(4) Importing distributors of malt or brewed beverages, twothousand dollars (\$2,000.00).

(5) Hotel, restaurant, club and public service liquor licensees, two thousand dollars (\$2,000.00), but in the case of a railroad or pullman company, such penal sum shall cover every dining, club or buffet car of such company operated under such license.

30 (6) Distributors of malt or brewed beverages, one thousand 19810H0328B0337 - 89 - 1 dollars (\$1,000.00).

(7) Retail dispensers and public service malt or brewed
beverage licensees, one thousand dollars (\$1,000.00) for each
place at which the licensee is authorized to sell malt or brewed
beverages, except that in the case of railroad or pullman
companies, said penal sum shall be one thousand dollars
(\$1,000.00), irrespective of the number of licensed cars
operated by the company.

9 (e) Every such bond may be forfeited when a license is 10 revoked and shall be turned over to the Attorney General for 11 collection if and when the licensee's license shall have been revoked and his bond forfeited as provided in this act. 12 13 Section 466. Disposition of Cash and Securities Upon Forfeiture of Bond.--After notice from the [board] department 14 15 that any of the aforesaid bonds have been forfeited, the State 16 Treasurer shall immediately pay into the State Stores Fund all 17 cash deposited as collateral with such bond, and when securities 18 have been deposited with such bond, the State Treasurer shall sell, at private sale, at not less than the prevailing market 19 20 price, any such securities so deposited as collateral with such forfeited bond. The State Treasurer shall thereafter deposit in 21 22 the State Stores Fund the net amount realized from the sale of 23 such securities, except that if the amount so realized, after 24 deducting proper costs and expenses, is in excess of the penal 25 amount of the bond, such excess shall be paid over by him to the 26 obligor on such forfeited bond.

27 Section 43. Section 468 of the act, amended June 17, 1971
28 (P.L.166, No.13) and November 26, 1978 (P.L.1389, No.326), is
29 amended to read:

30 Section 468. Licenses Not Assignable; Transfers.--(a) 19810H0328B0337 - 90 -

Licenses issued under this article may not be assigned. The 1 [board] department, upon payment of the transfer filing fee and 2 3 the execution of a new bond, is hereby authorized to transfer 4 any license issued by it under the provisions of this article 5 from one person to another or from one place to another, or both, within the same municipality, as the [board] department 6 may determine. The [board] <u>department</u>, in its discretion, may 7 transfer an existing restaurant retail dispenser or club license 8 9 from one municipality to another in the same county regardless 10 of the quota limitations provided for in this act, if sales of 11 liquor or malt and brewed beverages are legal in such other 12 municipality and if the restaurant retail dispenser or club lost 13 the use of the building in which it was located due to 14 governmental exercise of the right of eminent domain and no 15 other suitable building can be found in the first municipality. 16 In the case of distributor and importing distributor licenses, 17 the [board] department may transfer any such license from its 18 place in a municipality to a place in any other municipality within the same county, or from one place to another place 19 20 within the same municipality, or exchange a distributor license 21 for an importing distributor license or an importing distributor 22 license for a distributor license, if the building for which the license is to be issued has, in the case of an importing 23 24 distributor license, an area under one roof of two thousand five 25 hundred square feet and, in the case of a distributor license, 26 an area under one roof of one thousand square feet: And 27 provided, That, in the case of all transfers of distributor or 28 importing distributor licenses, whether from a place within the 29 same municipality to another place within the same municipality 30 or from a place in a municipality to a place in any other 19810H0328B0337 - 91 -

municipality within the same county, and, in the case of an 1 exchange of a distributor license for an importing distributor 2 3 license or an importing distributor license for a distributor 4 license, the premises to be affected by the transfer or exchange 5 shall contain an office separate and apart from the remainder of the premises to be licensed for the purpose of keeping records, 6 required by the [board] <u>department</u>, adequate toilet facilities 7 for employes of the licensee and an entrance on a public 8 9 thoroughfare: Provided, however, That in the event that the 10 majority of the voting electors of a municipality, at an 11 election held under the provisions of any law so empowering them to do, shall vote against the issuance of distributor or 12 13 importing distributor licenses in such municipality, the [board] 14 department is hereby authorized to transfer any such distributor 15 or importing distributor license from its place in such 16 municipality to a place in any other municipality within the 17 same county, upon application prior to the expiration of any 18 such license and upon payment of the transfer filing fee and the 19 execution of a new bond; but no transfer shall be made to a 20 person who would not have been eligible to receive the license 21 originally nor for the transaction of business at a 22 place for which the license could not lawfully have been issued 23 originally, nor, except as herein provided, to a place as to which a license has been revoked. No license shall be 24 25 transferred to any place or property upon which is located as a 26 business the sale of liquid fuels and oil. Except in cases of 27 emergency such as death, serious illness, or circumstances 28 beyond the control of the licensee, as the [board] department 29 may determine such circumstances to justify its action, 30 transfers of licenses may be made only at times fixed by the 19810H0328B0337 - 92 -

[board] <u>department</u>. In the case of the death of a licensee, the [board] <u>department</u> may transfer the license to the surviving spouse or personal representative or to a person designated by him. From any refusal to grant a transfer or upon the grant of any transfer, the party aggrieved shall have the right of appeal to the proper court in the manner hereinbefore provided.

7 (b.1) In the event that any person to whom a license shall have been issued under the provisions of this article shall 8 9 become insolvent, make an assignment for the benefit of 10 creditors, become bankrupt by either voluntary or involuntary action, the license of such person shall be immediately placed 11 in safekeeping with the [board] department for the balance of 12 the term of the license and for an additional period of one year 13 14 upon application to the [board] <u>department</u> by the trustee, receiver, or assignee. The trustee, receiver, or assignee shall 15 16 have, during said period of safekeeping, the same rights, 17 benefits and obligations as to the license as the person to whom 18 the license had been issued, including the right to transfer the license subject to the approval of the [board] department. The 19 20 license shall continue as a personal privilege granted by the 21 [board] department and nothing herein shall constitute the 22 license as property.

23 Section 44. Section 469 of the act, amended September 28,
24 1961 (P.L.1728, No.702), is amended to read:

Section 469. Applications for Transfers; Fees.--Every applicant for a transfer of a license under the provisions of this article shall file a written application with the [board] <u>department</u>, together with a filing fee of thirty dollars (\$30) if the license to be transferred is a liquor license, and twenty dollars (\$20) if the license is a malt or brewed beverage 19810H0328B0337 - 93 - license. Such application shall be in such form and shall be
 filed at such times as the [board] <u>department</u> shall in its
 regulations prescribe. Each such applicant shall also file an
 approved bond as required on original applications for such
 licenses.

6 Whenever any license is transferred, no license or other fees 7 shall be required from the persons to whom such transfer is made 8 for the balance of the then current license year, except the 9 filing fee as herein provided.

10 Section 45. Section 470 of the act, amended August 1, 1969
11 (P.L.219, No.87), is amended to read:

12 Section 470. Renewal of Licenses; Temporary Provisions for 13 Licensees in Armed Service.--(a) All applications for renewal 14 of licenses under the provisions of this article shall be filed 15 with a new bond, requisite license and filing fees at least 16 sixty days before the expiration date of same: Provided, 17 however, That the [board] <u>department</u>, in its discretion, may 18 accept a renewal application filed less than sixty days before the expiration date of the license with the required bond and 19 20 fees, upon reasonable cause shown and the payment of an 21 additional filing fee of one hundred dollars (\$100.00) for late 22 filing: And provided further, That except where the failure to 23 file a renewal application or before the expiration date has 24 created a license quota vacancy after said expiration date which 25 has been filled by the issuance of a new license, after such 26 expiration date, but before the [board] department has received 27 a renewal application within the time prescribed herein the 28 [board] <u>department</u>, in its discretion, may, after hearing, 29 accept a renewal application filed within ten months after the 30 expiration date of the license with the required bond and fees 19810H0328B0337 - 94 -

upon the payment of an additional filing fee of two hundred 1 fifty dollars (\$250.00) for late filing. Where any such renewal 2 3 application is filed less than sixty days before the expiration 4 date, or subsequent to the expiration date, no license shall 5 issue upon the filing of the renewal application until the matter is finally determined by the [board] department and if an 6 7 appeal is taken from the [board's] department's action the courts shall not order the issuance of the renewal license until 8 final determination of the matter by the courts. A renewal 9 10 application will not be considered filed unless accompanied by a 11 new bond and the requisite filing and license fees and any additional filing fee required by this section. Unless the 12 13 [board] department shall have given ten days' previous notice to 14 the applicant of objections to the renewal of his license, based 15 upon violation by the licensee or his servants, agents or 16 employes of any of the laws of the Commonwealth or regulations 17 of the [board] department relating to the manufacture, 18 transportation, use, storage, importation, possession or sale of 19 liquors, alcohol or malt or brewed beverages, or the conduct of 20 a licensed establishment, or unless the applicant has by his own 21 act become a person of ill repute, or unless the premises do not 22 meet the requirements of this act or the regulations of the 23 [board] department, the license of a licensee shall be renewed. 24 In cases where a licensee or his servants, agents or (b) 25 employes are arrested, charged with violating any of the laws of 26 this Commonwealth relating to liquor, alcohol or malt or brewed 27 beverages, and where the [board] department has on file in such 28 cases reports of its enforcement officers or investigators or from other sources that a licensee or his servants, agents or 29 30 employes have violated any of the aforementioned laws and a - 95 -19810H0328B0337

proceeding to revoke such licensee's license is or is about to 1 2 be instituted, and such arrest occurs or report of violations is 3 received or revocation proceeding instituted or about to be 4 instituted during the time a renewal application of such license 5 is pending before the [board] department, the [board] department may, in its discretion, renew the license, notwithstanding such 6 alleged violations, but such renewal license may be revoked if 7 and when the licensee or any of his servants, agents or employes 8 are convicted of or plead guilty to violations under the 9 10 previous license, as aforesaid, or if and when such previous 11 license is for any reason revoked.

12 In the event such renewal license is revoked by the [board] 13 <u>department</u>, neither the license fee paid for such license nor 14 any part thereof shall be returned to the licensee, but the 15 license bond filed with the application for such renewal of 16 license shall not be forfeited.

17 (c) Notwithstanding anything to the contrary in this 18 section, any individual who holds a restaurant or hotel liquor 19 license or a retail dispenser (hotel or eating place) malt or 20 brewed beverage license in effect at the time such individual 21 enters the armed forces of the United States of America, may 22 surrender to the [board] department for safekeeping the said license and, if surrendered, shall furnish the [board] 23 24 department with documentary evidence as to his entering such 25 armed forces. Upon surrender of the license, the [board] 26 department shall, without the filing of an application for 27 renewal or surety bond, the payment of filing and license fees, renew the said license from year to year and hold the same in 28 its possession for the benefit of such licensee. A license so 29 30 renewed by the [board] department shall to all intents and 19810H0328B0337 - 96 -

1 purposes be considered as in full force and effect,

2 notwithstanding the licensee is not exercising the privileges 3 thereunder, and shall be returned to the said licensee at any 4 time within one year from the date of his honorable discharge 5 from the armed forces of the United States upon the filing of an application therefor, surety bond, and payment of the filing and 6 license fees as hereinafter provided. The said application for 7 return of license shall be on a form prescribed by the [board] 8 department, accompanied by a filing fee in the sum of ten 9 10 dollars (\$10.00) and the prescribed license fee, except that 11 when such application is filed after a portion of the then current license term has elapsed, the license fee shall be 12 13 prorated on a monthly basis for the balance of the license year: 14 Provided, however, That the said license shall not be returned 15 if the electors of the municipality in which the licensed 16 establishment is situate have voted against the granting of 17 retail liquor licenses or against the granting of retail 18 dispenser licenses, as the case may be, under the local option 19 provision of this act. In the event the premises originally 20 covered by the license are not available for occupancy by the 21 licensee at the time he files his application for return of 22 license, as hereinbefore provided, he shall be permitted to file an application for transfer of the license to other premises in 23 the same municipality. Such transfer of the license shall be 24 25 subject to all of the provisions of this act pertaining to the 26 transfer of such licenses.

This subsection (c) was enacted due to conditions caused by the present war and shall remain in effect only until the termination of said war and one year thereafter.

