

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 11 Session of 2011

INTRODUCED BY TURZAI, KILLION, MUSTIO, SAYLOR, CHRISTIANA, AUMENT, BEAR, BLOOM, DAY, DUNBAR, ELLIS, EVANKOVICH, GABLER, GILLEN, GILLESPIE, GINGRICH, GROVE, HARRIS, HELM, KNOWLES, KRIEGER, LAWRENCE, MALONEY, METCALFE, MILLER, MOUL, OBERLANDER, PERRY, QUIGLEY, RAPP, REESE, ROAE, ROCK, SACCONI, SCHRODER, SIMMONS, SONNEY, STEVENSON, SWANGER, TALLMAN AND VULAKOVICH, SEPTEMBER 13, 2011

AS REPORTED FROM COMMITTEE ON LIQUOR CONTROL, HOUSE OF REPRESENTATIVES, AS AMENDED, DECEMBER 13, 2011

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 enforcement; providing for the
18 privatization of sales of wine and spirits in this
19 Commonwealth through abolition of the State Liquor Stores,
20 through establishment of a franchise and license system for
21 sale of wine and spirits and through imposition of a tax on
22 wine, spirits and beer; and making a related repeal AND
23 PROVIDING FOR AN ENHANCED DISTRIBUTOR LICENSE FURTHER
24 PROVIDING FOR DEFINITIONS, FOR GENERAL POWERS OF BOARD, FOR
25 WHEN SALES MAY BE MADE AT PENNSYLVANIA LIQUOR STORES, FOR
26 SALES BY PENNSYLVANIA LIQUOR STORES; ADDING PROVISIONS
27 RELATING TO WHOLESALE WINE DISTRIBUTION; FURTHER PROVIDING
28 FOR AUTHORITY TO ISSUE LIQUOR LICENSES TO HOTELS, RESTAURANTS



1 AND CLUBS, FOR SALE OF MALT OR BREWED BEVERAGES BY LIQUOR
2 LICENSEES, AND FOR MALT AND BREWED BEVERAGES MANUFACTURERS',
3 DISTRIBUTORS' AND IMPORTING DISTRIBUTORS' LICENSES; ADDING
4 PROVISIONS RELATING TO ENHANCED DISTRIBUTOR'S LICENSES; AND
5 FURTHER PROVIDING FOR MALT AND BREWED BEVERAGES RETAIL
6 LICENSES, FOR DISTRIBUTORS' AND IMPORTING DISTRIBUTORS'
7 RESTRICTIONS ON SALES AND STORAGE, FOR RETAIL DISPENSERS'
8 RESTRICTIONS ON PURCHASES AND SALES, FOR INTERLOCKING
9 BUSINESS PROHIBITED, FOR LICENSES NOT ASSIGNABLE AND
10 TRANSFERS, FOR REVOCATION AND SUSPENSION OF LICENSES AND
11 FEES, FOR UNLAWFUL ACTS RELATIVE TO LIQUOR, ALCOHOL AND
12 LIQUOR LICENSEES, FOR UNLAWFUL ACTS RELATIVE TO MALT OR
13 BREWED BEVERAGES AND LICENSEES, FOR UNLAWFUL ACTS RELATIVE TO
14 LIQUOR, MALT AND BREWED BEVERAGES AND LICENSEES, FOR MONEYS
15 PAID INTO LIQUOR LICENSE FUND AND RETURNED TO MUNICIPALITIES,
16 AND FOR MONEYS PAID INTO STATE STORES FUND FOR USE OF
17 COMMONWEALTH.

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

20 ~~Section 1. Section 102 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 by adding a definition to read:~~

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

26 * * *

27 "Municipal police department" shall mean a police department
28 of a county, city, borough, town or township.

29 * * *

30 ~~Section 2. Section 104(c) and (d) of the act, amended~~
31 ~~December 7, 1990 (P.L.662, No.160) and December 20, 1996~~
32 ~~(P.L.1513, No.196), are amended to read:~~

33 ~~Section 104. Interpretation of Act. * * *~~

34 ~~(c) Except as otherwise expressly provided, the purpose of~~
35 ~~this act is to prohibit the manufacture of and transactions in~~
36 ~~liquor, alcohol and malt or brewed beverages which take place in~~
37 ~~this Commonwealth, except by and under the control of the board~~
38 ~~as herein specifically provided, and every section and provision~~

1 ~~of the act shall be construed accordingly; to provide a~~
2 ~~structure in this Commonwealth for a distribution system,~~
3 ~~including the [establishment of Pennsylvania liquor stores and]~~
4 ~~licensing of wine and spirits wholesalers, wine and spirits~~
5 ~~retailers, importing distributors and distributors; and to~~
6 ~~preserve manufacturers of liquor and alcohol and malt and brewed~~
7 ~~beverages selling those products within this Commonwealth. The~~
8 ~~provisions of this act dealing with the manufacture,~~
9 ~~importation, sale, distribution and disposition of liquor,~~
10 ~~alcohol and malt or brewed beverages within the Commonwealth~~
11 ~~through [the instrumentality of the board,] licensees and~~
12 ~~otherwise, provide the means by which such control shall be made~~
13 ~~effective. This act shall not be construed as forbidding,~~
14 ~~affecting or regulating any transaction which is not subject to~~
15 ~~the legislative authority of this Commonwealth.~~

16 ~~(d) The provisions of this act are intended to create a~~
17 ~~system for distribution [that shall include the fixing of prices~~
18 ~~for] of liquor and alcohol and controls placed on prices for~~
19 ~~malt and brewed beverages, and each of which shall be construed~~
20 ~~as integral to the preservation of the system, without which~~
21 ~~system the Commonwealth's control of the sale of liquor and~~
22 ~~alcohol and malt and brewed beverages and the Commonwealth's~~
23 ~~promotion of its policy of temperance and responsible conduct~~
24 ~~with respect to alcoholic beverages would not be possible.~~

25 ~~* * *~~

26 ~~Section 3. Section 207(a), (b), (c) and (j) of the act,~~
27 ~~amended November 30, 2004 (P.L.1727, No.221) and December 8,~~
28 ~~2004 (P.L.1810, No.239), are amended to read:~~

29 ~~Section 207. General Powers of Board. Under this act, the~~
30 ~~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, alcohol, corkscrews, wine and liquor accessories,~~
3 ~~trade publications, gift cards, gift certificates, wine or~~
4 ~~liquor scented candles and wine glasses in the manner set forth~~
5 ~~in this act: Provided, however, That all purchases shall be made~~
6 ~~subject to the approval of the State Treasurer, or his~~
7 ~~designated deputy. The board shall buy liquor and alcohol at the~~
8 ~~lowest price and in the greatest variety reasonably obtainable.}~~

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

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

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

21 ~~* * *~~

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

27 ~~* * *~~

28 ~~Section 4. Section 208 of the act is amended to read:~~

29 ~~Section 208. Specific Subjects on Which Board May Adopt~~
30 ~~Regulations. Subject to the provisions of this act and without~~

1 ~~limiting the general power conferred by the preceding section,~~
2 ~~the board may make regulations regarding:~~

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

6 ~~(b) The duties and conduct of the officers and employes of~~
7 ~~the board.~~

8 ~~{(c) The purchase, as provided in this act, of liquor and~~
9 ~~alcohol, and its supply to Pennsylvania Liquor Stores.~~

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

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

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

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

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

24 ~~{(i) The place and manner of depositing the receipts of~~
25 ~~Pennsylvania Liquor Stores and the transmission of balances to~~
26 ~~the Treasury Department through the Department of Revenue.~~

27 ~~(j) The solicitation by resident or nonresident vendors of~~
28 ~~liquor from Pennsylvania licensees and other persons of orders~~
29 ~~for liquor to be sold through the Pennsylvania Liquor Stores~~
30 ~~and, in the case of nonresident vendors, the collection~~

1 ~~therefrom of license fees for such privilege at the same rate as~~
2 ~~provided herein for importers' licenses.]~~

3 ~~Section 4.1. Section 211(a) of the act, amended October 5,~~
4 ~~1994 (P.L.537, No.80), is amended to read:~~

5 ~~Section 211. Enforcement. (a) There is created within the~~
6 ~~Pennsylvania State Police a Bureau of Liquor Control Enforcement~~
7 ~~{which}. The enforcement bureau and municipal police departments~~
8 ~~shall be responsible for enforcing this act and any regulations~~
9 ~~promulgated pursuant thereto. Officers and investigators~~
10 ~~assigned to the bureau or a municipal police department shall~~
11 ~~have the power and their duty shall be:~~

12 ~~(1) To investigate whenever there are reasonable grounds to~~
13 ~~believe liquor, alcohol or malt or brewed beverages are being~~
14 ~~sold on premises not licensed under the provisions of this act.~~
15 ~~If the investigation produces evidence of the unlawful sale of~~
16 ~~liquor or malt or brewed beverages or any other violation of the~~
17 ~~provisions of this act, the officer involved in the~~
18 ~~investigation shall institute criminal proceedings against the~~
19 ~~person or persons believed to have been criminally liable, as~~
20 ~~otherwise provided by law or rule of court.~~

21 ~~(2) To arrest on view, except in private homes, without~~
22 ~~warrant, any person actually engaged in the unlawful sale,~~
23 ~~importation, manufacture or transportation or having unlawful~~
24 ~~possession of liquor, alcohol or malt or brewed beverages~~
25 ~~contrary to the provisions of this act or any other law of this~~
26 ~~Commonwealth or any person whom the officer/investigator, while~~
27 ~~in the performance of his assigned duties under and pursuant to~~
28 ~~this act and any regulations promulgated under this act,~~
29 ~~observes to be in violation of any of the following provisions:~~

30 ~~18 Pa.C.S. § 3302 (relating to causing or risking~~

1 ~~eatastrophe).~~

2 ~~18 Pa.C.S. § 3304 (relating to criminal mischief).~~

3 ~~18 Pa.C.S. § 4101 (relating to forgery).~~

4 ~~18 Pa.C.S. § 5503 (relating to disorderly conduct).~~

5 ~~18 Pa.C.S. § 5505 (relating to public drunkenness and~~
6 ~~similar misconduct).~~

7 ~~18 Pa.C.S. § 5512 (relating to lotteries, etc.).~~

8 ~~18 Pa.C.S. § 5513 (relating to gambling devices,~~
9 ~~gambling, etc.).~~

10 ~~18 Pa.C.S. § 5514 (relating to pool selling and~~
11 ~~bookmaking).~~

12 ~~18 Pa.C.S. § 6307 (relating to misrepresentation of age~~
13 ~~to secure liquor or malt or brewed beverages).~~

14 ~~18 Pa.C.S. § 6308 (relating to purchase, consumption,~~
15 ~~possession or transportation of liquor or malt or brewed~~
16 ~~beverages).~~

17 ~~18 Pa.C.S. § 6309 (relating to representing that minor is~~
18 ~~of age).~~

19 ~~18 Pa.C.S. § 6310.1 (relating to selling or furnishing~~
20 ~~liquor or malt or brewed beverages to minors).~~

21 ~~18 Pa.C.S. § 6310.3 (relating to carrying a false~~
22 ~~identification card).~~

23 ~~(3) Upon reasonable and probable cause, to search for and to~~
24 ~~seize, without warrant or process, except in private homes, any~~
25 ~~liquor, alcohol or malt or brewed beverages unlawfully~~
26 ~~possessed, manufactured, sold, imported or transported and any~~
27 ~~stills, equipment, materials, utensils, vehicles, boats,~~
28 ~~vessels, animals, aircraft, or any of them, which are or have~~
29 ~~been used in the unlawful manufacture, sale, importation or~~
30 ~~transportation of the same. Such liquor, alcohol, malt or brewed~~

1 ~~beverages, stills, equipment, materials, utensils, vehicles,~~
2 ~~boats, vessels, animals or aircraft so seized shall be disposed~~
3 ~~of as hereinafter provided.~~

4 ~~(4) To investigate and issue citations for any violations of~~
5 ~~this act or any laws of this Commonwealth relating to liquor,~~
6 ~~alcohol or malt or brewed beverages, or any regulations of the~~
7 ~~board adopted pursuant to such laws or any violation of any laws~~
8 ~~of this Commonwealth or of the Federal Government, relating to~~
9 ~~the payment of taxes on liquor, alcohol or malt or brewed~~
10 ~~beverages by any licensee, his officers, servants, agents or~~
11 ~~employees.~~

12 ~~(5) To arrest any person who engages in the following~~
13 ~~offenses when the said offenses are committed against the~~
14 ~~officer/investigator or any person accompanying and assisting~~
15 ~~the officer/investigator while the said officer/investigator is~~
16 ~~performing assigned duties under and pursuant to this act and~~
17 ~~any regulations promulgated under this act:~~

18 ~~18 Pa.C.S. § 2701 (relating to simple assault).~~

19 ~~18 Pa.C.S. § 2702 (relating to aggravated assault).~~

20 ~~18 Pa.C.S. § 2705 (relating to recklessly endangering~~
21 ~~another person).~~

22 ~~18 Pa.C.S. § 2706 (relating to terroristic threats).~~

23 ~~18 Pa.C.S. § 2709 (relating to harassment [and~~
24 ~~stalking]).~~

25 ~~18 Pa.C.S. § 5104 (relating to resisting arrest or other~~
26 ~~law enforcement).~~

27 ~~18 Pa.C.S. § 5501 (relating to riot).~~

28 ~~(6) To serve and execute warrants issued by the proper~~
29 ~~authorities for offenses referred to in this subsection and to~~
30 ~~serve subpoenas.~~

1 ~~(7) To arrange for the administration of chemical tests of~~
2 ~~breath, blood or urine, including preliminary breath tests, to~~
3 ~~persons for the purpose of determining the alcoholic content of~~
4 ~~blood or the presence of a controlled substance by qualified~~
5 ~~personnel of a State or local police department or qualified~~
6 ~~personnel of a clinical laboratory licensed and approved by the~~
7 ~~Department of Health.~~

8 * * *

9 Section 5. ~~Section 213 of the act, amended April 29, 1994~~
10 ~~(P.L.212, No.30), is repealed:~~

11 ~~{Section 213. Bureau of Consumer Relations. The board shall~~
12 ~~establish a Bureau of Consumer Relations which shall be~~
13 ~~responsible for handling all consumer complaints and~~
14 ~~suggestions. The bureau shall develop a system wide program for~~
15 ~~investigating all complaints and suggestions and implementing~~
16 ~~improvements into the State store system. The management of the~~
17 ~~bureau shall be vested in a director, who shall be assisted by~~
18 ~~such other personnel as the board deems necessary.}~~

19 Section 6. ~~Section 215 of the act, amended June 25, 2010~~
20 ~~(P.L.217, No.35), is repealed:~~

21 ~~{Section 215. Wine and Spirits Marketing. (c) The board is~~
22 ~~authorized to participate in or sponsor wine and spirits events~~
23 ~~for the purpose of educating consumers as to the wines and~~
24 ~~spirits available in this Commonwealth. The wine and spirits to~~
25 ~~be used for the event may be acquired through the State store~~
26 ~~system or may be donated from outside this Commonwealth.~~
27 ~~Participation in the tastings may be conditioned on the purchase~~
28 ~~of a ticket to the event. The event may include events occurring~~
29 ~~on premises licensed by the board, and the board may sell wine~~
30 ~~and spirits for off premises consumption in an area designated~~

1 ~~by the board for such sale.]~~

2 ~~Section 7. Section 301 of the act, amended July 9, 1976~~
3 ~~(P.L. 527, No. 125), is repealed:~~

4 ~~[Section 301. Board to Establish State Liquor Stores. (a)~~

5 ~~The board shall establish, operate and maintain at such places~~

6 ~~throughout the Commonwealth as it shall deem essential and~~

7 ~~advisable, stores to be known as "Pennsylvania Liquor Stores,"~~

8 ~~for the sale of liquor and alcohol in accordance with the~~

9 ~~provisions of and the regulations made under this act; except~~

10 ~~that no store not so already located shall be located within~~

11 ~~three hundred feet of any elementary or secondary school, nor~~

12 ~~within a dry municipality without there first having been a~~

13 ~~referendum approving such location. When the board shall have~~

14 ~~determined upon the location of a liquor store in any~~

15 ~~municipality, it shall give notice of such location by public~~

16 ~~advertisement in two newspapers of general circulation. In~~

17 ~~cities of the first class, the location shall also be posted for~~

18 ~~a period of at least fifteen days following its determination by~~

19 ~~the board as required in section 403(g) of this act. The notice~~

20 ~~shall be posted in a conspicuous place on the outside of the~~

21 ~~premises in which the proposed store is to operate or, in the~~

22 ~~event that a new structure is to be built in a similarly visible~~

23 ~~location. If, within five days after the appearance of such~~

24 ~~advertisement, or of the last day upon which the notice was~~

25 ~~posted, fifteen or more taxpayers residing within a quarter of a~~

26 ~~mile of such location, or the City Solicitor of the city of the~~

27 ~~first class, shall file a protest with the court of common pleas~~

28 ~~of the county averring that the location is objectionable~~

29 ~~because of its proximity to a church, a school, or to private~~

30 ~~residences, the court shall forthwith hold a hearing affording~~

1 ~~an opportunity to the protestants and to the board to present~~
2 ~~evidence. The court shall render its decision immediately upon~~
3 ~~the conclusion of the testimony and from the decision there~~
4 ~~shall be no appeal. If the court shall determine that the~~
5 ~~proposed location is undesirable for the reasons set forth in~~
6 ~~the protest, the board shall abandon it and find another~~
7 ~~location. The board may establish, operate and maintain such~~
8 ~~establishments for storing and testing liquors as it shall deem~~
9 ~~expedient to carry out its powers and duties under this act.~~

10 ~~(b) The board may lease the necessary premises for such~~
11 ~~stores or establishments, but all such leases shall be made~~
12 ~~through the Department of General Services as agent of the~~
13 ~~board. The board, through the Department of General Services,~~
14 ~~shall have authority to purchase such equipment and appointments~~
15 ~~as may be required in the operation of such stores or~~
16 ~~establishments.]~~

17 ~~Section 7.1. Sections 302 and 303 of the act are repealed:~~

18 ~~{Section 302. Selection of Personnel. Officers and employes~~
19 ~~of the board, except as herein otherwise provided, shall be~~
20 ~~appointed and employed subject to the provisions of the Civil~~
21 ~~Service Act.~~

22 ~~Section 303. Management of Pennsylvania Liquor Stores.—~~
23 ~~Every Pennsylvania Liquor Store shall be conducted by a person~~
24 ~~appointed in the manner provided in the Civil Service Act who~~
25 ~~shall be known as the "manager" and who shall, under the~~
26 ~~directions of the board, be responsible for carrying out the~~
27 ~~provisions of this act and the regulations adopted by the board~~
28 ~~under this act as far as they relate to the conduct of such~~
29 ~~stores.]~~

30 ~~Section 7.2. Section 304 of the act, amended December 8,~~

1 ~~2004 (P.L.1810, No.239), is repealed:~~

2 ~~{Section 304. When Sales May Be Made at Pennsylvania Liquor~~
3 ~~Stores. (a) Except as provided for in subsection (b), every~~
4 ~~Pennsylvania Liquor Store shall be open for business week days,~~
5 ~~except holidays as that term is defined in section 102. The~~
6 ~~board may, with the approval of the Governor, temporarily close~~
7 ~~any store in any municipality.~~

8 ~~(b) Certain Pennsylvania Liquor Stores operated by the board~~
9 ~~shall be open for Sunday retail sales between the hours of noon~~
10 ~~and five o'clock postmeridian, except that no Sunday sales shall~~
11 ~~occur on Easter Sunday or Christmas day. The board shall open up~~
12 ~~to twenty five per centum of the total number of Pennsylvania~~
13 ~~Liquor Stores at its discretion for Sunday sales as provided for~~
14 ~~in this subsection. The board shall submit yearly reports to the~~
15 ~~Appropriations and the Law and Justice Committees of the Senate~~
16 ~~and the Appropriations and the Liquor Control Committees of the~~
17 ~~House of Representatives summarizing the total dollar value of~~
18 ~~sales under this section.]~~

19 ~~Section 7.3. Section 305 of the act, amended May 8, 2003~~
20 ~~(P.L.1, No.1), July 17, 2003 (P.L.63, No.15), November 30, 2004~~
21 ~~(P.L.1727, No.221), December 8, 2004 (P.L.1810, No.239) and July~~
22 ~~6, 2005 (P.L.135, No.39), is repealed:~~

23 ~~{Section 305. Sales by Pennsylvania Liquor Stores. (a) The~~
24 ~~board shall in its discretion determine where and what classes,~~
25 ~~varieties and brands of liquor and alcohol it shall make~~
26 ~~available to the public and where such liquor and alcohol will~~
27 ~~be sold. Every Pennsylvania Liquor Store shall be authorized to~~
28 ~~sell combination packages. If a person desires to purchase a~~
29 ~~class, variety or brand of liquor or alcohol not currently~~
30 ~~available from the board, he or she may place a special order~~

1 ~~for such item so long as the order is for two or more bottles.~~
2 ~~The board may require a reasonable deposit from the purchaser as~~
3 ~~a condition for accepting the order. The customer shall be~~
4 ~~notified immediately upon the arrival of the goods.~~

5 ~~In computing the retail price of such special orders for~~
6 ~~liquor or alcohol, the board shall not include the cost of~~
7 ~~freight or shipping before applying the mark up and taxes but~~
8 ~~shall add the freight or shipping charges to the price after the~~
9 ~~mark up and taxes have been applied.~~

10 ~~Unless the customer pays for and accepts delivery of any such~~
11 ~~special order within ten days after notice of arrival, the store~~
12 ~~may place it in stock for general sale and the customer's~~
13 ~~deposit shall be forfeited.~~

14 ~~(b) Every Pennsylvania Liquor Store shall sell liquors at~~
15 ~~wholesale to hotels, restaurants, clubs, and railroad, pullman~~
16 ~~and steamship companies licensed under this act; and, under the~~
17 ~~regulations of the board, to pharmacists duly licensed and~~
18 ~~registered under the laws of the Commonwealth, and to~~
19 ~~manufacturing pharmacists, and to reputable hospitals approved~~
20 ~~by the board, or chemists. Sales to licensees shall be made at a~~
21 ~~price that includes a discount of ten per centum from the retail~~
22 ~~price. The board may sell to registered pharmacists only such~~
23 ~~liquors as conform to the Pharmacopoeia of the United States,~~
24 ~~the National Formulary, or the American Homeopathic~~
25 ~~Pharmacopoeia. The board may sell at special prices under the~~
26 ~~regulations of the board, to United States Armed Forces~~
27 ~~facilities which are located on United States Armed Forces~~
28 ~~installations and are conducted pursuant to the authority and~~
29 ~~regulations of the United States Armed Forces. All other sales~~
30 ~~by such stores shall be at retail. A person entitled to purchase~~

~~1 liquor at wholesale prices may purchase the liquor at any
2 Pennsylvania Liquor Store upon tendering cash, check or credit
3 card for the full amount of the purchase. For this purpose, the
4 board shall issue a discount card to each licensee identifying
5 such licensee as a person authorized to purchase liquor at
6 wholesale prices. Such discount card shall be retained by the
7 licensee. The board may contract through the Commonwealth
8 bidding process for delivery to wholesale licensees at the
9 expense of the licensee receiving the delivery.~~

~~10 (c) Whenever any checks issued in payment of liquor or
11 alcohol purchased from State Liquor Stores by persons holding
12 wholesale purchase permit cards issued by the board shall be
13 returned to the board as dishonored, the board shall charge a
14 fee of five dollars per hundred dollars or fractional part
15 thereof, plus all protest fees, to the maker of such check
16 submitted to the board. Failure to pay the face amount of the
17 check in full and all charges thereon as herein required within
18 ten days after demand has been made by the board upon the maker
19 of the check shall be cause for revocation or suspension of any
20 license issued by the board to the person who issued such check
21 and the cancellation of the wholesale purchase permit card held
22 by such person.~~

~~23 (d) No liquor or alcohol package shall be opened on the
24 premises of a Pennsylvania Liquor Store. No manager or other
25 employe of the board employed in a Pennsylvania Liquor Store
26 shall allow any liquor or alcohol to be consumed on the store
27 premises, nor shall any person consume any liquor or alcohol on
28 such premises, except liquor and alcohol which is part of a
29 tasting conducted pursuant to the board's regulations. Such
30 tastings may also be conducted in the board's headquarters or~~

1 ~~regional offices.~~

2 ~~(e) The board may sell tax exempt alcohol to the~~
3 ~~Commonwealth of Pennsylvania and to persons to whom the board~~
4 ~~shall, by regulation to be promulgated by it, issue special~~
5 ~~permits for the purchase of such tax exempt alcohol.~~

6 ~~Such permits may be issued to the United States or any~~
7 ~~governmental agency thereof, to any university or college of~~
8 ~~learning, any laboratory for use exclusively in scientific~~
9 ~~research, any hospital, sanitorium, eleemosynary institution or~~
10 ~~dispensary; to physicians, dentists, veterinarians and~~
11 ~~pharmacists duly licensed and registered under the laws of the~~
12 ~~Commonwealth of Pennsylvania; to manufacturing chemists and~~
13 ~~pharmacists or other persons for use in the manufacture or~~
14 ~~compounding of preparations unfit for beverage purposes.~~

15 ~~(f) Every purchaser of liquor, alcohol, corkscrews, wine or~~
16 ~~liquor accessories, trade publications, gift cards, gift~~
17 ~~certificates, wine or liquor scented candles or wine glasses~~
18 ~~from a Pennsylvania Liquor Store shall receive a numbered~~
19 ~~receipt which shall show the price paid therefor and such other~~
20 ~~information as the board may prescribe. Copies of all receipts~~
21 ~~issued by a Pennsylvania Liquor Store shall be retained by and~~
22 ~~shall form part of the records of such store.~~

23 ~~(g) The board is hereby authorized and empowered to adopt~~
24 ~~and enforce appropriate rules and regulations to insure the~~
25 ~~equitable wholesale and retail sale and distribution, through~~
26 ~~the Pennsylvania Liquor Stores, of available liquor and alcohol~~
27 ~~at any time when the demand therefor is greater than the supply.~~

28 ~~(h) Every Pennsylvania Liquor Store shall sell gift~~
29 ~~certificates and gift cards which may be redeemed for any~~
30 ~~product sold by the board. In addition, the board may sell~~

1 ~~corkscrews, wine and liquor accessories, wine or liquor scented~~
2 ~~candles, trade publications and wine sleeves at Pennsylvania~~
3 ~~Liquor Stores.~~

4 ~~(i) Notwithstanding any other provision of law to the~~
5 ~~contrary, the board may sell wine in containers having a~~
6 ~~capacity of six liters or less.]~~

7 ~~Section 7.4. Section 306 of the act is repealed:~~

8 ~~[Section 306. Audits by Auditor General. (a) It shall be~~
9 ~~the duty of the Department of the Auditor General to make all~~
10 ~~audits which may be necessary in connection with the~~
11 ~~administration of the financial affairs of the board and the~~
12 ~~Pennsylvania Liquor Stores operated and maintained by the board.~~
13 ~~Such audits shall be conducted in accordance with generally~~
14 ~~accepted accounting principles. Nothing herein shall be~~
15 ~~construed to require the Auditor General to conduct biannual~~
16 ~~inventories.~~

17 ~~(b) At least one audit shall be made each year of the~~
18 ~~affairs of the board, and all collections made by the~~
19 ~~Pennsylvania Liquor Stores shall be audited quarterly. A copy of~~
20 ~~the annual audit of the affairs of the board shall be submitted~~
21 ~~to each member of the General Assembly.~~

22 ~~(c) Special audits of the affairs of the board and the~~
23 ~~Pennsylvania Liquor Stores maintained and operated by the board~~
24 ~~may be made whenever they may, in the judgment of the Auditor~~
25 ~~General, appear necessary, and shall be made whenever the~~
26 ~~Governor shall call upon the Auditor General to make them.~~

27 ~~(d) Copies of all audits made by the Department of the~~
28 ~~Auditor General shall be promptly submitted to the board and to~~
29 ~~the Governor.~~

30 ~~(e) Unless the Department of the Auditor General shall~~

1 ~~neglect or refuse to make annual, quarterly or special Audits,~~
2 ~~as hereinabove required, it shall be unlawful for the board to~~
3 ~~expend any money appropriated to it by the General Assembly for~~
4 ~~any audit of its affairs, except for the payment of the~~
5 ~~compensation and expenses of such auditors as are regularly~~
6 ~~employed as part of the administrative staff of the board.]~~

7 Section 8. ~~The act is amended by adding an article to read:~~

8 ARTICLE III A

9 WINE AND SPIRITS DISTRIBUTION

10 SUBARTICLE A

11 GENERAL PROVISIONS

12 Section 301 A. Scope of article.

13 This article relates to liquor distribution privatization.

14 Section 302 A. Legislative intent.

15 (a) Declaration. The General Assembly finds and declares
16 that:

17 (1) The sale of liquor at wholesale or retail should no
18 longer be by the Commonwealth, but rather by private persons
19 licensed and regulated by the Commonwealth.

20 (2) The health and welfare of the citizens of this
21 Commonwealth will be adequately protected by the regulation
22 of private licensees through strict enforcement of laws and
23 rules relating to the purchase and sale of liquor.

24 (3) The sale of liquor through wholesale and retail
25 licensees will improve customer service, selection and price.

26 (4) The operation and efficiency of State government
27 will be improved.

