

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1420 Session of
2007

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WANSACZ, WATSON, WOJNAROSKI, YOUNGBLOOD AND NAILOR,
JUNE 5, 2007

REFERRED TO COMMITTEE ON LIQUOR CONTROL, JUNE 5, 2007

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 further providing for the definition of "distributor";
18 providing for the definition of "small manufacturer"; and
19 further providing for malt and brewed beverages
20 manufacturers', distributors' and importing distributors'
21 licenses, for malt and brewed beverages alternating brewers'
22 licenses, for distributors' and importing distributors'
23 restrictions on sales, storage, etc., and for breweries.

24 This act shall be construed as an enactment of the General
25 Assembly's support for the 3-tier system for alcoholic beverages

1 production, distribution and sale that, through uniform
2 Statewide regulation, provides this Commonwealth regulatory
3 authority over the production, storage, distribution,
4 transportation, sale and consumption of alcoholic beverages by
5 and to its citizens, for the benefit of the public health and
6 welfare and this Commonwealth's economic stability. The General
7 Assembly intends that the liquor laws shall be enforced in order
8 to restrict sales to minors, collect all State and local taxes
9 due on the commerce in alcoholic beverages, establish open,
10 transparent and accountable distribution systems for alcoholic
11 beverages and the intent to exercise, to the fullest extent
12 allowed, all the authority granted a state under the Twenty-
13 first Amendment.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. The definition of "distributor" in section 102 of
17 the act of April 12, 1951 (P.L.90, No.21), known as the Liquor
18 Code, reenacted and amended June 29, 1987 (P.L.32, No.14) and
19 amended May 31, 1996 (P.L.312, No.49), is amended and the
20 section is amended by adding a definition to read:

21 * * *

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

1 sold separately.

2 * * *

3 "Small manufacturer" shall mean a manufacturer of malt or
4 brewed beverages that produces no more than twenty thousand
5 barrels of malt or brewed beverages per year. Only malt or
6 brewed beverages for which the manufacturer is responsible for
7 paying the malt beverage tax shall be considered in calculating
8 the total number of barrels produced per year for a
9 manufacturer.

10 * * *

11 Section 2. Section 431 of the act, amended December 20, 1996
12 (P.L.1513, No.196), December 21, 1998 (P.L.1202, No.155) and
13 December 8, 2004 (P.L.1810, No.239), is amended to read:

14 Section 431. Malt and Brewed Beverages Manufacturers',
15 Distributors' and Importing Distributors' Licenses.--(a) The
16 board shall issue to any person a resident of this Commonwealth
17 of good repute who applies therefor, and pays the license fee
18 hereinafter prescribed, a manufacturer's license to produce and
19 manufacture malt or brewed beverages, and to transport, sell and
20 deliver malt or brewed beverages from the place of manufacture
21 only in original containers, in quantities of not less than a
22 case or original containers containing one hundred twenty-eight
23 ounces or more which may be sold separately anywhere within the
24 Commonwealth. The application for such license shall be in such
25 form and contain such information as the board shall require.
26 All such licenses shall be granted for a license period to be
27 determined by the board. Every manufacturer shall keep at his or
28 its principal place of business, within the Commonwealth daily
29 permanent records which shall show, (1) the quantities of raw
30 materials received and used in the manufacture of malt or brewed

1 beverages and the quantities of malt or brewed beverages
2 manufactured and stored, (2) the sales of malt or brewed
3 beverages, (3) the quantities of malt or brewed beverages stored
4 for hire or transported for hire by or for the licensee, and (4)
5 the names and addresses of the purchasers or other recipients
6 thereof. Every place licensed as a manufacturer shall be subject
7 to inspection by members of the board or by persons duly
8 authorized and designated by the board, at any and all times of
9 the day or night, as they may deem necessary, for the detection
10 of violations of this act or of the rules and regulations of the
11 board, or for the purpose of ascertaining the correctness of the
12 records required to be kept by licensees. The books and records
13 of such licensees shall at all times be open to inspection by
14 members of the board or by persons duly authorized and
15 designated by the board. Members of the board and its duly
16 authorized agents shall have the right, without hindrance, to
17 enter any place which is subject to inspection hereunder or any
18 place where such records are kept for the purpose of making such
19 inspections and making transcripts thereof. Whenever any checks
20 issued in payment of filing and/or license fees shall be
21 returned to the board as dishonored, the board shall charge a
22 fee of five dollars (\$5.00) per hundred dollars or fractional
23 part thereof, plus all protest fees, to the maker of such check
24 submitted to the board. Failure to make full payment or pay the
25 face amount of the check in full and all charges thereon as
26 herein required within ten days after demand has been made by
27 the board upon the maker of the check or upon notification to
28 the board by the Department of Revenue or the Department of
29 Labor and Industry of its objection, the license of such person
30 shall immediately become invalid and shall remain invalid until