 30
 Section 46.
 Section 471 of the act, amended January 13, 1966

 19810H0328B0337
 - 97

1 (1965 P.L.1301, No.518), is amended to read:

Section 471. Revocation and Suspension of Licenses; Fines .--2 3 Upon learning of any violation of this act or any laws of this 4 Commonwealth relating to liquor, alcohol or malt or brewed 5 beverages, or of any regulations of the [board] department adopted pursuant to such laws, of any violation of any laws of 6 this Commonwealth or of the United States of America relating to 7 the tax-payment of liquor or malt or brewed beverages by any 8 licensee within the scope of this article, his officers, 9 10 servants, agents or employes, or upon any other sufficient cause 11 shown, the [board] department may, within one year from the date of such violation or cause appearing, cite such licensee to 12 13 appear before it or its examiner, not less than ten nor more 14 than sixty days from the date of sending such licensee, by 15 registered mail, a notice addressed to him at his licensed 16 premises, to show cause why such license should not be suspended 17 or revoked or a fine imposed. Hearings on such citations shall 18 be held in the same manner as provided herein for hearings on 19 applications for license. Upon such hearing, if satisfied that 20 any such violation has occurred or for other sufficient cause, 21 the [board] department shall immediately suspend or revoke the 22 license, or impose a fine of not less than fifty dollars (\$50) 23 nor more than one thousand dollars (\$1,000), notifying the 24 licensee by registered letter addressed to his licensed 25 premises. In the event the fine is not paid within twenty days 26 of the order the [board] department shall suspend or revoke the 27 license, notifying the licensee by registered mail addressed to 28 his licensed premises. Suspensions and revocations shall not go 29 into effect until twenty days have elapsed from the date of notice of issuance of the [board's] <u>department's</u> order, during 30 19810H0328B0337 - 98 -

which time the licensee may take an appeal as provided for in 1 this act. When a license is revoked, the licensee's bond may be 2 3 forfeited by the [board] department. Any licensee whose license 4 is revoked shall be ineligible to have a license under this act 5 until the expiration of three years from the date such license was revoked. In the event the [board] department shall revoke a 6 7 license, no license shall be granted for the premises or 8 transferred to the premises in which the said license was 9 conducted for a period of at least one year after the date of 10 the revocation of the license conducted in the said premises, 11 except in cases where the licensee or a member of his immediate 12 family is not the owner of the premises, in which case the 13 [board] department may, in its discretion, issue or transfer a 14 license within the said year. In all such cases, the [board] 15 department shall file of record at least a brief statement in 16 the form of an opinion of the reasons for the ruling or order. 17 In the event the person who was fined or whose license was 18 suspended or revoked by the [board] department shall feel 19 aggrieved by the action of the [board] department, he shall have 20 the right to appeal to the court of [quarter sessions] <u>common</u> 21 pleas or the county court of Allegheny County in the same manner 22 as herein provided for appeals from refusals to grant licenses. 23 Upon appeal, the court so appealed to shall, in the exercise of 24 its discretion, sustain, reject, alter or modify the findings, 25 conclusions and penalties of the [board] department, based on 26 the findings of fact and conclusions of law as found by the 27 court. The aforesaid appeal shall act as a supersedeas unless 28 upon sufficient cause shown the court shall determine otherwise. 29 No penalty provided by this section shall be imposed by the 30 [board] department or any court for any violations provided for - 99 -19810H0328B0337

in this act unless the enforcement officer or the [board] 1 department notifies the licensee of its nature and of the date 2 3 of the alleged violation within ten days of the completion of 4 the investigation which in no event shall exceed ninety days. 5 If the violation in question is a third or subsequent violation of this act or [the act of June 24, 1939 (P.L.872), 6 known as "The Penal Code,"] Title 18 (Crimes and Offenses) of 7 the Pennsylvania Consolidated Statutes occurring within a period 8 9 of four years the [board] <u>department</u> shall impose a suspension 10 or revocation.

11 The jurisdiction of the county court of Allegheny County 12 conferred hereby shall be exclusive within the territorial 13 limits of its jurisdiction.

14 Section 47. Section 472 of the act, amended July 11, 1980 15 (No.117), is amended to read:

16 Section 472. Local Option. -- In any municipality or any part of a municipality where such municipality is split so that each 17 18 part thereof is separated by another municipality, an election may be held on the date of the primary election immediately 19 preceding any municipal election, but not oftener than once in 20 21 four years, to determine the will of the electors with respect 22 to the granting of liquor licenses to hotels, restaurants and 23 clubs, not oftener than once in four years, with respect to the 24 granting of licenses to retail dispensers of malt and brewed 25 beverages, not oftener than once in four years with respect to 26 granting of licenses to wholesale distributors and importing 27 distributors, or not more than once in four years with respect to the establishment, operation and maintenance by the board of 28 Pennsylvania liquor stores, within the limits of such 29 30 municipality or part of a split municipality, under the 19810H0328B0337 - 100 -

provisions of this act: Provided, however, Where an election 1 shall have been held at the primary preceding a municipal 2 3 election in any year, another election may be held under the 4 provisions of this act at the primary occurring the fourth year 5 after such prior election: And provided further, That an election on the question of establishing and operating a State 6 liquor store shall be initiated only in those municipalities, or 7 that part of a split municipality that shall have voted against 8 9 the granting of liquor licenses; and that an election on the 10 question of granting wholesale distributor and importing 11 distributor licenses shall be initiated only in those municipalities or parts of split municipalities that shall have 12 13 at a previous election voted against the granting of dispenser's 14 licenses. Whenever electors equal to at least twenty-five per 15 centum of the highest vote cast for any office in the 16 municipality or part of a split municipality at the last preceding general election shall file a petition with the county 17 18 board of elections of the county for a referendum on the 19 question of granting any of said classes of licenses or the 20 establishment of Pennsylvania liquor stores, the said county 21 board of elections shall cause a question to be placed on the 22 ballots or on the voting machine board and submitted at the primary immediately preceding the municipal election. Separate 23 24 petitions must be filed for each question to be voted on. Said 25 proceedings shall be in the manner and subject to the provisions 26 of the election laws which relate to the signing, filing and 27 adjudication of nomination petitions, insofar as such provisions 28 are applicable.

When the question is in respect to the granting of liquor licenses, it shall be in the following form:

19810H0328B0337

- 101 -

1 Do you favor the granting of liquor licenses 2 for the sale of liquor in..... Yes 3 of....? No 4 When the question is in respect to the granting of licenses 5 to retail dispensers of malt and brewed beverages, it shall be 6 in the following form: Do you favor the granting of malt and brewed 7 8 beverage retail dispenser licenses for 9 consumption on premises where sold in the..... Yes 10 of....? NΟ 11 When the question is in respect to the granting of licenses 12 to wholesale distributors of malt or brewed beverages and 13 importing distributors, it shall be in the following form: Do you favor the granting of malt and brewed 14 15 beverage wholesale distributor's and importing 16 distributor's licenses not for consumption on 17 premises where sold in the..... Yes 18 of....? No 19 When the question is in respect to the establishment, 20 operation and maintenance of Pennsylvania liquor stores it shall be in the following form: 21 22 Do you favor the establishment, operation 23 and maintenance of Pennsylvania liquor 24 stores in the..... Yes 25 of....? No 26 In case of a tie vote, the status quo shall obtain. If a 27 majority of the voting electors on any such question vote "yes," 28 then liquor licenses shall be granted by the [board] department to hotels, restaurants and clubs, or malt and brewed beverage 29 30 retail dispenser licenses or wholesale distributor's and 19810H0328B0337 - 102 -

importing distributor's license for the sale of malt or brewed 1 2 beverages shall be granted by the [board] department, or the 3 [board] department may establish, operate and maintain 4 Pennsylvania liquor stores, as the case may be, in such 5 municipality or part of a split municipality, as provided by this act; but if a majority of the electors voting on any such 6 7 question vote "no," then the [board] department shall have no 8 power to grant or to renew upon their expiration any licenses of 9 the class so voted upon in such municipality or part of a split 10 municipality; or if the negative vote is on the question in 11 respect to the establishment, operation and maintenance of Pennsylvania liquor stores, the [board] department shall not 12 13 open and operate a Pennsylvania liquor store in such 14 municipality or part of a split municipality, nor continue to 15 operate a then existing Pennsylvania liquor store in the 16 municipality or part of a split municipality for more than two 17 years thereafter or after the expiration of the term of the 18 lease on the premises occupied by such store, whichever period 19 is less, unless and until at a later election a majority of the voting electors vote "yes" on such question. 20

21 Section 48. Section 472.1 of the act, added September 15, 22 1961 (P.L.1337, No.590), is amended to read:

23 Section 472.1. Clubs. -- Whenever any club in existence at 24 least five years prior to the time of application for license 25 owns a contiguous plot of land in more than two municipalities 26 in one or more but less than all of which the granting of liquor 27 licenses has not been prohibited and at least one acre of the 28 plot of land owned by the club is situated in each municipality 29 in which the granting of liquor licenses has not been 30 prohibited, the club may be issued a club liquor license or a 19810H0328B0337 - 103 -

catering license by the [board] <u>department</u> if the [board]
 <u>department</u> finds that the license will not be detrimental to any
 residential neighborhood. This section shall not be construed to
 prohibit the issuance of club liquor licenses or catering
 licenses which may otherwise be issued under the provisions of
 this act.

7 Section 49. Section 472.2 of the act, added November 18,
8 1969 (P.L.296, No.124), is amended to read:

9 Section 472.2. Granting of Liquor Licenses in Certain 10 Municipalities.--(a) In any municipality which has, prior to 11 January 1, 1967, by referendum approved the granting of malt and brewed beverage retail dispensers' licenses and has also 12 13 thereafter, in a separate and subsequent referendum approved the 14 granting of liquor licenses prior to the effective date of this 15 amendment, the [board] department may issue to an applicant 16 holding a malt and brewed beverage retail dispenser's license, a 17 liquor license: Provided, That the applicant surrenders for 18 cancellation the malt and brewed beverage retail dispenser's 19 license. The [board] <u>department</u> shall not issue such a liquor 20 license in excess of one for each one thousand five hundred 21 residents in said municipality and any application for said 22 license shall be filed within two years from the effective date 23 of this amendment.

Nothing in this section shall otherwise affect any 24 (b) 25 existing malt and brewed beverage retail dispenser's license. 26 (c) The [board] <u>department</u> may not accept, act upon, or 27 grant an application for a liquor license under this section, when such application, if granted, would cause an excess in the 28 29 aforesaid quota of one liquor license for each one thousand five 30 hundred residents in said municipality. Nor shall an applicant 19810H0328B0337 - 104 -

under this section be required to surrender his malt and brewed
 beverage retail dispenser's license until and unless the [board]
 <u>department</u> has granted his application for a liquor license.
 Section 50. Section 472.3 of the act, added July 3, 1980
 (No.88), is amended to read:

6 Section 472.3. Exchange of Certain Licenses.--(a) In any 7 municipality wherein restaurant liquor license issue, the 8 [board] <u>department</u> may issue to a club as defined in this act, a 9 club liquor license in exchange for a club retail dispenser 10 license.

(b) An applicant under this section shall surrender his club retail dispenser license for cancellation prior to the issuance of the new club liquor license.

14 (c) The applicant for such exchange of license shall file an 15 application for a club liquor license and shall post a notice of 16 such application in the manner provided in section 403. In 17 determining whether the exchange shall be granted the [board] 18 <u>department</u> shall have the same discretion as provided in section 19 404 in the case of any new license.

20 (d) The provisions of section 461 pertaining to quota shall21 not pertain to this section for exchange purposes.

22 Section 51. Section 473 of the act, added January 13, 196623 (1965 P.L.1301, No.518), is amended to read:

24 Section 473. Public Record. -- (a) Any person having a 25 pecuniary interest in the conduct of business on licensed 26 premises whether that interest is direct or indirect, legal or 27 equitable, individual, corporate, or mutual shall file his name 28 and address with the [board] department on forms provided by the 29 [board] department. In the case of corporate ownership, the 30 secretary of the corporation shall file with the [board] 19810H0328B0337 - 105 -

<u>department</u> the names and addresses of all persons having such a
 corporate pecuniary interest.

3 (b) The names and addresses required by this section shall 4 be recorded by the [board] <u>department</u> and made available to the 5 public as a public record.

6 Section 52. Section 474 of the act, added July 20, 19687 (P.L.429, No.201), is amended to read:

8 Section 474. Surrender of Club Licenses for Benefit of 9 Licensees. -- Whenever a club license has been returned to the 10 [board] department for the benefit of the licensee due to the 11 licensed establishment not having been in operation for any 12 reason whatsoever for a period of time not exceeding fifteen 13 days, the license shall be held by the [board] department for 14 the benefit of the licensee for a period of time not exceeding 15 one year, or, upon proper application to the [board] department, 16 for an additional year, and the license shall be revoked at the termination of the period, and transfer of the license shall not 17 18 be permitted after the termination of the period.

Section 53. Section 491 of the act, amended July 18, 1961
(P.L.789, No.347), May 5, 1970 (P.L.342, No.110), October 11,
1972 (P.L.906, No.215), October 2, 1974 (P.L.665, No.220),
October 10, 1974 (P.L.692, No.231) and December 12, 1980

23 (No.221), is amended to read:

24 Section 491. Unlawful Acts Relative to Liquor, Alcohol and 25 Liquor Licensees.--

26 It shall be unlawful--

(1) Sales of Liquor. For any person, by himself or by an employe or agent, to expose or keep for sale, or directly or indirectly, or upon any pretense or upon any device, to sell or offer to sell any liquor within this Commonwealth, except in 19810H0328B0337 - 106 -

accordance with the provisions of this act and the regulations 1 of the [board] department. This clause shall not be construed to 2 3 prohibit hospitals, physicians, dentists or veterinarians who 4 are licensed and registered under the laws of this Commonwealth 5 from administering liquor in the regular course of their professional work and taking into account the cost of the liquor 6 7 so administered in making charges for their professional service, or a pharmacist duly licensed and registered under the 8 laws of this Commonwealth from dispensing liquor on a 9 10 prescription of a duly licensed physician, dentist or 11 veterinarian, or selling medical preparations containing alcohol, or using liquor in compounding prescriptions or 12 13 medicines and making a charge for the liquor used in such 14 medicines, or a manufacturing pharmacist or chemist from using 15 liquor in manufacturing preparations unfit for beverage purposes and making a charge for the liquor so used. All such liquor so 16 17 administered or sold by hospitals, physicians, dentists, 18 veterinarians, pharmacists or chemists shall conform to the 19 Pharmacopoeia of the United States, the National Formulary, or 20 the American Homeopathic Pharmacopoeia.