28 (b) Purpose. The General Assembly recognizes the following
29 public policy purposes and declares that the following
30 objectives of the Commonwealth are to be served by this article:

1 ~~(1) The authorization of wine and spirits wholesale and~~
2 ~~retail licenses is intended to continue and enhance the~~
3 ~~generation of revenue to the Commonwealth related to the~~
4 ~~wholesale and retail sale of liquor.~~

5 ~~(2) The transition to a privately owned and operated~~
6 ~~wholesale and retail liquor distribution system shall be~~
7 ~~accomplished in a manner that protects the public through~~
8 ~~regulation and policing of all activities involved in the~~
9 ~~wholesale and retail sale of liquor.~~

10 ~~(3) The establishment of wine and spirits wholesale and~~
11 ~~retail licenses is intended to provide broad economic~~
12 ~~opportunities to the citizens of this Commonwealth and shall~~
13 ~~be implemented in such a manner as to prevent monopolization~~
14 ~~by establishing reasonable restrictions on the control of~~
15 ~~wholesale and retail licensees.~~

16 ~~(4) The transition to a privately owned and operated~~
17 ~~wholesale and retail liquor distribution system shall be~~
18 ~~accomplished in a manner that creates incentives and~~
19 ~~facilitates the transition of Pennsylvania Liquor Store and~~
20 ~~other effected employees to other employment.~~

21 ~~(5) The transition to a privately owned and operated~~
22 ~~wholesale and retail liquor distribution system shall be~~
23 ~~accomplished in a manner that minimizes disruption of~~
24 ~~services to the public.~~

25 ~~(6) With the transition to a privately owned and~~
26 ~~operated wholesale and retail liquor distribution system, it~~
27 ~~is necessary to enhance alcohol education efforts to ensure~~
28 ~~against the illegal sale of alcohol, prevent and combat the~~
29 ~~illegal consumption of alcohol by minors and visibly~~
30 ~~intoxicated persons, and discourage the intemperate use of~~

1 ~~alcohol.~~

2 ~~(7) Participation in the wholesale and retail sale of~~
3 ~~liquor by any wholesale or retail licensee shall be deemed a~~
4 ~~privilege, conditioned upon the proper and continued~~
5 ~~qualification of the licensee and upon the discharge of the~~
6 ~~affirmative responsibility of each licensee to provide the~~
7 ~~department and the board with assistance and information~~
8 ~~necessary to assure that the policies declared by this~~
9 ~~article are achieved.~~

10 ~~Section 303 A. Definitions.~~

11 ~~The following words and phrases when used in this article~~
12 ~~shall have the meanings given to them in this section unless the~~
13 ~~context clearly indicates otherwise:~~

14 ~~"Adjusted store net profit factor." The net profit factor~~
15 ~~for each Pennsylvania Liquor Store divided by the number of~~
16 ~~retail zones which the department assigns to each Pennsylvania~~
17 ~~Liquor Store for purposes of determining the minimum bid.~~

18 ~~"Affiliate" or "person affiliated with." A person that~~
19 ~~directly or indirectly, through one or more intermediaries,~~
20 ~~controls, is controlled by or is under common control with a~~
21 ~~specified person.~~

22 ~~"Agency." The Pennsylvania Higher Education Assistance~~
23 ~~Agency.~~

24 ~~"Bid rigging." The concerted activity of two or more persons~~
25 ~~to determine in advance, or attempt to influence, the selected~~
26 ~~bidder for a wine and spirits retail license. The term includes~~
27 ~~any of the following:~~

28 ~~(1) Conspiring or cooperating in the preparation of~~
29 ~~bids, including the determination of bid amounts.~~

30 ~~(2) Submitting prearranged bids, agreed upon higher or~~

1 ~~lower bids or other complementary bids.~~

2 ~~(3) Agreeing to submit identical bids.~~

3 ~~(4) Agreeing to coordinate the retail zones in which a~~
4 ~~person will or will not submit a bid.~~

5 ~~(5) Agreeing to share profits with or give an equity~~
6 ~~interest to a person who does not submit the high bid.~~

7 ~~(6) Agreeing to set up territories to restrict~~
8 ~~competition.~~

9 ~~(7) Agreeing not to submit a bid.~~

10 ~~"Blended brand valuation." For any particular brand of~~
11 ~~liquor, the sum of the wholesale profit margin on each product~~
12 ~~of a brand.~~

13 ~~"Brand of liquor." A liquor product or series of liquor~~
14 ~~products produced by a single manufacturer.~~

15 ~~"Change in control." For purposes of wholesale or retail~~
16 ~~licensees, the acquisition by a person or group of persons~~
17 ~~acting in concert of more than 20% of a licensee's securities or~~
18 ~~other ownership interests, with the exception of any ownership~~
19 ~~interest of the person that existed at the time of initial~~
20 ~~licensing, or more than 20% of the securities or other ownership~~
21 ~~interests of a corporation or other legal entity which owns,~~
22 ~~directly or indirectly, at least 20% of the securities or other~~
23 ~~ownership interests of the licensee.~~

24 ~~"Commission." The State Civil Service Commission.~~

25 ~~"Controlling interest." As follows:~~

26 ~~(1) For a publicly traded legal entity, an interest in a~~
27 ~~legal entity, applicant or licensee whereby a person's sole~~
28 ~~voting rights under State law or corporate articles or bylaws~~
29 ~~entitles the person to elect or appoint one or more of the~~
30 ~~members of the board of directors or other governing board or~~

~~the ownership, directly or indirectly, of 5% or more of the securities of the publicly traded corporation.~~

~~(2) For a privately held corporation, partnership, limited liability company or other form of privately held legal entity, the holding of any securities in the legal entity.~~

~~"Countywide adjusted net profit factor." Fifty percent of the sales to unlicensed customers minus the taxes and cost of goods sold for all existing Pennsylvania Liquor Stores located in a given county divided by the existing number of Pennsylvania Liquor Stores located in that county.~~

~~"Department." The Department of General Services of the Commonwealth.~~

~~"Displaced employee." A full time employee of the board whose employment is terminated as a sole and direct result of the board's decision to cease wholesale and retail operations under this article. The term shall not include a person who is terminated for cause or who resigns, is furloughed or is otherwise separated from employment for any other reason.~~

~~"Institution of higher education." A public or private institution within this Commonwealth authorized by the Department of Education to grant a certificate, associate degree or higher degree. The term includes a branch or satellite campus of the institution.~~

~~"Licensed premises" or "controlled area." The areas approved by the department or the board to be utilized by a wholesale or retail licensee for the distribution of liquor.~~

~~"Net profit factor." Fifty percent of the sales to unlicensed customers minus taxes and cost of goods sold for each existing Pennsylvania Liquor Store for the most recent available~~

1 ~~12 month period.~~

2 ~~"Retail acquisition factor." As follows:~~

3 ~~(1) For Class A wine and spirits retail licenses, the~~
4 ~~term shall mean a factor of five applied to the adjusted~~
5 ~~store net profit factor for each retail zone.~~

6 ~~(2) For Class B wine and spirits retail licenses, the~~
7 ~~term shall mean a factor of 2.25 applied to the Statewide~~
8 ~~adjusted net profit factor of each retail zone.~~

9 ~~"Retail licensee." A person that holds a wine and spirits~~
10 ~~retail license under this article.~~

11 ~~"Retail zone." An area, as established by the department,~~
12 ~~for which a wine and spirits retail license authorizes the~~
13 ~~distribution of wine and spirits. The location of each~~
14 ~~Pennsylvania Liquor Store shall be in a separate zone.~~

15 ~~"Variable pricing." For purposes of the wholesale sale of~~
16 ~~liquor, any disparity in the price of an item sold to one~~
17 ~~licensee as compared to the price of the same item to another~~
18 ~~licensee or a licensee of a different classification. The term~~
19 ~~shall not include discounts for volume purchases.~~

20 ~~"Wholesale acquisition factor." A factor of 2.5 applied to~~
21 ~~the wholesale profit margin of a brand of liquor in determining~~
22 ~~the wholesale license fee.~~

23 ~~"Wholesale licensee." A person that holds a wine and spirits~~
24 ~~wholesale license under this article.~~

25 ~~"Wholesale profit margin." For any particular liquor~~
26 ~~product, 20% of the total of costs of goods sold of the product~~
27 ~~over the most recent 12 month period for which information is~~
28 ~~available.~~

29 ~~"Wine and spirits retail license." A license issued by the~~
30 ~~department or the board authorizing a person to sell and~~

1 ~~distribute wine and spirits to the public for off premises~~
2 ~~consumption.~~

3 ~~"Wine and spirits wholesale license." A license issued by~~
4 ~~the department or the board authorizing a person to sell and~~
5 ~~distribute liquor on a wholesale basis to retail licensees and~~
6 ~~other licensees under this act.~~

7 ~~Section 304 A. Reports to General Assembly.~~

8 ~~(a) Annual report. One year after the effective date of~~
9 ~~this section, and each year thereafter, the board, in~~
10 ~~cooperation with the department, shall submit to the General~~
11 ~~Assembly an annual report on wholesale and retail alcohol sales~~
12 ~~in this Commonwealth and the implementation of this article,~~
13 ~~including the total revenue earned by the issuance of licenses~~
14 ~~under this article for the wholesale and retail sale of liquor~~
15 ~~in this Commonwealth.~~

16 ~~(b) Review. Five years following the effective date of this~~
17 ~~section, the board, in cooperation with the department, shall~~
18 ~~conduct a thorough review of the operations of wholesale~~
19 ~~licensees and retail licensees. The board, in cooperation with~~
20 ~~the department, shall submit a copy of this review and any~~
21 ~~recommendations relating to the expansion of existing retail~~
22 ~~zones to the General Assembly. The same review shall be~~
23 ~~conducted ten years following the effective date of this~~
24 ~~section.~~

25 ~~Section 305 A. Powers and duties of the department and the~~
26 ~~board.~~

27 ~~(a) Orderly transition. It shall be the power and duty of~~
28 ~~the department and the board to implement this article and~~
29 ~~effect an orderly transition to a privately owned and operated~~
30 ~~wholesale and retail liquor distribution system in this~~

1 ~~Commonwealth in a manner that is consistent with this article~~
2 ~~and the laws of this Commonwealth and which maintains a~~
3 ~~continuous level of service to the public. The department shall~~
4 ~~be primarily responsible to administer the transition to a~~
5 ~~privately owned wholesale and retail liquor distribution system.~~
6 ~~The board shall be primarily responsible for enforcement of this~~
7 ~~article and this act on the liquor distribution operations of~~
8 ~~private wholesale and retail licensees and the administration of~~
9 ~~this article once the privatization transition is completed.~~

10 ~~(b) Specific duties. Within 180 days of the effective date~~
11 ~~of this section, the department shall utilize the authority~~
12 ~~provided for under section 306 A and any other powers of the~~
13 ~~department and with the full cooperation and assistance of the~~
14 ~~board, shall, at a minimum, have completed all of the following~~
15 ~~duties:~~

16 ~~(1) Establishment of an application process and schedule~~
17 ~~for the investigation and award of wine and spirits wholesale~~
18 ~~licenses under this article.~~

19 ~~(2) Establishment of a blended brand valuation for each~~
20 ~~brand of liquor sold by Pennsylvania Liquor Stores in this~~
21 ~~Commonwealth.~~

22 ~~(3) Establishment of retail zones to be utilized by the~~
23 ~~department in conducting the auction of Class A wine and~~
24 ~~spirits retail licenses under this article.~~

25 ~~(4) Assignment of the 500 Class B wine and spirits~~
26 ~~retail licenses to counties across this Commonwealth,~~
27 ~~excluding counties of the first class, to be utilized by the~~
28 ~~department in conducting Class B auctions.~~

29 ~~(5) Establishment of a process for the auction of wine~~
30 ~~and spirits retail licenses under this article.~~

1 ~~(6) Establishment of minimum bid amounts for each wine~~
2 ~~and spirits retail license to be auctioned under this~~
3 ~~article.~~

4 ~~(7) Establishment of procedures and standards governing~~
5 ~~the relationship between wholesale licensees and~~
6 ~~manufacturers and the ability and terms upon which that~~
7 ~~relationship may be terminated.~~

8 ~~Section 306 A. Temporary regulations.~~

9 ~~(a) Promulgation. In order to facilitate the prompt~~
10 ~~implementation of this article, regulations promulgated by the~~
11 ~~department shall be deemed temporary regulations which shall~~
12 ~~expire no later than three years following the effective date of~~
13 ~~this section. The department may promulgate temporary~~
14 ~~regulations not subject to:~~

15 ~~(1) Sections 201, 202 and 203 of the act of July 31,~~
16 ~~1968 (P.L.769, No.240), referred to as the Commonwealth~~
17 ~~Documents Law.~~

18 ~~(2) The act of June 25, 1982 (P.L.633, No.181), known as~~
19 ~~the Regulatory Review Act.~~

20 ~~(b) Expiration. The authority provided to the department to~~
21 ~~adopt temporary regulations under subsection (a) shall expire on~~
22 ~~January 1, 2014. Regulations adopted after this period shall be~~
23 ~~promulgated as provided by law.~~

24 ~~Section 307 A. Order of transition to private distribution~~
25 ~~system.~~


26 ~~(a) Wholesale transition. The department shall transition~~
27 ~~the board's wholesale distribution function to privately owned~~
28 ~~and operated wholesale licensees before divesting the board's~~
29 ~~retail operations. The transition must substantially divest the~~
30 ~~board of all operations relating to the wholesale distribution~~

1 ~~of alcohol in this Commonwealth within one year of the effective~~
2 ~~date of this section.~~

3 ~~(b) Retail transition. Twenty four months following the~~
4 ~~effective date of this section, the department shall~~
5 ~~substantially divest the board of all operations relating to the~~
6 ~~retail sale of alcohol in this Commonwealth. The department may~~
7 ~~extend this transition period by up to six months by certifying~~
8 ~~to the President pro tempore of the Senate, the Minority Leader~~
9 ~~of the Senate, the Speaker of the House of Representatives and~~
10 ~~the Minority Leader of the House of Representatives that, due to~~
11 ~~circumstances beyond its control, the department cannot complete~~
12 ~~the retail transition in the 24 month period. The department~~
13 ~~shall provide a detailed explanation of the circumstances which~~
14 ~~cause the delay with its certification to the General Assembly.~~

15 ~~(c) Prohibition. Except as necessary to ensure a continuous~~
16 ~~level of service to the public and subject to section 328 A, the~~
17 ~~board shall not engage in any wholesale or retail distribution~~
18 ~~of alcohol within this Commonwealth following completion of the~~
19 ~~wholesale and retail transitions.~~

20 ~~(d) Cooperation required. The board shall fully cooperate~~
21 ~~with the department in all aspects of implementation of this~~
22 ~~article and shall provide the department with all records in the~~
23 ~~possession of the board upon request.~~

24 SECTION 1. THE DEFINITION OF "CASE" IN SECTION 102 OF THE 
25 ACT OF APRIL 12, 1951 (P.L.90, NO.21), KNOWN AS THE LIQUOR CODE,
26 REENACTED AND AMENDED JUNE 29, 1987 (P.L.32, NO.14) AND AMENDED
27 JULY 7, 2006 (P.L.584, NO.84), IS AMENDED AND THE SECTION IS
28 AMENDED BY ADDING DEFINITIONS TO READ:

29 SECTION 102. DEFINITIONS.--THE FOLLOWING WORDS OR PHRASES,
30 UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, SHALL HAVE THE

1 MEANINGS ASCRIBED TO THEM IN THIS SECTION:

2 * * *

3 "CASE" SHALL MEAN A PACKAGE PREPARED BY THE MANUFACTURER FOR
4 SALE OR DISTRIBUTION OF [TWELVE] SIX OR MORE ORIGINAL CONTAINERS
5 TOTALING [TWO HUNDRED SIXTY-FOUR] NINETY-SIX OR MORE FLUID
6 OUNCES OF MALT OR BREWED BEVERAGES [EXCEPTING THOSE PACKAGES
7 CONTAINING TWENTY-FOUR OR MORE ORIGINAL CONTAINERS EACH HOLDING
8 SEVEN FLUID OUNCES OR MORE].

9 * * *

10 "VARIABLE PRICING" SHALL MEAN, FOR THE PURPOSES OF WHOLESALE
11 SALE OF WINE, ANY DISPARITY IN THE PRICE OF AN ITEM SOLD TO ONE
12 LICENSEE AS COMPARED TO THE PRICE OF THE SAME ITEM TO ANOTHER
13 LICENSEE OF A DIFFERENT CLASSIFICATION. THE TERM SHALL NOT
14 INCLUDE DISCOUNTS FOR VOLUME PURCHASES.

15 * * *

16 "WHOLESALE LICENSEE" SHALL MEAN A PERSON WHO HOLDS A WINE
17 WHOLESALE LICENSE.

18 * * *

19 SECTION 2. SECTION 207(B), (H) AND (K) OF THE ACT, ADDED
20 FEBRUARY 21, 2002 (P.L.103, NO.10), ARE AMENDED AND THE SECTION
21 IS AMENDED BY ADDING SUBSECTIONS TO READ:

22 SECTION 207. GENERAL POWERS OF BOARD.--UNDER THIS ACT, THE
23 BOARD SHALL HAVE THE POWER AND ITS DUTY SHALL BE:

24 * * *

25 (B) TO CONTROL THE MANUFACTURE, POSSESSION, SALE,
26 CONSUMPTION, IMPORTATION, USE, STORAGE, TRANSPORTATION AND
27 DELIVERY OF LIQUOR, ALCOHOL AND MALT OR BREWED BEVERAGES IN
28 ACCORDANCE WITH THE PROVISIONS OF THIS ACT, AND TO FIX THE
29 WHOLESALE AND RETAIL PRICES AT WHICH LIQUORS AND ALCOHOL SHALL
30 BE SOLD AT PENNSYLVANIA LIQUOR STORES. PRICES SHALL BE

1 [PROPORTIONAL WITH PRICES PAID BY THE BOARD TO ITS SUPPLIERS AND
2 SHALL REFLECT ANY ADVANTAGE OBTAINED THROUGH VOLUME PURCHASES BY
3 THE BOARD. THE BOARD MAY ESTABLISH A PREFERENTIAL PRICE
4 STRUCTURE FOR WINES PRODUCED WITHIN THIS COMMONWEALTH FOR THE
5 PROMOTION OF SUCH WINES, AS LONG AS THE PRICE STRUCTURE IS
6 UNIFORM WITHIN EACH CLASS OF WINE PURCHASED BY THE BOARD] AS SET
7 FORTH BY THE BOARD SO LONG AS THE PRICE OF A PARTICULAR ITEM IS
8 UNIFORM THROUGHOUT THE COMMONWEALTH. THE BOARD SHALL REQUIRE
9 EACH PENNSYLVANIA MANUFACTURER AND EACH NONRESIDENT MANUFACTURER
10 OF LIQUORS, OTHER THAN WINE, SELLING SUCH LIQUORS TO THE BOARD,
11 WHICH ARE NOT MANUFACTURED IN THIS COMMONWEALTH, TO MAKE
12 APPLICATION FOR AND BE GRANTED A PERMIT BY THE BOARD BEFORE SUCH
13 LIQUORS NOT MANUFACTURED IN THIS COMMONWEALTH SHALL BE PURCHASED
14 FROM SUCH MANUFACTURER. EACH SUCH MANUFACTURER SHALL PAY FOR
15 SUCH PERMIT A FEE WHICH, IN THE CASE OF A MANUFACTURER OF THIS
16 COMMONWEALTH, SHALL BE EQUAL TO THAT REQUIRED TO BE PAID, IF
17 ANY, BY A MANUFACTURER OR WHOLESALER OF THE STATE, TERRITORY OR
18 COUNTRY OF ORIGIN OF THE LIQUORS, FOR SELLING LIQUORS
19 MANUFACTURED IN PENNSYLVANIA, AND IN THE CASE OF A NONRESIDENT
20 MANUFACTURER, SHALL BE EQUAL TO THAT REQUIRED TO BE PAID, IF
21 ANY, IN SUCH STATE, TERRITORY OR COUNTRY BY PENNSYLVANIA
22 MANUFACTURERS DOING BUSINESS IN SUCH STATE, TERRITORY OR
23 COUNTRY. IN THE EVENT THAT ANY SUCH MANUFACTURER SHALL, IN THE
24 OPINION OF THE BOARD, SELL OR ATTEMPT TO SELL LIQUORS TO THE
25 BOARD THROUGH ANOTHER PERSON FOR THE PURPOSE OF EVADING THIS
26 PROVISION RELATING TO PERMITS, THE BOARD SHALL REQUIRE SUCH
27 PERSON, BEFORE PURCHASING LIQUORS FROM HIM OR IT, TO TAKE OUT A
28 PERMIT AND PAY THE SAME FEE AS HEREINBEFORE REQUIRED TO BE PAID
29 BY SUCH MANUFACTURER. ALL PERMIT FEES SO COLLECTED SHALL BE PAID
30 INTO THE STATE STORES FUND. THE BOARD SHALL NOT PURCHASE ANY

1 ALCOHOL OR LIQUOR FERMENTED, DISTILLED, RECTIFIED, COMPOUNDED OR
2 BOTTLED IN ANY STATE, TERRITORY OR COUNTRY, THE LAWS OF WHICH
3 RESULT IN PROHIBITING THE IMPORTATION THEREIN OF ALCOHOL OR
4 LIQUOR, FERMENTED, DISTILLED, RECTIFIED, COMPOUNDED OR BOTTLED
5 IN PENNSYLVANIA.

6 * * *

7 (H) WITHOUT IN ANY WAY LIMITING OR BEING LIMITED BY THE
8 FOREGOING, TO DO ALL SUCH THINGS AND PERFORM ALL SUCH ACTS AS
9 ARE DEEMED NECESSARY OR ADVISABLE FOR THE PURPOSE OF CARRYING
10 INTO EFFECT THE PROVISIONS OF THIS ACT AND THE REGULATIONS MADE
11 THEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
12 CONTRARY, THE BOARD IS AUTHORIZED TO PURCHASE ALL GOODS AND
13 SERVICES IN ITS SOLE DISCRETION WHICH ARE DEEMED NECESSARY TO
14 PERFORM ALL SUCH ACTS. THE BOARD IS AUTHORIZED TO PROMULGATE
15 REGULATIONS PROVIDING FOR THE PROCUREMENT OF SUCH GOODS AND
16 SERVICES.

17 * * *

18 (K) TO [ISSUE GRANTS TO VARIOUS ENTITIES] TRANSFER FUNDS
19 FROM "THE STATE STORES FUND" TO THE DEPARTMENT OF HEALTH, BUREAU
20 OF DRUG AND ALCOHOL PROGRAMS FOR ALCOHOL EDUCATION AND
21 PREVENTION EFFORTS PURSUANT TO SECTION 802 OF THIS ACT.

22 (L) TO ESTABLISH AND IMPLEMENT A CUSTOMER RELATIONS
23 MARKETING PROGRAM FOR THE PURPOSE OF OFFERING INCENTIVES,
24 INCLUDING COUPONS OR DISCOUNTS ON CERTAIN PRODUCTS, TO CUSTOMERS
25 OF THE BOARD.

26 (M) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
27 CONTRARY, TO ENTER INTO AGREEMENTS WITH GOVERNMENTAL UNITS OF
28 THE COMMONWEALTH AND OTHER STATES FOR THE PURCHASE OR SALE OF
29 GOODS OR SERVICES WITH, FROM OR TO THE GOVERNMENTAL UNITS.

30 SECTION 2.1. SECTION 208(C) OF THE ACT IS AMENDED TO READ:

1 SECTION 208. SPECIFIC SUBJECTS ON WHICH BOARD MAY ADOPT
2 REGULATIONS.--SUBJECT TO THE PROVISIONS OF THIS ACT AND WITHOUT
3 LIMITING THE GENERAL POWER CONFERRED BY THE PRECEDING SECTION,
4 THE BOARD MAY MAKE REGULATIONS REGARDING:

5 * * *

6 (C) THE PURCHASE, AS PROVIDED IN THIS ACT, OF LIQUOR AND
7 ALCOHOL, AND ITS SUPPLY TO PENNSYLVANIA LIQUOR STORES AND THE
8 PROCUREMENT OF ALL OTHER GOODS AND SERVICES WHICH ARE DEEMED
9 NECESSARY BY THE BOARD, IN ITS SOLE DISCRETION, TO PERFORM ALL
10 SUCH ACTS.

11 * * *

12 SECTION 2.2. SECTION 304(B) OF THE ACT, AMENDED DECEMBER 8,
13 2004 (P.L.1810, NO.239), IS AMENDED TO READ:

14 SECTION 304. WHEN SALES MAY BE MADE AT PENNSYLVANIA LIQUOR
15 STORES.--* * *

16 (B) CERTAIN PENNSYLVANIA LIQUOR STORES OPERATED BY THE BOARD
17 SHALL BE OPEN FOR SUNDAY RETAIL SALES BETWEEN THE HOURS OF
18 [NOON] NINE O'CLOCK ANTEMERIDIAN AND [FIVE] NINE O'CLOCK
19 POSTMERIDIAN, EXCEPT THAT NO SUNDAY SALES SHALL OCCUR ON EASTER
20 SUNDAY OR CHRISTMAS DAY. THE BOARD SHALL OPEN [UP TO TWENTY-FIVE
21 PER CENTUM OF THE TOTAL NUMBER OF PENNSYLVANIA LIQUOR STORES AT
22 ITS DISCRETION], AT ITS DISCRETION, AS MANY PENNSYLVANIA LIQUOR
23 STORES AS IT DEEMS NECESSARY FOR SUNDAY SALES AS PROVIDED FOR IN
24 THIS SUBSECTION. THE BOARD SHALL SUBMIT YEARLY REPORTS TO THE
25 APPROPRIATIONS AND THE LAW AND JUSTICE COMMITTEES OF THE SENATE
26 AND THE APPROPRIATIONS AND THE LIQUOR CONTROL COMMITTEES OF THE
27 HOUSE OF REPRESENTATIVES SUMMARIZING THE TOTAL DOLLAR VALUE OF
28 SALES UNDER THIS SECTION.

29 SECTION 3. SECTION 305(B) OF THE ACT, AMENDED JULY 6, 2005
30 (P.L.135, NO.39), IS AMENDED TO READ:

1 SECTION 305. SALES BY PENNSYLVANIA LIQUOR STORES.--* * *

2 (B) EVERY PENNSYLVANIA LIQUOR STORE SHALL SELL LIQUORS AT
3 WHOLESALE TO HOTELS, RESTAURANTS, CLUBS, AND RAILROAD, PULLMAN
4 AND STEAMSHIP COMPANIES LICENSED UNDER THIS ACT; AND EVERY
5 PENNSYLVANIA LIQUOR STORE SHALL SELL WINE AT WHOLESALE TO
6 ENHANCED DISTRIBUTORS; AND, UNDER THE REGULATIONS OF THE BOARD,
7 TO PHARMACISTS DULY LICENSED AND REGISTERED UNDER THE LAWS OF
8 THE COMMONWEALTH, AND TO MANUFACTURING PHARMACISTS, AND TO
9 REPUTABLE HOSPITALS APPROVED BY THE BOARD, OR CHEMISTS. SALES TO
10 LICENSEES SHALL BE MADE AT A PRICE THAT INCLUDES A DISCOUNT OF
11 [TEN] FIFTEEN PER CENTUM FROM THE RETAIL PRICE. THE BOARD MAY
12 SELL TO REGISTERED PHARMACISTS ONLY SUCH LIQUORS AS CONFORM TO
13 THE PHARMACOPOEIA OF THE UNITED STATES, THE NATIONAL FORMULARY,
14 OR THE AMERICAN HOMEOPATHIC PHARMACOPOEIA. THE BOARD MAY SELL AT
15 SPECIAL PRICES UNDER THE REGULATIONS OF THE BOARD, TO UNITED
16 STATES ARMED FORCES FACILITIES WHICH ARE LOCATED ON UNITED
17 STATES ARMED FORCES INSTALLATIONS AND ARE CONDUCTED PURSUANT TO
18 THE AUTHORITY AND REGULATIONS OF THE UNITED STATES ARMED FORCES.
19 ALL OTHER SALES BY SUCH STORES SHALL BE AT RETAIL. A PERSON
20 ENTITLED TO PURCHASE LIQUOR AT WHOLESALE PRICES MAY PURCHASE THE
21 LIQUOR AT ANY PENNSYLVANIA LIQUOR STORE UPON TENDERING CASH,
22 CHECK OR CREDIT CARD FOR THE FULL AMOUNT OF THE PURCHASE. FOR
23 THIS PURPOSE, THE BOARD SHALL ISSUE A DISCOUNT CARD TO EACH
24 LICENSEE IDENTIFYING SUCH LICENSEE AS A PERSON AUTHORIZED TO
25 PURCHASE LIQUOR AT WHOLESALE PRICES. SUCH DISCOUNT CARD SHALL BE
26 RETAINED BY THE LICENSEE. THE BOARD MAY CONTRACT THROUGH THE
27 COMMONWEALTH BIDDING PROCESS FOR DELIVERY TO WHOLESALE LICENSEES
28 AT THE EXPENSE OF THE LICENSEE RECEIVING THE DELIVERY.

29 * * *

30 SECTION 4. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

1 ARTICLE III-A

2 WHOLESALE DISTRIBUTION

3 SUBARTICLE A

4 (RESERVED)

5 SUBARTICLE B

6 ~~PRIVATIZATION OF WHOLESALE LIQUOR WINE DISTRIBUTION~~ ←

7 Section 308-A. Wholesale ~~divestiture~~ WINE LICENSES. ←

8 (a) Authorized wine and spirits wholesale licenses.--

9 (1) One wine ~~and spirits~~ wholesale license may be issued ←
10 by the ~~department~~ BOARD to each successful applicant. The ←
11 license shall authorize the distribution of the brands of
12 ~~liquor~~ WINE to retail licensees and other licensees ←
13 authorized to sell or distribute ~~liquor~~ WINE under this act, ←
14 as proposed by an applicant and approved by the ~~department~~ ←
15 BOARD. ←

16 (2) Subject to the restrictions enumerated under section
17 313-A, wholesale licensees may distribute more than one brand
18 of ~~liquor~~ WINE under the same wine ~~and spirits~~ wholesale ←
19 license.

20 (3) Upon application by a wholesale licensee, the board
21 may amend the authorization under a wine ~~and spirits~~ ←
22 wholesale license to include or exclude additional brands of
23 ~~liquor~~ WINE. ←

24 (b) Wholesale license fee.--

25 (1) At the time of license issuance, the ~~department~~ ←
26 BOARD shall impose a one-time license fee to be paid by each ←
27 successful applicant for a wine ~~and spirits~~ wholesale license ←
28 in an amount equal to the ~~blended brand valuation for each~~ ←
29 ~~brand of liquor~~ authorized by the license multiplied by the
30 ~~wholesale acquisition factor.~~

~~(2) (i) Within the time prescribed under section 305 A, the department shall determine and publish as a notice in the Pennsylvania Bulletin the license fee for each brand of liquor sold at Pennsylvania Liquor Stores for a continuous period of at least one year prior to the effective date of this section.~~

~~(ii) For any brand of liquor that is not sold at Pennsylvania Liquor Stores for a continuous period of one year prior to the effective date of this section and is proposed to be distributed by an applicant for a wine and spirits wholesale license, the department shall determine and publish the applicable license fee by considering the blended brand valuation for the brand from a comparable jurisdiction and applying the wholesale acquisition factor.~~

~~(iii) In the event that data is not available from a comparable jurisdiction to establish the blended brand valuation for the brand, the department shall determine the license fee by utilizing the license fee from a comparable brand sold at Pennsylvania Liquor Stores.~~
~~\$100,000,000.~~ ←

~~(3) (2) If, at any time during the term of a wine and spirits wholesale license, the wholesale licensee proposes to sell and distribute a new brand of liquor WINE not previously sold in this Commonwealth, the wholesale licensee shall apply to the board for permission to sell the brand and pay an additional license fee determined in accordance with this section.~~ ←

~~(c) Term.--~~

~~(1) A wine and spirits wholesale license, after payment~~ ←

1 of the license fee, shall be in effect unless suspended,
2 revoked or not renewed by the board upon good cause
3 consistent with the license requirements as provided for
4 under this article.

5 (2) The license of a wholesale licensee in good standing
6 shall be renewed every two years consistent with this
7 article.

8 (3) Nothing under this subsection shall be construed to
9 relieve a wholesale licensee of the affirmative duty to
10 notify the board of any changes relating to the status of its
11 license or to any other information contained in the
12 application materials on file with the ~~department or the~~ ←
13 board.

14 Section 309-A. (Reserved).

15 Section 310-A. Application for wine ~~and spirits~~ wholesale ←
16 license.

17 (a) Applications.--An application for a wine and spirits
18 wholesale license shall be submitted on a form and in a manner
19 as shall be required by the ~~department~~ BOARD. ←

20 (b) Eligibility.--A person may be eligible to apply for a
21 wine ~~and spirits~~ wholesale license if the person satisfies all ←
22 of the following:

23 (1) Neither the applicant nor any affiliate of the
24 applicant has applied for or holds a wine ~~and spirits~~ retail ←
25 LIQUOR license OR DISTRIBUTOR LICENSE. ←

26 (2) The applicant, if a corporation, a limited liability
27 company, limited partnership, partnership, association or
28 other legal entity, is organized under the laws of this
29 Commonwealth.

30 (3) The applicant, if a natural person, is a citizen of

1 the United States and a resident of this Commonwealth.

2 (4) Neither the applicant nor any affiliate of the
3 applicant, executive officer, director or general or limited
4 partner of the applicant, or person holding, directly or
5 indirectly, a controlling AN interest in the applicant has ←
6 been convicted of a felony or crime identified in subsection
7 (d) (9).

8 (c) Other licenses.--Nothing under this article or act shall
9 be construed to prohibit a properly licensed importing
10 distributor of malt and brewed beverages from applying for and,
11 if approved, being issued a wine and spirits wholesale license. ←

12 (d) General requirements.--In addition to any other
13 information required under this article or as may be required by
14 the department BOARD, the applicant for a wine and spirits ←
15 wholesale license shall include, at a minimum, the following:

16 (1) The name and address of the applicant.

17 (2) A statement as to whether the applicant is an
18 individual, corporation, limited liability company, limited
19 partnership, partnership or association and the state of
20 incorporation or organization.

21 (3) The names and residence addresses of each executive
22 officer, director, general or limited partner and person
23 holding a controlling AN interest in the applicant. ←

24 (4) If the applicant is an association, the names and
25 residence addresses of the persons constituting the
26 association.

27 (5) A statement of the brands of liquor WINE the ←
28 applicant proposes to distribute and, for each brand, whether
29 the applicant proposes to engage in wholesale distribution on
30 a Statewide or regional basis.

1 (6) The proposed location and proof of ownership or
2 lease for the wholesale operation, including any proposed
3 warehouses, if available.

4 (7) Floor plans for any facility proposed to be used in
5 wholesale operations and existing design plans for any
6 facility that is planned, but not yet constructed, to the
7 extent they are available.

8 (8) Information disclosing all arrests of the applicant
9 and any affiliate of the applicant, executive officer,
10 director or general or limited partner of the applicant or
11 person holding a ~~controlling~~ AN interest in the applicant and ←
12 all citations issued to the same for nonsummary offenses.

13 The information shall include:

14 (i) A brief description of the circumstances
15 surrounding the arrest or issuance of the citation.

16 (ii) The specific offense charged or cited.

17 (iii) The ultimate disposition of the charge or
18 citation, including the details of any dismissal, plea
19 bargain, conviction, sentence, pardon, expungement or
20 order of accelerated rehabilitative disposition.

21 (9) A sworn statement that the applicant and any
22 affiliate of the applicant, executive officer, director or
23 general or limited partner of the applicant or person holding
24 a ~~controlling~~ AN interest in the applicant have never been ←
25 convicted:

26 (i) of any crime involving fraud, moral turpitude or
27 racketeering within a period of ten years immediately
28 preceding the date of the application;

29 (ii) of any felony or equivalent crime; or

30 (iii) in any Federal or state jurisdiction,

1 including this Commonwealth, of the violation of any
2 Federal or state liquor law.

3 (10) A statement that the applicant intends to
4 continuously operate as a wholesale licensee for the duration
5 of the license term and to provide a level of service,
6 including product availability, reasonably equivalent to the
7 level of service currently provided by the Commonwealth.

8 (11) A financial statement in a form and containing such
9 information as the ~~department~~ BOARD shall prescribe to ←
10 indicate the applicant's financial capability to operate the
11 wholesale operation and the estimated volume of wholesale
12 business to be conducted annually.

13 (12) (i) A current tax lien certificate issued by the
14 Department of Revenue for the applicant and any affiliate
15 of the applicant, executive officer, director or general
16 or limited partner of the applicant or person holding a ←
17 controlling AN interest in the applicant. ←

18 (ii) Any unpaid taxes identified on a tax lien
19 certificate required to be filed with the application
20 must be paid before the application is considered
21 complete and reviewed by the ~~department~~ BOARD. ←

22 (13) A signature and verification by oath or
23 affirmation, or under penalty of unsworn falsification to
24 authorities, by the applicant, if a natural person, or, when
25 the applicant is a legal entity, a person specifically
26 authorized by the legal entity to sign the application, to
27 which shall be attached written evidence of that authority.

