

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 790 Session of 2013

INTRODUCED BY TURZAI, SAYLOR, EVANKOVICH, REESE, SACCONI, STEVENSON, MAJOR, LAWRENCE, GINGRICH, DUNBAR, GREINER, AUMENT, HELM, MUSTIO, BLOOM, C. HARRIS, REGAN, GROVE, KAMPF, CORBIN, MACKENZIE, REED, MCGINNIS, KNOWLES, EVERETT, GILLESPIE, MOUL, KILLION, MILLER AND MILNE, MARCH 11, 2013

AS REPORTED FROM COMMITTEE ON LIQUOR CONTROL, HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 18, 2013

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," in <--
17 preliminary provisions, further providing for definitions and
18 for interpretation; in the Pennsylvania Liquor Control Board,
19 further providing for general powers, providing for fee
20 adjustment by regulation and further providing for subject of
21 regulations and for wine and spirits marketing; in
22 Pennsylvania Liquor Stores, further providing for
23 establishment and for sales; providing for wine and spirits
24 distribution; in licensing, further providing for authority,
25 for issuance, for transfer or extension, for fees, for sales
26 and restrictions, for wine auction permits and for importers'
27 licenses; in licensing, providing for grocery store licenses,
28 convenience store licenses, big box retail store licenses and
29 pharmacy licenses; in licensing, further providing for malt-

~~and brewed beverages licenses; in licensing, providing for enhanced distributors licenses; in licensing, further providing for license applications, for license restrictions, for sales, storage and purchase restrictions, for interlocking business, for breweries, for county limitations, for administrative proceedings, for assignability, for renewal and temporary provisions, for sanctions, for local option, for shipment into Commonwealth, for unlawful acts and for hours of operation; in licensing, providing for unlawful acts; in licensing, further providing for penalties and for vacation of premises; in distilleries, wineries, bonded warehouses, bailees and transporters, further providing for limited wineries, for distilleries and for license fees; providing for emergency State tax; and making a related repeal.~~ IN PRELIMINARY PROVISIONS, FURTHER PROVIDING FOR DEFINITIONS AND FOR INTERPRETATION; IN THE PENNSYLVANIA LIQUOR CONTROL BOARD, FURTHER PROVIDING FOR GENERAL POWERS, PROVIDING FOR FEE ADJUSTMENT BY REGULATION AND FURTHER PROVIDING FOR SUBJECT OF REGULATIONS AND FOR WINE AND SPIRITS MARKETING; IN PENNSYLVANIA LIQUOR STORES, FURTHER PROVIDING FOR ESTABLISHMENT AND FOR SALES; PROVIDING FOR WINE AND SPIRITS DISTRIBUTION; IN LICENSING, PROVIDING FOR ISSUANCE OF WINE AND SPIRITS RETAIL LICENSES, FEES, TAXES, FOR POSTQUALIFICATION OF SELECTED APPLICANTS AND FOR WINE AND SPIRITS RETAIL LICENSEE STATEMENT OF CONDITIONS, FURTHER PROVIDING FOR AUTHORITY, FOR ISSUANCE, FOR TRANSFER OR EXTENSION, FOR FEES, FOR SALES AND RESTRICTIONS, FOR WINE AUCTION PERMITS AND FOR IMPORTERS' LICENSES; IN LICENSING, PROVIDING FOR GROCERY STORE LICENSES, CONVENIENCE STORE LICENSES; IN LICENSING, FURTHER PROVIDING FOR MALT AND BREWED BEVERAGES LICENSES; AND FURTHER PROVIDING FOR DISTRIBUTOR PACKAGE REFORM PERMIT, PROVIDING FOR AUTHORITY TO ISSUE LIQUOR LICENSES TO GROCERY STORES, FOR APPLICATIONS FOR GROCERY STORE RETAIL LICENSE, FOR ISSUANCE OR TRANSFER OF GROCERY STORE LIQUOR LICENSES; PROVIDING FOR SALES BY LIQUOR LICENSEES AND RESTRICTIONS; FURTHER PROVIDING FOR SALES BY GROCERY STORE RETAIL LICENSEES AND RESTRICTION; IN LICENSING, PROVIDING FOR ENHANCED DISTRIBUTORS LICENSES; IN LICENSING, FURTHER PROVIDING FOR LICENSE APPLICATIONS, FOR LICENSE RESTRICTIONS, FOR SALES, STORAGE AND PURCHASE RESTRICTIONS, FOR INTERLOCKING BUSINESS, FOR BREWERIES, FOR COUNTY LIMITATIONS, FOR ADMINISTRATIVE PROCEEDINGS, FOR ASSIGNABILITY, FOR RENEWAL AND TEMPORARY PROVISIONS, FOR SANCTIONS, FOR LOCAL OPTION, FOR RESPONSIBLE ALCOHOL MANAGEMENT, FOR FOR UNLAWFUL ACTS AND FOR HOURS OF OPERATION; IN LICENSING, PROVIDING FOR UNLAWFUL ACTS; IN LICENSING, FURTHER PROVIDING FOR PENALTIES AND FOR VACATION OF PREMISES; IN DISTILLERIES, WINERIES, BONDED WAREHOUSES, BAILEES AND TRANSPORTERS, FURTHER PROVIDING FOR LIMITED WINERIES, FOR DISTILLERIES AND FOR LICENSE FEES; PROVIDING FOR EMERGENCY STATE TAX; AND MAKING A RELATED REPEAL.

<--

52 The General Assembly of the Commonwealth of Pennsylvania
53 hereby enacts as follows:

54 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
55 No.21), known as the Liquor Code, reenacted and amended June 29,

1 1987 (P.L.32, No.14), is amended by adding definitions to read:

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

5 "Affiliate" or "person affiliated with" shall mean a person
6 that directly or indirectly, through one or more intermediaries,
7 controls, is controlled by or is under common control with a
8 specified person.

9 * * *

10 ~~"Bid rigging" shall mean the concerted activity of two or~~ <--
11 ~~more persons to determine in advance or attempt to influence the~~
12 ~~selected bidder for a wine and spirits retail license. The term~~
13 ~~includes any of the following:~~

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

16 ~~(2) Submitting prearranged bids, agreed upon higher or lower~~
17 ~~bids or other complementary bids.~~

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

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

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

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

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

25 ~~"Big box retail store" shall mean a reputable place operated~~
26 ~~by persons of good repute, which sells a wide variety of~~
27 ~~merchandise, including automotive supplies, housewares,~~
28 ~~electronics, home furnishings, apparel, health and beauty~~
29 ~~supplies and perishable and non perishable food items, in bulk~~
30 ~~and/or individual quantities, and which has an area under one~~

1 ~~roof of one hundred thousand (100,000) square feet or more.~~

2 "Blended brand valuation" shall mean, for any particular
3 brand of liquor, the sum of the wholesale profit margin on each
4 product of a brand.

5 * * *

6 "Brand of liquor" shall mean a liquor product or series of
7 liquor products produced by a single manufacturer.

8 * * *

9 "Change in control" shall mean, for purposes of wholesale or
10 retail licensees as defined in this section, the acquisition by
11 a person or group of persons acting in concert of more than
12 twenty per centum of a licensee's securities or other ownership
13 interests, with the exception of any ownership interest of the
14 person that existed at the time of initial licensing, or more
15 than twenty per centum of the securities or other ownership
16 interests of a corporation or other legal entity which owns,
17 directly or indirectly, at least twenty per centum of the
18 securities or other ownership interests of the licensee.

19 * * *

20 "Commission" shall mean the State Civil Service Commission.

21 * * *

22 "Controlling interest" shall mean as follows:

23 (1) For a publicly traded legal entity, an interest in a
24 legal entity, applicant or licensee whereby a person's sole
25 voting rights under State law or corporate articles or bylaws
26 entitles the person to elect or appoint one or more of the
27 members of the board of directors or other governing board or
28 the ownership, directly or indirectly, of five per centum or
29 more of the securities of the publicly traded corporation.

30 (2) For a privately held corporation, partnership, limited

1 liability company or other form of privately held legal entity,
2 the holding of any securities in the legal entity.

3 ~~"Convenience store" shall mean a reputable place operated by~~ <--
4 ~~persons of good repute which primarily sells food prepared for~~
5 ~~consumption on and off the premises, and non food items, and may~~
6 ~~sell liquid fuels for use in motor vehicles, having an area~~
7 ~~under one roof of more than one thousand (1,000) square feet but~~
8 ~~less than ten thousand (10,000) square feet.~~

9 * * *

10 "Department" shall mean the Department of General Services of
11 the Commonwealth.

12 * * *

13 "Displaced employe" shall mean a salaried employe of the
14 board whose employment is terminated as a sole and direct result
15 of the implementation of Article III-A. The term shall not
16 include a person who is terminated for cause or who retires or
17 resigns, is furloughed or is otherwise separated from employment
18 for any other reason. The term excludes intermittent liquor
19 store clerks and seasonal liquor store clerks.

20 * * *

21 "Grocery store" shall mean a reputable place operated by
22 persons of good repute, which primarily sells food, supplies for
23 the table and food products for human consumption off the
24 premises and which has an area under one roof of ten thousand
25 (10,000) square feet or more.

26 "GROWLER" SHALL MEAN A REFILLABLE GLASS CONTAINER THAT HOLDS <--
27 A MINIMUM OF SIXTY-FOUR FLUID OUNCES FOR MALT OR BREWED
28 BEVERAGES.

29 * * *

30 "HERITAGE STATE STORES" SHALL MEAN THE NUMBER OF STATE

1 STORES, AS DETERMINED BY THE BOARD, LOCATED IN ANY GIVEN COUNTY
2 AS OF THE EFFECTIVE DATE OF THIS DEFINITION.

3 * * *

4 "Institution of higher education" shall mean a public or
5 private institution within this Commonwealth authorized by the
6 Department of Education to grant a certificate, associate degree
7 or higher degree. The term includes a branch or satellite campus
8 of the institution.

9 * * *

<--

10 ~~"Pharmacy" shall mean any place having an area under one roof~~
11 ~~of at least 8,000 square feet or more that is properly issued a~~
12 ~~permit or license by the Pennsylvania State Board of Pharmacy~~
13 ~~where drugs, devices and diagnostic agents for human or animal~~
14 ~~consumption are stored, dispensed or compounded, excluding~~
15 ~~offices or facilities of veterinarians licensed by the State~~
16 ~~Board of Veterinary Medical Examiners. The term shall not~~
17 ~~include the operations of a manufacturer or distributor as~~
18 ~~defined in the act of April 14, 1972 (P.L.233, No.64), known as~~
19 ~~"The Controlled Substance, Drug, Device and Cosmetic Act."~~ The
20 ~~term does not include an organized pharmacy service in an~~
21 ~~institution under the direct supervision of a licensed~~
22 ~~pharmacist.~~

23 * * *

24 "Retail licensee" shall mean a person that holds a wine and
25 spirits retail license issued pursuant to section 311-A.

26 * * *

27 "Variable pricing" shall mean, for purposes of the wholesale
28 sale of liquor, any disparity in the price of an item sold to
29 one licensee as compared to the price of the same item to
30 another licensee or a licensee of a different classification.

1 The term shall not include discounts for volume purchases.

2 * * *

3 "Wholesale acquisition factor" shall mean a factor of 2.5
4 applied to the wholesale profit margin of a brand of liquor in
5 determining a wholesale license fee.

6 "Wholesale licensee" shall mean a person that holds a wine
7 and spirits wholesale license issued pursuant to section
8 321.1-A.

9 "Wholesale profit margin" shall mean, for any particular
10 liquor product, twenty per centum of the total of costs of goods
11 sold of the product in the Commonwealth over the most recent 12-
12 month period for which information is available.

13 * * *

14 "Wine and spirits retail license" shall mean a license issued
15 by the department or the board authorizing a person to sell and
16 distribute wine and spirits to the public for off the premises
17 consumption.

18 "Wine and spirits wholesale license" shall mean a license
19 issued by the department or the board authorizing a person to
20 sell and distribute liquor on a wholesale basis to retail
21 licensees and other licensees under this act.

22 * * *

23 Section 2. Section 104(c) and (d) of the act, amended
24 December 7, 1990 (P.L.622, No.160) and December 20, 1996
25 (P.L.1513, No.196), is amended to read:

26 Section 104. Interpretation of Act.--* * *

27 (c) Except as otherwise expressly provided, the purpose of
28 this act is to prohibit the manufacture of and transactions in
29 liquor, alcohol and malt or brewed beverages which take place in
30 this Commonwealth, except by and under the [control] regulatory

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

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

27 * * *

28 Section 3. Section 207 of the act, amended February 21, 2002
29 (P.L.103, No.10), November 30, 2004 (P.L.1727, No.221) and
30 December 8, 2004 (P.L.1810, No.239), is amended to read:

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

3 (a) To buy, import or have in its possession for sale and
4 sell liquor, alcohol, corkscrews, wine and liquor accessories,
5 trade publications, gift cards, gift certificates, wine- or
6 liquor-scented candles and wine glasses in the manner set forth
7 in this act: Provided, however, That all purchases shall be made
8 subject to the approval of the State Treasurer, or his
9 designated deputy. The board shall buy liquor and alcohol at the
10 lowest price and in the greatest variety reasonably obtainable.
11 The board's authority to exercise the powers granted pursuant to
12 this subsection is subject to the limitations set forth in
13 Article III-A of this act.

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

1 Commonwealth shall be purchased from such manufacturer. Each
2 such manufacturer shall pay for such permit a fee which, in the
3 case of a manufacturer of this Commonwealth, shall be equal to
4 that required to be paid, if any, by a manufacturer or
5 wholesaler of the state, territory or country of origin of the
6 liquors, for selling liquors manufactured in Pennsylvania, and
7 in the case of a nonresident manufacturer, shall be equal to
8 that required to be paid, if any, in such state, territory or
9 country by Pennsylvania manufacturers doing business in such
10 state, territory or country. In the event that any such
11 manufacturer shall, in the opinion of the board, sell or attempt
12 to sell liquors to the board through another person for the
13 purpose of evading this provision relating to permits, the board
14 shall require such person, before purchasing liquors from him or
15 it, to take out a permit and pay the same fee as hereinbefore
16 required to be paid by such manufacturer. All permit fees so
17 collected shall be paid into the State Stores Fund. The board
18 shall not purchase any alcohol or liquor fermented, distilled,
19 rectified, compounded or bottled in any state, territory or
20 country, the laws of which result in prohibiting the importation
21 therein of alcohol or liquor, fermented, distilled, rectified,
22 compounded or bottled in Pennsylvania. The board's authority to
23 exercise the powers granted pursuant to this subsection is
24 subject to the limitations set forth in Article III-A of this
25 act.

26 [(c) To determine the municipalities within which
27 Pennsylvania Liquor Stores shall be established and the
28 locations of the stores within such municipalities.]

29 (d) To grant and issue all licenses and to grant, issue,
30 suspend and revoke all permits authorized to be issued under

1 this act.

2 (e) Through the [Department of General Services] department
3 as agent, to lease and furnish and equip such buildings, rooms
4 and other accommodations as shall be required for the operation
5 of this act.

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

11 (g) To determine the nature, form and capacity of all
12 packages and original containers to be used for containing
13 liquor, alcohol or malt or brewed beverages.

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

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

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

1 and alcohol at Pennsylvania Liquor Stores. The board's authority
2 to exercise the powers granted pursuant to this subsection is
3 subject to the limitations set forth in Article III-A of this
4 act.

5 (k) To issue grants to various entities for alcohol
6 education and prevention efforts.

7 (L) TO CLOSE PENNSYLVANIA LIQUOR STORES AS DIRECTED UNDER <--
8 ARTICLE III-A OF THIS ACT.

9 (M) THE BOARD MAY IMPLEMENT A DELIVERY SYSTEM AS A MEANS OF
10 PROVIDING PRODUCT TO ALL LICENSEES UNDER THIS ACT.

11 Section 4. The act is amended by adding a section to read:

12 Section 207.1. Adjustment of Fees by Regulation.--(a)
13 Notwithstanding any provision of this act or the act of April 9,
14 1929 (P.L.177, No.175), known as "The Administrative Code of
15 1929," to the contrary, all fees required under this act shall
16 be fixed by the board by regulation and shall be subject to the
17 act of June 25, 1982 (P.L.633, No.181), known as the "Regulatory
18 Review Act."

19 (b) The board shall be authorized to increase license fees
20 by regulation under the following conditions:

21 (1) If the revenues raised by the fees imposed under this
22 act are not sufficient to meet all expenditures of the board
23 over a two-year period, the board shall increase the fees by
24 regulation, subject to the "Regulatory Review Act," so that the
25 projected revenues will meet projected expenditures.

26 (2) If the board determines that the fees established by the
27 board under subsection (a) are inadequate to meet the minimum
28 enforcement efforts required under this act, the board, after
29 consultation with the enforcement bureau, and subject to the
30 "Regulatory Review Act," shall increase the fees by regulation

1 in an amount so that adequate revenues are raised to meet the
2 required expenditures.

3 (c) All acts or parts of acts are repealed insofar as they
4 are inconsistent with this section.

5 Section 5. Section 208 of the act is amended to read:

6 Section 208. Specific Subjects on Which Board May Adopt
7 Regulations.--Subject to the provisions of this act and without
8 limiting the general power conferred by the preceding section,
9 the board may make regulations regarding:

10 [(a) The equipment and management of Pennsylvania Liquor
11 Stores and warehouses in which liquor and alcohol are kept or
12 sold, and the books and records to be kept therein.]

13 (b) The duties and conduct of the officers and employes of
14 the board.

15 [(c) The purchase, as provided in this act, of liquor and
16 alcohol, and its supply to Pennsylvania Liquor Stores.

17 (d) The classes, varieties and brands of liquor and alcohol
18 to be kept and sold in Pennsylvania Liquor Stores. In making
19 this determination the board shall meet not less than twice a
20 year.

21 (e) The issuing and distribution of price lists for the
22 various classes, varieties or brands of liquor and alcohol kept
23 for sale by the board under this act.]

24 (f) The labeling of liquor and alcohol sold under this act
25 and of liquor and alcohol lawfully acquired by any person prior
26 to January first, one thousand nine hundred thirty-four.

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

28 (h) The issuance of licenses and permits and the conduct,
29 management, sanitation and equipment of places licensed or
30 included in permits.

1 [(i) The place and manner of depositing the receipts of
2 Pennsylvania Liquor Stores and the transmission of balances to
3 the Treasury Department through the Department of Revenue.

4 (j) The solicitation by resident or nonresident vendors of
5 liquor from Pennsylvania licensees and other persons of orders
6 for liquor to be sold through the Pennsylvania Liquor Stores
7 and, in the case of nonresident vendors, the collection
8 therefrom of license fees for such privilege at the same rate as
9 provided herein for importers' licenses.]

10 SECTION 5.1. SECTION 211(C) OF THE ACT, AMENDED OCTOBER 5, <--
11 1994 (P.L.537, NO.80), IS AMENDED TO READ:

12 SECTION 211. ENFORCEMENT.--* * *

13 (C) THE PENNSYLVANIA STATE POLICE COMMISSIONER SHALL ASSIGN
14 STATE POLICE OFFICERS TO SUCH SUPERVISORY AND OTHER CAPACITIES
15 IN THE ENFORCEMENT BUREAU AS HE DEEMS NECESSARY. ALL OTHER
16 PERSONNEL OF THE ENFORCEMENT BUREAU SHALL BE CIVILIANS.
17 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A STATE POLICE
18 OFFICER ASSIGNED TO THE ENFORCEMENT BUREAU MAY NOT BE COUNTED
19 AGAINST THE COMPLEMENT OF OFFICERS AS PRESCRIBED IN SECTION 205
20 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS "THE
21 ADMINISTRATIVE CODE OF 1929."

22 * * *

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

25 [Section 215. Wine and Spirits Marketing.--

26 (e) The board is authorized to participate in or sponsor
27 wine and spirits events for the purpose of educating consumers
28 as to the wines and spirits available in this Commonwealth. The
29 wine and spirits to be used for the event may be acquired
30 through the State store system or may be donated from outside

1 this Commonwealth. Participation in the tastings may be
2 conditioned on the purchase of a ticket to the event. The event
3 may include events occurring on premises licensed by the board,
4 and the board may sell wine and spirits for off-premises
5 consumption in an area designated by the board for such sale.]

6 Section 7. Section 301 of the act is amended to read:

7 Section 301. Board to Establish State Liquor Stores.--(a)
8 The board shall [establish,] operate and maintain at such places
9 throughout the Commonwealth as it shall deem essential and
10 advisable, stores to be known as "Pennsylvania Liquor Stores,"
11 for the sale of liquor and alcohol in accordance with the
12 provisions of and the regulations made under this act[; except
13 that no store not so already located shall be located within
14 three hundred feet of any elementary or secondary school, nor
15 within a dry municipality without there first having been a
16 referendum approving such location. When the board shall have
17 determined upon the location of a liquor store in any
18 municipality, it shall give notice of such location by public
19 advertisement in two newspapers of general circulation. In
20 cities of the first class, the location shall also be posted for
21 a period of at least fifteen days following its determination by
22 the board as required in section 403(g) of this act. The notice
23 shall be posted in a conspicuous place on the outside of the
24 premises in which the proposed store is to operate or, in the
25 event that a new structure is to be built in a similarly visible
26 location. If, within five days after the appearance of such
27 advertisement, or of the last day upon which the notice was
28 posted, fifteen or more taxpayers residing within a quarter of a
29 mile of such location, or the City Solicitor of the city of the
30 first class, shall file a protest with the court of common pleas

1 of the county averring that the location is objectionable
2 because of its proximity to a church, a school, or to private
3 residences, the court shall forthwith hold a hearing affording
4 an opportunity to the protestants and to the board to present
5 evidence. The court shall render its decision immediately upon
6 the conclusion of the testimony and from the decision there
7 shall be no appeal. If the court shall determine that the
8 proposed location is undesirable for the reasons set forth in
9 the protest, the board shall abandon it and find another
10 location. The board may establish, operate and maintain such
11 establishments for storing and testing liquors as it shall deem
12 expedient to carry out its powers and duties under this act],
13 and subject to the limitations set forth in Article III-A of
14 this act.

15 (b) The board may lease the necessary premises for such
16 stores or establishments, but all such leases shall be made
17 through the [Department of General Services] department as agent
18 of the board. The board, through the [Department of General
19 Services] department, shall have authority to purchase such
20 equipment and appointments as may be required in the operation
21 of such stores or establishments.

22 SECTION 7.1. SECTION 304 OF THE ACT, AMENDED DECEMBER 8, <--
23 2004 (P.L.1810, NO.239), IS AMENDED TO READ:

24 SECTION 304. WHEN SALES MAY BE MADE AT PENNSYLVANIA LIQUOR
25 STORES.--(A) EXCEPT AS PROVIDED FOR IN SUBSECTION (B), EVERY
26 PENNSYLVANIA LIQUOR STORE SHALL BE OPEN FOR BUSINESS WEEK DAYS,
27 EXCEPT HOLIDAYS AS THAT TERM IS DEFINED IN SECTION 102. THE
28 BOARD MAY, WITH THE APPROVAL OF THE GOVERNOR, TEMPORARILY CLOSE
29 ANY STORE IN ANY MUNICIPALITY.

30 (B) CERTAIN PENNSYLVANIA LIQUOR STORES OPERATED BY THE BOARD

1 SHALL BE OPEN FOR SUNDAY RETAIL SALES BETWEEN THE HOURS OF
2 [NOON] NINE O'CLOCK ANTEMERIDIAN AND [FIVE] NINE O'CLOCK
3 POSTMERIDIAN, EXCEPT THAT NO SUNDAY SALES SHALL OCCUR ON EASTER
4 SUNDAY OR CHRISTMAS DAY. THE BOARD SHALL OPEN [UP TO TWENTY-FIVE
5 PER CENTUM OF THE TOTAL NUMBER OF] PENNSYLVANIA LIQUOR STORES AT
6 ITS DISCRETION FOR SUNDAY SALES AS PROVIDED FOR IN THIS
7 SUBSECTION. THE BOARD SHALL SUBMIT YEARLY REPORTS TO THE
8 APPROPRIATIONS AND THE LAW AND JUSTICE COMMITTEES OF THE SENATE
9 AND THE APPROPRIATIONS AND THE LIQUOR CONTROL COMMITTEES OF THE
10 HOUSE OF REPRESENTATIVES SUMMARIZING THE TOTAL DOLLAR VALUE OF
11 SALES UNDER THIS SECTION.

12 Section 8. Section 305 of the act, amended May 8, 2003
13 (P.L.1, No.1), July 17, 2003 (P.L.63, No.15), May 8, 2003
14 (P.L.1, No.1), December 8, 2004 (P.L.1810, No.239), July 6, 2005
15 (P.L.135, No.39) and July 5, 2012 (P.L.1007, No.116), is amended
16 to read:

17 Section 305. Sales by Pennsylvania Liquor Stores.--(a) The
18 board shall in its discretion determine where and what classes,
19 varieties and brands of liquor and alcohol it shall make
20 available to the public and where such liquor and alcohol will
21 be sold. Every Pennsylvania Liquor Store shall be authorized to
22 sell combination packages. If a person desires to purchase a
23 class, variety or brand of liquor or alcohol not currently
24 available from the board, he or she may place a special order
25 for such item so long as the order is for two or more bottles.
26 The board may require a reasonable deposit from the purchaser as
27 a condition for accepting the order. The customer shall be
28 notified immediately upon the arrival of the goods.

29 In computing the retail price of such special orders for
30 liquor or alcohol, the board shall not include the cost of

1 freight or shipping before applying the mark-up and taxes but
2 shall add the freight or shipping charges to the price after the
3 mark-up and taxes have been applied.

4 Unless the customer pays for and accepts delivery of any such
5 special order within ten days after notice of arrival, the store
6 may place it in stock for general sale and the customer's
7 deposit shall be forfeited.

8 During the retail divestiture process as provided in Article
9 III-A, the board shall continue to take and process special
10 liquor orders for residents and licensees of the board, and may
11 establish a protocol by which pre-paid orders may be picked up
12 at either a Pennsylvania Liquor Store or from the licensed
13 premises of a wine and spirits retail licensee. A wine and
14 spirits retail licensee is authorized to assess a handling fee
15 for this purpose. Any product not claimed at a wine and spirits
16 retail store by the purchaser shall be returned to the board
17 after ten days notice of arrival was sent to the purchaser.

18 (b) Every Pennsylvania Liquor Store shall sell liquors at
19 wholesale to wine and spirits retail licensees, grocery stores,
20 big box retail stores, pharmacies, enhanced distributors, <--
21 hotels, restaurants, clubs, and railroad, pullman and steamship
22 companies licensed under this act; and, under the regulations of
23 the board, to pharmacists duly licensed and registered under the
24 laws of the Commonwealth, and to manufacturing pharmacists, and
25 to reputable hospitals approved by the board, or chemists. Sales
26 to licensees shall be made at a price that includes a discount
27 of [ten] FOURTEEN per centum from the retail price, except that <--
28 sales made to wine and spirits retail licensees shall include a
29 discount of twenty per centum from the retail price. The board
30 may sell to registered pharmacists only such liquors as conform

1 to the Pharmacopoeia of the United States, the National
2 Formulary, or the American Homeopathic Pharmacopoeia. The board
3 may sell at special prices under the regulations of the board,
4 to United States Armed Forces facilities which are located on
5 United States Armed Forces installations and are conducted
6 pursuant to the authority and regulations of the United States
7 Armed Forces. All other sales by such stores shall be at retail.
8 A person entitled to purchase liquor at wholesale prices may
9 purchase the liquor at any Pennsylvania Liquor Store upon
10 tendering cash, check or credit card for the full amount of the
11 purchase. For this purpose, the board shall issue a discount
12 card to each licensee identifying such licensee as a person
13 authorized to purchase liquor at wholesale prices. Such discount
14 card shall be retained by the licensee. The board may contract
15 through the Commonwealth bidding process for delivery to
16 wholesale licensees at the expense of the licensee receiving the
17 delivery.

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

1 (d) No liquor or alcohol package shall be opened on the
2 premises of a Pennsylvania Liquor Store. No manager or other
3 employe of the board employed in a Pennsylvania Liquor Store
4 shall allow any liquor or alcohol to be consumed on the store
5 premises, nor shall any person consume any liquor or alcohol on
6 such premises, except liquor and alcohol which is part of a
7 tasting conducted pursuant to the board's regulations. Such
8 tastings may also be conducted in the board's headquarters or
9 regional offices.

10 (e) The board may sell tax exempt alcohol to the
11 Commonwealth of Pennsylvania and to persons to whom the board
12 shall, by regulation to be promulgated by it, issue special
13 permits for the purchase of such tax exempt alcohol.

14 Such permits may be issued to the United States or any
15 governmental agency thereof, to any university or college of
16 learning, any laboratory for use exclusively in scientific
17 research, any hospital, sanitorium, eleemosynary institution or
18 dispensary; to physicians, dentists, veterinarians and
19 pharmacists duly licensed and registered under the laws of the
20 Commonwealth of Pennsylvania; to manufacturing chemists and
21 pharmacists or other persons for use in the manufacture or
22 compounding of preparations unfit for beverage purposes.

23 (f) Every purchaser of liquor, alcohol, corkscrews, wine or
24 liquor accessories, trade publications, gift cards, gift
25 certificates, wine- or liquor-scented candles or wine glasses
26 from a Pennsylvania Liquor Store shall receive a numbered
27 receipt which shall show the price paid therefor and such other
28 information as the board may prescribe. Copies of all receipts
29 issued by a Pennsylvania Liquor Store shall be retained by and
30 shall form part of the records of such store.

1 [(g) The board is hereby authorized and empowered to adopt
2 and enforce appropriate rules and regulations to insure the
3 equitable wholesale and retail sale and distribution, through
4 the Pennsylvania Liquor Stores, of available liquor and alcohol
5 at any time when the demand therefor is greater than the
6 supply.]

7 (h) Every Pennsylvania Liquor Store shall sell gift
8 certificates and gift cards which may be redeemed for any
9 product sold by the board. In addition, the board may sell
10 corkscrews, wine and liquor accessories, wine- or liquor-scented
11 candles, trade publications and wine sleeves at Pennsylvania
12 Liquor Stores.

13 (i) Notwithstanding any other provision of law to the
14 contrary, the board may sell wine in containers having a
15 capacity of sixty liters or less.

16 Section 9. The act is amended by adding an article to read:

17 ARTICLE III-A

18 WINE AND SPIRITS DISTRIBUTION

19 SUBARTICLE A

20 GENERAL PROVISIONS

21 Section 301-A. Scope of article.

22 This article relates to the privatization of liquor
23 distribution in this Commonwealth.

24 Section 302-A. Legislative intent.

25 The General Assembly finds and declares as follows:

26 (1) The wholesale and retail of liquor should no longer
27 be by the Commonwealth, but rather by private persons
28 licensed and regulated by the Commonwealth.

29 (2) The health and welfare of the citizens of this
30 Commonwealth will be adequately protected by the regulation

1 of private licensees through strict enforcement of laws and
2 rules relating to the purchase and sale of liquor.

3 (3) The sale of liquor through wholesale and retail
4 licensees will provide residents with improved customer
5 convenience, and will provide an opportunity for competitive
6 pricing and enhanced product selection.

7 (4) Modernization of the retail sale of wine and beer <--
8 through new outlets for consumption off the premises will
9 further enhance customer convenience.

10 (5) This article will improve operation and efficiency
11 of State government.

12 (6) The authorization of wine and spirits wholesale and
13 retail licenses is intended to continue the generation of
14 revenue to the Commonwealth related to the wholesale and
15 retail sale of liquor.

16 (7) The transition to a privately-owned and privately-
17 operated wholesale and retail liquor distribution system
18 should be accomplished in a manner that protects the public
19 through regulation and policing of all activities involved in
20 the wholesale and retail sale of liquor.

21 (8) The establishment of wine and spirits wholesale and
22 retail licenses is intended to provide broad economic
23 opportunities to the citizens of this Commonwealth and to be
24 implemented in such a manner as to prevent monopolization by
25 establishing reasonable restrictions on the control of
26 wholesale and retail licensees.

27 (9) The transition to a privately-owned and privately-
28 operated wholesale and retail liquor distribution system
29 should be accomplished in a manner that minimizes disruption
30 of services to the public.

1 (10) In conjunction with the transition to privately-
2 owned and privately-operated liquor wholesalers and retail
3 liquor stores, this article is intended to modernize the
4 retail sale of wine and beer through new outlets for <--
5 consumption off the premises, further enhancing customer
6 convenience.

7 (11) With the transition to a privately-owned and
8 privately-operated wholesale and retail liquor distribution
9 system, and with the addition of new licensing
10 classifications, it is necessary to enhance alcohol education
11 and enforcement efforts to:

12 (i) ensure against the illegal sale of alcohol;

13 (ii) prevent and combat the illegal consumption of
14 alcohol by minors and visibly intoxicated persons; and

15 (iii) discourage the intemperate use of alcohol.

16 (12) Participation in the wholesale and retail sale of
17 liquor by a wholesale or retail licensee is a privilege,
18 conditioned upon the proper and continued qualification of
19 the licensee and upon the discharge of the affirmative
20 responsibility of the licensee to provide the department and
21 the board with assistance and information necessary to assure
22 that the policies declared by this article are achieved.

23 Section 303-A. Transition to private distribution system,
24 powers and duties of the department and the board.

25 (a) Orderly transition.--The department and the board have
26 the power and duty to implement this article and effect an
27 orderly transition to a privately-owned and privately-operated
28 wholesale and retail liquor distribution system in this
29 Commonwealth in a manner which is consistent with this article
30 and the laws of this Commonwealth and which seeks to maintain

1 uninterrupted service to the public.

2 (b) Retail transition.--

3 (1) ~~The department shall substantially transition the~~ <--
4 ~~board's retail distribution of alcohol to privately owned and~~
5 ~~privately operated wine and spirits retail licensees before~~
6 ~~divesting the board's wholesale operations.~~ THE BOARD SHALL <--
7 HAVE THE AUTHORITY TO ISSUE WINE AND SPIRITS RETAIL LICENSES
8 AND WINE AND SPIRITS WHOLESALE LICENSES, PROVIDED THAT THE
9 WINE AND SPIRITS WHOLESALE LICENSES ARE NOT ISSUED UNTIL ONE
10 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION. The department
11 shall engage the services of a consultant to assist the
12 committee in effectuating the intent of this section. The
13 department shall not be bound by the procedural constraints
14 or requirements of 62 Pa.C.S. Pt. I (relating to Commonwealth
15 Procurement Code) in hiring the consultant.

16 (2) ~~The divesture~~ DIVESTITURE of the board's retail <--
17 operations shall be accomplished through the issuance of
18 1,200 wine and spirits retail licenses, THAT SHALL BE <--
19 allocated by county, ~~which shall be awarded through a~~ <--
20 ~~competitive bidding process as set forth in this article.~~ SIX <--
21 HUNDRED WINE AND SPIRITS RETAIL LICENSES MAY BE ISSUED BY THE
22 BOARD AS THE STATE LIQUOR STORES WIND DOWN OPERATIONS IN A
23 COUNTY. THE LICENSES SHALL BE ISSUED IF THE DEPARTMENT
24 DETERMINES, IN COOPERATION WITH THE BOARD, THAT THE RETAIL
25 LICENSES ARE NECESSARY FOR CONSUMER CONVENIENCE. AFTER THE
26 DETERMINATION, THE RETAIL LICENSES SHALL BE ISSUED FIRST TO
27 DISTRIBUTOR LICENSEES AND THEN ON A FIRST-COME, FIRST-SERVED
28 BASIS. Each successful applicant shall be thoroughly
29 investigated to determine whether the person is a reputable
30 and responsible person suitable to be licensed to sell liquor

1 in this Commonwealth.

2 (3) As licenses are awarded in a given county, State <--
3 liquor stores located in the region shall begin to wind down
4 operations THE BOARD SHALL DETERMINE THE NECESSITY OF WINDING <--
5 DOWN OPERATIONS IN STATE STORES IN THE REGION AND, AS IT
6 BECOMES NECESSARY, terminate applicable lease agreements,
7 redistribute or furlough store personnel and dispose of
8 remaining inventory and store property.

9 (4) The transition shall fully divest the board of <--
10 operations relating to the retail distribution of liquor
11 within three years and six months of the effective date of
12 this section.

13 (c) Wholesale transition.--

14 (1) After the board's retail operations have been <--
15 substantially divested TWELVE MONTHS AFTER THE EFFECTIVE DATE <--
16 OF THIS SECTION, the department shall transition the board's
17 wholesale distribution of liquor to privately-owned and
18 privately-operated wholesale licensees.

19 (2) The ~~divesture~~ DIVESTITURE of the board's wholesale <--
20 operations shall be accomplished through the issuance of wine
21 and spirits wholesale licenses by brand of liquor, which
22 shall be subject to an application process as set forth in
23 this article. The transition must fully divest the board of
24 all operations relating to the wholesale distribution of
25 liquor within six months of the ~~complete divestiture of the~~ <--
26 board's retail operations COMMENCEMENT OF WHOLESALE <--
27 DIVESTITURE.

28 (d) Cooperation required.--

29 (1) The board shall fully cooperate with the department
30 or its consultant in all aspects of implementation of this

1 article and shall provide the department or its consultant
2 with all records and information in the possession of the
3 board upon request.

4 (2) The board shall devote sufficient resources to
5 planning and preparation for the divestiture of its wholesale
6 and retail functions.

7 (3) The board shall use its best efforts in coordinating
8 with the department or its consultant, wine and spirits
9 retail licensees and wine and spirits wholesale licensees so
10 as to maintain uninterrupted service to the residents of this
11 Commonwealth during divestiture.

12 (e) Prohibition.--The board shall not engage in ~~retail or~~ <--
13 wholesale distribution of liquor following completion of the
14 ~~retail and~~ wholesale transition to a private distribution <--
15 system.

16 Section 304-A. Reports to the General Assembly.

17 One year after the effective date of this section, and each
18 year thereafter until the board has been fully divested of its
19 wholesale and retail operations, the board, in cooperation with
20 the department, shall submit to the Secretary of the Senate and
21 the Chief Clerk of the House of Representatives, a report on
22 wholesale and retail alcohol sales in this Commonwealth and the
23 implementation of this article, including:

24 (1) the total revenue earned by the issuance of licenses
25 under this article;

26 (2) the distribution and sale of brands through private
27 wholesalers;

28 (3) the net profit or loss of each wine and spirits
29 retail licensed premise and State liquor store in this
30 Commonwealth; and

1 ~~(2) The committee shall be chaired by a representative~~
2 ~~from the department.~~

3 ~~(3) The committee shall establish the procedures and~~
4 ~~logistical steps necessary to implement the retail~~
5 ~~divestiture process, within the framework of this article.~~
6 ~~The role of the committee is to provide advisory input to the~~
7 ~~department during the divestiture process; and, as such, its~~
8 ~~meetings are not subject to 65 Pa.C.S. Ch. 7 (relating to~~
9 ~~open meetings).~~

10 ~~(b) Initiation of divestiture. The department shall~~
11 ~~coordinate efforts so that the auction process under this~~
12 ~~subarticle concludes not later than three years and six months~~
13 ~~from the effective date of this section.~~

14 Section 311.1 A. Issuance of wine and spirits retail licenses.

15 ~~(a) Auction of retail licenses. The department shall be~~
16 ~~authorized to award not more than 1,200 wine and spirits retail~~
17 ~~licenses to qualified applicants pursuant to an auction process,~~
18 ~~in which licenses shall be awarded to the highest applicant~~
19 ~~meeting the requirements of this article.~~

20 ~~(b) License classification. There shall be two classes of~~
21 ~~wine and spirits retail licenses as follows:~~

22 ~~(1) Class A wine and spirits retail licenses shall be~~
23 ~~authorized for issuance to successful applicants consistent~~
24 ~~with this subarticle. Class A licenses shall authorize the~~
25 ~~operation of a retail wine and spirits store in an~~
26 ~~establishment which exceeds 15,000 square feet of retail~~
27 ~~floor space and dedicates a minimum of 600 linear feet of~~
28 ~~shelf space for the sale of liquor. The department shall not~~
29 ~~allocate more than 800 Class A licenses.~~

30 ~~(2) Class B wine and spirits retail licenses shall be~~

~~authorized for issuance to successful applicants consistent with this subarticle. Class B licenses shall authorize the operation of a retail wine and spirits store in an establishment which has less than 15,000 square feet of retail floor space. The department shall not allocate more than 400 Class B licenses.~~

~~(c) License allocation.~~

~~(1) The department, in accordance with the recommendations of the retail divestiture strategy committee and its consultant and with the full cooperation and assistance of the board, shall:~~

~~(i) allocate the aggregate number of wine and spirits retail store licenses to be auctioned in each county; and~~

~~(ii) apportion how many licenses should be of a particular class.~~

~~(2) A county shall not be allocated fewer wine and spirits retail licenses than:~~

~~(i) the number of existing State liquor stores in the county; or~~

~~(ii) the aggregate number of licensed distributors and importing distributors in the county if that number is more than the number of existing State liquor stores.~~

~~(3) In determining the appropriate number of licenses to be auctioned in each county, and the apportionment of Class A and Class B licenses, the department shall consider the following factors:~~

~~(i) The existing number, location and sizes of the State liquor stores in the county and neighboring counties.~~

1 ~~(ii) The hours of operation for existing State~~
2 ~~liquor stores in the county.~~

3 ~~(iii) The geographic size and population density of~~
4 ~~the county.~~

5 ~~(iv) The most recent sales data from the board for:~~

6 ~~(A) existing stores;~~

7 ~~(B) number of stock keeping units made available~~
8 ~~in those stores; and~~

9 ~~(C) sales trends of those stores.~~

10 ~~(v) The locations of licensed grocery stores, big~~
11 ~~box retail stores, pharmacies and distributor licenses~~
12 ~~and the proposed location of pending applications for the~~
13 ~~licenses, including enhanced distributor licenses.~~

14 ~~(vi) Other information the department deems relevant~~
15 ~~in order to ensure the reasonable availability of wine~~
16 ~~and spirits in the county.~~

17 ~~(d) Other licenses. Nothing in this act shall prohibit any~~
18 ~~of the following:~~

19 ~~(1) A wine and spirits retail licensee from receiving:~~

20 ~~(i) a distributor license under section 431 which~~
21 ~~authorizes the licensee to sell malt and brewed beverages~~
22 ~~at retail for consumption off the premises; or~~

23 ~~(ii) an enhanced distributor license under section~~
24 ~~431.2.~~

25 ~~(2) A restaurant liquor licensee or a retail dispenser~~
26 ~~licensee from receiving a wine and spirits retail license as~~
27 ~~long as the restaurant or retail dispenser does not have an~~
28 ~~interior connection to or with the wine and spirits retail~~
29 ~~licensed premises.~~

30 ~~Section 312 A. Conduct of retail auctions.~~

~~1 The department shall conduct two retail auctions in each
2 county. The first auction shall be limited to Class A wine and
3 spirits retail licenses and shall be commenced not later than
4 six months from the effective date of this section, and conclude
5 not longer than one year from the effective date of this
6 section. The second auction shall be limited to Class B wine and
7 spirits retail licenses and shall be commenced as soon as
8 practicable after the Class A retail license auction is
9 completed.~~

~~10 Section 313 A. Retail auction requirements.~~

~~11 (a) Conduct of auctions. Class A and Class B retail
12 auctions shall be conducted by the department consistent with
13 the following:~~

~~14 (1) The department shall establish a deadline for
15 submission of bids for all auctions and publish the deadlines
16 in the Pennsylvania Bulletin and on the department's Internet
17 website.~~

~~18 (2) The department shall review the submission of timely
19 bids to determine compliance with the minimum bid
20 requirements of section 317.1 A. A bid which does not comply
21 with the minimum bid amount will be rejected. Applicant
22 identification information and bid amount for each accepted
23 bid shall be made subject to public disclosure.~~

~~24 (3) For each Class A and Class B countywide auction, the
25 department shall identify the number of highest bids which
26 equals two times the number of Class A and Class B licenses,
27 respectively, assigned by the department to a given county.
28 The department shall notify all applicants of the high
29 bidders identified in each Class A and Class B auction.~~

~~30 (4) For each retail auction, the department shall~~

~~1 establish a best and final offer period in which the highest
2 bidders identified under paragraph (3) will be provided an
3 opportunity to submit a revised bid amount, which will
4 represent its best and final offer. An applicant may not
5 submit a best and final offer that includes a bid amount
6 which is less than the applicant's original bid.~~

~~7 (5) For Class A and Class B retail license auctions, the
8 department shall review the best and final offers and shall
9 select a high bidder for each Class A and Class B license
10 assigned to a specific county.~~

~~11 (b) Other applicants. Nothing in this act shall prohibit a
12 person holding a distributor license or a restaurant liquor
13 license from submitting a bid and, if successful, being issued a
14 wine and spirits retail license, subject to the restrictions
15 under this subarticle.~~

~~16 (c) Applicant collusion. Persons may not collude to rig a
17 bid involving a wine and spirits retail license.~~

~~18 (d) Criminal penalty.—~~

~~19 (1) An individual who violates subsection (c) commits a
20 felony of the third degree and shall, upon conviction, be
21 sentenced to pay a fine of not more than \$50,000 or to
22 imprisonment for not more than one year, or both.~~

~~23 (2) A person other than an individual that violates
24 subsection (c) commits a felony of the third degree and
25 shall, upon conviction, be sentenced to pay a fine of not
26 more than \$1,000,000.~~

~~27 (e) Civil penalty.—~~

~~28 (1) Except as set forth in paragraph (2), the Attorney
29 General may bring a civil action against a person that
30 violates subsection (c) for a penalty of up to \$100,000.~~

1 ~~(2) If there is a criminal action under subsection (d),~~
2 ~~paragraph (1) shall not apply.~~

3 ~~(f) Disqualification, termination and debarment. In~~
4 ~~addition to any other criminal or civil penalties imposed under~~
5 ~~this section, the following shall apply to a person penalized~~
6 ~~under subsection (d) or (e):~~

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

11 ~~(2) The board shall revoke any license issued under this~~
12 ~~act.~~

13 ~~(3) The person may be subject to 62 Pa.C.S. § 531~~
14 ~~(relating to debarment and suspension).~~

15 ~~Section 314 A. Postqualification of selected applicants.~~

16 ~~(a) Investigation. Upon selection of a bid under section~~
17 ~~313 A(a)(5), the department shall immediately convey the~~
18 ~~selected bid information to the board's Bureau of Licensing,~~
19 ~~which shall conduct an investigation of each applicant whose bid~~
20 ~~was accepted based upon the information submitted to evaluate~~
21 ~~whether:~~

