

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1371 Session of
1998

INTRODUCED BY MELLOW, GREENLEAF AND WHITE, MARCH 16, 1998

REFERRED TO LAW AND JUSTICE, MARCH 16, 1998

AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as
2 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,
6 consumption, importation, transportation, furnishing, holding
7 in bond, holding in storage, traffic in and use of alcoholic
8 liquors, alcohol and malt and brewed beverages and the
9 persons engaged or employed therein; defining the powers and
10 duties of the Pennsylvania Liquor Control Board; providing
11 for the establishment and operation of State liquor stores,
12 for the payment of certain license fees to the respective
13 municipalities and townships, for the abatement of certain
14 nuisances and, in certain cases, for search and seizure
15 without warrant; prescribing penalties and forfeitures;
16 providing for local option, and repealing existing laws,"
17 requiring liability insurance of all licensees.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 Section 1. Section 207 of the act of April 12, 1951 (P.L.90,
21 No.21), known as the Liquor Code, reenacted and amended June 29,
22 1987 (P.L.32, No.14), is amended to read:

23 Section 207. General Powers of Board.--Under this act, the
24 board shall have the power and its duty shall be:

25 (a) To buy, import or have in its possession for sale, and

1 sell liquor and alcohol in the manner set forth in this act:
2 Provided, however, That all purchases shall be made subject to
3 the approval of the State Treasurer, or his designated deputy.
4 The board shall buy liquor and alcohol at the lowest price and
5 in the greatest variety reasonably obtainable.

6 (b) To control the manufacture, possession, sale,
7 consumption, importation, use, storage, transportation and
8 delivery of liquor, alcohol and malt or brewed beverages in
9 accordance with the provisions of this act, and to fix the
10 wholesale and retail prices at which liquors and alcohol shall
11 be sold at Pennsylvania Liquor Stores. Prices shall be
12 proportional with prices paid by the board to its suppliers and
13 shall reflect any advantage obtained through volume purchases by
14 the board. The board may establish a preferential price
15 structure for wines produced within this Commonwealth for the
16 promotion of such wines, as long as the price structure is
17 uniform within each class of wine purchased by the board. The
18 board shall require each Pennsylvania manufacturer and each
19 nonresident manufacturer of liquors, other than wine, selling
20 such liquors to the board, which are not manufactured in this
21 Commonwealth, to make application for and be granted a permit by
22 the board before such liquors not manufactured in this
23 Commonwealth shall be purchased from such manufacturer. Each
24 such manufacturer shall pay for such permit a fee which, in the
25 case of a manufacturer of this Commonwealth, shall be equal to
26 that required to be paid, if any, by a manufacturer or
27 wholesaler of the state, territory or country of origin of the
28 liquors, for selling liquors manufactured in Pennsylvania, and
29 in the case of a nonresident manufacturer, shall be equal to
30 that required to be paid, if any, in such state, territory or

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

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

18 (d) To grant and issue all licenses and to grant, issue,
19 suspend and revoke all permits authorized to be issued under
20 this act.

21 (e) Through the Department of General Services as agent, to
22 lease and furnish and equip such buildings, rooms and other
23 accommodations as shall be required for the operation of this
24 act.

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

30 (g) To determine the nature, form and capacity of all

1 packages and original containers to be used for containing
2 liquor, alcohol or malt or brewed beverages.

3 (h) Without in any way limiting or being limited by the
4 foregoing, to do all such things and perform all such acts as
5 are deemed necessary or advisable for the purpose of carrying
6 into effect the provisions of this act and the regulations made
7 thereunder.

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

16 (j) By regulation, to provide for the use of a computerized
17 referral system to assist consumers in locating special items at
18 Pennsylvania Liquor Stores and for the use of electronic
19 transfer of funds and credit cards for the purchase of liquor
20 and alcohol at Pennsylvania Liquor Stores.

21 (k) To determine the requirements of liability insurance
22 pursuant to the issuance of a license authorized under this act.
23 In determining the requirements for said insurance, the board
24 may consider objective factors such as past citation record,
25 crime rates of the surrounding neighborhood or such other
26 criteria deemed appropriate by the board.

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

28 Section 207.1. Prohibitions Due to Lack of Liability
29 Insurance.--No liquor license under this act may be issued,
30 transferred or otherwise obtained, or existing license renewed,

1 unless the applicant demonstrates proof of liability insurance
2 to be effective prior to the licensed premises being open for
3 business in an amount and form satisfactory to the board. A
4 licensee shall maintain liability insurance during the entire
5 period for which the license is issued. Failure to maintain said
6 insurance shall be deemed a violation of this act and constitute
7 grounds for immediate revocation of the license. This section
8 shall apply to existing licenses, transfers, renewals and new
9 applications.

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