28 (e) Additional information.--An applicant shall have a
29 continuing duty during the application process to provide any
30 other information determined to be appropriate by the ~~department~~ ←

1 BOARD. ←

2 (f) Amended application.--When a change occurs in any
3 information provided to the ~~department~~ BOARD as part of the ←
4 application process, the applicant shall immediately notify the
5 ~~department~~ BOARD of the change and timely provide amended ←
6 information to the ~~department~~ BOARD in a form and manner ←
7 determined by the ~~department~~ BOARD. ←

8 (g) Application fees and investigative costs.--

9 (1) An application filing fee of \$10,000 shall be due
10 upon application for a wine ~~and spirits~~ wholesale license. ←

11 (2) The ~~department~~ BOARD shall establish, charge and ←
12 collect fees from an applicant to recover the costs directly
13 related to the ~~department's~~ BOARD'S review and investigation ←
14 of that applicant's application for a wine ~~and spirits~~ ←
15 wholesale license. The board shall have the same duty ←
16 relating to fees as to applications for renewal.

17 Section 311-A. Review and investigation of application.

18 (a) Completeness of application.--

19 (1) (i) The ~~department~~ BOARD may not consider an ←
20 incomplete application and shall notify the applicant in
21 writing if an application is incomplete.

22 (ii) An application shall be considered incomplete
23 if it does not include all applicable fees and all
24 information and accompanying documentation required by
25 the ~~department~~ BOARD, including the payment of any unpaid ←
26 taxes identified on any tax lien certificate required to
27 be filed with the application.

28 (2) A notification of incompleteness shall state the
29 deficiencies in the application that must be corrected prior
30 to consideration of the merits of the application.

1 (3) The applicant shall be afforded a reasonable period
2 of time, as determined by the ~~department~~ BOARD, to cure the ←
3 deficiencies.

4 (4) If the applicant fails to timely cure noticed
5 deficiencies, the application shall be deemed denied by the
6 ~~department~~ BOARD without further action. ←

7 (b) Investigation.--After receipt of an application for a
8 wine ~~and spirits~~ wholesale license and a determination that the ←
9 application is complete, the ~~department~~ BOARD shall conduct an ←
10 investigation of the application as deemed necessary or
11 desirable. The investigation shall include, and the applicant
12 shall have the burden of demonstrating, at a minimum, the
13 following:

14 (1) The truth and veracity of the information provided
15 in the application.

16 (2) The applicant's cooperation and the cooperation of
17 any affiliate of the applicant, executive officer, director
18 or general or limited partner of the applicant or person
19 holding a ~~controlling~~ AN interest in the applicant in the ←
20 application process and with any request by ~~the department or~~ ←
21 the board for any information deemed necessary for licensure.

22 (3) The good character, integrity and suitability of the
23 applicant and any affiliate of the applicant, executive
24 officer, director or general or limited partner of the
25 applicant or person holding a ~~controlling~~ AN interest in the ←
26 applicant.

27 (4) The applicant possesses sufficient financial
28 resources to:

29 (i) Operate as a wholesale licensee.

30 (ii) Pay all taxes due and owing to the

1 Commonwealth.

2 (iii) Assume liability for the safe operation of the
3 wholesale operations.

4 (5) The applicant possesses sufficient business ability
5 and experience to create and maintain a successful and
6 efficient wholesale operation that provides service at a
7 level that is reasonably equivalent to the level of service
8 currently provided in this Commonwealth at the time of
9 enactment of this article.

10 (6) The physical facilities proposed to be used in the
11 applicant's wholesale operations are located and designed in
12 such a manner as to:

13 (i) Assure that all warehouses are located within
14 this Commonwealth.

15 (ii) Exist as a self-contained unit, with limited
16 customer access.

17 (iii) Not have any interior connection with any
18 other business or with any residential building without
19 prior board approval.

20 (iv) Provide adequate security to protect the
21 applicant's inventory from unauthorized sale or
22 diversion.

23 (v) Protect the public interest.

24 (c) Assistance with investigations.--The ~~department~~ BOARD ←
25 may enter into an agreement with the Pennsylvania State Police
26 or the Office of Inspector General to assist the ~~department~~ ←
27 BOARD in the conduct of investigations under this section and to ←
28 provide for the reimbursement of actual costs incurred for
29 providing the assistance.

30 Section 312-A. Issuance of licenses.

1 (a) Notification.--Upon completion of the investigation
2 under section 311-A, the ~~department~~ BOARD shall inform the ←
3 applicant in writing of its decision to approve or deny the
4 application.

5 ~~(b) Approval.--~~

6 ~~(1) If the application is approved, the department shall~~ ←

7 (B) APPROVAL.--IF THE APPLICATION IS APPROVED, THE BOARD ←

8 SHALL also notify the successful applicant of the \$100,000,000 ←

9 licensing fee due, as required by section 308 A(b) (1), based on ←

10 the brand licensing fees established under section 308 A(b) (2)

11 for the brands of liquor approved for the applicant.

12 ~~(2) If wholesale distribution of a brand of liquor for~~

13 an applicant is approved for a region of this Commonwealth,

14 and on less than a Statewide basis, the department shall

15 calculate the licensing fee for that brand through a pro rata

16 allocation of the wholesale profit margin for that brand

17 associated with the region for which wholesale distribution

18 is approved. AND THE PROCEDURE AND DEADLINE FOR PAYMENT. ←

19 (c) Denial.--

20 (1) If an application is denied, the ~~department~~ BOARD ←

21 shall provide the applicant with the specific reasons for the

22 denial in the written notification required under subsection

23 (a).

24 (2) The applicant shall be entitled to a hearing on the

25 denial, if a hearing is requested within ten days of the

26 ~~department's~~ BOARD'S notification. An applicant requesting a ←

27 hearing must do so in writing on a form and in a manner

28 prescribed by the ~~department~~ BOARD. ←

29 (3) Any hearing conducted under this section shall

30 comply with 2 Pa.C.S. § 505 (relating to evidence and cross-

1 examination).

2 (d) Issuance.--After approval of an application, the
3 department BOARD shall issue a wine and spirits wholesale ←
4 license to the applicant, if the applicant has completed all of
5 the following acts:

6 (1) Paid the license fee required under this article.
7 Payment shall be made by certified check or wire transfer to
8 a designated restricted account in the State Stores Fund.

9 (2) Paid any outstanding application or investigation
10 fees.

11 (3) Executed and delivered to the department BOARD the ←
12 statement of conditions required under section 313-A.

13 ~~(4) Purchased the board's existing and marketable~~ ←
14 ~~warehouse inventory of all brands of liquor the applicant is~~
15 ~~being authorized to distribute at the board's original cost,~~
16 ~~subject to the excise tax provided for under section 336 A,~~
17 ~~plus an administrative fee to be determined by the board.~~

18 ~~(5) (4) Fulfilled any other conditions required by the~~ ←
19 ~~department or the board or provided for by this article.~~ ←

20 (e) License as privilege.--

21 (1) Nothing contained under this article is intended or
22 shall be construed to create an entitlement to a wine and ←
23 spirits wholesale license.

24 (2) The authorization to participate in the distribution
25 and sale of liquor WINE as a wholesale licensee is a ←
26 privilege conditioned upon this article.

27 (f) Other licenses.--Nothing under this article or this act
28 shall be construed to prohibit a wholesale licensee from
29 applying for and, if approved, being issued a license as an
30 importing distributor of malt and brewed beverages.

1 Section 313-A. Wholesale licensee statement of conditions.

2 (a) Statement of conditions.--The ~~department~~ BOARD shall ←
3 develop a statement of conditions to be executed by each
4 wholesale licensee governing the wine ~~and spirits~~ wholesale ←
5 licensee.

6 (b) Conditions.--In addition to any other conditions the
7 ~~department~~ BOARD deems necessary or appropriate for a specific ←
8 wholesale licensee, a statement of conditions under this section
9 shall include, at a minimum, the following conditions and impose
10 the following obligations and requirements on an ongoing basis:

11 (1) Wholesale licensees may not under any circumstances
12 sell ~~liquor~~ WINE to persons not licensed under this act. ←

13 (2) Wholesale licensees shall serve all licensees
14 eligible to purchase ~~liquor~~ WINE under this act and shall ←
15 make ~~liquor~~ WINE available for sale to those licensees under ←
16 the same pricing structure.

17 (3) Except for wholesale licensees that hold an
18 importing distributor license under section 431, wholesale
19 licensees may not under any circumstances sell malt or brewed
20 beverages.

21 (4) Wholesale licensees may not under any circumstances
22 engage in variable pricing in sales of ~~liquor~~ WINE to persons ←
23 licensed under this act.

24 (5) Wholesale licensees shall acquire ~~liquor~~ WINE ←
25 exclusively from a licensed manufacturer or importer of wine
26 ~~and spirits~~ as provided under this act and keep a detailed ←
27 log of all wholesale ~~liquor~~ WINE transactions, both ←
28 acquisitions and sales to licensees under this act.

29 (6) A wholesale licensee's licensed premises and all
30 facilities involved in its wholesale operations, including

1 any changes to those facilities during the term of the
2 license, shall be subject to the inspection, investigation
3 and approval of the ~~department or the~~ board. ←

4 (7) Wholesale licensees shall maintain adequate security
5 to protect the licensee's inventory from unauthorized sale or
6 diversion and prevent its unauthorized distribution.

7 (8) Wholesale licensees may engage in any separate
8 business activity upon any licensed premises, but only with
9 prior approval of the board.

10 (9) Wholesale licensees may sell ~~liquor~~ WINE between 2 ←
11 a.m. of any Monday and 12 midnight of the following Saturday.

12 ~~(10) Wholesale licensees shall collect and remit to the~~ ←
13 ~~Department of Revenue the excise tax as provided under~~
14 ~~section 336 A.~~

15 ~~(11)~~ (10) The wholesale licensee shall be considered a ←
16 Pennsylvania Liquor Store for the purposes of collecting and
17 remitting taxes consistent with the act of March 4, 1971
18 (P.L.6, No.2), known as the Tax Reform Code of 1971, from
19 persons licensed to sell liquor for on-premises consumption
20 under Article IV.

21 ~~(12)~~ (11) Wholesale licensees shall notify the board ←
22 within 15 days of any change in persons holding a ~~controlling~~ ←
23 AN interest in the licensee. ←

24 ~~(13)~~ (12) Wholesale licensees shall notify the board ←
25 within 15 days of becoming aware of any arrest or criminal
26 indictments or convictions by the wholesale licensee or any
27 affiliate of the licensee, executive officer, director or
28 general or limited partner of the licensee or person holding
29 a ~~controlling~~ AN interest in the licensee. ←

30 ~~(14)~~ (13) Wholesale licensees shall notify the board ←

1 within 15 days of becoming aware of any violation of this act
2 by the licensee or any affiliate of the licensee, executive
3 officer, director or general or limited partner of the
4 licensee, person holding a ~~controlling~~ AN interest in the ←
5 licensee or employee of the licensee.

6 ~~(15)~~ (14) Neither a wholesale licensee, nor any of its ←
7 affiliates, shall, at any time, seek to be approved or be
8 approved by the ~~department or the~~ board to distribute brands ←
9 of ~~liquor~~ WINE in a manner which results in the licensee ←
10 controlling more than 50% of the ~~liquor~~ WINE distributed in ←
11 the wholesale market of this Commonwealth.

12 ~~(16)~~ (15) Wholesale licensees shall make the licensed ←
13 premises, all of the facilities involved in the wholesale
14 operation and all of the business and financial books and
15 records of the wholesale operation available at any time for
16 inspection and audit by the ~~department or the~~ board AND THE ←
17 PENNSYLVANIA STATE POLICE.

18 ~~(17)~~ (16) Wholesale licensees shall cooperate fully in ←
19 any inquiry or investigation by the ~~department or the~~ board ←
20 OR THE PENNSYLVANIA STATE POLICE and provide any information ←
21 requested by the ~~department or the~~ board OR THE PENNSYLVANIA ←
22 STATE POLICE.

23 ~~(18)~~ (17) Wholesale licensees, if a corporation, a ←
24 limited liability company, limited partnership, partnership,
25 association or other legal entity, shall at all times be
26 organized under the laws of this Commonwealth.

27 ~~(19)~~ (18) Wholesale licensees, if a natural person, ←
28 shall at all times be a citizen of the United States and a
29 resident of this Commonwealth.

30 (c) Sanctions.--A wholesale licensee that fails to comply

1 with any condition contained in the licensee's statement of
2 conditions shall be subject to board-imposed administrative
3 sanctions or other penalties authorized under sections 471 and
4 494.

5 ~~(d) Transition. Notwithstanding any law or regulation to~~ ←
6 ~~the contrary, during the period of divestiture of wine and~~
7 ~~spirits wholesale operations, the following shall apply:~~

8 ~~(1) The board shall have no authority to levy or collect~~
9 ~~the tax imposed under the act of June 9, 1936 (Sp.Sess.,~~
10 ~~P.L.13, No.4) entitled "An act imposing an emergency State~~
11 ~~tax on liquor, as herein defined, sold by the Pennsylvania~~
12 ~~Liquor Control Board; providing for the collection and~~
13 ~~payment of such tax; and imposing duties upon the Department~~
14 ~~of Revenue and the Pennsylvania Liquor Control Board," for or~~
15 ~~on any brand of liquor purchased from a wholesale licensee.~~

16 ~~(2) The board shall have no authority to apply a retail~~
17 ~~mark up on any brand of liquor purchased from a wholesale~~
18 ~~licensee of more than 25%.~~

19 Section 314-A. Loss of rights to wholesale brands of liquor ←

20 WINE. ←

21 The procedures and standards established by the department ←
22 BOARD under section 305-A(b) to govern the relationship between ←
23 wholesale licensees and manufacturers shall, at a minimum,
24 incorporate the following principles:

25 (1) A manufacturer having a contract, including all
26 agreements, understandings or other arrangements, whether
27 written or oral, with a wholesale licensee for the
28 distribution in this Commonwealth of a brand or brands of
29 liquor WINE may terminate the distribution rights and ←
30 transfer such rights to another wholesale licensee upon the

1 voluntary agreement of both wholesale licensees. In the event
2 of a voluntary termination and transfer, the manufacturer
3 shall provide written notice of that fact to the board
4 indicating that affected wholesale licensees have both agreed
5 to the termination and transfer. A copy of the notification
6 to the board shall be provided to both wholesale licensees.

7 (2) If a wholesale licensee does not agree to the
8 termination or transfer of its distribution rights, the
9 manufacturer may terminate or transfer the rights only for
10 good cause, as defined by the department or the board, or ←
11 upon payment to the terminated wholesale licensee of
12 reasonable compensation, as determined by the board to
13 reflect the value of the wholesale licensee's business
14 related to the terminated brand of liquor WINE. ←

15 (3) Whether voluntary or involuntary, the termination ←
16 and transfer of the right to distribute the brand of liquor
17 shall comply with section 327 A.

18 SUBARTICLE C

19 PRIVATIZATION OF RETAIL LIQUOR DISTRIBUTION

20 Section 315 A. Retail divestiture through issuance of retail
21 licenses.

22 (a) Initiation of divestiture. No later than one year
23 following the effective date of this article, and following
24 completion of the wholesale transition, the department shall
25 initiate the divestiture of the Pennsylvania Liquor Store system
26 through the auction of wine and spirits retail licenses.

27 (b) Authorized retail licenses. The department shall be
28 authorized to issue 1,250 wine and spirits retail licenses to
29 successful bidders in the retail license auction process.

30 (c) License classification. There shall be two classes of

1 ~~wine and spirits retail licenses as follows:~~

2 ~~(1) There shall be 750 Class A wine and spirits retail~~
3 ~~licenses authorized for issuance to successful bidders~~
4 ~~consistent with this article. The following shall apply:~~

5 ~~(i) Except for Class A licenses in cities of the~~
6 ~~first class, Class A licenses shall authorize the~~
7 ~~operation of a retail wine and spirits store in a~~
8 ~~specific retail zone in an establishment that exceeds~~
9 ~~15,000 square feet of retail floor space and dedicates a~~
10 ~~minimum of 600 linear feet of shelf space for the sale of~~
11 ~~liquor.~~

12 ~~(ii) Class A licenses located in a city of the first~~
13 ~~class shall authorize the operation of a retail wine and~~
14 ~~spirits store in a specific retail zone in an~~
15 ~~establishment which shall not be subject to minimum~~
16 ~~square feet of retail space.~~

17 ~~(2) There shall be 500 Class B wine and spirits retail~~
18 ~~licenses authorized for issuance consistent with this~~
19 ~~article. Class B licenses shall authorize the operation of a~~
20 ~~retail wine and spirits store in an establishment that has~~
21 ~~less than 15,000 square feet in retail floor space.~~

22 ~~(d) Retail licenses in cities of the first class. The~~
23 ~~following shall govern wine and spirits retail licenses for~~
24 ~~cities of the first class. The following shall apply:~~

25 ~~(1) Of the 750 Class A wine and spirits retail licenses~~
26 ~~authorized under subsection (c) (1), the department shall be~~
27 ~~authorized to issue 60 Class A retail licenses to authorize~~
28 ~~the operation of a wine and spirits store within a city of~~
29 ~~the first class.~~

30 ~~(2) No Class B wine and spirits retail licenses shall be~~

1 ~~authorized to operate a wine and spirits store within a city~~
2 ~~of the first class.~~

3 ~~(3) The remaining 690 Class A licenses and 500 Class B~~
4 ~~licenses shall authorize the operation of a wine and spirits~~
5 ~~store in a location in this Commonwealth outside of a city of~~
6 ~~the first class.~~

7 ~~(c) Other licenses. Nothing under this article or this act~~
8 ~~may prohibit a retail licensee from applying for and, if~~
9 ~~approved, being issued a license that authorizes the licensee to~~
10 ~~sell malt and brewed beverages at retail for off premises~~
11 ~~consumption.~~

12 ~~Section 316 A. Establishment of retail zones and assignment of~~
13 ~~Class B licenses.~~

14 ~~(a) Establishment of retail zones. During the initial~~
15 ~~implementation period as prescribed under section 305 A(b), the~~
16 ~~department, with the full cooperation and assistance of the~~
17 ~~board, shall establish retail zones for the issuance of Class A~~
18 ~~wine and spirits retail licenses, consistent with the following:~~

19 ~~(1) The department shall establish 750 retail zones~~
20 ~~across this Commonwealth.~~

21 ~~(2) No more than 60 of these retail zones may be located~~
22 ~~within a city of the first class, and the remaining 690~~
23 ~~retail zones shall be located in areas outside of a city of~~
24 ~~the first class.~~

25 ~~(3) Retail zones shall be determined by the department~~
26 ~~based on historic liquor sales and population density, and in~~
27 ~~a manner that assures that each existing liquor store~~
28 ~~location is within a different retail zone.~~

29 ~~(4) The department shall establish the retail zones~~
30 ~~through the promulgation of temporary regulations and shall~~

1 ~~publish these temporary regulations in the Pennsylvania~~
2 ~~Bulletin.~~

3 ~~(b) Assignment of Class B licenses. During the initial~~
4 ~~implementation period as prescribed under section 305 A(b), the~~
5 ~~department, with the full cooperation and assistance of the~~
6 ~~board, shall assign Class B wine and spirits retail licenses~~
7 ~~consistent with the following:~~

8 ~~(1) The department shall assign Class B wine and spirits~~
9 ~~retail licenses to counties across this Commonwealth,~~
10 ~~excluding counties of the first class.~~

11 ~~(2) In assigning Class B licenses the department shall~~
12 ~~balance the factor of historic sales of liquor and population~~
13 ~~density with the policy objective of assuring adequate and~~
14 ~~reasonable liquor distribution in all areas of this~~
15 ~~Commonwealth.~~

16 ~~(3) The department shall assign Class B licenses through~~
17 ~~the promulgation of temporary regulations and shall publish~~
18 ~~the temporary regulations in the Pennsylvania Bulletin.~~

19 ~~Section 317 A. Conduct of retail auctions.~~

20 ~~(a) Class A and Class B auctions. The department shall~~
21 ~~conduct two retail auctions for wine and spirits retail~~
22 ~~licenses. The first auction shall be limited to Class A wine and~~
23 ~~spirits retail licenses and shall be commenced one year from the~~
24 ~~effective date of this article. The second auction shall be~~
25 ~~limited to Class B wine and spirits retail licenses and shall be~~
26 ~~commenced as soon as practicable after the Class A retail~~
27 ~~license auction is completed.~~

28 ~~(b) Class A auctions. The department shall accept bids and~~
29 ~~conduct an auction for a Class A retail license for each retail~~
30 ~~zone.~~

1 ~~(c) Class B auctions. The department shall conduct an~~
2 ~~auction for Class B retail licenses for each county in this~~
3 ~~Commonwealth to which a Class B license has been assigned.~~
4 ~~Section 318 A. Retail auction requirements.~~

5 ~~(a) Conduct of auctions. Class A and Class B retail~~
6 ~~auctions shall be conducted by the department consistent with~~
7 ~~the following:~~

8 ~~(1) The department shall establish a deadline for~~
9 ~~submission of bids for all auctions.~~

10 ~~(2) The department shall review the submission of timely~~
11 ~~bids to determine compliance with the minimum bid~~
12 ~~requirements of section 323 A. Bids that do not comply with~~
13 ~~the minimum bid amount will be rejected for submission.~~
14 ~~Bidder identification information and bid amount for each~~
15 ~~accepted bid shall be made subject to public disclosure.~~

16 ~~(3) Except for Class B countywide auctions, the~~
17 ~~department shall review the bids and identify the three~~
18 ~~highest bids for each retail auction. All bidders in an~~
19 ~~individual auction shall be notified of the three highest~~
20 ~~bids in the auction in which they are participating.~~

21 ~~(4) For each Class B countywide auction, the department~~
22 ~~shall identify the number of highest bids which equals two~~
23 ~~times the number of Class B licenses assigned by the~~
24 ~~department to a given county. The department shall notify all~~
25 ~~bidders of the high bidders identified in each Class B~~
26 ~~auction.~~

27 ~~(5) For each retail auction, the department shall~~
28 ~~establish a best and final offer period in which the highest~~
29 ~~bidders identified under paragraphs (3) and (4) will be~~
30 ~~provided an opportunity to submit a revised bid amount that~~

1 ~~will represent its best and final offer. In no case may a~~
2 ~~bidder submit a best and final offer that includes a bid~~
3 ~~amount which is less than the bidder's original bid.~~

4 ~~(6) For Class A retail license auctions, the department~~
5 ~~shall review the best and final offers and shall select a~~
6 ~~high bidder for each auction.~~

7 ~~(7) For Class B retail license auctions, the department~~
8 ~~shall review the best and final offers and shall select a~~
9 ~~high bidder for each Class B license assigned to a specific~~
10 ~~county.~~

11 ~~(b) Other bidders. Nothing under this article or act shall~~
12 ~~prohibit a person licensed by the department to sell malt and~~
13 ~~brewed beverages at retail for off premises consumption from~~
14 ~~submitting a bid and, if successful, being issued a wine and~~
15 ~~spirits retail license.~~

16 ~~(c) Bidder collusion strictly prohibited. It shall be~~
17 ~~unlawful for any person to conspire, collude or combine with~~
18 ~~another in order to commit or attempt to commit bid rigging~~
19 ~~involving a wine and spirits retail license.~~

20 ~~(d) Fines and imprisonment. A person who violates~~
21 ~~subsection (c) commits a felony of the third degree and shall,~~
22 ~~upon conviction, be sentenced to pay a fine of not more than~~
23 ~~\$1,000,000, if an entity other than an individual, or a fine of~~
24 ~~not more than \$50,000, if an individual, or to serve a term of~~
25 ~~imprisonment of not more than one year, or both.~~

26 ~~(e) Alternate civil penalty. In lieu of criminal~~
27 ~~prosecution for violation of subsection (c), the Attorney~~
28 ~~General may bring an action for a civil penalty. In this action,~~
29 ~~a person found by a court to have violated subsection (c) shall~~
30 ~~be liable for a civil penalty of not more than \$100,000.~~

~~(f) Disqualification, termination and debarment. In addition to any other criminal or civil penalties imposed under this section, the following shall apply in the event a person is convicted or found liable of a violation of subsection (c):~~

~~(1) The person shall be disqualified from bidding on or holding a wine and spirits retail license or holding any other license authorized under this act for a period of three years.~~

~~(2) If the person holds a wine and spirits retail license, or any other license authorized under this act, the license shall be terminated by the board immediately upon the conviction or determination of liability.~~

~~(3) The conviction or determination of liability may be grounds for debarment or suspension under 62 Pa.C.S. § 531 (relating to debarment or suspension).~~

~~(g) Responsibility for enforcement.~~

~~(1) The Office of Attorney General and the district attorneys of the several counties shall have concurrent jurisdiction for the investigation and prosecution of violations of subsection (c).~~

~~(2) The Office of Attorney General shall have the authority to investigate and bring a civil action to enforce subsection (c). In furtherance of the responsibilities under this subsection, the Attorney General shall have the administrative subpoena powers set forth under section 919 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929.~~

~~Section 319 A. Postqualification of selected bidders.~~

~~(a) Investigation. Upon selection of a high bidder in each auction, the department shall conduct an investigation of each~~

1 ~~high bidder based upon the information submitted to evaluate~~
2 ~~whether:~~

3 ~~(1) the selected bidder qualifies as a responsible and~~
4 ~~suitable person to hold a wine and spirits retail liquor~~
5 ~~license and operate a wine and spirits store location;~~

6 ~~(2) the selected bidder has proposed an acceptable~~
7 ~~facility and location for a wine and spirits store; and~~

8 ~~(3) the selected bidder's planned operation is compliant~~
9 ~~with this article, including the statement of conditions~~
10 ~~required under section 324 A.~~

11 ~~(b) Additional information. The department may require~~
12 ~~additional information from a selected bidder and conduct onsite~~
13 ~~inspections, as necessary, to complete the postqualification~~
14 ~~process.~~

15 ~~(c) Assistance with investigations. The department may~~
16 ~~enter into an agreement with the Pennsylvania State Police or~~
17 ~~the Office of Inspector General to assist the department in the~~
18 ~~conduct of investigations under this section and that provides~~
19 ~~for the reimbursement of actual costs incurred for providing~~
20 ~~assistance under such an agreement.~~

21 ~~(d) Public input hearings. During the postqualification~~
22 ~~process, the department shall schedule public input hearings in~~
23 ~~six regions of this Commonwealth, including one for each city of~~
24 ~~the first class, at which interested members of the public will~~
25 ~~be provided the opportunity to testify regarding selected bidder~~
26 ~~qualifications, including the location of proposed wine and~~
27 ~~spirits stores. The testimony of each public witness shall be~~
28 ~~considered by the department in the postqualification~~
29 ~~investigation of selected bidders to which the testimony~~
30 ~~applies.~~

1 ~~(e) Investigative fees. The department shall have the~~
2 ~~authority to establish, charge and collect fees from a selected~~
3 ~~bidder to recover the costs directly related to the department's~~
4 ~~investigation within the postqualification process.~~

5 ~~(f) Acceptance of qualifications. A high bidder's~~
6 ~~qualifications will be accepted by the department if the~~
7 ~~department's investigation reveals the following:~~

8 ~~(1) the bid information was truthful;~~

9 ~~(2) the bidder and its officers, directors and~~
10 ~~principals are of good character, integrity and suitability;~~

11 ~~(3) the bidder possesses sufficient financial resources~~
12 ~~to operate a wine and spirits store, pay all taxes due and~~
13 ~~meet all other financial obligations;~~

14 ~~(4) the bidder possesses sufficient business ability to~~
15 ~~operate a wine and spirits store; and~~

16 ~~(5) the proposed facilities are compliant with all of~~
17 ~~the operational requirements of the statement of conditions~~
18 ~~under section 324 A and the requirements of this article.~~

19 ~~(g) Offsets. Within the postqualification investigation~~
20 ~~process for all selected bidders the department shall take all~~
21 ~~necessary steps to assure that no two wine and spirits stores~~
22 ~~are located within one quarter mile from each other.~~

23 ~~(h) Issuance of license. If a selected bidder's~~
24 ~~qualifications are accepted by the department, the department~~
25 ~~shall qualify the bidder and shall issue a wine and spirits~~
26 ~~retail license upon the occurrence of the following:~~

27 ~~(1) The execution and deliverance to the department and~~
28 ~~the board of the statement of conditions required under~~
29 ~~section 324 A.~~

30 ~~(2) The payment of the bid amount. The bid amount shall~~

~~be paid by certified check or wire transfer to a designated restricted account established in the State Stores Fund.~~

~~(3) Payment of any outstanding bid or investigation fees.~~

~~(4) Fulfillment of any other conditions required by the department.~~

~~(i) Qualifications unacceptable. If a selected bidder's qualifications are not accepted by the department, the department shall identify the next highest bidder that was not selected in that auction and conduct a postqualification investigation of that bidder, consistent with subsection (a).~~

~~(j) Approval of qualifications. If the qualifications of the bidder selected are approved by the department under subsection (f), the department shall issue a license to the successful bidder consistent with the requirements of subsection (h).~~

~~(k) Repeat of process. If the second highest bidder is not approved, the department shall repeat the postqualification process for the next highest unselected bidder in that auction.~~

~~(l) Additional procedures. If the second highest bidder in an auction is not approved by the department, the department shall determine whether to proceed with a new auction or conduct an additional best and final offer period to consider additional bids from the original auction.~~

~~(m) License is a privilege. Nothing contained under this article is intended or may be construed to create an entitlement to a wine and spirits retail license. The authorization to participate in the distribution and sale of liquor as a retail licensee is a privilege conditioned upon this article.~~

~~(n) Terms of licensure. A wine and spirits retail license,~~

1 ~~after payment of the license fee, shall be in effect unless~~
2 ~~suspended, revoked or not renewed by the board upon good cause~~
3 ~~consistent with the license requirements as provided for under~~
4 ~~this article. The license of a retail licensee in good standing~~
5 ~~shall be subject to renewal every two years consistent with this~~
6 ~~article. Nothing under this subsection may relieve a retail~~
7 ~~licensee of the affirmative duty to notify the board of any~~
8 ~~changes relating to the status of its license or to any other~~
9 ~~information contained in the application materials on file with~~
10 ~~the department or the board.~~

11 ~~Section 320 A. Auctions with no or insufficient minimum bids.~~

12 ~~(a) Reconduct of Class A auctions with modified bid. If the~~
13 ~~department conducts a Class A retail auction and no bid is~~
14 ~~submitted that is equal to or greater than the minimum bid~~
15 ~~established under section 323 A, the department shall reconduct~~
16 ~~the auction. Taking into consideration the bids received and~~
17 ~~rejected in the initial auction, if any, the department, in its~~
18 ~~discretion, shall establish a modified minimum bid for the~~
19 ~~reconduct of the auction.~~

20 ~~(b) Insufficient number of minimum bids. As to the Class B~~
21 ~~auctions, if an insufficient number of bids that meet or exceed~~
22 ~~the minimum bid are submitted, the department shall select the~~
23 ~~bids that meet or exceed the minimum bid subject to~~
24 ~~postqualification and, in its discretion, may conduct a new~~
25 ~~auction for the remaining Class B licenses without a minimum bid~~
26 ~~or with a modified minimum bid.~~

27 ~~Section 321 A. Protest of bid selection.~~

28 ~~(a) Protest. Within five days of the selection of a bidder~~
29 ~~in an auction conducted under sections 317 A and 318 A, a bidder~~
30 ~~that is not selected by the department for the wine and spirits~~

1 ~~retail license for a particular zone may file a protest in~~
2 ~~writing with the department. An unselected bidder that fails to~~
3 ~~submit a timely protest as required by this section shall waive~~
4 ~~its opportunity to challenge or appeal the selection of the~~
5 ~~department.~~

6 ~~(b) Requirements for protests. A protest filed under this~~
7 ~~section shall comply with the following requirements:~~

8 ~~(1) For Class A auctions and Class B auctions, the~~
9 ~~subject matter of a protest is restricted to the conduct of~~
10 ~~the auction for the specific retail zone in which the~~
11 ~~protester participated. No person may protest an auction in~~
12 ~~which that person did not participate as a bidder.~~

13 ~~(2) An unselected bidder that files a protest must be~~
14 ~~represented by an attorney at law.~~

15 ~~(3) A bidder that files a protest under this section~~
16 ~~waives its right to, and is disqualified from, being selected~~
17 ~~by the department as the next highest bidder for~~
18 ~~postqualification under section 319 A.~~

19 ~~(4) As a prerequisite to the filing of a protest, and at~~
20 ~~the time of the filing of a protest, the protester shall~~
21 ~~provide the department with a bond, letter of credit or other~~
22 ~~form of security acceptable to the department in an amount~~
23 ~~equal to the amount of the selected bid. For protests~~
24 ~~involving the Statewide Class B auction, the accepted~~
25 ~~security shall be in an amount equal to the highest bid~~
26 ~~received from any bidder. If the bid protest does not result~~
27 ~~in the overturning of the department's bid selection for the~~
28 ~~specific retail zone protested, and the selected bidder does~~
29 ~~not pay the bid amount for any reason, the protester shall~~
30 ~~forfeit its security to the department.~~

1 ~~Section 322 A. Content of bids.~~

2 ~~Each bid submitted to participate in a retail auction shall~~
3 ~~meet the following requirements:~~