22 ~~(1) the applicant qualifies as a reputable, responsible~~
23 ~~and suitable person to hold a wine and spirits retail liquor~~
24 ~~license and operate a wine and spirits store;~~

25 ~~(2) the applicant has proposed an acceptable facility~~
26 ~~and location for a wine and spirits store; and~~

27 ~~(3) the applicant's planned operation complies with this~~
28 ~~article.~~

29 ~~(b) Additional information. The board may require~~
30 ~~additional information from an applicant and conduct onsite~~

1 ~~inspections, as necessary, to complete the postqualification~~
2 ~~process.~~

3 ~~(c) Assistance with investigations. The board may enter~~
4 ~~into an agreement with the Pennsylvania State Police or the~~
5 ~~Office of Inspector General to assist the board in the conduct~~
6 ~~of investigations under this section and to provide for the~~
7 ~~reimbursement of actual costs incurred for providing assistance.~~

8 ~~(d) Public input hearings.~~

9 ~~(1) During the postqualification process, the board~~
10 ~~shall schedule one public input hearing in each of the 11~~
11 ~~board licensing districts, including one in a city of the~~
12 ~~first class, at which interested members of the public will~~
13 ~~be provided the opportunity to testify regarding selected~~
14 ~~applicant qualifications and the suitability of the location~~
15 ~~of the proposed wine and spirits stores. The testimony of a~~
16 ~~public witness shall be considered by the board in the~~
17 ~~postqualification investigation of applicants to which the~~
18 ~~testimony applies.~~

19 ~~(2) The board shall establish a protocol for receiving~~
20 ~~written objections from residents, churches, hospitals,~~
21 ~~charitable institutions, schools and public playgrounds,~~
22 ~~which are located near proposed wine and spirits store~~
23 ~~locations. The board may consider the written objections in~~
24 ~~the postqualification investigation of applicants to which~~
25 ~~the testimony applies. An objector under this paragraph may~~
26 ~~not appeal the board's decision.~~

27 ~~(e) Investigative fees. The board may charge fees to an~~
28 ~~applicant to recover the costs directly related to the board's~~
29 ~~investigation within the postqualification process.~~

30 ~~(f) Acceptance of qualifications. An applicant's~~

1 ~~qualifications shall be accepted by the board if the board's~~
2 ~~investigation reveals all of the following:~~

3 ~~(1) The bid information was truthful.~~

4 ~~(2) The applicant and its officers, directors and~~
5 ~~principals, if any, are of good repute, responsible and~~
6 ~~suitable for operating a wine and spirits store.~~

7 ~~(3) The applicant possesses sufficient financial~~
8 ~~resources to:~~

9 ~~(i) operate a wine and spirits store;~~

10 ~~(ii) pay taxes due; and~~

11 ~~(iii) meet financial obligations.~~

12 ~~(4) The applicant possesses sufficient business~~
13 ~~experience to operate a wine and spirits store.~~

14 ~~(5) The proposed facilities are compliant with all of~~
15 ~~the operational requirements of the statement of conditions~~
16 ~~under this article.~~

17 ~~(6) The proposed location is suitable within the~~
18 ~~community.~~

19 ~~(g) Issuance of license. If a selected applicant's~~
20 ~~qualifications are accepted by the board, the board shall~~
21 ~~qualify the applicant and shall issue a wine and spirits retail~~
22 ~~license to the applicant upon the occurrence of the following:~~

23 ~~(1) Execution and delivery to the department and the~~
24 ~~board of the statement of conditions required under section~~
25 ~~319 A.~~

26 ~~(2) Payment of the bid amount by certified check or wire~~
27 ~~transfer to a designated restricted account established in~~
28 ~~The State Stores Fund.~~

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

1 ~~(4) Fulfillment of any other conditions required by the~~
2 ~~department or the board.~~

3 ~~(h) Qualifications unacceptable.~~

4 ~~(1) If an applicant's qualifications are not accepted by~~
5 ~~the board, the board shall submit the results of its~~
6 ~~investigation and the rationale for this conclusion to the~~
7 ~~department. The department shall identify the next highest~~
8 ~~applicant that was not selected in the auction under section~~
9 ~~313 A(a) (5) and submit the bid information to the board for a~~
10 ~~postqualification investigation of that applicant, consistent~~
11 ~~with subsection (a).~~

12 ~~(2) If the second highest applicant is not approved, the~~
13 ~~department shall repeat the postqualification process for the~~
14 ~~next highest unselected applicant in the auction for that~~
15 ~~county.~~

16 ~~(3) If the third highest applicant in an auction is not~~
17 ~~approved by the department, the department may:~~

18 ~~(i) proceed with a new auction for that wine and~~
19 ~~spirits retail license;~~

20 ~~(ii) conduct an additional best and final offer~~
21 ~~period to consider additional bids from the original~~
22 ~~auction; or~~

23 ~~(iii) proceed with a new auction for the other class~~
24 ~~of license.~~

25 ~~(i) Approval of qualifications. If the qualifications of~~
26 ~~the applicant are approved by the board under subsection (f),~~
27 ~~the board shall issue a wine and spirits retail license to the~~
28 ~~successful applicant consistent with the requirements of~~
29 ~~subsection (g).~~

30 ~~(j) License not entitlement.~~

1 ~~(1) Nothing contained in this article is intended to~~
2 ~~create an entitlement to a wine and spirits retail license. A~~
3 ~~wine and spirits retail license is a privilege as between the~~
4 ~~board and the licensee.~~

5 ~~(2) A wine and spirits retail license is property as~~
6 ~~between the licensee and third parties.~~

7 ~~(k) Terms of licensure.~~

8 ~~(1) A wine and spirits retail license shall be in effect~~
9 ~~unless the board:~~

10 ~~(i) revokes, suspends or fails to renew the license;~~

11 ~~or~~

12 ~~(ii) revokes the operating authority of the licensee~~
13 ~~under the license requirements of this article.~~

14 ~~(2) A wine and spirits retail license shall be subject~~
15 ~~to renewal every two years consistent with this article.~~

16 ~~(3) Nothing under this subsection relieves a wine and~~
17 ~~spirits retail licensee of the affirmative duty to notify the~~
18 ~~board of changes relating to the status of its license or to~~
19 ~~other information contained in the application materials on-~~
20 ~~file with the department or the board.~~

21 ~~Section 315 A. Auctions with no or insufficient minimum bids.~~

22 ~~If an insufficient number of bids which meet or exceed the~~
23 ~~minimum bid are submitted in an auction in a county, the~~
24 ~~department:~~

25 ~~(1) shall select the bids which meet or exceed the~~
26 ~~minimum bid subject to postqualification; and~~

27 ~~(2) may conduct:~~

28 ~~(i) a new auction for the remaining wine and spirits~~
29 ~~retail licenses without a minimum bid or with a modified~~
30 ~~minimum bid; or~~

1 ~~(ii) a new auction for the other class of license.~~

2 ~~Section 316 A. Protest of bid selection.~~

3 ~~(a) Protest.~~

4 ~~(1) Within five days of the selection of an applicant in~~
5 ~~county auction, an applicant that is not selected by the~~
6 ~~department for the wine and spirits retail license for that~~
7 ~~county must file a protest in writing with the department.~~

8 ~~(2) Failure to comply with paragraph (1) results in a~~
9 ~~waiver of an applicant's opportunity to challenge or appeal~~
10 ~~the selection of the department.~~

11 ~~(b) Requirements for protests. A protest filed under this~~
12 ~~section must comply with all of the following:~~

13 ~~(1) For Class A auctions and Class B auctions, the~~
14 ~~subject matter of a protest is restricted to the conduct of~~
15 ~~the license auction for the specific county in which the~~
16 ~~protester participated. No person may protest an auction in~~
17 ~~which that person did not participate as an applicant.~~

18 ~~(2) An unselected applicant that files a protest must be~~
19 ~~represented by an attorney at law.~~

20 ~~(3) An applicant that files a protest under this section~~
21 ~~waives its right to, and is disqualified from, being selected~~
22 ~~by the department as the next highest applicant for~~
23 ~~postqualification under this subarticle.~~

24 ~~(4) As a prerequisite to the filing of a protest, and at~~
25 ~~the time of the filing of a protest, the protester must~~
26 ~~provide the department with a bond, letter of credit or other~~
27 ~~form of security acceptable to the department in an amount~~
28 ~~equal to the amount of the selected bid. The accepted~~
29 ~~security shall be in an amount equal to the highest bid~~
30 ~~received from any applicant for that class of license. If the~~

~~bid protest does not result in the overturning of the department's bid selection for the specific auction protested, and the selected applicant does not pay the bid amount for any reason the protester shall forfeit its security to the department.~~

~~Section 317 A. Content of bids.~~

~~The following are the requirements for a bid submitted to participate in a wine and spirits retail license auction under this subarticle:~~

~~(1) The bid must include a summary page which clearly identifies:~~

~~(i) The name, address and tax identification number of the applicant.~~

~~(ii) The county for which the bid is being submitted.~~

~~(iii) The amount of the bid.~~

~~(iv) The amount of the minimum bid for the wine and spirits retail license auction in which the applicant is participating.~~

~~(2) The bid must state a general description of the bid and the location of the proposed wine and spirits store, including the estimated square feet of total retail space in the proposed location.~~

~~(3) The bid must state the following:~~

~~(i) Whether the applicant is an individual, corporation, limited liability company, limited partnership, partnership or association or other legal entity.~~

~~(ii) If the applicant is a corporation:~~

~~(A) the state of incorporation; and~~

1 ~~(B) the names and residence addresses of each~~
2 ~~officer, director and shareholder holding a~~
3 ~~controlling interest in the corporation.~~

4 ~~(iii) If the applicant is a partnership:~~

5 ~~(A) the state of organization; and~~

6 ~~(B) the names and residence addresses of each~~
7 ~~general partner and limited partner.~~

8 ~~(iv) If the applicant is an association, the bid~~
9 ~~must set forth the names and addresses of the persons~~
10 ~~constituting the association.~~

11 ~~(4) If the applicant is a corporation, limited liability~~
12 ~~company, limited partnership, partnership, association or~~
13 ~~other legal entity, the bid must show that the entity is~~
14 ~~organized under the laws of this Commonwealth.~~

15 ~~(5) If the applicant is an individual, the bid must show~~
16 ~~that the applicant:~~

17 ~~(i) is a citizen of the United States and a resident~~
18 ~~of this Commonwealth; and~~

19 ~~(ii) is not acting as an agent for any other person,~~
20 ~~partnership, association or group of persons beneficially~~
21 ~~interested in the license.~~

22 ~~(6) The bid must state the proposed location and~~
23 ~~ownership of the site for the wine and spirits store,~~
24 ~~including floor plans of existing facilities to be utilized~~
25 ~~in the applicant's retail operation and design plans for any~~
26 ~~facilities not yet constructed, to the extent they are~~
27 ~~available.~~

28 ~~(7) The bid must state information disclosing:~~

29 ~~(i) an arrest of, and a citation for an offense~~
30 ~~graded higher than a summary offense issued to, the~~

1 ~~applicant;~~

2 ~~(ii) each person listed for the applicant under~~
3 ~~paragraph (3) (ii) (B) and (iii) (B); and~~

4 ~~(iii) the applicant's affiliates.~~

5 ~~The information must include:~~

6 ~~(A) A brief description of the circumstances~~
7 ~~surrounding the arrest or issuance of the citation.~~

8 ~~(B) The specific offense charged or cited.~~

9 ~~(C) The ultimate disposition of the charge or~~
10 ~~citation, including the details of a dismissal, plea~~
11 ~~bargain, conviction, sentence, pardon, expungement or~~
12 ~~order of Accelerated Rehabilitative Disposition.~~

13 ~~(8) The bid must contain a sworn statement that the~~
14 ~~applicant, each person listed for the applicant under~~
15 ~~paragraph (3) (ii) (B) and (iii) (B) and the applicant's~~
16 ~~affiliates:~~

17 ~~(i) have not within a period of ten years~~
18 ~~immediately preceding the date of the bid, been convicted~~
19 ~~of a crime involving fraud, moral turpitude or~~
20 ~~racketeering; and~~

21 ~~(ii) have not been convicted of:~~

22 ~~(A) an offense graded higher than a misdemeanor~~
23 ~~of the first degree; or~~

24 ~~(B) a similar offense in another jurisdiction.~~

25 ~~(9) The bid must contain a statement that the applicant~~
26 ~~will:~~

27 ~~(i) continuously operate a wine and spirits store~~
28 ~~for the duration of the two year license period; and~~

29 ~~(ii) provide a level of service, including hours of~~
30 ~~operation and product availability reasonably equivalent~~

1 ~~to the level of service currently provided in the same~~
2 ~~geographic area.~~

3 ~~(10) The applicant must provide a financial statement or~~
4 ~~letter of credit, consistent with the requirements prescribed~~
5 ~~by the department, which demonstrates the financial~~
6 ~~capability to operate the wine and spirits store and the~~
7 ~~estimated volume of business to be conducted.~~

8 ~~(11) The applicant must:~~

9 ~~(A) provide a current tax certificate issued by~~
10 ~~the Department of Revenue for the applicant, each~~
11 ~~person listed for the applicant under paragraph (3)~~
12 ~~(ii) (B) and (iii) (B) and the applicant's affiliates;~~
13 ~~and~~

14 ~~(B) demonstrate payment of unpaid taxes~~
15 ~~identified on the tax certificate.~~

16 ~~(12) The applicant must pay, by certified check, a bid~~
17 ~~filing fee of \$10,000 that must be submitted by certified~~
18 ~~check with the bid. The department shall refund the fee if,~~
19 ~~due to no fault of the applicant, the applicant is not issued~~
20 ~~a wine and spirits retail license. Refund under this~~
21 ~~paragraph includes instances when the bid amount exceeded the~~
22 ~~reserve for the license, but the bid amount was not high~~
23 ~~enough for the applicant to be selected.~~

24 ~~(13) The bid must be signed and verified by oath or~~
25 ~~affirmation as follows:~~

26 ~~(i) If the applicant is an individual, by the~~
27 ~~applicant.~~

28 ~~(ii) If the applicant is a partnership, by a~~
29 ~~partner.~~

30 ~~(iii) If the applicant is an association, by a~~

1 member.

2 (iv) If the applicant is a corporation or limited
3 liability company, by an executive officer thereof or an
4 individual specifically authorized by the entity to sign
5 the bid. Written evidence of the authority must be
6 attached to the bid.

7 (14) The applicant must provide a noncollusion
8 affidavit, executed by the applicant if the applicant is an
9 individual and by an individual specifically authorized by
10 the applicant if the applicant is a legal entity. Certifying
11 that the applicant, each person listed for the applicant
12 under paragraph (3)(ii)(B) and (iii)(B) and the applicant's
13 affiliates has not engaged in collusion, bid rigging or other
14 prohibited activity in relation to the bid. The form and
15 content of the noncollusion affidavit shall be determined by
16 the department. Failure of an applicant to provide the
17 required noncollusion affidavit disqualifies the bid unless
18 cured within a time period determined by the department. The
19 affidavit must state whether or not, within the past ten
20 years, the applicant, each person listed for the applicant
21 under paragraph (3)(ii)(B) and (iii)(B) and the applicant's
22 affiliates has been convicted or found liable for an act
23 prohibited by Federal or State law involving conspiracy or
24 collusion with respect to bidding on a public contract or in
25 relation to the sale or lease of a public asset. An
26 affirmative statement of conviction or liability under this
27 paragraph may be grounds for the department to find the
28 applicant not suitable.

29 (15) The applicant must provide an affidavit stating
30 that the applicant, each person listed for the applicant

~~1 under paragraph (3) (ii) (B) and (iii) (B) and the applicant's
2 affiliates have not applied for and do not hold wine and
3 spirits wholesale licenses.~~

~~4 (16) The applicant must, during the auction process,
5 update information in the bid and provide any other
6 information determined to be appropriate by the department.~~

~~7 Section 317.1 A. Minimum bid for retail auctions.~~

~~8 The department shall establish minimum bid amounts for retail
9 auctions and shall publish the amounts in the Pennsylvania
10 Bulletin and on the department's Internet website. The
11 department shall establish minimum bid amounts, with the input
12 of the retail divestiture strategy committee, for each class of
13 license auctioned in each county. In determining the minimum
14 bids, the department shall consider the following factors
15 relative to the county at issue:~~

~~16 (1) The number of existing State liquor stores in the
17 county and surrounding region.~~

~~18 (2) Sales data of those stores pertaining to nonlicensed
19 customers for the most recent 12-month period.~~

~~20 (3) The number of licensed grocery stores, big box
21 retail stores, pharmacies and enhanced distributor licenses,
22 and any pending applications for these licenses, in the
23 county and surrounding region.~~

~~24 (4) Available sales data from those licensees pertaining
25 to the sale of wine.~~

~~26 Section 318 A. Protest of license denial.~~

~~27 (a) Right to protest. An applicant that is denied a wine
28 and spirits retail license under section 314 A(h) has the right
29 to protest the denial.~~

~~30 (b) Filing of protest.~~

1 ~~(1) The protest must be filed in writing with the~~
2 ~~Secretary of General Services within seven days after the~~
3 ~~mailing date of the rejection of the application.~~

4 ~~(2) Failure to comply with paragraph (1) results in~~
5 ~~waiver of the right to protest.~~

6 ~~(c) Security required. The protest must be accompanied by~~
7 ~~security in the amount of the protestant's bid and any fees~~
8 ~~required by the department under this article. Security must be~~
9 ~~in the form of a certified check or bank check or a bond~~
10 ~~provided by a surety company authorized to do business in this~~
11 ~~Commonwealth.~~

12 ~~(d) Contents of protest. A protest must state the grounds~~
13 ~~upon which the protestant asserts the denial of the application~~
14 ~~was improper under this article or the department's regulations.~~
15 ~~The protestant may submit with the protest documents or~~
16 ~~information in support of the protest.~~

17 ~~(e) Evaluation of protest. The secretary or a designee:~~

18 ~~(1) shall review the protest;~~

19 ~~(2) may request and review the additional documents or~~
20 ~~information necessary to render a decision;~~

21 ~~(3) may conduct a hearing;~~

22 ~~(4) shall provide the protestant a reasonable~~
23 ~~opportunity to review and address any additional documents or~~
24 ~~information deemed necessary to render a decision.~~

25 ~~(f) Determination. Upon completing an evaluation of the~~
26 ~~protest in accordance with subsection (e), the secretary or the~~
27 ~~designee shall issue a written determination stating the reasons~~
28 ~~for the decision. The determination shall be issued within 30~~
29 ~~days of the receipt of the protest unless extended by the head~~
30 ~~of the department or his designee. The determination shall be~~

1 ~~the final order of the department.~~

2 ~~(g) Appeal. Within 15 days of the mailing date of a final~~
3 ~~determination denying a protest, a protestant may file an appeal~~
4 ~~with the Commonwealth Court. Issues not raised by the protestant~~
5 ~~before the department are deemed waived and may not be raised~~
6 ~~before the court. A decision by the head of the department to~~
7 ~~reverse the denial of the application shall not be subject to~~
8 ~~appeal.~~

9 ~~(h) Record of determination. The record of determination~~
10 ~~for review by the court shall consist of:~~

11 ~~(1) the winning bid;~~

12 ~~(2) the application;~~

13 ~~(3) the protest;~~

14 ~~(4) documents or information filed by the protestant in~~
15 ~~support of the protest;~~

16 ~~(5) additional documents or information considered by~~
17 ~~the secretary or the designee;~~

18 ~~(6) any hearing transcript and exhibits; and~~

19 ~~(7) the final determination.~~

20 ~~(i) Standard of review. The court shall hear the appeal,~~
21 ~~without a jury, on the record of determination certified by the~~
22 ~~department. The court shall affirm the determination of the~~
23 ~~department unless it finds from the record that the~~
24 ~~determination is arbitrary and capricious, an abuse of~~
25 ~~discretion or is contrary to law.~~

26 ~~(j) Remedy. If the court determines that the application~~
27 ~~denial is contrary to this article or the department's~~
28 ~~regulations, then the remedy the court shall order is limited to~~
29 ~~reversal of the department's determination and declaring void~~
30 ~~the issuance of any license resulting.~~

1 ~~(k) Effect of protest. If the protestant files a timely~~
2 ~~protest under this section, the department shall not proceed~~
3 ~~with the issuance of a wine and spirits retail license until the~~
4 ~~issuance of a determination under subsection (f).~~

5 ~~(l) Stay unauthorized. The filing of an appeal under~~
6 ~~subsection (g) shall not operate as a stay of the procedures in~~
7 ~~this article. Notwithstanding any other provision of law, no~~
8 ~~court shall have jurisdiction to stay the procedures in this~~
9 ~~article pending appeal.~~

10 ~~(m) Applicability. This section shall be the exclusive~~
11 ~~procedure for protesting a denial of an application for a wine~~
12 ~~and spirits retail license under this article. The provisions of~~
13 ~~2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of~~
14 ~~Commonwealth agencies) and Ch. 7 Subch. A (relating to judicial~~
15 ~~review of Commonwealth agency action) shall not apply to actions~~
16 ~~under this section.~~

17 ~~Section 319 A. Wine and spirits retail licensee statement of~~
18 ~~conditions.~~

19 ~~(a) Statement of conditions. The department, in~~
20 ~~consultation with the board, shall develop a statement of~~
21 ~~conditions to be executed by each wine and spirits retail~~
22 ~~licensee governing the operations of the wine and spirits retail~~
23 ~~licensee.~~

24 ~~(b) Conditions. In addition to any other conditions the~~
25 ~~department, in consultation with the board, deems necessary or~~
26 ~~appropriate for a specific wine and spirits retail licensee, a~~
27 ~~statement of conditions under this section shall include, at a~~
28 ~~minimum, the following conditions and impose the following~~
29 ~~obligations and requirements on an ongoing basis:~~

30 ~~(1) Under section 493.2, a wine and spirits retail~~

~~licensee may not sell or distribute liquor to an individual under 21 years of age or to an individual who is visibly intoxicated.~~

~~(2) A wine and spirits retail licensee may not operate a retail wine and spirits store located within:~~

~~(i) Three hundred feet of an elementary or secondary school without department or board approval.~~

~~(ii) A municipality which has voted to preclude the establishment of a State liquor store, unless the municipality subsequently votes to permit the board to issue a wine and spirits retail license.~~

~~(2.1) A wine and spirits retail license may not be operated on real property upon which is located as a business the sale of liquid fuels and oil if the point of sale or dispensing of liquid fuels and oil is within 100 feet of the closest point to the physical building in which the license is located.~~

~~(3) A wine and spirits retail licensee's wine and spirits store and all facilities involved in its retail operations, including any changes to those facilities during the term of the license, are subject to the inspection, investigation and approval of the department, the board and the enforcement bureau.~~

~~(4) A wine and spirits retail licensee shall maintain adequate security to protect the licensee's inventory from unauthorized sale or diversion and prevent its unauthorized distribution. Nothing in this paragraph shall preclude a wine and spirits retail licensee from moving wine and spirits inventory between wine and spirits retail stores under common ownership on a periodic basis upon no less than one day's~~

1 ~~notice to the board and the enforcement bureau.~~

2 ~~(5) Unless specifically authorized in this act or with~~
3 ~~the prior approval of the board, a wine and spirits retail~~
4 ~~licensee may not engage in a separate business activity upon~~
5 ~~any licensed premises on which retail liquor operations are~~
6 ~~conducted.~~

7 ~~(6) Except in an emergency, as defined by regulation by~~
8 ~~the board, a wine and spirits retail licensee may not sell~~
9 ~~wine or spirits to licensees under Article IV and other wine~~
10 ~~and spirits retail licensees.~~

11 ~~(7) A wine and spirits retail licensee shall notify the~~
12 ~~board within 15 days of a change in persons holding a~~
13 ~~controlling interest in the wine and spirits retail licensee.~~

14 ~~(8) A wine and spirits retail licensee shall notify the~~
15 ~~board within 15 days of becoming aware of an arrest or~~
16 ~~criminal indictment or conviction by the following:~~

17 ~~(i) If the licensee is an individual, the licensee.~~

18 ~~(ii) If the licensee is a partnership, a partner.~~

19 ~~(iii) If the licensee is an association, a member.~~

20 ~~(iv) If the licensee is a corporation, any officer,~~
21 ~~director or shareholder holding a controlling interest in~~
22 ~~the corporation.~~

23 ~~(v) An affiliate of the licensee.~~

24 ~~(9) A wine and spirits retail licensee shall notify the~~
25 ~~board within 15 days of becoming aware of a violation of this~~
26 ~~article by an individual listed in paragraph (8).~~

27 ~~(10) The premises of each wine and spirits store must be~~
28 ~~a self-contained unit with limited customer access dedicated~~
29 ~~to the sale of liquor and related merchandise. Except for a~~
30 ~~licensee that also holds a distributor license, no wine and~~

~~1 spirits store may have an interior connection with another
2 business or with a residential building except as approved by
3 the board. Purchases of wine and spirits shall be paid for at
4 a location within the confines of the licensed premises.~~

~~5 (11) A wine and spirits retail licensee shall configure
6 its licensed premises in a manner and with adequate
7 safeguards to ensure that its liquor products are secure and
8 that the licensed area may not be accessed during prohibited
9 hours of operation.~~

~~10 (12) A wine and spirits retail licensee may not do any
11 of the following:~~

~~12 (i) Hold, directly or indirectly, more than 60 wine
13 and spirits retail licenses within this Commonwealth.~~

~~14 (ii) Own more than:~~

~~15 (A) ten percent of the wine and spirits retail
16 licenses in a county which has at least ten wine and
17 spirits retail licenses; or~~

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

~~21 (13) A wine and spirits store may sell liquor for
22 consumption off the premises and related merchandise within
23 the licensed area of the store. Sales of related merchandise
24 within the licensed area may not exceed 30% of the gross
25 annual sales of a wine and spirits store. Unless the wine and
26 spirits retail licensee also operates a license which
27 authorizes the sale of malt and brewed beverages or
28 consumption off the premises in the same licensed area, a
29 wine and spirits store may not sell malt or brewed beverages
30 within its licensed premises.~~

1 ~~(14) A wine and spirits retail licensee shall make the~~
2 ~~premises and the facilities involved in the retail operation~~
3 ~~and all of the business and financial books and records of~~
4 ~~the retail operation available at any time for inspection and~~
5 ~~audit by the board and the enforcement bureau. The board~~
6 ~~shall promulgate regulations regarding the records that a~~
7 ~~wine and spirits retail licensee must maintain in its~~
8 ~~licensed premises.~~

9 ~~(15) A wine and spirits retail licensee may sell wine or~~
10 ~~spirits between 9 a.m. and 11 p.m. of any day except Sunday~~
11 ~~to:~~

12 ~~(i) a person not licensed under this act;~~

13 ~~(ii) a holder of a special occasion permit; or~~

14 ~~(iii) a holder of a wine auction permit.~~

15 ~~(16) In addition to the hours authorized under paragraph~~
16 ~~(15), a wine and spirits retail licensee may, upon purchasing~~
17 ~~a permit from the board at an annual fee of \$2,000, sell wine~~
18 ~~or spirits on Sunday between the hours of 9 a.m. and 9 p.m.~~
19 ~~to:~~

20 ~~(i) a person not licensed under this act;~~

21 ~~(ii) a holder of a special occasion permit; or~~

22 ~~(iii) a holder of a wine auction permit.~~

23 ~~(17) A wine and spirits retail licensee may not employ~~
24 ~~an individual under 18 years of age to work on the licensed~~
25 ~~premises. An employee under 21 years of age of a wine and~~
26 ~~spirits retail licensee may not engage in the sale of liquor.~~

27 ~~(18) A wine and spirits retail licensee may not hold a~~
28 ~~wine and spirits wholesale license.~~

29 ~~(19) A wine and spirits retail licensee that is a~~
30 ~~corporation, a limited liability company, a limited~~

1 ~~partnership, a partnership, an association or other legal~~
2 ~~entity, must be organized under the laws of this~~
3 ~~Commonwealth.~~

4 ~~(20) A wine and spirits retail licensee who is an~~
5 ~~individual must be a citizen of the United States and a~~
6 ~~resident of this Commonwealth.~~

7 ~~(21) A wine and spirits retail licensee shall:~~

8 ~~(i) comply with the responsible alcohol management~~
9 ~~program training under section 471.1; and~~

10 ~~(ii) ensure that all wine and spirits store managers~~
11 ~~and employees who may engage in the sale of liquor attend~~
12 ~~required training within six months of commencing~~
13 ~~employment.~~

14 ~~(22) A wine and spirits retail licensee may place its~~
15 ~~license in safekeeping for a period not to exceed two years:~~

16 ~~(i) pending transfer of the license from person to~~
17 ~~person or place to place, or both; or~~

18 ~~(ii) during renovation of the premises upon which~~
19 ~~retail operations are conducted.~~

20 ~~(23) A wine and spirits retail license which remains in~~
21 ~~safekeeping for a period that exceeds two consecutive years~~
22 ~~shall be forfeited and reauctioned by the board in a manner~~
23 ~~consistent with this subarticle.~~

24 ~~(24) Except as set forth in paragraph (17), an~~
25 ~~individual under under 21 years of age may not enter the~~
26 ~~licensed areas of the wine and spirit retail licensee unless~~
27 ~~accompanied by an adult.~~

28 ~~(25) A wine and spirits retail licensee shall utilize a~~
29 ~~transaction scan device to verify the age of an individual~~
30 ~~before making a sale of alcohol. As used in this paragraph,~~

1 ~~the term "transaction scan device" means a device capable of~~
2 ~~deciphering in an electronically readable format the~~
3 ~~information encoded on the magnetic strip or bar code of an~~
4 ~~identification card under section 495(a).~~

5 ~~(26) A wine and spirits retail licensee may not sell a~~
6 ~~liquor product at a price less than its underlying cost.~~

7 ~~(27) A wine and spirits retail licensee may not provide~~
8 ~~tasting samples of liquor on the premises where retail~~
9 ~~operations are conducted except in the manner set forth in~~
10 ~~the board's regulations related to tasting samples provided~~
11 ~~by sponsors.~~

12 ~~(28) A wine and spirits retail licensee may not require~~
13 ~~a customer to purchase a membership or pay a fee in order to~~
14 ~~purchase products, including wine and spirits, from the~~
15 ~~premises.~~

16 ~~(29) In an inquiry or investigation by the department,~~
17 ~~the board or the enforcement bureau, a wine and spirits~~
18 ~~retail licensee shall cooperate fully and provide requested~~
19 ~~information.~~

20 ~~(30) A wine and spirits retail licensee shall be~~
21 ~~considered a State liquor store for the purposes of~~
22 ~~collecting and remitting taxes consistent with the act of~~
23 ~~March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of~~
24 ~~1971, from a person other than a person licensed to sell~~
25 ~~liquor for consumption on the premises under Article IV.~~

26 ~~(31) A wine and spirits retail licensee shall devote a~~
27 ~~section of its sales space for products sold by holders of~~
28 ~~limited winery, limited distillery and distillery licenses~~
29 ~~and shall attempt to diversify product selection with liquor~~
30 ~~produced by those holders.~~

1 ~~(c) Sanctions.~~

2 ~~(1) A wine and spirits retail licensee that fails to~~
3 ~~abide by any condition contained in the licensee's statement~~
4 ~~of conditions or commits any violation of this act or other~~
5 ~~Federal or State law shall be subject to citation by the~~
6 ~~enforcement bureau.~~

7 ~~(2) A citation under paragraph (1) may result in:~~

8 ~~(i) a fine, suspension or license revocation;~~

9 ~~(ii) nonrenewal of a license;~~

10 ~~(iii) revocation of temporary operating authority;~~

11 ~~or~~

12 ~~(iv) other penalties authorized under sections 471-~~

13 ~~and 494.~~

14 SUBARTICLE B <--

15 WINE AND SPIRITS RETAIL LICENSES

16 SECTION 311-A. ISSUANCE OF WINE AND SPIRITS RETAIL LICENSES,
17 FEES, TAXES.

18 (A) SALE OF RETAIL LICENSES.--THE BOARD MAY AWARD NOT MORE
19 THAN 1,200 WINE AND SPIRITS RETAIL LICENSES TO QUALIFIED
20 APPLICANTS, PROVIDED THAT WHEN THE STATE STORES CLOSE IN A GIVEN
21 COUNTY BECAUSE THE WINE AND SPIRITS RETAIL LICENSES HAVE
22 COMMENCED OPERATION, THE DEPARTMENT, IN COOPERATION WITH THE
23 BOARD, SHALL DETERMINE IF IT IS NECESSARY TO ISSUE ADDITIONAL
24 WINE AND SPIRITS RETAIL LICENSES FOR CUSTOMER CONVENIENCE AND
25 ACCESS. IF THE DEPARTMENT DETERMINES MORE WINE AND SPIRITS
26 RETAIL LICENSES ARE NEEDED, THE DEPARTMENT MAY ISSUE NOT MORE
27 THAN 600 ADDITIONAL WINE AND SPIRITS RETAIL LICENSES.

28 (B) LICENSE CLASSIFICATION.--WINE AND SPIRITS RETAIL
29 LICENSES SHALL BE AWARDED AS FOLLOWS:

30 (1) FOR THE FIRST 12 MONTHS AFTER THE ENACTMENT OF THIS

1 SECTION, THE BOARD SHALL RECEIVE APPLICATIONS FROM
2 DISTRIBUTOR LICENSEES LICENSED UNDER SECTION 431. A
3 DISTRIBUTOR LICENSEE APPLYING FOR A WINE AND SPIRITS RETAIL
4 LICENSE MUST OPERATE OUT OF A FACILITY WITH A MINIMUM OF
5 1,500 SQUARE FEET OF RETAIL SPACE AND DEDICATE A MINIMUM OF
6 50% OF SHELF SPACE FOR THE SALE OF MALT AND BREWED BEVERAGES.

7 (2) AT THE CONCLUSION OF THE 12-MONTH PERIOD UNDER
8 PARAGRAPH (1), THE BOARD MAY ISSUE THE REMAINING WINE AND
9 SPIRITS RETAIL LICENSES ON A FIRST-COME, FIRST-SERVED BASIS.
10 A PRIVATE WINE AND SPIRITS RETAIL LICENSEE MUST OPERATE IN A
11 FACILITY WITH NOT LESS THAN 1,500 SQUARE FEET OF RETAIL
12 SPACE.

13 (C) LICENSE ALLOCATION.--

14 (1) THE BOARD SHALL ALLOCATE THE AGGREGATE NUMBER OF
15 WINE AND SPIRITS RETAIL LICENSES TO BE AVAILABLE IN EACH
16 COUNTY.

17 (2) A COUNTY MAY NOT BE ALLOCATED FEWER WINE AND SPIRITS
18 RETAIL LICENSES THAN THE NUMBER OF LICENSED DISTRIBUTORS IN
19 THE COUNTY.

20 (3) A WINE AND SPIRITS RETAIL LICENSEE MAY DETERMINE
21 WHETHER IT WILL SELL WINE OR SPIRITS OR BOTH. IF A WINE AND
22 SPIRITS RETAIL LICENSEE ELECTS TO SELL EITHER WINE OR
23 SPIRITS, THE BOARD SHALL CONSIDER THAT ONE WINE AND SPIRITS
24 RETAIL LICENSE AND ONLY THE LICENSEE WILL HAVE THE ABILITY TO
25 PAY AN ADDITIONAL FEE IN THE FUTURE TO SELL BOTH WINE AND
26 SPIRITS.

27 (D) LICENSE APPLICATION.--AN APPLICANT FOR A WINE AND
28 SPIRITS RETAIL LICENSE SHALL FILE A WRITTEN APPLICATION WITH THE
29 BOARD IN THE FORM AND CONTAINING THE INFORMATION AS THE BOARD
30 SHALL PRESCRIBE FROM TIME TO TIME, WHICH MUST BE ACCOMPANIED BY

1 A FILING FEE AND LICENSE FEE AS PRESCRIBED UNDER SUBSECTION (F).

2 AN APPLICATION MUST CONTAIN:

3 (1) A DESCRIPTION OF THE PART OF THE PREMISES FOR WHICH
4 THE APPLICANT DESIRES A LICENSE;

5 (2) WHETHER THE APPLICANT DESIRES TO SELL WINE, SPIRITS
6 OR BOTH ON THE LICENSED PREMISES. NOTWITHSTANDING ANY OTHER
7 PROVISION OF THIS ACT, AN APPLICANT THAT CHOOSES TO SELL WINE
8 OR SPIRITS MAY MAKE APPLICATION AT A LATER DATE TO THE BOARD
9 TO SELL BOTH PRODUCTS AND BE GRANTED THAT AUTHORITY AFTER
10 PAYING THE PROPER FEES; AND

11 (3) OTHER INFORMATION THAT THE BOARD MAY PRESCRIBE.
12 THE BOARD MAY NOT REQUIRE PHYSICAL ALTERATIONS, IMPROVEMENTS OR
13 CHANGES TO THE LICENSED PREMISES UNTIL THE WINE AND SPIRITS
14 LICENSE APPLICATION HAS BEEN APPROVED.

15 (E) OTHER LICENSES.--NOTHING IN THIS ACT SHALL PROHIBIT A
16 WINE AND SPIRITS RETAIL LICENSEE FROM RECEIVING:

17 (1) A DISTRIBUTOR LICENSE UNDER SECTION 431 THAT
18 AUTHORIZES THE LICENSEE TO SELL MALT AND BREWED BEVERAGES FOR
19 CONSUMPTION OFF THE PREMISES; OR

20 (2) A RESTAURANT LIQUOR LICENSE OR A RETAIL DISPENSER
21 LICENSE AS LONG AS THE RESTAURANT OR RETAIL DISPENSER DOES
22 NOT HAVE AN INTERIOR CONNECTION TO OR WITH THE WINE AND
23 SPIRITS RETAIL LICENSED PREMISES.

24 (F) LICENSE FEES.--THE FEES FOR A WINE AND SPIRITS RETAIL
25 LICENSE ARE AS FOLLOWS:

26 (1) FOR A DISTRIBUTOR LICENSED UNDER SECTION 431 MAKING
27 APPLICATION FOR A WINE AND SPIRITS RETAIL LICENSE:

28 (I) FOR THE PRIVILEGE OF SELLING WINE, THE BOARD
29 SHALL REQUIRE THE FOLLOWING FEES:

30 (A) FOR A COUNTY OF THE FIRST OR SECOND CLASS,

1 \$30,000.

2 (B) FOR A COUNTY OF THE SECOND CLASS A OR THIRD
3 CLASS, \$37,500.

4 (C) FOR A COUNTY OF THE FOURTH OR FIFTH CLASS,
5 \$22,500.

6 (D) FOR A COUNTY OF THE SIXTH OR SEVENTH CLASS,
7 \$15,000.

8 (E) FOR A COUNTY OF THE EIGHTH CLASS, \$7,500.

9 (II) FOR THE PRIVILEGE OF SELLING SPIRITS, THE BOARD
10 SHALL REQUIRE THE FOLLOWING FEES:

11 (A) FOR A COUNTY OF THE FIRST OR SECOND CLASS,
12 \$52,500.

13 (B) FOR A COUNTY OF THE SECOND CLASS A OR THIRD
14 CLASS, \$60,000.

15 (C) FOR A COUNTY OF THE FOURTH OR FIFTH CLASS,
16 \$45,000.

17 (D) FOR A COUNTY OF THE SIXTH OR SEVENTH CLASS,
18 \$37,500.

19 (E) FOR A COUNTY OF THE EIGHTH CLASS, \$30,000.

20 (III) FOR THE PRIVILEGE OF SELLING BOTH WINE AND
21 SPIRITS, THE BOARD SHALL REQUIRE A FEE EQUAL TO THE SUM
22 OF THE FEES LISTED ABOVE BY COUNTY. NOTHING IN THIS ACT
23 SHALL PREVENT A LICENSEE WHO INITIALLY MAKES APPLICATION
24 TO SELL EITHER WINE OR SPIRITS FROM ADDING THE OTHER
25 PRODUCT AT A LATER DATE SO LONG AS APPLICATION IS MADE TO
26 THE BOARD AND THE PROPER FEES ARE PAID.

27 (2) FOR AN UNLICENSED ENTITY MAKING APPLICATION FOR A
28 WINE AND SPIRITS RETAIL LICENSE:

29 (I) FOR THE PRIVILEGE OF SELLING WINE, THE BOARD
30 SHALL REQUIRE THE FOLLOWING FEES:

1 (A) FOR A COUNTY OF THE FIRST OR SECOND CLASS,
2 \$165,000.

3 (B) FOR A COUNTY OF THE SECOND CLASS A OR THIRD
4 CLASS, \$187,500.

5 (C) FOR A COUNTY OF THE FOURTH OR FIFTH CLASS,
6 \$142,500.

7 (D) FOR A COUNTY OF THE SIXTH OR SEVENTH CLASS,
8 \$120,000.

9 (E) FOR A COUNTY OF THE EIGHTH CLASS, \$97,500.

10 (II) FOR THE PRIVILEGE OF SELLING SPIRITS, THE BOARD
11 SHALL REQUIRE THE FOLLOWING FEES:

12 (A) FOR A COUNTY OF THE FIRST OR SECOND CLASS,
13 \$232,500.

14 (B) FOR A COUNTY OF THE SECOND CLASS A OR THIRD
15 CLASS, \$262,500.

16 (C) FOR A COUNTY OF THE FOURTH OR FIFTH CLASS,
17 \$202,500.

18 (D) FOR A COUNTY OF THE SIXTH OR SEVENTH CLASS,
19 \$172,500.

20 (E) FOR A COUNTY OF THE EIGHTH CLASS, \$142,500.

21 (III) FOR THE PRIVILEGE OF SELLING BOTH WINE AND
22 SPIRITS, THE BOARD SHALL REQUIRE A FEE EQUAL TO THE SUM
23 OF THE FEES LISTED ABOVE BY COUNTY. NOTHING IN THIS ACT
24 SHALL PREVENT A LICENSEE WHO INITIALLY MAKES APPLICATION
25 TO SELL EITHER WINE OR SPIRITS FROM ADDING THE OTHER
26 PRODUCT AT A LATER DATE SO LONG AS APPLICATION IS MADE TO
27 THE BOARD AND THE PROPER FEES ARE PAID.

28 (3) A RESTAURANT OR HOTEL LICENSEE IN GOOD STANDING THAT
29 APPLIES FOR A RETAIL WINE AND SPIRITS LICENSE SHALL PAY THE
30 SAME AMOUNT FOR THE LICENSE AS A DISTRIBUTOR.

1 (4) THE BOARD MAY NOT REQUIRE A DISTRIBUTOR MAKING
2 APPLICATION FOR A WINE AND SPIRITS RETAIL LICENSE TO PAY THE
3 FEES IN FULL PRIOR TO ISSUANCE OF THE LICENSE. A DISTRIBUTOR
4 MAKING APPLICATION FOR A WINE AND SPIRITS LICENSE HAS 48
5 MONTHS FROM THE ISSUANCE OF THE LICENSE TO PAY TO THE BOARD
6 THE LICENSING FEES PLUS A FEE OF 5%. IF THE LICENSEE FAILS TO
7 MAKE A PAYMENT TO THE BOARD ON A MONTHLY BASIS, THE BOARD
8 SHALL REVOKE THE WINE AND SPIRITS RETAIL LICENSE AND OFFER IT
9 ON A FIRST-COME, FIRST-SERVED BASIS.

10 (G) TAXES.--

11 (1) WINE AND SPIRITS RETAIL LICENSEES SHALL BE REQUIRED
12 TO OBTAIN A SALES TAX PERMIT FROM THE DEPARTMENT OF REVENUE.

13 (2) WINE AND SPIRITS RETAIL LICENSEES SHALL COLLECT AND
14 REMIT TO THE DEPARTMENT OF REVENUE ALL APPLICABLE TAXES.

15 (3) A WINE AND SPIRITS RETAIL LICENSEE SHALL BE
16 CONSIDERED A PENNSYLVANIA LIQUOR STORE FOR THE PURPOSE OF
17 COLLECTING AND REMITTING TAXES UNDER THE ACT OF MARCH 4, 1971
18 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971. A WINE
19 AND SPIRITS RETAIL LICENSEE MAY NOT BE REQUIRED TO PAY THE
20 SALES TAX WHEN MAKING WHOLESALE PURCHASES BUT SHALL COLLECT
21 THE TAX AT RETAIL.

22 SECTION 312-A. POSTQUALIFICATION OF SELECTED APPLICANTS.

23 (A) INVESTIGATION.--UPON SELECTION OF AN APPLICANT UNDER
24 SECTION 303-A, THE BUREAU OF LICENSING OF THE BOARD SHALL
25 CONDUCT AN INVESTIGATION OF AN APPLICANT BASED UPON THE
26 INFORMATION SUBMITTED TO EVALUATE WHETHER:

27 (1) THE APPLICANT QUALIFIES AS A REPUTABLE, RESPONSIBLE
28 AND SUITABLE PERSON TO HOLD A WINE AND SPIRITS RETAIL LICENSE
29 AND OPERATE A WINE AND SPIRITS STORE;

30 (2) THE APPLICANT PROPOSES AN ACCEPTABLE FACILITY AND

1 LOCATION FOR A WINE AND SPIRITS STORE; AND

2 (3) THE PLANNED OPERATION OF THE APPLICANT COMPLIES WITH
3 THIS ARTICLE.

4 (B) AUTHORITY OF THE BOARD.--THE BOARD MAY:

5 (1) REQUIRE ADDITIONAL INFORMATION FROM AN APPLICANT;
6 AND

7 (2) CONDUCT ONSITE INSPECTIONS, AS NECESSARY, TO
8 COMPLETE THE POSTQUALIFICATION PROCESS.

9 (C) AGREEMENT.--THE BOARD MAY ENTER INTO AN AGREEMENT WITH
10 THE PENNSYLVANIA STATE POLICE OR THE OFFICE OF INSPECTOR GENERAL
11 TO:

12 (1) ASSIST THE BOARD IN THE CONDUCT OF AN INVESTIGATION
13 UNDER THIS SECTION; AND

14 (2) PROVIDE FOR THE REIMBURSEMENT OF A COST INCURRED FOR
15 PROVIDING ASSISTANCE.

16 (D) PROTOCOL FOR OBJECTIONS.--THE BOARD SHALL ESTABLISH
17 PROTOCOL FOR RECEIVING WRITTEN OBJECTIONS FROM RESIDENTS,
18 CHURCHES, HOSPITALS, CHARITABLE INSTITUTIONS, SCHOOLS AND PUBLIC
19 PLAYGROUNDS THAT ARE LOCATED NEAR A PROPOSED WINE AND SPIRITS
20 STORE LOCATION. THE BOARD MAY CONSIDER A WRITTEN OBJECTION IN
21 THE POSTQUALIFICATION INVESTIGATION OF APPLICANTS. AN OBJECTOR
22 UNDER THIS PARAGRAPH MAY NOT APPEAL THE DECISION OF THE BOARD.