1 payment and all charges are received by the board.

2 (a.1) Any [out of State] manufacturer whose products are
3 sold and delivered within this Commonwealth shall be authorized:
4 to rent, lease or otherwise acquire space from an importing
5 distributor or bailee for hire authorized by this act at no more
6 than two locations per manufacturer for use of a segregated
7 portion of a warehouse or other storage facility owned or
8 operated by the importing distributor or bailee for hire at
9 which the [out of State] manufacturer may store, repackage and
10 sell malt or brewed beverages to any importing distributor to
11 whom the [out of State] manufacturer has granted distribution
12 rights pursuant to subsection (b) or to any purchaser outside
13 this Commonwealth for delivery outside this Commonwealth; or to
14 ship to its storage facility outside this Commonwealth. Such
15 manufacturer may compensate the importing distributor or bailee
16 for hire for any related storage, repackaging or delivery
17 services. The [out of State] manufacturer must file with the
18 Liquor Control Board the rate of compensation to be paid. A
19 separate written application must be filed to acquire storage
20 licenses, and the board may establish the information that must
21 be provided on the application. The initial filing must be made
22 prior to any payments being made, and any subsequent changes in
23 the rate of compensation must be filed within thirty days of any
24 such change. Nothing in this act authorizing storage facilities
25 for [out of State] manufacturers is intended to make any change
26 in the manner malt or brewed beverages are distributed through
27 the three-tier system.

28 (a.2) The board shall issue to [a holder of a manufacturer's
29 license] a small manufacturer no more than two storage licenses
30 per small manufacturer to cover storage facilities separate from

1 the location of the manufacturing facility. A small manufacturer
2 may use its storage facilities to receive, store, repackage,
3 sell and distribute malt or brewed beverages in the same manner
4 as it can at its place of manufacture or it may rent, lease or
5 otherwise acquire space from an importing distributor or bailee
6 for hire authorized by this act in the same manner as [an out of
7 State] a manufacturer as set forth in subsection (a.1). A
8 separate written application must be filed to acquire storage
9 licenses, and the board is empowered to establish what
10 information must be provided on that application. Nothing in
11 this act authorizing off-site storage facilities for
12 manufacturers is intended to make any change in the manner malt
13 or brewed beverages are distributed through the three-tier
14 system.

15 (b) The board shall issue to any reputable person who
16 applies therefor, and pays the license fee hereinafter
17 prescribed, a distributor's or importing distributor's license
18 for the place which such person desires to maintain for the sale
19 of malt or brewed beverages, not for consumption on the premises
20 where sold, and in quantities of not less than a case or
21 original containers containing one hundred twenty-eight ounces
22 or more which may be sold separately as prepared for the market
23 by the manufacturer at the place of manufacture. The board shall
24 have the discretion to refuse a license to any person or to any
25 corporation, partnership or association if such person, or any
26 officer or director of such corporation, or any member or
27 partner of such partnership or association shall have been
28 convicted or found guilty of a felony within a period of five
29 years immediately preceding the date of application for the said
30 license: And provided further, That, in the case of any new