4 ~~(1) The bid shall include a summary page which clearly~~
5 ~~identifies:~~

6 ~~(i) The name, address and tax identification number~~
7 ~~of the bidder.~~

8 ~~(ii) The class of license for which the bid is being~~
9 ~~submitted.~~

10 ~~(iii) The retail zone for which the bid is being~~
11 ~~submitted.~~

12 ~~(iv) Whether the bidding is being submitted for a~~
13 ~~retail zone within a city of the first class.~~

14 ~~(v) The amount of the bid.~~

15 ~~(vi) The amount of the minimum bid for the retail~~
16 ~~auction in which the bidder is participating.~~

17 ~~(2) A general description of the bid and the location of~~
18 ~~the proposed wine and spirits store.~~

19 ~~(3) Whether the applicant is an individual, corporation,~~
20 ~~limited liability company, limited partnership, partnership~~
21 ~~or association or other legal entity and the state of~~
22 ~~incorporation or organization and the names and residence~~
23 ~~addresses of each executive officer, director, general or~~
24 ~~limited partner and person holding a controlling interest in~~
25 ~~the applicant.~~

26 ~~(4) If the bidder is an association, the bid shall set~~
27 ~~forth the names and addresses of the persons constituting the~~
28 ~~association.~~

29 ~~(5) If the bidder is a corporation, limited liability~~
30 ~~company, limited partnership, partnership, association or~~

1 ~~other legal entity, the bid must show that the entity is~~
2 ~~organized under the laws of this Commonwealth.~~

3 ~~(6) If the bidder is a natural person, the bid must show~~
4 ~~that the bidder is a citizen of the United States and a~~
5 ~~resident of this Commonwealth and that the bidder is not~~
6 ~~acting as an agent for any other person, partnership,~~
7 ~~association or group of persons beneficially interested in~~
8 ~~the license.~~

9 ~~(7) The proposed location and ownership of the site for~~
10 ~~the wine and spirits store, as well as floor plans of~~
11 ~~existing facilities to be utilized in the bidder's retail~~
12 ~~operation and design plans for any facilities not yet~~
13 ~~constructed, to the extent they are available.~~

14 ~~(8) Information disclosing all arrests of the applicant~~
15 ~~and any affiliate of the applicant, executive officer,~~
16 ~~director or general or limited partner of the applicant or~~
17 ~~person holding a controlling interest in the applicant and~~
18 ~~all citations issued to the same for nonsummary offenses.~~

19 ~~The information shall include:~~

20 ~~(i) A brief description of the circumstances~~
21 ~~surrounding the arrest or issuance of the citation.~~

22 ~~(ii) The specific offense charged or cited.~~

23 ~~(iii) The ultimate disposition of the charge or~~
24 ~~citation, including the details of any dismissal, plea~~
25 ~~bargain, conviction, sentence, pardon, expungement or~~
26 ~~order of accelerated rehabilitative disposition.~~

27 ~~(9) A sworn statement that the bidder and any affiliate~~
28 ~~of the bidder, executive officer, director or general or~~
29 ~~limited partner of the bidder or person holding a controlling~~
30 ~~interest in the bidder have never been convicted of any crime~~

1 ~~involving fraud, moral turpitude or racketeering within a~~
2 ~~period of ten years immediately preceding the date of the~~
3 ~~bid, been convicted of any felony or equivalent crime, or~~
4 ~~been convicted in any Federal or state jurisdiction,~~
5 ~~including this Commonwealth, of the violation of any Federal~~
6 ~~or state liquor law.~~

7 ~~(10) A statement that the bidder will continuously~~
8 ~~operate a wine and spirits store for the duration of the~~
9 ~~two year license period and will provide a level of service,~~
10 ~~including hours of operation and product availability~~
11 ~~reasonably equivalent to the level of service currently~~
12 ~~provided in the same geographic area.~~

13 ~~(11) The bidder shall provide a financial statement,~~
14 ~~consistent with the requirements prescribed by the~~
15 ~~department, which demonstrates the financial capability to~~
16 ~~operate the wine and spirits store and the estimated volume~~
17 ~~of business to be conducted.~~

18 ~~(12) A current tax lien certificate issued by the~~
19 ~~Department of Revenue for the bidder and any affiliate of the~~
20 ~~bidder, executive officer, director or general or limited~~
21 ~~partner of the bidder, or person holding a controlling~~
22 ~~interest in the bidder. Any unpaid taxes identified on a tax~~
23 ~~lien certificate required to be filed with the bid shall be~~
24 ~~paid before the bid is accepted for submission by the~~
25 ~~department.~~

26 ~~(13) There shall be a bid filing fee of \$10,000 which~~
27 ~~will be submitted by certified check with the bid.~~

28 ~~(14) The bid shall be signed and verified by oath or~~
29 ~~affirmation by the owner, if a natural person or, in the case~~
30 ~~of an association, by a member or partner thereof or, in the~~

1 ~~ease of a corporation or limited liability company, by an~~
2 ~~executive officer thereof or any person specifically~~
3 ~~authorized by the corporation to sign the bid, to which shall~~
4 ~~be attached written evidence of that authority.~~

5 ~~(15) A noncollusion affidavit, executed by the bidder,~~
6 ~~if a natural person, or a person specifically authorized by~~
7 ~~bidder, if a legal entity, to sign the affidavit, certifying~~
8 ~~that neither the bidder, nor any affiliate of the bidder,~~
9 ~~executive officer, director or general or limited partner of~~
10 ~~the bidder, or person holding a controlling interest in the~~
11 ~~bidder has engaged in collusion, bid rigging or other~~
12 ~~prohibited activity in relation to the bid. The form and~~
13 ~~content of the noncollusion affidavit shall be determined by~~
14 ~~the department. Failure of any bidder to provide the required~~
15 ~~noncollusion affidavit shall disqualify the bid unless cured~~
16 ~~within a time period determined by the department. Any~~
17 ~~required noncollusion affidavit shall state whether or not~~
18 ~~the bidder and any affiliate of the bidder, executive~~
19 ~~officer, director or general or limited partner of the~~
20 ~~bidder, or person holding a controlling interest in the~~
21 ~~bidder has been convicted or found liable for any act~~
22 ~~prohibited by Federal or state law in any jurisdiction~~
23 ~~involving conspiracy or collusion with respect to bidding on~~
24 ~~any public contract or in relation to the sale or lease of~~
25 ~~any public asset within the last three years. An affirmative~~
26 ~~statement by the bidder that the bidder, or any affiliate of~~
27 ~~the bidder, executive officer, director or general or limited~~
28 ~~partner of the bidder, or person holding a controlling~~
29 ~~interest in the bidder, has been convicted or found liable on~~
30 ~~such grounds may be grounds for the department to find the~~

1 ~~bidder not suitable.~~

2 ~~(16) A bidder shall have a continuing duty during the~~
3 ~~auction process to update information in the bid and provide~~
4 ~~any other information determined to be appropriate by the~~
5 ~~department.~~

6 ~~Section 323 A. Minimum bid for retail auctions.~~

7 ~~During the initial implementation period as provided for by~~
8 ~~section 305 A(b), the department shall establish minimum bid~~
9 ~~amounts for each retail auction consistent with the following~~
10 ~~requirements:~~

11 ~~(1) For Class A retail auctions, the department shall~~
12 ~~establish the minimum bid for each retail zone by first~~
13 ~~identifying each retail zone that does not have an existing~~
14 ~~Pennsylvania Liquor Store located in that zone and assigning~~
15 ~~each retail zone to the existing Pennsylvania Liquor Store~~
16 ~~closest in proximity to that retail zone. The department~~
17 ~~shall then establish the minimum bid for each retail zone by~~
18 ~~calculating the adjusted store net profit factor for that~~
19 ~~zone and multiplying it by the retail acquisition factor for~~
20 ~~Class A retail licenses.~~

21 ~~(2) For all Class B retail auctions, the department~~
22 ~~shall calculate one minimum bid for each county auction by~~
23 ~~dividing the countywide adjusted net profit factor by the sum~~
24 ~~of the number of Class A licenses located in a specific~~
25 ~~county and the number of Class B licenses assigned by the~~
26 ~~department to that county and then multiplying that sum by~~
27 ~~the retail acquisition factor for Class B licenses.~~

28 ~~(3) The department shall establish minimum bids for all~~
29 ~~retail auctions through promulgation of temporary regulations~~
30 ~~under section 306 A and shall publish the temporary~~

1 ~~regulations in the Pennsylvania Bulletin.~~

2 ~~Section 324 A. Retail licensee statement of conditions.~~

3 ~~(a) Statement of conditions. The department shall develop a~~
4 ~~statement of conditions to be executed by each retail licensee~~
5 ~~governing the wine and spirits retail licensee.~~

6 ~~(b) Conditions. In addition to any other conditions the~~
7 ~~department, in consultation with the board, deems necessary or~~
8 ~~appropriate for a specific retail licensee, a statement of~~
9 ~~conditions under this section shall include, at a minimum, the~~
10 ~~following conditions, and impose the following obligations and~~
11 ~~requirements on an ongoing basis:~~

12 ~~(1) Retail licensees shall be strictly prohibited from~~
13 ~~selling or distributing liquor to persons under 21 years of~~
14 ~~age or persons that are visibly intoxicated.~~

15 ~~(2) No retail licensee shall operate a retail wine and~~
16 ~~spirits store located within one quarter mile of another wine~~
17 ~~and spirits store.~~

18 ~~(3) A retail licensee's wine and spirits store and all~~
19 ~~facilities involved in its retail operations, including any~~
20 ~~changes to those facilities during the term of the license,~~
21 ~~shall be subject to the inspection, investigation and~~
22 ~~approval of the department or the board.~~

23 ~~(4) Retail licensees shall maintain adequate security to~~
24 ~~protect the licensee's inventory from unauthorized sale or~~
25 ~~diversion and prevent its unauthorized distribution.~~

26 ~~(5) No retail licensee shall engage in any separate~~
27 ~~business activity upon any licensed premises without prior~~
28 ~~approval of the board and under no circumstances shall any~~
29 ~~retail licensee operate a wine and spirits store at a~~
30 ~~location that sells or distributes fuel.~~

1 ~~(6) Wine and spirits retail licensees may not sell wine~~
2 ~~or spirits to Article IV licensees and other wine and spirits~~
3 ~~retail licensees except in an emergency, as defined by~~
4 ~~regulation by the board.~~

5 ~~(7) (Reserved).~~

6 ~~(8) Retail licensees shall notify the board within 15~~
7 ~~days of any change in persons holding a controlling interest~~
8 ~~in the licensee.~~

9 ~~(9) Retail licensees shall notify the board within 15~~
10 ~~days of becoming aware of any arrest or criminal indictments~~
11 ~~or convictions by the retail licensee or any affiliate of the~~
12 ~~licensee, executive officer, director or general or limited~~
13 ~~partner of the licensee or person holding a controlling~~
14 ~~interest in the licensee.~~

15 ~~(10) Retail licensees shall notify the board within 15~~
16 ~~days of becoming aware of any violation of this act by the~~
17 ~~licensee or any affiliate of the licensee, executive officer,~~
18 ~~director or general or limited partner of the licensee,~~
19 ~~person holding a controlling interest in the licensee or~~
20 ~~employee of the licensee.~~

21 ~~(11) With the exception of retail licensees which~~
22 ~~operate a distributor of malt and brewed beverages, the~~
23 ~~premises of each wine and spirits store shall be a self-~~
24 ~~contained unit with limited customer access dedicated solely~~
25 ~~to the sale of liquor and permitted merchandise. Purchases~~
26 ~~made within the limitations of the premises shall be paid for~~
27 ~~at a location within the confines of the liquor sales area.~~
28 ~~With the exception of wine and spirits retail licensees that~~
29 ~~also hold a license under section 401, no wine and spirits~~
30 ~~store shall have any interior connection with any other~~

1 ~~business or with any residential building except as approved~~
2 ~~by the board.~~

3 ~~(12) Each retail licensee shall design its controlled~~
4 ~~area in a manner and with adequate safeguards to ensure that~~
5 ~~its liquor products are secure and that the area may not be~~
6 ~~accessed during prohibited hours of operation.~~

7 ~~(13) No retail licensee may hold, directly or~~
8 ~~indirectly:~~

9 ~~(i) More than 40 of the Class A wine and spirits~~
10 ~~retail licenses within this Commonwealth.~~

11 ~~(ii) More than five Class B licenses within this~~
12 ~~Commonwealth. Any Class B license held by a retail~~
13 ~~licensee shall count against the limitations under~~
14 ~~subparagraph (i) for Class A licenses.~~

15 ~~(iii) More than 10% of the wine and spirits retail~~
16 ~~licenses in any one county which has ten or more wine and~~
17 ~~spirits retail licenses.~~

18 ~~(iv) More than one wine and spirits retail license~~
19 ~~in any one county which has less than ten wine and~~
20 ~~spirits retail licenses.~~

21 ~~(14) Every wine and spirits store may sell liquor for~~
22 ~~consumption off premises. In addition to the sale of liquor,~~
23 ~~wine and spirits stores may sell related merchandise within~~
24 ~~the controlled area of the store. Sales of related~~
25 ~~merchandise shall not exceed 30% of the gross annual sales of~~
26 ~~any wine and spirits store. Unless the retail licensee also~~
27 ~~has a license to sell malt and brewed beverages, no wine and~~
28 ~~spirits store shall have authority under any circumstances to~~
29 ~~sell malt or brewed beverages. The board shall promulgate~~
30 ~~regulations setting forth what additional related merchandise~~

1 ~~may be offered for retail sale in wine and spirits stores.~~

2 ~~(15) Retail licensees shall make the licensed premises,~~
3 ~~all of the facilities involved in the retail operation and~~
4 ~~all of the business and financial books and records of the~~
5 ~~retail operation available at any time for inspection and~~
6 ~~audit by the board.~~

7 ~~(16) Wine and spirits store licensees may sell wine or~~
8 ~~spirits between 8 a.m. and 11 p.m. of any day except Sunday~~
9 ~~to persons not licensed under this act.~~

10 ~~(17) In addition to the hours authorized under paragraph~~
11 ~~(16), wine and spirits store licensees may, upon purchasing a~~
12 ~~permit from the board at an annual fee of \$1,000, sell wine~~
13 ~~or spirits to persons not licensed under this act or to a~~
14 ~~holder of a special occasion permit on Sunday between the~~
15 ~~hours of 12 noon and 9 p.m.~~

16 ~~(18) No wine and spirits licensee shall employ a person~~
17 ~~under 18 years of age to work in the controlled area, and no~~
18 ~~employee under 21 years of age shall be permitted to engage~~
19 ~~in the sale of liquor.~~

20 ~~(19) Neither the licensee nor any affiliate of the~~
21 ~~licensee, at any time, may hold a wine and spirits wholesale~~
22 ~~license.~~

23 ~~(20) The licensee, if a corporation, a limited liability~~
24 ~~company, limited partnership, partnership, association or~~
25 ~~other legal entity, shall at all times be organized under the~~
26 ~~laws of this Commonwealth.~~

27 ~~(21) The licensee, if a natural person, shall at all~~
28 ~~times be a citizen of the United States and a resident of~~
29 ~~this Commonwealth.~~

30 ~~(22) Each licensee shall assure that all wine and~~

~~spirits store managers and at least 75% of the employees of a wine and spirits store shall complete Responsible Alcohol Management Control Program training in accordance with section 471.1.~~

~~(23) A retail licensee shall not be permitted by the board to keep its wine and spirits retail license in safekeeping for a period which exceeds two years.~~

~~(24) Except for employees permitted under paragraph (18), a retail licensee shall ensure that no person under 21 years of age is permitted to enter the controlled area unless accompanied by an adult.~~

~~(25) In addition to section 495(b) and (c), a wine and spirits retail licensee shall assure the use of swipe identification card technology to verify the age of any person who appears to be under 30 years of age. The board shall promulgate regulations as are necessary for the implementation of swipe identification card technology.~~

~~(26) The retail licensee is strictly prohibited from selling a liquor product at a price less than the underlying cost of the product.~~

~~(27) The retail licensee shall be considered a Pennsylvania Liquor Store for the purposes of collecting and remitting taxes consistent with the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, from a person other than a person licensed to sell liquor for on-premises consumption under Article IV.~~

~~(c) Sanctions. A retail licensee that fails to abide by any condition contained in the licensee's statement of conditions shall be subject to board imposed administrative sanctions or other penalties authorized under sections 471 and 494.~~

~~1 issued under this article if it finds that the applicant, or any
2 of its affiliates, executive officers, directors or general or
3 limited partners, or persons holding a controlling interest in
4 the applicant is in violation of any provision of this act, have
5 furnished the board with false or misleading information or are
6 no longer suitable for licensure. In the event of a revocation
7 or failure to renew, the applicant's authorization to conduct
8 business as a wholesale or retail licensee shall immediately
9 cease and all fees paid in connection with it shall be deemed
10 forfeited. In the event of a suspension, the applicant's
11 authorization to conduct business shall immediately cease until
12 the board notifies the applicant that the suspension is no
13 longer in effect.~~

~~14 (c) Affirmative duty. Nothing under this section shall
15 relieve a licensee of the affirmative duty to notify the board
16 of any changes relating to the status of its license or to any
17 other information contained in the application materials filed
18 with the board.~~

~~19 Section 326 A. Sale, assignment or transfer of license.~~

~~20 (a) Prohibition. No person may sell, assign or otherwise
21 transfer a wine and spirits wholesale or retail license granted
22 under this article without the prior written approval of the
23 board and payment of the fee under subsection (d).~~

~~24 (b) Change of control. For the purposes of this section, a
25 change of control of a wholesale or retail licensee shall be
26 deemed to be a sale, assignment or transfer of a wine and
27 spirits wholesale or retail license. A licensee shall notify the
28 board immediately upon becoming aware of any proposed or
29 contemplated change of control.~~

~~30 (c) Compliance. Any person to whom a wine and spirits~~

1 ~~wholesale or retail license is sold, assigned or transferred~~
2 ~~shall qualify under and comply with this article prior to the~~
3 ~~sale, assignment or transfer of said license.~~

4 ~~(d) Transfer fee. The transfer of a wine and spirits~~
5 ~~wholesale or retail license shall be subject to a transfer fee~~
6 ~~equal to 1% of the license fee paid for that license and shall~~
7 ~~be paid as a condition of the transfer of the license. The~~
8 ~~transfer fee applicable to the transfer of brands of liquor~~
9 ~~under section 327 A(b) shall not apply to the transfer of a wine~~
10 ~~and spirits wholesale license.~~

11 ~~Section 327 A. Transfer of brands of liquor.~~

12 ~~(a) Prohibition. No brand of liquor offered for sale in~~
13 ~~this Commonwealth may be transferred to a different wholesale~~
14 ~~licensee without prior approval from the board.~~

15 ~~(b) Transfer fee. An application to the board to transfer~~
16 ~~the right to distribute a brand of liquor shall be subject to an~~
17 ~~application fee equal to 1% of the initial license fee~~
18 ~~attributable to that brand of liquor.~~

19 ~~Section 328 A. Suspension or revocation.~~

20 ~~(a) Authority of board. The board shall have the authority~~
21 ~~to suspend or revoke a license issued under this article when~~
22 ~~the board finds that any of the following apply:~~

23 ~~(1) The licensee has violated this act or any~~
24 ~~regulations of the board.~~

25 ~~(2) The licensee has knowingly presented to the board~~
26 ~~false, incomplete or misleading information.~~

27 ~~(3) The licensee has pleaded guilty, entered a plea of~~
28 ~~nolo contendere or has been found guilty of a felony by a~~
29 ~~judge or jury in a Federal or state court.~~

30 ~~(4) The licensee failed to operate the business or to~~

1 ~~provide a reasonable level of consumer service.~~

2 ~~(b) Hearings. Suspension and revocation hearings shall be~~
3 ~~held in accordance with the procedures under section 514.~~

4 ~~(c) Sales prohibited. No person may sell liquor at any~~
5 ~~premises if the license applicable to that premises has been~~
6 ~~forfeited, suspended or revoked or has expired.~~

7 ~~(d) Public sale. In the event of the revocation, forfeiture~~
8 ~~or surrender of any retail license in accordance with this~~
9 ~~article, the board shall conduct an auction to replace the~~
10 ~~licensee, consistent with the procedures and requirements under~~
11 ~~this article.~~

12 ~~Section 329 A. Closure of Pennsylvania Liquor Stores.~~

13 ~~(a) Schedule of closure. The department, in consultation~~
14 ~~with the board, shall develop a schedule of closure for the~~
15 ~~Pennsylvania Liquor Stores that is designed to ensure continuous~~
16 ~~service to the public during the transition to the private~~
17 ~~wholesale and retail distribution of liquor. The following shall~~
18 ~~apply:~~

19 ~~(1) Each retail licensee shall provide the department~~
20 ~~and the board with 30 days' notice of the anticipated date of~~
21 ~~the licensee's start of retail operations.~~

22 ~~(2) Upon receipt of the notice under paragraph (1), the~~
23 ~~department and the board shall take all necessary steps to~~
24 ~~enable any Pennsylvania Liquor Store located within the~~
25 ~~retail zone for that retail licensee to close within five~~
26 ~~days of the commencement of the retail licensee's operations.~~

27 ~~(b) Sale of State store inventory. The department, in~~
28 ~~consultation with the board, shall establish a procedure for the~~
29 ~~sale of the inventory, property and fixtures of all Pennsylvania~~
30 ~~Liquor Stores consistent with Article XXIV A of the act of April~~

~~9, 1929 (P.L.177, No.175), known as The Administrative Code of
1929. Wholesale and retail licensees shall have the opportunity
to bid on the items to be sold or otherwise participate in the
sale. All proceeds from the sales shall be deposited into the
State Stores Fund.~~

~~Section 330 A. State Stores Fund.~~

~~All fees, assessments, bid amounts or other charges paid by
wholesale or retail applicants, bidders or licensees shall be
paid or transferred into a restricted account in the State
Stores Fund.~~

~~Section 331 A. Return of fee or bid.~~

~~(a) Wholesale license fee. The entire wholesale license fee
paid by a wholesale licensee under section 312 A(d)(1) shall be
returned if this article is amended or otherwise altered by an
act of the General Assembly within five years of the effective
date of this section to change provisions relating to the loss
of rights to wholesale brands of liquors under section 314 A.~~

~~(b) Retail bid amount. The entire retail bid amount paid by
a retail licensee under section 319 A(h)(2) shall be returned if
this article is amended or otherwise altered by an act of the
General Assembly within five years of the effective date of this
section to change the authorization of additional retail
licenses under section 315 A.~~

SUBARTICLE E

REEMPLOYMENT AND RETRAINING OF

DISPLACED BOARD EMPLOYEES

~~Section 332 A. Preference in public employment hiring.~~

~~(a) Commonwealth examinations. A displaced employee who
successfully passes a civil service appointment examination for
a paid position administered under the act of August 5, 1941~~

1 ~~(P.L.752, No.286), known as the Civil Service Act, and in the~~
2 ~~classified service existing under the commission's jurisdiction~~
3 ~~and who further establishes the qualifications required by law~~
4 ~~for appointment to the position, shall be marked or graded an~~
5 ~~additional three points above the mark or grade credited for the~~
6 ~~examination. The total mark or grade obtained by the displaced~~
7 ~~employee shall represent the final mark or grade of the~~
8 ~~employee and shall determine his standing on any eligibility~~
9 ~~list certified or furnished to the appointing power.~~

10 ~~(b) Certification. The commission shall require the board~~
11 ~~to certify a list of displaced employees under subsection (a)~~
12 ~~and placement on that list by the board shall establish~~
13 ~~eligibility for the preference granted under subsection (a).~~

14 ~~(c) Noncivil service positions. If a paid State position~~
15 ~~does not require a civil service examination, a displaced~~
16 ~~employee who possesses the requisite qualifications and is~~
17 ~~eligible to appointment in a paid State position shall be given~~
18 ~~a preference in the appointment by the appointing authority.~~

19 ~~(d) Eligibility.~~

20 ~~(1) A displaced employee's eligibility for the mark up~~
21 ~~provided under subsection (a) and for the preference for~~
22 ~~noncivil service positions provided under subsection (c)~~
23 ~~shall cease upon the occurrence of one of the following:~~

24 ~~(i) The displaced employee's appointment or hiring~~
25 ~~into a position in the classified service existing under~~
26 ~~the commission's jurisdiction or into a paid State~~
27 ~~position where no civil service examination is required.~~

28 ~~(ii) Two years from the board's implementation of~~
29 ~~its decision to cease wholesale and retail operations~~
30 ~~under this article.~~

1 ~~(2) In order to be eligible for the mark up provided~~
2 ~~under subsection (a) and for the preference for noncivil~~
3 ~~service positions provided under subsection (c), a displaced~~
4 ~~worker must be terminated as a sole and direct result of the~~
5 ~~decision to cease wholesale and retail operations under this~~
6 ~~article and must work until the final day set by the board~~
7 ~~for that employee's job function.~~

8 ~~Section 333 A. Educational grant eligibility.~~

9 ~~(a) Eligibility. A displaced employee shall be eligible for~~
10 ~~a two year educational grant for attending a program of~~
11 ~~instruction at an institution of higher education in the~~
12 ~~following amount:~~

13 ~~(1) \$1,000 per year for attendance on a full time basis;~~

14 ~~or~~

15 ~~(2) \$500 per year for attendance on a part time basis.~~

16 ~~(b) Certification. The board shall certify the list of~~
17 ~~displaced employees to the agency.~~

18 ~~(c) Grant award. The agency shall make a determination of~~
19 ~~grant eligibility and shall pay the grant directly to the~~
20 ~~institution of higher education attended by the displaced~~
21 ~~employee in a manner consistent with the agency's regulations.~~

22 ~~Section 334 A. Reemployment tax credit.~~

23 ~~(a) Eligibility. A displaced employee shall be eligible for~~
24 ~~a two year reemployment tax credit voucher in the amount of~~
25 ~~\$1,000 per taxable year. The voucher shall be made available to~~
26 ~~each displaced employee upon termination of employment. Each~~
27 ~~voucher shall be certified by the board before the voucher is~~
28 ~~provided to the displaced employee and the Department of Revenue~~
29 ~~shall be informed of each displaced employee to whom a voucher~~
30 ~~has been provided.~~

1 ~~(b) Transfer of voucher. An employer in this Commonwealth~~
2 ~~who employs a displaced employee on a full time basis may, upon~~
3 ~~transfer of the voucher from the employee to the employer, use~~
4 ~~the voucher as a credit against the State tax liability of the~~
5 ~~business, if the employer can demonstrate the following:~~

6 ~~(1) That the employee for whom the tax credit is being~~
7 ~~sought was terminated from a State store within 12 months of~~
8 ~~being employed by the employer.~~

9 ~~(2) That the former board employee has been employed by~~
10 ~~the employer seeking the tax credit on a full time basis for~~
11 ~~a period not less than one year.~~

12 ~~(c) Voucher submittal. The employer shall submit the tax~~
13 ~~credit voucher to the Department of Revenue along with the~~
14 ~~information required under subsection (b) (1) and (2) in~~
15 ~~conjunction with the filing of a State business tax identified~~
16 ~~under subsection (d) (2).~~

17 ~~(d) Amount of credit.~~

18 ~~(1) An employer may claim a reemployment tax credit for~~
19 ~~every job filled by a displaced employee of \$1,000 per~~
20 ~~taxable year for a maximum of two taxable years.~~

21 ~~(2) An employer may apply the reemployment tax credit to~~
22 ~~100% of the employer's:~~

23 ~~(i) State corporate net income tax, capital stock~~
24 ~~and franchise tax or the personal tax of a shareholder of~~
25 ~~the company if the company is a Pennsylvania S~~
26 ~~corporation.~~

27 ~~(ii) Gross premium tax, gross receipts tax, bank and~~
28 ~~trust company shares tax, mutual thrift institution tax~~
29 ~~or title insurance company shares tax.~~

30 ~~(iii) Any combination of the taxes under~~

1 ~~subparagraphs (i) and (ii).~~

2 ~~(3) A displaced employee whose subsequent employment is~~
3 ~~terminated with an employer who has utilized the reemployment~~
4 ~~tax credit voucher to claim a one year \$1,000 tax credit may~~
5 ~~transfer the voucher to a new employer who may use the~~
6 ~~remaining \$1,000 tax credit as a claim against the business~~
7 ~~tax liability identified under paragraph (2).~~

8 ~~(4) The term of the reemployment tax credit voucher may~~
9 ~~not exceed two years from the date the voucher is provided to~~
10 ~~the qualified former board employee.~~

11 ~~Section 335 A. Protection of existing benefits.~~

12 ~~(a) Contract benefits. Nothing under this section shall be~~
13 ~~deemed to affect:~~

14 ~~(1) Pension benefits accrued prior to the date of~~
15 ~~separation occurring as a sole and direct result of the~~
16 ~~decision to cease wholesale and retail operations under this~~
17 ~~article.~~

18 ~~(2) Payment of any accrued benefit derived from the~~
19 ~~terms of a preexisting collective bargaining agreement~~
20 ~~payable upon separation from employment.~~

21 ~~(b) Effects bargaining. As a result of the preferential~~
22 ~~hiring benefits, the tax credit for subsequent employers and the~~
23 ~~protection of benefits arising from an employee's pension or~~
24 ~~from a preexisting collective bargaining agreement under this~~
25 ~~section, the board is deemed to have satisfied all obligations~~
26 ~~to bargain over the effects of its decision to cease wholesale~~
27 ~~and retail operations under this article which may arise under~~
28 ~~the act of June 1, 1937 (P.L.1168, No.294), known as the~~
29 ~~Pennsylvania Labor Relations Act, or the act of July 23, 1970~~
30 ~~(P.L.563, No.195), known as the Public Employee Relations Act.~~

1 ~~(c) Affect of local regulations. As a result of the~~
2 ~~preferential hiring benefits, the tax credit for subsequent~~
3 ~~employers and the protection of benefits arising from an~~
4 ~~employee's pension or a preexisting collective bargaining~~
5 ~~agreement under this section, any local regulations, ordinances~~
6 ~~or resolutions enacted by a political subdivision regarding~~
7 ~~notice to displaced workers shall be deemed to be superseded by~~
8 ~~this article.~~

9 SUBARTICLE F

10 WINE AND SPIRITS TAXES

11 ~~Section 336 A. Excise tax on wine and spirits.~~

12 ~~(a) Duty to collect taxes. Except as provided under~~
13 ~~subsection (f), a wine and spirits wholesale licensee shall have~~
14 ~~the duty to collect from every manufacturer and importer of wine~~
15 ~~and spirits an excise tax for wine and spirits sold in this~~
16 ~~Commonwealth at a rate prescribed under subsections (b) and (c).~~

17 ~~(b) Excise tax for wines. The excise tax rate for wine and~~
18 ~~natural sparkling wine shall be as follows:~~

19 ~~(1) For wines, except natural sparkling wines,~~
20 ~~containing 0.5% or more alcohol by volume and less than~~
21 ~~17.259% alcohol by volume, all manufacturers and distributors~~
22 ~~shall pay a tax at the rate of \$8.25 per gallon.~~

23 ~~(2) For wines, except natural sparkling wines,~~
24 ~~containing 17.259% or more alcohol by volume, all~~
25 ~~manufacturers and distributors shall pay a tax at the rate of~~
26 ~~\$8.75 per gallon.~~

27 ~~(3) For natural sparkling wines, all manufacturers and~~
28 ~~distributors shall pay a tax at the rate of \$9 per gallon.~~

29 ~~(c) Excise tax for liquors. Except for the taxes imposed~~
30 ~~under subsection (b), the excise tax rate for liquors shall be~~

1 ~~as follows:~~

2 ~~(1) For liquor containing less than 17.259% of alcohol~~
3 ~~by volume, all manufacturers and distributors shall pay a tax~~
4 ~~at the rate of \$11 per gallon.~~

5 ~~(2) For liquor containing 17.259% or more of alcohol by~~
6 ~~volume and not more than 55.780% of alcohol by volume, all~~
7 ~~manufacturers and distributors shall pay a tax at the rate of~~
8 ~~\$11.50 per gallon.~~

9 ~~(3) For liquor containing more than 55.780% of alcohol~~
10 ~~by volume, all manufacturers and distributors shall pay a tax~~
11 ~~at the rate of \$12 per gallon.~~

12 ~~(d) Inflation index. Beginning five years from the~~
13 ~~effective date of this section, the excise tax rates prescribed~~
14 ~~under subsections (b) and (c) shall be increased on an annual~~
15 ~~basis in an amount equal to the Consumer Price Index - Gross~~
16 ~~Domestic Products.~~

17 ~~(e) Remittance of excise tax. Every wine and spirits~~
18 ~~wholesale licensee within this Commonwealth shall remit taxes~~
19 ~~imposed and collected under this section to the Department of~~
20 ~~Revenue monthly on or before the 10th day of the month following~~
21 ~~collection of the excise tax.~~

22 ~~(f) Exemptions. The taxes imposed under this section shall~~
23 ~~not apply to:~~

24 ~~(1) Malt or brewed beverages.~~

25 ~~(2) Liquor sold to a post exchange, ship service store~~
26 ~~or base exchange located in a military, naval or air force~~
27 ~~reservation within this Commonwealth.~~

28 ~~Section 9. Section 401(a) of the act, amended July 6, 2005-~~
29 ~~(P.L.135, No.39), is amended to read:~~