21 (2) Possession or Transportation of Liquor or Alcohol. For 22 any person, except a manufacturer or the [board] department or the holder of a sacramental wine license or of an importer's 23 24 license, to possess or transport any liquor or alcohol within 25 this Commonwealth which was not lawfully acquired prior to 26 January first, one thousand nine hundred and thirty-four, or has 27 not been purchased from a Pennsylvania Liquor Store or a 28 licensed limited winery in Pennsylvania, except miniatures 29 totalling less than one gallon purchased by a collector of the 30 same in another state or foreign country, or in accordance with 19810H0328B0337 - 107 -

the [board's] <u>department's</u> regulations. The burden shall be upon 1 the person possessing or transporting such liquor or alcohol to 2 3 prove that it was so acquired. But nothing herein contained 4 shall prohibit the manufacture or possession of wine by any 5 person in his home for consumption of himself, his family and guests and not for sale, not exceeding, during any one calendar 6 year, two hundred gallons, any other law to the contrary 7 notwithstanding. Such wine shall not be manufactured, possessed, 8 offered for sale or sold on any licensed premises. 9

10 None of the provisions herein contained shall prohibit nor 11 shall it be unlawful for any person to import into Pennsylvania, transport or have in his possession, an amount of liquor not 12 13 exceeding one gallon in volume upon which a State tax has not 14 been paid, if it can be shown to the satisfaction of the [board] 15 department that such person purchased the liquor in a foreign 16 country or United States territory and was allowed to bring it 17 into the United States. Neither shall the provisions contained 18 herein prohibit nor make it unlawful for (i) any member of the armed forces on active duty, or (ii) any retired member of the 19 20 armed forces, or (iii) any totally disabled veteran, or (iv) the 21 spouse of any person included in the foregoing classes of 22 persons to import into Pennsylvania, transport or have in his possession an amount of liquor not exceeding one gallon per 23 24 month in volume upon which the State tax has not been paid, so 25 long as such liquor has been lawfully purchased from a package 26 store established and maintained under the authority of the United States and is in containers identified in accordance with 27 regulations issued by the Department of Defense. Such liquor 28 29 shall not be possessed, offered for sale or sold on any licensed 30 premises.

19810H0328B0337

- 108 -

1 None of the provisions herein contained shall prohibit nor shall it be unlawful for any consul general, consul or other 2 3 diplomatic officer of a foreign government to import into 4 Pennsylvania, transport or have in his possession liquor upon 5 which a State tax has not been paid, if it can be shown to the satisfaction of the [board] department that such person acquired 6 7 the liquor in a foreign country and was allowed to bring it into 8 the United States. Such liquor shall not be possessed, offered for sale or sold on any licensed premises. 9

10 Any person violating the provisions of this clause for a 11 first offense involving the possession or transportation in Pennsylvania of any liquor in a package (bottle or other 12 13 receptacle) or wine not purchased from a Pennsylvania Liquor 14 Store or from a licensed limited winery in Pennsylvania, with 15 respect to which satisfactory proof is produced that the 16 required Federal tax has been paid and which was purchased, 17 procured or acquired legally outside of Pennsylvania shall upon 18 conviction thereof in a summary proceeding be sentenced to pay a 19 fine of twenty-five dollars (\$25) for each such package, plus 20 costs of prosecution, or undergo imprisonment for a term not 21 exceeding ninety (90) days. Each full quart or major fraction 22 thereof shall be considered a separate package (bottle or other 23 receptacle) for the purposes of this clause. Such packages of liquor shall be forfeited to the Commonwealth in the manner 24 25 prescribed in Article VI of this act but the vehicle, boat, 26 vessel, animal or aircraft used in the illegal transportation of 27 such packages shall not be subject to forfeiture: Provided, 28 however, That if it is a second or subsequent offense or if it 29 is established that the illegal possession or transportation was 30 in connection with a commercial transaction, then the other 19810H0328B0337 - 109 -

provisions of this act providing for prosecution as a
 misdemeanor and for the forfeiture of the vehicle, boat, vessel,
 animal or aircraft shall apply.

4 (3) Purchase of Liquor or Alcohol. For any person within 5 this Commonwealth, by himself or by an employe or agent, to 6 attempt to purchase, or directly or indirectly, or upon any 7 pretense or device whatsoever, to purchase any liquor or alcohol 8 from any person or source other than a Pennsylvania Liquor 9 Store, except in accordance with the provisions of this act or 10 the regulations of the [board] <u>department</u>.

11 (4) Possession and Use of Decanters. For any person to use 12 decanters of alcoholic beverages except that the use of 13 decanters or other similar receptacles by licensees shall be 14 permitted in the case of wines and then only in accordance with 15 the regulations of the [board] <u>department</u>, but nothing herein 16 contained shall prohibit the manufacture and possession of wine 17 as provided in clause (2) of this section.

18 (5) Failure to Break Empty Liquor Containers. For any 19 restaurant, hotel or club licensee, his servants, agents or 20 employes, to fail to break any package in which liquors were 21 contained, except those decanter packages that the [board] 22 <u>department</u> determines to be decorative, within twenty-four hours 23 after the original contents were removed therefrom.

24 (6) Sales by Restaurant and Hotel Liquor Licensees. For any 25 restaurant or hotel licensee, his servants, agents or employes, 26 to sell any liquor or malt or brewed beverages for consumption 27 on the licensed premises except in a room or rooms or place on 28 the licensed premises at all times accessible to the use and 29 accommodation of the general public, but this section shall not 30 be interpreted to prohibit a hotel licensee, or a restaurant 19810H0328B0337 - 110 -

licensee when the restaurant is located in a hotel, from selling liquor or malt or brewed beverages in any room of such hotel occupied by a bona fide guest or to prohibit a restaurant licensee from selling liquor or malt or brewed beverages in a bowling alley when no minors are present where the restaurant and bowling alley are immediately adjacent and under the same roof.

8 (7) Sales of Liquor by Manufacturers and Licensed Importers. For any manufacturer or licensed importer of liquor in this 9 10 Commonwealth, his agents, servants or employes, to sell or offer 11 to sell any liquor in this Commonwealth except to the [board] department for use in Pennsylvania Liquor Stores, and in the 12 13 case of a manufacturer, to the holder of a sacramental wine 14 license or an importer's license, but a manufacturer or licensed 15 importer may sell or offer to sell liquor to persons outside of 16 this Commonwealth.

17 (8) Importation and Sales of Alcohol. For any person, to 18 import alcohol into this Commonwealth, or to sell alcohol to any 19 person, except in accordance with the regulations of the [board] 20 <u>department</u>.

(9) Possession of Alcohol. For any person, to have alcohol
in his possession, except in accordance with the provisions of
this act and the regulations of the [board] <u>department</u>.

(10) Fortifying, Adulterating or Contaminating Liquor. For any licensee or any employe or agent of a licensee or of the [board] <u>department</u>, to fortify, adulterate or contaminate any liquor, except as permitted by the regulations of the [board] <u>department</u>, or to refill wholly or in part, with any liquid or substance whatsoever, any liquor bottle or other liquor container.

19810H0328B0337

- 111 -

1 (11) Importation of Liquor. For any person, other than the [board] department or the holder of a sacramental wine license 2 3 or of an importer's license, to import any liquor whatsoever 4 into this Commonwealth, but this section shall not be 5 constructed to prohibit railroad and pullman companies from selling liquors purchased outside the Commonwealth in their 6 7 dining, club and buffet cars which are covered by public service liquor licenses and which are operated in this Commonwealth. 8

9 (12) Delivery of Liquor by Certain Licensees. For a liquor 10 licensee permitted to deliver liquor, to make any deliveries 11 except in his own vehicles bearing his name, address and license 12 number on each side in letters not smaller than four inches in 13 height, or in the vehicle of another person duly authorized to 14 transport liquor within this Commonwealth.

15 (13) Violation of Certain Rules and Regulations of [Board]
16 <u>Department</u>. For any person, to violate any rules and regulations
17 adopted by the [board] <u>department</u> to insure the equitable
18 wholesale and retail sale and distribution of liquor and alcohol
19 through the Pennsylvania Liquor Stores.

20 (14)Offering Commission or Gift to Members of [Board] 21 Department or State Employe. For any person selling or offering 22 to sell liquor or alcohol to, or purchasing at wholesale liquor or alcohol from, the [board] department, either directly or 23 24 indirectly, to pay or offer to pay any commission, profit or 25 remuneration, or to make or offer to make any gift to any member or employe of the [board] department or other employe of the 26 27 Commonwealth or to anyone on behalf of such member or employe. 28 Section 54. Section 492 of the act, amended July 3, 1957 (P.L.475, No.268), March 5, 1973 (P.L.1, No.1), June 16, 1975 29 30 (P.L.14, No.5) and June 22, 1980 (No.73), is amended to read: 19810H0328B0337 - 112 -

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

3 It shall be unlawful--

4 (1) Manufacturing Without License. For any person, to
5 manufacture malt or brewed beverages, unless such person holds a
6 valid manufacturer's license for such purpose issued by the
7 [board] <u>department</u>.

8 (2) Sales of Malt or Brewed Beverages for Consumption on the 9 Premises. For any person, to sell to another for consumption 10 upon the premises where sold or to permit another to consume 11 upon the premises where sold, any malt or brewed beverages, unless such person holds a valid retail dispenser license or a 12 13 valid liquor license issued by the [board] department 14 authorizing the sale of malt or brewed beverages for consumption 15 upon such premises.

16 (3) Sales of Malt or Brewed Beverages Not for Consumption on 17 the Premises. For any person, to sell to another any malt or 18 brewed beverages not for consumption upon the premises where 19 sold, unless such person holds a valid license permitting such 20 sale.

(4) Sunday Sales of Malt or Brewed Beverages by
Manufacturers, Importing Distributors or Distributors. For any
manufacturer of malt or brewed beverages, importing distributor
or distributor, or the servants, agents or employes of the same,
to sell, trade or barter in malt or brewed beverages between the
hours of twelve o'clock midnight of any Saturday and two o'clock
in the forenoon of the following Monday.

28 (5) Sales of Malt or Brewed Beverages by Hotels, Eating 29 Places or Public Service Licensees During Prohibited Hours.--For 30 any hotel or eating place holding a retail dispenser's license, 19810H0328B0337 - 113 -

or the servants, agents or employes of such licensees, to sell, 1 2 trade or barter in malt or brewed beverages between the hours of 3 two o'clock antemeridian Sunday and seven o'clock in the forenoon of the following Monday, or between the hours of two 4 5 o'clock antemeridian and seven o'clock antemeridian of any week day: Provided, That notwithstanding any provision to the 6 contrary, whenever the thirty-first day of December falls on a 7 Sunday such sales of malt or brewed beverages may be made on 8 9 such day after one o'clock postmeridian and until two o'clock 10 antemeridian of the following day: And provided further, That 11 any hotel or eating place holding a retail dispenser's license which has sales of food and nonalcoholic beverages equal to 12 13 forty per cent or more of the combined gross sales of both food 14 and malt or brewed beverages may sell malt or brewed beverages 15 between the hours of one o'clock postmeridian on Sunday and two 16 o'clock antemeridian on Monday upon purchase of a special annual permit from the [board] <u>department</u> at a fee of one hundred 17 18 dollars (\$100.00) per year, which shall be in addition to any other license fees. For any public service licensee authorized 19 20 to sell malt or brewed beverages or the servants, agents or 21 employes of such licensees to sell, trade or barter in malt or 22 brewed beverages between the hours of two o'clock antemeridian 23 and seven o'clock antemeridian on any day.

24 Any licensee holding a retail dispenser license or a malt or 25 brewed beverage public service license may, by giving notice to 26 the [board] department, advance by one hour the hours herein 27 prescribed as those during which malt or brewed beverages may be sold during such part of the year when daylight saving time is 28 29 being observed generally in the municipality in which the place 30 of business is located. Any licensee who elects to operate his 19810H0328B0337 - 114 -

place of business in accordance with daylight saving time shall
 post a conspicuous notice in his place of business that he is
 operating in accordance with daylight saving time.

4 (6) Sales of Malt or Brewed Beverages on Election Day by 5 Hotels, Eating Places or Public Service Licensees. For any hotel or eating place holding a retail dispenser's license, or any 6 malt or brewed beverage public service licensee, or his 7 servants, agents or employes, to sell, furnish or give any malt 8 9 or brewed beverages to any person after two o'clock 10 antemeridian, or until one hour after the time fixed by law for 11 the closing of polling places on days on which a general, municipal, special or primary election is being held except as 12 13 permitted by subsection (a) of section 406.

14 (7) Clubs Selling Between Three O'Clock Antemeridian and 15 Seven O'Clock Antemeridian. For any club retail dispenser, or 16 its servants, agents or employes, to sell malt or brewed 17 beverages between the hours of three o'clock antemeridian and 18 seven o'clock antemeridian on any day.

19 (8) Transportation of Malt or Brewed Beverages. For any 20 person, to transport malt or brewed beverages except in the 21 original containers, or to transport malt or brewed beverages 22 for another who is engaged in selling either liquor or malt or brewed beverages, unless such person shall hold (a) a license to 23 24 transport for hire, alcohol, liquor and malt or brewed beverages 25 as hereinafter provided in this act, or (b) shall hold a permit 26 issued by the [board] department and shall have paid to the 27 [board] department such permit fee, not exceeding one hundred dollars (\$100), and shall have filed with the [board] department 28 29 a bond in the penal sum of not more than two thousand dollars 30 (\$2000), as may be fixed by the rules and regulations of the 19810H0328B0337 - 115 -

1 [board] <u>department</u>, any other law to the contrary

2 notwithstanding.

