

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1371 Session of
1998

INTRODUCED BY FUMO, 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:

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

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

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

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

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

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

26 (f) To appoint, fix the compensation and define the powers
27 and duties of such managers, officers, inspectors, examiners,
28 clerks and other employes as shall be required for the operation
29 of this act, subject to the provisions of The Administrative
30 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.

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

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

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

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

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

Section 207.1. Prohibitions Due to Lack of Liability Insurance.--No liquor license under this act may be issued,

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

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