30 ~~Section 401. Authority to Issue Liquor Licenses to Hotels,~~

1 ~~Restaurants and Clubs. (a) Subject to the provisions of this~~
2 ~~act and regulations promulgated under this act, the board shall~~
3 ~~have authority to issue a retail liquor license for any premises~~
4 ~~kept or operated by a hotel, restaurant or club and specified in~~
5 ~~the license entitling the hotel, restaurant or club to purchase~~
6 ~~liquor from a [Pennsylvania Liquor Store] licensee under Article~~
7 ~~III A and to keep on the premises such liquor and, subject to~~
8 ~~the provisions of this act and the regulations made thereunder,~~
9 ~~to sell the same and also malt or brewed beverages to guests,~~
10 ~~patrons or members for consumption on the hotel, restaurant or~~
11 ~~club premises. Such licensees, other than clubs, shall be~~
12 ~~permitted to sell malt or brewed beverages for consumption off~~
13 ~~the premises where sold in quantities of not more than one~~
14 ~~hundred ninety two fluid ounces in a single sale to one person~~
15 ~~as provided for in section 407. Such licenses shall be known as~~
16 ~~hotel liquor licenses, restaurant liquor licenses and club~~
17 ~~liquor licenses, respectively. No person who holds, either by~~
18 ~~appointment or election, any public office which involves the~~
19 ~~duty to enforce any of the penal laws of the United States of~~
20 ~~America or the penal laws of the Commonwealth of Pennsylvania or~~
21 ~~any penal ordinance or resolution of any political subdivision~~
22 ~~of this Commonwealth shall be issued any hotel or restaurant~~
23 ~~liquor license, nor shall such a person have any interest,~~
24 ~~directly or indirectly, in any such license.~~

25 * * *

26 Section 10. ~~Section 408.12(g), (h) and (i) of the act, added~~
27 ~~July 1, 1994 (P.L.402, No.61), are amended to read:~~

28 Section 408.12. ~~Wine Auction Permits. * * *~~

29 (g) ~~Any wine sold under this section shall be purchased from~~
30 ~~a [Pennsylvania Liquor Store] licensee under Article III A, a~~

1 ~~Pennsylvania limited winery or any seller authorized to sell~~
2 ~~wine by the bottle or case in this Commonwealth or shall be~~
3 ~~donated by a person who is neither a licensee nor a permittee~~
4 ~~who has legally acquired the wine and legally possesses it in~~
5 ~~this Commonwealth.~~

6 ~~(h) If any wine sold under this section is purchased from a~~
7 ~~seller other than a [Pennsylvania Liquor Store] licensee under~~
8 ~~Article III A or a Pennsylvania limited winery, the permittee~~
9 ~~shall provide thirty days' notice to the board of its intent to~~
10 ~~purchase such wine. The notice shall include a description of~~
11 ~~the wine to be purchased, the quantity to be purchased, the name~~
12 ~~of the seller and any other information which the board may~~
13 ~~require. The permittee shall comply with all board regulations~~
14 ~~regarding taxes and fees.~~

15 ~~(i) The permittee shall be responsible for paying to the~~
16 ~~board an amount equal to all taxes which would have been paid on~~
17 ~~such wine if it had been purchased from a [Pennsylvania Liquor~~
18 ~~Store] licensee under Article III A, together with a processing~~
19 ~~fee to be determined by the board.~~

20 ~~* * *~~

21 ~~Section 11. Section 410(e) of the act is amended to read:~~

22 ~~Section 410. Liquor Importers' Licenses; Fees; Privileges;~~
23 ~~Restrictions. * * *~~

24 ~~(e) Importers' licenses shall permit the holders thereof to~~
25 ~~bring or import liquor from other states, foreign countries, or~~
26 ~~insular possessions of the United States, and purchase liquor~~
27 ~~from manufacturers located within this Commonwealth, to be sold~~
28 ~~outside of this Commonwealth or to [Pennsylvania Liquor Stores]~~
29 ~~wholesale licensees under Article III A within this~~
30 ~~Commonwealth, or when in original containers of ten gallons or~~

1 ~~greater capacity, to licensed manufacturers within this~~
2 ~~Commonwealth.~~

3 ~~All importations of liquor into Pennsylvania by the licensed~~
4 ~~importer shall be consigned to [the board or] the principal~~
5 ~~place of business or authorized place of storage maintained by~~
6 ~~the licensee.~~

7 * * *

8 ~~Section 12. Section 438 of the act, amended June 25, 2010~~
9 ~~(P.L.217, No.35), is amended to read:~~

10 ~~Section 438. Number and Kinds of Licenses Allowed Same~~
11 ~~Licensee. (a) Any retail dispenser may be granted licenses to~~
12 ~~maintain, operate or conduct any number of places for the sale~~
13 ~~of malt or brewed beverages, but a separate license must be~~
14 ~~secured for each place where malt or brewed beverages are sold.~~

15 ~~(b) No person shall possess or be issued more than [one]~~
16 ~~five distributor's licenses or one importing distributor's~~
17 ~~license.~~

18 ~~(c) No person shall possess more than one class of license,~~
19 ~~except that a holder of a retail dispenser's license may also be~~
20 ~~a holder of a retail liquor license: Provided, however, That~~
21 ~~nothing contained in this section shall be construed to prohibit~~
22 ~~a member of the governing board of a public authority created~~
23 ~~under subdivision (n) of Article XXIII of the act of August 9,~~
24 ~~1955 (P.L.323, No.130), known as "The County Code," from having~~
25 ~~an interest in a distributor or importing distributor license~~
26 ~~notwithstanding the fact that the public authority has an~~
27 ~~interest in one or more retail licenses or acts as a landlord~~
28 ~~for one or more retail licenses: And, provided further, That,~~
29 ~~notwithstanding any other provision of this section, an entity~~
30 ~~may acquire both a manufacturer's license or a limited winery~~

1 ~~license and a hotel, restaurant or retail dispenser license for~~
2 ~~use at the same location and more than one location may be so~~
3 ~~licensed. The licenses and a person's interest in the licenses~~
4 ~~or in the entity holding the licenses shall not be subject to~~
5 ~~this section.~~

6 ~~Section 13. Section 472(a) of the act, amended February 21,~~
7 ~~2002 (P.L.103, No.10), is amended to read:~~

8 ~~Section 472. Local Option. (a) In any municipality or any~~
9 ~~part of a municipality where such municipality is split so that~~
10 ~~each part thereof is separated by another municipality, an~~
11 ~~election may be held, subject to subsection (c), on the date of~~
12 ~~the primary election immediately preceding any municipal~~
13 ~~election, but not oftener than once in four years, to determine~~
14 ~~the will of the electors with respect to the granting of liquor~~
15 ~~licenses to hotels, restaurants, resort facilities and clubs,~~
16 ~~not oftener than once in four years, to determine the will of~~
17 ~~the electors with respect to the granting of liquor licenses to~~
18 ~~public venues, to performing arts facilities, to continuing care~~
19 ~~retirement communities, to hotels located on property owned by~~
20 ~~an accredited college or university, to privately owned private~~
21 ~~golf courses or to privately owned public golf courses, not~~
22 ~~oftener than once in four years, to determine the will of the~~
23 ~~electors with respect to the granting of licenses to retail~~
24 ~~dispensers of malt and brewed beverages, not oftener than once~~
25 ~~in four years, to determine the will of the electors with~~
26 ~~respect to granting of licenses to wholesale distributors and~~
27 ~~importing distributors, not more than once in two years, to~~
28 ~~determine the will of the electors with respect to the granting~~
29 ~~of club liquor licenses or club retail dispenser licenses to~~
30 ~~incorporated units of national veterans' organizations, not~~

~~1 oftener than once in two years to determine the will of the
2 electors with respect to the granting of special occasion
3 permits to qualified organizations, or not more than once in
4 four years, to determine the will of the electors with respect
5 to the establishment[, operation and maintenance by the board of
6 Pennsylvania liquor stores] of wine and spirits retail
7 licensees, within the limits of such municipality or part of a
8 split municipality, under the provisions of this act: Provided,
9 however, Where an election shall have been held at the primary
10 preceding a municipal election in any year, another election may
11 be held under the provisions of this act at the primary
12 occurring the fourth year after such prior election: And
13 provided further, That an election on the question of
14 establishing and operating a State liquor store shall be
15 initiated only in those municipalities, or that part of a split
16 municipality that shall have voted against the granting of
17 liquor licenses; and that an election on the question of
18 granting wholesale distributor and importing distributor
19 licenses shall be initiated only in those municipalities or
20 parts of split municipalities that shall have at a previous
21 election voted against the granting of dispenser's licenses.
22 Whenever electors equal to at least twenty five per centum of
23 the highest vote cast for any office in the municipality or part
24 of a split municipality at the last preceding general election
25 shall file a petition with the county board of elections of the
26 county for a referendum on the question of granting any of said
27 classes of licenses [or the establishment of Pennsylvania liquor
28 stores], the said county board of elections shall cause a
29 question to be placed on the ballots or on the voting machine
30 board and submitted at the primary immediately preceding the~~

1 ~~municipal election. Separate petitions must be filed for each~~
2 ~~question to be voted on. Said proceedings shall be in the manner~~
3 ~~and subject to the provisions of the election laws which relate~~
4 ~~to the signing, filing and adjudication of nomination petitions,~~
5 ~~insofar as such provisions are applicable.~~

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

8 ~~Do you favor the granting of liquor licenses for the~~
9 ~~sale of liquor in..... Yes~~
10 ~~of.....? No~~

11 ~~When the question is in respect to the granting of liquor~~
12 ~~licenses to resort facilities in those municipalities that do~~
13 ~~not already allow the retail sale of liquor, it shall be in the~~
14 ~~following form:~~

15 ~~Do you favor the granting of liquor licenses to resort~~
16 ~~facilities for the sale of liquor in the..... Yes~~
17 ~~of.....? No~~

18 ~~When the question is in respect to the granting of restaurant~~
19 ~~liquor licenses for use at public venues in those municipalities~~
20 ~~that do not already allow the retail sale of liquor, it shall be~~
21 ~~in the following form:~~

22 ~~Do you favor the granting of liquor licenses to public~~
23 ~~venues for the sale of liquor in the..... Yes~~
24 ~~of.....? No~~

25 ~~When the question is in respect to the granting of restaurant~~
26 ~~liquor licenses for use at performing arts facilities in those~~
27 ~~municipalities that do not already allow the retail sale of~~
28 ~~alcohol, it shall be in the following form:~~

29 ~~Do you favor the granting of liquor licenses to~~ Yes
30 ~~performing arts facilities for the sale of liquor in~~ No

1 the.....

2 of.....?

3 ~~When the question is in respect to the granting of liquor~~
4 ~~licenses for hotels located on property owned by an accredited~~
5 ~~college or university in those municipalities that do not~~
6 ~~already allow the granting of liquor licenses, it shall be in~~
7 ~~the following form:~~

8 ~~Do you favor the granting of liquor licenses to hotels~~
9 ~~on property owned by an accredited college or university~~
10 ~~in the..... Yes~~
11 ~~of.....? No~~

12 ~~When the question is in respect to the granting of liquor~~
13 ~~licenses, for privately owned private golf courses, it shall be~~
14 ~~in the following form:~~

15 ~~Do you favor the granting of liquor licenses for~~
16 ~~privately owned private golf courses for the sale of~~
17 ~~liquor in.....by..... Yes~~
18 ~~of.....? No~~

19 ~~When the question is in respect to the granting of liquor~~
20 ~~licenses, for privately owned public golf courses, it shall be~~
21 ~~in the following form:~~

22 ~~Do you favor the granting of liquor licenses for~~
23 ~~privately owned public golf courses for the sale of~~
24 ~~liquor in.....by..... Yes~~
25 ~~of.....? No~~

26 ~~When the question is in respect to the granting of liquor~~
27 ~~licenses to continuing care retirement communities in those~~
28 ~~municipalities that have not already approved the granting of~~
29 ~~liquor licenses, it shall be in the following form:~~

30 ~~Do you favor the granting of liquor licenses for~~ Yes

1 ~~continuing care retirement communities~~
2 ~~in.....by.....~~
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:~~

7 ~~Do you favor the granting of malt and brewed beverage~~
8 ~~retail dispenser licenses for consumption on premises~~
9 ~~where sold in the.....~~ Yes
10 ~~of.....?~~ No

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:~~

14 ~~Do you favor the granting of malt and brewed beverage~~
15 ~~wholesale distributor's and importing distributor's~~
16 ~~licenses not for consumption on premises where sold in~~
17 ~~the.....~~ Yes
18 ~~of.....?~~ No

19 ~~When the question is in respect to the granting of club~~
20 ~~liquor licenses to incorporated units of national veterans'~~
21 ~~organizations, it shall be in the following form:~~

22 ~~Do you favor the granting of club liquor licenses to~~
23 ~~incorporated units of national veterans' organizations~~
24 ~~in the.....~~ Yes
25 ~~of.....?~~ No

26 ~~When the question is in respect to the granting of club~~
27 ~~retail dispenser licenses to incorporated units of national~~
28 ~~veterans' organizations, it shall be in the following form:~~

29 ~~Do you favor the granting of club retail dispenser~~ Yes
30 ~~licenses to incorporated units of national veterans'~~ No

1 organizations in the.....
2 of.....?

3 ~~When the question is in respect to the granting of special-~~
4 ~~occasion permits allowing the sale of liquor by qualified-~~
5 ~~organizations in municipalities that do not already allow the~~
6 ~~retail sale of liquor, it shall be in the following form:~~

7 Do you favor the granting of special occasion permits to
8 allow the sale of liquor by qualified organizations in
9 the..... Yes
10 of.....? No

11 ~~When the question is in respect to the granting of special-~~
12 ~~occasion permits allowing the sale of malt or brewed beverages-~~
13 ~~only by qualified organizations in municipalities that do not~~
14 ~~already allow the retail sale of malt or brewed beverages, it~~
15 ~~shall be in the following form:~~

16 Do you favor the granting of special occasion permits to
17 allow the sale of malt or brewed beverages only by
18 qualified organizations in the..... Yes
19 of.....? No

20 ~~When the question is in respect to the [establishment,-~~
21 ~~operation and maintenance of Pennsylvania liquor stores]-~~
22 ~~granting of licenses to wine and spirits retail operators it~~
23 ~~shall be in the following form:~~

24 Do you favor the [establishment, operation and-
25 maintenance of Pennsylvania liquor stores] granting of
26 wine and spirits retail licenses in-
27 the..... Yes
28 of.....? No

29 In case of a tie vote, the status quo shall obtain. If a
30 majority of the voting electors on any such question vote "yes,"

~~1 then liquor licenses shall be granted by the board to hotels,
2 restaurants, resort facilities and clubs, or liquor licenses
3 shall be granted by the board to public venues, to performing
4 arts facilities, to continuing care retirement communities, to
5 hotels located on property owned by an accredited college or
6 university, to privately owned private golf courses or to
7 privately owned public golf courses, or malt and brewed beverage
8 retail dispenser licenses or wholesale distributor's and
9 importing distributor's license for the sale of malt or brewed
10 beverages shall be granted by the board, or club liquor licenses
11 or club retail dispenser licenses shall be granted by the board
12 to incorporated units of national veterans' organizations, or
13 special occasion permits may be issued to qualified
14 organizations, or [the board may establish, operate and maintain
15 Pennsylvania liquor stores] to wine and spirits retail licensees
16 under Article III A, as the case may be, in such municipality or
17 part of a split municipality, as provided by this act; but if a
18 majority of the electors voting on any such question vote "no,"
19 then the board shall have no power to grant or to renew upon
20 their expiration any licenses of the class so voted upon in such
21 municipality or part of a split municipality[; or if the
22 negative vote is on the question in respect to the
23 establishment, operation and maintenance of Pennsylvania liquor
24 stores, the board shall not open and operate a Pennsylvania
25 liquor store in such municipality or part of a split
26 municipality, nor continue to operate a then existing
27 Pennsylvania liquor store in the municipality or part of a split
28 municipality for more than two years thereafter or after the
29 expiration of the term of the lease on the premises occupied by
30 such store, whichever period is less, unless and until at a~~

1 ~~later election a majority of the voting electors vote "yes" on~~
2 ~~such question].~~

3 ~~* * *~~

4 ~~Section 14. Section 488 of the act, added February 21, 2002~~
5 ~~(P.L.103, No.10), is amended to read:~~

6 ~~Section 488. Shipment of Wine into Commonwealth. (a) The~~
7 ~~shipment of wine from out of State to residents of this~~
8 ~~Commonwealth is prohibited, except as otherwise provided for in~~
9 ~~this section.~~

10 ~~(b) Notwithstanding any other provision of this act or law~~
11 ~~to the contrary, a person licensed by another state as a~~
12 ~~producer, supplier, importer, wholesaler, distributor or~~
13 ~~retailer of wine and who obtains a direct wine shipper license~~
14 ~~as provided for in this section may ship up to nine liters per~~
15 ~~month of any wine not included on the list provided for in~~
16 ~~subsection (c) on the Internet order of any resident of this~~
17 ~~Commonwealth who is at least twenty one (21) years of age for~~
18 ~~such resident's personal use and not for resale.~~

19 ~~(c) Each month, the board shall publish on the Internet a~~
20 ~~list of all classes, varieties and brands of wine available for~~
21 ~~sale [in the Pennsylvania Liquor Stores] by wine and spirits~~
22 ~~retail licensees. A person holding a direct shipper license may~~
23 ~~ship only those classes, varieties and brands of wine not~~
24 ~~included on the list available for sale at the time an Internet~~
25 ~~order is placed.~~

26 ~~(d) An out of State wine shipper shall:~~

27 ~~(1) Not ship more than nine liters per month on the Internet~~
28 ~~order of any person in this Commonwealth.~~

29 ~~(2) Report to the board each year the total of wine shipped~~
30 ~~into this Commonwealth in the preceding calendar year.~~

1 ~~(3) Permit the board or the Secretary of Revenue, or their~~
2 ~~designated representatives, to perform an audit of the out-of-~~
3 ~~State wine shipper's records upon request.~~

4 ~~(4) Be deemed to have submitted to the jurisdiction of the~~
5 ~~board, any other State agency and the courts of this~~
6 ~~Commonwealth for purposes of enforcement of this section and any~~
7 ~~related laws, rules or regulations.~~

8 ~~(e) A direct shipper may ship wine on the Internet order of~~
9 ~~a resident into this Commonwealth provided that the wine is~~
10 ~~shipped to a [Pennsylvania Liquor Store] wine and spirits retail~~
11 ~~licensee's premises selected by the resident. The wine will be~~
12 ~~subject to taxes in the same manner as wine sold [directly by~~
13 ~~the board] by the wine and spirits retail licensee. The wine~~
14 ~~will not be released by the [State store] wine and spirits~~
15 ~~retail licensee until all moneys due, including all taxes and~~
16 ~~fees, have been paid by the resident.~~

17 ~~(f) A person shall sign an affidavit provided by the~~
18 ~~[Pennsylvania Liquor Store] wine and spirits retail licensee~~
19 ~~where the wine was delivered to stating that the wine will only~~
20 ~~be used for the person's personal use. Any person who resells~~
21 ~~wine obtained under this section commits a misdemeanor of the~~
22 ~~second degree.~~

23 ~~(g) The board may promulgate such rules and regulations as~~
24 ~~are necessary to implement and enforce the provisions of this~~
25 ~~section. The [board] wine and spirits retail licensee may charge~~
26 ~~the resident a fee to cover the cost associated with processing~~
27 ~~the Internet order.~~

28 ~~(h) The board shall submit monthly reports to the~~
29 ~~Appropriations Committee and the Law and Justice Committee of~~
30 ~~the Senate and to the Appropriations Committee and the Liquor~~

1 ~~Control Committee of the House of Representatives summarizing~~
2 ~~the number of direct shipper licenses issued by the board, the~~
3 ~~quantity of wine sold pursuant to this section and the total~~
4 ~~dollar value of sales under this section.~~

5 ~~(i) The term "wine" as used in this section shall mean~~
6 ~~liquor which is fermented from grapes and other fruits, having~~
7 ~~alcoholic content of twenty four per centum or less. The term~~
8 ~~"wine" shall not include malt or brewed beverages nor shall wine~~
9 ~~include any products containing alcohol derived from malt,~~
10 ~~grain, cereal, molasses or cactus.~~

11 ~~Section 15. Section 491 of the act, amended October 5, 1994~~
12 ~~(P.L.522, No.77), February 21, 2002 (P.L.103, No.10), December~~
13 ~~9, 2002 (P.L.1653, No.212), July 17, 2003 (P.L.63, No.15) and~~
14 ~~July 7, 2006 (P.L.584, No.84), is amended to read:~~

15 ~~Section 491. Unlawful Acts Relative to Liquor, Alcohol and~~
16 ~~Liquor Licensees.—~~

17 ~~It shall be unlawful—~~

18 ~~(1) Sales of Liquor. For any person, by himself or by an~~
19 ~~employe or agent, to expose or keep for sale, or directly or~~
20 ~~indirectly, or upon any pretense or upon any device, to sell or~~
21 ~~offer to sell any liquor within this Commonwealth, except in~~
22 ~~accordance with the provisions of this act and the regulations~~
23 ~~of the board. This clause shall not be construed to prohibit~~
24 ~~hospitals, physicians, dentists or veterinarians who are~~
25 ~~licensed and registered under the laws of this Commonwealth from~~
26 ~~administering liquor in the regular course of their professional~~
27 ~~work and taking into account the cost of the liquor so~~
28 ~~administered in making charges for their professional service,~~
29 ~~or a pharmacist duly licensed and registered under the laws of~~
30 ~~this Commonwealth from dispensing liquor on a prescription of a~~

1 ~~duly licensed physician, dentist or veterinarian, or selling~~
2 ~~medical preparations containing alcohol, or using liquor in~~
3 ~~compounding prescriptions or medicines and making a charge for~~
4 ~~the liquor used in such medicines, or a manufacturing pharmacist~~
5 ~~or chemist from using liquor in manufacturing preparations unfit~~
6 ~~for beverage purposes and making a charge for the liquor so~~
7 ~~used. All such liquors so administered or sold by hospitals,~~
8 ~~physicians, dentists, veterinarians, pharmacists or chemists~~
9 ~~shall conform to the Pharmacopoeia of the United States, the~~
10 ~~National Formulary, or the American Homeopathic Pharmacopoeia.~~
11 ~~This clause shall not be construed to prohibit an executor or an~~
12 ~~administrator of a decedent's estate from selling privately or~~
13 ~~at public auction liquor which was an asset of the decedent. The~~
14 ~~board shall establish regulations to ensure that State taxes~~
15 ~~from the sales will be paid by the estate from the proceeds of~~
16 ~~the sale. The board may not prohibit a sale of liquor for the~~
17 ~~reason that it was not lawfully acquired prior to January 1,~~
18 ~~1934 or has not been purchased [from a Pennsylvania Liquor Store~~
19 ~~or] in compliance with Pennsylvania law.~~

20 ~~(2) Possession or Transportation of Liquor or Alcohol. For~~
21 ~~any person, except a manufacturer or the board or the holder of~~
22 ~~a sacramental wine license or of an importer's license, to~~
23 ~~possess or transport any liquor or alcohol within this~~
24 ~~Commonwealth which was not lawfully acquired prior to January~~
25 ~~first, one thousand nine hundred and thirty four, or has not~~
26 ~~been legally purchased from a [Pennsylvania Liquor Store]~~
27 ~~licensee under Article III A or a licensed limited winery in~~
28 ~~Pennsylvania, except in accordance with section 488 or the~~
29 ~~board's regulations. In addition, it shall be lawful for anyone~~
30 ~~to possess miniatures totaling less than one gallon purchased in~~

1 ~~another state or a foreign country. The burden shall be upon the~~
2 ~~person possessing or transporting such liquor or alcohol to~~
3 ~~prove that it was so acquired. Notwithstanding this section or~~
4 ~~any other provision of the law, wine may be produced by any~~
5 ~~person without a license if the wine is not produced for sale~~
6 ~~and total production does not exceed two hundred gallons per~~
7 ~~calendar year. Wine produced in accordance with this clause may~~
8 ~~be used at organized affairs, exhibitions, competitions,~~
9 ~~contests, tastings or judgings if it is not sold or offered for~~
10 ~~sale.~~

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

1 ~~premises.~~

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

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

1 ~~that the illegal possession or transportation was in connection~~
2 ~~with a commercial transaction, then the other provisions of this~~
3 ~~act providing for prosecution as a misdemeanor and for the~~
4 ~~forfeiture of the vehicle, boat, vessel, animal or aircraft~~
5 ~~shall apply.~~

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

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

20 ~~(5) Failure to Properly Dispose of Empty Liquor Containers.~~
21 ~~For any restaurant, hotel or club licensee, his servants, agents~~
22 ~~or employes, to fail to break any package in which liquors were~~
23 ~~contained, except those decanter packages that the board~~
24 ~~determines to be decorative, within twenty four hours after the~~
25 ~~original contents were removed therefrom, unless the licensee~~
26 ~~participates in either a municipal recycling program, in~~
27 ~~accordance with the act of July 28, 1988 (P.L.556, No.101),~~
28 ~~known as the "Municipal Waste Planning, Recycling and Waste~~
29 ~~Reduction Act," or a voluntary recycling program. The licensee~~
30 ~~shall provide proof in writing of the participation in a~~

1 ~~recycling program upon the demand of the Bureau of Liquor-~~
2 ~~Control Enforcement of the Pennsylvania State Police. The proof-~~
3 ~~of participation shall be provided in a manner as prescribed by-~~
4 ~~the Pennsylvania Liquor Control Board.~~

5 ~~(6) Sales by Restaurant and Hotel Liquor Licensees. For any~~
6 ~~restaurant or hotel licensee, his servants, agents or employes,~~
7 ~~to sell any liquor or malt or brewed beverages for consumption-~~
8 ~~on the licensed premises except in a room or rooms or place on-~~
9 ~~the licensed premises at all times accessible to the use and-~~
10 ~~accommodation of the general public, but this section shall not-~~
11 ~~be interpreted to prohibit a restaurant liquor licensee from-~~
12 ~~providing private affairs the primary function of which is for-~~
13 ~~catering only to weddings or special occasions arranged twenty-~~
14 ~~four hours in advance, nor to prohibit a hotel licensee, or a~~
15 ~~restaurant licensee when the restaurant is located in a hotel,~~
16 ~~from selling liquor or malt or brewed beverages in any room of-~~
17 ~~such hotel occupied by a bona fide guest or to prohibit a~~
18 ~~restaurant licensee from selling liquor or malt or brewed-~~
19 ~~beverages in a bowling alley where the restaurant and bowling-~~
20 ~~alley are immediately adjacent and under the same roof.~~

21 ~~(7) Sales of Liquor by Manufacturers and Licensed Importers.-~~
22 ~~For any manufacturer or licensed importer of liquor in this~~
23 ~~Commonwealth, his agents, servants or employes, to sell or offer-~~
24 ~~to sell any liquor in this Commonwealth except to [the board for-~~
25 ~~use in Pennsylvania Liquor Stores] a wholesale licensee under~~
26 ~~Article III A, and in the case of a manufacturer, to the holder-~~
27 ~~of a sacramental wine license or an importer's license.-~~
28 ~~Notwithstanding any other provision of this act, a manufacturer-~~
29 ~~or licensed importer may sell or offer to sell liquor for-~~
30 ~~delivery outside of this Commonwealth.~~

1 ~~(8) Importation and Sales of Alcohol. For any person, to~~
2 ~~import alcohol into this Commonwealth, or to sell alcohol to any~~
3 ~~person, except in accordance with section 488 and the provisions~~
4 ~~of this act or the regulations of the board.~~

5 ~~(9) Possession of Alcohol. For any person, to have alcohol~~
6 ~~in his possession, except in accordance with the provisions of~~
7 ~~this act and the regulations of the board.~~

8 ~~(10) Fortifying, Adulterating or Contaminating Liquor. For~~
9 ~~any licensee or any employe or agent of a licensee or of the~~
10 ~~board, to fortify, adulterate or contaminate any liquor, except~~
11 ~~as permitted by the regulations of the board, or to refill~~
12 ~~wholly or in part, with any liquid or substance whatsoever, any~~
13 ~~liquor bottle or other liquor container.~~

14 ~~(11) Importation of Liquor. For any person, other than [the~~
15 ~~board] a wine and spirits wholesale licensee or the holder of a~~
16 ~~sacramental wine license, an importer's license or a direct~~
17 ~~shipper's license, to import any liquor whatsoever into this~~
18 ~~Commonwealth, but this section shall not be construed to~~
19 ~~prohibit railroad and pullman companies from purchasing and~~
20 ~~selling liquors purchased outside the Commonwealth in their~~
21 ~~dining, club and buffet cars which are covered by public service~~
22 ~~liquor licenses and which are operated in this Commonwealth.~~

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

29 ~~(13) Violation of Certain Rules and Regulations of Board.~~
30 ~~For any person, to violate any rules and regulations adopted by~~

1 ~~the board [to insure the equitable] relating to wholesale and~~
2 ~~retail sale and distribution of liquor and alcohol through [the~~
3 ~~Pennsylvania Liquor Stores] licensees under Article III A.~~

4 ~~(14) Offering Commission or Gift to Members of Board or~~
5 ~~State Employee. For any person selling or offering to sell liquor~~
6 ~~or alcohol to, or purchasing at wholesale liquor or alcohol~~
7 ~~from, the board, either directly or indirectly, to pay or offer~~
8 ~~to pay any commission, profit or remuneration, or to make or~~
9 ~~offer to make any gift to any member or employe of the board or~~
10 ~~other employe of the Commonwealth or to anyone on behalf of such~~
11 ~~member or employe.~~

12 ~~Section 16. Section 493(1) of the act, amended December 8,~~
13 ~~2004 (P.L.1810, No.239), is amended to read:~~

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

19 ~~It shall be unlawful—~~

20 ~~(1) Furnishing Liquor or Malt or Brewed Beverages to Certain~~
21 ~~Persons. For any licensee [or the board,] or any employe,~~
22 ~~servant or agent of such licensee [or of the board], or any~~
23 ~~other person, to sell, furnish or give any liquor or malt or~~
24 ~~brewed beverages, or to permit any liquor or malt or brewed~~
25 ~~beverages to be sold, furnished or given, to any person visibly~~
26 ~~intoxicated, or to any minor: Provided further, That~~
27 ~~notwithstanding any other provision of law, no cause of action~~
28 ~~will exist against a licensee [or the board] or any employe,~~
29 ~~servant or agent of such licensee [or the board] for selling,~~
30 ~~furnishing or giving any liquor or malt or brewed beverages or~~

1 ~~permitting any liquor or malt or brewed beverages to be sold,~~
2 ~~furnished or given to any insane person, any habitual drunkard~~
3 ~~or person of known intemperate habits unless the person sold,~~
4 ~~furnished or given alcohol is visibly intoxicated or is a minor.~~

5 * * *

6 Section 17. The act is amended by adding a section to read:

7 Section 493.2. Unlawful Acts Relative to Wine and Spirits
8 Retail Licensee. (a) It shall be unlawful for any wine and
9 spirits retail licensee, or any employe, servant or agent of the
10 licensee, or any other person, to sell, furnish or give any
11 liquor or malt or brewed beverages, or to permit any liquor or
12 malt or brewed beverages to be sold, furnished or given, to any
13 minor. Notwithstanding any other provision of law, no cause of
14 action will exist against a licensee or any employe, servant or
15 agent of the licensee for selling, furnishing or giving any
16 liquor or malt or brewed beverages or permitting any liquor or
17 malt or brewed beverages to be sold, furnished or given to any
18 insane person, any habitual drunkard or person of known
19 intemperate habits unless the person sold, furnished or given
20 alcohol is a minor.

21 (b) Any person who violates the provisions of subsection (a)
22 and shall, upon conviction, be sentenced to pay a fine of not
23 less than two thousand dollars (\$2,000) nor more than ten
24 thousand dollars (\$10,000) and may have the license suspended or
25 revoked.

26 Section 18. Section 495 of the act, amended December 20,
27 1996 (P.L.1523, No.199), February 21, 2002 (P.L.103, No.10) and
28 December 16, 2002 (P.L.1806, No.221) and repealed in part March
29 25, 1988 (P.L.262, No.31), is amended to read:

30 Section 495. Identification Cards; Licensees and [State

1 ~~Liquor Store] Employes Saved From Prosecution. (a) The valid~~
2 ~~photo driver's license or identification card issued by the~~
3 ~~Department of Transportation or by any other state, a valid~~
4 ~~armed forces of the United States identification card, a valid~~
5 ~~passport or a travel visa issued by the United States or a~~
6 ~~foreign country that contains the holder's photograph shall, for~~
7 ~~the purpose of this act, be accepted as an identification card.~~

8 (b) ~~Such identification card shall be presented by the~~
9 ~~holder thereof upon request of any [State Liquor Store or any]~~
10 ~~licensee, or the servant, agent or employe thereof, for the~~
11 ~~purpose of aiding such [store,] licensee, or the servant, agent~~
12 ~~or employe to determine whether or not such person is twenty one~~
13 ~~years of age and upwards, when such person desires alcoholic~~
14 ~~beverage at a [State Liquor Store or] licensed establishment.~~

15 (c) ~~In addition to the presentation of such identification~~
16 ~~card, the agent of the [State Liquor Store or the] licensee, or~~
17 ~~his servant, agent or employe, may require the person whose age~~
18 ~~may be in question to fill in and sign a form containing~~
19 ~~language approved by the board or containing the following:~~

20 19

21 I,, hereby represent
22 to, a [State Store
23 or] licensee of the board, that I am of full age and discretion
24 and over the age of 21 years, having been born
25 on 19..... at

26 This statement is made to induce said [store or] licensee above
27 named to sell or otherwise furnish alcoholic beverages to the
28 undersigned.