23 (E) INVESTIGATIVE FEE.--THE BOARD MAY CHARGE A FEE TO AN
24 APPLICANT TO RECOVER THE COSTS DIRECTLY RELATED TO THE BOARD'S
25 INVESTIGATION WITHIN THE POSTQUALIFICATION PROCESS.

26 (F) ACCEPTANCE OF QUALIFICATIONS.--THE QUALIFICATIONS OF AN
27 APPLICANT SHALL BE ACCEPTED BY THE BOARD IF THE INVESTIGATION BY
28 THE BOARD REVEALS THE FOLLOWING:

29 (1) THE APPLICANT AND ITS OFFICERS, DIRECTORS AND
30 PRINCIPALS, IF ANY, ARE OF GOOD REPUTE, RESPONSIBLE AND

1 SUITABLE FOR OPERATING A WINE AND SPIRITS STORE; AND

2 (2) THE APPLICANT POSSESSES SUFFICIENT FINANCIAL
3 RESOURCES TO:

4 (I) OPERATE A WINE AND SPIRITS STORE;

5 (II) PAY TAXES DUE; AND

6 (III) MEET FINANCIAL OBLIGATIONS;

7 (3) THE APPLICANT POSSESSES SUFFICIENT BUSINESS
8 EXPERIENCE TO OPERATE A WINE AND SPIRITS STORE;

9 (4) THE PROPOSED FACILITIES COMPLY WITH THE OPERATIONAL
10 REQUIREMENTS OF THE STATEMENT OF CONDITIONS UNDER THIS
11 ARTICLE; AND

12 (5) THE PROPOSED LOCATION WITHIN THE COMMUNITY IS
13 SUITABLE.

14 (G) ISSUANCE OF LICENSE.--IF A SELECTED APPLICANT'S
15 QUALIFICATIONS ARE ACCEPTED BY THE BOARD, THE BOARD SHALL
16 QUALIFY THE APPLICANT AND ISSUE A WINE AND SPIRITS RETAIL
17 LICENSE TO THE APPLICANT UPON THE OCCURRENCE OF THE FOLLOWING:

18 (1) EXECUTION AND DELIVERY TO THE BOARD OF THE STATEMENT
19 OF CONDITIONS REQUIRED UNDER SECTION 305-A;

20 (2) PAYMENT OF THE LICENSE FEE BY CERTIFIED CHECK OR
21 WIRE TRANSFER TO A DESIGNATED RESTRICTED ACCOUNT ESTABLISHED
22 IN THE STATE STORES FUND. A DISTRIBUTOR LICENSED UNDER
23 SECTION 431 THAT OBTAINS A WINE AND SPIRITS RETAIL LICENSE
24 HAS 48 MONTHS TO PAY THE LICENSE FEE;

25 (3) PAYMENT OF AN OUTSTANDING INVESTIGATION FEE; AND

26 (4) FULFILLMENT OF OTHER CONDITIONS REQUIRED BY THE
27 BOARD.

28 (H) APPROVAL OF QUALIFICATIONS.--IF THE QUALIFICATIONS OF
29 THE APPLICANT ARE APPROVED BY THE BOARD UNDER SUBSECTION (F),
30 THE BOARD SHALL ISSUE A WINE AND SPIRITS RETAIL LICENSE TO THE

1 SUCCESSFUL APPLICANT CONSISTENT WITH THE REQUIREMENTS OF
2 SUBSECTION (G).

3 (I) LICENSE NOT ENTITLEMENT.--

4 (1) THIS ARTICLE IS NOT INTENDED TO ESTABLISH AN
5 ENTITLEMENT TO A WINE AND SPIRITS RETAIL LICENSE. A WINE AND
6 SPIRITS RETAIL LICENSE IS A PRIVILEGE BETWEEN THE BOARD AND
7 THE LICENSEE.

8 (2) BETWEEN THE LICENSEE AND A THIRD PARTY, A WINE AND
9 SPIRITS RETAIL LICENSE IS PROPERTY.

10 (J) TERMS OF LICENSURE.--

11 (1) A WINE AND SPIRITS RETAIL LICENSE IS IN EFFECT
12 UNLESS THE BOARD:

13 (I) REVOKES, SUSPENDS OR FAILS TO RENEW THE LICENSE;
14 OR

15 (II) REVOKES THE OPERATING AUTHORITY OF THE LICENSEE
16 UNDER THE LICENSE REQUIREMENTS OF THIS ARTICLE.

17 (2) A WINE AND SPIRITS RETAIL LICENSE IS SUBJECT TO
18 RENEWAL EVERY TWO YEARS CONSISTENT WITH THIS ARTICLE.

19 (3) THIS SUBSECTION DOES NOT RELIEVE A WINE AND SPIRITS
20 RETAIL LICENSEE OF THE AFFIRMATIVE DUTY TO NOTIFY THE BOARD
21 OF A CHANGE RELATING TO THE STATUS OF ITS LICENSE OR TO OTHER
22 INFORMATION CONTAINED IN THE APPLICATION MATERIALS ON FILE
23 WITH THE BOARD.

24 SECTION 313-A. WINE AND SPIRITS RETAIL LICENSEE STATEMENT OF
25 CONDITIONS.

26 (A) STATEMENT OF CONDITIONS.--THE BOARD SHALL DEVELOP A
27 STATEMENT OF CONDITIONS TO BE EXECUTED BY A WINE AND SPIRITS
28 RETAIL LICENSEE GOVERNING THE OPERATIONS OF THE WINE AND SPIRITS
29 LICENSEE.

30 (B) CONDITIONS.--IN ADDITION TO OTHER CONDITIONS THE BOARD

1 DEEMS NECESSARY OR APPROPRIATE FOR A SPECIFIC WINE AND SPIRITS
2 RETAIL LICENSEE, A STATEMENT OF CONDITIONS UNDER THIS SECTION
3 SHALL INCLUDE, AT A MINIMUM, THE FOLLOWING CONDITIONS AND IMPOSE
4 THE FOLLOWING OBLIGATIONS AND REQUIREMENTS:

5 (1) UNDER SECTION 493.2, A WINE AND SPIRITS RETAIL
6 LICENSEE MAY NOT SELL OR DISTRIBUTE LIQUOR TO AN INDIVIDUAL
7 UNDER 21 YEARS OF AGE OR TO AN INDIVIDUAL WHO IS VISIBLY
8 INTOXICATED.

9 (2) A WINE AND SPIRITS RETAIL LICENSEE MAY NOT OPERATE A
10 RETAIL WINE AND SPIRITS STORE LOCATED WITHIN:

11 (I) THREE HUNDRED FEET OF AN ELEMENTARY OR SECONDARY
12 SCHOOL WITHOUT THE APPROVAL OF THE DEPARTMENT OR BOARD;

13 OR

14 (II) A MUNICIPALITY THAT VOTED TO PRECLUDE THE
15 ESTABLISHMENT OF A STATE LIQUOR STORE, UNLESS THE
16 MUNICIPALITY SUBSEQUENTLY VOTES TO PERMIT THE BOARD TO
17 ISSUE A WINE AND SPIRITS RETAIL LICENSE.

18 (3) A WINE AND SPIRITS RETAIL LICENSEE'S WINE AND
19 SPIRITS STORE AND THE FACILITIES INVOLVED IN ITS RETAIL
20 OPERATIONS, INCLUDING A CHANGE TO THE FACILITIES DURING THE
21 TERM OF THE LICENSE, ARE SUBJECT TO:

22 (I) INSPECTION AND INVESTIGATION BY THE BOARD AND
23 ENFORCEMENT BUREAU; AND

24 (II) APPROVAL OF THE BOARD AND ENFORCEMENT BUREAU.

25 (4) A WINE AND SPIRITS RETAIL LICENSEE SHALL MAINTAIN
26 ADEQUATE SECURITY TO PROTECT THE LICENSEE'S INVENTORY FROM
27 UNAUTHORIZED SALE OR DIVERSION AND PREVENT ITS UNAUTHORIZED
28 DISTRIBUTION.

29 (5) UNLESS SPECIFICALLY AUTHORIZED IN THIS ACT OR WITH
30 THE PRIOR APPROVAL OF THE BOARD, A WINE AND SPIRITS RETAIL

1 LICENSEE MAY NOT ENGAGE IN A SEPARATE BUSINESS ACTIVITY UPON
2 A LICENSED PREMISES WHERE RETAIL LIQUOR OPERATIONS ARE
3 CONDUCTED.

4 (6) A WINE AND SPIRITS RETAIL LICENSEE SHALL NOTIFY THE
5 BOARD WITHIN 15 DAYS OF A CHANGE IN PERSONS HOLDING AN
6 INTEREST IN THE WINE AND SPIRITS LICENSE.

7 (7) A WINE AND SPIRITS RETAIL LICENSEE SHALL NOTIFY THE
8 BOARD WITHIN 15 DAYS OF BECOMING AWARE OF AN ARREST, CRIMINAL
9 INDICTMENT OR CONVICTION BY THE FOLLOWING:

10 (I) IF THE LICENSEE IS AN INDIVIDUAL, THE LICENSEE;

11 (II) IF THE LICENSEE IS A PARTNERSHIP, A PARTNER;

12 (III) IF THE LICENSEE IS AN ASSOCIATION, A MEMBER;

13 (IV) IF THE LICENSEE IS A CORPORATION, AN OFFICER, A
14 DIRECTOR OR A SHAREHOLDER IN THE CORPORATION; AND

15 (V) AN AFFILIATE OF THE LICENSEE.

16 (8) A WINE AND SPIRITS RETAIL LICENSEE SHALL NOTIFY THE
17 BOARD WITHIN 15 DAYS OF BECOMING AWARE OF A VIOLATION OF THIS
18 ARTICLE BY AN INDIVIDUAL LISTED IN PARAGRAPH (7).

19 (9) THE PREMISES OF A WINE AND SPIRITS STORE MUST BE A
20 SELF-CONTAINED UNIT WITH LIMITED CUSTOMER ACCESS DEDICATED TO
21 THE SALE OF LIQUOR AND RELATED MERCHANDISE. EXCEPT FOR A
22 LICENSEE THAT ALSO HOLDS A DISTRIBUTOR LICENSE, A WINE AND
23 SPIRITS STORE MAY NOT HAVE AN INTERIOR CONNECTION WITH
24 ANOTHER BUSINESS OR WITH A RESIDENTIAL BUILDING EXCEPT AS
25 APPROVED BY THE BOARD. A PURCHASE OF WINE AND SPIRITS MUST BE
26 PAID FOR AT A LOCATION WITHIN THE CONFINES OF THE LICENSED
27 PREMISES.

28 (10) A WINE AND SPIRITS RETAIL LICENSEE SHALL CONFIGURE
29 ITS PREMISES IN A MANNER AND WITH ADEQUATE SAFEGUARDS TO
30 ENSURE THAT:

1 (I) LIQUOR PRODUCTS ARE SECURE; AND

2 (II) THE LICENSED AREA MAY NOT BE ACCESSED DURING
3 PROHIBITED HOURS OF OPERATION.

4 (11) A WINE AND SPIRITS RETAIL LICENSEE MAY NOT HOLD,
5 DIRECTLY OR INDIRECTLY, MORE THAN FIVE WINE AND SPIRITS
6 RETAIL LOCATIONS WITHIN THIS COMMONWEALTH OR MORE THAN ONE
7 WINE AND SPIRITS RETAIL LICENSE WITHIN A COUNTY.

8 (12) A WINE AND SPIRITS STORE MAY SELL LIQUOR FOR
9 CONSUMPTION OFF THE PREMISES AND RELATED MERCHANDISE WITHIN
10 THE LICENSED AREA OF THE STORE. A SALE OF RELATED MERCHANDISE
11 WITHIN THE LICENSED AREA MAY NOT EXCEED 30% OF THE GROSS
12 ANNUAL SALES OF A WINE AND SPIRITS STORE. UNLESS THE WINE AND
13 SPIRITS RETAIL LICENSEE OPERATES ANOTHER LICENSE THAT
14 AUTHORIZES THE SALE OF MALT AND BREWED BEVERAGES FOR
15 CONSUMPTION OFF THE PREMISES IN THE SAME LICENSED AREA, A
16 WINE AND SPIRITS STORE MAY NOT SELL MALT OR BREWED BEVERAGES
17 WITHIN ITS LICENSED PREMISES.

18 (13) A WINE AND SPIRITS RETAIL LICENSEE SHALL MAKE THE
19 PREMISES AND THE FACILITIES INVOLVED IN THE RETAIL OPERATION
20 AND THE BUSINESS AND FINANCIAL BOOKS AND RECORDS OF THE
21 RETAIL OPERATION AVAILABLE AT ANY TIME FOR INSPECTION AND
22 AUDIT BY THE BOARD AND THE ENFORCEMENT BUREAU. THE BOARD
23 SHALL PROMULGATE REGULATIONS REGARDING THE RECORDS THAT A
24 WINE AND SPIRITS RETAIL LICENSEE MUST MAINTAIN IN ITS
25 LICENSED PREMISES.

26 (14) A WINE AND SPIRITS RETAIL LICENSEE MAY SELL WINE OR
27 SPIRITS BETWEEN 9 A.M. AND 11 P.M. OF ANY DAY EXCEPT SUNDAY
28 TO A PERSON THAT IS NOT LICENSED UNDER THIS ACT.

29 (15) IN ADDITION TO THE HOURS AUTHORIZED UNDER PARAGRAPH
30 (14), A WINE AND SPIRITS RETAIL LICENSEE MAY, UPON PURCHASING

1 A PERMIT FROM THE BOARD AT AN ANNUAL FEE OF \$1,000, SELL WINE
2 OR SPIRITS ON SUNDAY BETWEEN THE HOURS OF 9 A.M. AND 9 P.M.
3 TO PERSONS NOT LICENSED UNDER THIS ACT.

4 (16) A WINE AND SPIRITS RETAIL LICENSEE MAY NOT EMPLOY
5 AN INDIVIDUAL UNDER 18 YEARS OF AGE TO WORK ON THE LICENSED
6 PREMISES. AN EMPLOYEE OF A WINE AND SPIRITS RETAIL LICENSEE
7 UNDER 21 YEARS OF AGE MAY NOT ENGAGE IN THE SALE OF LIQUOR.

8 (17) A WINE AND SPIRITS RETAIL LICENSEE THAT IS A
9 CORPORATION, A LIMITED LIABILITY COMPANY, A LIMITED
10 PARTNERSHIP, A PARTNERSHIP, AN ASSOCIATION OR OTHER LEGAL
11 ENTITY MUST BE ORGANIZED UNDER THE LAWS OF THIS COMMONWEALTH.

12 (18) A WINE AND SPIRITS RETAIL LICENSEE WHO IS AN
13 INDIVIDUAL MUST BE A CITIZEN OF THE UNITED STATES AND A
14 RESIDENT OF THIS COMMONWEALTH.

15 (19) A WINE AND SPIRITS RETAIL LICENSEE SHALL:

16 (I) COMPLY WITH THE RESPONSIBLE ALCOHOL MANAGEMENT
17 PROGRAM TRAINING UNDER SECTION 471.1; AND

18 (II) ENSURE THAT THE WINE AND SPIRITS STORE MANAGERS
19 AND EMPLOYEES WHO MAY ENGAGE IN THE SALE OF LIQUOR ATTEND
20 THE RESPONSIBLE ALCOHOL MANAGEMENT TRAINING WITHIN SIX
21 MONTHS OF COMMENCING EMPLOYMENT.

22 (20) A WINE AND SPIRITS RETAIL LICENSEE MAY PLACE ITS
23 LICENSE IN SAFEKEEPING FOR A PERIOD NOT TO EXCEED TWO YEARS:

24 (I) PENDING TRANSFER OF THE LICENSE FROM PERSON-TO-
25 PERSON OR PLACE-TO-PLACE OR BOTH; OR

26 (II) DURING RENOVATION OF THE PREMISES WHERE RETAIL
27 OPERATIONS ARE CONDUCTED.

28 (21) A WINE AND SPIRITS RETAIL LICENSE THAT REMAINS IN
29 SAFEKEEPING FOR A PERIOD THAT EXCEEDS TWO YEARS SHALL BE
30 FORFEITED AND RESOLD BY THE BOARD IN A MANNER CONSISTENT WITH

1 THIS SUBARTICLE.

2 (22) EXCEPT AS SET FORTH IN PARAGRAPH (16), AN
3 INDIVIDUAL UNDER 21 YEARS OF AGE MAY NOT ENTER THE LICENSED
4 AREA OF A WINE AND SPIRITS RETAIL LICENSEE UNLESS ACCOMPANIED
5 BY AN ADULT.

6 (23) A WINE AND SPIRITS RETAIL LICENSEE SHALL UTILIZE A
7 TRANSACTION SCAN DEVICE TO VERIFY THE AGE OF AN INDIVIDUAL
8 WHO APPEARS TO BE UNDER 35 YEARS OF AGE BEFORE MAKING A SALE
9 OF LIQUOR. A WINE AND SPIRITS RETAIL LICENSEE MAY NOT SELL OR
10 SHARE DATA FROM THE USE OF A TRANSACTION SCAN DEVICE PROVIDED
11 THAT THE LICENSEE MAY USE THE DATA TO SHOW THE BOARD OR
12 ENFORCEMENT BUREAU THAT THE LICENSEE IS IN COMPLIANCE WITH
13 THIS ARTICLE. AS USED IN THIS PARAGRAPH, THE TERM
14 "TRANSACTION SCAN DEVICE" MEANS A DEVICE CAPABLE OF
15 DECIPHERING, IN AN ELECTRONICALLY READABLE FORMAT, THE
16 INFORMATION ENCODED ON THE MAGNETIC STRIP OR BAR CODE OF AN
17 IDENTIFICATION CARD UNDER SECTION 495(A).

18 (24) A WINE AND SPIRITS RETAIL LICENSEE MAY NOT SELL A
19 LIQUOR PRODUCT AT A PRICE LESS THAN ITS UNDERLYING COST.

20 (25) A WINE AND SPIRITS RETAIL LICENSEE MAY NOT PROVIDE
21 TASTING SAMPLES OF LIQUOR ON THE PREMISES WHERE RETAIL
22 OPERATIONS ARE CONDUCTED EXCEPT IN THE MANNER SET FORTH IN
23 THE BOARD'S REGULATIONS RELATED TO TASTING SAMPLES PROVIDED
24 BY SPONSORS.

25 (26) A WINE AND SPIRITS RETAIL LICENSEE MAY NOT REQUIRE
26 A CUSTOMER TO PURCHASE A MEMBERSHIP OR PAY A FEE IN ORDER TO
27 PURCHASE PRODUCTS, INCLUDING WINE AND SPIRITS, FROM THE
28 PREMISES.

29 (27) IN AN INQUIRY OR INVESTIGATION BY THE BOARD OR THE
30 ENFORCEMENT BUREAU, A WINE AND SPIRITS RETAIL LICENSEE SHALL

1 COOPERATE FULLY AND PROVIDE REQUESTED INFORMATION.

2 (C) SANCTIONS.--

3 (1) A WINE AND SPIRITS RETAIL LICENSEE THAT FAILS TO
4 ABIDE BY A CONDITION CONTAINED IN THE LICENSEE'S STATEMENT OF
5 CONDITIONS OR COMMITS A VIOLATION OF THIS ACT OR OTHER
6 FEDERAL OR STATE LAW IS SUBJECT TO CITATION BY THE
7 ENFORCEMENT BUREAU.

8 (2) A CITATION UNDER PARAGRAPH (1) MAY RESULT IN:

9 (I) A FINE OR SUSPENSION OR LICENSE REVOCATION;

10 (II) NONRENEWAL OF A LICENSE;

11 (III) REVOCATION OF TEMPORARY OPERATING AUTHORITY;

12 OR

13 (IV) ANOTHER PENALTY AUTHORIZED UNDER SECTIONS 471

14 AND 494.

15 SUBARTICLE C

16 DIVESTITURE OF WHOLESALE LIQUOR DISTRIBUTION

17 Section 321-A. Wholesale divestiture.

18 (a) Utilization.--In effectuating the intent of this
19 article, the department shall utilize the authority provided
20 under section 305-A and any other powers of the department, with
21 the full cooperation and assistance of the board.

22 (b) Establishment.--On the effective date of this section,
23 the department shall establish all of the following:

24 (1) An application process and schedule for the
25 investigation and award of wine and spirits wholesale
26 licenses under this article.

27 (2) A blended brand valuation for each brand of liquor
28 available for sale in this Commonwealth.

29 (3) Procedures and standards governing the relationship
30 between wine and spirits wholesale licensees and

1 manufacturers and the ability and terms upon which that
2 relationship may be terminated.

3 (c) Coordination.--

4 (1) The department shall:

5 (i) coordinate scheduling so that wine and spirits
6 wholesale license applications may be received, processed
7 and investigated by the board's Bureau of Licensing
8 during the retail divestiture process; and

9 (ii) begin a coordinated effort to allow the board
10 to issue licenses after the board has been substantially <--
11 divested of its retail operations 12 MONTHS FROM THE <--
12 EFFECTIVE DATE OF THIS SECTION.

13 (2) The department must fully divest the board of all
14 operations relating to the wholesale distribution of liquor
15 within six months of the complete divestiture of the board's <--
16 retail operations COMMENCING WHOLESAL DIVESTITURE. <--

17 Section 321.1-A. Issuance of wine and spirits wholesale
18 licenses.

19 (a) Authorization.--The board may issue wine and spirits
20 wholesale licenses under the following conditions:

21 (1) The following shall apply:

22 (i) One wine and spirits wholesale license may be
23 issued by the board to each qualified applicant.

24 (ii) A wine and spirits wholesale license shall
25 authorize the holder to sell and distribute brands of
26 liquor, as proposed by an applicant and approved by the
27 department, to wine and spirits retail licensees and
28 other licensees of the board authorized to sell or
29 distribute liquor under this act, to United States Armed
30 Forces facilities located on United States Armed Forces

1 installations within this Commonwealth and to the holder
2 of a wholesale alcohol purchase permit issued by the
3 board.

4 (iii) A wine and spirits wholesale licensee may <--
5 provide for the direct shipment or delivery of products
6 to licensees of the board. THE ALCOHOLIC PRODUCTS SHIPPED <--
7 INTO THIS COMMONWEALTH MUST BE DELIVERED TO THE
8 WHOLESALER'S LICENSED PREMISES. UPON DELIVERY, THE
9 PRODUCTS SHALL BE UNLOADED, INVENTORIED AND REMAIN ON THE
10 LICENSED PREMISES FOR 48 HOURS BEFORE DELIVERY IS MADE TO
11 A RETAILER. DURING THAT TIME PERIOD, THE BOARD MAY
12 INSPECT AND INVENTORY WHOLESALE WAREHOUSES TO VERIFY
13 TAXES THAT ARE REQUIRED TO BE PAID ON THE PRODUCTS.

14 (2) Subject to the conditions and restrictions of this
15 subarticle, wine and spirits wholesale licensees may sell and
16 distribute more than one brand of liquor under the same wine
17 and spirits wholesale license.

18 (3) Upon application by a wine and spirits wholesale
19 licensee, the board may amend its initial authorization under
20 a wine and spirits wholesale license to include additional
21 brands of liquor or exclude previously-approved brands of
22 liquor.

23 (b) Wine and spirits wholesale license fee.--

24 (1) On the effective date of this section, the
25 department shall determine the wine and spirits wholesale
26 license fee for each brand of liquor sold at wholesale by the
27 board through its State liquor stores or via special liquor
28 order for a continuous period of at least one year. The
29 license fee shall be equal to the blended brand valuation for
30 each brand of liquor authorized by the wine and spirits

1 wholesale license multiplied by the wholesale acquisition
2 factor.

3 (2) The department shall publish a notice in the
4 Pennsylvania Bulletin and on its Internet website of the wine
5 and spirits wholesale license fee for each brand of liquor
6 determined under paragraph (1). The department shall
7 establish deadlines within which an applicant must submit an
8 application for a wine and spirits wholesale license for the
9 brands of liquor specified by the applicant.

10 (3) The department must receive the required license fee
11 for the brands of liquor specified by the applicant before a
12 wine and spirits wholesale license is issued by the board to
13 a successful applicant.

14 (c) Brands not previously sold.--

15 (1) For brands of liquor that have not been sold by the
16 board at State liquor stores or via special liquor order for
17 a continuous period of at least one year, the department
18 shall calculate the blended brand valuation utilizing sales
19 data for any portion of the year that the brand was sold in
20 this Commonwealth, after consulting with the board on the
21 most recent sales trends of the brand, both within and
22 outside this Commonwealth.

23 (2) If, during the term of a wine and spirits wholesale
24 license, a wine and spirits wholesale licensee proposes to
25 sell and distribute a new brand of liquor not previously sold
26 in this Commonwealth, the wine and spirits wholesale licensee
27 shall apply to the board for permission to sell the brand and
28 pay an additional license fee determined in accordance with
29 this section. In calculating the blended brand valuation for
30 the new products, the board shall evaluate available sales

1 data in other markets or sales trends of similar products
2 either within or outside this Commonwealth.

3 (d) Term.--

4 (1) A wine and spirits wholesale license, after payment
5 of the required license fee, shall be in effect unless
6 suspended, revoked or not renewed under this article.

7 (2) The license of a wine and spirits wholesale licensee
8 in good standing shall be renewed every two years under this
9 article.

10 (3) Nothing under this subsection shall be construed to
11 relieve a wine and spirits wholesale licensee of the
12 affirmative duty to notify the board of changes relating to
13 any of the following:

14 (i) The status of its license.

15 (ii) Information contained in the application
16 materials on file with the department or the board.

17 Section 322-A. Application for wine and spirits wholesale
18 license.

19 (a) Applications.--An application for a wine and spirits
20 wholesale license shall be submitted on a form and in a manner
21 as required by the board.

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

25 (1) Neither the applicant nor any affiliate of the
26 applicant has applied for or holds a wine and spirits retail
27 license or other license which authorizes the retail sale of
28 wine and spirits to consumers.

29 (2) The applicant is organized under the laws of this
30 Commonwealth if it is any of the following:

1 (i) A corporation.

2 (ii) A limited liability company.

3 (iii) A limited partnership.

4 (iv) A partnership.

5 (v) An association.

6 (vi) A legal entity other than a legal entity listed
7 under this paragraph.

8 (3) The applicant is a citizen of the United States and
9 a resident of this Commonwealth if that applicant is a
10 natural person.

11 (4) Neither the applicant nor any affiliate of the
12 applicant, executive officer, director or general or limited
13 partner of the applicant or person holding, directly or
14 indirectly, a controlling interest in the applicant has been
15 convicted of a crime listed under subsection (d)(10).

16 (c) Other licenses.--Nothing under this act shall prohibit:

17 (1) A properly licensed importing distributor of malt
18 and brewed beverages from applying for and, if approved,
19 being issued a wine and spirits wholesale license.

20 (2) The holder of a limited winery license, a limited
21 distillery license or a distillery license issued by the
22 board from acquiring a wine and spirits wholesale license.

23 (d) General requirements.--In addition to any other
24 information required under this article or by the department or
25 the board, the applicant for a wine and spirits wholesale
26 license shall include the following:

27 (1) The name, address and tax identification number of
28 the applicant.

29 (2) A statement as to whether the applicant is an
30 individual, corporation, limited liability company, limited

1 partnership, partnership or association and, if the applicant
2 is not an individual, the state of incorporation or
3 organization.

4 (3) If the applicant is not an individual, the name and
5 residence address of each executive officer, director,
6 general or limited partner or person holding a controlling
7 interest in the applicant.

8 (4) If the applicant is an association, the name and
9 residence address of each person constituting the
10 association.

11 (5) A list of the brands of liquor the applicant
12 proposes to engage in wholesale distribution on a Statewide
13 basis.

14 (6) A sworn statement that the applicant has entered
15 into a contractual relationship with one or more liquor
16 manufacturers, importers or vendors of record for the
17 distribution in this Commonwealth of a brand or brands of
18 liquor, regardless of whether the contractual relationship is
19 contingent upon the board issuing a wine and spirits
20 wholesale license to the applicant.

21 (7) The proposed location and proof of ownership or
22 lease for the wholesale operation, including proposed
23 warehouses, if available.

24 (8) Floor plans for any facility proposed to be used in
25 wholesale operations and existing design plans for any
26 facility that is planned, but not yet constructed, to the
27 extent the floor plans are available.

28 (9) Information disclosing all arrests of and all
29 citations issued for nonsummary offenses to an applicant and
30 any affiliate of the applicant, executive officer, director

1 or general or limited partner of the applicant or person
2 holding a controlling interest in the applicant. The
3 information shall include:

4 (i) A brief description of the circumstances
5 surrounding the arrest or issuance of the citation.

6 (ii) The specific offense charged or cited.

7 (iii) The ultimate disposition of the charge or
8 citation, including the details of a dismissal, plea
9 bargain, conviction, sentence, pardon, expungement or
10 order of Accelerated Rehabilitative Disposition.

11 (10) A sworn statement that the applicant and any
12 affiliate of the applicant, or any executive officer,
13 director or general or limited partner of the applicant or
14 person holding a controlling interest in the applicant have
15 never been convicted:

16 (i) of a crime involving fraud, moral turpitude or
17 racketeering within a period of ten years immediately
18 preceding the date of the application;

19 (ii) of a felony or equivalent crime; or

20 (iii) in a Federal or state tribunal, including this
21 Commonwealth, of the violation of a Federal or state
22 liquor law.

23 (11) A statement that the applicant intends to
24 continuously operate as a wine and spirits wholesale licensee
25 for the duration of the license term and to use its best
26 efforts to provide a level of service, including product
27 availability, reasonably equivalent to the level of service
28 currently provided by the Commonwealth.

29 (12) A financial statement or letter of credit in a form
30 and containing information determined by the department to

1 indicate the applicant's financial capability to operate the
2 wholesale operation and the estimated volume of wholesale
3 business to be conducted annually.

4 (13) A current tax certificate issued by the Department
5 of Revenue showing the amount of taxes owed to the
6 Commonwealth for the applicant and any affiliate of the
7 applicant, executive officer, director or general or limited
8 partner of the applicant or person holding a controlling
9 interest in the applicant.

10 (14) A signature and verification by oath or affirmation
11 or under penalty of unsworn falsification to authorities by
12 one of the following:

13 (i) The applicant, if the applicant is a natural
14 person.

15 (ii) A person specifically authorized by the legal
16 entity to sign the application, if the applicant is a
17 legal entity. Written evidence of the authority to sign
18 must be attached to the signature and verification.

19 (e) Additional information.--An applicant shall, during the
20 application process, provide any other information determined to
21 be appropriate by the department.

22 (f) Amended application.--If a change occurs in any
23 information provided to the department or the board as part of
24 the application process, the applicant shall immediately notify
25 the department or the board of the change and timely provide
26 amended information to the department or the board in a form and
27 manner determined by the department or the board.

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

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

1 The application filing fee shall be refunded if, due to no
2 fault of the applicant, the wine and spirits wholesale
3 license is not approved.

4 (2) The department shall establish, charge and collect
5 fees from an applicant to recover the costs directly related
6 to the board's review and investigation of the application
7 for a wine and spirits wholesale license. The board shall
8 have the same authority relating to fees as to applications
9 for renewal.

10 Section 323-A. Review and investigation of application.

11 (a) Completeness of application.--

12 (1) The following shall apply:

13 (i) The department may not consider an incomplete
14 application and shall notify the applicant in writing if
15 an application is incomplete.

16 (ii) An application shall be considered incomplete
17 if it does not include all applicable fees and all
18 information and accompanying documentation required by
19 the department. Unpaid taxes identified on the tax
20 certificate required to be filed under section
21 322-A(d)(13) must be paid before the application is
22 considered complete.

23 (2) A notification of incompleteness shall state the
24 deficiencies in the application that must be corrected prior
25 to consideration of the merits of the application.

26 (3) The applicant must be afforded a reasonable period
27 of time, as determined by the department, to cure the
28 deficiencies.

29 (4) If the applicant fails to timely cure noticed
30 deficiencies within the time specified by the department, the

1 application shall be deemed denied by the department without
2 further action.

3 (b) Investigation.--After receipt of an application for a
4 wine and spirits wholesale license and a determination that the
5 application is complete, the department shall provide the
6 application to the board's Bureau of Licensing to conduct an
7 investigation of the applicant. The investigation shall include
8 and the applicant shall have the burden of demonstrating the
9 following:

10 (1) The truth and veracity of the information provided
11 in the application.

12 (2) The applicant's cooperation and the cooperation of
13 any affiliate of the applicant and any executive officer,
14 director or general or limited partner of the applicant or
15 person holding a controlling interest in the applicant in the
16 application process and with any request by the department or
17 the board for any information deemed necessary for licensure.

18 (3) The good character, reputation and suitability of
19 the applicant and any affiliate of the applicant, executive
20 officer, director or general or limited partner of the
21 applicant or person holding a controlling interest in the
22 applicant.

23 (4) The applicant possesses sufficient financial
24 resources to:

25 (i) Operate as a wine and spirits wholesale
26 licensee.

27 (ii) Pay all taxes due and owing to the
28 Commonwealth.

29 (iii) Assume liability for the safe operation of the
30 wholesale operations.

1 (5) The applicant possesses sufficient financial
2 resources and experience to create and maintain a successful
3 and efficient wholesale operation that provides service at a
4 level that is reasonably equivalent to the level of service
5 currently provided in this Commonwealth on the effective date
6 of this section.

7 (6) The applicant has entered into a contractual
8 relationship with one or more licensed manufacturers,
9 importers or vendors of record for the distribution in this
10 Commonwealth of a brand or brands of liquor regardless of
11 whether the contractual relationship is contingent upon the
12 board issuing a wine and spirits wholesale license to the
13 applicant.

14 (7) The physical facilities proposed to be used in the
15 applicant's wholesale operations are located and designed to:

16 (i) assure that all warehouses are located within
17 this Commonwealth and licensed for the storage of liquor;

18 (ii) function as a self-contained unit, with limited
19 customer access;

20 (iii) not have any interior connection with any
21 other business or with any residential building without
22 prior department or board approval;

23 (iv) provide adequate security to protect the
24 applicant's inventory from unauthorized sale or
25 diversion; and

26 (v) protect the public interest.

27 (c) Assistance with investigations.--The department may
28 enter into an agreement with the Pennsylvania State Police or
29 the Office of Inspector General to assist the department in
30 conducting investigations under this section and to provide for

1 the reimbursement of actual costs incurred for providing the
2 assistance. The department may establish, charge and collect
3 fees from an applicant to recover the costs of investigation.
4 Section 324-A. Issuance of licenses.

5 (a) Notification.--Upon completion of the investigation
6 under section 323-A, the board shall inform the department of
7 the results of its investigation. The department shall inform
8 the applicant in writing of its decision to approve or deny the
9 application.

10 (b) Approval.--If the application is approved, the
11 department shall require the successful applicant to pay the
12 license fee, as required under section 321.1-A, based on the
13 brand licensing fees established under section 321.1-A for the
14 brands of liquor approved for the applicant.

15 (c) Denial.--

16 (1) If an application is denied, the department shall
17 provide the applicant with the specific reasons for the
18 denial in the written notification required under subsection
19 (a).

20 (2) The applicant shall be entitled to a hearing on the
21 denial, if a hearing is requested within ten days of the
22 department's notification and the request is in writing on a
23 form and in a manner determined by the department.

24 (3) A hearing under this subsection shall be conducted
25 in accordance with 2 Pa.C.S. Ch. 5 Subch. A (relating to
26 practice and procedure of Commonwealth agencies).

27 (d) Issuance.--After approval of an application, the board
28 shall issue a wine and spirits wholesale license to the
29 applicant for the exclusive privilege to sell approved brands of
30 liquor in this Commonwealth, if the applicant has completed all

1 of the following:

2 (1) Paid the wine and spirits wholesale license fee
3 required under this article. Payment must be made by
4 certified check or wire transfer to a designated restricted
5 account in The State Stores Fund.

6 (2) Paid outstanding application or investigation fees.

7 (3) Executed and delivered to the board the statement of
8 conditions required under section 325-A.

9 (4) Repurchased from the board remaining marketable
10 inventory of the brands authorized under its license which
11 are owned by the board at the board's purchase order cost and
12 paid applicable taxes due and an administrative fee
13 determined by the board. The wine and spirits wholesale
14 licensee shall coordinate, at its own cost, the removal of
15 remaining product owned by the board.

16 (5) Fulfilled any other conditions required by the
17 department or the board or provided for under this article.

18 (e) License as privilege.--

19 (1) Nothing under this article is intended or may be
20 construed to create an entitlement to a wine and spirits
21 wholesale license.

22 (2) The authorization to participate in the distribution
23 and sale of liquor as a wine and spirits wholesale licensee
24 is a privilege conditioned upon this article.

25 (f) Termination of board's authority.--

26 (1) Except as set forth in paragraph (2), if a wine and
27 spirits wholesale license has been issued for a particular
28 brand of liquor, the board may not engage in the sale of that
29 brand of liquor.

30 (2) The board may coordinate the repurchase of remaining

1 board inventory of brands as provided under Subarticle D.

2 (3) The board's Bureau of Licensing shall provide
3 adequate notice to the board's Bureau of Supply Chain that a
4 wine and spirits wholesale license application is ready for
5 license approval to insure that appropriate inventory
6 reduction can be effectuated without causing a shortage of
7 the brand at issue.

8 Section 325-A. Wine and spirits wholesale licensee statement of
9 conditions.

10 (a) Statement of conditions.--The department, in
11 consultation with the board, shall develop a statement of
12 conditions to be executed by each wine and spirits wholesale
13 licensee governing the operation of the wine and spirits
14 wholesale licensee.

15 (b) Conditions, restrictions and prohibited acts.--In
16 addition to any other conditions the department, in consultation
17 with the board, deems necessary or appropriate for a specific
18 wine and spirits wholesale licensee or which may be mandated for
19 all licensees through regulations of the department or the
20 board, the statement of conditions under subsection (a) shall
21 include the following:

22 (1) A wine and spirits wholesale licensee may not sell
23 liquor to a person, except a person specified in section
24 321.1-A(a)(1).

25 (2) A wine and spirits wholesale licensee must serve all
26 licensees eligible to purchase and resell liquor under this
27 act and must make liquor available for sale to those
28 licensees under the same pricing structure.

29 (3) Except for a wine and spirits wholesale licensee
30 that holds an importing distributor license under section

1 431, a wine and spirits wholesale licensee may not sell malt
2 or brewed beverages.

3 (4) A wine and spirits wholesale licensee may not engage
4 in conduct that would constitute any of the following:

5 (i) Variable pricing.

6 (ii) Unfair or deceptive trade practices proscribed
7 under Federal or State law or regulation.

8 (iii) Intentional exclusion of competing brands of
9 liquor from the marketplace.

10 (5) A wine and spirits wholesale licensee may only sell
11 and distribute liquor products in this Commonwealth that are
12 subject to a contractual relationship between the wine and
13 spirits wholesale licensee and one or more licensed
14 manufacturers or importers of wine and spirits.

15 (6) (i) A wine and spirits wholesale licensee shall do
16 all of the following:

17 (A) Acquire liquor exclusively from:

18 (I) a licensed manufacturer or importer of
19 wine and spirits with whom the wine and spirits
20 wholesale licensee has the contractual authority
21 to sell at wholesale as provided under this act;

22 or

23 (II) an entity affiliated with the wine and
24 spirits wholesale licensee.

25 (B) Keep a detailed log of wholesale liquor
26 transactions, including acquisitions of liquor from
27 an entity listed under clause (A) and sales to
28 licensees under this act.

29 (ii) If liquor is acquired from an entity affiliated
30 with the wine and spirits wholesale licensee, the entity

1 shall, for taxation purposes, be considered a licensed
2 manufacturer or importer of wine and spirits.

3 (7) A wine and spirits wholesale licensee's licensed
4 premises and all facilities involved in its wholesale
5 operations, including any changes to the facilities during
6 the term of the license, shall be subject to the inspection,
7 investigation and approval of the department or the board or
8 the enforcement bureau.

9 (8) A wine and spirits wholesale licensee shall maintain
10 adequate security to protect the licensee's inventory from
11 unauthorized sale, removal or theft and prevent its
12 unauthorized distribution.

13 (9) As follows:

14 (i) Except as provided under paragraph (1), a wine
15 and spirits wholesale licensee may not engage in a
16 separate business activity on a premises on which
17 wholesale liquor operations are conducted without prior
18 approval of the board.

19 (ii) A wine and spirits wholesale licensee which
20 holds an importing distributor license may engage in
21 sales of malt or brewed beverages under this act.

22 (10) A wine and spirits wholesale licensee shall collect
23 and remit to the Department of Revenue all applicable taxes.

24 (11) A wine and spirits wholesale licensee shall be
25 considered a State liquor store for the purpose of collecting
26 and remitting taxes under the act of March 4, 1971 (P.L.6,
27 No.2), known as the Tax Reform Code of 1971, from persons
28 licensed to sell liquor for consumption on the premises under
29 Article IV.

30 (12) A wine and spirits wholesale licensee shall notify

1 the board within 15 days of a change in a person holding a
2 controlling interest in the licensee.

3 (13) A wine and spirits wholesale licensee shall notify
4 the board within 15 days of becoming aware of an arrest,
5 criminal indictment or conviction by the licensee, an
6 affiliate of the licensee or an executive officer, director
7 or general or limited partner of the licensee or person
8 holding a controlling interest in the licensee.

9 (14) A wine and spirits wholesale licensee shall notify
10 the board within 15 days of becoming aware of a violation of
11 this act by the licensee, an affiliate of the licensee or an
12 executive officer, director or general or limited partner of
13 the licensee, person holding a controlling interest in the
14 licensee or employee of the licensee.

15 (15) As follows:

16 (i) A wine and spirits wholesale licensee may not
17 operate in a manner which constitutes a violation of
18 Federal or State law, including antitrust or other unfair
19 trade practices, or creates a monopolistic liquor
20 distribution system in this Commonwealth.

21 (ii) If a wine and spirits wholesale licensee seeks
22 to be approved by the department or the board to
23 distribute additional brands of liquor which would give
24 the licensee a control of more than 50% of the liquor
25 distributed in the wholesale market of this Commonwealth,
26 in terms of gross dollar sales, the board shall convene a
27 hearing to determine whether approval of the proposed
28 application for additional brands would constitute a
29 violation of antitrust or other unfair trade practice
30 laws, or would create a monopolistic liquor distribution

1 system in this Commonwealth.

2 (iii) The board is authorized to promulgate
3 regulations providing for the procedure for hearings
4 under subparagraph (ii).

5 (16) A wine and spirits wholesale licensee shall make
6 the licensed premises, all of the facilities involved in the
7 wholesale operation and all of the business and financial
8 books and records of the wholesale operation available at any
9 time for inspection and audit by the department, the board or
10 the enforcement bureau. The board shall promulgate
11 regulations regarding the records that a licensee must
12 maintain on its premises.

13 (17) A wine and spirits wholesale licensee shall
14 cooperate fully in an inquiry or investigation by the
15 department or the board or the enforcement bureau and provide
16 information requested by the department, the board or the
17 enforcement bureau.

18 (18) A wine and spirits wholesale licensee which is a
19 corporation, a limited liability company, limited
20 partnership, partnership, association or other legal entity
21 must be organized under the laws of this Commonwealth.

22 (19) A wine and spirits wholesale licensee which is a
23 natural person must be a citizen of the United States and a
24 resident of this Commonwealth.

25 (c) Sanctions.--A wine and spirits wholesale licensee that
26 fails to abide by a condition contained in the licensee's
27 statement of conditions or commits a violation of this act or
28 Federal or State law:

29 (1) shall be subject to citation by the enforcement
30 bureau; and

1 (2) may be subject to:

2 (i) a fine, suspension or license revocation;

3 (ii) nonrenewal of the license or revocation of
4 temporary operating authority; or

5 (iii) other penalties authorized under sections 471
6 and 494.

7 Section 326-A. Loss of rights to wholesale brands of liquor.

8 The department shall establish procedures and standards
9 governing the relationship between wine and spirits wholesale
10 licensees and manufacturers and the ability and terms upon which
11 that relationship may be terminated. The procedures and
12 standards shall incorporate the following principles:

13 (1) As follows:

14 (i) A manufacturer having a contract, including all
15 written or oral agreements, understandings or other
16 arrangements with a wine and spirits wholesale licensee
17 for the distribution in this Commonwealth of a brand of
18 liquor may terminate the distribution rights and transfer
19 the rights to another wine and spirits wholesale licensee
20 upon the voluntary agreement of both licensees.

21 (ii) If a voluntary termination and transfer occurs,
22 the manufacturer shall provide written notice to the
23 board indicating that affected wine and spirits wholesale
24 licensees have both agreed to the termination and
25 transfer. A copy of the notification to the board shall
26 be provided to both licensees.

27 (2) If a wine and spirits wholesale licensee does not
28 agree to the termination or transfer of its distribution
29 rights, the manufacturer may only terminate or transfer the
30 rights upon payment to the terminated licensee of reasonable

1 ~~compensation, as determined by the board, to reflect the~~ <--
2 ~~value of the wine and spirits wholesale licensee's business~~
3 ~~related to the terminated brand of liquor.~~

4 (3) A voluntary or involuntary termination and transfer
5 of the right to distribute the brand of liquor shall comply
6 with this section.

7 Section 327-A. Transfer of brands of liquor.

8 (a) Prohibition.--No brand of liquor offered for sale in
9 this Commonwealth may be transferred to a different wine and
10 spirits wholesale licensee without prior approval from the
11 board.

12 (b) Transfer fee.--An application to the board to transfer
13 the right to distribute a brand of liquor shall be subject to an
14 application fee equal to 1% of the initial license fee
15 attributable to the brand of liquor or \$1,000, whichever is
16 greater.