3 (9) Transportation of Malt or Brewed Beverages by Licensee. 4 For a malt or brewed beverage licensee, to deliver or transport 5 any malt or brewed beverages, excepting in vehicles bearing the 6 name and address and license number of such licensee painted or 7 affixed on each side of such vehicle in letters no smaller than 8 four inches in height.

9 [(10) Importing or Transporting Malt or Brewed Beverages 10 Without Tax Stamps. For any person, to transport within or 11 import any malt or brewed beverages into this Commonwealth, except in accordance with the rules and regulations of the 12 13 board, or for any person to transport malt or brewed beverages 14 into or within this Commonwealth, unless there shall be affixed 15 to the original containers in which such malt or brewed 16 beverages are transported, stamps or crowns evidencing the 17 payment of the malt liquor tax to the Commonwealth: Provided, 18 however, That this clause shall not be construed to prohibit 19 transportation of malt or brewed beverages through this Commonwealth and not for delivery therein, if such transporting 20 21 is done in accordance with the rules and regulations of the 22 board.1

(11) Delivery of Malt or Brewed Beverages With Other
Commodities. For any manufacturer, importing distributor or
distributor, or his servants, agents or employes, except with
[board] <u>department</u> approval, to deliver or transport any malt or
brewed beverages in any vehicle in which any other commodity is
being transported.

29 (12) Distributors and Importing Distributors Engaging in 30 Other Business. For any distributor or importing distributor, or 19810H0328B0337 - 116 - 1 his servants, agents or employes, without the approval of the 2 [board] <u>department</u>, and then only in accordance with [board] 3 <u>department</u> regulations, to engage in any other business 4 whatsoever, except the business of distributing malt or brewed 5 beverages.

6 (13) Possession or Storage of Liquor or Alcohol by Certain 7 Licensees. For any distributor, importing distributor or retail 8 dispenser, or his servants, agents or employes, to have in his 9 possession, or to permit the storage of on the licensed premises 10 or in any place contiguous or adjacent thereto accessible to the 11 public or used in connection with the operation of the licensed 12 premises, any alcohol or liquor.

13 (14) Malt or Brewed Beverage Licensees Dealing in Liquor or 14 Alcohol. For any malt or brewed beverage licensee, other than a 15 manufacturer, or the servants, agents or employes thereof, to 16 manufacture, import, sell, transport, store, trade or barter in 17 any liquor or alcohol.

18 (15) Selling to Persons Doing Illegal Business. For any malt 19 or brewed beverage licensee, or his servants, agents or 20 employes, to knowingly sell any malt or brewed beverages to any 21 person engaged in the business of illegally selling liquor or 22 malt or brewed beverages.

(16) Distributors and Importing Distributors Failing to Keep Records. For any importing distributor or distributor engaged in the sale of products, other than malt or brewed beverages, to fail to keep such complete separate records covering in every respect his transactions in malt or brewed beverages as the [board] <u>department</u> shall by regulation require.

29 (17) Fortifying, Adulterating or Contaminating Malt or 30 Brewed Beverages. For any person, to fortify, adulterate, 19810H0328B0337 - 117 - contaminate, or in any wise to change the character or purity
 of, the malt or brewed beverages from that as originally
 marketed by the manufacturer at the place of manufacture.

4 (18) Coercing Distributors and Importing Distributors. For 5 any manufacturer or any officer, agent or representative of any manufacturer to coerce or persuade or attempt to coerce or 6 persuade any person licensed to sell or distribute malt or 7 brewed beverages at wholesale or retail to establish selling 8 9 prices for its products or to enter into any contracts or 10 agreements, whether written or oral, or take any action which 11 will violate or tend to violate any provisions of this act or any of the rules or regulations promulgated by the [board] 12 13 department pursuant thereto.

14 (19)Modifying or Terminating Distributing Rights Agreement. For any manufacturer or any officer, agent or representative of 15 16 any manufacturer to modify, cancel, terminate, rescind or not 17 renew, without good cause, any distributing rights agreement, 18 and in no event shall any modification, cancellation, 19 termination, rescission or nonrenewal of any distributing rights 20 agreement become effective for at least ninety (90) days after written notice of such modification, cancellation, termination, 21 22 rescission or intention not to renew has been served on the affected party and board by certified mail, return receipt 23 24 requested, except by written consent of the parties to the 25 agreement. The notice shall state all the reasons for the 26 intended modification, termination, cancellation, rescission or 27 nonrenewal. The distributor or importing distributor holding 28 such agreement shall have ninety (90) days in which to rectify any claimed deficiency, or challenge the alleged cause. 29

30 If the deficiency shall be rectified within ninety (90) days
19810H0328B0337 - 118 -

of notice, then the proposed modification, termination,
 cancellation, rescission or nonrenewal shall be null and void
 and without legal effect.

4 If the notice states as one of the reasons for the intended 5 modification, cancellation, termination, rescission or renewal that the importing distributor or distributor's equipment or 6 7 warehouse requires major changes or additions, then if the distributor or importing distributor shall have taken some 8 9 positive action to comply with the required changes or 10 additions, the distributor or importing distributor shall have 11 deemed to have complied with the deficiency as set forth in the notice. The notice provisions of this section shall not apply if 12 13 the reason for termination, cancellation or nonrenewal is 14 insolvency, assignment for the benefit of creditors, bankruptcy, 15 liquidation, fraudulent conduct in its dealings with the 16 manufacturer, revocation or suspension for more than a thirty 17 (30) day period of the importing distributor or distributor 18 license.

19 Interference with Transfer of License, Business or (20)20 Franchise. (i) For any manufacturer to interfere with or prevent 21 any distributor or importing distributor from selling or 22 transferring his license, business or franchise, whether before 23 or after notice of modification, cancellation, termination, 24 rescission or nonrenewal has been given, provided the proposed 25 purchaser of the business of the distributor or importing 26 distributor meets the material qualifications and standards 27 required of the manufacturers other distributors or importing 28 distributors; (ii) if the proposed transfer of the distributor or importing distributor's business is to a surviving spouse or 29 30 adult child, the manufacturer shall not, for any reason, 19810H0328B0337 - 119 -

interfere with, or prevent, the transfer of the distributor or 1 importing distributor's license, business or franchise. Any 2 3 subsequent transfer by surviving spouse or adult child shall 4 thereafter be subject to the provisions of subclause (i) above. 5 (21) Inducing or Coercing Distributors or Importing Distributors to Accept Unordered Products or Commit Illegal 6 Acts. For any manufacturer to compel or attempt to compel any 7 distributor or importing distributor to accept delivery of any 8 9 malt or brewed beverages or any other commodity which shall not 10 have been ordered by the distributor or importing distributor, or to do any illegal act by any means whatsoever including, but 11 not limited to, threatening to amend, cancel, terminate, rescind 12 13 or refuse to renew any agreement existing between manufacturer 14 and the distributor or importing distributor, or to require a 15 distributor or importing distributor to assent to any condition, 16 stipulation or provision limiting the distributor or importing 17 distributor in his right to sell the products of any other 18 manufacturer.

Section 55. Section 493 of the act, amended June 14, 1957 (P.L.322, No.170), June 15, 1961 (P.L.423, No.211), September 21 25, 1967 (P.L.307, No.135), March 5, 1970 (P.L.137, No.55), 22 August 1, 1975 (P.L.161, No.83), June 15, 1977 (P.L.12, No.9) 23 and July 11, 1980 (No.117), is amended to read:

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

29 It shall be unlawful--

30 (1) Furnishing Liquor or Malt or Brewed Beverages to Certain 19810H0328B0337 - 120 -

Persons. For any licensee or the [board] department, or any 1 2 employe, servant or agent of such licensee or of the [board] 3 <u>department</u>, or any other person, to sell, furnish or give any 4 liquor or malt or brewed beverages, or to permit any liquor or 5 malt or brewed beverages to be sold, furnished or given, to any person visibly intoxicated, or to any insane person, or to any 6 7 minor, or to habitual drunkards, or persons of known intemperate 8 habits.

9 (2) Purchase or Sale of Liquor or Malt or Brewed Beverages 10 on Credit. For any licensee, his agent, servant or employe, to 11 sell or offer to sell or purchase or receive any liquor or malt or brewed beverages except for cash, excepting credit extended 12 13 by a hotel or club to a bona fide guest or member, or by 14 railroad or pullman companies in dining, club or buffet cars to 15 passengers, for consumption while enroute, holding authorized 16 credit cards issued by railroad or railroad credit bureaus or by 17 hotel, restaurant and public service licensees to customers 18 holding credit cards issued in accordance with regulations of 19 the [board] department or credit cards issued by banking 20 institutions subject to State or Federal regulation: Provided 21 further, That nothing herein contained shall be construed to 22 prohibit the use of checks or drafts drawn on a bank, banking 23 institution, trust company or similar depository, organized and 24 existing under the laws of the United States of America or the 25 laws of any state, territory or possession thereof, in payment 26 for any liquor or malt or brewed beverages if the purchaser is 27 the payor of the check or draft and the licensee is the payee. No right of action shall exist to collect any claim for credit 28 29 extended contrary to the provisions of this clause. Nothing 30 herein contained shall prohibit a licensee from crediting to a 19810H0328B0337 - 121 -

purchaser the actual price charged for original containers 1 2 returned by the original purchaser as a credit on any sale, or 3 from refunding to any purchaser the amount paid by such purchaser for such containers or as a deposit on containers when 4 5 title is retained by the vendor, if such original containers have been returned to the licensee. Nothing herein contained 6 shall prohibit a manufacturer from extending usual and customary 7 credit for liquor or malt or brewed beverages sold to customers 8 9 or purchasers who live or maintain places of business outside of 10 the Commonwealth of Pennsylvania, when the liquor or malt or brewed beverages so sold are actually transported and delivered 11 to points outside of the Commonwealth: Provided, however, That 12 13 as to all transactions affecting malt or brewed beverages to be 14 resold or consumed within this Commonwealth, every licensee 15 shall pay and shall require cash deposits on all returnable 16 original containers and all such cash deposits shall be refunded 17 upon return of the original containers.

18 Exchange of Liquor or Malt or Brewed Beverages For (3) Merchandise, etc. For any licensee or the [board] department, or 19 20 any employe, servant or agent of a licensee or of the [board] 21 department, to sell, offer to sell or furnish any liquor or malt 22 or brewed beverages to any person on a pass book or store order, or to receive from any person any goods, wares, merchandise or 23 24 other articles in exchange for liquor or malt or brewed 25 beverages.

26 (4) Peddling Liquor or Malt or Brewed Beverages. For any
27 person, to hawk or peddle any liquor or malt or brewed beverages
28 in this Commonwealth.

29 (5) Failure to Have Brands as Advertised. For any licensee, 30 his servants, agents or employes, to advertise or hold out for 19810H0328B0337 - 122 - 1 sale any liquor or malt or brewed beverages by trade name or 2 other designation which would indicate the manufacturer or place 3 of production of the said liquor or malt or brewed beverages, 4 unless he shall actually have on hand and for sale a sufficient 5 quantity of the particular liquor or malt or brewed beverages so 6 advertised to meet requirements to be normally expected as a 7 result of such advertisement or offer.

8 (6) Brand or Trade Name on Spigot. For any licensee, his 9 agents, servants or employes, to furnish or serve any malt or 10 brewed beverages from any faucet, spigot or other dispensing 11 apparatus, unless the trade name or brand of the product served shall appear in full sight of the customer and in legible 12 13 lettering upon such faucet, spigot or dispensing apparatus. 14 (7) Alcoholic Strength on Label of Malt or Brewed Beverages. 15 For any licensee, or his servants, agents or employes, to 16 transport, sell, deliver or purchase any malt or brewed 17 beverages upon which there shall appear a label or other 18 informative data which in any manner refers to the alcoholic 19 contents of the malt or brewed beverage, or which refers in any 20 manner to the original alcoholic strength, extract or balling 21 proof from which such malt or brewed beverage was produced. This 22 clause shall not be construed to prohibit a manufacturer from designating upon the label or descriptive data the alcoholic 23 24 content of malt or brewed beverages intended for shipment into 25 another state or territory, when the laws of such state or 26 territory require that the alcoholic content of the malt or 27 brewed beverage must be stated upon the package.

28 (8) Advertisements on Labels Giving Alcoholic Content of
29 Malt or Brewed Beverages. For any manufacturer or other
30 licensee, or his servants, agents or employes, to issue, publish
19810H0328B0337 - 123 -

or post, or cause to be issued, published or posted, any 1 advertisement of any malt or brewed beverage including a label 2 which shall refer in any manner to the alcoholic strength of the 3 4 malt or brewed beverage manufactured, sold or distributed by 5 such licensees, or to use in any advertisement or label such words as "full strength," "extra strength," "high test," "high 6 proof, " "pre-war strength," or similar words or phrases, which 7 8 would lead or induce a consumer to purchase a brand of malt or brewed beverage on the basis of its alcoholic content, or to use 9 10 in or on any advertisement or label any numeral, unless 11 adequately explained in type of the same size, prominence and 12 color, or for any licensee to purchase, transport, sell or 13 distribute any malt or brewed beverage advertised or labeled 14 contrary to the provisions of this clause.