29 Serial Number of Identification Card:

30 I understand that I am subject to a fine of

1 ~~\$300.00 and sixty days imprisonment for any~~
2 ~~misrepresentation herein.~~

3 -

.....

4 -

(Name)

5 -

.....

6 -

(Address)

7 ~~Witness:~~

8 ~~Name.....~~

9 ~~Address.....~~

10 ~~The forms shall be printed in a manner approved by the board~~
11 ~~and shall be filed alphabetically by the [State Liquor Store or]~~
12 ~~licensee in a file box containing a suitable alphabetical index~~
13 ~~at or before the close of business on the day that the form is~~
14 ~~executed, and any such form shall be subject to examination by~~
15 ~~any officer, agent or employe of the enforcement bureau at any~~
16 ~~and all times.~~

17 ~~(e) No penalty shall be imposed on a licensee[,] or the~~
18 ~~licensee's employe [or State Liquor Store employe] for serving~~
19 ~~alcohol to a minor if the licensee or employe can establish that~~
20 ~~the minor was required to produce an identification card as set~~
21 ~~forth in subsection (a), the minor completed and signed the form~~
22 ~~as set forth in subsection (c) and these documents were relied~~
23 ~~upon in good faith. This defense shall apply to all civil and~~
24 ~~criminal prosecutions.~~

25 ~~(f) In addition to the defense set forth in subsection (e),~~
26 ~~no penalty shall be imposed on a licensee[,] or the licensee's~~
27 ~~employe [or State Liquor Store employe] for serving alcohol to a~~
28 ~~minor if the licensee or employe can establish that the minor~~
29 ~~was required to produce an identification card as set forth in~~
30 ~~subsection (a), a photograph, photocopy or other visual or video~~

1 ~~presentation of the identification card was made and those~~
2 ~~documents were relied upon in good faith. This defense shall~~
3 ~~apply to all civil and criminal prosecutions.~~

4 ~~(g) In addition to the defenses set forth in subsections (e)~~
5 ~~and (f), no penalty shall be imposed on a licensee[,] or a~~
6 ~~licensee's employe [or Pennsylvania Liquor Store employe] for~~
7 ~~selling alcohol to a minor if the licensee or employe can~~
8 ~~establish that the minor was required to produce an~~
9 ~~identification card as set forth in subsection (a), the~~
10 ~~identification card is identified as a valid card by a~~
11 ~~transaction scan device and the identification card and~~
12 ~~transaction scan results were relied upon in good faith. This~~
13 ~~defense shall apply to all civil and criminal prosecutions. For~~
14 ~~purposes of this section, a "transaction scan device" is a~~
15 ~~device capable of deciphering in an electronically readable~~
16 ~~format the information encoded on the magnetic strip or bar code~~
17 ~~of an identification card set forth in subsection (a).~~

18 ~~(h) No licensee or licensee's agent or employe shall sell or~~
19 ~~otherwise disseminate the information derived from a transaction~~
20 ~~scan to any third party, except to the board, the bureau or~~
21 ~~other law enforcement official, for any purpose, including, but~~
22 ~~not limited to, any marketing, advertising or promotional~~
23 ~~activities, except that a licensee or licensee's agent or~~
24 ~~employe may release that information pursuant to a court order.~~
25 ~~Any person who violates this subsection commits a summary~~
26 ~~offense and shall, upon conviction, be sentenced to pay a fine~~
27 ~~not exceeding five hundred dollars (\$500) for the first offense~~
28 ~~and to pay a fine not exceeding one thousand dollars (\$1,000)~~
29 ~~for subsequent offenses.~~

30 ~~Section 19. Repeals are as follows:~~

1 ~~(1) The General Assembly declares that the repeal under~~
2 ~~paragraph (2) is necessary to effectuate the addition of~~
3 ~~section 336 A of the act.~~

4 ~~(2) The act of June 9, 1936 (Sp.Sess., P.L.13, No.4)~~
5 ~~entitled "An act imposing an emergency State tax on liquor,~~
6 ~~as herein defined, sold by the Pennsylvania Liquor Control~~
7 ~~Board; providing for the collection and payment of such tax;~~
8 ~~and imposing duties upon the Department of Revenue and the~~
9 ~~Pennsylvania Liquor Control Board," is repealed.~~

10 ~~Section 20. This act shall take effect as follows:~~

11 ~~(1) Section 17(3) of this act shall take effect in two~~
12 ~~years.~~

13 ~~(2) The remainder of this act shall take effect~~
14 ~~immediately.~~

15 SECTION 5. SECTION 401(A) OF THE ACT, AMENDED JULY 6, 2005 ←
16 (P.L.135, NO.39), IS AMENDED TO READ:

17 SECTION 401. AUTHORITY TO ISSUE LIQUOR LICENSES TO HOTELS,
18 RESTAURANTS AND CLUBS.--(A) SUBJECT TO THE PROVISIONS OF THIS
19 ACT AND REGULATIONS PROMULGATED UNDER THIS ACT, THE BOARD SHALL
20 HAVE AUTHORITY TO ISSUE A RETAIL LIQUOR LICENSE FOR ANY PREMISES
21 KEPT OR OPERATED BY A HOTEL, RESTAURANT OR CLUB AND SPECIFIED IN
22 THE LICENSE ENTITLING THE HOTEL, RESTAURANT OR CLUB TO PURCHASE
23 LIQUOR FROM A PENNSYLVANIA LIQUOR STORE AND ANY OTHER WHOLESALE
24 WINE DISTRIBUTOR LICENSED BY THE BOARD AND TO KEEP ON THE
25 PREMISES SUCH LIQUOR AND, SUBJECT TO THE PROVISIONS OF THIS ACT
26 AND THE REGULATIONS MADE THEREUNDER, TO SELL THE SAME AND ALSO
27 MALT OR BREWED BEVERAGES TO GUESTS, PATRONS OR MEMBERS FOR
28 CONSUMPTION ON THE HOTEL, RESTAURANT OR CLUB PREMISES. SUCH
29 LICENSEES, OTHER THAN CLUBS, SHALL BE PERMITTED TO SELL MALT OR
30 BREWED BEVERAGES FOR CONSUMPTION OFF THE PREMISES WHERE SOLD IN

1 QUANTITIES OF NOT MORE THAN [ONE HUNDRED NINETY-TWO] THREE
2 HUNDRED SIXTY FLUID OUNCES IN A SINGLE SALE TO ONE PERSON AS
3 PROVIDED FOR IN SECTION 407. SUCH LICENSES SHALL BE KNOWN AS
4 HOTEL LIQUOR LICENSES, RESTAURANT LIQUOR LICENSES AND CLUB
5 LIQUOR LICENSES, RESPECTIVELY. NO PERSON WHO HOLDS, EITHER BY
6 APPOINTMENT OR ELECTION, ANY PUBLIC OFFICE WHICH INVOLVES THE
7 DUTY TO ENFORCE ANY OF THE PENAL LAWS OF THE UNITED STATES OF
8 AMERICA OR THE PENAL LAWS OF THE COMMONWEALTH OF PENNSYLVANIA OR
9 ANY PENAL ORDINANCE OR RESOLUTION OF ANY POLITICAL SUBDIVISION
10 OF THIS COMMONWEALTH SHALL BE ISSUED ANY HOTEL OR RESTAURANT
11 LIQUOR LICENSE, NOR SHALL SUCH A PERSON HAVE ANY INTEREST,
12 DIRECTLY OR INDIRECTLY, IN ANY SUCH LICENSE.

13 * * *

14 SECTION 6. SECTION 407(A) OF THE ACT, AMENDED JUNE 28, 2011
15 (P.L.55, NO.11), IS AMENDED TO READ:

16 SECTION 407. SALE OF MALT OR BREWED BEVERAGES BY LIQUOR
17 LICENSEES.--(A) EVERY LIQUOR LICENSE ISSUED TO A HOTEL,
18 RESTAURANT, CLUB, OR A RAILROAD, PULLMAN OR STEAMSHIP COMPANY
19 UNDER THIS SUBDIVISION (A) FOR THE SALE OF LIQUOR SHALL
20 AUTHORIZE THE LICENSEE TO SELL MALT OR BREWED BEVERAGES AT THE
21 SAME PLACES BUT SUBJECT TO THE SAME RESTRICTIONS AND PENALTIES
22 AS APPLY TO SALES OF LIQUOR, EXCEPT THAT LICENSEES OTHER THAN
23 CLUBS MAY SELL MALT OR BREWED BEVERAGES FOR CONSUMPTION OFF THE
24 PREMISES WHERE SOLD IN QUANTITIES OF NOT MORE THAN [ONE HUNDRED
25 NINETY-TWO] THREE HUNDRED SIXTY FLUID OUNCES IN A SINGLE SALE TO
26 ONE PERSON. THE SALES MAY BE MADE IN EITHER OPEN OR CLOSED
27 CONTAINERS, PROVIDED, HOWEVER, THAT A MUNICIPALITY MAY ADOPT AN
28 ORDINANCE RESTRICTING OPEN CONTAINERS IN PUBLIC PLACES. NO
29 LICENSEE UNDER THIS SUBDIVISION (A) SHALL AT THE SAME TIME BE
30 THE HOLDER OF ANY OTHER CLASS OF LICENSE, EXCEPT A RETAIL

1 DISPENSER'S LICENSE AUTHORIZING THE SALE OF MALT OR BREWED
2 BEVERAGES ONLY.

3 * * *

4 SECTION 7. SECTION 431(B) OF THE ACT, AMENDED DECEMBER 8,
5 2004 (P.L.1810, NO.239), IS AMENDED TO READ:

6 SECTION 431. MALT AND BREWED BEVERAGES MANUFACTURERS',
7 DISTRIBUTORS' AND IMPORTING DISTRIBUTORS' LICENSES.--* * *

8 (B) THE BOARD SHALL ISSUE TO ANY REPUTABLE PERSON WHO
9 APPLIES THEREFOR, AND PAYS THE LICENSE FEE HEREINAFTER
10 PRESCRIBED, A DISTRIBUTOR'S OR IMPORTING DISTRIBUTOR'S LICENSE
11 FOR THE PLACE WHICH SUCH PERSON DESIRES TO MAINTAIN FOR THE SALE
12 OF MALT OR BREWED BEVERAGES, NOT FOR CONSUMPTION ON THE PREMISES
13 WHERE SOLD, AND IN QUANTITIES OF NOT LESS THAN A CASE OR
14 ORIGINAL CONTAINERS CONTAINING [ONE HUNDRED TWENTY-EIGHT]
15 NINETY-SIX OUNCES OR MORE WHICH MAY BE SOLD SEPARATELY AS
16 PREPARED FOR THE MARKET BY THE MANUFACTURER AT THE PLACE OF
17 MANUFACTURE. THE BOARD SHALL HAVE THE DISCRETION TO REFUSE A
18 LICENSE TO ANY PERSON OR TO ANY CORPORATION, PARTNERSHIP OR
19 ASSOCIATION IF SUCH PERSON, OR ANY OFFICER OR DIRECTOR OF SUCH
20 CORPORATION, OR ANY MEMBER OR PARTNER OF SUCH PARTNERSHIP OR
21 ASSOCIATION SHALL HAVE BEEN CONVICTED OR FOUND GUILTY OF A
22 FELONY WITHIN A PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE
23 DATE OF APPLICATION FOR THE SAID LICENSE: AND PROVIDED FURTHER,
24 THAT, IN THE CASE OF ANY NEW LICENSE OR THE TRANSFER OF ANY
25 LICENSE TO A NEW LOCATION, THE BOARD MAY, IN ITS DISCRETION,
26 GRANT OR REFUSE SUCH NEW LICENSE OR TRANSFER IF SUCH PLACE
27 PROPOSED TO BE LICENSED IS WITHIN THREE HUNDRED FEET OF ANY
28 CHURCH, HOSPITAL, CHARITABLE INSTITUTION, SCHOOL OR PUBLIC
29 PLAYGROUND, OR IF SUCH NEW LICENSE OR TRANSFER IS APPLIED FOR A
30 PLACE WHICH IS WITHIN TWO HUNDRED FEET OF ANY OTHER PREMISES

1 WHICH IS LICENSED BY THE BOARD: AND PROVIDED FURTHER, THAT THE
2 BOARD SHALL REFUSE ANY APPLICATION FOR A NEW LICENSE OR THE
3 TRANSFER OF ANY LICENSE TO A NEW LOCATION IF, IN THE BOARD'S
4 OPINION, SUCH NEW LICENSE OR TRANSFER WOULD BE DETRIMENTAL TO
5 THE WELFARE, HEALTH, PEACE AND MORALS OF THE INHABITANTS OF THE
6 NEIGHBORHOOD WITHIN A RADIUS OF FIVE HUNDRED FEET OF THE PLACE
7 PROPOSED TO BE LICENSED. [THE BOARD SHALL REFUSE ANY APPLICATION
8 FOR A NEW LICENSE OR THE TRANSFER OF ANY LICENSE TO A LOCATION
9 WHERE THE SALE OF LIQUID FUELS OR OIL IS CONDUCTED.] THE BOARD
10 MAY ENTER INTO AN AGREEMENT WITH THE APPLICANT CONCERNING
11 ADDITIONAL RESTRICTIONS ON THE LICENSE IN QUESTION. IF THE BOARD
12 AND THE APPLICANT ENTER INTO SUCH AN AGREEMENT, SUCH AGREEMENT
13 SHALL BE BINDING ON THE APPLICANT. FAILURE BY THE APPLICANT TO
14 ADHERE TO THE AGREEMENT WILL BE SUFFICIENT CAUSE TO FORM THE
15 BASIS FOR A CITATION UNDER SECTION 471 AND FOR THE NONRENEWAL OF
16 THE LICENSE UNDER SECTION 470. IF THE BOARD ENTERS INTO AN
17 AGREEMENT WITH AN APPLICANT CONCERNING ADDITIONAL RESTRICTIONS,
18 THOSE RESTRICTIONS SHALL BE BINDING ON SUBSEQUENT HOLDERS OF THE
19 LICENSE UNTIL THE LICENSE IS TRANSFERRED TO A NEW LOCATION OR
20 UNTIL THE BOARD ENTERS INTO A SUBSEQUENT AGREEMENT REMOVING
21 THOSE RESTRICTIONS. IF THE APPLICATION IN QUESTION INVOLVES A
22 LOCATION PREVIOUSLY LICENSED BY THE BOARD, THEN ANY RESTRICTIONS
23 IMPOSED BY THE BOARD ON THE PREVIOUS LICENSE AT THAT LOCATION
24 SHALL BE BINDING ON THE APPLICANT UNLESS THE BOARD ENTERS INTO A
25 NEW AGREEMENT RESCINDING THOSE RESTRICTIONS. THE BOARD SHALL
26 REQUIRE NOTICE TO BE POSTED ON THE PROPERTY OR PREMISES UPON
27 WHICH THE LICENSEE OR PROPOSED LICENSEE WILL ENGAGE IN SALES OF
28 MALT OR BREWED BEVERAGES. THIS NOTICE SHALL BE SIMILAR TO THE
29 NOTICE REQUIRED OF HOTEL, RESTAURANT AND CLUB LIQUOR LICENSEES.
30 EXCEPT AS HEREINAFTER PROVIDED, SUCH LICENSE SHALL AUTHORIZE

1 THE HOLDER THEREOF TO SELL OR DELIVER MALT OR BREWED BEVERAGES
2 IN QUANTITIES ABOVE SPECIFIED ANYWHERE WITHIN THE COMMONWEALTH
3 OF PENNSYLVANIA, WHICH, IN THE CASE OF DISTRIBUTORS, HAVE BEEN
4 PURCHASED ONLY FROM PERSONS LICENSED UNDER THIS ACT AS
5 MANUFACTURERS OR IMPORTING DISTRIBUTORS, AND IN THE CASE OF
6 IMPORTING DISTRIBUTORS, HAVE BEEN PURCHASED FROM MANUFACTURERS
7 OR PERSONS OUTSIDE THIS COMMONWEALTH ENGAGED IN THE LEGAL SALE
8 OF MALT OR BREWED BEVERAGES OR FROM MANUFACTURERS OR IMPORTING
9 DISTRIBUTORS LICENSED UNDER THIS ARTICLE. SHOULD A DISTRIBUTOR
10 LICENSEE APPLY FOR AND RECEIVE AN ENHANCED DISTRIBUTOR LICENSE
11 UNDER SECTION 431.2, THAT DISTRIBUTOR WILL ALSO BE ALLOWED TO
12 SELL WINE IN ANY QUANTITY ON THE SAME PREMISES WHERE MALT OR
13 BREWED BEVERAGES ARE AUTHORIZED TO BE SOLD. IN THE CASE OF AN
14 IMPORTING DISTRIBUTOR, THE HOLDER OF SUCH A LICENSE SHALL BE
15 AUTHORIZED TO STORE AND REPACKAGE MALT OR BREWED BEVERAGES OWNED
16 BY A MANUFACTURER AT A SEGREGATED PORTION OF A WAREHOUSE OR
17 OTHER STORAGE FACILITY AUTHORIZED BY SECTION 441(D) AND OPERATED
18 BY THE IMPORTING DISTRIBUTOR WITHIN ITS APPOINTED TERRITORY AND
19 DELIVER SUCH BEVERAGES TO ANOTHER IMPORTING DISTRIBUTOR WHO HAS
20 BEEN GRANTED DISTRIBUTION RIGHTS BY THE MANUFACTURER AS PROVIDED
21 HEREIN. THE IMPORTING DISTRIBUTOR SHALL BE PERMITTED TO RECEIVE
22 A FEE FROM THE MANUFACTURER FOR ANY RELATED STORAGE, REPACKAGING
23 OR DELIVERY SERVICES. IN THE CASE OF A BAILEE FOR HIRE HIRED BY
24 A MANUFACTURER, THE HOLDER OF SUCH A PERMIT SHALL BE AUTHORIZED:
25 TO RECEIVE, STORE AND REPACKAGE MALT OR BREWED BEVERAGES
26 PRODUCED BY THAT MANUFACTURER FOR SALE BY THAT MANUFACTURER TO
27 IMPORTING DISTRIBUTORS TO WHOM THAT MANUFACTURER HAS GIVEN
28 DISTRIBUTION RIGHTS PURSUANT TO THIS SUBSECTION OR TO PURCHASERS
29 OUTSIDE THIS COMMONWEALTH FOR DELIVERY OUTSIDE THIS
30 COMMONWEALTH; OR TO SHIP TO THAT MANUFACTURER'S STORAGE

1 FACILITIES OUTSIDE THIS COMMONWEALTH. THE BAILEE FOR HIRE SHALL
2 BE PERMITTED TO RECEIVE A FEE FROM THE MANUFACTURER FOR ANY
3 RELATED STORAGE, REPACKAGING OR DELIVERY SERVICES. THE BAILEE
4 FOR HIRE SHALL, AS REQUIRED IN ARTICLE V OF THIS ACT, KEEP
5 COMPLETE AND ACCURATE RECORDS OF ALL TRANSACTIONS, INVENTORY,
6 RECEIPTS AND SHIPMENTS AND MAKE ALL RECORDS AND THE LICENSED
7 AREAS AVAILABLE FOR INSPECTION BY THE BOARD AND FOR THE
8 PENNSYLVANIA STATE POLICE, BUREAU OF LIQUOR CONTROL ENFORCEMENT,
9 DURING NORMAL BUSINESS HOURS.

10 EACH OUT OF STATE MANUFACTURER OF MALT OR BREWED BEVERAGES
11 WHOSE PRODUCTS ARE SOLD AND DELIVERED IN THIS COMMONWEALTH SHALL
12 GIVE DISTRIBUTING RIGHTS FOR SUCH PRODUCTS IN DESIGNATED
13 GEOGRAPHICAL AREAS TO SPECIFIC IMPORTING DISTRIBUTORS, AND SUCH
14 IMPORTING DISTRIBUTOR SHALL NOT SELL OR DELIVER MALT OR BREWED
15 BEVERAGES MANUFACTURED BY THE OUT OF STATE MANUFACTURER TO ANY
16 PERSON ISSUED A LICENSE UNDER THE PROVISIONS OF THIS ACT WHOSE
17 LICENSED PREMISES ARE NOT LOCATED WITHIN THE GEOGRAPHICAL AREA
18 FOR WHICH HE HAS BEEN GIVEN DISTRIBUTING RIGHTS BY SUCH
19 MANUFACTURER. SHOULD A LICENSEE ACCEPT THE DELIVERY OF SUCH MALT
20 OR BREWED BEVERAGES IN VIOLATION OF THIS SECTION, SAID LICENSEE
21 SHALL BE SUBJECT TO A SUSPENSION OF HIS LICENSE FOR AT LEAST
22 THIRTY DAYS: PROVIDED, THAT THE IMPORTING DISTRIBUTOR HOLDING
23 SUCH DISTRIBUTING RIGHTS FOR SUCH PRODUCT SHALL NOT SELL OR
24 DELIVER THE SAME TO ANOTHER IMPORTING DISTRIBUTOR WITHOUT FIRST
25 HAVING ENTERED INTO A WRITTEN AGREEMENT WITH THE SAID SECONDARY
26 IMPORTING DISTRIBUTOR SETTING FORTH THE TERMS AND CONDITIONS
27 UNDER WHICH SUCH PRODUCTS ARE TO BE RESOLD WITHIN THE TERRITORY
28 GRANTED TO THE PRIMARY IMPORTING DISTRIBUTOR BY THE
29 MANUFACTURER.

30 WHEN A PENNSYLVANIA MANUFACTURER OF MALT OR BREWED BEVERAGES

1 LICENSED UNDER THIS ARTICLE NAMES OR CONSTITUTES A DISTRIBUTOR
2 OR IMPORTING DISTRIBUTOR AS THE PRIMARY OR ORIGINAL SUPPLIER OF
3 HIS PRODUCT, HE SHALL ALSO DESIGNATE THE SPECIFIC GEOGRAPHICAL
4 AREA FOR WHICH THE SAID DISTRIBUTOR OR IMPORTING DISTRIBUTOR IS
5 GIVEN DISTRIBUTING RIGHTS, AND SUCH DISTRIBUTOR OR IMPORTING
6 DISTRIBUTOR SHALL NOT SELL OR DELIVER THE PRODUCTS OF SUCH
7 MANUFACTURER TO ANY PERSON ISSUED A LICENSE UNDER THE PROVISIONS
8 OF THIS ACT WHOSE LICENSED PREMISES ARE NOT LOCATED WITHIN THE
9 GEOGRAPHICAL AREA FOR WHICH DISTRIBUTING RIGHTS HAVE BEEN GIVEN
10 TO THE DISTRIBUTOR AND IMPORTING DISTRIBUTOR BY THE SAID
11 MANUFACTURER: PROVIDED, THAT THE IMPORTING DISTRIBUTOR HOLDING
12 SUCH DISTRIBUTING RIGHTS FOR SUCH PRODUCT SHALL NOT SELL OR
13 DELIVER THE SAME TO ANOTHER IMPORTING DISTRIBUTOR WITHOUT FIRST
14 HAVING ENTERED INTO A WRITTEN AGREEMENT WITH THE SAID SECONDARY
15 IMPORTING DISTRIBUTOR SETTING FORTH THE TERMS AND CONDITIONS
16 UNDER WHICH SUCH PRODUCTS ARE TO BE RESOLD WITHIN THE TERRITORY
17 GRANTED TO THE PRIMARY IMPORTING DISTRIBUTOR BY THE
18 MANUFACTURER. NOTHING HEREIN CONTAINED SHALL BE CONSTRUED TO
19 PREVENT ANY MANUFACTURER FROM AUTHORIZING THE IMPORTING
20 DISTRIBUTOR HOLDING THE DISTRIBUTING RIGHTS FOR A DESIGNATED
21 GEOGRAPHICAL AREA FROM SELLING THE PRODUCTS OF SUCH MANUFACTURER
22 TO ANOTHER IMPORTING DISTRIBUTOR ALSO HOLDING DISTRIBUTING
23 RIGHTS FROM THE SAME MANUFACTURER FOR ANOTHER GEOGRAPHICAL AREA,
24 PROVIDING SUCH AUTHORITY BE CONTAINED IN WRITING AND A COPY
25 THEREOF BE GIVEN TO EACH OF THE IMPORTING DISTRIBUTORS SO
26 AFFECTED.

27 * * *

28 SECTION 8. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

29 SECTION 431.2. ENHANCED DISTRIBUTOR'S LICENSE; FEES;
30 PRIVILEGES; RESTRICTIONS.-- (A) NOTWITHSTANDING ANY OTHER

1 PROVISION OF THIS ACT TO THE CONTRARY, THE HOLDER OF A
2 DISTRIBUTOR LICENSE MAY CONVERT THE DISTRIBUTOR LICENSE TO AN
3 ENHANCED DISTRIBUTOR LICENSE BY REGISTERING WITH THE BOARD AS AN
4 ENHANCED DISTRIBUTOR LICENSEE AND PAYING A ONE-TIME CONVERSION
5 FEE OF FIFTY THOUSAND DOLLARS (\$50,000). THE BOARD SHALL HAVE
6 THE DISCRETION TO REFUSE AN ENHANCED LICENSE TO ANY PERSON OR TO
7 ANY CORPORATION, PARTNERSHIP OR ASSOCIATION IF SUCH PERSON, OR
8 ANY OFFICER OR DIRECTOR OF SUCH CORPORATION OR ANY MEMBER OR
9 PARTNER OF SUCH PARTNERSHIP OR ASSOCIATION SHALL HAVE BEEN
10 CONVICTED OR FOUND GUILTY OF A FELONY WITHIN A PERIOD OF TIME OF
11 FIVE YEARS IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR THE
12 SAID ENHANCED LICENSE. IN THE CASE OF ANY NEW ENHANCED LICENSE
13 OR THE TRANSFER OF ANY ENHANCED LICENSE TO A NEW LOCATION, THE
14 BOARD MAY, IN ITS DISCRETION, GRANT OR REFUSE SUCH NEW ENHANCED
15 LICENSE OR TRANSFER IF SUCH PLACE PROPOSED TO BE LICENSED IS
16 WITHIN THREE HUNDRED FEET OF ANY CHURCH, HOSPITAL, CHARITABLE
17 INSTITUTION, SCHOOL OR PUBLIC PLAYGROUND, OR IF SUCH NEW
18 ENHANCED LICENSE OR TRANSFER IS APPLIED FOR A PLACE WHICH IS
19 WITHIN TWO HUNDRED FEET OF ANY OTHER PREMISES WHICH IS LICENSED
20 BY THE BOARD. AND PROVIDED FURTHER THAT THE BOARD SHALL REFUSE
21 ANY APPLICATION FOR A NEW ENHANCED LICENSE OR THE TRANSFER OF
22 ANY ENHANCED LICENSE TO A NEW LOCATION IF, IN THE BOARD'S
23 OPINION, SUCH NEW LICENSE OR TRANSFER WOULD BE DETRIMENTAL TO
24 THE WELFARE, HEALTH, PEACE AND MORALS OF THE INHABITANTS OF THE
25 NEIGHBORHOOD WITHIN A RADIUS OF FIVE HUNDRED FEET OF THE PLACE
26 PROPOSED TO BE LICENSED. THE BOARD MAY ENTER INTO AN AGREEMENT
27 WITH THE APPLICANT CONCERNING ADDITIONAL RESTRICTIONS ON THE
28 ENHANCED LICENSE IN QUESTION. IF THE BOARD AND THE APPLICANT
29 ENTER INTO SUCH AN AGREEMENT, SUCH AGREEMENT SHALL BE BINDING ON
30 THE APPLICANT. FAILURE BY THE APPLICANT TO ADHERE TO THE

1 AGREEMENT WILL BE SUFFICIENT CAUSE TO FORM THE BASIS FOR A
2 CITATION UNDER SECTION 471 AND FOR THE NONRENEWAL OF THE
3 ENHANCED LICENSE UNDER SECTION 470. IF THE BOARD ENTERS INTO AN
4 AGREEMENT WITH AN APPLICANT CONCERNING ADDITIONAL RESTRICTIONS,
5 THOSE RESTRICTIONS SHALL BE BINDING ON SUBSEQUENT HOLDERS OF THE
6 ENHANCED LICENSE UNTIL THE ENHANCED LICENSE IS TRANSFERRED TO A
7 NEW LOCATION OR UNTIL THE BOARD ENTERS INTO A SUBSEQUENT
8 AGREEMENT REMOVING THOSE RESTRICTIONS. IF THE APPLICATION IN
9 QUESTION INVOLVES A LOCATION PREVIOUSLY LICENSED BY THE BOARD,
10 THEN ANY RESTRICTIONS IMPOSED BY THE BOARD ON THE PREVIOUS
11 LICENSE AT THAT LOCATION SHALL BE BINDING ON THE APPLICANT
12 UNLESS THE BOARD ENTERS INTO A NEW AGREEMENT RESCINDING THOSE
13 RESTRICTIONS. THE BOARD SHALL REQUIRE NOTICE TO BE POSTED ON THE
14 PROPERTY OR PREMISES UPON WHICH THE LICENSEE OR PROPOSED
15 LICENSEE WILL ENGAGE IN SALES OF MALT OR BREWED BEVERAGES AND
16 WINE. THIS NOTICE SHALL BE SIMILAR TO THE NOTICE REQUIRED OF
17 HOTEL, RESTAURANT AND CLUB LIQUOR LICENSEES.

18 (B) ENHANCED DISTRIBUTOR LICENSEES SHALL PAY AN ANNUAL
19 RENEWAL FEE OF FIFTEEN THOUSAND DOLLARS (\$15,000) TO THE BOARD.
20 IF THE RENEWAL FEE IS NOT TIMELY PAID, THEN THE ENHANCED
21 DISTRIBUTOR LICENSE SHALL BE SUSPENDED UNTIL SUCH TIME AS THE
22 FEE IS PAID.

23 (C) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT TO THE
24 CONTRARY, AN ENHANCED DISTRIBUTOR LICENSEE MAY SELL WINE NOT FOR
25 CONSUMPTION ON THE PREMISES WHERE SOLD IN ANY QUANTITY; AND MALT
26 OR BREWED BEVERAGES, NOT FOR CONSUMPTION ON THE PREMISES WHERE
27 SOLD, AND IN QUALITIES OF NOT LESS THAN A CASE OR ORIGINAL
28 CONTAINERS CONTAINING NINETY SIX FLUID OUNCES OR MORE, WHICH MAY
29 BE SOLD SEPARATELY AS PREPARED FOR THE MARKET BY THE
30 MANUFACTURER AT THE PLACE OF MANUFACTURE.

1 (D) THE HOLDER OF AN ENHANCED DISTRIBUTOR LICENSE MAY
2 PROVIDE TASTING SAMPLES OF WINE IN INDIVIDUAL PORTIONS NOT TO
3 EXCEED ONE FLUID OUNCE ON THE LICENSED PREMISES.

4 (E) ENHANCED DISTRIBUTOR LICENSES SHALL BE SUBJECT TO THE
5 SAME QUOTA AS DISTRIBUTOR LICENSES AND MAY BE TRANSFERRED FROM
6 PERSON TO PERSON, PLACE TO PLACE OR BOTH.

7 (F) IF THE HOLDER OF AN ENHANCED DISTRIBUTOR LICENSE HAS
8 BEEN CITED AND FOUND IN VIOLATION OF SECTION 493(1) INSOFAR AS
9 IT RELATES TO SALES TO MINORS OR SALES TO VISIBLY INTOXICATED
10 PERSONS, THE ADMINISTRATIVE LAW JUDGE MAY SUSPEND THE LICENSE OR
11 IMPOSE A FINE OF NOT LESS THAN FIVE THOUSAND DOLLARS (\$5,000)
12 NOR MORE THAN TWENTY THOUSAND DOLLARS (\$20,000), BUT NOT BOTH.

13 SECTION 431.3. APPLICATION FOR ENHANCED DISTRIBUTOR
14 LICENSE.--(A) APPLICATION FOR AN ENHANCED DISTRIBUTOR LICENSE
15 SHALL CONTAIN OR HAVE ATTACHED THERETO THE FOLLOWING INFORMATION
16 AND STATEMENTS:

17 (1) THE NAME AND RESIDENCE OF THE APPLICANT AND HOW LONG HE
18 OR SHE HAS RESIDED THERE AND IF AN ASSOCIATION, PARTNERSHIP OR
19 CORPORATION, THE RESIDENCES OF THE MEMBERS, OFFICERS AND
20 DIRECTORS FOR THE PERIOD OF TWO YEARS NEXT PRECEDING THE DATE OF
21 SUCH APPLICATION.

