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THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL No. 926 Session of 1997

INTRODUCED BY BRIGHTBILL, AFFLERBACH, EARLL, PICCOLA, HART, THOMPSON, WOZNIAK, HECKLER AND O'PAKE, APRIL 16, 1997

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 30, 1998

AN ACT

Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as

reenacted, "An act relating to alcoholic liquors, alcohol and

3	malt and brewed beverages; amending, revising, consolidating
4	and changing the laws relating thereto; regulating and
5	restricting the manufacture, purchase, sale, possession,
б	consumption, importation, transportation, furnishing, holding
7	in bond, holding in storage, traffic in and use of alcoholic
8	liquors, alcohol and malt and brewed beverages and the
9	persons engaged or employed therein; defining the powers and
10	duties of the Pennsylvania Liquor Control Board; providing
11	for the establishment and operation of State liquor stores,
12	for the payment of certain license fees to the respective
13	municipalities and townships, for the abatement of certain
14	nuisances and, in certain cases, for search and seizure
15	without warrant; prescribing penalties and forfeitures;
16	providing for local option, and repealing existing laws,"
17	providing for alcoholic cider; further providing for
18	breweries and for TRANSFERS OF CERTAIN LICENSES AND FOR
19	limited wineries; providing for construction and
20	applicability; and making repeals.
21	The General Assembly of the Commonwealth of Pennsylvania
22	hereby enacts as follows:
23	Section 1. The definition of "malt or brewed beverages" in
24	section 102 of the act of April 12, 1951 (P.L.90, No.21), known
25	as the Liquor Code, reenacted and amended June 29, 1987 (P.L.32,

No.14), is amended and the section is amended by adding a
 definition to read:

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

6 * * *

7 <u>"Alcoholic cider" shall mean a beverage which may contain</u>
8 <u>carbonation in an amount not to exceed three hundred ninety-two</u>
9 <u>one thousandths (.392) of a gram per one hundred (100)</u>
10 <u>milliliters and flavors, produced through alcoholic fermentation</u>
11 <u>of only apples or apple juice, consisting of at least one-half</u>

12 of one (.5%) per centum, but not greater than five and one half <---</p>
13 (5.5%) NO MORE THAN SIX (6%) per centum, alcohol by volume and <--</p>
14 sold or offered for sale as alcoholic cider and not as a wine, a
15 wine product, or as a substitute for wine, in bottles, cases,
16 kegs, cans or other suitable containers of the type used for the

17 sale of malt or brewed beverages in this Commonwealth.

18 * * *

19 "Malt or Brewed Beverages" [means] <u>shall mean</u> any beer, lager 20 beer, ale, porter or similar fermented malt beverage containing 21 one-half of one (.5%) per centum or more of alcohol by volume, 22 by whatever name such beverage may be called, <u>and shall mean</u> 23 alcoholic cider.

24 * * *

25 Section 2. Section 446(2) of the act is amended to read:
26 Section 446. Breweries. Holders of a brewery license may:
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28 (2) Operate a restaurant or brewery pub on the licensed
29 premises under such conditions and regulations as the board may
30 enforce[.]: Provided, however, That sales on Sunday may be made
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1 between the hours of one o'clock postmeridian and ten o'clock
2 postmeridian, irrespective of the volume of food sales if the
3 licensed premises are at a stadium or arena location.
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5 SECTION 2. SECTION 468(A) AND (C) OF THE ACT ARE AMENDED TO 6 READ:

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7 SECTION 468. LICENSES NOT ASSIGNABLE; TRANSFERS.--(A) (1) LICENSES ISSUED UNDER THIS ARTICLE MAY NOT BE ASSIGNED. THE 8 9 BOARD, UPON PAYMENT OF THE TRANSFER FILING FEE [AND THE 10 EXECUTION OF A NEW BOND], IS HEREBY AUTHORIZED TO TRANSFER ANY 11 LICENSE ISSUED BY IT UNDER THE PROVISIONS OF THIS ARTICLE FROM ONE PERSON TO ANOTHER OR FROM ONE PLACE TO ANOTHER, OR BOTH, 12 13 WITHIN THE SAME MUNICIPALITY, AND IF THE APPLICANT IS A UNIT OF 14 A NONPROFIT NATIONALLY CHARTERED CLUB, THE BOARD IS HEREBY 15 AUTHORIZED TO TRANSFER SUCH LICENSE TO A PLACE IN ANY OTHER 16 MUNICIPALITY WITHIN THE SAME COUNTY IF THE SALE OF LIQUOR OR 17 MALT AND BREWED BEVERAGES ARE LEGAL IN SUCH OTHER MUNICIPALITY 18 AS THE BOARD MAY DETERMINE. PRIOR TO THE APPROVAL OF AN 19 APPLICATION FOR TRANSFER BY A UNIT OF A NONPROFIT NATIONALLY 20 CHARTERED CLUB THE BOARD SHALL MAKE AN AFFIRMATIVE FINDING, UPON 21 PROOF SUBMITTED BY THE APPLICANT, AND AFTER INVESTIGATION BY THE 22 BOARD, THAT AT THE TIME THE APPLICATION FOR TRANSFER IS MADE THE 23 CLUB CONTINUES TO HOLD A VALID NATIONAL CHARTER AND CONTINUES TO 24 FUNCTION IN FACT AS A CLUB AS DEFINED IN SECTION 102. THE BOARD, 25 IN ITS DISCRETION, MAY TRANSFER AN EXISTING RESTAURANT RETAIL 26 DISPENSER OR CLUB LICENSE FROM ONE MUNICIPALITY TO ANOTHER IN 27 THE SAME COUNTY REGARDLESS OF THE QUOTA LIMITATIONS PROVIDED FOR 28 IN THIS ACT, IF SALES OF LIQUOR OR MALT AND BREWED BEVERAGES ARE 29 LEGAL IN SUCH OTHER MUNICIPALITY AND IF THE RESTAURANT RETAIL 30 DISPENSER OR CLUB LOST THE USE OF THE BUILDING IN WHICH IT WAS 19970S0926B1852 - 3 -

LOCATED DUE TO GOVERNMENTAL EXERCISE OF THE RIGHT OF EMINENT
 DOMAIN AND NO OTHER SUITABLE BUILDING CAN BE FOUND IN THE FIRST
 MUNICIPALITY.

(2) (I) THE BOARD, IN ITS DISCRETION, MAY TRANSFER AN

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5 EXISTING RESTAURANT LIQUOR LICENSE OR A RETAIL DISPENSER LICENSE FROM ONE MUNICIPALITY TO ANOTHER MUNICIPALITY OF THE SAME COUNTY 6 7 OR IN A CONTIGUOUS COUNTY REGARDLESS OF THE QUOTA LIMITATIONS 8 PROVIDED FOR IN THIS ACT, IF: 9 (A) SALES OF LIQUOR OR MALT AND BREWED BEVERAGES ARE LEGAL 10 IN SUCH OTHER MUNICIPALITY; 11 (B) THE LOCATION IN THE SAME COUNTY OR A CONTIGUOUS COUNTY 12 IS AN INDOOR BOWLING CENTER; AND 13 (C) THE RESTAURANT LIQUOR LICENSE OR A RETAIL DISPENSER 14 LICENSE IS CURRENTLY LOCATED IN AN AREA WHICH HAS BEEN 15 DESIGNATED AS BLIGHTED. 16 (II) FOR PURPOSES OF THIS SUBSECTION, A PROPERTY SHALL BE 17 DETERMINED TO BE BLIGHTED IF IT IS ANY OF THE FOLLOWING: 18 (A) REAL PROPERTY WITHIN OR OUTSIDE A CERTIFIED 19 REDEVELOPMENT AREA DETERMINED TO BE BLIGHTED PROPERTY UNDER THE 20 ACT OF MAY 24, 1945 (P.L.991, NO.385), KNOWN AS THE "URBAN 21 REDEVELOPMENT LAW"; 22 (B) ANY PROPERTY DECLARED TO BE BLIGHTED BY A PENNSYLVANIA 23 LOCAL GOVERNMENT OR ITS AGENCY; OR 24 (C) ANY PROPERTY WHICH IS LOCATED WITHIN A REDEVELOPMENT 25 AREA, WHEN ONE OF THE STATED PURPOSES OF DESIGNATION AS A 26 REDEVELOPMENT AREA IS TO REMOVE BLIGHT, DESIGNATED BY A LOCAL 27 GOVERNMENT OR ITS AGENCIES UNDER THE "URBAN REDEVELOPMENT LAW." 28 (III) A RESTAURANT LIQUOR LICENSE OR A RETAIL DISPENSER 29 LICENSE WHICH IS TRANSFERRED TO AN INDOOR BOWLING CENTER MAY NOT 30 BE TRANSFERRED AGAIN FOR FIVE YEARS UNLESS THAT TRANSFER IS IN 19970S0926B1852 - 4 -