(9) Retail Licensees Furnishing Free Lunch, etc. For any retail liquor licensee or any retail dispenser, his agents, servants or employes, to furnish, give or sell below a fair cost any lunch to any consumer, except such articles of food as the [board] <u>department</u> may authorize and approve.

20 (10)Entertainment on Licensed Premises (Except Clubs); 21 Permits; Fees. For any licensee, his servants, agents or 22 employes, except club licensees, to permit in any licensed premises or in any place operated in connection therewith, 23 24 dancing, theatricals or floor shows of any sort, or moving 25 pictures other than television, or such as are exhibited through machines operated by patrons by the deposit of coins, which 26 27 project pictures on a screen not exceeding in size twenty-four by thirty inches and which forms part of the machine, unless the 28 licensee shall first have obtained from the [board] department a 29 30 special permit to provide such entertainment, or for any 19810H0328B0337 - 124 -

licensee, under any circumstances, to permit in any licensed 1 2 premises any lewd, immoral or improper entertainment, regardless 3 of whether a permit to provide entertainment has been obtained 4 or not. The [board] department shall have power to provide for 5 the issue of such special permits, and to collect a fee for such permits equal to one-fifth of the annual license fee but not 6 less than twenty-five dollars (\$25). All such fees shall be paid 7 into the State Stores Fund. No such permit shall be issued in 8 any municipality which, by ordinance, prohibits amusements in 9 10 licensed places. Any violation of this clause shall, in addition 11 to the penalty herein provided, subject the licensee to suspension or revocation of his permit and his license. 12

13 (11) Licensees Employed by Others. For any hotel, restaurant 14 or club liquor licensee, or any malt or brewed beverage 15 licensee, or any servant, agent or employe of such licensee, to 16 be at the same time employed, directly or indirectly, by any 17 other person engaged in the manufacture, sale, transportation or 18 storage of liquor, malt or brewed beverages or alcohol: Provided, That any person (except a licensee or the manager, 19 20 officer or director of a licensee) who is employed by a retail 21 licensee to prepare or serve food and beverages may be employed 22 in the same capacity by another retail licensee during other 23 hours or on other days.

24 Failure to Have Records on Premises. For any liquor (12)25 licensee, or any importing distributor, distributor or retail 26 dispenser, to fail to keep on the licensed premises for a period 27 of at least two years complete and truthful records covering the 28 operation of his licensed business, particularly showing the 29 date of all purchases of liquor and malt or brewed beverages, 30 the actual price paid therefor, and the name of the vendor, 19810H0328B0337 - 125 -

including State Store receipts, or for any licensee, his
 servants, agents or employes, to refuse the [board] <u>department</u>
 or an authorized employe of the [board] <u>department</u> access
 thereto or the opportunity to make copies of the same when the
 request is made during business hours.

(13) Retail Licensees Employing Minors. For any hotel, 6 restaurant or club liquor licensee, or any retail dispenser, to 7 employ or to permit any minor under the age of eighteen to serve 8 any alcoholic beverages or to employ or permit any minor under 9 10 the age of sixteen to render any service whatever in or about 11 the licensed premises, nor shall any entertainer under the age of eighteen be employed or permitted to perform in any licensed 12 13 premises in violation of the labor laws of this Commonwealth: 14 Provided, That in accordance with [board] department regulations 15 minors between the ages of sixteen and eighteen may be employed 16 to serve food, clear tables and perform other similar duties, 17 not to include the dispensing or serving of alcoholic beverages. 18 Permitting Undesirable Persons or Minors to Frequent (14)Premises. For any hotel, restaurant or club liquor licensee, or 19 20 any retail dispenser, his servants, agents or employes, to 21 permit persons of ill repute, known criminals, prostitutes or 22 minors to frequent his licensed premises or any premises operated in connection therewith, except minors accompanied by 23 24 parents, guardians, or under proper supervision: Provided, 25 however, That it shall not be unlawful for any hotel, restaurant 26 or club liquor licensee or any retail dispenser to permit minors 27 under proper supervision upon the licensed premises or any premises operated in connection therewith for the purpose of a 28 29 social gathering, even if such gathering is exclusively for 30 minors: And provided further, That no liquor shall be sold, 19810H0328B0337 - 126 -

furnished or given to such minors nor shall the licensee 1 2 knowingly permit any liquor or malt or brewed beverages to be 3 sold, furnished or given to or be consumed by any minor, and the 4 area of such gathering shall be segregated from the remainder of 5 the licensed premises. In the event the area of such gathering cannot be segregated from the remainder of the licensed 6 7 premises, all alcoholic beverages must be either removed from the licensed premises or placed under lock and key during the 8 9 time the gathering is taking place. Notice of such gathering 10 shall be given the [Liquor Control Board] department as it may, 11 by regulation, require. Any licensee violating the provisions of 12 this clause shall be subject to the provisions of section 471. "Proper supervision," as used in this clause, means the 13 14 presence, on that portion of the licensed premises where a minor 15 or minors are present, of one person twenty-five years of age or 16 older for every fifty minors or part thereof who is directly responsible for the care and conduct of such minor or minors 17 18 while on the licensed premises and in such proximity that the 19 minor or minors are constantly within his sight or hearing. The 20 presence of the licensee or any employe or security officer of 21 the licensee shall not constitute proper supervision.

(15) Cashing Pay Roll, Public Assistance, Unemployment
Compensation or Any Other Relief Checks. For any licensee or his
servants, agents or employes to cash pay roll checks or to cash,
receive, handle or negotiate in any way Public Assistance,
Unemployment Compensation or any other relief checks.

27 (16) Furnishing or Delivering Liquor or Malt or Brewed 28 Beverages at Unlawful Hours. For any licensee, his servants, 29 agents or employes, to give, furnish, trade, barter, serve or 30 deliver any liquor or malt or brewed beverages to any person 19810H0328B0337 - 127 - during hours or on days when the licensee is prohibited by this
 act from selling liquor or malt or brewed beverages.

3 (17) Licensees, etc., Interested or Employed in 4 Manufacturing or Sale of Equipment or Fixtures. For any 5 licensee, or any officer, director, stockholder, servant, agent or employe of any licensee, to own any interest, directly or 6 7 indirectly, in or be employed or engaged in any business which involves the manufacture or sale of any equipment, furnishings 8 or fixtures to any hotel, restaurant or club licensees, or to 9 10 any importing distributors, distributors or retail dispensers: 11 Provided, however, That as to malt or brewed beverage licensees, 12 the provisions of this subsection shall not apply to such a 13 conflicting interest if it has existed for a period of not less 14 than three years prior to the first day of January, one thousand 15 nine hundred thirty-seven, and the [board] department shall 16 approve.

17 Displaying Price of Liquor or Malt or Brewed Beverages. (18)18 For any restaurant, hotel or club liquor licensee, or any 19 importing distributor, distributor or retail dispenser, or the 20 servants, agents or employes of such licensees, to display on 21 the outside of any licensed premises or to display any place 22 within the licensed premises where it can be seen from the 23 outside, any advertisement whatsoever referring, directly or 24 indirectly, to the price at which the licensee will sell liquor 25 or malt or brewed beverages.

26 (19) Licensee's Outside Advertisements. For any retail 27 liquor licensee or any retail dispenser, distributor or 28 importing distributor, to display in any manner whatsoever on 29 the outside of his licensed premises, or on any lot of ground on 30 which the licensed premises are situate, or on any building of 19810H0328B0337 - 128 -

which the licensed premises are a part, a sign of any kind, 1 2 printed, painted or electric, advertising any brand of liquor or 3 malt or brewed beverage, and it shall be likewise unlawful for 4 any manufacturer, distributor or importing distributor, to 5 permit the display of any sign which advertises either his products or himself on any lot of ground on which such licensed 6 7 premises are situate, or on any building of which such licensed 8 premises are a part.

9 (20) Retail Liquor and Retail Malt or Brewed Beverages 10 Licensee's Inside Advertisements. For any retail liquor or 11 retail malt or brewed beverages licensee, to display or permit the display in the show window or doorways of his licensed 12 13 premises, any placard or sign advertising the brands of liquor 14 or malt or brewed beverages produced by any one manufacturer, if 15 the total display area of any such placard or sign advertising 16 the products of any one manufacturer exceeds three hundred 17 square inches. Nothing herein shall prohibit a licensee from 18 displaying inside his licensed premises point of sale displays 19 advertising brand names of products sold by him, other than a 20 window or door display: Provided, That the total cost of all 21 such point of sale advertising matter relating to products of 22 any one manufacturer shall not exceed the sum of twenty dollars 23 (\$20) at any one time, and no single piece of advertising shall exceed a cost of ten dollars (\$10). All such advertising 24 25 material, including the window and door signs, may be furnished 26 by a manufacturer, distributor or importing distributor. 27 Refusing The Right of Inspection. For any licensee, or (21)his servants, agents or employes, to refuse the [board] 28 29 department or any of its authorized employes the right to 30 inspect completely the entire licensed premises at any time

19810H0328B0337

- 129 -

during which the premises are open for the transaction of
 business, or when patrons, guests or members are in that portion
 of the licensed premises wherein either liquor or malt or brewed
 beverages are sold.

5 (22) Allowance or Rebate to Induce Purchases. For any 6 licensee, or his servants, agents or employes, to offer, pay, 7 make or allow, or for any licensee, or his servants, agents or 8 employes, to solicit or receive any allowance or rebate, refunds 9 or concessions, whether in the form of money or otherwise, to 10 induce the purchase of liquor or malt or brewed beverages or any 11 other commodity manufactured or sold by the licensee.

12 (23)Money or Valuables Given to Employes to Influence 13 Actions of Their Employers. For any licensee, or any agent, 14 employe or representative of any licensee, to give or permit to 15 be given, directly or indirectly, money or anything of 16 substantial value, in an effort to induce agents, employes or 17 representatives of customers or prospective customers to 18 influence their employer or principal to purchase or contract to purchase liquor or malt or brewed beverages from the donor of 19 20 such gift, or to influence such employers or principals to 21 refrain from dealing or contracting to deal with other 22 licensees.

23 (24) Things of Value Offered as Inducement. For any licensee 24 under the provisions of this article, or the [board] department 25 or any manufacturer, or any employe or agent of a manufacturer, 26 licensee or of the [board] <u>department</u>, to offer to give anything 27 of value or to solicit or receive anything of value as a premium for the return of caps, stoppers, corks, stamps or labels taken 28 29 from any bottle, case, barrel or package containing liquor or 30 malt or brewed beverage, or to offer or give or solicit or - 130 -19810H0328B0337

receive anything of value as a premium or present to induce the 1 2 purchase of liquor or malt or brewed beverage, or for any other 3 purpose whatsoever in connection with the sale of such liquor or 4 malt or brewed beverage, or for any licensee, manufacturer or 5 other person to offer or give to trade or consumer buyers any prize, premium, gift or other similar inducement, except 6 advertising novelties of nominal value which the [board] 7 department shall define: Provided, however, That this section 8 9 shall not apply to the return of any monies specifically 10 deposited for the return of the original container to the owners 11 thereof.

Employment of Females in Licensed Places. For any 12 (25)13 licensee or his agent, to employ or permit the employment of any 14 female at his licensed hotel, restaurant or eating place for the 15 purpose of enticing customers, or to encourage them to drink 16 liquor, or make assignations for improper purposes: Provided, 17 That nothing in this section shall be construed to prevent the 18 employment of any female waitress who regularly takes orders for food from serving food, liquor or malt or brewed beverages at 19 20 tables; also, that nothing shall prevent any such licensees from 21 employing any female stenographer, hotel secretary, clerk or 22 other employe for their respective positions: Provided further, That nothing in this section shall be so construed as to prevent 23 24 the wife of any such licensee or agent or any employed female 25 from mixing or serving liquor or malt or brewed beverages behind 26 the bar of any such licensed place.

Any person violating the provisions of this clause shall be guilty of a misdemeanor and, upon conviction of the same, shall be sentenced to pay a fine of not less than one hundred dollars (\$100), nor more than five hundred dollars (\$500), for each and 19810H0328B0337 - 131 - 1 every female so employed, or undergo an imprisonment of not less
2 than three (3) months, nor more than one (1) year, or either or
3 both, at the discretion of the court having jurisdiction of the
4 case. The [board] <u>department</u> shall have the power to revoke or
5 refuse licenses for violation of this clause.

6 (26) Worthless Checks. For any retail liquor licensee or any retail dispenser, distributor or importing distributor, to make, 7 draw, utter, issue or deliver, or cause to be made, drawn, 8 9 uttered, issued or delivered, any check, draft or similar order, 10 for the payment of money in payment for any purchase of malt or brewed beverages, when such retail liquor licensee, retail 11 12 dispenser, distributor or importing distributor, has not 13 sufficient funds in, or credit with, such bank, banking 14 institution, trust company or other depository, for the payment 15 of such check. Any person who is a licensee under the provisions 16 of this article, who shall receive in payment for malt or brewed beverages sold by him any check, draft or similar order for the 17 payment of money, which is subsequently dishonored by the bank, 18 banking institution, trust company or other depository, upon 19 20 which drawn, for any reason whatsoever, shall, within five days 21 of receipt of notice of such dishonor, notify by certified mail 22 the person who presented the said worthless check, draft or similar order. 23

24 (27) Distributors and Importing Distributors Employing
25 Minors. For any distributor or importing distributor to employ
26 minors under the age of eighteen but persons eighteen and over
27 may be employed to sell and deliver malt and brewed beverages.
28 Section 56. Section 494 of the act, amended May 25, 1956
29 (1955 P.L.1743, No.583), is amended to read:

 30
 Section 494.
 Penalties.--(a)
 Any person who shall violate

 19810H0328B0337
 - 132

any of the provisions of this article, except as otherwise 1 specifically provided, shall be guilty of a misdemeanor and, 2 3 upon conviction thereof, shall be sentenced to pay a fine of not 4 less than one hundred dollars (\$100), nor more than five hundred 5 dollars (\$500), and on failure to pay such fine, to imprisonment for not less than one month, nor more than three months, and for 6 any subsequent offense, shall be sentenced to pay a fine not 7 less than three hundred dollars (\$300), nor more than five 8 hundred dollars (\$500), and to undergo imprisonment for a period 9 10 not less than three months, nor more than one year.