22 (2) THE PARTICULAR PLACE FOR WHERE THE LICENSE IS DESIRED
23 AND A DETAILED DESCRIPTION THEREOF. THE DESCRIPTION, INFORMATION
24 AND PLANS REFERRED TO IN THIS SECTION SHALL SHOW THE PREMISES AT
25 THE TIME THE APPLICATION IS MADE, AND SHALL SHOW ANY ALTERATIONS
26 PROPOSED TO BE MADE THERETO. NO PHYSICAL ALTERATIONS,
27 IMPROVEMENTS OR CHANGES SHALL BE REQUIRED TO BE MADE TO ANY
28 DISTRIBUTOR NOR SHALL ANY NEW BUILDING FOR ANY SUCH PURPOSE BE
29 REQUIRED TO BE CONSTRICTED UNTIL APPROVAL OF THE APPLICATION FOR
30 THE LICENSE BY THE BOARD. AFTER APPROVAL OF THE APPLICATION, THE

1 LICENSEE SHALL MAKE THE PHYSICAL ALTERATIONS, IMPROVEMENTS AND
2 CHANGES TO THE LICENSED PREMISES IN THE MANNER SPECIFIED BY THE
3 BOARD AT THE TIME OF APPROVAL. THE LICENSEE SHALL NOT TRANSACT
4 ANY BUSINESS UNDER THE ENHANCED LICENSE UNTIL THE BOARD HAS
5 APPROVED THE COMPLETED PHYSICAL ALTERATIONS, IMPROVEMENTS AND
6 CHANGES OF THE LICENSED PREMISES AS CONFORMING TO THE
7 SPECIFICATIONS REQUIRED BY THE BOARD AT THE TIME OF ISSUANCE OF
8 THE ENHANCED LICENSE AS SET FORTH IN THIS ACT. THE BOARD MAY
9 REQUIRE THAT ALL SUCH ALTERATIONS OR CONFORMITY TO DEFINITION BE
10 COMPLETED WITHIN SIX MONTHS FROM THE TIME OF ISSUANCE OF THE
11 ENHANCED LICENSE. FAILURE TO COMPLY WITH THESE REQUIREMENTS
12 SHALL BE CONSIDERED CAUSE FOR REVOCATION OF THE LICENSE.

13 (3) PLACE OF BIRTH OF APPLICANT AND, IF A NATURALIZED
14 CITIZEN, WHERE AND WHEN NATURALIZED, AND IF A CORPORATION
15 ORGANIZED OR REGISTERED UNDER THE LAWS OF THE COMMONWEALTH,
16 WHERE AND WHEN INCORPORATED, WITH THE NAMES AND ADDRESSES OF
17 EACH OFFICER AND DIRECTOR, ALL OF WHOM SHALL BE CITIZENS OF THE
18 UNITED STATES. IF THE APPLICATION IS FOR AN ENHANCED DISTRIBUTOR
19 LICENSE AND THE APPLICANT THEREFOR IS A CORPORATION, THE
20 APPLICATION SHALL ALSO CONTAIN A STATEMENT OF FACTS SHOWING THE
21 QUALIFICATIONS OF THE CORPORATION, AS HEREINBEFORE REQUIRED,
22 TOGETHER WITH THE NAMES AND ADDRESSES OF ALL STOCKHOLDERS.

23 (4) NAME OF THE OWNER OF PREMISES AND HIS RESIDENCE.

24 (5) THAT THE APPLICANT IS NOT, OR IN CASE OF A PARTNERSHIP
25 OR ASSOCIATION, THAT THE MEMBERS OR PARTNERS ARE NOT, AND IN THE
26 CASE OF A CORPORATION, THAT THE OFFICERS AND DIRECTORS ARE NOT,
27 IN ANY MANNER PECUNIARILY INTERESTED, EITHER DIRECTLY OR
28 INDIRECTLY, IN THE PROFITS OF ANY OTHER CLASS OF BUSINESS
29 REGULATED UNDER THIS ARTICLE, EXCEPT AS HEREINAFTER PERMITTED.

30 (6) THAT APPLICANT IS THE ONLY PERSON IN ANY MANNER

1 PECUNIARILY INTERESTED IN THE BUSINESS SO ASKED TO BE GRANTED AN
2 ENHANCED DISTRIBUTOR LICENSE, AND THAT NO OTHER PERSON SHALL BE
3 IN ANY MANNER PECUNIARILY INTERESTED THEREIN DURING THE
4 CONTINUANCE OF THE LICENSE, EXCEPT AS HEREINAFTER PERMITTED.

5 (7) WHETHER AN APPLICANT, OR IN THE CASE OF A PARTNERSHIP OR
6 ASSOCIATION, ANY MEMBER OR PARTNER THEREOF, OR IN CASE OF A
7 CORPORATION, ANY OFFICER OR DIRECTOR THEREOF, HAS DURING THE
8 THREE YEARS IMMEDIATELY PRECEDING THE DATE OF SAID APPLICATION
9 HAD A LICENSE FOR THE SALE OF MALT OR BREWED BEVERAGES OR
10 SPIRITUOUS AND VINOUS LIQUORS REVOKED, OR HAS DURING THE SAME
11 PERIOD BEEN CONVICTED OF A CRIMINAL OFFENSE, AND IF SO, A
12 DETAILED HISTORY THEREOF.

13 (8) A FULL DESCRIPTION OF THAT PORTION OF THE PREMISES FOR
14 WHICH THE ENHANCED LICENSE IS ASKED.

15 (B) THE APPLICATION MUST BE VERIFIED BY AFFIDAVIT OF
16 APPLICANT, AND IF ANY FALSE STATEMENT IS INTENTIONALLY MADE IN
17 ANY PART OF THE APPLICATION, THE AFFIANT SHALL BE DEEMED GUILTY
18 OF A MISDEMEANOR AND, UPON CONVICTION, SHALL BE SUBJECT TO THE
19 PENALTIES PROVIDED BY THIS ARTICLE.

20 SECTION 9. SECTION 432 (D) OF THE ACT, AMENDED JANUARY 6,
21 2006 (P.L.1, NO.1), IS AMENDED TO READ:

22 SECTION 432. MALT AND BREWED BEVERAGES RETAIL LICENSES.--* *

23 *

24 (D) THE BOARD SHALL, IN ITS DISCRETION, GRANT OR REFUSE ANY
25 NEW LICENSE, THE TRANSFER OF ANY LICENSE TO A NEW LOCATION OR
26 THE EXTENSION OF AN EXISTING LICENSE TO COVER AN ADDITIONAL AREA
27 IF SUCH PLACE PROPOSED TO BE LICENSED IS WITHIN THREE HUNDRED
28 FEET OF ANY CHURCH, HOSPITAL, CHARITABLE INSTITUTION, SCHOOL, OR
29 PUBLIC PLAYGROUND, OR IF SUCH NEW LICENSE, TRANSFER OR EXTENSION
30 IS APPLIED FOR A PLACE WHICH IS WITHIN TWO HUNDRED FEET OF ANY

1 OTHER PREMISES WHICH IS LICENSED BY THE BOARD. THE BOARD SHALL
2 REFUSE ANY APPLICATION FOR A NEW LICENSE, THE TRANSFER OF ANY
3 LICENSE TO A NEW LOCATION OR THE EXTENSION OF AN EXISTING
4 LICENSE TO COVER AN ADDITIONAL AREA IF, IN THE BOARD'S OPINION,
5 SUCH NEW LICENSE, TRANSFER OR EXTENSION WOULD BE DETRIMENTAL TO
6 THE WELFARE, HEALTH, PEACE AND MORALS OF THE INHABITANTS OF THE
7 NEIGHBORHOOD WITHIN A RADIUS OF FIVE HUNDRED FEET OF THE PLACE
8 TO BE LICENSED. THE BOARD MAY ENTER INTO AN AGREEMENT WITH THE
9 APPLICANT CONCERNING ADDITIONAL RESTRICTIONS ON THE LICENSE IN
10 QUESTION. IF THE BOARD AND THE APPLICANT ENTER INTO SUCH AN
11 AGREEMENT, SUCH AGREEMENT SHALL BE BINDING ON THE APPLICANT.
12 FAILURE BY THE APPLICANT TO ADHERE TO THE AGREEMENT WILL BE
13 SUFFICIENT CAUSE TO FORM THE BASIS FOR A CITATION UNDER SECTION
14 471 AND FOR THE NONRENEWAL OF THE LICENSE UNDER SECTION 470. IF
15 THE BOARD ENTERS INTO AN AGREEMENT WITH AN APPLICANT CONCERNING
16 ADDITIONAL RESTRICTIONS, THOSE RESTRICTIONS SHALL BE BINDING ON
17 SUBSEQUENT HOLDERS OF THE LICENSE UNTIL THE LICENSE IS
18 TRANSFERRED TO A NEW LOCATION OR UNTIL THE BOARD ENTERS INTO A
19 SUBSEQUENT AGREEMENT REMOVING THOSE RESTRICTIONS. IF THE
20 APPLICATION IN QUESTION INVOLVES A LOCATION PREVIOUSLY LICENSED
21 BY THE BOARD, THEN ANY RESTRICTIONS IMPOSED BY THE BOARD ON THE
22 PREVIOUS LICENSE AT THAT LOCATION SHALL BE BINDING ON THE
23 APPLICANT UNLESS THE BOARD ENTERS INTO A NEW AGREEMENT
24 RESCINDING THOSE RESTRICTIONS. [THE BOARD SHALL REFUSE ANY
25 APPLICATION FOR A NEW LICENSE, THE TRANSFER OF ANY LICENSE TO A
26 LOCATION WHERE THE SALE OF LIQUID FUELS OR OIL IS CONDUCTED OR
27 THE EXTENSION OF AN EXISTING LICENSE TO COVER AN ADDITIONAL
28 AREA: AND PROVIDED FURTHER, THAT THE] THE BOARD SHALL HAVE THE
29 DISCRETION TO REFUSE A LICENSE TO ANY PERSON OR TO ANY
30 CORPORATION, PARTNERSHIP OR ASSOCIATION IF SUCH PERSON, OR ANY

1 OFFICER OR DIRECTOR OF SUCH CORPORATION, OR ANY MEMBER OR
2 PARTNER OF SUCH PARTNERSHIP OR ASSOCIATION SHALL HAVE BEEN
3 CONVICTED OR FOUND GUILTY OF A FELONY WITHIN A PERIOD OF FIVE
4 YEARS IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR THE SAID
5 LICENSE. THE BOARD MAY, IN ITS DISCRETION, REFUSE AN APPLICATION
6 FOR AN ECONOMIC DEVELOPMENT LICENSE UNDER SECTION 461(B.1) OR AN
7 APPLICATION FOR AN INTERMUNICIPAL TRANSFER OR A LICENSE IF THE
8 BOARD RECEIVES A PROTEST FROM THE GOVERNING BODY OF THE
9 RECEIVING MUNICIPALITY. THE RECEIVING MUNICIPALITY OF AN
10 INTERMUNICIPAL TRANSFER OR AN ECONOMIC DEVELOPMENT LICENSE UNDER
11 SECTION 461(B.1) MAY FILE A PROTEST AGAINST THE APPROVAL FOR
12 ISSUANCE OF A LICENSE FOR ECONOMIC DEVELOPMENT OR AN
13 INTERMUNICIPAL TRANSFER OF A LICENSE INTO ITS MUNICIPALITY, AND
14 SUCH MUNICIPALITY SHALL HAVE STANDING IN A HEARING TO PRESENT
15 TESTIMONY IN SUPPORT OF OR AGAINST THE ISSUANCE OR TRANSFER OF A
16 LICENSE. UPON ANY OPENING IN ANY QUOTA, AN APPLICATION FOR A NEW
17 LICENSE SHALL ONLY BE FILED WITH THE BOARD FOR A PERIOD OF SIX
18 MONTHS FOLLOWING SAID OPENING.

19 * * *

20 SECTION 10. SECTION 441(B) OF THE ACT, AMENDED DECEMBER 9,
21 2002 (P.L.1653, NO.212), IS AMENDED AND THE SECTION IS AMENDED
22 BY ADDING A SUBSECTION TO READ:

23 SECTION 441. DISTRIBUTORS' AND IMPORTING DISTRIBUTORS'
24 RESTRICTIONS ON SALES, STORAGE, ETC.--* * *

25 (B) NO DISTRIBUTOR OR IMPORTING DISTRIBUTOR SHALL SELL ANY
26 MALT OR BREWED BEVERAGES IN QUANTITIES OF LESS THAN A CASE OR
27 ORIGINAL CONTAINERS CONTAINING [ONE HUNDRED TWENTY-EIGHT]
28 NINETY-SIX OUNCES OR MORE WHICH MAY BE SOLD SEPARATELY:
29 PROVIDED, THAT NO MALT OR BREWED BEVERAGES SOLD OR DELIVERED
30 SHALL BE CONSUMED UPON THE PREMISES OF THE DISTRIBUTOR OR

1 IMPORTING DISTRIBUTOR, OR IN ANY PLACE PROVIDED FOR SUCH PURPOSE
2 BY SUCH DISTRIBUTOR OR IMPORTING DISTRIBUTOR. [NOTWITHSTANDING
3 ANY OTHER PROVISION OF THIS SECTION OR ACT, MALT OR BREWED
4 BEVERAGES WHICH ARE PART OF A TASTING CONDUCTED PURSUANT TO THE
5 BOARD'S REGULATIONS MAY BE CONSUMED ON LICENSED PREMISES.]

6 * * *

7 (G.1) NO DISTRIBUTOR SHALL ENGAGE IN THE SALE OF WINE
8 WITHOUT FIRST OBTAINING AN ENHANCED DISTRIBUTORS LICENSE AS
9 PROVIDED FOR IN SECTION 431.2. AN ENHANCED DISTRIBUTOR LICENSE
10 MAY NOT BE APPROVED FOR ANY PREMISES OTHER THAN THOSE WHERE THE
11 SALE OF MALT AND BREWED BEVERAGES IS ALREADY APPROVED.

12 * * *

13 SECTION 11. SECTION 442(A) OF THE ACT, AMENDED NOVEMBER 29,
14 2006 (P.L.1421, NO.155) AND JUNE 28, 2011 (P.L.55, NO.11), IS
15 AMENDED TO READ:

16 SECTION 442. RETAIL DISPENSERS' RESTRICTIONS ON PURCHASES
17 AND SALES.--(A) (1) NO RETAIL DISPENSER SHALL PURCHASE OR
18 RECEIVE ANY MALT OR BREWED BEVERAGES EXCEPT IN ORIGINAL
19 CONTAINERS AS PREPARED FOR THE MARKET BY THE MANUFACTURER AT THE
20 PLACE OF MANUFACTURE. THE RETAIL DISPENSER MAY THEREAFTER BREAK
21 THE BULK UPON THE LICENSED PREMISES AND SELL OR DISPENSE THE
22 SAME FOR CONSUMPTION ON OR OFF THE PREMISES SO LICENSED. NO
23 RETAIL DISPENSER MAY SELL MALT OR BREWED BEVERAGES FOR
24 CONSUMPTION OFF THE PREMISES IN QUANTITIES IN EXCESS OF [ONE
25 HUNDRED NINETY-TWO] THREE HUNDRED SIXTY FLUID OUNCES. SALES MAY
26 BE MADE IN OPEN OR CLOSED CONTAINERS, PROVIDED, HOWEVER, THAT A
27 MUNICIPALITY MAY ADOPT AN ORDINANCE RESTRICTING OPEN CONTAINERS
28 IN PUBLIC PLACES. NO CLUB LICENSEE MAY SELL ANY MALT OR BREWED
29 BEVERAGES FOR CONSUMPTION OFF THE PREMISES WHERE SOLD OR TO
30 PERSONS NOT MEMBERS OF THE CLUB.

1 (2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW OR ANY
2 EXISTING PERMIT AUTHORIZING THE SALE OF MALT OR BREWED BEVERAGES
3 FOR CONSUMPTION OFF THE PREMISES, A RETAIL DISPENSER LICENSEE
4 LOCATED IN A CITY OF THE FIRST CLASS WHO IS OTHERWISE PERMITTED
5 TO SELL MALT OR BREWED BEVERAGES FOR CONSUMPTION OFF THE
6 PREMISES MAY NOT DO SO AFTER OCTOBER 31, 2007, UNLESS IT
7 ACQUIRES A PERMIT FROM THE BOARD.

8 (3) THE APPLICATION FOR A PERMIT TO SELL MALT OR BREWED
9 BEVERAGES FOR CONSUMPTION OFF THE PREMISES SHALL BE ON FORMS
10 DESIGNATED BY THE BOARD AND CONTAIN SUCH INFORMATION AS THE
11 BOARD MAY REQUIRE. THE APPLICATION AND RENEWAL FEE SHALL BE AS
12 PRESCRIBED IN SECTION 614-A(28) OF THE ACT OF APRIL 9, 1929
13 (P.L.177, NO.175), KNOWN AS "THE ADMINISTRATIVE CODE OF 1929."
14 HOWEVER, NO APPLICANT WHO CURRENTLY HAS A PERMIT SHALL BE
15 REQUIRED TO PAY ANY ADDITIONAL FEES UNDER SECTION 614-A(28) OF
16 "THE ADMINISTRATIVE CODE OF 1929" IN ORDER TO CONTINUE SELLING
17 MALT OR BREWED BEVERAGES FOR CONSUMPTION OFF THE PREMISES AT ITS
18 CURRENTLY LICENSED LOCATION FOR THE LICENSING TERM BEGINNING
19 NOVEMBER 1, 2007, AND ENDING OCTOBER 31, 2008.

20 (4) THE APPLICATION FOR A PERMIT TO SELL MALT OR BREWED
21 BEVERAGES FOR CONSUMPTION OFF THE PREMISES MUST BE ACCOMPANIED
22 BY A COPY OF THE APPROVAL OF SUCH REQUEST BY THE HEARING BOARD
23 AUTHORIZED BY THIS SECTION.

24 (5) A CITY OF THE FIRST CLASS SHALL CREATE A HEARING BOARD
25 WITHIN ITS DEPARTMENT OF LICENSES AND INSPECTIONS TO HEAR
26 REQUESTS FROM LICENSEES WHO ARE SEEKING A PERMIT FROM THE
27 HEARING BOARD AUTHORIZING THE LICENSEE TO SELL MALT OR BREWED
28 BEVERAGES FOR CONSUMPTION OFF THE PREMISES. EACH HEARING BOARD
29 SHALL CONSIST OF THREE PERSONS APPOINTED BY THE MAYOR OF THE
30 CITY OF THE FIRST CLASS, WHO ARE SUBJECT TO APPROVAL BY THE CITY

1 COUNCIL OF THE CITY OF THE FIRST CLASS. EACH PERSON SO APPOINTED
2 SHALL SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY. THE
3 HEARING BOARD MAY, IN ITS DISCRETION, HOLD HEARINGS TO ADDUCE
4 TESTIMONY REGARDING A REQUEST. THE HEARING BOARD MUST RENDER A
5 DECISION WITHIN NINETY DAYS OF RECEIPT OF A REQUEST FOR APPROVAL
6 OF A PERMIT TO SELL MALT OR BREWED BEVERAGES FOR CONSUMPTION OFF
7 THE PREMISES. THE HEARING BOARD MUST APPROVE THE REQUEST UNLESS
8 IT FINDS THAT DOING SO WOULD ADVERSELY AFFECT THE WELFARE,
9 HEALTH, PEACE AND MORALS OF THE CITY OR ITS RESIDENTS. A
10 DECISION BY THE HEARING BOARD TO DENY A REQUEST MAY BE APPEALED
11 TO THE COURT OF COMMON PLEAS IN THE COUNTY IN WHICH THE CITY IS
12 LOCATED. THE FAILURE TO RENDER A DECISION BY THE HEARING BOARD
13 WITHIN THE REQUIRED TIME PERIOD SHALL BE DEEMED APPROVAL OF THE
14 PERMIT.

15 (6) UPON BEING SATISFIED THAT THE APPLICANT HAS FULFILLED
16 ALL THE REQUIREMENTS OF THIS ACT AND THE BOARD'S REGULATIONS,
17 THE BOARD SHALL APPROVE THE APPLICATION. SUCH PERMITS SHALL
18 EXPIRE UPON THE TRANSFER OF THE LICENSE TO A NEW ENTITY OR TO A
19 NEW LOCATION, OR BOTH; OTHERWISE, SUCH PERMITS SHALL EXPIRE AT
20 THE SAME TIME AS THE EXPIRATION OF THE UNDERLYING LICENSE.

21 * * *

22 SECTION 12. SECTION 443(A) AND (B) OF THE ACT, AMENDED MAY
23 31, 1996 (P.L.312, NO.49), IS AMENDED TO READ:

24 SECTION 443. INTERLOCKING BUSINESS PROHIBITED.--(A) NO
25 MANUFACTURER OF MALT OR BREWED BEVERAGES AND NO OFFICER OR
26 DIRECTOR OF ANY SUCH MANUFACTURER SHALL AT THE SAME TIME BE A
27 DISTRIBUTOR, IMPORTING DISTRIBUTOR OR RETAIL DISPENSER, OR AN
28 OFFICER, DIRECTOR OR STOCKHOLDER OR CREDITOR OF ANY DISTRIBUTOR,
29 IMPORTING DISTRIBUTOR OR RETAIL DISPENSER, NOR, EXCEPT AS
30 HEREINAFTER PROVIDED, BE THE OWNER, PROPRIETOR OR LESSOR OF ANY

1 PLACE FOR WHICH A LICENSE HAS BEEN ISSUED FOR ANY IMPORTING
2 DISTRIBUTOR, DISTRIBUTOR OR RETAIL DISPENSER, OR FOR WHICH A
3 HOTEL, RESTAURANT OR CLUB LIQUOR LICENSE HAS BEEN ISSUED:
4 PROVIDED, HOWEVER, THAT A HOLDER OF A MANUFACTURER'S LICENSE
5 UNDER SECTION 431(A) WHO IS ELIGIBLE TO OPERATE A BREWERY PUB
6 UNDER SECTION 446(2) OR A LIMITED WINERY AS PROVIDED FOR UNDER
7 SECTION 505.2 MAY ALSO HOLD AND OPERATE UNDER A HOTEL LIQUOR
8 LICENSE, A RESTAURANT LIQUOR LICENSE OR A MALT AND BREWED
9 BEVERAGES RETAIL LICENSE ON THE MANUFACTURER'S OR LIMITED
10 WINERY'S LICENSED PREMISES. THE HOTEL LIQUOR LICENSE OR
11 RESTAURANT LIQUOR LICENSE OR THE MALT AND BREWED BEVERAGES
12 RETAIL LICENSE SHALL BE ACQUIRED BY THE MANUFACTURER OR LIMITED
13 WINERY SUBJECT TO SECTION 461 AND SHALL SATISFY ALL REQUIREMENTS
14 FOR EACH RESPECTIVE LICENSE: PROVIDED FURTHER, THAT THE HOLDER
15 OF A DISTRIBUTOR LICENSE MAY APPLY FOR AND RECEIVE AN ENHANCED
16 DISTRIBUTOR LICENSE PURSUANT TO SECTION 431.2 THAT WILL ENABLE
17 THE DISTRIBUTOR TO SELL WINE AND MALT AND BREWED BEVERAGES FOR
18 CONSUMPTION OFF THE LICENSED PROPERTIES.

19 (B) NO DISTRIBUTOR OR IMPORTING DISTRIBUTOR AND NO OFFICER
20 OR DIRECTOR OF ANY DISTRIBUTOR OR IMPORTING DISTRIBUTOR SHALL AT
21 THE SAME TIME BE A MANUFACTURER, A RETAIL DISPENSER OR A LIQUOR
22 LICENSEE, OR BE AN OFFICER, DIRECTOR, STOCKHOLDER OR CREDITOR OF
23 A MANUFACTURER, A RETAIL DISPENSER OR A LIQUOR LICENSEE, OR,
24 DIRECTLY OR INDIRECTLY, OWN ANY STOCK OF, OR HAVE ANY FINANCIAL
25 INTEREST IN, OR BE THE OWNER, PROPRIETOR OR LESSOR OF, ANY PLACE
26 COVERED BY ANY OTHER MALT OR BREWED BEVERAGE OR LIQUOR LICENSE,
27 EXCEPT AS PROVIDED FOR IN SECTION 431.2.

28 * * *

29 SECTION 13. SECTION 468(A) OF THE ACT, AMENDED DECEMBER 20,
30 2000 (P.L.992, NO.141), FEBRUARY 21, 2002 (P.L.103, NO.10) AND

1 JUNE 28, 2011 (P.L.55, NO.11), IS AMENDED TO READ:

2 SECTION 468. LICENSES NOT ASSIGNABLE; TRANSFERS.--(A) (1)
3 LICENSES ISSUED UNDER THIS ARTICLE MAY NOT BE ASSIGNED. THE
4 BOARD, UPON PAYMENT OF THE TRANSFER FILING FEE, IS HEREBY
5 AUTHORIZED TO TRANSFER ANY LICENSE ISSUED BY IT UNDER THE
6 PROVISIONS OF THIS ARTICLE FROM ONE PERSON TO ANOTHER OR FROM
7 ONE PLACE TO ANOTHER, OR BOTH. EXCEPT FOR RESTAURANT LIQUOR AND
8 EATING PLACE RETAIL DISPENSER LICENSES TRANSFERRED UNDER SECTION
9 461(B.4), IF THE LICENSE IS A RETAIL LICENSE, THE NEW LOCATION
10 MUST BE WITHIN THE SAME COUNTY AS THE EXISTING LOCATION OR, IF
11 THE MUNICIPALITY IS LOCATED IN MORE THAN ONE COUNTY, WITHIN THE
12 SAME MUNICIPALITY AS THE EXISTING LOCATION.

13 (2) IN THE CASE OF DISTRIBUTOR AND IMPORTING DISTRIBUTOR
14 LICENSES, THE BOARD MAY TRANSFER ANY SUCH LICENSE FROM ITS PLACE
15 IN A MUNICIPALITY TO A PLACE IN ANY OTHER MUNICIPALITY WITHIN
16 THE SAME COUNTY, OR FROM ONE PLACE TO ANOTHER PLACE WITHIN THE
17 SAME MUNICIPALITY, OR EXCHANGE A DISTRIBUTOR LICENSE FOR AN
18 IMPORTING DISTRIBUTOR LICENSE OR AN IMPORTING DISTRIBUTOR
19 LICENSE FOR A DISTRIBUTOR LICENSE, IF THE BUILDING FOR WHICH THE
20 LICENSE IS TO BE ISSUED HAS, IN THE CASE OF AN IMPORTING
21 DISTRIBUTOR LICENSE, AN AREA UNDER ONE ROOF OF TWO THOUSAND FIVE
22 HUNDRED SQUARE FEET AND, IN THE CASE OF A DISTRIBUTOR LICENSE,
23 AN AREA UNDER ONE ROOF OF ONE THOUSAND SQUARE FEET: AND
24 PROVIDED, THAT, IN THE CASE OF ALL TRANSFERS OF DISTRIBUTOR OR
25 IMPORTING DISTRIBUTOR LICENSES, WHETHER FROM A PLACE WITHIN THE
26 SAME MUNICIPALITY TO ANOTHER PLACE WITHIN THE SAME MUNICIPALITY
27 OR FROM A PLACE IN A MUNICIPALITY TO A PLACE IN ANY OTHER
28 MUNICIPALITY WITHIN THE SAME COUNTY, AND, IN THE CASE OF AN
29 EXCHANGE OF A DISTRIBUTOR LICENSE FOR AN IMPORTING DISTRIBUTOR
30 LICENSE OR AN IMPORTING DISTRIBUTOR LICENSE FOR A DISTRIBUTOR

1 LICENSE, THE PREMISES TO BE AFFECTED BY THE TRANSFER OR EXCHANGE
2 SHALL CONTAIN AN OFFICE SEPARATE AND APART FROM THE REMAINDER OF
3 THE PREMISES TO BE LICENSED FOR THE PURPOSE OF KEEPING RECORDS,
4 REQUIRED BY THE BOARD, ADEQUATE TOILET FACILITIES FOR EMPLOYEES
5 OF THE LICENSEE AND AN ENTRANCE ON A PUBLIC THOROUGHFARE:
6 PROVIDED, HOWEVER, THAT IN THE EVENT THAT THE MAJORITY OF THE
7 VOTING ELECTORS OF A MUNICIPALITY, AT AN ELECTION HELD UNDER THE
8 PROVISIONS OF ANY LAW SO EMPOWERING THEM TO DO, SHALL VOTE
9 AGAINST THE ISSUANCE OF DISTRIBUTOR OR IMPORTING DISTRIBUTOR
10 LICENSES IN SUCH MUNICIPALITY, THE BOARD IS HEREBY AUTHORIZED TO
11 TRANSFER ANY SUCH DISTRIBUTOR OR IMPORTING DISTRIBUTOR LICENSE
12 FROM ITS PLACE IN SUCH MUNICIPALITY TO A PLACE IN ANY OTHER
13 MUNICIPALITY WITHIN THE SAME COUNTY, UPON APPLICATION PRIOR TO
14 THE EXPIRATION OF ANY SUCH LICENSE AND UPON PAYMENT OF THE
15 TRANSFER FILING FEE AND THE EXECUTION OF A NEW BOND; BUT NO
16 TRANSFER SHALL BE MADE TO A PERSON WHO WOULD NOT HAVE BEEN
17 ELIGIBLE TO RECEIVE THE LICENSE ORIGINALLY NOR FOR THE
18 TRANSACTION OF BUSINESS AT A PLACE FOR WHICH THE LICENSE COULD
19 NOT LAWFULLY HAVE BEEN ISSUED ORIGINALLY, NOR, EXCEPT AS HEREIN
20 PROVIDED, TO A PLACE AS TO WHICH A LICENSE HAS BEEN REVOKED.

21 (3) [NO LICENSE SHALL BE TRANSFERRED TO ANY PLACE OR
22 PROPERTY UPON WHICH IS LOCATED AS A BUSINESS THE SALE OF LIQUID
23 FUELS AND OIL.] EXCEPT IN CASES OF EMERGENCY SUCH AS DEATH,
24 SERIOUS ILLNESS, OR CIRCUMSTANCES BEYOND THE CONTROL OF THE
25 LICENSEE, AS THE BOARD MAY DETERMINE SUCH CIRCUMSTANCES TO
26 JUSTIFY ITS ACTION, TRANSFERS OF LICENSES MAY BE MADE ONLY AT
27 TIMES FIXED BY THE BOARD. IN THE CASE OF THE DEATH OF A
28 LICENSEE, THE BOARD MAY TRANSFER THE LICENSE TO THE SURVIVING
29 SPOUSE OR PERSONAL REPRESENTATIVE OR TO A PERSON DESIGNATED BY
30 HIM. FROM ANY REFUSAL TO GRANT A TRANSFER OR UPON THE GRANT OF

1 ANY TRANSFER, THE PARTY AGGRIEVED SHALL HAVE THE RIGHT OF APPEAL
2 TO THE PROPER COURT IN THE MANNER HEREINBEFORE PROVIDED.

3 (4) IN THE EVENT THE LICENSE TO BE TRANSFERRED HAS BEEN
4 ORDERED TO SERVE A SUSPENSION UNDER SECTION 471 AND HAS NOT
5 SERVED THE SUSPENSION AT THE TIME THE BOARD CONSIDERS THE
6 APPLICATION AND ALL APPEALS REGARDING THE SUSPENSION HAVE BEEN
7 EXHAUSTED, THE BOARD MAY REQUIRE THE TRANSFEREE TO SERVE THE
8 SUSPENSION AS A CONDITION FOR APPROVAL OF THE TRANSFER. FURTHER,
9 THE BOARD MAY CONVERT THE OUTSTANDING SUSPENSION INTO A FINE AND
10 REQUIRE THE TRANSFEREE TO PAY THE FINE AS A CONDITION FOR
11 APPROVAL OF THE TRANSFER. IF THE BOARD CONVERTS THE OUTSTANDING
12 SUSPENSION TO A FINE, THE FINE NEED NOT COMPLY WITH THE MINIMUM
13 AND MAXIMUM AMOUNTS SET FORTH IN SECTION 471 FOR THE UNDERLYING
14 CITATION.