1 CONJUNCTION WITH THE SALE OF THE BOWLING BUSINESS. IN THE CASE 2 OF DISTRIBUTOR AND IMPORTING DISTRIBUTOR LICENSES, THE BOARD MAY 3 TRANSFER ANY SUCH LICENSE FROM ITS PLACE IN A MUNICIPALITY TO A 4 PLACE IN ANY OTHER MUNICIPALITY WITHIN THE SAME COUNTY, OR FROM 5 ONE PLACE TO ANOTHER PLACE WITHIN THE SAME MUNICIPALITY, OR EXCHANGE A DISTRIBUTOR LICENSE FOR AN IMPORTING DISTRIBUTOR 6 7 LICENSE OR AN IMPORTING DISTRIBUTOR LICENSE FOR A DISTRIBUTOR LICENSE, IF THE BUILDING FOR WHICH THE LICENSE IS TO BE ISSUED 8 9 HAS, IN THE CASE OF AN IMPORTING DISTRIBUTOR LICENSE, AN AREA 10 UNDER ONE ROOF OF TWO THOUSAND FIVE HUNDRED SQUARE FEET AND, IN 11 THE CASE OF A DISTRIBUTOR LICENSE, AN AREA UNDER ONE ROOF OF ONE 12 THOUSAND SQUARE FEET: AND PROVIDED, THAT, IN THE CASE OF ALL 13 TRANSFERS OF DISTRIBUTOR OR IMPORTING DISTRIBUTOR LICENSES, 14 WHETHER FROM A PLACE WITHIN THE SAME MUNICIPALITY TO ANOTHER 15 PLACE WITHIN THE SAME MUNICIPALITY OR FROM A PLACE IN A 16 MUNICIPALITY TO A PLACE IN ANY OTHER MUNICIPALITY WITHIN THE 17 SAME COUNTY, AND, IN THE CASE OF AN EXCHANGE OF A DISTRIBUTOR 18 LICENSE FOR AN IMPORTING DISTRIBUTOR LICENSE OR AN IMPORTING 19 DISTRIBUTOR LICENSE FOR A DISTRIBUTOR LICENSE, THE PREMISES TO 20 BE AFFECTED BY THE TRANSFER OR EXCHANGE SHALL CONTAIN AN OFFICE 21 SEPARATE AND APART FROM THE REMAINDER OF THE PREMISES TO BE 22 LICENSED FOR THE PURPOSE OF KEEPING RECORDS, REQUIRED BY THE BOARD, ADEQUATE TOILET FACILITIES FOR EMPLOYES OF THE LICENSEE 23 24 AND AN ENTRANCE ON A PUBLIC THOROUGHFARE: PROVIDED, HOWEVER, 25 THAT IN THE EVENT THAT THE MAJORITY OF THE VOTING ELECTORS OF A 26 MUNICIPALITY, AT AN ELECTION HELD UNDER THE PROVISIONS OF ANY 27 LAW SO EMPOWERING THEM TO DO, SHALL VOTE AGAINST THE ISSUANCE OF 28 DISTRIBUTOR OR IMPORTING DISTRIBUTOR LICENSES IN SUCH 29 MUNICIPALITY, THE BOARD IS HEREBY AUTHORIZED TO TRANSFER ANY 30 SUCH DISTRIBUTOR OR IMPORTING DISTRIBUTOR LICENSE FROM ITS PLACE - 5 -19970S0926B1852