17 SUBARTICLE D

18 CLOSURE OF STATE LIQUOR STORES

19 AND ASSISTANCE FOR DISPLACED EMPLOYEES

20 Section 331-A. Closure of State liquor stores.

21 (a) Process for closure.--

22 ~~(1) The board, in consultation with the department and~~ <--
23 ~~its consultant, shall develop a protocol for the closure of~~
24 ~~the State liquor stores which is designed to ensure~~
25 ~~uninterrupted service to the public and licensees during the~~
26 ~~transition to private retail and wholesale distribution of~~
27 ~~liquor.~~

28 ~~(2) The board shall close a designated State liquor~~
29 ~~store within 60 days of receiving notice from the department.~~
30 ~~The board shall, within 60 days of receiving notice from the~~

1 ~~department, wind down operations at the store designated for~~
2 ~~closure.~~

3 ~~(3) No location operated by the board for sales to~~
4 ~~nonlicensees may operate or sell liquor more than three years~~
5 ~~and six months after the effective date of this section.~~

6 (1) THE BOARD SHALL REVIEW THE VIABILITY OF A STORE <--
7 LOCATED WITHIN A COUNTY WHERE THE NUMBER OF PRIVATELY OWNED
8 AND PRIVATELY OPERATED WINE AND SPIRITS RETAIL LICENSES PLUS
9 THE NUMBER OF GROCERY STORE LICENSES EQUAL THE NUMBER OF
10 HERITAGE STATE STORES.

11 (2) WHERE THE NUMBER OF HERITAGE STATE STORES EQUALS THE
12 NUMBER OF PRIVATELY OWNED AND PRIVATELY OPERATED WINE AND
13 SPIRITS RETAIL LICENSES PLUS THE GROCERY STORE LICENSES, THE
14 BOARD SHALL PROVIDE A RATIONALE TO THE DEPARTMENT FOR THE
15 CONTINUED OPERATION OR CLOSURE OF A STORE LOCATED IN A
16 COUNTY.

17 (3) A HERITAGE STATE STORE DESIGNATED FOR CLOSURE SHALL
18 CEASE OPERATIONS WITHIN 60 DAYS.

19 (4) WHERE THE NUMBER OF PRIVATELY OWNED AND PRIVATELY
20 OPERATED WINE AND SPIRITS RETAIL LICENSES PLUS THE GROCERY
21 STORE LICENSES EXCEED THE NUMBER OF HERITAGE STATE STORES BY
22 A FACTOR OF TWO, THE HERITAGE STATE STORES WITHIN A COUNTY
23 MUST CLOSE WITHIN SIX MONTHS.

24 (5) THE BOARD MAY NOT OPERATE FEWER THAN 100 HERITAGE
25 STATE STORES WITHIN THIS COMMONWEALTH.

26 (b) Disposition of liquor.--The board shall arrange for the
27 disposition of the liquor remaining in inventory at a designated
28 store. In order to effectuate this subsection, the board may, in
29 consultation with the department, do any of the following:

30 (1) Coordinate with the vendor of record for the

1 repurchase products by the vendor of record.

2 (2) Sell products to newly licensed wine and spirits
3 retail licensees.

4 (3) Transport products for sale at another operating
5 State liquor store.

6 (c) Disposition of nonliquor State-owned property.--The
7 department, in consultation with the board, shall establish a
8 procedure for the sale of the nonliquor inventory, property and
9 fixtures of all State liquor stores consistent with 62 Pa.C.S.
10 Ch. 15 (relating to supply management). Wine and spirits retail
11 licensees shall have the opportunity to bid on the items to be
12 sold or otherwise participate in the sale. All proceeds from the
13 sales shall be deposited into The State Stores Fund.

14 (d) Pennsylvania Liquor Store leases.--The board shall
15 provide immediate notice to the lessor upon receipt of the
16 department's notice to close a designated Pennsylvania Liquor
17 Store.

18 (e) Hiring restrictions.--

19 (1) Notwithstanding any other provision of this act and
20 except as provided under subsection (f), the board may not
21 hire additional salaried or wage employees for the purpose of
22 staffing its retail operations, including its bureau of
23 marketing and retail operations, unless explicitly authorized
24 by the department.

25 (2) Paragraph (1) shall not prohibit the board from
26 hiring personnel, with approval from the department, to
27 adequately staff its Bureau of Supply Chain for the purpose
28 of transitioning its retail and wholesale operations to
29 licensees of this article.

30 (f) Limited authority to hire temporary workers.--

1 (1) Notwithstanding any other provision of law and
2 except as provided under paragraph (3), the board, with the
3 approval of the department, may temporarily staff a State
4 liquor store which has not been designated for closure under
5 this section, if staffing and service levels would be
6 otherwise compromised. The board may utilize the services of
7 an employment agency to carry out this paragraph.

8 (2) The act of August 5, 1941 (P.L.752, No.286), known
9 as the Civil Service Act, shall not apply to temporary
10 employees hired under paragraph (1).

11 (3) The board may not employ temporary workers at a
12 State liquor store if the board receives notice of closure of <--
13 the State liquor store from the department DETERMINES THE <--
14 STATE STORE MUST CLOSE.

15 (4) A temporary worker engaged by the board under this
16 subsection shall not be considered a displaced employee.

17 Section 331.1-A. Licensee service centers.

18 ~~(a) Adequacy.~~ The board shall work collaboratively with the <--
19 department and the retail divestiture strategy committee to
20 ensure that an adequate number of stores designated for sales to
21 licensees or licensee service center locations are maintained
22 during the retail and wholesale divestiture process so that
23 licensees are able to timely acquire products sold by the board.

24 ~~(b) Termination.~~ A State liquor store may not operate or <--
25 sell liquor more than four years after the effective date of
26 this section.

27 Section 332-A. Transition assistance committee.

28 (a) Formation.--

29 (1) On the effective date of this section, the
30 department shall designate individuals to serve on a

1 committee for the purpose of managing the staffing transition
2 and displacement of employees during the divestiture process.

3 (2) The committee, which shall be chaired by a
4 representative from the department, shall involve the
5 participation of the Office of Administration, the Civil
6 Service Commission, the Department of Labor and Industry and
7 the board's bureau of human resources, to ensure a
8 coordinated approach to allocating personnel and assisting
9 displaced employees during the transition to find an
10 appropriate position.

11 (3) The committee may engage the services of a third-
12 party administrator to assist in administering the duties
13 under paragraph (2). The procedural constraints of 62 Pa.C.S.
14 Pt. I (relating to Commonwealth Procurement Code) shall not
15 apply to this paragraph.

16 (b) Counseling and placement.--The committee shall
17 coordinate with the Office of Administration to provide
18 counseling and other general assistance to employees of the
19 board who are displaced to transition the employees to other
20 employment in either the public or private sector.

21 (c) Transition funding.--The costs for the programs provided
22 under this subarticle shall be paid for out of the proceeds from
23 the divestiture of the board's wholesale and retail operations.

24 Section 333-A. Preference in public employment hiring.

25 (a) Civil service examinations.--

26 (1) A displaced employee who successfully passes a civil
27 service appointment examination shall be marked or graded an
28 additional three points above the mark or grade credited for
29 the examination if all of the following apply:

30 (i) The examination is for a paid position

1 administered under the act of August 5, 1941 (P.L.752,
2 No.286), known as the Civil Service Act, and in the
3 classified service existing under the commission's
4 jurisdiction.

5 (ii) The employee establishes the qualifications
6 required by law for appointment to the position.

7 (2) The total mark or grade, including the mark-up under
8 paragraph (1), obtained by the displaced employee shall
9 represent the final mark or grade of the employee and shall
10 determine the employee's standing on any eligibility list
11 certified or furnished to the appointing power.

12 (b) Certification.--The commission shall require the board
13 to certify a list of displaced employees under subsection (a).
14 Placement on the list by the board shall establish eligibility
15 for the preference granted under subsection (a).

16 (c) Noncivil service positions.--If a paid State position
17 does not require a civil service examination, a displaced
18 employee, possessing the requisite qualifications and who is
19 eligible for appointment to a paid State position in offices
20 under the Governor's jurisdiction within the executive branch
21 shall be given a preference in the appointment by the appointing
22 authority.

23 (d) (Reserved).

24 (e) Eligibility.--

25 (1) A displaced employee's eligibility for the mark-up
26 provided under subsection (a) and for the preference for
27 noncivil service positions provided under subsection (c)
28 shall cease upon the occurrence of one of the following:

29 (i) The displaced employee's appointment or hiring
30 into a position in the classified service existing under

1 the commission's jurisdiction or into a paid State
2 position where no civil service examination is required.

3 (ii) Four years from the effective date of this
4 section.

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

12 Section 334-A. Career training and post-secondary education
13 grant eligibility.

14 (a) Eligibility.--A displaced employee shall be eligible for
15 a two-year grant for attending a program of instruction at an
16 institution of higher education, including career training and
17 adult education courses of study, within one year of the date of
18 displacement from State service in the following amount:

19 (1) ~~one~~ TWO thousand dollars per year for attendance on <--
20 a full-time basis; or

21 (2) ~~five hundred~~ ONE THOUSAND dollars per year for <--
22 attendance on a part-time basis.

23 (b) Certification.--The board shall certify the list of
24 displaced employees to the agency.

25 (c) Grant award.--The agency shall make a determination of
26 grant eligibility and shall pay the grant directly to the
27 institution of higher education attended by the displaced
28 employee in a manner consistent with the agency's regulations.

29 Section 335-A. Reemployment tax credit.

30 (a) Eligibility.--

1 (1) A displaced employee shall be eligible for a two-
2 year reemployment tax credit voucher in the amount of \$1,000 <--
3 \$2,000 per taxable year. <--

4 (2) The voucher under paragraph (1) shall be made
5 available to each displaced employee upon termination of
6 employment.

7 (3) Each voucher under paragraph (1) shall be certified
8 by the board before the voucher is provided to the displaced
9 employee.

10 (4) The Department of Revenue shall be informed of each
11 displaced employee to whom a voucher under paragraph (1) has
12 been provided.

13 (b) Transfer of voucher.--An employer in this Commonwealth
14 who employs a displaced employee on a full-time basis may, upon
15 transfer of the voucher from the employee to the employer, use
16 the voucher as a credit against the State tax liability of the
17 employer, if the employer can demonstrate the following:

18 (1) The employee for whom the tax credit is being sought
19 was displaced from the board within 12 months of being
20 employed by the employer.

21 (2) The former board employee has been employed by the
22 employer seeking the tax credit on a full-time basis for a
23 period not less than one year.

24 (c) Voucher submittal.--The employer shall submit the tax
25 credit voucher to the Department of Revenue with the information
26 required under subsection (b) (1) and (2) to claim a tax credit
27 against the employer's liability for a tax identified under
28 subsection (d) (2).

29 (d) Amount of credit.--

30 (1) An employer may claim a reemployment tax credit for

1 each job filled by a displaced employee of ~~\$1,000~~ \$2,000 per <--
2 taxable year for a maximum of two taxable years.

3 (2) An employer may apply the reemployment tax credit to
4 100% of the employer's:

5 (i) State corporate net income tax, capital stock
6 and franchise tax or the personal tax of a shareholder of
7 the company if the company is a Pennsylvania S
8 corporation.

9 (ii) Insurance premiums tax, gross receipts tax,
10 bank and trust company shares tax, mutual thrift
11 institutions tax or title insurance companies shares tax.

12 (iii) Any combination of the taxes under
13 subparagraphs (i) and (ii).

14 (3) A displaced employee whose subsequent employment is
15 terminated with an employer and who has utilized the
16 reemployment tax credit voucher to claim a one-year ~~\$1,000-~~ <--
17 \$2,000 tax credit may transfer the voucher to a new employer <--
18 who may use the remaining ~~\$1,000~~ \$2,000 tax credit as a claim <--
19 against the employer's tax liability for taxes identified
20 under paragraph (2).

21 (4) The term of the reemployment tax credit voucher may
22 not exceed two years from the date the voucher is provided to
23 the qualified displaced employee.

24 Section 336-A. Protection of existing benefits.

25 (a) Contract benefits.--Nothing under this section shall be
26 deemed to affect:

27 (1) Pension benefits accrued prior to the date of
28 separation occurring as a sole and direct result of the
29 divestiture of the board's wholesale and retail operations
30 under this article.

1 (2) Payment of an accrued benefit derived from the terms
2 of a preexisting collective bargaining agreement payable upon
3 separation from employment.

4 (b) Collective bargaining.--As a result of the preferential
5 hiring benefits, the tax credit for subsequent employers and the
6 protection of benefits arising from an employee's pension or
7 from a preexisting collective bargaining agreement under this
8 section, the board shall be deemed to have satisfied all
9 obligations to bargain over the effects of the decision to cease
10 wholesale and retail operations under this article which may
11 arise under:

12 (1) the act of June 1, 1937 (P.L.1168, No.294), known as
13 the Pennsylvania Labor Relations Act; or

14 (2) the act of July 23, 1970 (P.L.563, No.195), known as
15 the Public Employe Relations Act.

16 (c) Local regulation.--This article supersedes a local
17 regulation, ordinance or resolution of a political subdivision
18 regarding notice to displaced workers.

19 SUBARTICLE E

20 MISCELLANEOUS PROVISIONS

21 Section 341-A. License renewals.

22 (a) Renewal.--

23 (1) Wine and spirits licenses issued under this article
24 shall be subject to renewal every two years, with validation.

25 (2) The application for renewal shall be submitted on a
26 form provided by the board at least 30 days prior to the
27 expiration of the wine and spirits license and shall include,
28 at a minimum, an update of the information contained in the
29 initial and prior renewal applications and the payment of any
30 renewal fee required under this article.

1 (3) A wine and spirits license for which a completed
2 renewal application and fee has been received by the board
3 shall continue to be valid until the board sends written
4 notification to the licensee that the board has denied the
5 renewal of the license.

6 (b) Fee.--

7 (1) A renewal fee of \$1,000 shall be due upon
8 application for the renewal or validation of a wine and
9 spirits retail license.

10 (2) A renewal fee of \$5,000 shall be due upon
11 application for the renewal or validation of a wine and
12 spirits wholesale license.

13 (3) The board may adjust the renewal fee to ensure that
14 the fee adequately recovers the costs associated with
15 investigating the renewal application.

16 (c) Renewal hearings.--The director of the board's Bureau of
17 Licensing may object to the renewal of licenses issued under
18 this article pursuant to the same authority granted under
19 section 470. Hearings and appeals arising from the objections
20 shall be conducted in accordance with section 464.

21 (d) Revocation of operating authority.--

22 (1) The board may revoke the operating authority of a
23 wine and spirits license issued under this article if it
24 finds that the licensee or any of its affiliates, executive
25 officers, directors or general or limited partners or persons
26 holding a controlling interest in the licensee:

27 (i) is in violation of any provision of this act;

28 (ii) has furnished the board with false or
29 misleading information; or

30 (iii) is no longer reputable or suitable for

1 licensure.

2 (2) If a wine and spirits license is revoked or not
3 renewed, the wine and spirits licensee's authorization to
4 conduct business as a wine and spirits licensee shall
5 immediately cease until the board notifies the licensee that
6 the operating authority has been reinstated.

7 (e) Affirmative duty.--Nothing under this section shall
8 relieve a wine and spirits licensee of the affirmative duty to
9 notify the board of changes relating to the status of its
10 license or to other information contained in the application
11 materials filed with the board.

12 Section 342-A. Revocation, suspension and fines.

13 (a) Authority of enforcement bureau.--The enforcement bureau
14 shall have the authority to issue a citation against a wine and
15 spirits licensee in the same manner as under section 471. The
16 bureau may issue a citation to the licensee based on the
17 following conduct:

18 (1) The licensee violated any of the following:

19 (i) A provision of this act.

20 (ii) The regulations of the board.

21 (iii) The licensee's signed statement of conditions.

22 (iv) The licensee violated any other law of this
23 Commonwealth.

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

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

29 (4) The licensee failed to operate the business or to
30 provide a reasonable level of consumer service.

1 (5) The licensee failed to remit taxes as required.

2 (b) Administrative Law Judge.--Enforcement matters shall be
3 heard by an administrative judge in the same manner as under
4 section 471. The administrative law judge may issue a fine and
5 either suspend or revoke the license. Appeals may be taken in
6 the same manner as under section 471.

7 (c) Sales prohibited.--No person may sell liquor at a
8 premises if any of the following apply:

9 (1) The wine and spirits license applicable to that
10 premises has been suspended or revoked or has expired.

11 (2) The operating authority for the wine and spirits
12 license has been revoked.

13 (d) Public sale.--If a wine and spirits retail license is
14 revoked, forfeited or surrendered under this article, the board
15 shall conduct an ~~auction~~ A SALE of the license, consistent with <--
16 this article.

17 Section 343-A. Sale, assignment or transfer of license.

18 (a) Prohibition.--No person may sell, assign or transfer
19 their interest in a wine and spirits license granted under this
20 article to another person until the board has received,
21 investigated and approved a transfer application. If the license
22 is a wine and spirits retail license, the wine and spirits
23 licensee must have been in continuous operation for at least one
24 year prior to the date of the application to transfer the
25 license.

26 (b) Compliance.--Any person to whom a wine and spirits
27 license is transferred must comply with this article prior to
28 the transfer of the license.

29 (c) Transfer fee.--

30 (1) The transfer of a wine and spirits license shall be

1 subject to a transfer fee equal to 1% of the license fee paid
2 for the license and shall be paid as a condition of the
3 transfer of the license.

4 (2) The transfer fee applicable to the transfer of
5 brands of liquor under section 327-A(b) shall not apply to
6 the transfer of a wine and spirits wholesale license.

7 (3) A wine and spirits retail license may not be
8 transferred to another location outside the county in which
9 it was initially issued.

10 (d) Change of control.--For the purposes of this section, a
11 change of control of a wine and spirits wholesale or retail
12 licensee shall be deemed to be a sale, assignment or transfer of
13 a wine and spirits wholesale or retail license. A wine and
14 spirits wholesale or retail licensee must notify the board
15 immediately upon becoming aware of a proposed or contemplated
16 change of control.

17 Section 344-A. The State Stores Fund.

18 All fees, assessments, bid amounts or other charges paid by
19 wine and spirits license applicants or licensees shall be paid
20 or transferred into a restricted account in The State Stores
21 Fund. Any fines collected by the administrative law judge from
22 the licensees shall be remitted to the enforcement bureau for
23 continued enforcement efforts.

24 Section 345-A. Return of fee or bid.

25 (a) Wine and spirits wholesale license fee.--The entire wine
26 and spirits wholesale license fee paid by a wine and spirits
27 wholesale licensee under section 324-A(d) (1) shall be returned
28 if this article is amended or otherwise altered by an act of the
29 General Assembly within five years of the effective date of this
30 section to change provisions relating to the loss of rights to

1 wholesale brands of liquors under section 326-A.

2 (b) Wine and spirits retail licensee fee or bid amount.--The
3 entire wine and spirits retail license fee or retail bid amount
4 paid by a wine and spirits retail licensee shall be returned if
5 this article is amended or otherwise altered by an act of the
6 General Assembly within five years of the effective date of this
7 section to authorize additional wine and spirits retail licenses
8 under section 311.1-A.

9 Section 10. Section 401 of the act, amended December 22,
10 2011 (P.L.530, No.113), is amended to read:

11 Section 401. Authority to Issue Liquor Licenses to Hotels,
12 Restaurants and Clubs.--(a) Subject to the provisions of this
13 act and regulations promulgated under this act, the board shall
14 have authority to issue a retail liquor license for any premises
15 kept or operated by a hotel, restaurant or club and specified in
16 the license entitling the hotel, restaurant or club to purchase
17 liquor from a Pennsylvania Liquor Store or a wine and spirits
18 wholesale licensee and to keep on the premises such liquor and,
19 subject to the provisions of this act and the regulations made
20 thereunder, to sell the same and also malt or brewed beverages
21 to guests, patrons or members for consumption on the hotel,
22 restaurant or club premises. Such licensees, other than clubs,
23 shall be permitted to sell malt or brewed beverages for
24 consumption off the premises where sold in quantities of not
25 more than one hundred ninety-two fluid ounces in a single sale
26 to one person as provided for in section 407; ~~except that the~~ <--
27 ~~licensees acquiring a thirty pack permit issued by the board may~~
28 ~~sell to a person a single package prepared for sale or~~
29 ~~distribution of not more than thirty original containers and~~
30 ~~totaling not less than three hundred sixty fluid ounces of malt~~

1 ~~or brewed beverages~~ UNLESS THE LICENSEE ACQUIRES A RETAIL
2 PACKAGE REFORM PERMIT ISSUED BY THE BOARD UNDER SECTION 407(C).

3 Such licenses shall be known as hotel liquor licenses,
4 restaurant liquor licenses and club liquor licenses,
5 respectively. No person who holds any public office that
6 involves the duty to enforce any of the penal laws of the United
7 States, this Commonwealth or of any political subdivision of
8 this Commonwealth may have any interest in a hotel or restaurant
9 liquor license. This prohibition applies to anyone with arrest
10 authority, including, but not limited to, United States
11 attorneys, State attorneys general, district attorneys, sheriffs
12 and police officers. This prohibition shall also apply to
13 magisterial district judges, judges or any other individuals who
14 can impose a criminal sentence. This prohibition does not apply
15 to members of the General Assembly, township supervisors, city
16 councilpersons, mayors without arrest authority and any other
17 public official who does not have the ability to arrest or the
18 ability to impose a criminal sentence. This section does not
19 apply if the proposed premises are located outside the
20 jurisdiction of the individual in question.

21 (b) The board may issue to any club which caters to groups
22 of non-members, either privately or for functions, a catering
23 license, and the board shall, by its rules and regulations,
24 define what constitutes catering under this subsection except
25 that any club which is issued a catering license shall not be
26 prohibited from catering on Sundays during the hours which the
27 club may lawfully serve liquor, malt or brewed beverages.

28 SECTION 10.1. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:
29 SECTION 401.1. AUTHORITY TO ISSUE LIQUOR LICENSES TO GROCERY
30 STORES.--(A) SUBJECT TO THE PROVISIONS OF THIS ACT AND

1 REGULATIONS PROMULGATED UNDER THIS ACT, THE BOARD SHALL HAVE
2 AUTHORITY TO ISSUE A RETAIL LIQUOR LICENSE FOR ANY PREMISES KEPT
3 OR OPERATED BY A GROCERY STORE AND SPECIFIED IN THE LICENSE
4 ENTITLING THE GROCERY STORE TO:

5 (1) PURCHASE WINE FROM A PENNSYLVANIA LIQUOR STORE, A WINE
6 AND SPIRITS STORE AND ANY PERSON LICENSED BY THE BOARD AS A
7 PRODUCER OF WINE AND SUBJECT TO SECTION 505.2.

8 (2) KEEP ON THE PREMISES SUCH WINE AND, SUBJECT TO THE
9 PROVISIONS OF THIS ACT AND THE REGULATIONS MADE HEREUNDER, TO
10 SELL THE SAME TO PATRONS FOR CONSUMPTION OFF THE LICENSED
11 PREMISES.

12 (B) LICENSES ISSUED UNDER THIS SECTION SHALL BE KNOWN AS
13 GROCERY STORE RETAIL LIQUOR LICENSES.

14 (C) NO INDIVIDUAL WHO HOLDS ANY PUBLIC OFFICE THAT INVOLVES
15 THE DUTY TO ENFORCE ANY OF THE PENAL LAWS OF THE UNITED STATES,
16 THIS COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION OF THIS
17 COMMONWEALTH MAY HAVE ANY INTEREST IN A GROCERY STORE RETAIL
18 LIQUOR LICENSE. THIS PROHIBITION APPLIES TO AN INDIVIDUAL WITH
19 ARREST AUTHORITY, INCLUDING, BUT NOT LIMITED TO, POLICE
20 OFFICERS, SHERIFFS, DISTRICT ATTORNEYS, STATE ATTORNEYS GENERAL
21 AND UNITED STATES ATTORNEYS. THIS PROHIBITION SHALL ALSO APPLY
22 TO MAGISTERIAL DISTRICT JUDGES, JUDGES OR ANY OTHER INDIVIDUALS
23 WHO MAY IMPOSE A CRIMINAL SENTENCE. THIS PROHIBITION DOES NOT
24 APPLY TO MEMBERS OF THE GENERAL ASSEMBLY, TOWNSHIP SUPERVISORS,
25 CITY COUNCILPERSONS, MAYORS WITHOUT ARREST AUTHORITY AND ANY
26 OTHER PUBLIC OFFICIAL WHO DOES NOT HAVE THE ABILITY TO ARREST OR
27 THE ABILITY TO IMPOSE A CRIMINAL SENTENCE. AN INDIVIDUAL SUBJECT
28 TO THIS PROHIBITION MAY HAVE AN INTEREST IN A GROCERY STORE
29 RETAIL LIQUOR LICENSE IF THE PROPOSED PREMISES ARE LOCATED
30 OUTSIDE THE JURISDICTION OF THE INDIVIDUAL.

1 SECTION 403.1. APPLICATIONS FOR GROCERY STORE RETAIL
2 LICENSE.-- (A) EVERY APPLICANT FOR A GROCERY STORE RETAIL
3 LICENSE OR FOR THE TRANSFER OF AN EXISTING LICENSE TO ANOTHER
4 PREMISES NOT THEN LICENSED SHALL FILE A WRITTEN APPLICATION WITH
5 THE BOARD IN SUCH FORM AND CONTAINING SUCH INFORMATION AS THE
6 BOARD SHALL FROM TIME TO TIME PRESCRIBE, WHICH SHALL BE
7 ACCOMPANIED BY A FILING FEE AND AN ANNUAL LICENSE FEE AS SET
8 FORTH IN SECTION 406.1 OF THIS ACT. EVERY SUCH APPLICATION SHALL
9 CONTAIN A DESCRIPTION OF THAT PART OF THE GROCERY STORE FOR
10 WHICH THE APPLICANT DESIRES A LICENSE AND SHALL SET FORTH SUCH
11 OTHER MATERIAL INFORMATION, DESCRIPTION OR PLAN OF THAT PART OF
12 THE GROCERY STORE WHERE IT IS PROPOSED TO KEEP AND SELL LIQUOR
13 AS MAY BE REQUIRED BY THE REGULATIONS OF THE BOARD. THE
14 DESCRIPTIONS, INFORMATION AND PLANS REFERRED TO IN THIS
15 SUBSECTION SHALL SHOW THE GROCERY STORE, OR THE PROPOSED
16 LOCATION FOR THE CONSTRUCTION OF A GROCERY STORE, AT THE TIME
17 THE APPLICATION IS MADE, AND SHALL SHOW ANY ALTERATIONS PROPOSED
18 TO BE MADE THERETO, OR THE NEW BUILDING PROPOSED TO BE
19 CONSTRUCTED AFTER THE APPROVAL BY THE BOARD OF THE APPLICATION
20 FOR A LICENSE OR FOR THE TRANSFER OF AN EXISTING LICENSE TO
21 ANOTHER PREMISES NOT THEN LICENSED. NO PHYSICAL ALTERATIONS,
22 IMPROVEMENTS OR CHANGES SHALL BE REQUIRED TO BE MADE TO ANY
23 GROCERY STORE, NOR SHALL ANY NEW BUILDING FOR ANY SUCH PURPOSE
24 BE REQUIRED TO BE CONSTRUCTED UNTIL APPROVAL OF THE APPLICATION
25 FOR LICENSE OR FOR THE TRANSFER OF AN EXISTING LICENSE TO
26 ANOTHER PREMISES NOT THEN LICENSED BY THE BOARD. AFTER APPROVAL
27 OF THE APPLICATION, THE LICENSEE SHALL MAKE THE PHYSICAL
28 ALTERATIONS, IMPROVEMENTS AND CHANGES TO THE LICENSED PREMISES,
29 OR SHALL CONSTRUCT THE NEW BUILDING IN THE MANNER SPECIFIED BY
30 THE BOARD AT THE TIME OF APPROVAL, AND THE LICENSEE SHALL NOT

1 TRANSACT ANY BUSINESS UNDER THE LICENSE UNTIL THE BOARD HAS
2 APPROVED THE COMPLETED PHYSICAL ALTERATIONS, IMPROVEMENTS AND
3 CHANGES TO THE LICENSED PREMISES, OR THE COMPLETED CONSTRUCTION
4 OF THE NEW BUILDING AS CONFORMING TO THE SPECIFICATIONS REQUIRED
5 BY THE BOARD AT THE TIME OF ISSUANCE OR TRANSFER OF THE LICENSE,
6 AND IS SATISFIED THAT THE ESTABLISHMENT IS A GROCERY STORE AS
7 DEFINED BY THIS ACT. THE BOARD MAY REQUIRE THAT ALL SUCH
8 ALTERATIONS OR CONSTRUCTION OR CONFORMITY TO DEFINITION BE
9 COMPLETED WITHIN SIX MONTHS FROM THE TIME OF ISSUANCE OR
10 TRANSFER OF THE LICENSE. FAILURE TO COMPLY WITH THESE
11 REQUIREMENTS SHALL BE CONSIDERED CAUSE FOR REVOCATION OF THE
12 LICENSE. NO SUCH LICENSE SHALL BE TRANSFERABLE BETWEEN THE TIME
13 OF ISSUANCE OR TRANSFER OF THE LICENSE AND THE APPROVAL OF THE
14 COMPLETED ALTERATIONS OR CONSTRUCTION BY THE BOARD AND FULL
15 COMPLIANCE BY THE LICENSEE WITH THE REQUIREMENTS OF THIS ACT
16 UNLESS FULL COMPLIANCE IS IMPOSSIBLE FOR REASONS BEYOND THE
17 LICENSEE'S CONTROL, IN WHICH EVENT, THE LICENSE MAY BE
18 TRANSFERRED BY THE BOARD AS PROVIDED IN THIS ACT.

19 (B) IF THE APPLICANT IS A NATURAL PERSON, THE APPLICANT'S
20 APPLICATION MUST SHOW THAT THE APPLICANT IS A CITIZEN OF THE
21 UNITED STATES AND HAS BEEN A RESIDENT OF THIS COMMONWEALTH FOR
22 AT LEAST TWO YEARS IMMEDIATELY PRECEDING THE APPLICANT'S
23 APPLICATION.

24 (C) IF THE APPLICANT IS A CORPORATION, THE APPLICATION MUST
25 SHOW THAT THE CORPORATION WAS CREATED UNDER THE LAWS OF THIS
26 COMMONWEALTH OR HOLDS A CERTIFICATE OF AUTHORITY TO TRANSACT
27 BUSINESS IN THIS COMMONWEALTH, THAT ALL OFFICERS, DIRECTORS AND
28 STOCKHOLDERS ARE CITIZENS OF THE UNITED STATES AND THAT THE
29 MANAGER OF THE GROCERY STORE RETAIL LICENSE IS A CITIZEN OF THE
30 UNITED STATES.

1 (D) EACH APPLICATION SHALL BE SIGNED AND VERIFIED BY OATH OR
2 AFFIRMATION BY THE OWNER, IF A NATURAL PERSON, OR, IN THE CASE
3 OF AN ASSOCIATION, BY A MEMBER OR PARTNER THEREOF, OR, IN THE
4 CASE OF A CORPORATION, BY AN EXECUTIVE OFFICER THEREOF OR ANY
5 PERSON SPECIFICALLY AUTHORIZED BY THE CORPORATION TO SIGN THE
6 APPLICATION, TO WHICH SHALL BE ATTACHED WRITTEN EVIDENCE OF HIS
7 AUTHORITY.

8 (E) EVERY APPLICANT FOR A NEW LICENSE OR FOR THE TRANSFER OF
9 AN EXISTING LICENSE SHALL POST, FOR A PERIOD OF AT LEAST THIRTY
10 DAYS BEGINNING WITH THE DAY THE APPLICATION IS FILED WITH THE
11 BOARD, IN A CONSPICUOUS PLACE ON THE OUTSIDE OF THE PREMISES OR
12 AT THE PROPOSED NEW LOCATION FOR WHICH THE LICENSE IS APPLIED, A
13 NOTICE OF SUCH APPLICATION. THE NOTICE SHALL BE IN SUCH FORM, BE
14 OF SUCH SIZE AND CONTAIN SUCH PROVISIONS AS THE BOARD MAY
15 REQUIRE BY ITS REGULATIONS. PROOF OF THE POSTING OF SUCH NOTICE
16 SHALL BE FILED WITH THE BOARD. THE POSTING REQUIREMENT IMPOSED
17 BY THIS SUBSECTION SHALL NOT APPLY TO LICENSE APPLICATIONS
18 SUBMITTED FOR PUBLIC VENUES.

19 (F) IF ANY FALSE STATEMENT IS INTENTIONALLY MADE IN ANY PART
20 OF THE APPLICATION, THE AFFIANT SHALL BE DEEMED GUILTY OF A
21 MISDEMEANOR AND, UPON CONVICTION, SHALL BE SUBJECT TO THE
22 PENALTIES PROVIDED BY THIS ARTICLE.

23 (G) UPON RECEIPT OF AN APPLICATION FOR A NEW LICENSE OR
24 TRANSFER OF AN EXISTING LICENSE TO A NEW LOCATION, THE BOARD
25 SHALL IMMEDIATELY NOTIFY, IN WRITING, THE MUNICIPALITY IN WHICH
26 THE PREMISES PROPOSED TO BE LICENSED ARE LOCATED.

27 Section 11. Section 404 of the act, amended January 6, 2006
28 (P.L.1, No.1), is amended to read:

29 Section 404. Issuance, Transfer or Extension of Hotel,
30 Restaurant and Club Liquor Licenses.--Upon receipt of the

1 application and the proper fees, and upon being satisfied of the
2 truth of the statements in the application that the applicant is
3 the only person in any manner pecuniarily interested in the
4 business so asked to be licensed and that no other person will
5 be in any manner pecuniarily interested therein during the
6 continuance of the license, except as hereinafter permitted, and
7 that the applicant is a person of good repute, that the premises
8 applied for meet all the requirements of this act and the
9 regulations of the board, that the applicant seeks a license for
10 a hotel, restaurant or club, as defined in this act, and that
11 the issuance of such license is not prohibited by any of the
12 provisions of this act, the board shall, in the case of a hotel
13 or restaurant, grant and issue to the applicant a liquor
14 license, and in the case of a club may, in its discretion, issue
15 or refuse a license: Provided, however, That in the case of any
16 new license or the transfer of any license to a new location or
17 the extension of an existing license to cover an additional area
18 the board may, in its discretion, grant or refuse such new
19 license, transfer or extension if such place proposed to be
20 licensed is within three hundred feet of any church, hospital,
21 charitable institution, school, or public playground, or if such
22 new license, transfer or extension is applied for a place which
23 is within two hundred feet of any other premises which is
24 licensed by the board: And provided further, That the board's
25 authority to refuse to grant a license because of its proximity
26 to a church, hospital, charitable institution, public playground
27 or other licensed premises shall not be applicable to license
28 applications submitted for public venues or performing arts
29 facilities: And provided further, That the board shall refuse
30 any application for a new license, the transfer of any license

1 to a new location or the extension of an existing license to
2 cover an additional area if, in the board's opinion, such new
3 license, transfer or extension would be detrimental to the
4 welfare, health, peace and morals of the inhabitants of the
5 neighborhood within a radius of five hundred feet of the place
6 proposed to be licensed: And provided further, That the board
7 shall have the discretion to refuse a license to any person or
8 to any corporation, partnership or association if such person,
9 or any officer or director of such corporation, or any member or
10 partner of such partnership or association shall have been
11 convicted or found guilty of a felony within a period of five
12 years immediately preceding the date of application for the said
13 license. [The board shall refuse any application for a new
14 license, the transfer of any license to a new location or the
15 extension of any license to cover an additional area where the
16 sale of liquid fuels or oil is conducted.] The board may enter
17 into an agreement with the applicant concerning additional
18 restrictions on the license in question. If the board and the
19 applicant enter into such an agreement, such agreement shall be
20 binding on the applicant. Failure by the applicant to adhere to
21 the agreement will be sufficient cause to form the basis for a
22 citation under section 471 and for the nonrenewal of the license
23 under section 470. If the board enters into an agreement with an
24 applicant concerning additional restrictions, those restrictions
25 shall be binding on subsequent holders of the license until the
26 license is transferred to a new location or until the board
27 enters into a subsequent agreement removing those restrictions.
28 If the application in question involves a location previously
29 licensed by the board, then any restrictions imposed by the
30 board on the previous license at that location shall be binding

1 on the applicant unless the board enters into a new agreement
2 rescinding those restrictions. The board may, in its discretion,
3 refuse an application for an economic development license under
4 section 461(b.1) or an application for an intermunicipal
5 transfer of a license if the board receives a protest from the
6 governing body of the receiving municipality. The receiving
7 municipality of an intermunicipal transfer or an economic
8 development license under section 461(b.1) may file a protest
9 against the transfer of a license into its municipality, and the
10 receiving municipality shall have standing in a hearing to
11 present testimony in support of or against the issuance or
12 transfer of a license. Upon any opening in any quota, an
13 application for a new license shall only be filed with the board
14 for a period of six months following said opening.

15 SECTION 11.1. THE ACT IS AMENDED BY ADDING A SECTION TO <--
16 READ:

17 SECTION 404.1. ISSUANCE OR TRANSFER OF GROCERY STORE LIQUOR
18 LICENSES.--UPON RECEIPT OF THE APPLICATION AND THE PROPER FEES,
19 AND UPON BEING SATISFIED OF THE TRUTH OF THE STATEMENTS IN THE
20 APPLICATION THAT THE APPLICANT IS THE ONLY PERSON IN ANY MANNER
21 PECUNIARILY INTERESTED IN THE BUSINESS SO ASKED TO BE LICENSED
22 AND THAT NO OTHER PERSON WILL BE IN ANY MANNER PECUNIARILY
23 INTERESTED THEREIN DURING THE CONTINUANCE OF THE LICENSE, EXCEPT
24 AS HEREINAFTER PERMITTED, AND THAT THE APPLICANT IS A PERSON OF
25 GOOD REPUTE, THAT THE PREMISES APPLIED FOR MEET ALL THE
26 REQUIREMENTS OF THIS ACT AND THE REGULATIONS OF THE BOARD, THAT
27 THE APPLICANT SEEKS A LICENSE FOR A GROCERY STORE, AS DEFINED IN
28 THIS ACT, AND THAT THE ISSUANCE OF SUCH LICENSE IS NOT
29 PROHIBITED BY ANY OF THE PROVISIONS OF THIS ACT, THE BOARD SHALL
30 GRANT AND ISSUE TO THE APPLICANT A LIQUOR LICENSE: PROVIDED,

1 HOWEVER, THAT IN THE CASE OF ANY NEW LICENSE OR THE TRANSFER OF
2 ANY LICENSE TO A NEW LOCATION THE BOARD MAY, IN ITS DISCRETION,
3 GRANT OR REFUSE SUCH NEW LICENSE, TRANSFER OR EXTENSION IF SUCH
4 PLACE PROPOSED TO BE LICENSED IS WITHIN THREE HUNDRED FEET OF
5 ANY CHURCH, HOSPITAL, CHARITABLE INSTITUTION, SCHOOL, OR PUBLIC
6 PLAYGROUND, OR IF SUCH NEW LICENSE, TRANSFER OR EXTENSION IS
7 APPLIED FOR A PLACE WHICH IS WITHIN TWO HUNDRED FEET OF ANY
8 OTHER PREMISES WHICH IS LICENSED BY THE BOARD: AND PROVIDED
9 FURTHER, THAT THE BOARD SHALL REFUSE ANY APPLICATION FOR A NEW
10 LICENSE, THE TRANSFER OF ANY LICENSE TO A NEW LOCATION OR THE
11 EXTENSION OF AN EXISTING LICENSE TO COVER AN ADDITIONAL AREA IF,
12 IN THE BOARD'S OPINION, SUCH NEW LICENSE, TRANSFER OR EXTENSION
13 WOULD BE DETRIMENTAL TO THE WELFARE, HEALTH, PEACE AND MORALS OF
14 THE INHABITANTS OF THE NEIGHBORHOOD WITHIN A RADIUS OF FIVE
15 HUNDRED FEET OF THE PLACE PROPOSED TO BE LICENSED: AND PROVIDED
16 FURTHER, THAT THE BOARD SHALL HAVE THE DISCRETION TO REFUSE A
17 LICENSE TO ANY PERSON OR TO ANY CORPORATION, PARTNERSHIP OR
18 ASSOCIATION IF SUCH PERSON, OR ANY OFFICER OR DIRECTOR OF SUCH
19 CORPORATION, OR ANY MEMBER OR PARTNER OF SUCH PARTNERSHIP OR
20 ASSOCIATION SHALL HAVE BEEN CONVICTED OR FOUND GUILTY OF A
21 FELONY WITHIN A PERIOD OF FIVE YEARS IMMEDIATELY PRECEDING THE
22 DATE OF APPLICATION FOR THE SAID LICENSE. THE BOARD MAY ENTER
23 INTO AN AGREEMENT WITH THE APPLICANT CONCERNING ADDITIONAL
24 RESTRICTIONS ON THE LICENSE IN QUESTION. IF THE BOARD AND THE
25 APPLICANT ENTER INTO SUCH AN AGREEMENT, SUCH AGREEMENT SHALL BE
26 BINDING ON THE APPLICANT. FAILURE BY THE APPLICANT TO ADHERE TO
27 THE AGREEMENT WILL BE SUFFICIENT CAUSE TO FORM THE BASIS FOR A
28 CITATION UNDER SECTION 471 AND FOR THE NONRENEWAL OF THE LICENSE
29 UNDER SECTION 470. IF THE BOARD ENTERS INTO AN AGREEMENT WITH AN
30 APPLICANT CONCERNING ADDITIONAL RESTRICTIONS, THOSE RESTRICTIONS

1 SHALL BE BINDING ON SUBSEQUENT HOLDERS OF THE LICENSE UNTIL THE
2 LICENSE IS TRANSFERRED TO A NEW LOCATION OR UNTIL THE BOARD
3 ENTERS INTO A SUBSEQUENT AGREEMENT REMOVING THOSE RESTRICTIONS.
4 IF THE APPLICATION IN QUESTION INVOLVES A LOCATION PREVIOUSLY
5 LICENSED BY THE BOARD, THEN ANY RESTRICTIONS IMPOSED BY THE
6 BOARD ON THE PREVIOUS LICENSE AT THAT LOCATION SHALL BE BINDING
7 ON THE APPLICANT UNLESS THE BOARD ENTERS INTO A NEW AGREEMENT
8 RESCINDING THOSE RESTRICTIONS.

9 Section 12. Section 405(c) of the act, amended April 29,
10 1994 (P.L.212, No.30), is amended to read:

11 Section 405. License Fees.--* * *

12 (c) All license fees authorized under this section shall be
13 collected by the board for the use of the municipalities in
14 which such fees were collected[.] if the municipalities receive
15 services from a municipal police department. Fees collected in
16 municipalities that do not receive service from a municipal
17 police department must be transferred to the enforcement bureau
18 for continued enforcement efforts.

19 * * *

20 ~~Section 13. Section 406(e)(1) of the act, amended December <--~~
21 ~~22, 2011 (P.L.530, No.113), is amended to read:~~

22 ~~Section 406. Sales by Liquor Licensees; Restrictions. * * *~~

23 SECTION 13. SECTION 406(A)(3) AND (E)(1) OF THE ACT, AMENDED <--
24 DECEMBER 22, 2011 (P.L.530, NO.113), ARE AMENDED AND SUBSECTION
25 (E) IS AMENDED BY ADDING A PARAGRAPH TO READ:

26 SECTION 406. SALES BY LIQUOR LICENSEES; RESTRICTIONS.--(A)

27 * * *

28 (3) HOTEL AND RESTAURANT LIQUOR LICENSEES, MUNICIPAL GOLF
29 COURSE RESTAURANT LIQUOR LICENSEES AND PRIVATELY-OWNED PUBLIC
30 GOLF COURSE RESTAURANT LICENSEES MAY SELL LIQUOR AND MALT OR

1 BREWED BEVERAGES ON SUNDAY BETWEEN THE HOURS OF [ELEVEN] NINE
2 O'CLOCK ANTEMERIDIAN AND TWO O'CLOCK ANTEMERIDIAN MONDAY UPON
3 PURCHASE OF A SPECIAL PERMIT FROM THE BOARD AT AN ANNUAL FEE AS
4 PRESCRIBED IN SECTION 614-A OF THE ACT OF APRIL 9, 1929
5 (P.L.177, NO.175), KNOWN AS "THE ADMINISTRATIVE CODE OF 1929."
6 NOTWITHSTANDING THIS PROVISION, A LICENSEE HOLDING SUCH A PERMIT
7 MAY BEGIN SELLING LIQUOR AND MALT OR BREWED BEVERAGES ON SUNDAY
8 BETWEEN THE HOURS OF NINE O'CLOCK ANTEMERIDIAN AND ELEVEN
9 O'CLOCK ANTEMERIDIAN PROVIDED THAT THE LICENSEE OFFERS A MEAL
10 BEGINNING AT NINE O'CLOCK ANTEMERIDIAN. AIRPORT RESTAURANT
11 LIQUOR LICENSEES MAY SELL LIQUOR AND MALT OR BREWED BEVERAGES ON
12 SUNDAY BETWEEN THE HOURS OF SEVEN O'CLOCK ANTEMERIDIAN AND TWO
13 O'CLOCK ANTEMERIDIAN MONDAY UPON PURCHASE OF A SPECIAL PERMIT
14 FROM THE BOARD AT AN ANNUAL FEE AS PRESCRIBED IN SECTION 614-A
15 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS "THE
16 ADMINISTRATIVE CODE OF 1929."

17 * * *

18 (e) (1) The holder of a hotel license or the holder of a
19 restaurant license located in a hotel may allow persons to
20 transport liquor or malt or brewed beverages from the licensed
21 portion of the premises to the unlicensed portion of the
22 premises, so long as the liquor or malt or brewed beverages
23 remain on the hotel property. In addition, a holder of a
24 restaurant or club license located on a golf course may sell,
25 furnish or give liquor or malt or brewed beverages on the
26 unlicensed portion of the golf course so long as the liquor or
27 malt or brewed beverages remain on the restaurant, club or golf
28 course. The holder of a restaurant license located immediately
29 adjacent to and under the same roof of a bowling center may
30 allow persons to transport liquor or malt or brewed beverages

1 from the licensed portion of the premises to the unlicensed
2 portion of the premises, so long as the liquor or malt or brewed
3 beverages remain within the bowling center. ~~Notwithstanding this~~ <--
4 ~~paragraph, the holder of a hotel license or a restaurant license~~
5 ~~may sell up to six bottles of wine for consumption off the~~
6 ~~licensed premises so long as the bottles remain sealed.~~ [In <--
7 addition, the holder of a hotel license or a restaurant license
8 may allow persons who have purchased but only partially consumed
9 a bottle of wine on the premises to remove the bottle from the
10 premises so long as the bottle was purchased in conjunction with
11 a meal which was consumed on the premises and so long as the
12 bottle is resealed.] NOTWITHSTANDING THIS PARAGRAPH, THE HOLDER <--
13 OF A HOTEL LICENSE OR A RESTAURANT LICENSE MAY SELL UP TO SIX
14 BOTTLES OF WINE FOR CONSUMPTION OFF THE LICENSED PREMISES SO
15 LONG AS THE BOTTLES REMAIN SEALED AND THE HOLDER HAS OBTAINED A
16 WINE-TO-GO PERMIT AS AUTHORIZED UNDER SECTION 493(35). IN
17 ADDITION, THE HOLDER OF A HOTEL LICENSE OR A RESTAURANT LICENSE
18 MAY ALLOW A PERSON WHO HAS PURCHASED BUT ONLY PARTIALLY CONSUMED
19 A BOTTLE OF SPIRITS ON THE PREMISES TO REMOVE THE BOTTLE FROM
20 THE PREMISES SO LONG AS THE BOTTLE IS RESEALED. For purposes of
21 this subsection, "wine" shall have the meaning given to it under
22 section 488(i). For purposes of this section and section 432,
23 "meal" shall mean food prepared on the premises, sufficient to
24 constitute breakfast, lunch or dinner; it shall not mean a
25 snack, such as pretzels, popcorn, chips or similar food.