15 * * *

16 SECTION 13.1. SECTION 471(B) OF THE ACT, AMENDED JULY 6,
17 2005 (P.L.135, NO.39), IS AMENDED TO READ:

18 SECTION 471. REVOCATION AND SUSPENSION OF LICENSES; FINES.--

19 * * *

20 (B) HEARING ON SUCH CITATIONS SHALL BE HELD IN THE SAME
21 MANNER AS PROVIDED HEREIN FOR HEARINGS ON APPLICATIONS FOR
22 LICENSE. UPON SUCH HEARING, IF SATISFIED THAT ANY SUCH VIOLATION
23 HAS OCCURRED OR FOR OTHER SUFFICIENT CAUSE, THE ADMINISTRATIVE
24 LAW JUDGE SHALL IMMEDIATELY SUSPEND OR REVOKE THE LICENSE, OR
25 IMPOSE A FINE OF NOT LESS THAN [FIFTY DOLLARS (\$50)] ONE HUNDRED
26 DOLLARS (\$100) NOR MORE THAN [ONE THOUSAND DOLLARS (\$1,000)] TWO
27 THOUSAND DOLLARS (\$2,000), OR BOTH, NOTIFYING THE LICENSEE BY
28 REGISTERED LETTER ADDRESSED TO HIS LICENSED PREMISES. IF THE
29 LICENSEE HAS BEEN CITED AND FOUND TO HAVE VIOLATED SECTION
30 493(1) INsofar AS IT RELATES TO SALES TO MINORS OR SALES TO A

1 VISIBLY INTOXICATED PERSON, SECTION 493(10) INSOFAR AS IT
2 RELATES TO LEWD, IMMORAL OR IMPROPER ENTERTAINMENT OR SECTION
3 493(14), (16) OR (21), OR HAS BEEN FOUND TO BE A PUBLIC NUISANCE
4 PURSUANT TO SECTION 611, OR IF THE OWNER OR OPERATOR OF THE
5 LICENSED PREMISES OR ANY AUTHORIZED AGENT OF THE OWNER OR
6 OPERATOR HAS BEEN CONVICTED OF ANY VIOLATION OF THE ACT OF APRIL
7 14, 1972 (P.L.233, NO.64), KNOWN AS "THE CONTROLLED SUBSTANCE,
8 DRUG, DEVICE AND COSMETIC ACT," OR OF 18 PA.C.S. § 5902
9 (RELATING TO PROSTITUTION AND RELATED OFFENSES) OR 6301
10 (RELATING TO CORRUPTION OF MINORS), AT OR RELATING TO THE
11 LICENSED PREMISES, THE ADMINISTRATIVE LAW JUDGE SHALL
12 IMMEDIATELY SUSPEND OR REVOKE THE LICENSE, OR IMPOSE A FINE OF
13 NOT LESS THAN [ONE THOUSAND DOLLARS (\$1,000)] FIVE THOUSAND
14 DOLLARS (\$5,000) NOR MORE THAN [FIVE THOUSAND DOLLARS (\$5,000)]
15 TEN THOUSAND DOLLARS (\$10,000), OR BOTH. HOWEVER, IF A LICENSEE
16 HAS BEEN CITED AND FOUND TO HAVE VIOLATED SECTION 493(1) AS IT
17 RELATES TO SALES TO MINORS OR SALES TO A VISIBLY INTOXICATED
18 PERSON BUT AT THE TIME OF THE SALE THE LICENSEE WAS IN
19 COMPLIANCE WITH THE REQUIREMENTS SET FORTH IN SECTION 471.1 AND
20 THE LICENSEE HAD NOT SOLD TO MINORS OR VISIBLY INTOXICATED
21 PERSONS IN THE PREVIOUS FOUR YEARS, THEN THE ADMINISTRATIVE LAW
22 JUDGE SHALL IMMEDIATELY SUSPEND OR REVOKE THE LICENSE, OR IMPOSE
23 A FINE OF NOT LESS THAN [FIFTY DOLLARS (\$50)] ONE HUNDRED
24 DOLLARS (\$100) NOR MORE THAN [ONE THOUSAND DOLLARS (\$1,000)] TWO
25 THOUSAND DOLLARS (\$2,000), OR BOTH. THE ADMINISTRATIVE LAW JUDGE
26 SHALL NOTIFY THE LICENSEE BY REGISTERED MAIL, ADDRESSED TO THE
27 LICENSED PREMISES, OF SUCH SUSPENSION, REVOCATION OR FINE. IN
28 THE EVENT THE FINE IS NOT PAID WITHIN TWENTY DAYS OF THE
29 ADJUDICATION, THE ADMINISTRATIVE LAW JUDGE SHALL SUSPEND OR
30 REVOKE THE LICENSE, NOTIFYING THE LICENSEE BY REGISTERED MAIL

1 ADDRESSED TO THE LICENSED PREMISES. SUSPENSIONS AND REVOCATIONS
2 SHALL NOT GO INTO EFFECT UNTIL THIRTY DAYS HAVE ELAPSED FROM THE
3 DATE OF THE ADJUDICATION DURING WHICH TIME THE LICENSEE MAY TAKE
4 AN APPEAL AS PROVIDED FOR IN THIS ACT, EXCEPT THAT REVOCATIONS
5 MANDATED IN SECTION 481(C) SHALL GO INTO EFFECT IMMEDIATELY. ANY
6 LICENSEE WHOSE LICENSE IS REVOKED SHALL BE INELIGIBLE TO HAVE A
7 LICENSE UNDER THIS ACT UNTIL THE EXPIRATION OF THREE YEARS FROM
8 THE DATE SUCH LICENSE WAS REVOKED. IN THE EVENT A LICENSE IS
9 REVOKED, NO LICENSE SHALL BE GRANTED FOR THE PREMISES OR
10 TRANSFERRED TO THE PREMISES IN WHICH THE SAID LICENSE WAS
11 CONDUCTED FOR A PERIOD OF AT LEAST ONE YEAR AFTER THE DATE OF
12 THE REVOCATION OF THE LICENSE CONDUCTED IN THE SAID PREMISES,
13 EXCEPT IN CASES WHERE THE LICENSEE OR A MEMBER OF HIS IMMEDIATE
14 FAMILY IS NOT THE OWNER OF THE PREMISES, IN WHICH CASE THE BOARD
15 MAY, IN ITS DISCRETION, ISSUE OR TRANSFER A LICENSE WITHIN THE
16 SAID YEAR. IN THE EVENT THE BUREAU OR THE PERSON WHO WAS FINED
17 OR WHOSE LICENSE WAS SUSPENDED OR REVOKED SHALL FEEL AGGRIEVED
18 BY THE ADJUDICATION OF THE ADMINISTRATIVE LAW JUDGE, THERE SHALL
19 BE A RIGHT TO APPEAL TO THE BOARD. THE APPEAL SHALL BE BASED
20 SOLELY ON THE RECORD BEFORE THE ADMINISTRATIVE LAW JUDGE. THE
21 BOARD SHALL ONLY REVERSE THE DECISION OF THE ADMINISTRATIVE LAW
22 JUDGE IF THE ADMINISTRATIVE LAW JUDGE COMMITTED AN ERROR OF LAW,
23 ABUSED ITS DISCRETION OR IF ITS DECISION IS NOT BASED ON
24 SUBSTANTIAL EVIDENCE. IN THE EVENT THE BUREAU OR THE PERSON WHO
25 WAS FINED OR WHOSE LICENSE WAS SUSPENDED OR REVOKED SHALL FEEL
26 AGGRIEVED BY THE DECISION OF THE BOARD, THERE SHALL BE A RIGHT
27 TO APPEAL TO THE COURT OF COMMON PLEAS IN THE SAME MANNER AS
28 HEREIN PROVIDED FOR APPEALS FROM REFUSALS TO GRANT LICENSES.
29 EACH OF THE APPEALS SHALL ACT AS A SUPERSEDEAS UNLESS, UPON
30 SUFFICIENT CAUSE SHOWN, THE REVIEWING AUTHORITY SHALL DETERMINE

1 OTHERWISE; HOWEVER, IF THE LICENSEE HAS BEEN CITED AND FOUND TO
2 HAVE VIOLATED SECTION 493(1) INSOFAR AS IT RELATES TO SALES TO
3 MINORS OR SALES TO A VISIBLY INTOXICATED PERSON, SECTION 493(10)
4 INSOFAR AS IT RELATES TO LEWD, IMMORAL OR IMPROPER ENTERTAINMENT
5 OR SECTION 493(14), (16) OR (21), OR HAS BEEN FOUND TO BE A
6 PUBLIC NUISANCE PURSUANT TO SECTION 611, OR IF THE OWNER OR
7 OPERATOR OF THE LICENSED PREMISES OR ANY AUTHORIZED AGENT OF THE
8 OWNER OR OPERATOR HAS BEEN CONVICTED OF ANY VIOLATION OF "THE
9 CONTROLLED SUBSTANCE, DRUG, DEVICE AND COSMETIC ACT," OR OF 18
10 PA.C.S. § 5902 OR 6301, AT OR RELATING TO THE LICENSED PREMISES,
11 OR IF THE LICENSE HAS BEEN REVOKED UNDER SECTION 481(C), ITS
12 APPEAL SHALL NOT ACT AS A SUPERSEDEAS UNLESS THE REVIEWING
13 AUTHORITY DETERMINES OTHERWISE UPON SUFFICIENT CAUSE SHOWN. IN
14 ANY HEARING ON AN APPLICATION FOR A SUPERSEDEAS UNDER THIS
15 SECTION, THE REVIEWING AUTHORITY MAY CONSIDER, IN ADDITION TO
16 OTHER RELEVANT EVIDENCE, DOCUMENTARY EVIDENCE, INCLUDING RECORDS
17 OF THE BUREAU, SHOWING THE PRIOR HISTORY OF CITATIONS, FINES,
18 SUSPENSIONS OR REVOCATIONS AGAINST THE LICENSEE; AND THE
19 REVIEWING AUTHORITY MAY ALSO CONSIDER, IN ADDITION TO OTHER
20 RELEVANT EVIDENCE, EVIDENCE OF ANY RECURRENCE OF THE UNLAWFUL
21 ACTIVITY OCCURRING BETWEEN THE DATE OF THE CITATION WHICH IS THE
22 SUBJECT OF THE APPEAL AND THE DATE OF THE HEARING. IF THE
23 REVIEWING AUTHORITY IS THE BOARD, NO HEARING SHALL BE HELD ON
24 THE APPLICATION FOR A SUPERSEDEAS; HOWEVER, A DECISION SHALL BE
25 MADE BASED ON THE APPLICATION, ANSWER AND DOCUMENTARY EVIDENCE
26 UNDER THIS SUBSECTION. IF THE APPLICATION FOR A SUPERSEDEAS IS
27 FOR A LICENSE THAT HAS BEEN REVOKED UNDER SECTION 481(C), THE
28 REVIEWING AUTHORITY SHALL GRANT THE SUPERSEDEAS ONLY IF IT FINDS
29 THAT THE LICENSEE WILL LIKELY PREVAIL ON THE MERITS. NO PENALTY
30 PROVIDED BY THIS SECTION SHALL BE IMPOSED FOR ANY VIOLATIONS

1 PROVIDED FOR IN THIS ACT UNLESS THE BUREAU NOTIFIES THE LICENSEE
2 OF ITS NATURE WITHIN THIRTY DAYS OF THE COMPLETION OF THE
3 INVESTIGATION.

4 * * *

5 SECTION 14. SECTION 491(1), (2), (11) AND (13) OF THE ACT,
6 AMENDED DECEMBER 9, 2002 (P.L.1653, NO.212) AND JULY 7, 2006
7 (P.L.584, NO.84), ARE AMENDED TO READ:

8 SECTION 491. UNLAWFUL ACTS RELATIVE TO LIQUOR, ALCOHOL AND
9 LIQUOR LICENSEES.--

10 IT SHALL BE UNLAWFUL--

11 (1) SALES OF LIQUOR. FOR ANY PERSON, BY HIMSELF OR BY AN
12 EMPLOYE OR AGENT, TO EXPOSE OR KEEP FOR SALE, OR DIRECTLY OR
13 INDIRECTLY, OR UPON ANY PRETENSE OR UPON ANY DEVICE, TO SELL OR
14 OFFER TO SELL ANY LIQUOR WITHIN THIS COMMONWEALTH, EXCEPT IN
15 ACCORDANCE WITH THE PROVISIONS OF THIS ACT AND THE REGULATIONS
16 OF THE BOARD. THIS CLAUSE SHALL NOT BE CONSTRUED TO PROHIBIT
17 HOSPITALS, PHYSICIANS, DENTISTS OR VETERINARIANS WHO ARE
18 LICENSED AND REGISTERED UNDER THE LAWS OF THIS COMMONWEALTH FROM
19 ADMINISTERING LIQUOR IN THE REGULAR COURSE OF THEIR PROFESSIONAL
20 WORK AND TAKING INTO ACCOUNT THE COST OF THE LIQUOR SO
21 ADMINISTERED IN MAKING CHARGES FOR THEIR PROFESSIONAL SERVICE,
22 OR A PHARMACIST DULY LICENSED AND REGISTERED UNDER THE LAWS OF
23 THIS COMMONWEALTH FROM DISPENSING LIQUOR ON A PRESCRIPTION OF A
24 DULY LICENSED PHYSICIAN, DENTIST OR VETERINARIAN, OR SELLING
25 MEDICAL PREPARATIONS CONTAINING ALCOHOL, OR USING LIQUOR IN
26 COMPOUNDING PRESCRIPTIONS OR MEDICINES AND MAKING A CHARGE FOR
27 THE LIQUOR USED IN SUCH MEDICINES, OR A MANUFACTURING PHARMACIST
28 OR CHEMIST FROM USING LIQUOR IN MANUFACTURING PREPARATIONS UNFIT
29 FOR BEVERAGE PURPOSES AND MAKING A CHARGE FOR THE LIQUOR SO
30 USED. ALL SUCH LIQUORS SO ADMINISTERED OR SOLD BY HOSPITALS,

1 PHYSICIANS, DENTISTS, VETERINARIANS, PHARMACISTS OR CHEMISTS
2 SHALL CONFORM TO THE PHARMACOPOEIA OF THE UNITED STATES, THE
3 NATIONAL FORMULARY, OR THE AMERICAN HOMEOPATHIC PHARMACOPOEIA.
4 THIS CLAUSE SHALL NOT BE CONSTRUED TO PROHIBIT AN EXECUTOR OR AN
5 ADMINISTRATOR OF A DECEDENT'S ESTATE FROM SELLING PRIVATELY OR
6 AT PUBLIC AUCTION LIQUOR WHICH WAS AN ASSET OF THE DECEDENT. THE
7 BOARD SHALL ESTABLISH REGULATIONS TO ENSURE THAT STATE TAXES
8 FROM THE SALES WILL BE PAID BY THE ESTATE FROM THE PROCEEDS OF
9 THE SALE. THE BOARD MAY NOT PROHIBIT A SALE OF LIQUOR FOR THE
10 REASON THAT IT WAS NOT LAWFULLY ACQUIRED PRIOR TO JANUARY 1,
11 1934 OR HAS NOT BEEN PURCHASED FROM A PENNSYLVANIA LIQUOR STORE
12 OR AN ENHANCED DISTRIBUTOR LICENSEE OR IN COMPLIANCE WITH
13 PENNSYLVANIA LAW.

14 (2) POSSESSION OR TRANSPORTATION OF LIQUOR OR ALCOHOL. FOR
15 ANY PERSON, EXCEPT A MANUFACTURER OR THE BOARD OR THE HOLDER OF
16 A SACRAMENTAL WINE LICENSE OR OF AN IMPORTER'S LICENSE, TO
17 POSSESS OR TRANSPORT ANY LIQUOR OR ALCOHOL WITHIN THIS
18 COMMONWEALTH WHICH WAS NOT LAWFULLY ACQUIRED PRIOR TO JANUARY
19 FIRST, ONE THOUSAND NINE HUNDRED AND THIRTY-FOUR, OR HAS NOT
20 BEEN PURCHASED FROM A PENNSYLVANIA LIQUOR STORE OR A LICENSED
21 LIMITED WINERY IN PENNSYLVANIA OR A LICENSED ENHANCED
22 DISTRIBUTOR IN PENNSYLVANIA, EXCEPT IN ACCORDANCE WITH SECTION
23 488 OR THE BOARD'S REGULATIONS. IN ADDITION, IT SHALL BE LAWFUL
24 FOR ANYONE TO POSSESS MINIATURES TOTALING LESS THAN ONE GALLON
25 PURCHASED IN ANOTHER STATE OR A FOREIGN COUNTRY. THE BURDEN
26 SHALL BE UPON THE PERSON POSSESSING OR TRANSPORTING SUCH LIQUOR
27 OR ALCOHOL TO PROVE THAT IT WAS SO ACQUIRED. NOTWITHSTANDING
28 THIS SECTION OR ANY OTHER PROVISION OF THE LAW, WINE MAY BE
29 PRODUCED BY ANY PERSON WITHOUT A LICENSE IF THE WINE IS NOT
30 PRODUCED FOR SALE AND TOTAL PRODUCTION DOES NOT EXCEED TWO

1 HUNDRED GALLONS PER CALENDAR YEAR. WINE PRODUCED IN ACCORDANCE
2 WITH THIS CLAUSE MAY BE USED AT ORGANIZED AFFAIRS, EXHIBITIONS,
3 COMPETITIONS, CONTESTS, TASTINGS OR JUDGINGS IF IT IS NOT SOLD
4 OR OFFERED FOR SALE.

5 NONE OF THE PROVISIONS HEREIN CONTAINED SHALL PROHIBIT NOR
6 SHALL IT BE UNLAWFUL FOR ANY PERSON TO IMPORT INTO PENNSYLVANIA,
7 TRANSPORT OR HAVE IN HIS POSSESSION, AN AMOUNT OF LIQUOR NOT
8 EXCEEDING ONE GALLON IN VOLUME UPON WHICH A STATE TAX HAS NOT
9 BEEN PAID, IF IT CAN BE SHOWN TO THE SATISFACTION OF THE BOARD
10 THAT SUCH PERSON PURCHASED THE LIQUOR IN A FOREIGN COUNTRY OR
11 UNITED STATES TERRITORY AND WAS ALLOWED TO BRING IT INTO THE
12 UNITED STATES. NEITHER SHALL THE PROVISIONS CONTAINED HEREIN
13 PROHIBIT NOR MAKE IT UNLAWFUL FOR (I) ANY MEMBER OF THE ARMED
14 FORCES ON ACTIVE DUTY, OR (II) ANY RETIRED MEMBER OF THE ARMED
15 FORCES, OR (III) ANY TOTALLY DISABLED VETERAN, OR (IV) THE
16 SPOUSE OF ANY PERSON INCLUDED IN THE FOREGOING CLASSES OF
17 PERSONS TO IMPORT INTO PENNSYLVANIA, TRANSPORT OR HAVE IN HIS
18 POSSESSION AN AMOUNT OF LIQUOR NOT EXCEEDING ONE GALLON PER
19 MONTH IN VOLUME UPON WHICH THE STATE TAX HAS NOT BEEN PAID, SO
20 LONG AS SUCH LIQUOR HAS BEEN LAWFULLY PURCHASED FROM A PACKAGE
21 STORE ESTABLISHED AND MAINTAINED UNDER THE AUTHORITY OF THE
22 UNITED STATES AND IS IN CONTAINERS IDENTIFIED IN ACCORDANCE WITH
23 REGULATIONS ISSUED BY THE DEPARTMENT OF DEFENSE. SUCH LIQUOR
24 SHALL NOT BE POSSESSED, OFFERED FOR SALE OR SOLD ON ANY LICENSED
25 PREMISES.

26 NONE OF THE PROVISIONS HEREIN CONTAINED SHALL PROHIBIT NOR
27 SHALL IT BE UNLAWFUL FOR ANY CONSUL GENERAL, CONSUL OR OTHER
28 DIPLOMATIC OFFICER OF A FOREIGN GOVERNMENT TO IMPORT INTO
29 PENNSYLVANIA, TRANSPORT OR HAVE IN HIS POSSESSION LIQUOR UPON
30 WHICH A STATE TAX HAS NOT BEEN PAID, IF IT CAN BE SHOWN TO THE

1 SATISFACTION OF THE BOARD THAT SUCH PERSON ACQUIRED THE LIQUOR
2 IN A FOREIGN COUNTRY AND WAS ALLOWED TO BRING IT INTO THE UNITED
3 STATES. SUCH LIQUOR SHALL NOT BE POSSESSED, OFFERED FOR SALE OR
4 SOLD ON ANY LICENSED PREMISES.

5 ANY PERSON VIOLATING THE PROVISIONS OF THIS CLAUSE FOR A
6 FIRST OFFENSE INVOLVING THE POSSESSION OR TRANSPORTATION IN
7 PENNSYLVANIA OF ANY LIQUOR IN A PACKAGE (BOTTLE OR OTHER
8 RECEPTACLE) OR WINE NOT PURCHASED FROM A PENNSYLVANIA LIQUOR
9 STORE OR FROM A LICENSED LIMITED WINERY IN PENNSYLVANIA OR FROM
10 A LICENSED ENHANCED DISTRIBUTOR IN PENNSYLVANIA, WITH RESPECT TO
11 WHICH SATISFACTORY PROOF IS PRODUCED THAT THE REQUIRED FEDERAL
12 TAX HAS BEEN PAID AND WHICH WAS PURCHASED, PROCURED OR ACQUIRED
13 LEGALLY OUTSIDE OF PENNSYLVANIA SHALL UPON CONVICTION THEREOF IN
14 A SUMMARY PROCEEDING BE SENTENCED TO PAY A FINE OF TWENTY-FIVE
15 DOLLARS (\$25) FOR EACH SUCH PACKAGE, PLUS COSTS OF PROSECUTION,
16 OR UNDERGO IMPRISONMENT FOR A TERM NOT EXCEEDING NINETY (90)
17 DAYS. EACH FULL QUART OR MAJOR FRACTION THEREOF SHALL BE
18 CONSIDERED A SEPARATE PACKAGE (BOTTLE OR OTHER RECEPTACLE) FOR
19 THE PURPOSES OF THIS CLAUSE. SUCH PACKAGES OF LIQUOR SHALL BE
20 FORFEITED TO THE COMMONWEALTH IN THE MANNER PRESCRIBED IN
21 ARTICLE VI OF THIS ACT BUT THE VEHICLE, BOAT, VESSEL, ANIMAL OR
22 AIRCRAFT USED IN THE ILLEGAL TRANSPORTATION OF SUCH PACKAGES
23 SHALL NOT BE SUBJECT TO FORFEITURE: PROVIDED, HOWEVER, THAT IF
24 IT IS A SECOND OR SUBSEQUENT OFFENSE OR IF IT IS ESTABLISHED
25 THAT THE ILLEGAL POSSESSION OR TRANSPORTATION WAS IN CONNECTION
26 WITH A COMMERCIAL TRANSACTION, THEN THE OTHER PROVISIONS OF THIS
27 ACT PROVIDING FOR PROSECUTION AS A MISDEMEANOR AND FOR THE
28 FORFEITURE OF THE VEHICLE, BOAT, VESSEL, ANIMAL OR AIRCRAFT
29 SHALL APPLY.

30 * * *

1 (11) IMPORTATION OF LIQUOR. FOR ANY PERSON, OTHER THAN THE
2 BOARD OR THE HOLDER OF A SACRAMENTAL WINE LICENSE, AN IMPORTER'S
3 LICENSE, A WINE WHOLESALE LICENSE OR A DIRECT SHIPPER'S LICENSE,
4 TO IMPORT ANY LIQUOR WHATSOEVER INTO THIS COMMONWEALTH, BUT THIS
5 SECTION SHALL NOT BE CONSTRUED TO PROHIBIT RAILROAD AND PULLMAN
6 COMPANIES FROM PURCHASING AND SELLING LIQUORS PURCHASED OUTSIDE
7 THE COMMONWEALTH IN THEIR DINING, CLUB AND BUFFET CARS WHICH ARE
8 COVERED BY PUBLIC SERVICE LIQUOR LICENSES AND WHICH ARE OPERATED
9 IN THIS COMMONWEALTH.

10 * * *

11 (13) VIOLATION OF CERTAIN RULES AND REGULATIONS OF BOARD.
12 FOR ANY PERSON, TO VIOLATE ANY RULES AND REGULATIONS ADOPTED BY
13 THE BOARD TO INSURE THE EQUITABLE WHOLESALE AND RETAIL SALE AND
14 DISTRIBUTION OF LIQUOR AND ALCOHOL THROUGH THE PENNSYLVANIA
15 LIQUOR STORES OR WHOLESALE WINE DISTRIBUTOR.

16 * * *

17 SECTION 14.1. SECTION 492(12) AND (13) OF THE ACT ARE
18 AMENDED TO READ:

19 SECTION 492. UNLAWFUL ACTS RELATIVE TO MALT OR BREWED
20 BEVERAGES AND LICENSEES.--

21 IT SHALL BE UNLAWFUL--

22 * * *

23 (12) DISTRIBUTORS AND IMPORTING DISTRIBUTORS ENGAGING IN
24 OTHER BUSINESS. FOR ANY DISTRIBUTOR OR IMPORTING DISTRIBUTOR, OR
25 HIS SERVANTS, AGENTS OR EMPLOYEES, WITHOUT THE APPROVAL OF THE
26 BOARD, AND THEN ONLY IN ACCORDANCE WITH BOARD REGULATIONS, TO
27 ENGAGE IN ANY OTHER BUSINESS WHATSOEVER, EXCEPT THE BUSINESS OF
28 DISTRIBUTING MALT OR BREWED BEVERAGES. PROVIDED THAT THE HOLDER
29 OF A DISTRIBUTOR LICENSE UNDER SECTION 431.2 MAY ENGAGE IN THE
30 SALE OF WINE ON THE LICENSED PREMISE SO LONG AS THE LICENSEE

1 MEETS ALL OF THE REQUIREMENTS OF THAT SECTION.

2 (13) POSSESSION OR STORAGE OF LIQUOR OR ALCOHOL BY CERTAIN
3 LICENSEES. FOR ANY DISTRIBUTOR, IMPORTING DISTRIBUTOR OR RETAIL
4 DISPENSER, OR HIS SERVANTS, AGENTS OR EMPLOYES, TO HAVE IN HIS
5 POSSESSION, OR TO PERMIT THE STORAGE OF ON THE LICENSED PREMISES
6 OR IN ANY PLACE CONTIGUOUS OR ADJACENT THERETO ACCESSIBLE TO THE
7 PUBLIC OR USED IN CONNECTION WITH THE OPERATION OF THE LICENSED
8 PREMISES, ANY ALCOHOL OR LIQUOR EXCEPT AN ENHANCED DISTRIBUTOR
9 LICENSEE WHO WILL BE PERMITTED TO ONLY HOLD ITEMS PERMITTED BY
10 ITS LICENSE AND ONLY IN THE MANNER SPECIFICALLY AUTHORIZED BY
11 ITS LICENSE.

12 * * *

13 SECTION 14.2. SECTION 493(24) OF THE ACT, AMENDED NOVEMBER
14 29, 2006 (P.L.1421, NO.155), IS AMENDED TO READ:

15 SECTION 493. UNLAWFUL ACTS RELATIVE TO LIQUOR, MALT AND
16 BREWED BEVERAGES AND LICENSEES.--THE TERM "LICENSEE," WHEN USED
17 IN THIS SECTION, SHALL MEAN THOSE PERSONS LICENSED UNDER THE
18 PROVISIONS OF ARTICLE IV, UNLESS THE CONTEXT CLEARLY INDICATES
19 OTHERWISE.

20 IT SHALL BE UNLAWFUL--

21 * * *

22 (24) (I) THINGS OF VALUE OFFERED AS INDUCEMENT. EXCEPT AS
23 PROVIDED IN SUBCLAUSE (II), FOR ANY LICENSEE UNDER THE
24 PROVISIONS OF THIS ARTICLE, OR THE BOARD OR ANY MANUFACTURER, OR
25 ANY EMPLOYEE OR AGENT OF A MANUFACTURER, LICENSEE OR OF THE
26 BOARD, TO OFFER TO GIVE ANYTHING OF VALUE OR TO SOLICIT OR
27 RECEIVE ANYTHING OF VALUE AS A PREMIUM FOR THE RETURN OF CAPS,
28 STOPPERS, CORKS, STAMPS OR LABELS TAKEN FROM ANY BOTTLE, CASE,
29 BARREL OR PACKAGE CONTAINING LIQUOR OR MALT OR BREWED BEVERAGE,
30 OR TO OFFER OR GIVE OR SOLICIT OR RECEIVE ANYTHING OF VALUE AS A

1 PREMIUM OR PRESENT TO INDUCE DIRECTLY THE PURCHASE OF LIQUOR OR
2 MALT OR BREWED BEVERAGE, OR FOR ANY LICENSEE, MANUFACTURER OR
3 OTHER PERSON TO OFFER OR GIVE TO TRADE OR CONSUMER BUYERS ANY
4 PRIZE, PREMIUM, GIFT OR OTHER INDUCEMENT TO PURCHASE LIQUOR OR
5 MALT OR BREWED BEVERAGES, EXCEPT ADVERTISING NOVELTIES OF
6 NOMINAL VALUE WHICH THE BOARD SHALL DEFINE. THIS SECTION SHALL
7 NOT PREVENT ANY MANUFACTURER OR ANY AGENT OF A MANUFACTURER FROM
8 OFFERING AND HONORING COUPONS WHICH OFFER MONETARY REBATES ON
9 PURCHASES OF WINES AND SPIRITS THROUGH STATE LIQUOR STORES OR
10 PURCHASES OF MALT OR BREWED BEVERAGES THROUGH DISTRIBUTORS AND
11 IMPORTING DISTRIBUTORS IN ACCORDANCE WITH CONDITIONS OR
12 REGULATIONS ESTABLISHED BY THE BOARD. THE BOARD MAY REDEEM
13 COUPONS OFFERED BY A MANUFACTURER OR AN AGENT OF A MANUFACTURER
14 AT THE TIME OF PURCHASE. COUPONS OFFERED BY A MANUFACTURER OR AN
15 AGENT OF A MANUFACTURER SHALL NOT BE REDEEMED WITHOUT PROOF OF
16 PURCHASE. THIS SECTION SHALL NOT APPLY TO THE RETURN OF ANY
17 MONIES SPECIFICALLY DEPOSITED FOR THE RETURN OF THE ORIGINAL
18 CONTAINER TO THE OWNERS THEREOF.

19 (II) NOTWITHSTANDING SUBCLAUSE (I) OR ANY OTHER PROVISION OF
20 LAW, A HOLDER OF A RESTAURANT LICENSE THAT IS ALSO APPROVED TO
21 HOLD A SLOT MACHINE LICENSE OR A CONDITIONAL SLOT MACHINE
22 LICENSE UNDER 4 PA.C.S. PART II (RELATING TO GAMING) MAY GIVE
23 LIQUOR AND MALT OR BREWED BEVERAGES FREE OF CHARGE TO ANY PERSON
24 ACTIVELY ENGAGED IN PLAYING A SLOT MACHINE.

25 (III) NOTWITHSTANDING SUBCLAUSE (I) OR ANY OTHER PROVISION
26 OF LAW, THE BOARD MAY ESTABLISH AND IMPLEMENT A CUSTOMER
27 RELATIONS MARKETING PROGRAM FOR THE PURPOSE OF OFFERING
28 INCENTIVES, INCLUDING COUPONS OR DISCOUNTS ON CERTAIN PRODUCTS
29 WHICH MAY BE CONDITIONED UPON THE PURCHASE OF LIQUOR, TO
30 CUSTOMERS OF THE BOARD.

1 * * *

2 SECTION 14.3. SECTION 801(B) IS AMENDED AND THE SECTION IS
3 AMENDED BY ADDING A SUBSECTION TO READ:

4 SECTION 801. MONEYS PAID INTO LIQUOR LICENSE FUND AND
5 RETURNED TO MUNICIPALITIES.--* * *

6 (B) THE MONEYS IN THE LIQUOR LICENSE FUND SHALL, ON THE
7 FIRST DAYS OF FEBRUARY AND AUGUST OF EACH YEAR, BE PAID BY THE
8 BOARD TO THE RESPECTIVE MUNICIPALITIES IN WHICH THE RESPECTIVE
9 LICENSED PLACES ARE SITUATED, PROVIDED THAT THOSE MUNICIPALITIES
10 HAVE A MUNICIPAL POLICE FORCE, IN SUCH AMOUNTS AS REPRESENT THE
11 AGGREGATE LICENSE FEES COLLECTED FROM LICENSES IN SUCH
12 MUNICIPALITIES DURING THE PRECEDING PERIOD.

13 (B.1) MONEYS IN THE LIQUOR LICENSE FUND DUE MUNICIPALITIES
14 THAT HAVE A MUNICIPAL POLICE FORCE SHALL BE PAID TO THE
15 ENFORCEMENT BUREAU ON THE FIRST DAYS OF FEBRUARY AND AUGUST OF
16 EACH YEAR TO BE UTILIZED FOR THE IMPLEMENTATION OF COMPLIANCE
17 CHECKS FOR UNDERAGE SALES BY LICENSEES.

18 * * *

19 SECTION 14.4. SECTION 802(C) OF THE ACT IS AMENDED TO READ:
20 SECTION 802. MONEYS PAID INTO THE STATE STORES FUND FOR USE
21 OF THE COMMONWEALTH.--* * *

22 (C) [TWO] FIVE PER CENTUM OF ANNUAL PROFITS FROM THE SALE OF
23 LIQUOR AND ALCOHOL SHALL BE ANNUALLY TRANSFERRED TO THE
24 DEPARTMENT OF HEALTH FOR USE BY THE OFFICE OF DRUG AND ALCOHOL
25 PROGRAMS, OR ITS SUCCESSOR IN FUNCTION, FOR THE FOLLOWING
26 PURPOSES:

27 (1) TREATMENT AND REHABILITATION OF PERSONS ADDICTED TO THE
28 EXCESSIVE USE OF ALCOHOLIC BEVERAGES.

29 (2) PROMOTION OF EDUCATION, PREVENTION AND EARLY
30 INTERVENTION PROGRAMS DESIGNED TO ELIMINATE ABUSE AND ADDICTION

1 TO ALCOHOL OR OTHER MOOD-ALTERING SUBSTANCES OR SECURE
2 APPROPRIATE TREATMENT FOR THE ALREADY ADDICTED.

3 (3) STUDY OF THE PROBLEM OF ADDICTION.

4 (4) TO ISSUE GRANTS TO VARIOUS ENTITIES FOR ALCOHOL
5 EDUCATION AND PREVENTION EFFORTS.

6 * * *

7 SECTION 15. THIS ACT SHALL TAKE EFFECT IN 60 DAYS.