1 license or the transfer of any license to a new location, the
2 board may, in its discretion, grant or refuse such new license
3 or transfer if such place proposed to be licensed is within
4 three hundred feet of any church, hospital, charitable
5 institution, school or public playground, or if such new license
6 or transfer is applied for a place which is within two hundred
7 feet of any other premises which is licensed by the board: And
8 provided further, That the board shall refuse any application
9 for a new license or the transfer of any license to a new
10 location if, in the board's opinion, such new license or
11 transfer would be detrimental to the welfare, health, peace and
12 morals of the inhabitants of the neighborhood within a radius of
13 five hundred feet of the place proposed to be licensed. The
14 board shall refuse any application for a new license or the
15 transfer of any license to a location where the sale of liquid
16 fuels or oil is conducted. The board may enter into an agreement
17 with the applicant concerning additional restrictions on the
18 license in question. If the board and the applicant enter into
19 such an agreement, such agreement shall be binding on the
20 applicant. Failure by the applicant to adhere to the agreement
21 will be sufficient cause to form the basis for a citation under
22 section 471 and for the nonrenewal of the license under section
23 470. If the board enters into an agreement with an applicant
24 concerning additional restrictions, those restrictions shall be
25 binding on subsequent holders of the license until the license
26 is transferred to a new location or until the board enters into
27 a subsequent agreement removing those restrictions. If the
28 application in question involves a location previously licensed
29 by the board, then any restrictions imposed by the board on the
30 previous license at that location shall be binding on the

1 applicant unless the board enters into a new agreement
2 rescinding those restrictions. The board shall require notice to
3 be posted on the property or premises upon which the licensee or
4 proposed licensee will engage in sales of malt or brewed
5 beverages. This notice shall be similar to the notice required
6 of hotel, restaurant and club liquor licensees.

7 Except as hereinafter provided, such license shall authorize
8 the holder thereof to sell or deliver malt or brewed beverages
9 in quantities above specified anywhere within the Commonwealth
10 of Pennsylvania, which, in the case of distributors, have been
11 purchased only from persons licensed under this act as small
12 manufacturers or importing distributors, and in the case of
13 importing distributors, have been purchased from manufacturers
14 or persons outside this Commonwealth engaged in the legal sale
15 of malt or brewed beverages or from manufacturers or importing
16 distributors licensed under this article. In the case of an
17 importing distributor, the holder of such a license shall be
18 authorized to store and repackage malt or brewed beverages owned
19 by a manufacturer at a segregated portion of a warehouse or
20 other storage facility authorized by section 441(d) and operated
21 by the importing distributor within its appointed territory and
22 deliver such beverages to another importing distributor who has
23 been granted distribution rights by the manufacturer as provided
24 herein. The importing distributor shall be permitted to receive
25 a fee from the manufacturer for any related storage, repackaging
26 or delivery services. In the case of a bailee for hire hired by
27 a manufacturer, the holder of such a permit shall be authorized:
28 to receive, store and repackage malt or brewed beverages
29 produced by that manufacturer for sale by that manufacturer to
30 importing distributors to whom that manufacturer has given

1 distribution rights pursuant to this subsection or to purchasers
2 outside this Commonwealth for delivery outside this
3 Commonwealth; or to ship to that manufacturer's storage
4 facilities outside this Commonwealth. The bailee for hire shall
5 be permitted to receive a fee from the manufacturer for any
6 related storage, repackaging or delivery services. The bailee
7 for hire shall, as required in Article V of this act, keep
8 complete and accurate records of all transactions, inventory,
9 receipts and shipments and make all records and the licensed
10 areas available for inspection by the board and for the
11 Pennsylvania State Police, Bureau of Liquor Control Enforcement,
12 during normal business hours.

13 Each [out of State] manufacturer of malt or brewed beverages,
14 excluding small manufacturers, whose products are sold and
15 delivered in this Commonwealth shall give distributing rights
16 for such products in designated geographical areas to specific
17 importing distributors, and such importing distributor shall not
18 sell or deliver malt or brewed beverages manufactured by the
19 [out of State] manufacturer to any person issued a license under
20 the provisions of this act whose licensed premises are not
21 located within the geographical area for which he has been given
22 distributing rights by such manufacturer. Should a licensee
23 accept the delivery of such malt or brewed beverages in
24 violation of this section, said licensee shall be subject to a
25 suspension of his license for at least thirty days: Provided,
26 That the importing distributor holding such distributing rights
27 for such product shall not sell or deliver the same to another
28 importing distributor without first having entered into a
29 written agreement with the said secondary importing distributor
30 setting forth the terms and conditions under which such products

1 are to be resold within the territory granted to the primary
2 importing distributor by the manufacturer.