26 * * *

27 (3) THE HOLDER OF A RESTAURANT LICENSE WHOSE PREMISES HAS AN <--
28 INTERIOR CONNECTION TO A GROCERY STORE MAY ALLOW A PURCHASE OF
29 BEER AND WINE FOR CONSUMPTION OFF THE PREMISES TO BE PAID FOR AT
30 A POINT OF SALE OTHER THAN A POINT OF SALE LOCATED ON THE

1 LICENSED PREMISES.

2 SECTION 13.1. THE ACT IS AMENDED BY ADDING A SECTION TO
3 READ:

4 SECTION 406.2. SALES BY GROCERY STORE RETAIL LICENSEES AND
5 RESTRICTIONS.-- (A) EVERY GROCERY STORE RETAIL LICENSEE MAY SELL
6 WINE FOR CONSUMPTION OFF THE LICENSED PREMISES FROM ANY LOCATION
7 WITHIN THE LICENSED PREMISES. EDUCATIONAL INFORMATION REGARDING
8 THE TYPES OF PRODUCTS SOLD BY THE GROCERY STORE RETAIL LICENSEE
9 AND REGARDING THE RESPONSIBLE CONSUMPTION OF ALCOHOL SHALL BE
10 DISPLAYED AND READILY AVAILABLE WHEREVER WINE IS DISPLAYED.
11 GROCERY STORE RETAIL LICENSEES MAY DISPLAY THE ALCOHOL PRODUCTS
12 THEY OFFER FOR SALE ON SHELVING UNITS AND SYSTEMS, AND IN OR ON
13 REFRIGERATED CASES AND EQUIPMENT, WITHIN THE DISCRETION OF THE
14 LICENSEE, PROVIDED THAT SUCH DISPLAYS ARE NOT DESIGNED TO
15 ATTRACT MINORS AND, PROVIDED FURTHER, THAT THE MANNER AND METHOD
16 OF DISPLAY ALLOWS ACCESS BY ALL CUSTOMERS, INCLUDING THE
17 PHYSICALLY DEPENDENT.

18 (B) GROCERY STORE RETAIL LICENSEES MAY SELL WINE IN ANY
19 QUANTITY FOR CONSUMPTION OFF THE LICENSED PREMISES.

20 (C) GROCERY STORE RETAIL LICENSEES MAY NOT CHARGE A
21 MEMBERSHIP FEE IN ORDER FOR CUSTOMERS TO MAKE PURCHASES FROM THE
22 GROCERY STORE.

23 (D) SALES BY GROCERY STORE RETAIL LICENSEES SHALL BE MADE
24 VIA GROCERY STORE REGISTERS, WELL DESIGNATED WITH SIGNAGE AND
25 MANNED BY SALES CLERKS WHO ARE AT LEAST EIGHTEEN YEARS OF AGE
26 AND HAVE BEEN RAMP-TRAINED AND UTILIZING A TRANSACTION SCAN
27 DEVICE FOR ANY PURCHASES.

28 (E) GROCERY STORE RETAIL LICENSEES MAY STORE ALCOHOL IN A
29 STORAGE AREA OR STORAGE AREAS NOT ACCESSIBLE TO THE PUBLIC
30 PROVIDED SUCH STORAGE AREAS ARE:

1 (1) LOCKED AT ALL TIMES WHEN NOT BEING ACCESSED BY THE
2 LICENSEES' EMPLOYEES; AND

3 (2) IDENTIFIED BY DIMENSIONS AND LOCATION ON FORMS SUBMITTED
4 IN ADVANCE TO THE BOARD.

5 (F) GROCERY STORE RETAIL LICENSEES MAY SELL WINE FROM SEVEN
6 O'CLOCK ANTEMERIDIAN UNTIL ELEVEN O'CLOCK POSTMERIDIAN EVERY DAY
7 EXCEPT SUNDAY.

8 (G) GROCERY STORE RETAIL LICENSEES MAY SELL WINE FROM NINE
9 O'CLOCK ANTEMERIDIAN UNTIL ELEVEN O'CLOCK POSTMERIDIAN ON
10 SUNDAYS UPON SUBMISSION TO THE BOARD OF A SUNDAY SALES PERMIT
11 APPLICATION AND FEE OF ONE THOUSAND FIVE HUNDRED DOLLARS
12 (\$1,500) PER YEAR.

13 (H) GROCERY STORE RETAIL LICENSEES SHALL BE PERMITTED TO
14 HOLD:

15 (1) TASTINGS AT ANY LOCATION IN THE GROCERY STORE, PROVIDED
16 THE TASTINGS ARE IN COMPLIANCE WITH THE PROVISIONS AND
17 REGULATIONS REGARDING TASTINGS HELD ON RESTAURANT LICENSED
18 PREMISES.

19 (2) EDUCATIONAL CLASSES, INCLUDING COOKING CLASSES, "HOW TO"
20 CLASSES, SEMINARS AND THE LIKE, REGARDING THE PROPER OR
21 RECOMMENDED USE, CONSUMPTION, IDENTIFICATION, PAIRING,
22 APPELLATION, AGING, STORAGE, CHARACTERISTICS, SERVICE,
23 PRESENTATION AND THE LIKE, OF THE ALCOHOL PRODUCTS THAT THEY
24 OFFER FOR SALE, DURING WHICH CLASSES THE INCIDENTAL CONSUMPTION
25 OF ALCOHOL BY REGISTERED PARTICIPANTS OF LAWFUL AGE SHALL BE
26 PERMITTED; SUCH CLASSES MAY BE FREE OF CHARGE TO PARTICIPANTS OR
27 MAY BE AT FEE.

28 (I) GROCERY STORE RETAIL LICENSEES SHALL BE PERMITTED TO
29 HOLD RESTAURANT LICENSES ISSUED FOR AREAS WITHIN THE SAME
30 BUILDING FOR WHICH THE GROCERY STORE RETAIL LICENSE HAS BEEN

1 ISSUED OR FOR A DIFFERENT BUILDING. GROCERY STORE RETAIL
2 LICENSES AND RESTAURANT LICENSES ISSUED FOR AREAS WITHIN THE
3 SAME GROCERY STORES MAY BE ISSUED FOR AREAS THAT ARE ADJACENT,
4 ABUTTING AND CONTIGUOUS AND THE BOARD SHALL APPROVE INTERIOR
5 CONNECTIONS BETWEEN SUCH AREAS. IN THE EVENT THAT A GROCERY
6 STORE RETAIL LICENSE AND A RESTAURANT LICENSE ARE ISSUED FOR THE
7 SAME GROCERY STORE, WINE MAY ONLY BE SOLD FOR OFF-PREMISES
8 CONSUMPTION IN THE AREA LICENSED FOR GROCERY STORE RETAIL SALES.

9 (J) GROCERY STORE RETAIL LICENSEES MAY NOT SELL WINE AT A
10 PRICE LESS THAN ITS UNDERLYING COST.

11 (K) GROCERY STORE RETAIL LICENSEES SHALL BUY WINE SOLD
12 PURSUANT TO THEIR GROCERY STORE RETAIL LICENSE FROM THE BOARD, A
13 WINE AND SPIRITS WHOLESALE LICENSEE OR A WINERY LICENSED BY THE
14 COMMONWEALTH.

15 (L) ALL PRODUCTS PURCHASED BY GROCERY STORE RETAIL LICENSEES
16 AND ALL PRODUCTS PURCHASED BY RESTAURANT AND EATING PLACE
17 LICENSEES OWNED BY THE SAME INDIVIDUAL OR COMPANY MUST BE
18 SEPARATELY PURCHASED FROM THE BOARD OR A WINE AND SPIRITS
19 WHOLESALE LICENSEE AS REQUIRED BY THIS ACT AND MAY NOT BE
20 PURCHASED FROM ANOTHER RETAIL LICENSEE. SEPARATE RECORDS MUST BE
21 MAINTAINED FOR ALL PURCHASES AND SALES BY ALL GROCERY STORE
22 RETAIL LICENSEES AND RESTAURANT OR EATING PLACE LICENSEES,
23 WHETHER OR NOT LOCATED WITHIN THE SAME BUILDING OR OWNED BY THE
24 SAME INDIVIDUAL OR COMPANY.

25 (M) THE FOLLOWING SHALL APPLY:

26 (1) THE RETAIL LICENSE FEE PAYABLE ONE TIME UPON APPLICATION
27 TO THE BOARD FOR ISSUANCE OF THE LICENSE, SHALL BE AS FOLLOWS:

28 (I) FOR GROCERY STORES LOCATED IN COUNTIES OF THE FIRST
29 CLASS OR COUNTIES OF THE SECOND CLASS, ONE HUNDRED SIXTY-FIVE
30 THOUSAND DOLLARS (\$165,000).

1 (II) FOR GROCERY STORES LOCATED IN COUNTIES OF THE SECOND
2 CLASS A OR COUNTIES OF THE THIRD CLASS, ONE HUNDRED EIGHTY-SEVEN
3 THOUSAND FIVE HUNDRED DOLLARS (\$187,500).

4 (III) FOR GROCERY STORES LOCATED IN COUNTIES OF THE FOURTH
5 CLASS OR FIFTH CLASS, ONE HUNDRED FORTY-TWO THOUSAND FIVE
6 HUNDRED DOLLARS (\$142,500).

7 (IV) FOR GROCERY STORES LOCATED IN COUNTIES OF THE SIXTH
8 CLASS OR SEVENTH CLASS, ONE HUNDRED TWENTY THOUSAND DOLLARS
9 (\$120,000).

10 (V) FOR GROCERY STORES LOCATED IN COUNTIES OF THE EIGHTH
11 CLASS, NINETY-SEVEN THOUSAND FIVE HUNDRED DOLLARS (\$97,500).

12 (2) GROCERY STORE RETAIL LICENSES SHALL BE RENEWED EVERY TWO
13 YEARS. THE RENEWAL FEE SUBMITTED EACH YEAR SHALL BE:

14 (I) FOR GROCERY STORES LOCATED IN COUNTIES OF THE FIFTH
15 CLASS, COUNTIES OF THE SIXTH CLASS, COUNTIES OF THE SEVENTH
16 CLASS OR COUNTIES OF THE EIGHTH CLASS, TWO THOUSAND DOLLARS
17 (\$2,000).

18 (II) FOR GROCERY STORES LOCATED IN COUNTIES OF THE FIRST
19 CLASS, COUNTIES OF THE SECOND CLASS, COUNTIES OF THE SECOND
20 CLASS A, COUNTIES OF THE THIRD CLASS OR COUNTIES OF THE FOURTH
21 CLASS, FOUR THOUSAND DOLLARS (\$4,000).

22 (3) THE BOARD MAY ACCEPT APPLICATIONS TO TRANSFER GROCERY
23 STORE RETAIL LICENSES TO NEW LOCATIONS, FOR THE SAME OWNER, UPON
24 SUBMISSION OF TRANSFER APPLICATIONS AND FEES SUBMITTED TO THE
25 BOARD IN THE FOLLOWING AMOUNTS:

26 (I) FOR TRANSFERS TO COUNTIES OF THE FIFTH CLASS, COUNTIES
27 OF THE SIXTH CLASS, COUNTIES OF THE SEVENTH CLASS OR COUNTIES OF
28 THE EIGHTH CLASS, FIVE THOUSAND DOLLARS (\$5,000).

29 (II) FOR TRANSFERS TO COUNTIES OF THE FIRST CLASS, COUNTIES
30 OF THE SECOND CLASS, COUNTIES OF THE SECOND CLASS A, COUNTIES OF

1 THE THIRD CLASS OR COUNTIES OF THE FOURTH CLASS, TEN THOUSAND
2 DOLLARS (\$10,000).

3 Section 14. Section 407 of the act, amended November 29,
4 2006 (P.L.1421, No.155) and June 28, 2011 (P.L.55, No.11), is
5 amended to read:

6 Section 407. Sale of Malt or Brewed Beverages by Liquor
7 Licensees.--(a) Every liquor license issued to a hotel,
8 restaurant, club, or a railroad, pullman or steamship company
9 under this subdivision (A) for the sale of liquor shall
10 authorize the licensee to sell malt or brewed beverages at the
11 same places but subject to the same restrictions and penalties
12 as apply to sales of liquor, except that licensees other than
13 clubs may sell malt or brewed beverages for consumption off the
14 premises where sold in quantities of not more than one hundred
15 ninety-two fluid ounces in a single sale to one person, ~~however,~~ <--
16 ~~the licensees acquiring a thirty pack permit issued by the board~~
17 ~~may sell to a person a single package prepared for sale or~~
18 ~~distribution of not more than thirty original containers and~~
19 ~~totaling not less than three hundred sixty fluid ounces of malt~~
20 ~~or brewed beverages~~ UNLESS THE LICENSEE ACQUIRES A RETAIL <--
21 PACKAGE PERMIT ISSUED BY THE BOARD UNDER SECTION 407(C). The
22 sales may be made in either open or closed containers, Provided,
23 however, That a municipality may adopt an ordinance restricting
24 open containers in public places. No licensee under this
25 subdivision (A) shall at the same time be the holder of any
26 other class of license, except a retail dispenser's license
27 authorizing the sale of malt or brewed beverages only.

28 (b) (1) Notwithstanding any other provision of law or any
29 existing permit authorizing the sale of malt or brewed beverages
30 for consumption off the premises, a restaurant licensee located

1 in a city of the first class who is otherwise permitted to sell
2 malt or brewed beverages for consumption off the premises may
3 not do so after October 31, 2007, unless it acquires a permit
4 from the board.

5 (2) The application for a permit to sell malt or brewed
6 beverages for consumption off the premises shall be on forms
7 designated by the board and contain such information as the
8 board may require. The application and renewal fee shall be as
9 prescribed in section 614-A(27) of the act of April 9, 1929
10 (P.L.177, No.175), known as "The Administrative Code of 1929."
11 However, no applicant who currently has a permit shall be
12 required to pay any additional fees under section 614-A(27) of
13 "The Administrative Code of 1929" in order to continue selling
14 malt or brewed beverages for consumption off the premises at its
15 currently licensed location for the licensing term beginning
16 November 1, 2007, and ending October 31, 2008.

17 (3) The application for a permit to sell malt or brewed
18 beverages for consumption off the premises must be accompanied
19 by a copy of the approval of such request by the hearing board
20 authorized by this section.

21 (4) A city of the first class shall create a hearing board
22 within its Department of Licenses and Inspections to hear
23 requests from licensees who are seeking a permit from the
24 hearing board authorizing the licensee to sell malt or brewed
25 beverages for consumption off the premises. Each hearing board
26 shall consist of three persons appointed by the mayor of the
27 city of the first class, who are subject to approval by the city
28 council of the city of the first class. Each person so appointed
29 shall serve at the pleasure of the appointing authority. The
30 hearing board may, in its discretion, hold hearings to adduce

1 testimony regarding a request. The hearing board must render a
2 decision within ninety days of receipt of a request for approval
3 of a permit to sell malt or brewed beverages for consumption off
4 the premises. The hearing board must approve the request unless
5 it finds that doing so would adversely affect the welfare,
6 health, peace and morals of the city or its residents. A
7 decision by the hearing board to deny a request may be appealed
8 to the court of common pleas in the county in which the city is
9 located. The failure to render a decision by the hearing board
10 within the required time period shall be deemed approval of the
11 permit.

12 (5) Upon being satisfied that the applicant has fulfilled
13 all the requirements of this act and the board's regulations,
14 the board shall approve the application. Such permits shall
15 expire upon the transfer of the license to a new entity or to a
16 new location, or both; otherwise, such permits shall expire at
17 the same time as the expiration of the underlying license.

18 (C) (1) THE BOARD MAY ISSUE A RETAIL PACKAGE REFORM PERMIT <--
19 TO A RESTAURANT, HOTEL OR RETAIL DISPENSER LICENSEE THAT APPLIES
20 AND PAYS THE REQUISITE FEE FOR USE AT THE SAME PLACE THAT THE
21 RESTAURANT, HOTEL OR RETAIL DISPENSER MAINTAINS FOR THE SALE OF
22 MALT OR BREWED BEVERAGES. THE PERMIT MUST ALLOW THE HOLDER TO
23 SELL IN A SINGLE TRANSACTION NOT MORE THAN TWENTY-FOUR ORIGINAL
24 CONTAINERS TOTALING NOT MORE THAN THREE HUNDRED AND EIGHTY FOUR
25 FLUID OUNCES OF MALT AND BREWED BEVERAGES SO LONG AS THE
26 ORIGINAL CONTAINERS ARE IN A PACKAGE PREPARED FOR SALE OF
27 DISTRIBUTION BY THE MANUFACTURER OF NOT MORE THAN TWELVE
28 ORIGINAL CONTAINERS.

29 (2) FOR THE PERMIT ISSUED UNDER PARAGRAPH (1), THE BOARD
30 SHALL REQUIRE AN ANNUAL FEE OF FIVE HUNDRED DOLLARS (\$500).

1 Section 15. Section 408.12(g) and (h) of the act, added July
2 1, 1994 (P.L.402, No.61), are amended to read:

3 Section 408.12. Wine Auction Permits.--* * *

4 (g) Any wine sold under this section shall be purchased from
5 a Pennsylvania Liquor Store, a wine and spirits retail licensee,
6 a Pennsylvania limited winery or any seller authorized to sell
7 wine by the bottle or case in this Commonwealth, including a
8 ~~big box retail store licensee, grocery store licensee, pharmacy~~ <--
9 ~~licensee, enhanced distributor licensee, restaurant liquor~~
10 ~~licensee or hotel liquor licensee,~~ or shall be donated by a
11 person who is neither a licensee nor a permittee who has legally
12 acquired the wine and legally possesses it in this Commonwealth.

13 (h) If any wine sold under this section is purchased from a
14 seller other than a Pennsylvania Liquor Store, wine and spirits
15 retail licensee, big box retail store licensee, grocery store <--
16 licensee, pharmacy licensee, enhanced distributor licensee, <--
17 restaurant liquor licensee, hotel liquor licensee or [a]
18 Pennsylvania limited winery, the permittee shall provide thirty
19 days' notice to the board of its intent to purchase such wine.
20 The notice shall include a description of the wine to be
21 purchased, the quantity to be purchased, the name of the seller
22 and any other information which the board may require. The
23 permittee shall comply with all board regulations regarding
24 taxes and fees.

25 * * *

26 Section 16. Section 410(e) of the act is amended to read:

27 Section 410. Liquor Importers' Licenses; Fees; Privileges;
28 Restrictions.--* * *

29 (e) Importers' licenses shall permit the holders thereof to
30 bring or import liquor from other states, foreign countries, or

1 insular possessions of the United States, and purchase liquor
2 from manufacturers located within this Commonwealth, to be sold
3 outside of this Commonwealth or to Pennsylvania Liquor Stores or
4 wine and spirits wholesale licensees within this Commonwealth,
5 or when in original containers of ten gallons or greater
6 capacity, to licensed manufacturers within this Commonwealth.

7 All importations of liquor into Pennsylvania by the licensed
8 importer shall be consigned to the board or the principal place
9 of business or authorized place of storage maintained by the
10 licensee or a wine and spirits wholesale licensee.

11 * * *

12 ~~Section 17. The act is amended by adding sections to read: <--~~

13 ~~Section 415. Grocery Store Licenses. (a) The board is~~
14 ~~authorized to issue a grocery store license to the operator of a~~
15 ~~grocery store who has applied for the license.~~

16 ~~(b) The following shall apply:~~

17 ~~(1) An applicant for a grocery store license shall file a~~
18 ~~written application with the board in the form and containing~~
19 ~~the information as the board prescribes. The application must be~~
20 ~~accompanied by an application fee of seven hundred dollars~~
21 ~~(\$700).~~

22 ~~(2) Except as provided under paragraph (3), the initial~~
23 ~~license fee shall be twenty five thousand dollars (\$25,000) with~~
24 ~~an annual renewal fee of twenty five thousand dollars (\$25,000).~~

25 ~~(3) If the applicant is a grocery store with annual gross~~
26 ~~sales totaling more than two million dollars (\$2,000,000), the~~
27 ~~initial application shall be subject to a license fee of thirty~~
28 ~~thousand dollars (\$30,000) and an annual renewal fee of thirty~~
29 ~~thousand dollars (\$30,000).~~

30 ~~(c) A license issued under this section is considered a~~

1 ~~restaurant liquor license under this act subject to the~~
2 ~~following additional restrictions and privileges:~~

3 ~~(1) A license holder may sell malt or brewed beverages for~~
4 ~~consumption off the premises in original sealed containers in~~
5 ~~quantities of no more than one hundred ninety two fluid ounces~~
6 ~~in a single sale to one person. The sale of a individual bottle~~
7 ~~or can of any size is not permitted. The malt or brewed~~
8 ~~beverages sold must be lawfully procured from a licensed~~
9 ~~manufacturer or from an importing distributor or distributor who~~
10 ~~has been appointed to the territory in which the grocery store~~
11 ~~is physically located.~~

12 ~~(2) A license holder may sell up to six unopened sealed~~
13 ~~bottles of wine for consumption off the premises to nonlicensed~~
14 ~~customers and permit holders. For purposes of this subsection,~~
15 ~~"wine" shall have the meaning given to it under section 488(i).~~
16 ~~The wine sold by grocery store license holders must be lawfully~~
17 ~~procured from a Pennsylvania Liquor Store, licensed limited~~
18 ~~winery or a wholesale licensee.~~

19 ~~(3) Sales of alcohol may occur on Monday through Saturday~~
20 ~~between the hours of seven o'clock ante meridian and two o'clock~~
21 ~~ante meridian of the following day and on Sunday between the~~
22 ~~hours of seven o'clock ante meridian and two o'clock ante~~
23 ~~meridian on Monday upon acquiring a Sunday sales permit from the~~
24 ~~board upon application and payment of a permit fee of two~~
25 ~~thousand dollars (\$2,000). A license holder does not need to~~
26 ~~acquire an extended hours food permit in order to remain open~~
27 ~~past two o'clock ante meridian, however alcohol sales may not~~
28 ~~occur until seven o'clock ante meridian of that day.~~

29 ~~(4) A license holder is not subject to the definition of a~~
30 ~~restaurant unless the license holder wishes to sell alcohol for~~

1 ~~consumption on the premises. The holder of a grocery store~~
2 ~~license may only sell alcohol for consumption on the licensed~~
3 ~~premises if it also holds an appropriate retail license issued~~
4 ~~by the board that authorizes the sale for consumption on the~~
5 ~~premises at the same location. A grocery store license holder~~
6 ~~that holds a retail license for consumption on the premises must~~
7 ~~clearly delineate the areas of the premises to be utilized under~~
8 ~~a license. Notwithstanding any other provision of law, a grocery~~
9 ~~store license holder may have an interior connection to or with~~
10 ~~its separately licensed restaurant or eating place.~~

11 ~~(5) A license holder may not provide entertainment as~~
12 ~~otherwise authorized by the special permit available under~~
13 ~~section 493(10).~~

14 ~~(6) A license holder may not acquire an off premises~~
15 ~~catering permit.~~

16 ~~(7) A license holder is not subject to section 493(14) as it~~
17 ~~relates to minors frequenting the licensed premises, except that~~
18 ~~section 493(14) applies in the areas separately licensed for on~~
19 ~~the premises sale, service, storage or consumption of alcohol.~~

20 ~~(8) A license holder is not subject to the prohibition on~~
21 ~~cashing certain checks set forth in section 493(15).~~

22 ~~(9) A license holder is not subject to the cost and total~~
23 ~~display area limitations of section 493(20)(i).~~

24 ~~(10) A license holder is not subject to the restrictions set~~
25 ~~forth in section 499 related to patrons vacating the premises.~~

26 ~~(11) Sales of alcohol for consumption off the premises may~~
27 ~~be paid for at a register designated by the license holder, and~~
28 ~~the register may be used to pay for other items sold by the~~
29 ~~license holder. Sales of alcohol for on premises consumption~~
30 ~~made under a retail license authorizing the sales may only take~~

1 ~~place at a register located within the area licensed for on-~~
2 ~~premises sales.~~

3 ~~(12) A license holder shall utilize a transaction scan-~~
4 ~~device to verify the age of a person before making a sale of-~~
5 ~~alcohol. For purposes of this section, a "transaction scan-~~
6 ~~device" is a device capable of deciphering in an electronically-~~
7 ~~readable format the information encoded on the magnetic strip or-~~
8 ~~bar code of an identification card set forth in section 495(a).~~

9 ~~(13) A license holder is strictly prohibited from selling-~~
10 ~~alcohol at a price less than the underlying cost of the product.~~

11 ~~(14) A license holder is prohibited from directly or-~~
12 ~~indirectly offering an inducement to purchase alcoholic-~~
13 ~~beverages under section 493(24)(i) or engaging in a discount-~~
14 ~~pricing practice authorized by this act.~~

15 ~~(15) A license holder is not subject to the noise-~~
16 ~~restrictions under section 493(34).~~

17 ~~(16) A license may not be issued in a municipality that has-~~
18 ~~adopted a resolution prohibiting the issuance of a restaurant-~~
19 ~~liquor license unless the municipality subsequently adopts a-~~
20 ~~resolution that permits the board to issue a grocery store-~~
21 ~~license in the municipality.~~

22 ~~Section 416. Convenience Store Licenses. (a) The board is-~~
23 ~~authorized to issue a convenience store license to the operator-~~
24 ~~of a convenience store who has applied for the license.~~

25 ~~(b) An applicant for a convenience store license shall file-~~
26 ~~a written application with the board in the form and containing-~~
27 ~~the information as the board prescribes. The application must be-~~
28 ~~accompanied by an application fee of seven hundred dollars-~~
29 ~~(\$700). The initial application for a convenience store license-~~
30 ~~shall be subject to a license fee of ten thousand dollars-~~

1 ~~(\$10,000) and an annual renewal fee of ten thousand dollars~~
2 ~~(\$10,000).~~

3 ~~(c) A license issued under this section is considered an~~
4 ~~eating place retail dispenser license under this act subject to~~
5 ~~the following additional restrictions and privileges:~~

6 ~~(1) A license holder may sell malt or brewed beverages for~~
7 ~~consumption off the premises in original sealed containers in~~
8 ~~quantities of not more than ninety six fluid ounces in a single~~
9 ~~sale to one person. The sale of an individual bottle or can of~~
10 ~~any size is not permitted. The malt or brewed beverages sold~~
11 ~~must be lawfully procured from a licensed manufacturer or from~~
12 ~~an importing distributor or distributor who has been appointed~~
13 ~~to the territory in which the convenience store is physically~~
14 ~~located.~~

15 ~~(2) A license holder may not sell liquor on the premises.~~

16 ~~(3) Sales of malt or brewed beverages may occur on Monday~~
17 ~~through Saturday between the hours of seven o'clock ante~~
18 ~~meridian and two o'clock ante meridian of the following day, and~~
19 ~~on Sunday between the hours of eleven o'clock ante meridian and~~
20 ~~two o'clock ante meridian on the following day upon acquiring a~~
21 ~~Sunday sales permit from the board upon application and payment~~
22 ~~of a permit fee of two thousand dollars (\$2,000). A license~~
23 ~~holder does not need to acquire an extended hours food permit in~~
24 ~~order to remain open past two o'clock ante meridian, however, no~~
25 ~~alcohol sales may occur until seven o'clock ante meridian of~~
26 ~~that day.~~

27 ~~(4) A license holder is not subject to the definition of an~~
28 ~~"eating place" unless the license holder wishes to sell malt or~~
29 ~~brewed beverages for consumption on the premises. The holder of~~
30 ~~a convenience store license may only sell malt or brewed~~

1 ~~beverages for consumption on the licensed premises if it holds~~
2 ~~an appropriate retail license issued by the board that~~
3 ~~authorizes the sale for consumption on the premises at the same~~
4 ~~location. A convenience store license holder that also holds a~~
5 ~~retail license for consumption on the premises must clearly~~
6 ~~delineate the areas of the licensed premises to be utilized~~
7 ~~under a respective license. Notwithstanding any other provision~~
8 ~~of law, a convenience store license holder may have an interior~~
9 ~~connection to or with its separately licensed restaurant or~~
10 ~~eating place.~~

11 ~~(5) A license holder is not allowed to provide entertainment~~
12 ~~as otherwise authorized by the special permit available under~~
13 ~~section 493(10).~~

14 ~~(6) A license holder may not acquire an off premises~~
15 ~~catering permit.~~

16 ~~(7) A license holder is not subject to section 493(14) as it~~
17 ~~relates to minors frequenting the licensed premises, except that~~
18 ~~section 493(14) applies in the areas separately licensed for on~~
19 ~~premises sale, service, storage or consumption of alcohol.~~

20 ~~(8) A license holder is not subject to the prohibition on~~
21 ~~cashing certain checks set forth in section 493(15).~~

22 ~~(9) A license holder is not subject to the cost and total~~
23 ~~display area limitations of section 493(20)(i).~~

24 ~~(10) A license holder is not subject to the restrictions set~~
25 ~~forth in section 499 related to patrons vacating the premises.~~

26 ~~(11) Sales of malt or brewed beverages for consumption off~~
27 ~~the premises may be paid for at a register designated by the~~
28 ~~license holder and the register may be used to pay for other~~
29 ~~items sold by the license holder. Sales of alcohol for~~
30 ~~consumption on the premises made under a retail license~~

1 ~~authorizing the sales may only take place at a register located~~
2 ~~within the area licensed for on premises sales.~~

3 ~~(12) A license holder shall utilize a transaction scan~~
4 ~~device to verify the age of a person before making a sale of~~
5 ~~alcohol. For purposes of this section, a "transaction scan~~
6 ~~device" is a device capable of deciphering in an electronically~~
7 ~~readable format the information encoded on the magnetic strip or~~
8 ~~bar code of an identification card set forth in section 495(a).~~

9 ~~(13) A license holder is strictly prohibited from selling~~
10 ~~alcohol at a price less than the underlying cost of the product.~~

11 ~~(14) A license holder is prohibited from directly or~~
12 ~~indirectly offering an inducement to purchase alcoholic~~
13 ~~beverages under section 493(24)(i) or engaging in a discount~~
14 ~~pricing practice authorized by this act.~~

15 ~~(15) A license holder is not subject to the noise~~
16 ~~restrictions under section 493(34).~~

17 ~~(16) A license may not be issued in a municipality that has~~
18 ~~adopted a resolution prohibiting the issuance of an eating place~~
19 ~~retail dispenser license unless the municipality subsequently~~
20 ~~adopts a resolution that permits the board to issue a~~
21 ~~convenience store license in the municipality.~~

22 ~~Section 417. Big Box Retail Store Licenses. (a) The board~~
23 ~~is authorized to issue a big box retail store license to the~~
24 ~~operator of a big box retail store who has applied for the~~
25 ~~license.~~

26 ~~(b) An applicant for a big box retail store license shall~~
27 ~~file a written application with the board in the form and~~
28 ~~containing the information as the board prescribes from time to~~
29 ~~time. The application must be accompanied by an application fee~~
30 ~~of seven hundred dollars (\$700). The initial application for a~~

1 ~~big box retail store license shall be subject to a license fee~~
2 ~~of thirty five thousand dollars (\$35,000) and an annual renewal~~
3 ~~fee of thirty five thousand dollars (\$35,000), due at the time~~
4 ~~of renewal or validation of the license.~~

5 ~~(c) A license issued under this section is considered a~~
6 ~~restaurant liquor license under this act subject to the~~
7 ~~following additional restrictions and privileges:~~

8 ~~(1) A license holder may sell to nonlicensed customers malt~~
9 ~~or brewed beverages for consumption off the premises by the~~
10 ~~case. The malt or brewed beverages sold by a big box retail~~
11 ~~store license holder must be lawfully procured from licensed~~
12 ~~manufacturers, or for those products manufactured outside of the~~
13 ~~Commonwealth, from an importing distributor who has been~~
14 ~~appointed to the territory in which the big box retail store is~~
15 ~~physically located. A license holder is prohibited from~~
16 ~~transporting, or having transported, a brand of malt or brewed~~
17 ~~beverages purchased from one licensed location to another~~
18 ~~licensed location for the purpose of selling the malt or brewed~~
19 ~~beverages at the other location.~~

20 ~~(2) A license holder may sell to nonlicensed customers and~~
21 ~~permit holders up to six unopened sealed bottles of wine for~~
22 ~~consumption off the premises. For purposes of this subsection,~~
23 ~~"wine" shall have the meaning given to it under section 488(i).~~
24 ~~The wine sold by big box retail store license holders must be~~
25 ~~lawfully procured from a Pennsylvania Liquor Store, licensed~~
26 ~~limited winery or wholesale licensee.~~

27 ~~(3) Sales of alcohol may occur on Monday through Saturday~~
28 ~~between the hours of seven o'clock ante meridian and two o'clock~~
29 ~~ante meridian of the following day, and on Sunday between the~~
30 ~~hours of eleven o'clock ante meridian and two o'clock ante~~

1 ~~meridian on the following day upon acquiring a Sunday sales~~
2 ~~permit from the board upon application and payment of a permit~~
3 ~~fee of two thousand dollars (\$2,000). A license holder does not~~
4 ~~need to acquire an extended hours food permit in order to remain~~
5 ~~open past two o'clock ante meridian, however, no alcohol sales~~
6 ~~may occur until seven o'clock ante meridian of that day.~~

7 ~~(4) A license holder is not subject to the definition of a~~
8 ~~restaurant unless the license holder wishes to sell malt or~~
9 ~~brewed beverages for consumption on the premises. The holder of~~
10 ~~a big box retail store license may only sell malt or brewed~~
11 ~~beverages and wine for consumption on the licensed premises if~~
12 ~~it holds an appropriate retail license issued by the board that~~
13 ~~authorizes the sale for consumption on the premises at the same~~
14 ~~location. A big box retail store license holder that holds a~~
15 ~~retail license for consumption on the premises must clearly~~
16 ~~delineate the areas of the licensed premises to be utilized~~
17 ~~under a license. Notwithstanding any other provision of law, a~~
18 ~~convenience store license holder may have an interior connection~~
19 ~~to or with its separately licensed restaurant or eating place.~~

20 ~~(5) A license holder is not allowed to provide entertainment~~
21 ~~as otherwise authorized by the special permit available under~~
22 ~~section 493(10).~~

23 ~~(6) A license holder may not acquire an off premises~~
24 ~~catering permit.~~

25 ~~(7) A license holder is not subject to section 493(14) as it~~
26 ~~relates to minors frequenting the licensed premises, except that~~
27 ~~section 493(14) applies in the areas separately licensed for on~~
28 ~~premises sale, service, storage or consumption of alcohol.~~

29 ~~(8) A license holder is not subject to the prohibition on~~
30 ~~cashing certain checks set forth in section 493(15).~~

1 ~~(9) A license holder is not subject to the cost and total~~
2 ~~display area limitations of section 493(20)(i).~~

3 ~~(10) A license holder is not subject to the restrictions set~~
4 ~~forth in section 499 related to patrons vacating the premises.~~

5 ~~(11) Sales of alcohol for consumption off the premises may~~
6 ~~be paid for at a register designated by the license holder and~~
7 ~~the register may be used to pay for other items sold by the~~
8 ~~license holder. Sales of alcohol for consumption on the premises~~
9 ~~made under a retail license authorizing the sales may only take~~
10 ~~place at a register located within the area licensed for on-~~
11 ~~premises sales.~~

12 ~~(12) A license holder shall utilize a transaction scan~~
13 ~~device to verify the age of a person before making a sale of~~
14 ~~alcohol. For purposes of this section, a "transaction scan~~
15 ~~device" is a device capable of deciphering in an electronically~~
16 ~~readable format the information encoded on the magnetic strip or~~
17 ~~bar code of an identification card set forth in section 495(a).~~

18 ~~(13) A license holder is strictly prohibited from selling~~
19 ~~alcohol at a price less than the underlying cost of the product.~~

20 ~~(14) A license holder is not prohibited from directly or~~
21 ~~indirectly offering an inducement to purchase alcoholic~~
22 ~~beverages under section 493(24)(i) or engaging in a discount~~
23 ~~pricing practice authorized by this act.~~

24 ~~(15) A license holder is not subject to the noise~~
25 ~~restrictions of section 493(34).~~

26 ~~(16) A license may not be issued in a municipality that has~~
27 ~~adopted a resolution prohibiting the issuance of a restaurant~~
28 ~~liquor license unless the municipality subsequently adopts a~~
29 ~~resolution that permits the board to issue a big box retail~~
30 ~~store license in the municipality.~~

1 ~~Section 418. Pharmacy Licenses. (a) The board is~~
2 ~~authorized to issue a pharmacy license to the operator of a~~
3 ~~pharmacy who has applied for the license.~~

4 ~~(b) An applicant for a pharmacy license must file a written~~
5 ~~application with the board in the form and containing~~
6 ~~information as the board prescribes and an application filing~~
7 ~~fee of seven hundred dollars (\$700). The initial application for~~
8 ~~a pharmacy license shall be subject to a license fee of~~
9 ~~seventeen thousand five hundred dollars (\$17,500) and an annual~~
10 ~~renewal fee of seventeen thousand five hundred dollars~~
11 ~~(\$17,500).~~

12 ~~(c) A license issued under this section is considered a~~
13 ~~restaurant liquor license under this act subject to the~~
14 ~~following additional restrictions and privileges:~~

15 ~~(1) A license holder may sell malt or brewed beverages for~~
16 ~~consumption off the premises in original sealed containers in~~
17 ~~quantities of not more than one hundred ninety two fluid ounces~~
18 ~~in a single sale to one person. The sale of an individual bottle~~
19 ~~or can of any size is not permitted. The malt or brewed~~
20 ~~beverages sold must be lawfully procured from a licensed~~
21 ~~manufacturer or from an importing distributor or distributor who~~
22 ~~has been appointed to the territory in which the grocery store~~
23 ~~is physically located.~~

24 ~~(2) A license holder may sell to nonlicensed customers and~~
25 ~~permit holders up to six unopened sealed bottles of wine for~~
26 ~~consumption off the premises. For purposes of this subsection,~~
27 ~~"wine" shall have the meaning given to it under section 488(i).~~
28 ~~The wine sold by pharmacy store license holders must be lawfully~~
29 ~~procured from a Pennsylvania Liquor Store, licensed limited~~
30 ~~winery or wholesale licensee.~~

1 ~~(3) Sales of alcohol may occur on Monday through Saturday~~
2 ~~between the hours of seven o'clock ante meridian and two o'clock~~
3 ~~ante meridian of the following day, and on Sunday between the~~
4 ~~hours of seven o'clock ante meridian and two o'clock ante~~
5 ~~meridian on Monday upon acquiring a Sunday sales permit from the~~
6 ~~board upon application of a permit fee of two thousand dollars~~
7 ~~(\$2,000). A license holder does not need to acquire an extended~~
8 ~~hours food permit in order to remain open past two o'clock ante~~
9 ~~meridian, however no alcohol sales may occur until seven o'clock~~
10 ~~ante meridian of that day.~~

11 ~~(4) A license holder is not subject to the definition of a~~
12 ~~"restaurant" unless the license holder wishes to sell alcohol~~
13 ~~for consumption on the premises. The holder of a pharmacy~~
14 ~~license may only sell alcohol for consumption on the licensed~~
15 ~~premises if it holds an appropriate retail license issued by the~~
16 ~~board that authorizes the sale for consumption on the premises~~
17 ~~at the same location. A pharmacy license holder that holds a~~
18 ~~retail license for consumption on the premises must clearly~~
19 ~~delineate the areas of the premises to be utilized under a~~
20 ~~license. Notwithstanding any other provision of law, a pharmacy~~
21 ~~license holder may have an interior connection to or with its~~
22 ~~separately licensed restaurant or eating place.~~

23 ~~(5) A license holder is not allowed to provide entertainment~~
24 ~~as otherwise authorized by the special permit available under~~
25 ~~section 493(10).~~

26 ~~(6) A license holder may not acquire an off premises~~
27 ~~catering permit.~~

28 ~~(7) A license holder is not subject to section 493(14) as it~~
29 ~~relates to minors frequenting the licensed premises, except that~~
30 ~~section 493(14) applies in the areas separately licensed for on-~~

1 ~~premises sale, service, storage or consumption of alcohol.~~

2 ~~(8) A license holder is not subject to the prohibition on~~
3 ~~cashing certain checks set forth in section 493(15).~~

4 ~~(9) A license holder is not subject to the cost and total~~
5 ~~display area limitations of section 493(20)(i).~~

6 ~~(10) A license holder is not subject to the restrictions set~~
7 ~~forth in section 499 related to patrons vacating the premises.~~

8 ~~(11) Sales of alcohol for consumption off the premises may~~
9 ~~be paid for at a register designated by the license holder and~~
10 ~~the register may be used to pay for other items sold by the~~
11 ~~license holder. Sales of alcohol for consumption off the~~
12 ~~premises made under a retail license authorizing the sales may~~
13 ~~only take place at a register located within the area licensed~~
14 ~~for on premises sales.~~

15 ~~(12) A license holder shall utilize a transaction scan~~
16 ~~device to verify the age of a person before making a sale of~~
17 ~~alcohol. For purposes of this section, a "transaction scan~~
18 ~~device" is a device capable of deciphering in an electronically~~
19 ~~readable format the information encoded on the magnetic strip or~~
20 ~~bar code of an identification card set forth in section 495(a).~~

21 ~~(13) A license holder is strictly prohibited from selling~~
22 ~~alcohol at a price less than the underlying cost of the product.~~

23 ~~(14) A license holder is prohibited from directly or~~
24 ~~indirectly offering an inducement to purchase alcoholic~~
25 ~~beverages under section 493(24)(i) or engaging in a discount~~
26 ~~pricing practice authorized by this act.~~

27 ~~(15) A license holder is not subject to the noise~~
28 ~~restrictions of section 493(34).~~

29 ~~(16) A license may not be issued in a municipality that has~~
30 ~~adopted a resolution prohibiting the issuance of a restaurant~~

1 ~~liquor license unless the municipality subsequently adopts a~~
2 ~~resolution that permits the board to issue a pharmacy license in~~
3 ~~the municipality.~~

4 SECTION 17. SECTION 411 OF THE ACT IS AMENDED BY ADDING A <--
5 SUBSECTION TO READ:

6 SECTION 411. INTERLOCKING BUSINESS PROHIBITED.--* * *

7 (F) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A
8 MANUFACTURER OR LICENSEE AND ITS OFFICERS, DIRECTORS,
9 SHAREHOLDERS, SERVANTS, AGENTS OR EMPLOYEES MAY CONTRIBUTE, AND A
10 MANUFACTURER OR LICENSEE AND ITS OFFICERS, DIRECTORS,
11 SHAREHOLDERS, SERVANTS, AGENTS OR EMPLOYEES MAY ACCEPT MONEYS OR
12 OTHER THINGS OF VALUE SOLELY FOR THE ADMINISTRATION OF A
13 RESPONSIBLE ALCOHOL MANAGEMENT TRAINING PROGRAM FOR ALCOHOL
14 SERVICE PERSONNEL AS PROVIDED FOR UNDER SECTION 471.1 OF THIS
15 ACT. THE MONEYS OR OTHER THINGS OF VALUE MAY BE PROVIDED BY OR
16 TO A MANUFACTURER OR LICENSEE AND ITS OFFICERS, DIRECTORS,
17 SHAREHOLDERS, SERVANTS, AGENTS OR EMPLOYEES DIRECTLY OR BY OR TO
18 A TRADE ORGANIZATION CONSISTING, IN WHOLE OR IN PART, OF A GROUP
19 OF LICENSEES.

20 (2) THE MANUFACTURER, LICENSEE AND TRADE ORGANIZATION
21 ASSOCIATED WITH THE PERSON PROVIDING THE MONEYS OR OTHER THINGS
22 OF VALUE MUST KEEP A RECORD OF THE VALUE OF THE MONEYS OR OTHER
23 THINGS OF VALUE PROVIDED, THE DATE PROVIDED AND THE ENTITY TO
24 WHOM IT WAS PROVIDED, AS PART OF THE RECORDS REQUIRED UNDER
25 SECTION 493(12) OF THIS ACT.

26 (3) THE MANUFACTURER, LICENSEE AND TRADE ORGANIZATION
27 ASSOCIATED WITH THE PERSON RECEIVING MONEYS OR OTHER THINGS OF
28 VALUE MUST KEEP A RECORD OF THE VALUE OF THE MONEYS OR OTHER
29 THINGS OF VALUE USED, AS PART OF THE RECORDS REQUIRED UNDER
30 SECTION 493(12) OF THIS ACT.