(b) The right of the [board] <u>department</u> to suspend and revoke licenses granted under this article shall be in addition to the penalty set forth in this section.

14 Section 57. Section 496 of the act, added June 15, 1961 15 (P.L.423, No.211), is amended to read:

16 Section 496. Reporting of Worthless Checks .-- Any person who is a licensee under the provisions of this article, who shall 17 18 receive in payment for malt or brewed beverages sold by him any check, draft or similar order, for the payment of money, which 19 20 is subsequently dishonored by the bank, banking institution, 21 trust company or other depository, upon which drawn, for any 22 reason whatsoever, shall, within twenty days of receipt of notice of such dishonor, notify the [board] department thereof. 23 Such notification to the [board] department shall be in such 24 25 manner and form as the [board] department shall direct. 26 Section 58. Section 502 of the act is amended to read: 27 Section 502. Exemptions. -- No license hereunder shall be required from any registered pharmacist; or a physician licensed 28 by the State Board of Medical Education and Licensure; or any 29 30 person who makes and sells vinegar, nonalcoholic cider and fruit 19810H0328B0337 - 133 -

1 juices; or any person who manufactures, stores, sells or transports methanol, propanol, butanol and amanol; or any person 2 3 who conducts a wholesale drug business; or any person who 4 manufactures alcoholic preparations not fit for use as a 5 beverage, other than denatured alcohol or for beverage purposes; any person engaged in the manufacture; possession or sale of 6 7 patent, patented or proprietary medicines, toilet, medicinal or antiseptic preparations unfit for beverage purposes, or 8 9 solutions or flavoring extracts or syrups unfit for beverage 10 purposes; or any person who manufactures or sells paints, 11 varnishes, enamels, lacquers, stains or paint, or varnish removing or reducing compounds, or wood fillers; or any person 12 13 who manufactures any substance where the alcohol or any liquor is changed into other chemical substances and does not appear in 14 15 the finished product as alcohol or liquor; or any common carrier 16 by railroad which is subject to regulation by the Pennsylvania 17 Public Utility Commission of the Commonwealth of Pennsylvania, 18 or scheduled common carriers by air of mail and passengers; or 19 any person who sells, stores or transports alcohol or liquor 20 completely denatured, as specified by the [board] department. 21 Section 59. Section 504 of the act, amended September 28, 22 1961 (P.L.1728, No.702), is amended to read: 23 Section 504. Applications; Filing Fees.--(a) Every 24 applicant for a license under this article shall file with the 25 [board] department a written application in such form as the 26 [board] <u>department</u> shall from time to time require. Every such 27 application shall be accompanied by a filing fee of twenty 28 dollars (\$20), the prescribed license fee and the bond hereinafter specified, and shall set forth: 29 30 1. The legal names of the applicant and of the owner of the

19810H0328B0337

- 134 -

place where business under the license will be carried on, with
 their residence addresses by street and number, if a
 partnership, of each separate partner, and if a corporation, of
 each individual officer thereof.

5 2. The exact location of said place of business and of every place to be occupied or used in connection with such business, 6 7 the productive capacity of each plant where any alcohol or liquor is to be manufactured, produced, distilled, rectified, 8 9 blended, developed or used in the process of manufacture, 10 denatured, redistilled, recovered, reused, the capacity of every 11 warehouse or other place where such alcohol or liquor or malt or brewed beverage is to be held in bond or stored for hire, or the 12 13 equipment to be used where a transportation business is to be carried on under the license. 14

15 3. That each and every one of the applicants is a citizen of16 the United States of America.

4. Such other relevant information as the [board] <u>department</u>shall from time to time require by rule or regulation.

(b) Each application must be verified by affidavit of the applicant made before any officer legally qualified to administer oaths, and if any false statement is wilfully made in any part of said application, the applicant or applicants shall be deemed guilty of a misdemeanor and, upon conviction, shall be subject to the penalties provided by this article.

25 Section 60. Section 505 of the act, amended July 31, 1968 26 (P.L.902, No.272), is amended to read:

27 Section 505. Licenses Issued.--Upon receipt of the 28 application in the form herein provided, the proper fees and an 29 approved bond as herein designated, the [board] <u>department</u> may 30 grant to such applicant a license to engage in, (a) the 19810H0328B0337 - 135 -

operation of a limited winery or a winery; or, (b) the 1 manufacturing, producing, distilling, developing, or using in 2 3 the process of manufacturing, denaturing, redistilling, 4 recovering, rectifying, blending and reusing of alcohol and liquor; or, (c) the holding in bond of alcohol and liquor; or 5 (d) the holding in storage, as bailee for hire, of alcohol, 6 7 liquor and malt or brewed beverages; or, (e) the transporting for hire of alcohol, liquor and malt or brewed beverages. 8 9 Section 61. Section 505.1 of the act, added February 17, 10 1956 (1955 P.L.1077, No.348), is amended to read: 11 Section 505.1. Bonded Warehouse License Privilege Restrictions.--Holders of bonded warehouse licenses may: 12 13 (a) Receive and store in bond liquor owned by Pennsylvania

14 licensed manufacturers and importers.

(b) Receive and store in bond alcohol owned by Pennsylvanialicensed manufacturers.

(c) Receive and store in bond liquor owned by licensees outside this Commonwealth. Such liquor shall be released from the bonded warehouse for delivery within this Commonwealth only to persons holding a liquor importer's license issued by the [Pennsylvania Liquor Control Board] <u>department</u> authorizing the importation of liquor or to other storage facilities or persons outside this Commonwealth.

(d) Receive and store in bond alcohol owned by licensees
outside this Commonwealth. Such alcohol shall be released from
the bonded warehouse for delivery within this Commonwealth only
to persons holding an alcohol permit issued by the [Pennsylvania
Liquor Control Board] department authorizing the importation of
alcohol or to other storage facilities or persons outside this
Commonwealth.

19810H0328B0337

- 136 -

1 All liquor and alcohol received and stored pursuant to this 2 section shall be in original containers of ten gallons or 3 greater capacity. Liquor and alcohol placed in storage in 4 accordance with the foregoing provisions may remain in storage 5 notwithstanding any change in ownership.

6 Section 62. Section 505.2 of the act, amended March 27, 1972
7 (P.L.153, No.57), is amended to read:

8 Section 505.2. Limited Wineries.--Holders of a limited9 winery license may:

10 (1) Produce wines only from fruits grown in Pennsylvania in 11 an amount not to exceed one hundred thousand (100,000) gallons 12 per year.

13 (2) Sell wine produced by the limited winery on the licensed 14 premises, under such conditions and regulations as the [board] 15 <u>department</u> may enforce, to the Liquor Control Board, to 16 individuals and to hotel, restaurant, club and public service 17 liquor licensees.

18 Section 63. Section 505.3 of the act, added July 30, 1975
19 (P.L.136, No.68), is amended to read:

20 Section 505.3. Distilleries.--Distilleries of historical 21 significance established more than one hundred years prior to 22 January 1, 1975 which hold a license issued under section 505 23 may sell liquor produced by the distillery on the licensed 24 premises under such conditions and regulations as the [board] 25 <u>department</u> may enforce.

26 Section 64. Sections 506 and 507 of the act are amended to 27 read:

Section 506. Bonds Required.--(a) No license shall be issued to any such applicant until he has filed with the [board] department an approved bond, duly executed, payable to the 19810H0328B0337 - 137 -

Commonwealth of Pennsylvania, together with a warrant of 1 attorney to confess judgment in the penal sum herein set forth. 2 3 All such bonds shall be conditioned for the faithful observance 4 of all the laws of this Commonwealth and regulations of the 5 [board] department relating to alcohol, liquor and malt or brewed beverages and the conditions of the license, and shall 6 7 have as surety a duly authorized surety company, or shall have deposited therewith, as collateral security, cash or negotiable 8 obligations of the United States of America or the Commonwealth 9 10 of Pennsylvania in the same amount as herein provided for the 11 penal sum of bonds.

12 (b) In all cases where cash or securities in lieu of other 13 surety have been deposited with the [board] department, the 14 depositor shall be permitted to continue the same deposit from 15 year to year on each renewal of license, but in no event shall 16 he be permitted to withdraw his deposit during the time he holds 17 said license, or until six months after the expiration of the 18 license held by him, or while revocation proceedings are pending 19 against such licensee.

(c) All cash or securities received by the [board]
<u>department</u> in lieu of other surety shall be turned over by the
[board] <u>department</u> to the State Treasurer and held by him. The
State Treasurer shall repay or return money or securities
deposited with him to the respective depositors only on the
order of the [board] <u>department</u>.

(d) After notice from the [board] <u>department</u> that such a bond has been forfeited, the State Treasurer shall immediately pay into the State Stores Fund all cash deposited as collateral with such bond, and when securities have been deposited with such a bond, the State Treasurer shall sell at private sale, at 19810H0328B0337 - 138 -

not less than the prevailing market price, any such securities 1 2 so deposited as collateral with any such forfeited bond. The State Treasurer shall thereafter deposit in the State Stores 3 Fund the net amount realized from the sale of such securities, 4 5 except that if the amount so realized, after deducting proper costs and expenses, is in excess of the penal amount of the 6 bond, such excess shall be paid over by him to the obligor on 7 such forfeited bond. 8

9 (e) The penal sum of bonds required to be filed by 10 applicants for license shall be a follows:

In the case of a distillery (manufacturer), the bond shall be in the amount of ten thousand dollars (\$10,000); in the case of a bonded warehouse, a bailee for hire and a transporter for hire, each shall be in the amount of three thousand dollars (\$3000); and in the case of a winery, shall be in the amount of five thousand dollars (\$5000). Such bonds shall be filed with and retained by the [board] <u>department</u>.

(f) Every such bond shall be turned over to the Department of Justice to be collected if and when the licensee's license shall have been revoked and his bond forfeited as provided in this act.

22 Section 507. Hearings Upon Refusal of Licenses. -- The [board] department may of its own motion, and shall upon the written 23 24 request of any applicant for license or for renewal thereof 25 whose application for such license or renewal has been refused, 26 fix a time and place for hearing of such application or renewal, 27 notice of which hearing shall be sent to the applicant, by registered mail, at the address given in his application. Such 28 29 hearing shall be before the [board] department, a member 30 thereof, or an examiner designated by the [board] department. At 19810H0328B0337 - 139 -

such hearing, the [board] department shall present its reasons 1 for its refusal or withholding of such license or renewal 2 3 thereof. The applicant may appear in person or by counsel, may 4 cross-examine the witnesses for the [board] department, and may 5 present evidence which shall likewise be subject to cross-6 examination by the [board] <u>department</u>. Such hearing shall be 7 stenographically recorded. The examiner shall thereafter report 8 to the [board] department. The [board] department shall thereafter grant or refuse the license or renewal thereof. If 9 10 the [board] department shall refuse such license or renewal 11 following such hearing, notice in writing of such refusal shall be mailed to the applicant at the address given in his 12 13 application. In all cases, the [board] department shall file of 14 record at least a brief statement in the form of an opinion of 15 the reasons for the ruling or order.

16 Section 65. Sections 509, 512, 513, 514, 515, 516, 517 and 17 519 are amended to read:

Section 509. License Must Be Posted; Business Hours.--Licenses shall be issued by the [board] <u>department</u> under its official seal. Every license so issued must at all times be posted in a conspicuous place where the business is carried on under it, and said place of business must be kept open during general business hours of every day in the year except Sundays and legal holidays.

Section 512. Records To Be Kept.--Every person holding a license issued under the provisions of this article shall keep on the licensed premises daily permanent records which shall show, (a) the quantities of any alcohol or liquor manufactured, produced, distilled, developed, denatured, redistilled, recovered, reused, stored in bond, stored as bailee for hire, - 140 -

received or used in the process of manufacture by him, and of 1 2 all other material used in manufacturing or developing any alcohol or liquor; (b) the sales or other disposition of any 3 4 alcohol, liquor or malt or brewed beverages if covered by said 5 license; (c) the quantities thereof, if any, stored in bond, stored for hire, or transported for hire by or for the licensee; 6 7 and (d) the names and addresses of the purchasers or other recipients thereof: Provided, however, That persons holding 8 9 licenses issued under the provisions of this article for the 10 transportation for hire of any alcohol, liquor or malt or brewed 11 beverages shall not be required to keep the above records, but 12 shall keep daily permanent records showing the names and 13 addresses of the persons from whom any alcohol, liquor or malt 14 or brewed beverage was received and to whom delivered, and such 15 other permanent records as the [board] department shall 16 prescribe.