IN SUCH MUNICIPALITY TO A PLACE IN ANY OTHER MUNICIPALITY WITHIN 1 2 THE SAME COUNTY, UPON APPLICATION PRIOR TO THE EXPIRATION OF ANY 3 SUCH LICENSE AND UPON PAYMENT OF THE TRANSFER FILING FEE [AND 4 THE EXECUTION OF A NEW BOND]; BUT NO TRANSFER SHALL BE MADE TO A 5 PERSON WHO WOULD NOT HAVE BEEN ELIGIBLE TO RECEIVE THE LICENSE ORIGINALLY NOR FOR THE TRANSACTION OF BUSINESS AT A PLACE FOR 6 7 WHICH THE LICENSE COULD NOT LAWFULLY HAVE BEEN ISSUED ORIGINALLY, NOR, EXCEPT AS HEREIN PROVIDED, TO A PLACE AS TO 8 9 WHICH A LICENSE HAS BEEN REVOKED.

10 (3) NO LICENSE SHALL BE TRANSFERRED TO ANY PLACE OR PROPERTY 11 UPON WHICH IS LOCATED AS A BUSINESS THE SALE OF LIQUID FUELS AND 12 OIL. EXCEPT IN CASES OF EMERGENCY SUCH AS DEATH, SERIOUS 13 ILLNESS, OR CIRCUMSTANCES BEYOND THE CONTROL OF THE LICENSEE, AS 14 THE BOARD MAY DETERMINE SUCH CIRCUMSTANCES TO JUSTIFY ITS 15 ACTION, TRANSFERS OF LICENSES MAY BE MADE ONLY AT TIMES FIXED BY THE BOARD. IN THE CASE OF THE DEATH OF A LICENSEE, THE BOARD MAY 16 17 TRANSFER THE LICENSE TO THE SURVIVING SPOUSE OR PERSONAL 18 REPRESENTATIVE OR TO A PERSON DESIGNATED BY HIM. FROM ANY 19 REFUSAL TO GRANT A TRANSFER OR UPON THE GRANT OF ANY TRANSFER, 20 THE PARTY AGGRIEVED SHALL HAVE THE RIGHT OF APPEAL TO THE PROPER 21 COURT IN THE MANNER HEREINBEFORE PROVIDED.

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(C) (1) THE TERM "NONPROFIT NATIONALLY CHARTERED CLUB" SHALL
MEAN ANY CLUB WHICH DOES NOT CONTEMPLATE PECUNIARY GAIN OR
PROFIT, INCIDENTAL OR OTHERWISE, HAVING A NATIONAL CHARTER.

26 (2) THE TERM "UNIT OF A NONPROFIT NATIONALLY CHARTERED CLUB"
27 SHALL MEAN ANY POST, BRANCH, LODGE OR OTHER SUBORDINATE UNIT OF
28 A NONPROFIT NATIONALLY CHARTERED CLUB.

29 (3) THE TERM "INDOOR BOWLING CENTER" SHALL MEAN AN ENCLOSED
30 FACILITY OF AT LEAST TWELVE THOUSAND SQUARE FEET WITH A MINIMUM
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OF EIGHTEEN BOWLING LANES AND WHICH HAS AS ITS PRIMARY FOCUS THE
 OFFERING OF BOWLING AS A RECREATIONAL ACTIVITY TO THE GENERAL
 PUBLIC.

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5 Section 3 2 3. Section 505.2 of the act, amended April 29,
6 1994 (P.L.212, No.30) and May 31, 1996 (P.L.312, No.49), is
7 amended to read:

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8 Section 505.2. Limited Wineries.--In the interest of
9 promoting tourism and recreational development in Pennsylvania,
10 holders of a limited winery license may:

(1) Produce <u>alcoholic ciders</u>, wines and wine coolers only from fruits grown in Pennsylvania in an amount not to exceed two hundred thousand (200,000) gallons per year.

14 Sell <u>alcoholic cider</u>, wine and wine coolers produced by (2) 15 the limited winery or purchased in bulk in bond from another 16 Pennsylvania limited winery on the licensed premises, under such 17 conditions and regulations as the board may enforce, to the 18 board, to individuals and to hotel, restaurant, club and public 19 service liquor licensees, and to Pennsylvania winery licensees: 20 Provided, That a limited winery shall not, in any calendar year, 21 purchase <u>alcoholic cider or</u> wine produced by other limited 22 wineries in an amount in excess of fifty (50%) per centum of the 23 alcoholic cider or wine produced by the purchasing limited 24 winery in the preceding calendar year.