1 Section 18. Section 431(b) of the act, amended December 8,
2 2004 (P.L.1810, No.239), is amended to read:

3 Section 431. Malt and Brewed Beverages Manufacturers',
4 Distributors' and Importing Distributors' Licenses.--* * *

5 (b) The board shall issue to any reputable person who
6 applies therefor, and pays the license fee hereinafter
7 prescribed, a distributor's or importing distributor's license
8 for the place which such person desires to maintain for the sale
9 of malt or brewed beverages, not for consumption on the premises
10 where sold, and in quantities of not less than a case or
11 original containers containing one hundred twenty-eight ounces
12 or more which may be sold separately as prepared for the market
13 by the manufacturer at the place of manufacture. The board shall
14 have the discretion to refuse a license to any person or to any
15 corporation, partnership or association if such person, or any
16 officer or director of such corporation, or any member or
17 partner of such partnership or association shall have been
18 convicted or found guilty of a felony within a period of five
19 years immediately preceding the date of application for the said
20 license: And provided further, That, in the case of any new
21 license or the transfer of any license to a new location, the
22 board may, in its discretion, grant or refuse such new license
23 or transfer if such place proposed to be licensed is within
24 three hundred feet of any church, hospital, charitable
25 institution, school or public playground, or if such new license
26 or transfer is applied for a place which is within two hundred
27 feet of any other premises which is licensed by the board: And
28 provided further, That the board shall refuse any application
29 for a new license or the transfer of any license to a new
30 location if, in the board's opinion, such new license or

1 transfer would be detrimental to the welfare, health, peace and
2 morals of the inhabitants of the neighborhood within a radius of
3 five hundred feet of the place proposed to be licensed. [The
4 board shall refuse any application for a new license or the
5 transfer of any license to a location where the sale of liquid
6 fuels or oil is conducted.] The board may enter into an
7 agreement with the applicant concerning additional restrictions
8 on the license in question. If the board and the applicant enter
9 into such an agreement, such agreement shall be binding on the
10 applicant. Failure by the applicant to adhere to the agreement
11 will be sufficient cause to form the basis for a citation under
12 section 471 and for the nonrenewal of the license under section
13 470. If the board enters into an agreement with an applicant
14 concerning additional restrictions, those restrictions shall be
15 binding on subsequent holders of the license until the license
16 is transferred to a new location or until the board enters into
17 a subsequent agreement removing those restrictions. If the
18 application in question involves a location previously licensed
19 by the board, then any restrictions imposed by the board on the
20 previous license at that location shall be binding on the
21 applicant unless the board enters into a new agreement
22 rescinding those restrictions. The board shall require notice to
23 be posted on the property or premises upon which the licensee or
24 proposed licensee will engage in sales of malt or brewed
25 beverages. This notice shall be similar to the notice required
26 of hotel, restaurant and club liquor licensees.

27 Except as hereinafter provided, such license shall authorize
28 the holder thereof to sell or deliver malt or brewed beverages
29 in quantities above specified anywhere within the Commonwealth
30 of Pennsylvania, which, in the case of distributors, have been

1 purchased only from persons licensed under this act as
2 manufacturers or importing distributors, and in the case of
3 importing distributors, have been purchased from manufacturers
4 or persons outside this Commonwealth engaged in the legal sale
5 of malt or brewed beverages or from manufacturers or importing
6 distributors licensed under this article. ~~If the holder of a~~ <--
7 ~~distributor license applies for and receives an enhanced~~
8 ~~distributor license, issued pursuant to section 431.2, that~~
9 ~~distributor shall be authorized to sell wine on the same~~
10 ~~premises where malt or brewed beverages are sold, and shall be~~
11 ~~authorized to sell malt or brewed beverages in quantities~~
12 ~~enumerated in section 431.2.~~ IF THE HOLDER OF A DISTRIBUTOR <--
13 LICENSE APPLIES FOR AND RECEIVES A WINE AND SPIRITS RETAIL
14 LICENSE ISSUED PURSUANT TO ARTICLE III-A, THAT DISTRIBUTOR SHALL
15 BE AUTHORIZED TO SELL WINE AND/OR SPIRITS ON THE SAME PREMISES
16 WHERE MALT OR BREWED BEVERAGES ARE SOLD, AND IF A DISTRIBUTOR
17 LICENSEE APPLIES FOR AND RECEIVES A DISTRIBUTOR PACKAGE REFORM
18 PERMIT ISSUED PURSUANT TO SECTION 431.2, THAT DISTRIBUTOR SHALL
19 BE AUTHORIZED TO SELL MALT OR BREWED BEVERAGES IN QUANTITIES
20 ENUMERATED IN SECTION 431.2. In the case of an importing
21 distributor, the holder of such a license shall be authorized to
22 store and repackage malt or brewed beverages owned by a
23 manufacturer at a segregated portion of a warehouse or other
24 storage facility authorized by section 441(d) and operated by
25 the importing distributor within its appointed territory and
26 deliver such beverages to another importing distributor who has
27 been granted distribution rights by the manufacturer as provided
28 herein. The importing distributor shall be permitted to receive
29 a fee from the manufacturer for any related storage, repackaging
30 or delivery services. In the case of a bailee for hire hired by

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

17 Each out of State manufacturer of malt or brewed beverages
18 whose products are sold and delivered in this Commonwealth shall
19 give distributing rights for such products in designated
20 geographical areas to specific importing distributors, and such
21 importing distributor shall not sell or deliver malt or brewed
22 beverages manufactured by the out of State manufacturer to any
23 person issued a license under the provisions of this act whose
24 licensed premises are not located within the geographical area
25 for which he has been given distributing rights by such
26 manufacturer. Should a licensee accept the delivery of such malt
27 or brewed beverages in violation of this section, said licensee
28 shall be subject to a suspension of his license for at least
29 thirty days: Provided, That the importing distributor holding
30 such distributing rights for such product shall not sell or

1 deliver the same to another importing distributor without first
2 having entered into a written agreement with the said secondary
3 importing distributor setting forth the terms and conditions
4 under which such products are to be resold within the territory
5 granted to the primary importing distributor by the
6 manufacturer.

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

1 providing such authority be contained in writing and a copy
2 thereof be given to each of the importing distributors so
3 affected.

4 * * *

5 Section 19. The act is amended by adding a section to read:

6 ~~Section 431.2. Enhanced distributor licenses. (a) The~~ <--
7 ~~board shall have the authority to issue an enhanced distributor~~
8 ~~license to any currently licensed distributor who makes~~
9 ~~application and pays the requisite license fee for use at the~~
10 ~~same place the distributor maintains for the sale of malt and~~
11 ~~brewed beverages.~~

12 ~~(b) For a license under subsection (a), the board shall~~
13 ~~require an initial license fee of one hundred fifty thousand~~
14 ~~dollars (\$150,000) and an annual renewal fee of ten thousand~~
15 ~~dollars (\$10,000). The single fee for a Sunday sales permit for~~
16 ~~a distributor holding a license under subsection (a) shall be~~
17 ~~two thousand dollars (\$2,000).~~

18 ~~(c) The holder of an enhanced distributor license may, in~~
19 ~~addition to the privileges derived from its distributor license:~~

20 ~~(1) Sell to nonlicensed customers and permit holders~~
21 ~~unopened sealed bottles of wine for consumption off the~~
22 ~~premises. All wine sold by the holder of an enhanced distributor~~
23 ~~license must be lawfully procured from either a Pennsylvania~~
24 ~~Liquor Store, a licensed limited winery, or a wholesale licensee~~
25 ~~as defined in this act.~~

26 ~~(2) Notwithstanding any other provision of this act, break~~
27 ~~the bulk of a case and sell a unit of that case in quantities of~~
28 ~~not less than forty two ounces.~~

29 ~~SECTION 431.2. DISTRIBUTOR PACKAGE REFORM PERMIT.-- (A) THE~~ <--
30 ~~BOARD MAY ISSUE A DISTRIBUTOR PACKAGE REFORM PERMIT TO A~~

1 CURRENTLY LICENSED DISTRIBUTOR WHO MAKES APPLICATION AND PAYS
2 THE REQUISITE PERMIT FEE FOR USE AT THE SAME PLACE THE
3 DISTRIBUTOR MAINTAINS FOR THE SALE OF MALT AND BREWED BEVERAGES.

4 (B) FOR A PERMIT UNDER SUBSECTION (A), THE BOARD SHALL
5 REQUIRE AN ANNUAL FEE OF ONE THOUSAND DOLLARS (\$1,000).

6 (C) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, THE
7 PERMIT SHALL ALLOW THE HOLDER TO:

8 (1) BREAK THE BULK OF A CASE AND SELL A UNIT OF THAT CASE IN
9 QUANTITIES NOT LESS THAN SIXTY OUNCES SO LONG AS THE HOLDER ONLY
10 SELLS A PACKAGE PREPARED FOR SALE BY THE MANUFACTURER OF NO MORE
11 THAN TWELVE ORIGINAL CONTAINERS.

12 (2) SELL A GROWLER.

13 (d) Before the holder of an enhanced distributor license
14 breaks the bulk of a case of malt or brewed beverages for the
15 purpose of selling units of the case, the licensee shall inspect
16 such case for damage and appropriate production date. When the
17 licensee breaks the bulk of a case of malt or brewed beverages
18 for the purpose of selling units of the case, the licensee shall
19 bear all the risk of loss and shall be responsible for the
20 destruction of any malt or brewed beverages which violate the
21 manufacturer's specifications relating to sales by a certain
22 date or within a number of days of the production date.

23 (e) As used in this section:

24 "Unit" shall mean an undamaged bottle or, can from a case OR <--
25 A GROWLER.

26 ~~"Wine" shall have the meaning given to it under section <--~~
27 ~~488(i).~~

28 ~~Section 20. Section 432(d) of the act, amended January 6,~~
29 ~~2006 (P.L.1, No.1), is amended to read:~~

30 SECTION 20. SECTION 432(D) AND (F) OF THE ACT, AMENDED <--

1 JANUARY 6, 2006 (P.L.1, NO.1) AND DECEMBER 22, 2011 (P.L.530,
2 NO.113), ARE AMENDED AND THE SECTION IS AMENDED BY ADDING A
3 SUBSECTION TO READ:

4 Section 432. Malt and Brewed Beverages Retail Licenses.--* *
5 *

6 (d) The board shall, in its discretion, grant or refuse any
7 new license, the transfer of any license to a new location or
8 the extension of an existing license to cover an additional area
9 if such place proposed to be licensed is within three hundred
10 feet of any church, hospital, charitable institution, school, or
11 public playground, or if such new license, transfer or extension
12 is applied for a place which is within two hundred feet of any
13 other premises which is licensed by the board. The board shall
14 refuse any application for a new license, the transfer of any
15 license to a new location or the extension of an existing
16 license to cover an additional area if, in the board's opinion,
17 such new license, transfer or extension would be detrimental to
18 the welfare, health, peace and morals of the inhabitants of the
19 neighborhood within a radius of five hundred feet of the place
20 to be licensed. The board may enter into an agreement with the
21 applicant concerning additional restrictions on the license in
22 question. If the board and the applicant enter into such an
23 agreement, such agreement shall be binding on the applicant.
24 Failure by the applicant to adhere to the agreement will be
25 sufficient cause to form the basis for a citation under section
26 471 and for the nonrenewal of the license under section 470. If
27 the board enters into an agreement with an applicant concerning
28 additional restrictions, those restrictions shall be binding on
29 subsequent holders of the license until the license is
30 transferred to a new location or until the board enters into a

1 subsequent agreement removing those restrictions. If the
2 application in question involves a location previously licensed
3 by the board, then any restrictions imposed by the board on the
4 previous license at that location shall be binding on the
5 applicant unless the board enters into a new agreement
6 rescinding those restrictions[. The board shall refuse any
7 application for a new license, the transfer of any license to a
8 location where the sale of liquid fuels or oil is conducted or
9 the extension of an existing license to cover an additional
10 area]: And provided further, That the board shall have the
11 discretion to refuse a license to any person or to any
12 corporation, partnership or association if such person, or any
13 officer or director of such corporation, or any member or
14 partner of such partnership or association shall have been
15 convicted or found guilty of a felony within a period of five
16 years immediately preceding the date of application for the said
17 license. The board may, in its discretion, refuse an application
18 for an economic development license under section 461(b.1) or an
19 application for an intermunicipal transfer or a license if the
20 board receives a protest from the governing body of the
21 receiving municipality. The receiving municipality of an
22 intermunicipal transfer or an economic development license under
23 section 461(b.1) may file a protest against the approval for
24 issuance of a license for economic development or an
25 intermunicipal transfer of a license into its municipality, and
26 such municipality shall have standing in a hearing to present
27 testimony in support of or against the issuance or transfer of a
28 license. Upon any opening in any quota, an application for a new
29 license shall only be filed with the board for a period of six
30 months following said opening.

1 * * *

2 (F) HOTEL, EATING PLACES, OR MUNICIPAL GOLF COURSE RETAIL <--
3 DISPENSER LICENSEES MAY SELL MALT OR BREWED BEVERAGES BETWEEN
4 THE HOURS OF [ELEVEN] NINE O'CLOCK ANTEMERIDIAN ON SUNDAY AND
5 TWO O'CLOCK ANTEMERIDIAN ON MONDAY UPON PURCHASE OF A SPECIAL
6 PERMIT FROM THE BOARD AT AN ANNUAL FEE AS PRESCRIBED IN SECTION
7 614-A OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS
8 "THE ADMINISTRATIVE CODE OF 1929," WHICH SHALL BE IN ADDITION TO
9 ANY OTHER LICENSE FEES. NOTWITHSTANDING THIS PROVISION, A
10 LICENSEE HOLDING SUCH A SPECIAL PERMIT MAY BEGIN SELLING MALT OR
11 BREWED BEVERAGES ON SUNDAY BETWEEN THE HOURS OF NINE O'CLOCK
12 ANTEMERIDIAN AND ELEVEN O'CLOCK ANTEMERIDIAN PROVIDED THAT THE
13 LICENSEE OFFERS A MEAL, AS THAT TERM IS DEFINED IN SECTION 406,
14 BEGINNING AT NINE O'CLOCK ANTEMERIDIAN.

15 (G) THE BOARD MAY ISSUE TO ANY RETAIL DISPENSER LICENSEE A
16 RESTAURANT LICENSE IN EXCHANGE FOR THE RETAIL DISPENSER LICENSE
17 IN ANY MUNICIPALITY WHICH HAS APPROVED THE GRANTING OF LIQUOR
18 LICENSES.

19 (1) AN APPLICANT UNDER THIS SECTION SHALL SURRENDER HIS
20 RETAIL DISPENSER LICENSE FOR CANCELLATION PRIOR TO THE ISSUANCE
21 OF THE NEW RESTAURANT LICENSE.

22 (2) THE APPLICANT FOR SUCH AN EXCHANGE OF LICENSE SHALL FILE
23 AN APPLICATION FOR A RESTAURANT LIQUOR LICENSE AND SHALL POST
24 NOTICE OF SUCH APPLICATION IN THE MANNER PROVIDED IN SECTION
25 403. IN DETERMINING WHETHER THE EXCHANGE SHALL BE GRANTED THE
26 BOARD SHALL HAVE THE SAME DISCRETION AS PROVIDED IN SECTION 404
27 IN THE CASE OF ANY NEW LICENSE.

28 (3) THE PROVISIONS OF SECTION 461 PERTAINING TO A QUOTA DO
29 NOT PERTAIN TO THIS SECTION FOR EXCHANGE PURPOSES.

30 (4) THE BOARD SHALL CHARGE A ONE-TIME UPGRADE FEE OF NOT

1 MORE THAN THIRTY THOUSAND DOLLARS (\$30,000).

2 Section 21. Sections 436(e) and 437(e) of the act are
3 amended to read:

4 Section 436. Application for Distributors', Importing
5 Distributors' and Retail Dispensers' Licenses.--* * *

6 (e) That the applicant is not, or in case of a partnership
7 or association, that the members or partners are not, and in the
8 case of a corporation, that the officers and directors are not,
9 in any manner pecuniarily interested, either directly or
10 indirectly, in the profits of any other class of business
11 regulated under this article, except as hereinafter permitted.

12 The requirements of this section shall not prohibit a
13 distributor from holding ~~an enhanced distributor license and a~~ <--
14 wine and spirits retail license, or an importing distributor
15 from holding a wine and spirits wholesale license, under the
16 conditions provided under Article III-A.

17 * * *

18 Section 437. Prohibitions Against the Grant of Licenses.--*

19 * *

20 (e) No distributor's or importing distributor's license
21 shall be issued for any premises in any part of which there is
22 operated any retail license for the sale of liquor or malt or
23 brewed beverages. The requirements of this section shall not
24 prohibit a distributor from holding ~~an enhanced distributor~~ <--
25 license and a wine and spirits retail license or an importing
26 distributor from holding a wine and spirits wholesale license,
27 under the conditions provided under Article III-A.

28 * * *

29 Section 22. Section 438 of the act, amended June 25, 2010
30 (P.L.217, No.35), is amended to read:

1 Section 438. Number and Kinds of Licenses Allowed Same
2 Licensee.--(a) Any retail dispenser may be granted licenses to
3 maintain, operate or conduct any number of places for the sale
4 of malt or brewed beverages, but a separate license must be
5 secured for each place where malt or brewed beverages are sold.

6 (b) [No person shall possess or be issued ~~more than one~~ <--
7 distributor's or importing distributor's license.] ~~more than~~ <--
8 ~~sixty distributor licenses, nor shall any person possess or be~~
9 ~~issued.~~

10 ~~(1) more than ten percent (10%) of the distributor licenses~~
11 ~~in any one county which has ten or more distributor licenses; or~~

12 ~~(2) more than one distributor license in any one county~~
13 ~~which has less than ten distributor licenses.~~

14 ~~(b.1) No person shall possess or be issued more than one~~
15 ~~importing distributor's license. A PERSON MAY NOT POSSESS OR BE~~ <--
16 ~~ISSUED MORE THAN FIVE DISTRIBUTOR LICENSES OR MORE THAN ONE~~
17 ~~DISTRIBUTOR LICENSE IN A COUNTY.~~

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 or a wine and spirits retail
21 license consistent with the restrictions contained in Article
22 III-A: Provided, however, That nothing contained in this section
23 shall be construed to prohibit a member of the governing board
24 of a public authority created under subdivision (n) of Article
25 XXIII of the act of August 9, 1955 (P.L.323, No.130), known as
26 "The County Code," from having an interest in a distributor or
27 importing distributor license notwithstanding the fact that the
28 public authority has an interest in one or more retail licenses
29 or acts as a landlord for one or more retail licenses: And,
30 provided further, That, notwithstanding any other provision of

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

7 Section 23. Section 441 of the act, amended or added May 31,
8 1996 (P.L.312, No.49), December 20, 1996 (P.L.1513, No.196),
9 June 18, 1998 (P.L.664, No.86), December 9, 2002 (P.L.1653,
10 No.212), June 28, 2011 (P.L.55, No.11) and December 22, 2011
11 (P.L.530, No.113), is amended to read:

12 Section 441. Distributors' and Importing Distributors'
13 Restrictions on Sales, Storage, Etc.--(a) No distributor or
14 importing distributor shall purchase, receive or resell any malt
15 or brewed beverages except:

16 (1) in the original containers as prepared for the market by
17 the manufacturer at the place of manufacture;

18 (2) in the case of identical containers repackaged in the
19 manner described by subsection (f); or

20 (3) as provided in section 431(b).

21 (b) No distributor or importing distributor, except for a
22 distributor that also holds an enhanced distributor license A <--

23 DISTRIBUTOR PACKAGE REFORM PERMIT under section 431.2, shall
24 sell any malt or brewed beverages in quantities of less than a
25 case or original containers containing one hundred twenty-eight
26 ounces or more which may be sold separately: Provided, That no
27 malt or brewed beverages sold or delivered shall be consumed
28 upon the premises of the distributor or importing distributor,
29 or in any place provided for such purpose by such distributor or
30 importing distributor. Notwithstanding any other provision of

1 this section or act, malt or brewed beverages which are part of
2 a tasting conducted pursuant to the board's regulations may be
3 consumed on licensed premises.

4 (c) No distributor or importing distributor shall maintain
5 or operate any place where sales are made other than that for
6 which the license is granted.

7 (d) (1) No distributor shall maintain any place for the
8 storage of malt or brewed beverages except in the same
9 municipality in which the licensed premises is located and
10 unless the same has been approved by the board. In the event
11 there is no place of cold storage in the same municipality, the
12 board may approve a place of cold storage in the nearest
13 municipality.

14 (2) No importing distributor shall maintain any place for
15 the storage of malt or brewed beverages except in the franchise
16 territory in which the licensed premises is located and unless
17 the same has been approved by the board. The board shall issue
18 no more than one storage facility license to an importing
19 distributor. The storage location shall be designated solely as
20 a storage facility, from which only sales to other licensees are
21 permitted. Retail sales may be made at the licensed location
22 pursuant to subsection (c). If the importing distributor
23 maintains a storage location for cold storage in the same
24 municipality in which the importing distributor is licensed or a
25 nearby municipality, the importing distributor may continue to
26 maintain that cold storage location in addition to another
27 storage location within their franchise territory.

28 (e) No distributor or importing distributor shall purchase,
29 sell, resell, receive or deliver any malt or brewed beverages,
30 except in strict compliance with the provisions of subsection

1 (b) of section 431 of this act.

2 (f) (1) To salvage one or more salable cases from one or more
3 damaged cases, cartons or packages of malt or brewed beverages,
4 a distributor or importing distributor may repackage consequent
5 to inadvertent damage and sell a case, carton or package of
6 identical units of malt or brewed beverages.

7 (2) Repackaging is permissible only to the extent made
8 necessary by inadvertent damage. Repackaging not consequent to
9 damage is prohibited.

10 (3) The term "identical units" as used in this subsection
11 means undamaged bottles or cans of identical brand, package and
12 volume.

13 (g) All malt or brewed beverages purchased by an importing
14 distributor from a Pennsylvania manufacturer of malt or brewed
15 beverages or from any person located outside this Commonwealth
16 for resale shall be invoiced to the importing distributor, shall
17 come physically into the possession of such importing
18 distributor and shall be unloaded into and distributed from the
19 licensed premises of such importing distributor. The board may
20 act to further define and control the storage and distribution
21 of malt or brewed beverages in conformity with this section and
22 this act.

23 (h) As used in this section, the term "franchise territory"
24 shall mean the geographically contiguous area in which an
25 importing distributor has been given rights for the sale or
26 resale of malt or brewed beverages.

27 (i) Notwithstanding any other provision to the contrary,
28 when making a sale of malt or brewed beverages to a private
29 individual, no distributor or importing distributor may be
30 required to collect the name, address or any other identifying

1 information of the private individual for the purpose of keeping
2 a record of the quantity of cases or volume of malt or brewed
3 beverages purchased.

4 (j) No distributor shall engage in the sale of wine without
5 first obtaining a wine and spirits retail license under Article
6 III-A or an enhanced distributor license pursuant to section <--
7 431.2. Sales of wine may only be made on premises licensed for
8 the sale of malt or brewed beverages.

9 Section 24. Section 442 of the act, amended or added
10 December 9, 2002 (P.L.1653, No.212), December 16, 2002
11 (P.L.1806, No.221), May 8, 2003 (P.L.1, No.1), July 17, 2003
12 (P.L.63, No.15), November 29, 2006 (P.L.1421, No.155), June 28,
13 2011 (P.L.55, No.11), December 22, 2011 (P.L.530, No.113) and
14 July 5, 2012 (P.L.1007, No.116), is amended to read:

15 Section 442. Retail Dispensers' Restrictions on Purchases
16 and Sales.--(a) (1) No retail dispenser shall purchase or
17 receive any malt or brewed beverages except in original
18 containers as prepared for the market by the manufacturer at the
19 place of manufacture. The retail dispenser may thereafter break
20 the bulk upon the licensed premises and sell or dispense the
21 same for consumption on or off the premises so licensed. No
22 retail dispenser may sell malt or brewed beverages for
23 consumption off the premises in quantities in excess of one
24 hundred ninety-two fluid ounces[.]; ~~except that a retail~~ <--
25 ~~dispenser acquiring a thirty pack permit issued by the board may~~
26 ~~sell to a person a single package prepared for sale or~~
27 ~~distribution of not more than thirty original containers and~~
28 ~~totaling not less than three hundred sixty fluid ounces of malt~~
29 ~~or brewed beverages.~~ UNLESS THE LICENSEE ACQUIRES A RETAIL <--
30 PACKAGE REFORM PERMIT ISSUED BY THE BOARD UNDER SECTION 407(C).

1 Sales may be made in open or closed containers, Provided,
2 however, That a municipality may adopt an ordinance restricting
3 open containers in public places. No club licensee may sell any
4 malt or brewed beverages for consumption off the premises where
5 sold or to persons not members of the club.

6 (2) Notwithstanding any other provision of law or any
7 existing permit authorizing the sale of malt or brewed beverages
8 for consumption off the premises, a retail dispenser licensee
9 located in a city of the first class who is otherwise permitted
10 to sell malt or brewed beverages for consumption off the
11 premises may not do so after October 31, 2007, unless it
12 acquires a permit from the board.

13 (3) The application for a permit to sell malt or brewed
14 beverages for consumption off the premises shall be on forms
15 designated by the board and contain such information as the
16 board may require. The application and renewal fee shall be as
17 prescribed in section 614-A(28) of the act of April 9, 1929
18 (P.L.177, No.175), known as "The Administrative Code of 1929."
19 However, no applicant who currently has a permit shall be
20 required to pay any additional fees under section 614-A(28) of
21 "The Administrative Code of 1929" in order to continue selling
22 malt or brewed beverages for consumption off the premises at its
23 currently licensed location for the licensing term beginning
24 November 1, 2007, and ending October 31, 2008.

25 (4) The application for a permit to sell malt or brewed
26 beverages for consumption off the premises must be accompanied
27 by a copy of the approval of such request by the hearing board
28 authorized by this section.

29 (5) A city of the first class shall create a hearing board
30 within its Department of Licenses and Inspections to hear

1 requests from licensees who are seeking a permit from the
2 hearing board authorizing the licensee to sell malt or brewed
3 beverages for consumption off the premises. Each hearing board
4 shall consist of three persons appointed by the mayor of the
5 city of the first class, who are subject to approval by the city
6 council of the city of the first class. Each person so appointed
7 shall serve at the pleasure of the appointing authority. The
8 hearing board may, in its discretion, hold hearings to adduce
9 testimony regarding a request. The hearing board must render a
10 decision within ninety days of receipt of a request for approval
11 of a permit to sell malt or brewed beverages for consumption off
12 the premises. The hearing board must approve the request unless
13 it finds that doing so would adversely affect the welfare,
14 health, peace and morals of the city or its residents. A
15 decision by the hearing board to deny a request may be appealed
16 to the court of common pleas in the county in which the city is
17 located. The failure to render a decision by the hearing board
18 within the required time period shall be deemed approval of the
19 permit.

20 (6) Upon being satisfied that the applicant has fulfilled
21 all the requirements of this act and the board's regulations,
22 the board shall approve the application. Such permits shall
23 expire upon the transfer of the license to a new entity or to a
24 new location, or both; otherwise, such permits shall expire at
25 the same time as the expiration of the underlying license.

26 (b) No retail dispenser shall sell any malt or brewed
27 beverages for consumption on the licensed premises except in a
28 room or rooms or place on the licensed premises at all times
29 accessible to the use and accommodation of the general public,
30 but this section shall not be interpreted to prohibit a retail

1 dispenser from selling malt or brewed beverages in a hotel or
2 club house in any room of such hotel or club house occupied by a
3 bona fide registered guest or member entitled to purchase the
4 same or to prohibit a retail dispenser from selling malt or
5 brewed beverages in a bowling alley where the licensed premises
6 and bowling alley are immediately adjacent and under the same
7 roof.

8 (c) For the purpose of this section any person who is an
9 active member of another club which is chartered by the same
10 state or national organization shall have the same rights and
11 privileges as members of the particular club.

12 (d) For the purposes of this section, any person who is an
13 active member of any volunteer firefighting company, association
14 or group of this Commonwealth, whether incorporated or
15 unincorporated, shall upon the approval of any club composed of
16 volunteer firemen licensed under this act, have the same social
17 rights and privileges as members of such licensed club.

18 (e) (1) The holder of a retail dispenser license located in
19 a hotel may allow persons to transport malt or brewed beverages
20 from the licensed portion of the premises to the unlicensed
21 portion of the premises so long as the malt or brewed beverages
22 remain on the hotel property.

23 (2) In addition, the holder of a retail dispenser license
24 located on a golf course may allow its patrons to order malt or
25 brewed beverages on licensed premises for subsequent delivery by
26 the licensee on nonlicensed portions of the premises, including
27 the golf course.

28 (3) In addition, a holder of a restaurant or club license
29 located on a golf course may sell, furnish or give liquor or
30 malt or brewed beverages on the unlicensed portion of the golf

1 course so long as the liquor or malt or brewed beverages remain
2 on the restaurant, club or golf course.

3 (4) The holder of a restaurant license located immediately
4 adjacent to and under the same roof of a bowling center may
5 allow persons to transport liquor or malt or brewed beverages
6 from the licensed portion of the premises to the unlicensed
7 portion of the premises so long as the liquor or malt or brewed
8 beverages remain within the bowling center.

9 (f) The holder of an eating place retail dispenser license
10 may obtain an off-premises catering permit under section 493(33)
11 to hold a catered function off of the licensed premises and on
12 otherwise unlicensed premises where the licensee may sell malt
13 or brewed beverages by the glass, open bottle or any other
14 container, together with food, for consumption on those premises
15 solely used for catering premises. Functions conducted under the
16 authority of the permit shall be subject to the following:

17 (1) malt or brewed beverages may only be provided during the
18 days and hours that the license holder may otherwise sell malt
19 or brewed beverages;

20 (2) each catered function shall last no longer than one day
21 and not more than fifty catered functions may be held each
22 calendar year by each license holder for use with a particular
23 license;

24 (3) a catered function shall not be held at a location that
25 is already subject to the applicant's or another licensee's
26 license;

27 (4) a permit shall not be issued to an applicant whose
28 license is in safekeeping;

29 (5) a permit shall not be issued to a location that is
30 subject to a pending objection by the director of the Bureau of

1 Licensing or the board under section 470(a.1);

2 (6) a permit shall not be issued to a location that is
3 subject to a pending license suspension under section 471 or the
4 one-year prohibition on the issuance or transfer of a license
5 under section 471(b);

6 (7) no malt or brewed beverages may be taken from the
7 permitted location by a patron, but the applicant may transport
8 malt or brewed beverages to and from its licensed premises to
9 the proposed premises;

10 (8) written notice of the catered function as enumerated in
11 paragraph (9) shall be provided to the local police and the
12 enforcement bureau at least seven days in advance of the event;

13 (9) written notice shall be provided to the board at least
14 thirty days prior to a catered function. Written notice must
15 include the location of the function, time of the function, host
16 of the function, general information regarding the guests
17 expected at the function as well as any information the board
18 shall from time to time prescribe. The board may, in its
19 discretion, accept notice in an electronic format. The board
20 may, in its discretion, waive the thirty-day notice period for a
21 catered function if:

22 (i) the applicant has previously conducted functions that
23 meet the requirements of this act;

24 (ii) the applicant is a licensee in good standing with the
25 board;

26 (iii) notification was received at least fourteen days prior
27 to the catered function; and

28 (iv) the applicant pays a late fee of one hundred dollars
29 (\$100);

30 (10) the board shall, in its discretion, approve or

1 disapprove a catered function if the applicant fails to provide
2 timely notice of the catered function, does not intend to
3 conduct a function that meets the requirements of this act or
4 has previously conducted a function that did not meet the
5 requirements of this act;

6 (11) if a catered function is scheduled to occur on private
7 property, the owner of that property is deemed to have submitted
8 to the jurisdiction of the enforcement bureau, and the warrant
9 required by section 211(a)(2) of this act shall not be necessary
10 for the enforcement bureau to enter and search the premises
11 during the function or any activities related to the function;

12 (12) all servers at the off-premises catered function shall
13 be in compliance with the responsible alcohol management
14 provisions under section 471.1 of this act;

15 (13) no catered function may be held for more than five
16 hours per day and must end by midnight;

17 (14) neither the owner of the property nor the applicant may
18 sell tickets to a catered function unless one of the following
19 conditions is met:

20 (i) the applicant has contracted with an eligible entity for
21 the function, and the function is being used to raise money for
22 the eligible entity's organization;

23 (ii) the applicant has contracted with a nonprofit
24 organization as defined under section 501(c)(3) of the Internal
25 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)),
26 for an event which has the sole purpose of raising funds for
27 that nonprofit organization;

28 (iii) the applicant has contracted with an organization that
29 holds tax-exempt status under section 527 of the Internal
30 Revenue Code of 1986;

1 (15) catered functions held on unlicensed premises shall be
2 subject to section 493(34) of this act;

3 (16) catered functions may not be held in locations that are
4 subject to a pending, protested transfer application;

5 (17) a permit may not be issued to a licensee who is subject
6 to objection under the board's nuisance bar program;

7 (18) a permit shall not be issued to a licensee for use in
8 any location that is mobile; and

9 (19) a permit shall not be issued for use on any location
10 used for parking at a sports event or concert event.

11 (g) Notwithstanding any other provision of law or
12 regulation, the holder of a retail dispenser license may hold
13 happy hours up to four consecutive or nonconsecutive hours per
14 day and up to fourteen hours per week during which the holder
15 discounts the price of alcoholic beverages. No discounts may be
16 given between the hours of midnight and the legal closing time.
17 Notice of all happy hours shall be visibly posted on the
18 licensed premises seven days prior to the happy hour. Except as
19 provided in this subsection, a licensee shall comply with the
20 provisions of 40 Pa. Code § 13.102 (relating to discount pricing
21 practices). Events conducted under the authority of 40 Pa. Code
22 § 13.102(b) shall not be counted against the four-hours per day
23 or fourteen-hours per week.

24 Section 25. Section 443(b) of the act, amended May 31, 1996
25 (P.L.312, No.49), is amended AND THE SECTION IS AMENDED BY <--
26 ADDING A SUBSECTION to read:

27 Section 443. Interlocking Business Prohibited.--* * *

28 (b) No distributor or importing distributor and no officer
29 or director of any distributor or importing distributor shall at
30 the same time be a manufacturer, a retail dispenser or a liquor

1 licensee, or be an officer, director, stockholder or creditor of
2 a manufacturer, a retail dispenser or a liquor licensee, or,
3 directly or indirectly, own any stock of, or have any financial
4 interest in, or be the owner, proprietor or lessor of, any place
5 covered by any other malt or brewed beverage or liquor license.
6 The requirements of this section or any other provision of law,
7 shall not prohibit the holder of a distributor license from
8 holding an enhanced distributor license issued pursuant to <--
9 section 431.2 and a wine and spirits retail license issued
10 pursuant to Article III-A, or an importing distributor from also
11 holding a wine and spirits wholesale license issued pursuant to
12 Article III-A.

13 * * *

14 (H) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A <--
15 MANUFACTURER OR LICENSEE AND ITS OFFICERS, DIRECTORS,
16 SHAREHOLDERS, SERVANTS, AGENTS OR EMPLOYES MAY CONTRIBUTE AND A
17 MANUFACTURER OR LICENSEE AND ITS OFFICERS, DIRECTORS,
18 SHAREHOLDERS, SERVANTS, AGENTS OR EMPLOYES MAY ACCEPT MONEYS OR
19 OTHER THINGS OF VALUE SOLELY FOR THE ADMINISTRATION OF A
20 RESPONSIBLE ALCOHOL MANAGEMENT TRAINING PROGRAM FOR ALCOHOL
21 SERVICE PERSONNEL AS PROVIDED UNDER SECTION 471.1. THE MONEYS OR
22 OTHER THINGS OF VALUE MAY BE PROVIDED BY OR TO A MANUFACTURER OR
23 LICENSEE AND ITS OFFICERS, DIRECTORS, SHAREHOLDERS, SERVANTS,
24 AGENTS OR EMPLOYES DIRECTLY OF, BY OR TO A TRADE ORGANIZATION
25 CONSISTING, IN WHOLE OR IN PART, OF A GROUP OF LICENSEES.

26 (2) THE MANUFACTURER, LICENSEE AND TRADE ORGANIZATION
27 ASSOCIATED WITH THE PERSON PROVIDING MONEYS OR OTHER THINGS OF
28 VALUE MUST KEEP A RECORD OF THE VALUE OF THE MONEYS OR OTHER
29 THINGS OF VALUE PROVIDED, THE DATE PROVIDED AND THE ENTITY TO
30 WHOM THE MONEYS OR OTHER THINGS OF VALUE WERE PROVIDED, AS PART

1 OF THE RECORDS REQUIRED UNDER SECTION 493(12).

2 (3) THE MANUFACTURER, LICENSEE AND TRADE ORGANIZATION
3 ASSOCIATED WITH THE PERSON RECEIVING THE MONEYS OR OTHER THINGS
4 OF VALUE MUST KEEP A RECORD OF THE VALUE OF THE MONEYS OR OTHER
5 THINGS OF VALUE RECEIVED, THE DATE PROVIDED, THE ENTITY FROM
6 WHOM THE MONEYS OR OTHER THINGS OF VALUE WERE RECEIVED AND THE
7 MANNER IN WHICH THE MONEYS OR OTHER THINGS OF VALUE WERE USED,
8 AS PART OF THE RECORDS REQUIRED UNDER SECTION 493(12) OF THIS
9 ACT.

10 Section 26. Section 446(a)(1) of the act, amended December
11 22, 2011 (P.L.530, No.113), is amended to read:

12 Section 446. Breweries.--(a) Holders of a brewery license
13 may:

14 (1) Sell malt or brewed beverages produced and owned by the
15 brewery under such conditions and regulations as the board may
16 enforce, to individuals for consumption on the licensed premises
17 in any container or package of any volume and to hotel,
18 restaurant, club, ~~big box retail stores, grocery stores,~~ <--
19 ~~pharmacies, convenience stores~~ GROCERY STORES and public service <--
20 liquor licensees.

21 * * *

22 Section 27. Section 461(a) of the act, amended October 24,
23 2012 (P.L.1203, No.149), is amended AND THE SECTION IS AMENDED <--
24 BY ADDING A SUBSECTION to read:

25 Section 461. Limiting Number of Retail Licenses To Be Issued
26 In Each County.--(a) No additional restaurant, eating place
27 retail dispenser or club licenses shall be issued within a
28 county if the total number of restaurant and eating place retail
29 dispenser licenses is greater than one license for each three
30 thousand inhabitants in the county, except the board may issue

1 licenses to public venues, performing arts facilities,
2 continuing care retirement communities, airport restaurants,
3 municipal golf courses, hotels, privately-owned private golf
4 courses, privately-owned public golf courses, racetracks,
5 automobile racetracks, nonprimary pari-mutuel wagering
6 locations, privately-owned ski resorts, grocery stores, <--
7 convenience stores, big box retail stores, pharmacies and to any
8 other entity which this act specifically exempts from the
9 limitations provided in this section, and the board may issue a
10 license to a club situated in a borough having a population less
11 than eight thousand inhabitants which is located in a county of
12 the second class A whose application is filed on or before
13 February 28, 2001. In addition, the board may issue an eating
14 place retail dispenser license for on-premises sales only to the
15 owner or operator of a facility having a minimum of a one-half
16 mile asphalt track and having a permanent seating capacity of at
17 least six thousand people used principally for holding
18 automobile races, regardless of the number of restaurant and
19 eating place retail dispenser licenses already issued in that
20 county. When determining the number of restaurant and eating
21 place retail dispenser licenses issued in a county for the
22 purposes of this section, licenses exempted from this limitation
23 and club licenses shall not be considered. Inhabitants of dry
24 municipalities shall be considered when determining the
25 population in a county. Licenses shall not be issued or
26 transferred into municipalities where such licenses are
27 prohibited pursuant to local referendum in accordance with
28 section 472. Licenses approved for intermunicipal transfer may
29 not be transferred from the receiving municipality for a period
30 of five years after the date that the licensed premises are

1 operational in the receiving municipality.

2 (A.1) AN ADDITIONAL GROCERY STORE RETAIL LICENSE MAY NOT BE <--
3 ISSUED WITHIN A COUNTY IF THE TOTAL NUMBER OF GROCERY STORE
4 RETAIL LICENSES IS GREATER THAN ONE LICENSE FOR EVERY FIFTEEN
5 THOUSAND INHABITANTS IN THE COUNTY, PROVIDED THAT A TOTAL OF TWO
6 SUCH LICENSES MAY BE GRANTED IN A COUNTY IN THIS COMMONWEALTH.

7 * * *

8 ~~Section 28. Section 464 of the act, amended December 9, 2002 <--~~
9 ~~(P.L.1653, No.212), is amended to read:~~

10 ~~Section 464. Hearings Upon Refusal of Licenses, Renewals or~~
11 ~~Transfers; Appeals. The board may of its own motion, and shall~~
12 ~~upon the written request of any applicant for club, hotel or~~
13 ~~restaurant liquor license, or any applicant for any malt or~~
14 ~~brewed beverage license other than a public service license, or~~
15 ~~for renewal or transfer thereof, or for the renewal of an~~
16 ~~amusement permit, whose application for such license, renewal or~~
17 ~~transfer, or the renewal of an amusement permit, has been~~
18 ~~refused, fix a time and place for hearing of such application~~
19 ~~for license or for renewal or transfer thereof, or the renewal~~
20 ~~of an amusement permit, notice of which hearing shall be mailed~~
21 ~~to the applicant at the address given in his application. Such~~
22 ~~hearing shall be before a hearing examiner designated by the~~
23 ~~board. At such hearing, the board shall present its reasons for~~
24 ~~its refusal or withholding of license, renewal or transfer~~
25 ~~thereof, or its refusal for renewal of an amusement permit. The~~
26 ~~applicant may appear in person or by counsel, may cross examine~~
27 ~~the witnesses for the board and may present evidence which shall~~
28 ~~likewise be subject to cross examination by the board. Such~~
29 ~~hearing shall be stenographically recorded. The hearing examiner~~
30 ~~shall thereafter report, with the examiner's recommendation, to~~

1 ~~the board in each case. The board shall thereupon grant or~~
2 ~~refuse the license, renewal or transfer thereof or the renewal~~
3 ~~of an amusement permit. In considering the renewal of a license~~
4 ~~or amusement permit, the board shall not refuse any such renewal~~
5 ~~on the basis of the propriety of the original issuance or any~~
6 ~~prior renewal of such license or amusement permit. If the board~~
7 ~~shall refuse such license, renewal or transfer or the renewal of~~
8 ~~an amusement permit, following such hearing, notice in writing~~
9 ~~of such refusal shall be mailed to the applicant at the address~~
10 ~~given in his application. In all such cases, the board shall~~
11 ~~file of record at least a brief statement in the form of an~~
12 ~~opinion of the reasons for the ruling or order and furnish a~~
13 ~~copy thereof to the applicant. Any applicant who has appeared at~~
14 ~~any hearing, as above provided, who is aggrieved by the refusal~~
15 ~~of the board to issue any such license or to renew or transfer~~
16 ~~any such license or to issue or renew any amusement permit may~~
17 ~~appeal, or any church, hospital, charitable institution, school~~
18 ~~or public playground located within three hundred feet of the~~
19 ~~premises applied for, aggrieved by the action of the board in~~
20 ~~granting the issuance of any such license or the transfer of any~~
21 ~~such license, may take an appeal limited to the question of such~~
22 ~~grievance, within twenty days from date of refusal or grant, to~~
23 ~~the court of common pleas of the county in which the premises or~~
24 ~~permit applied for is located. If the application is for an~~
25 ~~economic development license under section 461(b.1) or the~~
26 ~~intermunicipal transfer of a license, the governing body of the~~
27 ~~municipality receiving the new license or the transferred~~
28 ~~license may file an appeal of the board decision granting the~~
29 ~~license, within twenty days of the date of the board's decision,~~
30 ~~to the court of common pleas of the county in which the proposed~~

1 ~~premises is located. Such appeal shall be upon petition of the~~
2 ~~aggrieved party, who shall serve a copy thereof upon the board,~~
3 ~~whereupon a hearing shall be held upon the petition by the court~~
4 ~~upon ten days' notice to the board. The said appeal shall,~~
5 ~~except in cases involving the renewal of a license, act as a~~
6 ~~supersedeas unless upon sufficient cause shown the court shall~~
7 ~~determine otherwise. In cases involving the renewal of a~~
8 ~~license, the court shall grant a supersedeas only upon~~
9 ~~application and after a finding that the licensee will likely~~
10 ~~prevail on the merits of the appeal. The court shall [hear the~~
11 ~~application de novo on questions of fact, administrative~~
12 ~~discretion and such other matters as are involved, at such time~~
13 ~~as it shall fix, of which notice shall be given to the board.~~
14 ~~The court shall either sustain or over rule the action of the~~
15 ~~board and either order or deny the issuance of a new license or~~
16 ~~the renewal or transfer of the license or the renewal of an~~
17 ~~amusement permit to the applicant] affirm the board unless the~~
18 ~~board's decision is an error of law, an abuse of discretion or~~
19 ~~is not supported by substantial evidence.~~

20 Section 29 28. Section 468(a) and (e) of the act, amended or <--
21 added December 20, 2000 (P.L.992, No.141), February 21, 2002
22 (P.L.103, No.10), June 28, 2011 (P.L.55, No.11) and December 22,
23 2011 (P.L.530, No.113), are amended to read:

24 Section 468. Licenses Not Assignable; Transfers.--(a) (1)
25 Licenses issued under this article may not be assigned. The
26 board, upon payment of the transfer filing fee, is hereby
27 authorized to transfer any license issued by it under the
28 provisions of this article from one person to another or from
29 one place to another, or both. Except for restaurant liquor and
30 eating place retail dispenser licenses transferred under section

1 461(b.4), if the license is a retail license, the new location
2 must be within the same county as the existing location or, if
3 the municipality is located in more than one county, within the
4 same municipality as the existing location.

5 (2) In the case of distributor and importing distributor
6 licenses, the board may transfer any such license from its place
7 in a municipality to a place in any other municipality within
8 the same county, or from one place to another place within the
9 same municipality, or exchange a distributor license for an
10 importing distributor license or an importing distributor
11 license for a distributor license, if the building for which the
12 license is to be issued has, in the case of an importing
13 distributor license, an area under one roof of two thousand five
14 hundred square feet and, in the case of a distributor license,
15 an area under one roof of one thousand square feet: And
16 provided, That, in the case of all transfers of distributor or
17 importing distributor licenses, whether from a place within the
18 same municipality to another place within the same municipality
19 or from a place in a municipality to a place in any other
20 municipality within the same county, and, in the case of an
21 exchange of a distributor license for an importing distributor
22 license or an importing distributor license for a distributor
23 license, the premises to be affected by the transfer or exchange
24 shall contain an office separate and apart from the remainder of
25 the premises to be licensed for the purpose of keeping records,
26 required by the board, adequate toilet facilities for employes
27 of the licensee and an entrance on a public thoroughfare:
28 Provided, however, That in the event that the majority of the
29 voting electors of a municipality, at an election held under the
30 provisions of any law so empowering them to do, shall vote

1 against the issuance of distributor or importing distributor
2 licenses in such municipality, the board is hereby authorized to
3 transfer any such distributor or importing distributor license
4 from its place in such municipality to a place in any other
5 municipality within the same county, upon application prior to
6 the expiration of any such license and upon payment of the
7 transfer filing fee and the execution of a new bond; but no
8 transfer shall be made to a person who would not have been
9 eligible to receive the license originally nor for the
10 transaction of business at a place for which the license could
11 not lawfully have been issued originally, nor, except as herein
12 provided, to a place as to which a license has been revoked.