17 Section 513. Premises and Records Subject To Inspection .--18 Every place operated under license secured under the provisions of this article where any alcohol, liquor or malt or brewed 19 20 beverage covered by the license is manufactured, produced, 21 distilled, developed or used in the process of manufacture, 22 denatured, redistilled, rectified, blended, recovered, reused, held in bond, stored for hire or in connection with a licensee's 23 24 business, shall be subject to inspection by members of the 25 [board] department or by persons duly authorized and designated by the [board] department at any and all times of the day or 26 night, as they may deem necessary, (a) for the detection of 27 28 violations of this act or of the rules and regulations of the 29 [board] department promulgated under the authority of this act, or (b) for the purpose of ascertaining the correctness of the 30 19810H0328B0337 - 141 -

records required by this act to be kept by licensees and the 1 books and records of licensees, and the books and records of 2 3 their customers, in so far as they relate to purchases from said 4 licensees, shall at all times be open to inspection by the 5 members of the [board] department or by persons duly authorized and designated by the [board] <u>department</u> for the purpose of 6 7 making inspections as authorized by this section. Members of the 8 [board] department and the persons duly authorized and 9 designated by the [board] <u>department</u> shall have the right, 10 without fee or hindrance, to enter any place which is subject to 11 inspection hereunder, or any place where records subject to inspection hereunder are kept, for the purpose of making such 12 13 inspections.

14 Section 514. Suspension and Revocation of Licenses.--(a) 15 Upon learning of any violation of this act or of any rule or 16 regulation promulgated by the [board] department under the 17 authority of this act, or any violation of any laws of the 18 Commonwealth or of the United States of America relating to the 19 tax payment of alcohol, liquor or malt or brewed beverages by 20 the holder of a license issued under the provisions of this 21 article, or upon other sufficient cause, the [board] department 22 may, within one year from the date of such violation or cause 23 appearing, cite such licensee to appear before it or its 24 examiner not less than ten (10) nor more than fifteen (15) days 25 from the date of sending such licensee, by registered mail, a 26 notice addressed to his licensed premises, to show cause why the 27 license should not be suspended or revoked. Hearings on such 28 citations shall be held in the same manner as provided herein 29 for hearings on applications for license. And upon such hearing, 30 if satisfied that any such violation has occurred or for other 19810H0328B0337 - 142 -

sufficient cause, the [board] <u>department</u> shall immediately
 suspend or revoke such license, notifying the licensee thereof
 by registered letter addressed to his licensed premises, or to
 the address given in his application where no licensed premises
 is maintained in Pennsylvania.

(b) When a license is revoked, the licensee's bond may be 6 7 forfeited by the [board] department. Any licensee whose license is revoked shall be ineligible to have a license under this act 8 9 or under any other act relating to alcohol, liquor or malt or 10 brewed beverages until the expiration of three (3) years from 11 the date such license was revoked. In the event the [board] department shall revoke a license, no license shall be granted 12 13 for the premises or transferred to the premises in which said 14 license was conducted for a period of at least one (1) year 15 after the date of the revocation of the license conducted in the 16 said premises, except in cases where the licensee or a member of 17 his immediate family is not the owner of the premises, in which 18 case the [board] department may, in its discretion, issue or 19 transfer a license within said year. In all such cases, the 20 [board] department shall file of record at least a brief 21 statement in the form of an opinion of the reasons for the 22 ruling or order.

23 Section 515. Appeals. -- Any licensee aggrieved by any 24 decision of the [board] <u>department</u> refusing, suspending or 25 revoking a license under the provisions of this article may 26 appeal to the court of the county in which the licensed premises 27 or the premises to be licensed are located. In the event an 28 applicant or a licensee shall have no place of business 29 established within the Commonwealth, his appeal shall be to the 30 court of Dauphin County. Such appeal shall be upon petition of 19810H0328B0337 - 143 -

the applicant or licensee, as the case may be, who shall serve a 1 2 copy thereof upon the [board] <u>department</u>. The said appeal shall 3 act as a supersedeas, unless upon sufficient cause shown the 4 court shall determine otherwise. The court shall hear the 5 application de novo at such time as it shall fix, of which notice shall be given to the [board] department. The court 6 7 shall, in the case of a refusal by the [board] department, either sustain such refusal or order the issuance of the license 8 9 to the applicant.

Section 516. Compromise Penalty In Lieu of Suspension .-- In 10 11 those cases where the [board] <u>department</u> shall suspend a license, the [board] department may accept from the licensee an 12 13 offer in compromise as a penalty in lieu of such suspension and 14 shall thereupon rescind its order of suspension. In the case of 15 a distillery licensee, the offer in compromise shall be at the 16 rate of one hundred dollars (\$100) for each day of suspension; 17 in the case of a bonded warehouse, bailee for hire and 18 transporter for hire licensees, twenty-five dollars (\$25) for 19 each day; and in the case of a winery licensee, fifty dollars 20 (\$50) for each day. No offer in compromise may be accepted by 21 the [board] department in those cases where the suspension is 22 for a period in excess of one hundred (100) days.

23 Section 517. Expiration of Licenses; Renewals. -- All licenses 24 issued under this article shall expire at the close of the 25 calendar year, but new licenses for the succeeding year shall be issued upon written application therefor, duly verified by 26 27 affidavit, stating that the facts in the original application 28 are unchanged, and upon payment of the fee as hereinafter 29 provided and the furnishing of a new bond, without the filing of 30 further statements or the furnishing of any further information 19810H0328B0337 - 144 -

unless specifically requested by the [board] department: 1 2 Provided, however, That any such license issued to a corporation 3 shall expire thirty (30) days after any change in the officers 4 of such corporation, unless the name and address of each such 5 new officer of such corporation shall, within that period, be reported to the [board] <u>department</u> by certificate, duly 6 7 verified. Applications for renewals must be made not less than thirty (30) nor more than sixty (60) days before the first day 8 9 of January of the ensuing year. All applications for renewal 10 received otherwise shall be treated as original applications. 11 Section 519. Penalties. -- Any person or persons who knowingly violate any of the provisions of this article, or any person who 12 13 shall violate any of the conditions of any license issued under 14 the provisions of this article, or who shall falsify any record 15 or report required by this article to be kept, or who shall 16 violate any rule or regulation of the [board] department, or who 17 shall interfere with, hinder or obstruct any inspection 18 authorized by this article, or prevent any member of the [board] 19 department or any person duly authorized and designated by the 20 [board] department from entering any place which such member of 21 the [board] department or such person is authorized by this 22 article to enter for the purpose of making an inspection, or who shall violate any other provision of this article, shall be 23 24 guilty of a misdemeanor and, upon conviction thereof, shall be 25 sentenced to pay a fine of not less than one hundred dollars 26 (\$100), nor more than five thousand dollars (\$5000), or undergo 27 imprisonment of not more than three (3) years, or both, at the 28 discretion of the court.

29 Section 66. Sections 601, 602 and 603 of the act, amended 30 April 20, 1956 (1955 P.L.1508, No.499), are amended to read: 19810H0328B0337 - 145 -

1 Section 601. Forfeiture of Property Illegally Possessed or Used. -- No property rights shall exist in any liquor, alcohol or 2 3 malt or brewed beverage illegally manufactured or possessed, or 4 in any still, equipment, material, utensil, vehicle, boat, vessel, animals or aircraft used in the illegal manufacture or 5 illegal transportation of liquor, alcohol or malt or brewed 6 7 beverages, and the same shall be deemed contraband and proceedings for its forfeiture to the Commonwealth may, at the 8 discretion of the [board] <u>department</u>, be instituted in the 9 10 manner hereinafter provided. No such property when in the 11 custody of the law shall be seized or taken therefrom on any writ of replevin or like process. 12

13 Section 602. Forfeiture Proceedings. -- (a) The proceedings 14 for the forfeiture or condemnation of all property shall be in 15 rem, in which the Commonwealth shall be the plaintiff and the 16 property the defendant. A petition shall be filed in the court 17 of [quarter sessions] <u>common pleas</u>, verified by oath or 18 affirmation of any officer or citizen, containing the following: 19 (1) a description of the property so seized; (2) a statement of 20 the time and place where seized; (3) the owner, if known; (4) 21 the person or persons in possession, if known; (5) an allegation 22 that the same had been possessed or used or was intended for use in violation of this act; (6) and, a prayer for an order of 23 24 forfeiture that the same be adjudged forfeited to the 25 Commonwealth, unless cause be shown to the contrary.

(b) A copy of said petition shall be served personally on said owner if he can be found within the jurisdiction of the court, or upon the person or persons in possession at the time of the seizure thereof. Said copy shall have endorsed thereon a notice as follows:

19810H0328B0337

- 146 -

To the Claimant of Within Described Property: You are required to file an answer to this petition, setting forth your title in and right to possession of said property, within fifteen (15) days from the service hereof; and you are also notified that if you fail to file said answer, a decree of forfeiture and condemnation will be entered against said property."

8 Said notice shall be signed by petitioner or his attorney, or 9 the district attorney or the Attorney General.

10 (c) If the owner of said property is unknown or outside the 11 jurisdiction of the court and there was no person in possession of said property when seized, or such person so in possession 12 13 cannot be found within the jurisdiction of the court, notice of said petition shall be given by an advertisement in only one 14 15 newspaper of general circulation published in the county where 16 such property shall have been seized, once a week for two (2) 17 successive weeks. No other advertisement of any sort shall be 18 necessary, any other law to the contrary notwithstanding. Said 19 notice shall contain a statement of the seizure of said 20 property, with a description thereof, the place and date of 21 seizure, and shall direct any claimants thereof to file a claim 22 therefor on or before a date given in said notice, which date 23 shall not be less than ten (10) days from the date of the last 24 publication.

(d) Upon the filing of any claim for said property, setting forth a right of possession thereof, the case shall be deemed at issue and a time be fixed for the hearing thereof.

(e) At the time of said hearing, if the Commonwealth shall produce evidence that the property in question was unlawfully possessed or used, the burden shall be upon the claimant to show 19810H0328B0337 - 147 - (1) that he is the owner of said property, (2) that he lawfully
 acquired the same, and (3) that it was not unlawfully used or
 possessed.

4 In the event such claimant shall prove by competent evidence 5 to the satisfaction of the court that said liquor, alcohol or malt or brewed beverage, or still, equipment, material, utensil, 6 vehicle, boat, vessel, container, animal or aircraft was 7 lawfully acquired, possessed and used, then the court may order 8 the same returned or delivered to the claimant; but if it 9 appears that said liquor, alcohol or malt or brewed beverage or 10 11 still, equipment, material or utensil was unlawfully possessed or used, the court shall order the same destroyed, delivered to 12 13 a hospital, or turned over to the [board] department, as 14 hereinafter provided, or if it appears that said vehicle, boat, 15 vessel, container, animal or aircraft was unlawfully possessed 16 or used, the court may, in its discretion, adjudge same 17 forfeited and condemned as hereinafter provided.

18 Section 603. Disposition of Forfeited Property.--If, upon petition as hereinbefore provided and hearing before the court 19 20 of [quarter sessions] <u>common pleas</u>, it appears that any liquor, 21 alcohol, or malt or brewed beverage or still, equipment, 22 material or utensil was so illegally possessed, or used, such liquor, alcohol or malt or brewed beverage or still, equipment, 23 material or utensil shall be adjudged forfeited and condemned, 24 25 or if it appears that any vehicle, boat, vessel, container, 26 animal or aircraft was so used in the illegal manufacture or 27 transportation of liquor, alcohol or malt or brewed beverage, 28 such property may, in the discretion of the court, be adjudged 29 forfeited and condemned and in such case shall be disposed of as 30 follows:

19810H0328B0337

- 148 -

1 (a) Upon conviction of any person of a violation of any of 2 the provisions of this act, the court shall order the sheriff to 3 destroy all condemned liquor, alcohol or malt or brewed beverage 4 and property seized or obtained from such defendants, except 5 that the court may order the liquor, alcohol or malt or brewed beverages, or any part thereof, to be delivered to a hospital 6 7 for its use, and make return to the court of compliance with said order, and any vehicle, container, boat, vessel, animals or 8 aircraft seized under the provisions of this act shall be 9 10 disposed of as hereinafter provided.

11 (b) In any case in which the defendant is acquitted of a violation of this act and denies the ownership or possession 12 13 thereof, or no claimant appears for same, or appearing, is 14 unable to sustain claim thereof, the court shall order all 15 condemned liquor, alcohol and malt or brewed beverages and property (except vehicles, boats, vessels, containers, animals 16 17 and aircraft) publicly destroyed by the sheriff, except that the 18 court may order the liquor, alcohol or malt or brewed beverages, 19 or any part thereof, to be delivered to a hospital for its use. Return of compliance with said order shall be made by the 20 sheriff to the court. 21

22 In the case of any vehicle, boat, vessel, container, (C) 23 animal or aircraft seized under the provisions of this act and 24 condemned, the court shall order the same to be delivered to the 25 [board] department for its use or for sale or disposition by the 26 [board] department, in its discretion. Notice of such sale shall 27 be given in such manner as the [board] <u>department</u> may prescribe. 28 The proceeds of such sale shall be paid into the [State Stores] General Fund. 29

30 Section 67. Sections 604, 701 and 703 of the act are amended 19810H0328B0337 - 149 - 1 to read:

Section 604. Motor Vehicle Licenses To Be Revoked .-- In 2 3 addition to the foregoing provisions, the court may, in its 4 order of condemnation, and in every conviction under this act 5 where it shall appear that liquor, alcohol or malt or brewed beverages were unlawfully transported in a motor vehicle, 6 7 declare that the license issued by the Department of Revenue for any motor vehicle so forfeited and condemned, or issued to any 8 defendant convicted of transporting liquor, alcohol or malt or 9 10 brewed beverages in any motor vehicle, shall be forfeited and 11 revoked, and it shall be the duty of the clerk of the court in which such conviction is had and order of condemnation made to 12 13 certify such conviction to the Secretary of Revenue, who shall suspend or revoke the license issued for such motor vehicles: 14 15 Provided, That a license may be issued for such motor vehicle to 16 the [board] department or to any purchaser of the vehicle after the sale thereof, as above provided. 17

18 Section 701. Definitions and Interpretation.--(a) When used 19 in this article, the following words or phrases, unless the 20 context clearly indicates otherwise, shall have the meanings 21 ascribed to them in this section.