3 When a [Pennsylvania] small manufacturer of malt or brewed
4 beverages licensed under this article names or constitutes a
5 distributor or importing distributor as the primary or original
6 supplier of his product, he shall also designate the specific
7 geographical area for which the said distributor or importing
8 distributor is given distributing rights, and such distributor
9 or importing distributor shall not sell or deliver the products
10 of such manufacturer to any person issued a license under the
11 provisions of this act whose licensed premises are not located
12 within the geographical area for which distributing rights have
13 been given to the distributor and importing distributor by the
14 said manufacturer: Provided, That the importing distributor
15 holding such distributing rights for such product shall not sell
16 or deliver the same to another importing distributor without
17 first having entered into a written agreement with the said
18 secondary importing distributor setting forth the terms and
19 conditions under which such products are to be resold within the
20 territory granted to the primary importing distributor by the
21 manufacturer. Nothing herein contained shall be construed to
22 prevent any manufacturer from authorizing the importing
23 distributor holding the distributing rights for a designated
24 geographical area from selling the products of such manufacturer
25 to another importing distributor also holding distributing
26 rights from the same manufacturer for another geographical area,
27 providing such authority be contained in writing and a copy
28 thereof be given to each of the importing distributors so
29 affected.

30 (b.1) (1) Any person in this Commonwealth or elsewhere who

1 shall purchase or in any manner whatsoever acquire or otherwise
2 succeed to the business of a manufacturer, assets or rights to
3 import, market, ship into this Commonwealth or distribute a
4 brand of beer, or to use and exploit any trademark incorporated
5 as part of a brand of beer produced by such a manufacturer shall
6 be obligated to all terms of the manufacturer's franchise
7 agreements in effect on the effective date of the purchase,
8 acquisition or succession, or, if earlier, at the time the
9 agreement contemplating the purchase, acquisition or succession
10 is actually made.

11 (2) "Purchase" or "acquisition," for purposes of this
12 section, includes, but is not limited to, a purchase,
13 acquisition, lease, license or assignment of all or a
14 controlling interest in the capital stock or operating assets,
15 including brand trademarks rights; merger; any corporate
16 reorganization or consolidation; and also, without limitation,
17 any license, cross-license, joint venture or other agreement or
18 arrangement, directly or indirectly, transferring, substituting
19 or materially changing the person or persons authorized by the
20 one owning or controlling a brand or any trademark as part of a
21 brand, to produce, import, ship, market or distribute the brand
22 of beer into or within this Commonwealth.

23 (3) "Manufacturer," as used in this subsection, shall mean
24 any person, including any agent of such person, who (i) is
25 licensed as a manufacturer of malt or brewed beverages located
26 within the Commonwealth of Pennsylvania, (ii) holds a
27 distributor or importing distributor license, or (iii)
28 manufactures any malt beverage, has title to any malt beverage
29 products or has the contractual right to distribute any malt
30 beverage product, whether licensed in this Commonwealth or not,

1 who enters into an "agreement" with any importing distributor
2 licensed to do business in this Commonwealth.

3 (c) The aforesaid licenses shall be issued only to reputable
4 individuals, partnerships and associations who are, or whose
5 members are, citizens of the United States and have for two
6 years prior to the date of their applications been residents of
7 the Commonwealth of Pennsylvania or to reputable corporations
8 organized or duly registered under the laws of the Commonwealth
9 of Pennsylvania. Such licenses shall be issued to corporations
10 duly organized or registered under the laws of the Commonwealth
11 of Pennsylvania only when it appears that all of the officers
12 and directors of the corporation are citizens of the United
13 States and have been residents of the Commonwealth of
14 Pennsylvania for a period of at least two years prior to the
15 date of application, and that at least fifty-one per centum of
16 the capital stock of such corporation is actually owned by
17 individuals who are citizens of the United States and have been
18 residents of the Commonwealth of Pennsylvania for a period of at
19 least two years prior to the date of application: Provided, That
20 the provisions of this subsection with respect to residence
21 requirements shall not apply to individuals, partners, officers,
22 directors and owners of capital stock, of corporations licensed
23 or applying for licenses as manufacturers of malt or brewed
24 beverages, nor shall the provisions of this subsection with
25 respect to stockholder requirements apply to corporations
26 licensed or applying for licenses as manufacturers of malt or
27 brewed beverages.