13 (3) [No license shall be transferred to any place or
14 property upon which is located as a business the sale of liquid
15 fuels and oil.] Except in cases of emergency such as death,
16 serious illness, or circumstances beyond the control of the
17 licensee, as the board may determine such circumstances to
18 justify its action, transfers of licenses may be made only at
19 times fixed by the board. In the case of the death of a
20 licensee, the board may transfer the license to the surviving
21 spouse or personal representative or to a person designated by
22 him. From any refusal to grant a transfer or upon the grant of
23 any transfer, the party aggrieved shall have the right of appeal
24 to the proper court in the manner hereinbefore provided.

25 (4) In the event the license to be transferred has been
26 ordered to serve a suspension under section 471 and has not
27 served the suspension at the time the board considers the
28 application and all appeals regarding the suspension have been
29 exhausted, the board may require the transferee to serve the
30 suspension as a condition for approval of the transfer. Further,

1 the board may convert the outstanding suspension into a fine and
2 require the transferee to pay the fine as a condition for
3 approval of the transfer. If the board converts the outstanding
4 suspension to a fine, the fine need not comply with the minimum
5 and maximum amounts set forth in section 471 for the underlying
6 citation.

7 * * *

8 (e) Notwithstanding any other provision of law, the board
9 may not approve an interior connection that is greater than ten
10 feet wide between a licensed business and another business. This
11 subsection shall not prohibit the board from approving a renewal
12 application of a license, even if the licensed business has an
13 interior connection that is greater than ten feet wide to an
14 unlicensed business, if the board had approved the interior
15 connection prior to the effective date of this subsection. This
16 subsection shall not apply to the holder of a grocery store, <--
17 big box retail store, convenience store or pharmacy license
18 RETAIL LICENSE. <--

19 Section ~~30~~ 29. Section 470(a) of the act, amended December <--
20 22, 2011 (P.L.530, No.113), is amended ~~and the section is~~ <--
21 ~~amended by adding subsections~~ to read:

22 Section 470. Renewal of Licenses; Temporary Provisions for
23 Licensees in Armed Service.--(a) All applications for renewal
24 or validation of licenses under the provisions of this article
25 shall be filed with tax clearance from the Department of Revenue
26 and the Department of Labor and Industry and requisite license
27 and filing fees, including an application surcharge of seven
28 hundred dollars (\$700), at least sixty days before the
29 expiration date of same: Provided, however, That, ~~a licensee~~ <--
30 ~~that applies for a thirty pack permit shall pay, with its~~

1 ~~renewal or validation application, an application surcharge of~~
2 ~~five thousand dollars (\$5,000): And provided further, That~~ the
3 board, in its discretion, may accept nunc pro tunc a renewal
4 application filed less than sixty days before the expiration
5 date of the license with the required fees, upon reasonable
6 cause shown and the payment of an additional filing fee of one
7 hundred dollars (\$100.00) for late filing: And provided further,
8 That except where the failure to file a renewal application on
9 or before the expiration date has created a license quota
10 vacancy after said expiration date which has been filled by the
11 issuance of a new license, after such expiration date, but
12 before the board has received a renewal application nunc pro
13 tunc within the time prescribed herein the board, in its
14 discretion, may, after hearing, accept a renewal application
15 filed within two years after the expiration date of the license
16 with the required fees upon the payment of an additional filing
17 fee of two hundred fifty dollars (\$250.00) for late filing.
18 Where any such renewal application is filed less than sixty days
19 before the expiration date, or subsequent to the expiration
20 date, no license shall issue upon the filing of the renewal
21 application until the matter is finally determined by the board
22 and if an appeal is taken from the board's action the courts
23 shall not order the issuance of the renewal license until final
24 determination of the matter by the courts. The board may enter
25 into an agreement with the applicant concerning additional
26 restrictions on the license in question. If the board and the
27 applicant enter into such an agreement, such agreement shall be
28 binding on the applicant. Failure by the applicant to adhere to
29 the agreement will be sufficient cause to form the basis for a
30 citation under section 471 and for the nonrenewal of the license

1 under this section. A renewal application will not be considered
2 filed unless accompanied by the requisite filing and license
3 fees and any additional filing fee required by this section.
4 Unless the board shall have given ten days' previous notice to
5 the applicant of objections to the renewal of his license, based
6 upon violation by the licensee or his servants, agents or
7 employes of any of the laws of the Commonwealth or regulations
8 of the board relating to the manufacture, transportation, use,
9 storage, importation, possession or sale of liquors, alcohol or
10 malt or brewed beverages, or the conduct of a licensed
11 establishment, or unless the applicant has by his own act become
12 a person of ill repute, or unless the premises do not meet the
13 requirements of this act or the regulations of the board, the
14 license of a licensee shall be renewed. Notwithstanding any
15 other provision of this act, a noise violation shall not be the
16 sole basis for objection by the board to the renewal of a
17 license unless the licensee has received six prior adjudicated
18 noise citations within a twenty-four-month period.

19 * * *

20 ~~(d) If the renewal of the license is objected to because of <--~~
21 ~~the reputation of the applicant or its shareholders, directors,~~
22 ~~officers, association members, servants, agents or employes or~~
23 ~~under subsection (a.1), the Director of the Bureau of Licensing~~
24 ~~may, in the director's discretion, grant the applicant temporary~~
25 ~~operating authority under certain terms the director deems~~
26 ~~appropriate. The operating authority shall not exceed one~~
27 ~~hundred twenty (120) calendar days.~~

28 ~~(e) If the renewal of the license is objected to because of~~
29 ~~the reputation of the applicant or its shareholders, directors,~~
30 ~~officers, association members, servants, agents or employes or~~

1 ~~under subsection (a.1), the board shall render a decision on the~~
2 ~~application within one hundred twenty (120) calendar days.~~

3 Section ~~31~~ 30. Section 471(b) and (e) of the act, amended or <--
4 added July 6, 2005 (P.L.135, No.39) and April 13, 2006 (P.L.78,
5 No.26), are amended ~~and the section is amended by adding a~~ <--
6 ~~subsection~~ to read:

7 Section 471. Revocation and Suspension of Licenses; Fines.--
8 * * *

9 (b) Hearing on such citations shall be held in the same
10 manner as provided herein for hearings on applications for
11 license. Upon such hearing, if satisfied that any such violation
12 has occurred or for other sufficient cause, the administrative
13 law judge shall immediately suspend or revoke the license, or
14 impose a fine of not less than [fifty dollars (\$50)] two hundred
15 fifty dollars (\$250) nor more than [one thousand dollars
16 (\$1,000)] five thousand dollars (\$5,000), or both, notifying the
17 licensee by registered letter addressed to his licensed
18 premises. If the licensee has been cited and found to have
19 violated section 493(1) insofar as it relates to sales to minors
20 or sales to a visibly intoxicated person, section 493(10)
21 insofar as it relates to lewd, immoral or improper entertainment
22 or section 493(14), (16) or (21), or has been found to be a
23 public nuisance pursuant to section 611, or if the owner or
24 operator of the licensed premises or any authorized agent of the
25 owner or operator has been convicted of any violation of the act
26 of April 14, 1972 (P.L.233, No.64), known as "The Controlled
27 Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. §
28 5902 (relating to prostitution and related offenses) or 6301
29 (relating to corruption of minors), at or relating to the
30 licensed premises, the administrative law judge shall

1 immediately suspend or revoke the license, or impose a fine of
2 not less than [one thousand dollars (\$1,000)] five thousand
3 dollars (\$5,000) nor more than [five thousand dollars (\$5,000)]
4 ten thousand dollars (\$10,000), or both. However, if a licensee
5 has been cited and found to have violated section 493(1) as it
6 relates to sales to minors or sales to a visibly intoxicated
7 person but at the time of the sale the licensee was in
8 compliance with the requirements set forth in section 471.1 and
9 the licensee had not sold to minors or visibly intoxicated
10 persons in the previous four years, then the administrative law
11 judge shall immediately suspend or revoke the license, or impose
12 a fine of not less than [fifty dollars (\$50)] one thousand
13 dollars (\$1,000) nor more than [one thousand dollars (\$1,000)]
14 five thousand dollars (\$5,000), or both. The administrative law
15 judge shall notify the licensee by registered mail, addressed to
16 the licensed premises, of such suspension, revocation or fine.
17 In the event the fine is not paid within twenty days of the
18 adjudication, the administrative law judge shall suspend or
19 revoke the license, notifying the licensee by registered mail
20 addressed to the licensed premises. Suspensions and revocations
21 shall not go into effect until thirty days have elapsed from the
22 date of the adjudication during which time the licensee may take
23 an appeal as provided for in this act, except that revocations
24 mandated in section 481(c) shall go into effect immediately. Any
25 licensee whose license is revoked shall be ineligible to have a
26 license under this act until the expiration of three years from
27 the date such license was revoked. In the event a license is
28 revoked, no license shall be granted for the premises or
29 transferred to the premises in which the said license was
30 conducted for a period of at least one year after the date of

1 the revocation of the license conducted in the said premises,
2 except in cases where the licensee or a member of his immediate
3 family is not the owner of the premises, in which case the board
4 may, in its discretion, issue or transfer a license within the
5 said year. In the event the bureau or the person who was fined
6 or whose license was suspended or revoked shall feel aggrieved
7 by the adjudication of the administrative law judge, there shall
8 be a right to appeal to the board. The appeal shall be based
9 solely on the record before the administrative law judge. The
10 board shall only reverse the decision of the administrative law
11 judge if the administrative law judge committed an error of law,
12 abused its discretion or if its decision is not based on
13 substantial evidence. In the event the bureau or the person who
14 was fined or whose license was suspended or revoked shall feel
15 aggrieved by the decision of the board, there shall be a right
16 to appeal to the court of common pleas ~~in the same manner as~~ <--
17 herein provided for appeals from refusals to grant licenses.
18 Each of the appeals shall ~~which shall affirm the board unless~~ <--
19 ~~the board's decision is an error of law, an abuse of discretion~~
20 ~~or not supported by substantial evidence. An appeal by a~~
21 ~~licensee to the board or the court of common pleas shall not~~ act
22 as a supersedeas ~~unless, upon sufficient cause shown, the~~ ~~and~~ <--
23 ~~a~~ reviewing authority shall ~~determine otherwise; however, if~~ <--
24 the licensee has been cited and found to have violated section
25 493(1) insofar as it relates to sales to minors or sales to a
26 visibly intoxicated person, section 493(10) insofar as it
27 relates to lewd, immoral or improper entertainment or section
28 493(14), (16) or (21), or has been found to be a public nuisance
29 pursuant to section 611, or if the owner or operator of the
30 licensed premises or any authorized agent of the owner or

1 operator has been convicted of any violation of "The Controlled
2 Substance, Drug, Device and Cosmetic Act," or of 18 Pa.C.S. §
3 5902 or 6301, at or relating to the licensed premises, or if the
4 license has been revoked under section 481(c), its appeal shall
5 not act as a supersedeas unless the reviewing authority
6 determines otherwise upon sufficient cause shown. In any hearing
7 on an application for a supersedeas under this section, the
8 reviewing authority may consider, in addition to other relevant
9 evidence, documentary evidence, including records of the bureau,
10 showing the prior history of citations, fines, suspensions or
11 revocations against the licensee; and the reviewing authority
12 may also consider, in addition to other relevant evidence,
13 evidence of any recurrence of the unlawful activity occurring
14 between the date of the citation which is the subject of the
15 appeal and the date of the hearing. If the reviewing authority
16 is the board, no hearing shall be held on the application for a
17 supersedeas; however, a decision shall be made based on the
18 application, answer and documentary evidence under this
19 subsection. If the application for a supersedeas is for a
20 license that has been revoked under section 481(c), the
21 reviewing authority shall grant the supersedeas only if it finds
22 that the licensee will likely prevail on the merits. No penalty
23 provided by this section shall be imposed for any violations
24 provided for in this act unless the bureau notifies the licensee
25 of its nature within thirty days of the completion of the
26 investigation.] ~~grant a supersedeas only upon application and~~ <--
27 ~~after a finding that the licensee will likely prevail on the~~
28 ~~merits of the appeal. An appeal by the bureau shall act as an~~
29 ~~automatic supersedeas.~~

30 * * *

1 (e) If a licensee has been cited and found to have violated
2 section 493(1) for a second or subsequent offense as it relates
3 to sales to minors or sales to a visibly intoxicated person, the
4 administrative law judge, in addition to the penalties set forth
5 in subsection (b), shall impose a suspension of at least two
6 consecutive weekend days when the offense is a second offense or
7 two consecutive Saturdays of operation if the licensee does not
8 hold a Sunday sales permit, and a suspension of at least seven
9 consecutive days of operation when the offense is a third or
10 subsequent offense. The mandatory suspension provision shall not
11 apply to licensees which also hold a license issued by the
12 Pennsylvania Gaming Control Board for the use of their premises.
13 Further, the administrative law judge may, in such instances,
14 require the licensee to comply with the requirements set forth
15 in section 471.1 pertaining to responsible alcohol management.
16 Such compliance may be required for a period of up to one year.
17 Failure to adhere with such an order is sufficient cause for the
18 issuance of a citation under subsection (a).

19 * * *

20 ~~(g) All fines and proceeds derived from the conversion of a~~ <--
21 ~~suspension to a fine received by the administrative law judge~~
22 ~~shall be remitted to the enforcement bureau for continued~~
23 ~~enforcement efforts.~~

24 SECTION 31. SECTION 471.1(A) OF THE ACT, ADDED DECEMBER 20, <--
25 2000 (P.L.992, NO.141), IS AMENDED TO READ:

26 SECTION 471.1. RESPONSIBLE ALCOHOL MANAGEMENT.--(A) THE
27 BOARD IS AUTHORIZED TO OFFER A RESPONSIBLE ALCOHOL SERVICE
28 PROGRAM TO LICENSEES. THE PROGRAM SHALL CONSIST OF FOUR PARTS:
29 NEW EMPLOYE ORIENTATION, TRAINING FOR ALCOHOL SERVICE PERSONNEL,
30 MANAGER/OWNER TRAINING AND THE DISPLAYING OF RESPONSIBLE ALCOHOL

1 SERVICE SIGNAGE. NEW EMPLOYEE ORIENTATION SHALL CONSIST OF
2 ORIENTING NEWLY HIRED ALCOHOL SERVICE PERSONNEL AS TO
3 PENNSYLVANIA LAW RELATING TO THE SALE, FURNISHING OR SERVING OF
4 ALCOHOLIC BEVERAGES TO MINORS AND VISIBLY INTOXICATED PERSONS.
5 IT SHALL ALSO MEAN ORIENTING NEWLY HIRED ALCOHOL SERVICE
6 PERSONNEL TO RESPONSIBLE SERVER PRACTICES, AS THE TERM IS
7 DEFINED BY THE BOARD, THROUGH REGULATION. TRAINING FOR ALCOHOL
8 SERVICE PERSONNEL SHALL BE AS SET FORTH BY THE BOARD, BUT AT
9 MINIMUM IT SHALL CONSIST OF TRAINING TO PREVENT SERVICE OF
10 ALCOHOL TO MINORS AND TO VISIBLY INTOXICATED PERSONS.
11 MANAGER/OWNER TRAINING SHALL BE AS SET FORTH BY THE BOARD, BUT
12 AT A MINIMUM IT SHALL CONSIST OF TRAINING ON HOW TO MONITOR
13 EMPLOYEES, PROPER SERVICE OF ALCOHOL AND HOW TO DEVELOP AN
14 APPROPRIATE ALCOHOL SERVICE POLICY. THE RESPONSIBLE ALCOHOL
15 SERVICE SIGNAGE SHALL BE AS SET FORTH BY THE BOARD AND SHALL
16 CONSIST OF SIGNAGE DEALING WITH THE LICENSEE'S POLICY AGAINST
17 SALES TO MINORS AND VISIBLY INTOXICATED PERSONS. ALCOHOL SERVICE
18 PERSONNEL TRAINING [MAY] SHALL BE CONDUCTED BY [THE BOARD OR BY
19 AN ENTITY] ENTITIES CERTIFIED BY THE BOARD TO CONDUCT SUCH
20 TRAINING.

21 * * *

22 ~~Section 32. Sections 472(a) and 488 of the act, amended or <--~~
23 ~~added February 21, 2002 (P.L.103, No.10), are amended to read:~~

24 SECTION 32. SECTION 472(A) OF THE ACT, AMENDED FEBRUARY 21, <--
25 2002 (P.L.103, NO.10), IS AMENDED TO READ:

26 Section 472. Local Option.--(a) In any municipality or any
27 part of a municipality where such municipality is split so that
28 each part thereof is separated by another municipality, an
29 election may be held, subject to subsection (c), on the date of
30 the primary election immediately preceding any municipal

1 election, but not oftener than once in four years, to determine
2 the will of the electors with respect to the granting of liquor
3 licenses to hotels, restaurants, resort facilities and clubs,
4 not oftener than once in four years, to determine the will of
5 the electors with respect to the granting of liquor licenses to
6 public venues, to performing arts facilities, to continuing care
7 retirement communities, to hotels located on property owned by
8 an accredited college or university, to privately-owned private
9 golf courses or to privately-owned public golf courses, not
10 oftener than once in four years, to determine the will of the
11 electors with respect to the granting of licenses to retail
12 dispensers of malt and brewed beverages, not oftener than once
13 in four years, to determine the will of the electors with
14 respect to granting of licenses to wholesale distributors and
15 importing distributors, not more than once in two years, to
16 determine the will of the electors with respect to the granting
17 of club liquor licenses or club retail dispenser licenses to
18 incorporated units of national veterans' organizations, not
19 oftener than once in two years to determine the will of the
20 electors with respect to the granting of special occasion
21 permits to qualified organizations, not more than once in two
22 years, to determine the will of the electors with respect to
23 granting of licenses to ~~big box retail stores,~~ grocery stores, <--
24 ~~convenience stores and pharmacies,~~ or not more than once in four <--
25 years, to determine the will of the electors with respect to the
26 establishment[, operation and maintenance by the board of
27 Pennsylvania liquor stores] of wine and spirits retail
28 licensees, within the limits of such municipality or part of a
29 split municipality, under the provisions of this act: Provided,
30 however, Where an election shall have been held at the primary

1 preceding a municipal election in any year, another election may
2 be held under the provisions of this act at the primary
3 occurring the fourth year after such prior election: And
4 provided further, That an election on the question of
5 establishing and operating a State liquor store shall be
6 initiated only in those municipalities, or that part of a split
7 municipality that shall have voted against the granting of
8 liquor licenses; and that an election on the question of
9 granting wholesale distributor and importing distributor
10 licenses shall be initiated only in those municipalities or
11 parts of split municipalities that shall have at a previous
12 election voted against the granting of dispenser's licenses.
13 Whenever electors equal to at least twenty-five per centum of
14 the highest vote cast for any office in the municipality or part
15 of a split municipality at the last preceding general election
16 shall file a petition with the county board of elections of the
17 county for a referendum on the question of granting any of said
18 classes of licenses [or the establishment of Pennsylvania liquor
19 stores], the said county board of elections shall cause a
20 question to be placed on the ballots or on the voting machine
21 board and submitted at the primary immediately preceding the
22 municipal election. Separate petitions must be filed for each
23 question to be voted on. Said proceedings shall be in the manner
24 and subject to the provisions of the election laws which relate
25 to the signing, filing and adjudication of nomination petitions,
26 insofar as such provisions are applicable.

27 When the question is in respect to the granting of liquor
28 licenses, it shall be in the following form:

29	Do you favor the granting of liquor licenses for the	Yes
30	sale of liquor in.....	No

1 of.....?

2 When the question is in respect to the granting of liquor
3 licenses to resort facilities in those municipalities that do
4 not already allow the retail sale of liquor, it shall be in the
5 following form:

6 Do you favor the granting of liquor licenses to resort
7 facilities for the sale of liquor in the..... Yes
8 of.....? No

9 When the question is in respect to the granting of restaurant
10 liquor licenses for use at public venues in those municipalities
11 that do not already allow the retail sale of liquor, it shall be
12 in the following form:

13 Do you favor the granting of liquor licenses to public
14 venues for the sale of liquor in the..... Yes
15 of.....? No

16 When the question is in respect to the granting of restaurant
17 liquor licenses for use at performing arts facilities in those
18 municipalities that do not already allow the retail sale of
19 alcohol, it shall be in the following form:

20 Do you favor the granting of liquor licenses to
21 performing arts facilities for the sale of liquor in
22 the..... Yes
23 of.....? No

24 When the question is in respect to the granting of liquor
25 licenses for hotels located on property owned by an accredited
26 college or university in those municipalities that do not
27 already allow the granting of liquor licenses, it shall be in
28 the following form:

29 Do you favor the granting of liquor licenses to hotels Yes
30 on property owned by an accredited college or university No

1 in the.....

2 of.....?

3 When the question is in respect to the granting of liquor
4 licenses, for privately-owned private golf courses, it shall be
5 in the following form:

6 Do you favor the granting of liquor licenses for
7 privately-owned private golf courses for the sale of
8 liquor in.....by..... Yes

9 of.....? No

10 When the question is in respect to the granting of liquor
11 licenses, for privately-owned public golf courses, it shall be
12 in the following form:

13 Do you favor the granting of liquor licenses for
14 privately-owned public golf courses for the sale of
15 liquor in.....by..... Yes

16 of.....? No

17 When the question is in respect to the granting of liquor
18 licenses to continuing care retirement communities in those
19 municipalities that have not already approved the granting of
20 liquor licenses, it shall be in the following form:

21 Do you favor the granting of liquor licenses for
22 continuing care retirement communities
23 in.....by..... Yes

24 of.....? No

25 When the question is in respect to the granting of licenses
26 to retail dispensers of malt and brewed beverages, it shall be
27 in the following form:

28 Do you favor the granting of malt and brewed beverage
29 retail dispenser licenses for consumption on premises Yes
30 where sold in the..... No

1 of.....?

2 ~~When the question is in respect to the granting of big box~~ <--
3 ~~retail store licenses for the sale of wine and malt or brewed~~
4 ~~beverages for consumption off the premises, it shall be in the~~
5 ~~following form:~~

6 ~~Do you favor the granting of licenses for big box~~
7 ~~retail stores for the sale of wine and malt or brewed~~
8 ~~beverages for consumption off the premises~~
9 ~~in.....by.....~~ Yes
10 ~~of.....?~~ No

11 ~~When the question is in respect to the granting of grocery~~
12 ~~store licenses for the sale of wine and malt or brewed beverages~~ <--
13 ~~for consumption off the premises, it shall be in the following~~
14 ~~form:~~

15 ~~Do you favor the granting of licenses for grocery stores~~
16 ~~for the sale of wine and malt or brewed beverages for~~ <--
17 ~~consumption off the premises~~
18 ~~in.....by.....~~ Yes
19 ~~of.....?~~ No

20 ~~When the question is in respect to the granting of pharmacy~~ <--
21 ~~licenses for the sale of wine and malt or brewed beverages for~~
22 ~~consumption off the premises, it shall be in the following form:~~

23 ~~Do you favor the granting of licenses for grocery stores~~
24 ~~for the sale of wine and malt or brewed beverages for~~
25 ~~consumption off the premises~~
26 ~~in.....by.....~~ Yes
27 ~~of.....?~~ No

28 ~~When the question is in respect to the granting of~~
29 ~~convenience store licenses for the sale of malt or brewed~~
30 ~~beverages for consumption off the premises, it shall be in the~~

1 following form:

2 ~~Do you favor the granting of licenses for convenience~~
3 ~~stores for the sale of malt or brewed beverages for~~
4 ~~consumption off the premises~~
5 ~~in.....by.....~~ Yes
6 ~~of.....?~~ No

7 When the question is in respect to the granting of licenses
8 to wholesale distributors of malt or brewed beverages and
9 importing distributors, it shall be in the following form:

10 Do you favor the granting of malt and brewed beverage
11 wholesale distributor's and importing distributor's
12 licenses not for consumption on premises where sold in
13 the..... Yes
14 of.....? No

15 When the question is in respect to the granting of club
16 liquor licenses to incorporated units of national veterans'
17 organizations, it shall be in the following form:

18 Do you favor the granting of club liquor licenses to
19 incorporated units of national veterans' organizations
20 in the..... Yes
21 of.....? No

22 When the question is in respect to the granting of club
23 retail dispenser licenses to incorporated units of national
24 veterans' organizations, it shall be in the following form:

25 Do you favor the granting of club retail dispenser
26 licenses to incorporated units of national veterans'
27 organizations in the..... Yes
28 of.....? No

29 When the question is in respect to the granting of special
30 occasion permits allowing the sale of liquor by qualified

1 organizations in municipalities that do not already allow the
2 retail sale of liquor, it shall be in the following form:

3 Do you favor the granting of special occasion permits to
4 allow the sale of liquor by qualified organizations in
5 the..... Yes
6 of.....? No

7 When the question is in respect to the granting of special
8 occasion permits allowing the sale of malt or brewed beverages
9 only by qualified organizations in municipalities that do not
10 already allow the retail sale of malt or brewed beverages, it
11 shall be in the following form:

12 Do you favor the granting of special occasion permits to
13 allow the sale of malt or brewed beverages only by
14 qualified organizations in the..... Yes
15 of.....? No

16 When the question is in respect to the [establishment,
17 operation and maintenance of Pennsylvania liquor stores]
18 granting of licenses to wine and spirits retail operators for
19 the sale of liquor for consumption off the premises, it shall be
20 in the following form:

21 Do you favor the [establishment, operation and
22 maintenance of Pennsylvania liquor stores] granting of
23 wine and spirits retail licenses for the sale of liquor
24 for consumption off the premises in
25 the..... Yes
26 of.....? No

27 In case of a tie vote, the status quo shall obtain. If a
28 majority of the voting electors on any such question vote "yes,"
29 then liquor licenses shall be granted by the board to hotels,
30 restaurants, resort facilities and clubs, or liquor licenses

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

1 such question].

2 * * *

3 ~~Section 488. Shipment of Wine into Commonwealth. (a) The~~ <--
4 ~~shipment of wine from [out of State] a direct wine shipper to~~
5 ~~residents of this Commonwealth is prohibited, except as~~
6 ~~otherwise provided for in this section.~~

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

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

23 ~~(d) [An out of State] A direct wine shipper shall:~~

24 ~~(1) [Not ship more than nine liters per month on the~~
25 ~~Internet order of any person in this Commonwealth.] File a~~
26 ~~written application with the board in such form and containing~~
27 ~~such information as the board shall require. A completed~~
28 ~~application shall contain a true and correct copy of the~~
29 ~~applicant's current license or certificate of operating~~
30 ~~authority issued by the board or by another state. The applicant~~

1 ~~must provide documentation that it has obtained a sales tax~~
2 ~~license from the Department of Revenue. The licensing period for~~
3 ~~the license shall be established under section 402. An applicant~~
4 ~~for the license shall adhere to the provisions of section 477.~~
5 ~~The application, renewal and filing fee for the license shall be~~
6 ~~as prescribed by the board to cover administrative costs in~~
7 ~~processing the applications, however, if an applicant, at the~~
8 ~~time of the initial application for the license, holds a valid~~
9 ~~limited winery license issued by the board, the applicant shall~~
10 ~~be exempt from paying the application fee prescribed by the~~
11 ~~board. If the applicant properly renews its limited winery~~
12 ~~license, as provided for in section 517, the applicant shall not~~
13 ~~be required to pay the renewal fee prescribed by the board.~~

14 (2) ~~Report to the board each [year] month the total [of]~~
15 ~~number of bottles sold and shipped during the preceding calendar~~
16 ~~month, the size of those bottles, the name brand of each wine in~~
17 ~~the shipments, the quantities of each wine included in the~~
18 ~~shipments and the price of each item included in the shipments,~~
19 ~~for all such wine shipped within and into this Commonwealth in~~
20 ~~the preceding calendar [year] month.~~

21 (3) ~~Permit the board, the enforcement bureau or the~~
22 ~~Secretary of Revenue, or their designated representatives, to~~
23 ~~perform an audit of the [out of State] direct wine shipper's~~
24 ~~records upon request.~~

25 (4) ~~Be deemed to have submitted to the jurisdiction of the~~
26 ~~board, any other State agency and the courts of this~~
27 ~~Commonwealth for purposes of enforcement of this section and any~~
28 ~~related laws, rules or regulations, including the collection and~~
29 ~~remission of taxes as required under this section.~~

30 (e) ~~A direct wine shipper [may ship wine on the Internet~~

1 ~~order of a resident into this Commonwealth provided that the~~
2 ~~wine is shipped to a Pennsylvania Liquor Store selected by the~~
3 ~~resident. The wine will be subject to taxes in the same manner~~
4 ~~as wine sold directly by the board.] shall collect and pay to~~
5 ~~the Department of Revenue all taxes due on sales to residents of~~
6 ~~this Commonwealth. The amount of taxes shall be calculated as if~~
7 ~~the sales were made in this Commonwealth at the locations where~~
8 ~~delivery is made. The wine will not be released by the [State~~
9 ~~store] direct wine shipper until all moneys due, including all~~
10 ~~taxes [and fees], have been paid by the resident.~~

11 ~~(f) [A person shall sign an affidavit provided by the~~
12 ~~Pennsylvania Liquor Store where the wine was delivered to~~
13 ~~stating that the wine will only be used for the person's~~
14 ~~personal use.] A direct wine shipper may ship wine pursuant to~~
15 ~~this section only if the resident placing the order has provided~~
16 ~~the shipper with a written or electronic acknowledgment that the~~
17 ~~wine is for personal consumption only and not for resale. Any~~
18 ~~person who resells wine obtained under this section commits a~~
19 ~~misdemeanor of the second degree. A direct wine shipper shall:~~

20 ~~(1) Ensure that all containers of wine shipped directly to a~~
21 ~~resident of this Commonwealth are conspicuously labeled with the~~
22 ~~words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE TWENTY ONE (21)~~
23 ~~OR OLDER REQUIRED FOR DELIVERY."~~

24 ~~(2) Ensure that shipments shall be delivered by an entity~~
25 ~~holding a valid transporter for hire license issued by the board~~
26 ~~and that the transporter for hire may not deliver any wine~~
27 ~~unless it does all of the following:~~

28 ~~(i) Obtains the signature of the recipient of the wine upon~~
29 ~~delivery.~~

30 ~~(ii) Verifies by inspecting a valid form of photo~~

1 ~~identification, as provided for in section 495(a), that the~~
2 ~~recipient is at least twenty one (21) years of age.~~

3 ~~(iii) Determines that the recipient is not visibly~~
4 ~~intoxicated at the time of delivery.~~

5 ~~(g) The board may promulgate such rules and regulations as~~
6 ~~are necessary to implement and enforce the provisions of this~~
7 ~~section. [The board may charge the resident a fee to cover the~~
8 ~~cost associated with processing the Internet order.]~~

9 ~~(g.1) On a quarterly basis, a direct wine shipper shall~~
10 ~~provide to the Department of Revenue, with a copy to the board,~~
11 ~~an accounting of the taxes collected pursuant to this section.~~
12 ~~All taxes collected by the direct wine shipper shall be remitted~~
13 ~~to the Department of Revenue on a quarterly basis. All direct~~
14 ~~wine shippers shall provide to the board, the enforcement bureau~~
15 ~~and the Department of Revenue additional information deemed~~
16 ~~necessary to ensure compliance with this section.~~

17 ~~(h) The board shall submit monthly reports to the~~
18 ~~Appropriations Committee and the Law and Justice Committee of~~
19 ~~the Senate and to the Appropriations Committee and the Liquor~~
20 ~~Control Committee of the House of Representatives summarizing~~
21 ~~the number of direct shipper licenses issued by the board, the~~
22 ~~quantity of wine sold pursuant to this section and the total~~
23 ~~dollar value of sales under this section.~~

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

30 ~~(j) Direct wine shipper licenses shall be subject to the~~

1 ~~citation process under section 471.~~

2 ~~(k) A shipment of wine direct to a person in this~~
3 ~~Commonwealth from a person who does not possess a direct wine~~
4 ~~shipper license from the board is prohibited. A person who~~
5 ~~knowingly makes, participates in, transports, imports or~~
6 ~~receives the shipment commits a misdemeanor.~~

7 ~~(l) An applicants for a direct wine shipper license shall~~
8 ~~obtain a tax bond in the amount of one thousand dollars~~
9 ~~(\$1,000).~~

10 Section 33. Section 491 of the act, amended October 5, 1994
11 (P.L.522, No.77), February 21, 2002 (P.L.103, No.10), December
12 9, 2002 (P.L.1653, No.212), July 17, 2003 (P.L.63, No.15),
13 December 22, 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007,
14 No.116), 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 or a wine
23 and spirits retail licensee, to possess or transport any liquor
24 or alcohol within this Commonwealth which was not lawfully
25 acquired prior to January first, one thousand nine hundred and
26 thirty-four, or has not been purchased from a Pennsylvania
27 Liquor Store, a wine and spirits wholesale licensee or a
28 licensed limited winery in Pennsylvania, except in accordance
29 with section 488 or the board's regulations. In addition, it
30 shall be lawful for anyone to possess miniatures totaling less

1 than one gallon purchased in another state or a foreign country.
2 The burden shall be upon the person possessing or transporting
3 such liquor or alcohol to prove that it was so acquired.
4 Notwithstanding this section or any other provision of the law,
5 wine may be produced by any person without a license if the wine
6 is not produced for sale and total production does not exceed
7 two hundred gallons per calendar year. Wine produced in
8 accordance with this clause may be used at organized affairs,
9 exhibitions, competitions, contests, tastings or judgments if it
10 is not sold or offered for 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. The term "package store" as used in this clause shall
2 mean those retail operations located on any of the United States
3 military installations, including an installation of the Army,
4 Navy, Air Force, Marine Corps or Coast Guard.

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

14 Any person violating the provisions of this clause for a
15 first offense involving the possession or transportation in
16 Pennsylvania of any liquor in a package (bottle or other
17 receptacle) or wine not purchased from a Pennsylvania Liquor
18 Store, a wine and spirits wholesale licensee, a wine and spirits
19 retail licensee or from a licensed limited winery in
20 Pennsylvania, with respect to which satisfactory proof is
21 produced that the required Federal tax has been paid and which
22 was purchased, procured or acquired legally outside of
23 Pennsylvania shall upon conviction thereof in a summary
24 proceeding be sentenced to pay a fine of twenty-five dollars
25 (\$25) for each such package, plus costs of prosecution, or
26 undergo imprisonment for a term not exceeding ninety (90) days.
27 Each full quart or major fraction thereof shall be considered a
28 separate package (bottle or other receptacle) for the purposes
29 of this clause. Such packages of liquor shall be forfeited to
30 the Commonwealth in the manner prescribed in Article VI of this

1 act but the vehicle, boat, vessel, animal or aircraft used in
2 the illegal transportation of such packages shall not be subject
3 to forfeiture: Provided, however, That if it is a second or
4 subsequent offense or if it is established that the illegal
5 possession or transportation was in connection with a commercial
6 transaction, then the other provisions of this act providing for
7 prosecution as a misdemeanor and for the forfeiture of the
8 vehicle, boat, vessel, animal or aircraft shall apply.

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

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

23 (5) Failure to Properly Dispose of Empty Liquor Containers.
24 For any restaurant, hotel or club licensee, his servants, agents
25 or employes, to fail to break any package in which liquors were
26 contained, except those decanter packages that the board
27 determines to be decorative, within twenty-four hours after the
28 original contents were removed therefrom, unless the licensee
29 participates in either a municipal recycling program, in
30 accordance with the act of July 28, 1988 (P.L.556, No.101),

1 known as the "Municipal Waste Planning, Recycling and Waste
2 Reduction Act," or a voluntary recycling program. The licensee
3 shall provide proof in writing of the participation in a
4 recycling program upon the demand of the Bureau of Liquor
5 Control Enforcement of the Pennsylvania State Police. The proof
6 of participation shall be provided in a manner as prescribed by
7 the Pennsylvania Liquor Control Board.

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

24 (7) Sales of Liquor by Manufacturers and Licensed Importers.
25 For any manufacturer or licensed importer of liquor in this
26 Commonwealth, his agents, servants or employes, to sell or offer
27 to sell any liquor in this Commonwealth except to the board for
28 use in Pennsylvania Liquor Stores, a wine and spirits wholesale
29 licensee, and in the case of a manufacturer, to the holder of a
30 sacramental wine license or an importer's license.

1 Notwithstanding any other provision of this act, a manufacturer
2 or licensed importer may sell or offer to sell liquor for
3 delivery outside of this Commonwealth.

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

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

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

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

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

1 transport liquor within this Commonwealth.

2 (13) Violation of Certain Rules and Regulations of Board.
3 For any person, to violate any rules and regulations adopted by
4 the board [to insure the equitable] relating to wholesale and
5 retail sale and distribution of liquor and alcohol [through the
6 Pennsylvania Liquor Stores] in accordance with the provisions of
7 this act.

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

16 (15) IMPORTATION OF ALCOHOL FROM OTHER STATES. <--
17 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, IT SHALL NOT BE
18 UNLAWFUL FOR A NONLICENSED RESIDENT OF THIS COMMONWEALTH TO
19 PURCHASE ALCOHOL OUTSIDE OF THIS COMMONWEALTH AND IMPORT THAT
20 ALCOHOL BACK INTO THIS COMMONWEALTH SO LONG AS THE NONLICENSED
21 RESIDENT REMITS ALL APPLICABLE TAXES TO THE DEPARTMENT OF
22 REVENUE. THIS SECTION SHALL NOT APPLY TO ALCOHOL WHICH IS
23 SHIPPED INTO THIS COMMONWEALTH. SECTION 488 SHALL BE THE SOLE
24 LAW GOVERNING THE SHIPMENT OF ALCOHOL INTO THIS COMMONWEALTH.

25 Section 34. Section 492 of the act, amended February 18,
26 1998 (P.L.162, No.25), November 10, 1999 (P.L.514, No.47),
27 December 20, 2000 (P.L.992, No.141), December 9, 2002 (P.L.1653,
28 No.212), January 6, 2006 (P.L.1, No.1) and December 22, 2011
29 (P.L.530, No.113), is amended to read:

30 Section 492. Unlawful Acts Relative to Malt or Brewed

1 Beverages and Licensees.--

2 It shall be unlawful--

3 (1) Manufacturing Without License. Except as provided
4 herein, for any person, to manufacture malt or brewed beverages,
5 unless such person holds a valid manufacturer's license for such
6 purpose issued by the board. Malt or brewed beverages may be
7 produced by any person without a license if such malt or brewed
8 beverages are produced not for sale and total production does
9 not exceed two hundred gallons per calendar year. Malt or brewed
10 beverages produced in accordance with this paragraph may be used
11 at organized affairs, exhibitions, competitions, contests,
12 tastings or judging provided it is not sold or offered for sale.

13 (2) Sales of Malt or Brewed Beverages for Consumption on the
14 Premises. For any person, to sell to another for consumption
15 upon the premises where sold or to permit another to consume
16 upon the premises where sold, any malt or brewed beverages,
17 unless such person holds a valid retail dispenser license or a
18 valid liquor license issued by the board authorizing the sale of
19 malt or brewed beverages for consumption upon such premises.

20 (3) Sales of Malt or Brewed Beverages Not for Consumption on
21 the Premises. For any person, to sell to another any malt or
22 brewed beverages not for consumption upon the premises where
23 sold, unless such person holds a valid license permitting such
24 sale.

25 (5) Sales of Malt or Brewed Beverages by Hotels, Eating
26 Places or Public Service Licensees During Prohibited Hours.--For
27 any hotel or eating place holding a retail dispenser's license,
28 or the servants, agents or employes of such licensees, to sell,
29 trade or barter in malt or brewed beverages between the hours of
30 two o'clock antemeridian Sunday and seven o'clock in the

1 forenoon of the following Monday, or between the hours of two
2 o'clock antemeridian and seven o'clock antemeridian of any week
3 day: Provided, That notwithstanding any provision to the
4 contrary, whenever the thirty-first day of December falls on a
5 Sunday such sales of malt or brewed beverages may be made on
6 such day after one o'clock postmeridian and until two o'clock
7 antemeridian of the following day. For any public service
8 licensee authorized to sell malt or brewed beverages or the
9 servants, agents or employes of such licensees to sell, trade or
10 barter in malt or brewed beverages between the hours of two
11 o'clock antemeridian and seven o'clock antemeridian on any day.

12 (7) Clubs Selling Between Three O'Clock Antemeridian and
13 Seven O'Clock Antemeridian. For any club retail dispenser, or
14 its servants, agents or employes, to sell malt or brewed
15 beverages between the hours of three o'clock antemeridian and
16 seven o'clock antemeridian on any day.

17 (8) Transportation and Importation of Malt or Brewed
18 Beverages. For any person, to transport malt or brewed beverages
19 except in the original containers, or to transport malt or
20 brewed beverages for another who is engaged in selling either
21 liquor or malt or brewed beverages, unless such person shall
22 hold (a) a license to transport for hire, alcohol, liquor and
23 malt or brewed beverages, as hereinafter provided in this act,
24 or (b) shall hold a permit issued by the board and shall have
25 paid to the board such permit fee, as prescribed in section 614-
26 A of the act of April 9, 1929 (P.L.177, No.175), known as "The
27 Administrative Code of 1929," any other law to the contrary
28 notwithstanding. This clause shall not be construed:

29 (i) to prohibit transportation of malt or brewed beverages
30 through this Commonwealth and not for delivery in this

1 Commonwealth if such transporting is done in accordance with the
2 rules and regulations of the board; or

3 (ii) to prohibit railroad and Pullman companies from selling
4 malt or brewed beverages purchased outside this Commonwealth in
5 their dining, club and buffet cars which are covered by public
6 service liquor licenses and which are operated in this
7 Commonwealth.

8 (9) Transportation of Malt or Brewed Beverages by Licensee.
9 For a malt or brewed beverage licensee, to deliver or transport
10 any malt or brewed beverages, excepting in vehicles bearing the
11 name and address and license number of such licensee painted or
12 affixed on each side of such vehicle in letters no smaller than
13 two inches in height and for purposes not prohibited under this
14 act.

15 (11) Delivery of Malt or Brewed Beverages With Other
16 Commodities. For any manufacturer, importing distributor or
17 distributor, or his servants, agents or employes, except with
18 board approval, to deliver or transport any malt or brewed
19 beverages in any vehicle in which any other commodity is being
20 transported.

21 (12) Distributors and Importing Distributors Engaging in
22 Other Business. For any distributor or importing distributor, or
23 his servants, agents or employes, without the approval of the
24 board, and then only in accordance with board regulations, to
25 engage in any other business whatsoever, except the business of
26 distributing malt or brewed beverages, except that the sale of
27 the following goods shall be permitted on the licensed premises
28 of a distributor or importing distributor:

29 (i) Any book, magazine or other publication related to malt
30 or brewed beverages.

1 (ii) Any equipment, ingredients or other supplies necessary
2 for the unlicensed manufacture of malt or brewed beverages as
3 described in paragraph (1), commonly known as "homebrewing."
4 If the holder of a distributor license acquires an enhanced <--
5 distributor license pursuant to section 431.2 or a wine and
6 spirits retail license pursuant to Article III-A for use at its
7 licensed premises, it may engage in the sale of liquor, so long
8 as the licensee meets all of the requirements of this act. If
9 the holder of an importing distributor license acquires a wine
10 and spirits wholesale license pursuant to Article III-A for use
11 at its licensed premises, it may engage in the sale of liquor,
12 so long as the licensee meets all of the requirements of this
13 act. The board shall promulgate regulations consistent with this
14 act governing the sale of any other items by a distributor that
15 acquires an enhanced distributor license or a wine and spirits <--
16 retail license, as well as the sale of other items by an
17 importing distributor that acquires a wine and spirits wholesale
18 license.

19 (13) Possession or Storage of Liquor or Alcohol by Certain
20 Licensees. For any distributor, importing distributor or retail
21 dispenser, or his servants, agents or employes, to have in his
22 possession, or to permit the storage of on the licensed premises
23 or in any place contiguous or adjacent thereto accessible to the
24 public or used in connection with the operation of the licensed
25 premises, any alcohol or liquor. This section may not prohibit a
26 distributor that holds an enhanced distributor license or a wine <--
27 and spirits retail license, or an importing distributor that
28 holds a wine and spirits wholesale license, from possessing or
29 permitting the storage of liquor on the licensed premises used
30 in connection with the operation of the licensed premises.

1 (14) Malt or Brewed Beverage Licensees Dealing in Liquor or
2 Alcohol. For any malt or brewed beverage licensee, other than a
3 distributor that holds an enhanced distributor license or a wine <--
4 and spirits retail license, or an importing distributor that
5 holds a wine and spirits wholesale license, a manufacturer, or
6 the servants, agents or employes thereof, to manufacture,
7 import, sell, transport, store, trade or barter in any liquor or
8 alcohol.

9 (15) Selling to Persons Doing Illegal Business. For any malt
10 or brewed beverage licensee, or his servants, agents or
11 employes, to knowingly sell any malt or brewed beverages to any
12 person engaged in the business of illegally selling liquor or
13 malt or brewed beverages.

14 (16) Distributors and Importing Distributors Failing to Keep
15 Records. For any importing distributor or distributor engaged in
16 the sale of products, other than malt or brewed beverages, to
17 fail to keep such complete separate records covering in every
18 respect his transactions in malt or brewed beverages as the
19 board shall by regulation require.

20 (17) Fortifying, Adulterating or Contaminating Malt or
21 Brewed Beverages. For any person, to fortify, adulterate,
22 contaminate, or in any wise to change the character or purity
23 of, the malt or brewed beverages from that as originally
24 marketed by the manufacturer at the place of manufacture.

25 (18) Coercing Distributors and Importing Distributors. For
26 any manufacturer or any officer, agent or representative of any
27 manufacturer to coerce or persuade or attempt to coerce or
28 persuade any person licensed to sell or distribute malt or
29 brewed beverages at wholesale or retail to establish selling
30 prices for its products or to enter into any contracts or

1 agreements, whether written or oral, or take any action which
2 will violate or tend to violate any provisions of this act or
3 any of the rules or regulations promulgated by the board
4 pursuant thereto.

5 (19) Modifying or Terminating Distributing Rights Agreement.

6 For any manufacturer or any officer, agent or representative of
7 any manufacturer to modify, cancel, terminate, rescind or not
8 renew, without good cause, any distributing rights agreement,
9 and in no event shall any modification, cancellation,
10 termination, rescission or nonrenewal of any distributing rights
11 agreement become effective for at least ninety (90) days after
12 written notice of such modification, cancellation, termination,
13 rescission or intention not to renew has been served on the
14 affected party and board by certified mail, return receipt
15 requested, except by written consent of the parties to the
16 agreement. The notice shall state all the reasons for the
17 intended modification, termination, cancellation, rescission or
18 nonrenewal. The distributor or importing distributor holding
19 such agreement shall have ninety (90) days in which to rectify
20 any claimed deficiency, or challenge the alleged cause.