22 "Agent" shall mean and include every person employed by a 23 distillery certificate broker to sell, offer for sale or 24 delivery, to purchase, exchange, or to enter into agreements for 25 the purchase, sale or exchange, or to solicit subscriptions to, 26 or orders for, or to undertake to dispose of, or to deal in any 27 manner in, distillery bonded warehouse certificates.

28 "Fraud," "fraudulent" and "fraudulent practice" shall include 29 any misrepresentation in any manner of a relevant fact not made 30 honestly and in good faith; any promise or representation or 19810H0328B0337 - 150 -

prediction as to the future not made honestly and in good faith, 1 or an intentional failure to disclose a material fact; the 2 3 gaining, directly or indirectly, through the purchase, sale or 4 exchange of distillery bonded warehouse certificates, of any 5 promotion fee or profit, selling or managing commission or profit, so gross and exorbitant as to be unconscionable and 6 fraudulent; and any scheme, device, artifice or investment plan 7 to obtain such an unconscionable profit: Provided, however, that 8 nothing herein shall limit or diminish the full meaning of the 9 10 terms "fraud" and "fraudulent" as applied or accepted in courts 11 of law or equity.

(b) Nothing contained in this article shall be construed as 12 13 permitting the holder or owner of a distillery bonded warehouse 14 certificate, as defined in this act, to secure possession of the 15 whiskey or other potable distilled spirits named or designated 16 in such certificate, except in accordance with the provisions of 17 this act and the laws of this Commonwealth hereafter enacted 18 relating to alcohol or alcoholic beverages and the regulations 19 of the [board] department adopted and promulgated thereunder. 20 Section 703. Authority to Issue Permits to Distillery 21 Certificate Brokers. -- Subject to the provisions of this article 22 and regulations promulgated under this act, the [board] department shall have authority to issue to any reputable 23 24 financially responsible person whose plan of business in dealing 25 in distillery bonded warehouse certificates is not deemed by the 26 [board] department to constitute "fraudulent practice," as 27 defined herein, a permit to act as distillery certificate 28 broker.

29 Section 68. Section 704 of the act, amended September 28, 30 1961 (P.L.1728, No.702), is amended to read:

19810H0328B0337

- 151 -

1 Section 704. Application for Permit; Filing Fee.--Every applicant for a distillery certificate broker permit shall file 2 3 a written application with the [board] department outlining his 4 plan of business in dealing in distillery bonded warehouse 5 certificates, in such form and containing such other information as the [board] department shall from time to time prescribe, 6 which shall be accompanied by a filing fee of twenty dollars 7 8 (\$20) and the prescribed permit fee. If the applicant is a natural person, his application must show that he is a citizen 9 10 of the United States, and if a corporation, the application must 11 show that the corporation was created under the laws of Pennsylvania or holds a certificate of authority to transact 12 13 business in Pennsylvania. The application shall be signed and 14 verified by oath or affirmation of the applicant, if a natural 15 person, or in the case of an association, by a member or partner 16 thereof, or in the case of a corporation, by an executive 17 officer thereof or any person specifically authorized by the 18 corporation to sign the application, to which shall be attached 19 written evidence of his authority. If the applicant is an 20 association, the application shall set forth the names and 21 addresses of the persons constituting the association, and if a 22 corporation, the names and addresses of all the officers thereof. All applications must be verified by affidavit of 23 24 applicant and if any false statement is intentionally made in 25 any part of the application, the signer shall be guilty of a 26 misdemeanor and upon indictment and conviction, shall be subject 27 to penalties provided by this article.

28 Section 69. Sections 705, 707, 708, 709, 710, 712, 722, 724, 29 725, 726, 727, 733 and 741 of the act are amended to read: 30 Section 705. Issuance of Permits.--Upon receipt of the 19810H0328B0337 - 152 -

application and proper fees and upon being satisfied of the 1 truth of the statements in the application, and being also 2 3 satisfied that the applicant's plan of business in dealing in 4 distillery bonded warehouse certificates does not constitute "fraudulent practice," as defined in this article, and that the 5 applicant is a person of good repute and financially 6 responsible, the [board] department may issue to such applicant 7 a permit authorizing the permittee to sell, purchase, exchange, 8 pledge and deal in distillery bonded warehouse certificates. 9 10 Section 707. Permit Fee; Permits Not Assignable or 11 Transferable; Display of Permit; Term of Permit.--Every applicant for distillery certificate broker permit shall, before 12 13 receiving such permit, pay to the [board] department an annual permit fee of one hundred dollars (\$100). Permits issued under 14 15 this act may not be assigned or transferred and shall be 16 conspicuously displayed at the place of business of the 17 permittee. All permits shall be valid only during the year for 18 which issued and shall automatically expire on the thirty-first 19 day of December of each calendar year unless suspended, revoked or cancelled prior thereto. 20

21 Section 708. Records to be Kept. -- Every person holding a 22 permit issued under this act shall keep daily permanent records 23 containing a complete record of all transactions in distillery bonded warehouse certificates within this Commonwealth, in such 24 25 form and manner as the [board] department may from time to time 26 prescribe. Such records shall be available for examination by 27 the [board] department officers at the broker's principal place 28 of business or office in Pennsylvania.

29 Section 709. Renewal of Permits.--Upon the filing of an 30 application and the payment of the prescribed filing fee and 19810H0328B0337 - 153 -

permit fee in the same amount as herein required on original 1 applications for permits, the [board] <u>department</u> may renew the 2 3 permit for the calendar year beginning January first, provided 4 such application for renewal is filed and fee paid on or before 5 December fifteenth of the preceding year, unless the [board] department shall have given previous notice of objections to the 6 7 renewal of the permit, based upon violation of this article or 8 the [board] department regulations promulgated thereunder, or unless the applicant has by his own act become a person of ill 9 10 repute or ceases to be financially responsible.

11 Section 710. Permit Hearings; Appeals From Refusal of the [Board] <u>Department</u> to Issue or Renew Permits.--The [board] 12 13 department may of its own motion, and shall upon written request 14 of any applicant for distillery certificate broker permit or for 15 renewal thereof whose application for such permit or renewal has 16 been refused, fix a time and place for hearings of such 17 application for permit or for renewal thereof, notice of which 18 hearing shall be sent by registered mail to the applicant at the 19 address given in his application. Such hearing shall be before 20 the [board] department or a member thereof. At such hearing, the 21 [board] department shall present its reasons for its refusal or 22 withholding a permit or renewal thereof. The applicant may 23 appear in person or by counsel, cross-examine the witnesses of 24 the [board] department, and may present evidence which shall be 25 subject to cross-examination by the [board] department. Such 26 hearings shall be stenographically recorded. The [board] 27 department shall thereupon grant or refuse the permit or renewal 28 thereof. If the [board] department shall refuse such permit or renewal following such hearing, notice in writing of such 29 30 refusal shall be sent by registered mail to the applicant at the 19810H0328B0337 - 154 -

address given in his application. In all such cases, the [board]
 <u>department</u> shall file of record at least a brief statement in
 the form of an opinion of the reasons for the ruling or order
 and furnish a copy thereof to the applicant.

5 Section 712. Revocation and Suspension of Permit.--Upon learning of any violation of this act or regulations of the 6 7 [board] department promulgated thereunder, or any violation of 8 any laws of this Commonwealth or of the United States of America by the permittee, his officers, servants, agents or employes, or 9 upon any other sufficient cause shown, the [board] department 10 11 may cite such permittee to appear before it or a member thereof not less than ten or more than fifteen days from the date of 12 13 sending such permittee, by registered mail, a notice addressed to him at the address set forth in the application for permit, 14 15 to show cause why such permit should not be suspended or 16 revoked. When such notice is duly addressed and deposited in the post office, it shall be deemed due and sufficient notice. 17 18 Hearings on such citations shall be held in the same manner as provided herein for hearing on application for permit. Upon such 19 20 hearing, if satisfied that any such violation has occurred, or for other sufficient cause, the [board] department shall 21 22 immediately suspend or revoke the permit, notifying the permittee thereof by registered letter addressed to the address 23 24 set forth in the application for permit. Any permittee whose 25 permit is revoked shall be ineligible to have a permit under 26 this act until the expiration of three years from the date such 27 permit was revoked. In all such cases, the [board] department 28 shall file of record at least a brief statement in the form of 29 an opinion of the reasons for the ruling or order.

30 Section 722. Registered Agents.--Every person holding a
19810H0328B0337 - 155 -

distillery certificate broker permit under this article who 1 desires to employ an agent or agents in the operation of his 2 business under the permit shall make application to the [board] 3 4 department for registration of such agent or agents. Every such 5 permittee's application shall set forth the name of the permittee and the address of his main office or principal place 6 of business in Pennsylvania, and the full address where complete 7 records are maintained covering the permittee's operations in 8 Pennsylvania. With each such permittee's application there shall 9 10 be filed an agent's application for each agent to be registered. 11 Permittees' applications for agents and agents' applications shall contain such information as the [board] department shall 12 13 from time to time require, and shall be signed and verified by 14 oath or affirmation of the agent. Each application shall be 15 accompanied by two unmounted photographs of the agent. 16 Section 724. Registration and Issuance of Identification 17 Card.--Upon receipt of the application, the proper fees, and 18 upon being satisfied of the truth of the statements in the 19 application and that the applicant is a person of good 20 reputation and the applicant seeks a registration as defined in 21 this act, the [board] department may register such agent and issue to him an identification card. 22

23 Section 725. Hearings Upon Refusal of the [Board] 24 <u>Department</u>; Appeals.--In the event that the [board] <u>department</u> 25 shall refuse to issue or to renew an agent's registration, a 26 hearing shall be had.

Section 726. Revocation and Suspension of Agents'
Registrations.--Upon learning of any violation of this act or
regulation of the [board] <u>department</u> promulgated thereunder, or
any violation of any laws of this Commonwealth or of the United
19810H0328B0337 - 156 -

States of America by a registered agent, the [board] <u>department</u>
 may revoke or suspend the agent's registration in the same
 manner as provided herein for the revocation and suspension of
 distillery certificate broker permits.

5 Section 727. Identification Cards. -- Upon approval by the [board] department of the application for registration of an 6 7 agent, there shall be issued to such registered agent an identification card containing the name and address of the 8 9 distillery certificate broker, the name, address and physical 10 description of the agent. There shall also be affixed to the 11 identification card a photograph of the agent, and no identification card shall be valid until signed by both the 12 13 distillery certificate broker and the agent and counter-signed 14 by a representative of the [board] department.

Before any agent's registration can be changed from one distillery certificate broker to another, the identification card of such agent shall either be returned to the [board] <u>department</u> by the broker under whom he is registered, or such broker shall file with the [board] <u>department</u> a notice in writing that he has knowledge of and consents to the employment of such agent by the other broker.

When the employment of any agent is terminated, the broker shall immediately notify the [board] <u>department</u> and the identification card issued to the agent shall be surrendered to the [board] <u>department</u>.

Section 733. Certificates Owned Since July 24, 1939.-Persons other than licensed distillers, rectifiers, importers
and distillery certificate brokers, holding distillery bonded
warehouse certificates on and since the twenty-fourth day of
July, one thousand nine hundred thirty-nine, may dispose of same
19810H0328B0337 - 157 -

without a permit required under the provisions of this act, but
 only to or through a distillery certificate broker holding a
 permit from the [board] <u>department</u>.

4 Section 741. Duties of the [Board] Department. -- It shall be 5 the duty of the [board] <u>department</u> to see that the provisions of this article are at all times properly administered and obeyed, 6 and to take such measures and make such investigations as will 7 detect the violations of any provisions thereof. In the event it 8 shall discover any violation, it shall, in addition to revoking 9 10 any permit or registration of an agent, take such measures as 11 may be necessary to cause the apprehension and prosecution of all persons deemed guilty thereof. 12

13 Section 70. (a) On July 1, 1981, all personnel, allocations, appropriations, equipment, files, records, 14 15 contracts, agreements, obligations and other materials which are 16 used, employed or expended in connection with the powers, duties 17 or functions transferred by this act to the Department of 18 Revenue are hereby transferred to the Department of Revenue with the same force and effect as if the appropriations had been made 19 20 to and said items had been the property of the Department of Revenue in the first instance and as if said contracts, 21 22 agreements and obligations had been incurred or entered into by the Department of Revenue. 23

(b) Rules and regulations of the Pennsylvania Liquor Control
Board shall remain in effect until changed or repealed by the
Department of Revenue after June 30, 1981.

27 Section 71. This act shall take effect in 60 days.