(3) Separately or in conjunction with other limited
wineries, sell <u>alcoholic cider</u>, wine and wine coolers produced
by the limited winery on no more than five (5) board-approved
locations other than the licensed premises, with no bottling or
production requirement at those additional board-approved
locations and under such conditions and regulations as the board
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may enforce, to the board, to individuals and to hotel,
 restaurant, club and public service liquor licensees.

3 (4) At the discretion of the board, obtain a special [wine] 4 permit to participate in <u>alcoholic cider</u>, wine and food 5 expositions off the licensed premises. A special [wine] permit shall be issued upon proper application and payment of a fee of 6 7 thirty dollars (\$30) per day for each day of permitted use, not to exceed five (5) consecutive days. A limited winery may not 8 9 obtain more than five (5) special [wine] permits in any calendar 10 year. The total number of days for all the <u>special</u> permits may 11 not exceed ten (10) days in any calendar year. A special [wine] permit shall entitle the holder to engage in the sale of 12 13 alcoholic cider or wine produced by the bottle or in case lots 14 by the permittee under the authority of a limited winery 15 license. Holders of special [wine] permits may provide tasting 16 samples of wines in individual portions not to exceed one (1) 17 fluid ounce. Samples at <u>alcoholic cider</u>, wine and food 18 expositions may be sold or offered free of charge. Except as 19 provided herein, limited wineries utilizing special [wine] 20 permits shall be governed by all applicable provisions of this 21 act as well as by all applicable regulations or conditions 22 adopted by the board.

23 For the purposes of this clause, "alcoholic cider, wine and food expositions" are defined as affairs held indoors or 24 25 outdoors with the primary intent of educating those in 26 attendance of the availability, nature and quality of 27 Pennsylvania-produced alcoholic ciders and wines in conjunction 28 with suitable food displays, demonstrations and sales. [Wine] Alcoholic cider, wine and food expositions may also include 29 activities other than alcoholic cider, wine and food displays, 30 - 8 -19970S0926B1852

including arts and crafts, musical activities, cultural
 exhibits, agricultural exhibits and similar activities.

3 (5) Apply for and hold a hotel liquor license, a restaurant 4 liquor license or a malt and brewed beverages retail license to 5 sell for consumption at the restaurant or limited winery on the licensed winery premises, liquor, wine and malt or brewed 6 beverages regardless of the place of manufacture under the same 7 conditions and regulations as any other hotel liquor license, 8 9 restaurant liquor license or malt and brewed beverages retail 10 license. 11 Section 4-3 4. The act is amended by adding an article to 12 read:

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13 ARTICLE X. 14 MISCELLANEOUS PROVISIONS. 15 Section 1001. Construction and Applicability.--(a) Except as provided in subsection (b), unless the context clearly 16 17 indicates otherwise, a reference to "malt or brewed beverages" 18 in a statute shall be construed to include alcoholic cider. (b) Regardless of context, a reference to "malt or brewed 19 20 beverages in Article XX of the act of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of 1971," shall be 21 22 construed to include alcoholic cider. 23 (c) Except as provided in subsection (d), unless the context clearly indicates otherwise, a reference to "wine" in a statute 24 25 shall be construed to exclude alcoholic cider. 26 (d) Regardless of context, a reference to "wine" in the act 27 of December 5, 1933 (Sp.Sess., P.L.38, No.6), known as the 28 "Spirituous and Vinous Liquor Tax Law," shall be construed to exclude alcoholic cider. 29 Section 5-4 5. The following acts and parts of acts are 30

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1 repealed insofar as they are inconsistent with this act:

Act of December 5, 1933 (Sp.Sess., P.L.38, No.6), known as
the Spirituous and Vinous Liquor Tax Law.

4 Article XX of the act of March 4, 1971 (P.L.6, No.2), known 5 as the Tax Reform Code of 1971.

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6 Section 6-5 6. Pennsylvania Liquor Stores may continue to 7 sell alcoholic cider within its inventory after the effective 8 date of this act, until the alcoholic cider within its current 9 inventory is depleted. The Pennsylvania Liquor Control Board 10 shall not purchase additional alcoholic cider after the 11 effective date of this act.

12 Section 7 6 7. This act shall take effect in 60 days.