28 (d) (1) All distributing rights as hereinabove required
29 shall be in writing, shall be equitable in their provisions and
30 shall be substantially similar as to terms and conditions with

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

24 (2) After January 1, 1980, no manufacturer shall enter into
25 any agreement with more than one distributor or importing
26 distributor for the purpose of establishing more than one
27 agreement for designated brand or brands of malt or brewed
28 beverages in any one territory. Each franchise territory which
29 is granted by a manufacturer shall be geographically contiguous.
30 All importing distributors shall maintain sufficient records to

1 evidence compliance of this section. With regard to any
2 territorial distribution authority granted to an importing
3 distributor by a manufacturer of malt or brewed beverages after
4 January 1, 1996, the records shall establish that each and every
5 case of a brand of malt or brewed beverages for which the
6 importing distributor is assigned was sold, resold, stored,
7 delivered or transported by the importing distributor, either
8 from a point or to a point with the assigned geographically
9 contiguous territory, to any person or persons, whether such
10 person or persons are licensed by this act or not licensed by
11 this act.

12 (3) Except for discontinuance of a brand or a valid
13 termination for good cause, the purchaser of the assets of the
14 manufacturer as defined in this act shall become obligated to
15 all the territorial and brand designations of the agreement in
16 effect on the date of purchase. Purchase of assets as defined
17 for the purposes of this act shall include, but not be limited
18 to, the sale of stock, sale of assets, merger, lease, transfer
19 or consolidation.

20 (4) The court of common pleas of the county wherein the
21 licensed premises of the importing distributor or distributor
22 are located is hereby vested with jurisdiction and power to
23 enjoin the modification, rescission, cancellation or termination
24 of a franchise or agreement between a manufacturer and an
25 importing distributor or distributor at the instance of such
26 importing distributor or distributor who is or might be
27 adversely affected by such modification, rescission,
28 cancellation or termination, and in granting an injunction the
29 court shall provide that no manufacturer shall supply the
30 customers or territory of the importing distributor or

1 distributor by servicing the territory or customers through
2 other importing distributors or distributors or any other means
3 while the injunction is in effect: Provided, however, That any
4 injunction issued under this subsection shall require the
5 posting of sufficient bond against damages arising from an
6 injunction improvidently granted and a showing that the danger
7 of irrevocable loss or damage is immediate and that during the
8 pendency of such injunction the importing distributor or
9 distributor shall continue to service the accounts of the
10 manufacturer in good faith.

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

21 (e) In addition to the fees under section 614-A of the act
22 of April 9, 1929 (P.L.177, No.175), known as "The Administrative
23 Code of 1929," the board shall assess a fee surcharge of ninety-
24 five dollars (\$95.00) for a distributor's license and a fee
25 surcharge of four hundred seventy dollars (\$470.00) for an
26 importing distributor's license and a fee surcharge of seventy-
27 five dollars (\$75.00) for brand registration. Money collected
28 under this subsection shall be placed in a restricted account in
29 The State Stores Fund. The board may use the money in this
30 account to implement section 216. In the event the provisions of

1 section 447(a)(2) and/or (c) are held invalid, then this
2 subsection shall be void and shall not apply.

3 (f) (1) Any malt or brewed beverage produced outside this
4 Commonwealth that is repackaged by a bailee for hire or
5 importing distributor on behalf of an out of State manufacturer
6 must be returned to the out of State manufacturer and come to
7 rest out of State before it may reenter this Commonwealth. Such
8 repackaged malt or brewed beverages must be distributed through
9 the three-tier system. Any malt or brewed beverage that is
10 repackaged by a bailee for hire or importing distributor on
11 behalf of an in State manufacturer must be returned to the in
12 State manufacturer and come to rest at the in State
13 manufacturer's licensed facility.

14 (2) For purposes of this section, "repackage" shall mean any
15 change or alteration to the containers or container
16 configuration of a case.

17 Section 3. Section 431.1(d) of the act, added February 21,
18 2002 (P.L.103, No.10), is amended to read:

19 Section 431.1. Malt and Brewed Beverages Alternating
20 Brewers' Licenses.--* * *

21 (d) Malt and brewed beverages manufactured under the
22 authority of an alternating brewer's license must be distributed
23 in this Commonwealth only through specific importing
24 distributors who shall first have been given distributor rights
25 for such products in designated geographical areas through the
26 distribution system required for [out-of-State] manufacturers
27 under section 431(b) as well as all other pertinent sections of
28 this act. The alternating brewer must comply with section 444.

29 * * *

30 Section 4. Section 441(g) of the act, added December 20,

1 1996 (P.L.1513, No.196), is amended to read:

2 Section 441. Distributors' and Importing Distributors'
3 Restrictions on Sales, Storage, Etc.--* * *

4 (g) All malt or brewed beverages purchased by an importing
5 distributor from a [Pennsylvania] manufacturer of malt or brewed
6 beverages [or from any person located outside this Commonwealth]
7 for resale shall be invoiced to the importing distributor, shall
8 come physically into the possession of such importing
9 distributor and shall be unloaded into and distributed from the
10 licensed premises of such importing distributor. The board may
11 act to further define and control the storage and distribution
12 of malt or brewed beverages in conformity with this section and
13 this act.

14 Section 5. Section 446 of the act, amended June 30, 1992
15 (P.L.327, No.66), May 31, 1996 (P.L.312, No.49) and January 6,
16 2006 (P.L.1, No.1), is amended to read:

17 Section 446. Breweries.--Holders of a brewery license may:

18 (1) Sell malt or brewed beverages produced and owned by the
19 brewery on the licensed premises under such conditions and
20 regulations as the board may enforce, to individuals for
21 consumption on the premises [and]. Additionally, a small
22 manufacturer may sell malt or brewed beverages produced and
23 owned by the brewery on the licensed premises under such
24 conditions and regulations as the board may enforce to hotel,
25 restaurant, club and public service liquor licensees.

26 (2) Operate a restaurant or brewery pub on the licensed
27 premises under such conditions and regulations as the board may
28 enforce: Provided, however, That sales on Sunday may be made
29 irrespective of the volume of food sales if the licensed
30 premises are at a public venue location. The holder of a brewery

1 license may sell at its brewery pub premises Pennsylvania wines
2 it has purchased from either the holder of a Pennsylvania
3 limited winery license or from the board: Provided, however,
4 That said wines must be consumed at the licensed brewery pub
5 premises.

6 (3) Use brewery storage and distribution facilities for the
7 purpose of receiving, storing and distributing malt or brewed
8 beverages manufactured outside this Commonwealth if the
9 beverages are distributed in this Commonwealth only through
10 specific importing distributors who shall have first been given
11 distributing rights for such products in designated geographical
12 areas through the distribution system required for [out-of-
13 State] manufacturers under section 431(b) as well as all other
14 pertinent sections of this act. The manufacturer of the
15 beverages must comply with section 444.

16 (4) Apply for and hold a hotel liquor license, a restaurant
17 liquor license or a malt and brewed beverages retail license to
18 sell for consumption at the restaurant or brewery pub on the
19 licensed brewery premises, liquor, wine and malt or brewed
20 beverages regardless of the place of manufacture, under the same
21 conditions and regulations as any other hotel liquor license,
22 restaurant liquor license or malt and brewed beverages retail
23 license, but must brew at least two hundred fifty barrels per
24 year. Each holder of a brewery license who receives a hotel
25 liquor license, a restaurant liquor license or a malt or brewed
26 beverages retail license to operate a brew pub shall not sell
27 directly to any person licensed by this act, except if any malt
28 or brewed beverage is to be distributed in this Commonwealth it
29 shall be only through specific importing distributors who shall
30 have first been given distributing rights for such products in

1 designated geographical areas through the distribution system
2 required for [out-of-State] manufacturers under section 431(b)
3 as well as all other pertinent sections of this act.

4 Section 6. The provisions of this act are severable. If any
5 provision of this act or its application to any person or
6 circumstance is held invalid, the invalidity shall not affect
7 other provisions or applications of this act which can be given
8 effect without the invalid provision or application.

9 Section 7. This act shall take effect December 31, 2007.