21 If the deficiency shall be rectified within ninety (90) days
22 of notice, then the proposed modification, termination,
23 cancellation, rescission or nonrenewal shall be null and void
24 and without legal effect.

25 If the notice states as one of the reasons for the intended
26 modification, cancellation, termination, rescission or renewal
27 that the importing distributor or distributor's equipment or
28 warehouse requires major changes or additions, then if the
29 distributor or importing distributor shall have taken some
30 positive action to comply with the required changes or

1 additions, the distributor or importing distributor shall have
2 deemed to have complied with the deficiency as set forth in the
3 notice. The notice provisions of this section shall not apply if
4 the reason for termination, cancellation or nonrenewal is
5 insolvency, assignment for the benefit of creditors, bankruptcy,
6 liquidation, fraudulent conduct in its dealings with the
7 manufacturer, revocation or suspension for more than a thirty
8 (30) day period of the importing distributor or distributor
9 license.

10 (20) Interference with Transfer of License, Business or
11 Franchise. (i) For any manufacturer to interfere with or prevent
12 any distributor or importing distributor from selling or
13 transferring his license, business or franchise, whether before
14 or after notice of modification, cancellation, termination,
15 rescission or nonrenewal has been given, provided the proposed
16 purchaser of the business of the distributor or importing
17 distributor meets the material qualifications and standards
18 required of the manufacturers other distributors or importing
19 distributors; (ii) if the proposed transfer of the distributor
20 or importing distributor's business is to a surviving spouse or
21 adult child, the manufacturer shall not, for any reason,
22 interfere with, or prevent, the transfer of the distributor or
23 importing distributor's license, business or franchise. Any
24 subsequent transfer by surviving spouse or adult child shall
25 thereafter be subject to the provisions of subclause (i) above.

26 (21) Inducing or Coercing Distributors or Importing
27 Distributors to Accept Unordered Products or Commit Illegal
28 Acts. For any manufacturer to compel or attempt to compel any
29 distributor or importing distributor to accept delivery of any
30 malt or brewed beverages or any other commodity which shall not

1 have been ordered by the distributor or importing distributor,
2 or to do any illegal act by any means whatsoever including, but
3 not limited to, threatening to amend, cancel, terminate, rescind
4 or refuse to renew any agreement existing between manufacturer
5 and the distributor or importing distributor, or to require a
6 distributor or importing distributor to assent to any condition,
7 stipulation or provision limiting the distributor or importing
8 distributor in his right to sell the products of any other
9 manufacturer.

10 Section 35. Section 492.1 of the act, amended January 6,
11 2006 (P.L.1, No.1) and December 22, 2011 (P.L.530, No.113), is
12 amended to read:

13 Section 492.1. Hours of Operation Relative to Manufacturers,
14 Importing Distributors and Distributors.--(a) Manufacturers may
15 sell or deliver malt or brewed beverages between two o'clock
16 antemeridian of any Monday and twelve o'clock midnight of the
17 following Saturday.

18 (b) (1) Importing distributors and distributors may sell or
19 deliver malt or brewed beverages between two o'clock
20 antemeridian of any Monday and twelve o'clock midnight of the
21 following Saturday to holders of a liquor or malt and brewed
22 beverage license or permit issued by the board.

23 (2) Importing distributors and distributors may sell or
24 deliver malt or brewed beverages between eight o'clock
25 antemeridian and [eleven o'clock postmeridian of any] two
26 o'clock antemeridian of the following day, except Sunday, to
27 persons not licensed or permitted by this act.

28 (c) In addition to the hours authorized under subsections
29 (a) and (b), manufacturers, importing distributors and
30 distributors, upon purchasing a permit from the board at an

1 annual fee of one hundred dollars (\$100) UNLESS THE APPLICANT <--
2 FOR THE PERMIT IS A DISTRIBUTOR THAT HOLDS A WINE AND SPIRITS
3 RETAIL LICENSE, IN WHICH INSTANCE ARTICLE III-A GOVERNS, may
4 sell malt or brewed beverages to persons not licensed under this
5 act or to a holder of a special occasion permit on Sunday
6 between the hours of nine o'clock antemeridian and [nine o'clock
7 postmeridian] two o'clock antemeridian on Monday.

8 (d) In addition to the hours authorized under subsections
9 (a) and (b), delivery or receiving of malt or brewed beverages
10 shall be permissible on Sunday after prior arrangement in
11 accordance with the following:

12 (1) A manufacturer may, at any time, deliver to any
13 importing distributor or distributor to which the manufacturer
14 has granted wholesale distribution rights for the manufacturer's
15 product.

16 (2) An importing distributor or distributor may deliver to
17 any organization to which a special occasion permit has been
18 issued between the hours of nine o'clock antemeridian and twelve
19 o'clock noon.

20 (3) An importing distributor or distributor may deliver to
21 persons not licensed under this act between the hours of nine
22 o'clock antemeridian and twelve o'clock noon.

23 (e) Notwithstanding any provision of this section to the
24 contrary, a brewery pub operating under section 446 shall be
25 subject to the hours of operation set forth by the board through
26 regulation.

27 (f) The term "prior arrangement" shall mean that malt or
28 brewed beverages having a total sale price, excluding any
29 deposits or credits, exceeding two hundred fifty dollars (\$250)
30 have been ordered, invoiced and paid for in full at the seller's

1 licensed premises before the Sunday of delivery.

2 Section 36. Section 493 of the act, amended December 7, 1990
3 (P.L.622, No.160), October 5, 1994 (P.L.537, No.80), June 18,
4 1998 (P.L.664, No.86), February 21, 2002 (P.L.103, No.10),
5 December 9, 2002 (P.L.1653, No.212), May 8, 2003 (P.L.1, No.1),
6 December 8, 2004 (P.L.1810, No.239), July 6, 2005 (P.L.135,
7 No.39), January 6, 2006 (P.L.1, No.1), July 7, 2006 (P.L.584,
8 No.84), November 29, 2006 (P.L.1421, No.155), July 16, 2007
9 (P.L.107, No.34), June 28, 2011 (P.L.55, No.11), December 22,
10 2011 (P.L.530, No.113) and July 5, 2012 (P.L.1007, No.116), is
11 amended to read:

12 Section 493. Unlawful Acts Relative to Liquor, Malt and
13 Brewed Beverages and Licensees.--The term "licensee," when used
14 in this section, shall mean those persons licensed under [the
15 provisions of Article IV] Article III-A or this article, unless
16 the context clearly indicates otherwise.

17 It shall be unlawful--

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

1 intemperate habits unless the person sold, furnished or given
2 alcohol is visibly intoxicated or is a minor.

3 (2) Purchase or Sale of Liquor or Malt or Brewed Beverages
4 on Credit; Importing Distributors or Distributors Accepting
5 Cash. For any licensee, his agent, servant or employe, to sell
6 or offer to sell or purchase or receive any liquor or malt or
7 brewed beverages except for cash, excepting credit extended by a
8 hotel or club to a bona fide guest or member, or by railroad or
9 pullman companies in dining, club or buffet cars to passengers,
10 for consumption while enroute, holding authorized credit cards
11 issued by railroad or railroad credit bureaus or by hotel,
12 restaurant, retail dispenser eating place, club and public
13 service licensees, importing distributors or distributors to
14 customers not possessing a license under this article and
15 holding credit cards issued in accordance with regulations of
16 the board or credit cards issued by banking institutions subject
17 to State or Federal regulation: Provided further, That nothing
18 herein contained shall be construed to prohibit the use of
19 checks or drafts drawn on a bank, banking institution, trust
20 company or similar depository, organized and existing under the
21 laws of the United States of America or the laws of any state,
22 territory or possession thereof, in payment for any liquor or
23 malt or brewed beverages if the purchaser is the payor of the
24 check or draft and the licensee is the payee: Provided further,
25 That notwithstanding any other provision of this act to the
26 contrary, it shall be unlawful for an importing distributor or
27 distributor to accept cash for payment of any malt or brewed
28 beverages from anyone possessing a license issued under this
29 article, except it shall be permissible for the importing
30 distributor or distributor to accept credit cards, money orders

1 or cashiers' checks for payment of any malt or brewed beverages
2 in addition to any other type of payment authorized by the board
3 from anyone possessing a license under this article. No right of
4 action shall exist to collect any claim for credit extended
5 contrary to the provisions of this clause. Nothing herein
6 contained shall prohibit a licensee from crediting to a
7 purchaser the actual price charged for original containers
8 returned by the original purchaser as a credit on any sale, or
9 from refunding to any purchaser the amount paid by such
10 purchaser for such containers or as a deposit on containers when
11 title is retained by the vendor, if such original containers
12 have been returned to the licensee. Nothing herein contained
13 shall prohibit a manufacturer from extending usual and customary
14 credit for liquor or malt or brewed beverages sold to customers
15 or purchasers who live or maintain places of business outside of
16 the Commonwealth of Pennsylvania, when the liquor or malt or
17 brewed beverages so sold are actually transported and delivered
18 to points outside of the Commonwealth: Provided, however, That
19 as to all transactions affecting malt or brewed beverages to be
20 resold or consumed within this Commonwealth, every licensee
21 shall pay and shall require cash deposits on all returnable
22 original containers and all such cash deposits shall be refunded
23 upon return of the original containers.

24 (4) Peddling Liquor or Malt or Brewed Beverages. For any
25 person, to hawk or peddle any liquor or malt or brewed beverages
26 in this Commonwealth.

27 (5) Failure to Have Brands as Advertised. For any licensee,
28 his servants, agents or employes, to advertise or hold out for
29 sale any liquor or malt or brewed beverages by trade name or
30 other designation which would indicate the manufacturer or place

1 of production of the said liquor or malt or brewed beverages,
2 unless he shall actually have on hand and for sale a sufficient
3 quantity of the particular liquor or malt or brewed beverages so
4 advertised to meet requirements to be normally expected as a
5 result of such advertisement or offer.

6 (6) Brand or Trade Name on Spigot. For any licensee, his
7 agents, servants or employes, to furnish or serve any malt or
8 brewed beverages from any faucet, spigot or other dispensing
9 apparatus, unless the trade name or brand of the product served
10 shall appear in full sight of the customer and in legible
11 lettering upon such faucet, spigot or dispensing apparatus.

12 (7) Alcoholic Strength on Label of Malt or Brewed Beverages.
13 For any licensee, or his servants, agents or employes, to
14 transport, sell, deliver or purchase any malt or brewed
15 beverages upon which there shall appear a label or other
16 informative data which refers to the alcoholic contents of the
17 malt or brewed beverage in any terms other than as a percentage
18 of alcohol by volume. This clause shall be construed to permit,
19 but not to require, a manufacturer to designate upon the label
20 or descriptive data the alcoholic content of malt or brewed
21 beverages in percentage of alcohol by volume. This clause shall
22 not be construed to prohibit a manufacturer from designating
23 upon the label or descriptive data the alcoholic content of malt
24 or brewed beverages intended for shipment into another state or
25 territory, when the laws of such state or territory require that
26 the alcoholic content of the malt or brewed beverage must be
27 stated upon the package.

28 (8) Advertisements on Labels Giving Alcoholic Content of
29 Malt or Brewed Beverages. For any manufacturer or other
30 licensee, or his servants, agents or employes, to issue, publish

1 or post, or cause to be issued, published or posted, any
2 advertisement of any malt or brewed beverage including a label
3 which shall refer in any manner to the alcoholic strength of the
4 malt or brewed beverage manufactured, sold or distributed by
5 such licensees, or to use in any advertisement or label such
6 words as "full strength," "extra strength," "high test," "high
7 proof," "pre-war strength," or similar words or phrases, which
8 would lead or induce a consumer to purchase a brand of malt or
9 brewed beverage on the basis of its alcoholic content, or to use
10 in or on any advertisement or label any numeral, unless
11 adequately explained in type of the same size, prominence and
12 color, or for any licensee to purchase, transport, sell or
13 distribute any malt or brewed beverage advertised or labeled
14 contrary to the provisions of this clause.

15 (10) Entertainment on Licensed Premises (Except Clubs);
16 Permits; Fees. For any licensee, his servants, agents or
17 employes, except club licensees, public venue licensees or
18 performing arts facility licensees, to permit in any licensed
19 premises or in any place operated in connection therewith,
20 dancing, theatricals or floor shows of any sort, or moving
21 pictures other than television, or such as are exhibited through
22 machines operated by patrons by the deposit of coins, which
23 project pictures on a screen not exceeding in size twenty-four
24 by thirty inches and which forms part of the machine, unless the
25 licensee shall first have obtained from the board a special
26 permit to provide such entertainment, or for any licensee, under
27 any circumstances, to permit in any licensed premises or in any
28 place operated in connection therewith any lewd, immoral or
29 improper entertainment, regardless of whether a permit to
30 provide entertainment has been obtained or not. The special

1 permit may be used only during the hours when the sale of liquor
2 or malt or brewed beverages is permitted, unless the licensee
3 holds an extended hours food license under section 499(b) which
4 license would allow the special permit to be used while the
5 establishment is open, and between eleven o'clock antemeridian
6 on Sunday and two o'clock antemeridian on the following Monday,
7 regardless of whether the licensee possesses a Sunday sales
8 permit. The board shall have power to provide for the issue of
9 such special permits, and to collect an annual fee for such
10 permits as prescribed in section 614-A of the act of April 9,
11 1929 (P.L.177, No.175), known as "The Administrative Code of
12 1929." All such fees shall be paid into the State Stores Fund.
13 No such permit shall be issued in any municipality which, by
14 ordinance, prohibits amusements in licensed places. Any
15 violation of this clause shall, in addition to the penalty
16 herein provided, subject the licensee to suspension or
17 revocation of his permit and his license.

18 (11) Licensees Employed by Others. For any hotel, restaurant
19 or club liquor licensee, or any malt or brewed beverage
20 licensee, or any officer, servant, agent or employe of such
21 licensee, to be at the same time employed, directly or
22 indirectly, by any distributor, importing distributor,
23 manufacturer, importer or vendor licensee or any out of State
24 manufacturer. It shall also be unlawful for any distributor or
25 importing distributor, or any officer, servant, agent or employe
26 of such licensee, to be at the same time employed, directly or
27 indirectly, by any other distributor, importing distributor,
28 manufacturer, importer, vendor, out of State manufacturer, hotel
29 restaurant, malt or brewed beverage licensee, or club liquor
30 licensee. It shall also be unlawful for any manufacturer,

1 importer, or vendor licensee, or any out of State manufacturer,
2 or any officer, servant, agent or employe of such licensee or
3 manufacturer, to be at the same time employed, directly or
4 indirectly, by any hotel, restaurant or club liquor licensee or
5 any malt or brewed beverage licensee or any distributor or
6 importing distributor licensee. Nothing in this subsection shall
7 be construed to prohibit a manufacturer or limited winery
8 licensee, or any officer, servant, agent or employe of such
9 licensee, to be employed at the same time by a hotel, restaurant
10 or retail dispenser licensee if the hotel, restaurant or retail
11 dispenser licensee is located at the manufacturer or limited
12 winery premises pursuant to section 443. For the purposes of
13 this subsection, an officer, servant, agent or employe of a
14 licensee or manufacturer is an individual who has either an
15 ownership interest in the licensee or manufacturer or who
16 receives compensation for his or her work on behalf of the
17 licensee or manufacturer.

18 (12) Failure to Have Records on Premises. For any liquor
19 licensee, or any importing distributor, distributor or retail
20 dispenser, to fail to keep for a period of at least two years
21 complete and truthful records covering the operation of his
22 licensed business, particularly showing the date of all
23 purchases of liquor and malt or brewed beverages, the actual
24 price paid therefor, and the name of the vendor, including State
25 Store receipts, or for any licensee, his servants, agents or
26 employes, to refuse the board or an authorized employe of the
27 board or the enforcement bureau access thereto or the
28 opportunity to make copies of the same when the request is made
29 during business hours. The records from the most recent six-
30 month period must be maintained on the licensed premises.

1 Records for the remainder of the two-year period may be kept off
2 the licensed premises so long as the records are returned to the
3 licensed premises within twenty-four hours of a request by the
4 board or enforcement bureau. A licensee may remove the records
5 for the most recent six-month period from the licensed premises
6 only for a lawful business purpose provided that they are
7 returned to the premises when that business is completed.

8 (13) Retail Licensees Employing Minors. For any hotel,
9 restaurant or club liquor licensee, or any retail dispenser, to
10 employ or to permit any minor under the age of eighteen to serve
11 any alcoholic beverages or to employ or permit any minor under
12 the age of sixteen to render any service whatever in the
13 licensed premises, nor shall any entertainer under the age of
14 eighteen be employed or permitted to perform in any licensed
15 premises in violation of the labor laws of this Commonwealth:
16 Provided, That in accordance with board regulations minors
17 between the ages of sixteen and eighteen may be employed to
18 serve food, clear tables and perform other similar duties, not
19 to include the dispensing or serving of alcoholic beverages. A
20 ski resort, golf course or amusement park licensee may employ
21 minors fourteen and fifteen years of age to perform duties in
22 rooms or areas of the licensed premises; however, such minors
23 may not perform duties in rooms or areas in which alcohol is
24 being concurrently dispensed or served or in which alcohol is
25 being concurrently stored in an unsecured manner.
26 Notwithstanding any provisions of law to the contrary, a hotel,
27 restaurant or club liquor licensee or any retail dispenser may
28 allow students receiving instruction in a performing art to
29 perform an exhibition if the students are not compensated and
30 are under proper supervision. Written notice of the performance

1 must be provided to the enforcement bureau prior to the
2 performance.

3 (14) Permitting Undesirable Persons or Minors to Frequent
4 Premises. For any hotel, restaurant or club liquor licensee, or
5 any retail dispenser, his servants, agents or employes, to
6 permit persons of ill repute or prostitutes to frequent his
7 licensed premises or any premises operated in connection
8 therewith. Minors may only frequent licensed premises if: (a)
9 they are accompanied by a parent; (b) they are accompanied by a
10 legal guardian; (c) they are under proper supervision; (d) they
11 are attending a social gathering; or (e) the hotel, restaurant
12 or retail dispenser licensee has gross sales of food and
13 nonalcoholic beverages equal to fifty per centum or more of its
14 combined gross sale of both food and alcoholic beverages. If a
15 minor is frequenting a hotel, restaurant or retail dispenser
16 licensee under subsection (e), then the minor may not sit at the
17 bar section of the premises, nor may any alcoholic beverages be
18 served at the table or booth at which the said minor is seated
19 unless said minor is with a parent, legal guardian or under
20 proper supervision. Further, if a hotel, restaurant, club liquor
21 licensee or retail dispenser is hosting a social gathering under
22 subsection (d), then written notice at least forty-eight hours
23 in advance of such gathering shall be given to the Bureau of
24 Enforcement. If a minor is frequenting licensed premises with
25 proper supervision under subsection (c), each supervisor can
26 supervise up to twenty minors, except for premises located in
27 cities of the first class, where each supervisor can supervise
28 up to five minors. Notwithstanding any other provisions of this
29 section, if the minors are on the premises as part of a school-
30 endorsed function, then each supervisor can supervise fifty

1 minors. Nothing in this clause shall be construed to make it
2 unlawful for minors to frequent public venues or performing arts
3 facilities.

4 (15) Cashing Pay Roll, Public Assistance, Unemployment
5 Compensation or Any Other Relief Checks. For any licensee or his
6 servants, agents or employes to cash pay roll checks or to cash,
7 receive, handle or negotiate in any way Public Assistance,
8 Unemployment Compensation or any other relief checks.

9 (16) Furnishing or Delivering Liquor or Malt or Brewed
10 Beverages at Unlawful Hours. For any licensee, his servants,
11 agents or employes, to give, furnish, trade, barter, serve or
12 deliver any liquor or malt or brewed beverages to any person
13 during hours or on days when the licensee is prohibited by this
14 act from selling liquor or malt or brewed beverages.

15 (17) Licensees, etc., Interested or Employed in
16 Manufacturing or Sale of Equipment or Fixtures. For any
17 licensee, or any officer, director, stockholder, servant, agent
18 or employe of any licensee, to own any interest, directly or
19 indirectly, in or be employed or engaged in any business which
20 involves the manufacture or sale of any equipment, furnishings
21 or fixtures to any hotel, restaurant or club licensees, or to
22 any importing distributors, distributors or retail dispensers.
23 Notwithstanding any other provision of this section or this act,
24 licensees may sell glasses at not less than cost and to provide
25 metal keg connectors and tap knobs to other licensees and to
26 holders of special occasion permits.

27 (20) (i) Retail Liquor and Retail Malt or Brewed Beverages
28 Licensee's Inside Advertisements. For any retail liquor or
29 retail malt or brewed beverages licensee, to display or permit
30 the display in the show window or doorways of his licensed

1 premises, any placard or sign advertising the brands of liquor
2 or malt or brewed beverages, if the total display area of any
3 such placard or sign advertising the product or products exceeds
4 six hundred square inches. Nothing herein shall prohibit a
5 licensee from displaying inside his licensed premises point of
6 sale displays advertising brand names of products sold by him,
7 other than a window or door display: Provided, That the total
8 cost of all such point of sale advertising matter relating to
9 any one brand shall not exceed the dollar amount set forth by
10 the board through regulation. All such advertising material,
11 including the window and door signs, may be furnished by a
12 manufacturer, distributor or importing distributor. The
13 restrictions on advertising set forth in subclause (ii) and in
14 clauses (20.1) and (20.2) shall also apply to this subclause.

15 (ii) Cooperative Advertising. No distributor or importing
16 distributor, directly or indirectly, independent or otherwise,
17 shall, except by prior written agreement, be required to
18 participate with a manufacturer in the purchase of any
19 advertising of a brand name product in any name, in any form,
20 whether it be radio, television, newspaper, magazine or
21 otherwise.

22 (20.1) Manufacturer Shall Not Require Advertising. For a
23 manufacturer to require a distributor or importing distributor
24 to purchase any type of advertising.

25 (20.2) Advertising Shall Be Ordered and Authorized in
26 Advance. For any advertising to be done on behalf of a
27 distributor or importing distributor which was not ordered and
28 authorized in advance by the distributor or importing
29 distributor.

30 (21) Refusing The Right of Inspection. For any licensee, or

1 his servants, agents or employes, to refuse the board or the
2 enforcement bureau or any of their authorized employes the right
3 to inspect completely the entire licensed premises at any time
4 during which the premises are open for the transaction of
5 business, or when patrons, guests or members are in that portion
6 of the licensed premises wherein either liquor or malt or brewed
7 beverages are sold.

8 (22) Allowance or Rebate to Induce Purchases. For any
9 licensee, or his servants, agents or employes, to offer, pay,
10 make or allow, or for any licensee, or his servants, agents or
11 employes, to solicit or receive any allowance or rebate, refunds
12 or concessions, whether in the form of money or otherwise, to
13 induce directly the purchase of liquor or malt or brewed
14 beverages.

15 (23) Money or Valuables Given to Employes to Influence
16 Actions of Their Employers. For any licensee, or any agent,
17 employe or representative of any licensee, to give or permit to
18 be given, directly or indirectly, money or anything of
19 substantial value, in an effort to induce agents, employes or
20 representatives of customers or prospective customers to
21 influence their employer or principal to purchase or contract to
22 purchase liquor or malt or brewed beverages from the donor of
23 such gift, or to influence such employers or principals to
24 refrain from dealing or contracting to deal with other
25 licensees.

26 (24) (i) Things of Value Offered as Inducement. Except as
27 provided in subclause (ii), for any licensee under the
28 provisions of this article, or the board or any manufacturer, or
29 any employe or agent of a manufacturer, licensee or of the
30 board, to offer to give anything of value or to solicit or

1 receive anything of value as a premium for the return of caps,
2 stoppers, corks, stamps or labels taken from any bottle, case,
3 barrel or package containing liquor or malt or brewed beverage,
4 or to offer or give or solicit or receive anything of value as a
5 premium or present to induce directly the purchase of liquor or
6 malt or brewed beverage, or for any licensee, manufacturer or
7 other person to offer or give to trade or consumer buyers any
8 prize, premium, gift or other inducement to purchase liquor or
9 malt or brewed beverages, except advertising novelties of
10 nominal value which the board shall define. This section shall
11 not prevent any manufacturer or any agent of a manufacturer from
12 offering and honoring coupons which offer monetary rebates on
13 purchases of wines and spirits through State Liquor Stores or
14 the holder of a wine and spirits retail license, enhanced <--
15 distributor license, big box retail store license, OR grocery <--
16 store license or pharmacy license, or purchases of malt or <--
17 brewed beverages through big box retail stores, distributors and <--
18 importing distributors in accordance with conditions or
19 regulations established by the board. The board or the holder of
20 a wine and spirits retail license, enhanced distributor license, <--
21 big box retail store license, OR grocery store license or <--
22 pharmacy license may redeem coupons offered by a manufacturer or
23 an agent of a manufacturer at the time of purchase. Coupons
24 offered by a manufacturer or an agent of a manufacturer shall
25 not be redeemed without proof of purchase. This section shall
26 not apply to the return of any monies specifically deposited for
27 the return of the original container to the owners thereof.

28 (ii) Notwithstanding subclause (i) or any other provision of
29 law, a holder of a restaurant license that is also approved to
30 hold a slot machine license or a conditional slot machine

1 license under 4 Pa.C.S. Part II (relating to gaming) may give
2 liquor and malt or brewed beverages free of charge to any person
3 actively engaged in playing a slot machine.

4 (iii) Notwithstanding subclause (i) or any other provision
5 of law, the holder of a wine and spirits retail license may
6 establish and implement a consumer relations marketing program
7 for the purpose of offering incentives, such as coupons or
8 discounts on certain products, which may be conditioned on the
9 purchase of liquor by its customers.

10 (25) Employment in Licensed Places. For any licensee or his
11 agent, to employ or permit the employment of any person at his
12 licensed hotel, restaurant or eating place for the purpose of
13 enticing customers, or to encourage them to drink liquor, or
14 make assignments for improper purposes.

15 Any person violating the provisions of this clause shall be
16 guilty of a misdemeanor and, upon conviction of the same, shall
17 be sentenced to pay a fine of not less than one hundred dollars
18 (\$100), nor more than five hundred dollars (\$500), for each and
19 every person so employed, or undergo an imprisonment of not less
20 than three (3) months, nor more than one (1) year, or either or
21 both, at the discretion of the court having jurisdiction of the
22 case. The administrative law judge shall have the power to
23 revoke or refuse licenses for violation of this clause.

24 (26) Worthless Checks. For any retail liquor licensee or any
25 retail dispenser, distributor or importing distributor, to make,
26 draw, utter, issue or deliver, or cause to be made, drawn,
27 uttered, issued or delivered, any check, draft or similar order,
28 for the payment of money in payment for any purchase of malt or
29 brewed beverages, when such retail liquor licensee, retail
30 dispenser, distributor or importing distributor, has not

1 sufficient funds in, or credit with, such bank, banking
2 institution, trust company or other depository, for the payment
3 of such check. Any person who is a licensee under the provisions
4 of this article, who shall receive in payment for malt or brewed
5 beverages sold by him any check, draft or similar order for the
6 payment of money, which is subsequently dishonored by the bank,
7 banking institution, trust company or other depository, upon
8 which drawn, for any reason whatsoever, shall, within five days
9 of receipt of notice of such dishonor, notify by certified mail
10 the person who presented the said worthless check, draft or
11 similar order and the malt beverage compliance officer for the
12 board. If the violation of this clause involving a check, draft
13 or similar order from the purchaser to the seller is
14 subsequently honored within ten days from the day it was made,
15 drawn, uttered, issued or delivered, then the malt beverage
16 compliance officer shall not turn the matter over to the
17 enforcement bureau for a citation.

18 (27) Distributors and Importing Distributors Employing
19 Minors. For any distributor or importing distributor to employ
20 minors under the age of eighteen but persons eighteen and over
21 may be employed to sell and deliver malt and brewed beverages. A
22 distributor holding an enhanced distributor license may employ a <--
23 minor at least eighteen years of age to sell wine, but a
24 distributor holding a wine and spirits retail license may not
25 employ a person under the age of twenty-one to sell liquor.

26 (28) Consumption of Liquor or Malt or Brewed Beverages While
27 Tending Bar. For any licensee, his servants, agents or employes,
28 to consume liquor or malt or brewed beverages while tending bar
29 or otherwise serving liquor or malt or brewed beverages. No
30 action shall be taken against a licensee under this clause

1 unless the licensee is the individual consuming liquor or malt
2 or brewed beverages in violation of this clause.

3 (30) Pyrotechnics Prohibited. For any licensee, his
4 servants, agents or employes, except licensees where pyrotechnic
5 displays are performed by a pyrotechnic operator licensed by the
6 Bureau of Alcohol, Tobacco, Firearms and Explosives and are
7 approved by a municipal fire official, to store, handle, use or
8 display any pyrotechnics within a building on the licensed
9 premises. For purposes of this clause, "pyrotechnics" shall mean
10 any chemical mixture, including pyrotechnic compositions,
11 intended to produce a visible or audible effect by combustion,
12 deflagration or detonation as defined by section 1.5.52 of the
13 National Fire Protection Association Standard 1126 entitled
14 "Standard for the Use of Pyrotechnics before a Proximate
15 Audience," 1992 Edition.

16 (31) (i) Sale or Purchase of Controlled Substance or Drug
17 Paraphernalia by Licensee. For any licensee to possess, furnish,
18 sell, offer to sell, or purchase or receive, or aid and abet in
19 the sale or purchase of any controlled substance or drug
20 paraphernalia, as defined in the act of April 14, 1972 (P.L.233,
21 No.64), known as "The Controlled Substance, Drug, Device and
22 Cosmetic Act," on the licensed premises unless the actions of
23 the licensee are authorized by law.

24 (ii) Sale or Purchase of Controlled Substances or Drug
25 Paraphernalia by Servant, Agent or Employe of the Licensee. For
26 any servants, agents or employes of the licensee to possess,
27 furnish, sell, offer to sell or purchase or receive, or aid and
28 abet in the sale or purchase of any controlled substance or drug
29 paraphernalia, as defined in "The Controlled Substance, Drug,
30 Device and Cosmetic Act," on the licensed premises unless the

1 actions of the person are authorized by law. The licensee shall
2 only be cited for a violation of this subclause if the licensee
3 knew or should have known of the activity and failed to take
4 substantial affirmative steps to prevent the activity on its
5 premises.

6 (32) Sale or Purchase of Alcohol Vaporizing Devices. For any
7 licensee, his servants or agents or employees to possess or to
8 permit an alcohol vaporizing device on the licensed premises.

9 (33) Off-premises Catering Permit; Fees. For any licensee,
10 his servants, agents or employees to sell alcohol at a location
11 other than its licensed premises, unless the sale is
12 specifically authorized under this act, or unless the licensee
13 receives a special permit from the board to do so. Only those
14 licensees holding a current and valid restaurant, hotel, brew
15 pub or eating place license shall be allowed to apply for such a
16 permit. Any licensee that wishes to obtain an off-premises
17 catering permit must notify the board and pay the permitting fee
18 by March of each calendar year regardless of whether the
19 licensee has scheduled catered events. Any licensee that fails
20 to notify the board and pay the permit fee by March 1 shall be
21 precluded from obtaining the permit for that calendar year. If a
22 licensee notifies the board and pays the permitting fee by March
23 1 and does not then use the permit throughout the calendar year,
24 the licensee shall not be entitled to a return of the permitting
25 fee. Any licensee not granted a license until after March 1 of
26 the calendar year shall have sixty days from the date of the
27 license transfer to notify the board of the licensee's intention
28 to use an off-premises catering permit and pay the permitting
29 fee. All servers at the off-premises catered function shall be
30 certified under the board's responsible alcohol management

1 program as required under section 471.1. The board may charge a
2 fee of five hundred dollars (\$500) each calendar year, to each
3 applicant for the initial permit associated with a particular
4 license, but no further fee shall be charged for any subsequent
5 permits issued to the applicant for the license during the same
6 calendar year. The applicant shall submit written notice to the
7 board thirty days prior to each catered event, unless this time
8 frame has been waived by the board, and the board may approve or
9 disapprove each event if the applicant fails to provide timely
10 notice of the catered function, does not intend to conduct a
11 function that meets the requirements of this act or has
12 previously conducted a function that did not meet the
13 requirements of this act. The fees shall be paid into the State
14 Stores Fund. Any violation of this act or the board's
15 regulations for governing activity occurring under the authority
16 of this permit may be the basis for the issuance of a citation
17 under section 471, the nonrenewal of the license under section
18 470 or the refusal by the board to issue subsequent permits or
19 honor subsequent dates on the existing permit. This penalty
20 shall be in addition to any other remedies available to the
21 enforcement bureau or the board.

22 (34) Noise. Notwithstanding any law or regulation to the
23 contrary, a licensee may not use or permit to be used inside or
24 outside of the licensed premises a loudspeaker or similar device
25 whereby the sound of music or other entertainment, or the
26 advertisement thereof, can be heard beyond the licensee's
27 property line; however, any licensee that is located in an area
28 which is subject to an exemption from the board's regulation
29 regarding amplified music being heard off the licensed premises
30 shall be exempt from compliance with this paragraph until the

1 expiration of the board's order granting the exemption. The
2 board's regulation regarding amplified music being heard off the
3 licensed premises is otherwise superseded by this paragraph.

4 (35) WINE-TO-GO PERMIT AND FEES. FOR ANY LICENSEE, HIS <--
5 SERVANTS, AGENTS OR EMPLOYES TO SELL UNOPENED BOTTLES OF WINE
6 FOR CONSUMPTION OFF THE LICENSED PREMISES, UNLESS THE SALE IS
7 SPECIFICALLY AUTHORIZED UNDER THIS ACT, OR UNLESS THE LICENSEE
8 RECEIVES A SPECIAL PERMIT FROM THE BOARD TO DO SO. ONLY THOSE
9 LICENSEES HOLDING A CURRENT AND VALID HOTEL OR RESTAURANT
10 LICENSE SHALL BE ALLOWED TO APPLY FOR SUCH A PERMIT. ANY
11 LICENSEE THAT WISHES TO OBTAIN A WINE-TO-GO PERMIT MUST MAKE
12 APPLICATION TO THE BOARD ON A FORM PRESCRIBED BY THE BOARD AND
13 PAY THE PERMITTING FEES. THE BOARD MAY CHARGE A FEE OF FIVE
14 HUNDRED DOLLARS (\$500) PER CALENDAR YEAR TO EACH APPLICANT FOR
15 THIS PERMIT. THE FEES SHALL BE PAID INTO THE STATE STORES FUND.
16 ANY VIOLATION OF THIS ACT OR THE BOARD'S REGULATIONS FOR
17 GOVERNING ACTIVITY OCCURRING UNDER THE AUTHORITY OF THIS PERMIT
18 MAY BE THE BASIS FOR THE ISSUANCE OF A CITATION UNDER SECTION
19 471, THE NONRENEWAL OF THE LICENSE UNDER SECTION 470 OR THE
20 REFUSAL BY THE BOARD TO ISSUE SUBSEQUENT PERMITS OR HONOR
21 SUBSEQUENT DATES ON THE EXISTING PERMIT. THE PENALTY SHALL BE IN
22 ADDITION TO ANY OTHER REMEDIES AVAILABLE TO THE ENFORCEMENT
23 BUREAU OR THE BOARD.

24 ~~(35) (36) Grocery stores, big box retail stores, convenience~~ <--
25 ~~stores and pharmacies employing minors. For any servant, agent~~
26 ~~or employe of a grocery store, big box retail store, convenience~~ <--
27 ~~store or pharmacy to make a sale of alcohol unless the servant,~~
28 ~~agent or employe is eighteen years of age or older.~~

29 ~~(36) (37) Sale of wine received by direct shipment. For any~~ <--
30 ~~licensee to sell or offer to sell wine purchased or acquired~~

1 from a direct wine shipper pursuant to the authority of section
2 488.

3 ~~(37)~~ (38) Duties performed by distributors and importing <--
4 distributors. For any licensee to require that a distributor or
5 importing distributor stock merchandise in the licensee's
6 cooler, rotate the licensee's stock of malt or brewed beverages,
7 set up displays in the licensee's premises or pay any type of
8 fee required for making the distributor's product available on
9 the licensee's store shelves. This clause supersedes a contrary
10 provision of a contract.

11 Section 37. The act is amended by adding a section to read:

12 Section 493.2. Unlawful Acts Relative to Wine and Spirits
13 Retail Licensees.--(a) It is unlawful for a wine and spirits
14 retail licensee, or an employe, servant or agent of the licensee
15 or another person to sell, furnish or give liquor or malt or
16 brewed beverages or to permit liquor or malt or brewed beverages
17 to be sold, furnished or given to a minor or person who is
18 visibly intoxicated.

19 (b) A wine and spirits retail licensee who violates the
20 provisions of subsection (a) is subject to the penalty
21 provisions set forth in section 471.

22 Section 38. Section 494 of the act, amended April 29, 1994
23 (P.L.212, No.30) and November 10, 1999 (P.L.514, No.47), is
24 amended to read:

25 Section 494. Penalties.--(a) Any person who shall violate
26 any of the provisions of this article, except as otherwise
27 specifically provided, shall be guilty of a misdemeanor and,
28 upon conviction thereof, shall be sentenced to pay a fine of not
29 less than one hundred dollars (\$100), nor more than five hundred
30 dollars (\$500), and on failure to pay such fine, to imprisonment

1 for not less than one month, nor more than three months, and for
2 any subsequent offense, shall be sentenced to pay a fine not
3 less than three hundred dollars (\$300), nor more than five
4 hundred dollars (\$500), and to undergo imprisonment for a period
5 not less than three months, nor more than one year, or both. If
6 the person, at or relating to the licensed premises, violates
7 section 493(1), (10), (14), (16) or (21), or if the owner or
8 operator of the licensed premises or any authorized agent of the
9 owner or operator violates the act of April 14, 1972 (P.L.233,
10 No.64), known as "The Controlled Substance, Drug, Device and
11 Cosmetic Act," or 18 Pa.C.S. § 5902 (relating to prostitution
12 and related offenses) or 6301 (relating to corruption of
13 minors), he shall be sentenced to pay a fine not exceeding [five
14 thousand dollars (\$5,000)] ten thousand dollars (\$10,000) or to
15 undergo imprisonment for a period not less than [three] six
16 months, nor more than [one year] two years, or both.

17 (b) The right to suspend and revoke licenses granted under
18 this article shall be in addition to the penalty set forth in
19 this section.

20 (c) A person convicted of selling or offering to sell any
21 liquor or malt or brewed beverage without being licensed is in
22 violation of this article and shall, in addition to any other
23 penalty prescribed by law, be sentenced to pay a fine of two
24 dollars (\$2) per fluid ounce for each container of malt or
25 brewed beverages and four dollars (\$4) per fluid ounce for each
26 container of wine or liquor found on the premises where the sale
27 was made or attempted. The amount of fine per container will be
28 based upon the capacity of the container when full, whether or
29 not it is full at the time of the sale or attempted sale. In
30 addition, all malt or brewed beverages, wine and liquor found on

1 the premises shall be confiscated. If a person fails to pay the
2 full amount of the fine levied under this subsection, the
3 premises on which the malt or brewed beverages, wine or liquor
4 was found shall be subject to a lien in the amount of the unpaid
5 fine if the premises are owned by the person against whom the
6 fine was levied or by any other person who had knowledge of the
7 proscribed activity. The lien shall be superior to any other
8 liens on the premises other than a duly recorded mortgage.

9 Section 39. Section 499 of the act, added or amended October
10 5, 1994 (P.L.522, No.77) and February 21, 2002 (P.L.103, No.10),
11 is amended to read:

12 Section 499. Premises to be Vacated by Patrons.--(a) Except
13 as provided for elsewhere in this section, all patrons of a
14 licensee shall be required to leave that part of the premises
15 habitually used for the serving of liquor or malt or brewed
16 beverages to guests or patrons not later than one-half hour
17 after the time the licensee is required by this act to cease
18 serving liquor or malt or brewed beverages and shall not be
19 permitted to have any previously served liquor or malt or brewed
20 beverages in their possession, nor shall they be permitted to
21 remove any previously served liquor or malt or brewed beverages
22 from that part of the premises. Patrons of a licensee shall not
23 be permitted to reenter that portion of the premises habitually
24 used for the serving of liquor or malt or brewed beverages
25 between the time designated by this act for patrons to vacate
26 the licensed premises and the time designated by this act when
27 the serving of liquor or malt or brewed beverages is allowed to
28 begin unless the licensee has been granted a permit for extended
29 hours food service.

30 (a.1) Subsection (a) shall not apply to sales of malt and

1 brewed beverages for consumption off the premises when the
2 following conditions are met:

3 (1) no licensee may sell malt or brewed beverages in excess
4 of one hundred ninety-two fluid ounces in any one sale for
5 consumption off the premises unless the licensee possesses a
6 thirty pack permit under this article RETAIL PACKAGE REFORM <--
7 PERMIT;

8 (2) sales and service of malt and brewed beverages for
9 consumption off the premises are made prior to the designated
10 time the licensee is required by this act to cease serving
11 liquor, malt or brewed beverages;

12 (3) persons who have purchased malt and brewed beverages for
13 consumption off the premises shall remove the malt and brewed
14 beverages from the premises by the designated time as contained
15 in this act that patrons are required to vacate the premises;

16 (4) no club licensee may sell any malt or brewed beverage
17 for consumption off the premises where sold or to any persons
18 who are not members of the club.

19 (b) A licensee may remain open between the hours of two
20 o'clock antemeridian and seven o'clock antemeridian for the
21 purpose of serving food on any day if such licensee either
22 possesses or is eligible to purchase a Sunday sales permit and
23 receives an extended hours food license. The board shall
24 establish an annual fee for the extended hours food license
25 which shall not exceed fifty dollars (\$50).

26 (b.1) Upon application of any club, the board shall issue a
27 club extended hours food permit for a period of six (6) days
28 during the term of its license. The board shall issue
29 regulations governing terms of the application. The permits
30 shall be used solely for the purpose of serving food between the

1 hours of three o'clock antemeridian and seven o'clock
2 antemeridian. All patrons of a licensee shall be required to
3 leave that part of the premises habitually used for the serving
4 of liquor or malt or brewed beverages to guests or patrons not
5 later than one-half hour after the time the licensee is required
6 by this act to cease serving liquor or malt or brewed beverages
7 and shall not be permitted to have any previously served liquor
8 or malt or brewed beverages in their possession, nor shall they
9 be permitted to remove any previously served liquor or malt or
10 brewed beverages from that part of the premises.

11 (c) Any licensee who violates this section for the first
12 offense commits a summary offense and shall, upon conviction, be
13 sentenced to pay a fine of not more than three hundred dollars
14 (\$300) or to imprisonment for not more than ninety (90) days, or
15 both, and for the second or any subsequent offense commits a
16 misdemeanor of the third degree and shall, upon conviction, be
17 sentenced to pay a fine of not more than two thousand five
18 hundred dollars (\$2,500) or to imprisonment for not more than
19 one (1) year, or both.

20 (d) This section shall not apply to holders of public
21 service licenses.

22 (e) Nothing in this section shall prohibit restaurant
23 liquor, eating place retail dispenser or hotel licenses from
24 being open seven o'clock ante meridian on Sunday until two
25 o'clock ante meridian Monday for the purpose of serving food and
26 nonalcoholic beverages.

27 Section 40. Section 505.2 of the act, amended December 8,
28 2004 (P.L.1810, No.239), July 16, 2007 (P.L.107, No.34), June
29 25, 2010 (P.L.217, No.35), June 28, 2011 (P.L.55, No.11) and
30 December 22, 2011 (P.L.530, No.113), is amended to read:

1 Section 505.2. Limited Wineries.--(a) †In the interest of <--
2 promoting tourism and recreational development in Pennsylvania,
3 holders† ~~holders~~ of a limited winery license may: <--

4 (1) Produce alcoholic ciders, wines and wine coolers,
5 subject to the exceptions provided under this section†, only <--
6 from an agricultural commodity grown in Pennsylvania†. <--

7 (2) Sell alcoholic cider, wine and wine coolers produced by
8 the limited winery or purchased in bulk in bond from another
9 †Pennsylvania† limited winery on the licensed premises, under <--
10 such conditions and regulations as the board may enforce, to the
11 board, to wine and spirits retail licensees, to individuals and
12 to brewery, hotel, restaurant, club, grocery store, big box <--
13 retail store, pharmacy and public service liquor licensees, and
14 to †Pennsylvania† winery licensees, and to distributors that <--
15 also hold an enhanced distributor license under section 431.2:

16 Provided, That a limited winery shall not, in any calendar year,
17 purchase alcoholic cider or wine produced by other limited
18 wineries in an amount in excess of fifty per centum of the
19 alcoholic cider or wine produced by the purchasing limited
20 winery in the preceding calendar year. In addition, the holder
21 of a limited winery license may purchase wine in bottles from
22 another †Pennsylvania† limited winery if these wines undergo a <--
23 second fermentation process. Such wine may be sold in bottles
24 bearing the purchasing limited winery's label or the producing
25 limited winery's label. [Such wines, if sold by the board, may
26 be sold by the producing limited winery to the purchasing
27 limited winery at a price lower than the price charged by the
28 board.]

29 (3) Separately or in conjunction with other limited
30 wineries, sell alcoholic cider, wine and wine coolers produced

1 by the limited winery on no more than five (5) board-approved
2 locations other than the licensed premises, with no bottling or
3 production requirement at those additional board-approved
4 locations and under such conditions and regulations as the board
5 may enforce, to the board, wine and spirits retail licensees, to
6 individuals and to brewery, hotel, restaurant, club, grocery
7 store, big box retail store, pharmacy and public service liquor <--
8 licensees, and to distributors that also hold an enhanced <--
9 distributor license under section 431.2. If two or more limited
10 wineries apply to operate an additional board-approved location
11 in conjunction with each other, the wineries need only have one
12 board-approved manager for the location, need only pay one
13 application fee and need not designate specific or distinct
14 areas for each winery's licensed area. Each limited winery must
15 file an application for such an additional board-approved
16 location, and such location shall count as one of the five
17 permitted for each limited winery. Each limited winery is
18 responsible for keeping only its own complete records. A limited
19 winery may be cited for a violation of the recordkeeping
20 requirements of sections 512 and 513 pertaining to its own
21 records only.

22 ~~(3.1) Notwithstanding any other provision of law, only ship <--~~
23 ~~wine to residents of this Commonwealth in accordance with the~~
24 ~~provisions of section 488, and a sale to a licensee of the board~~
25 ~~must take place on the licensed premises of the limited winery.~~
26 ~~Only a limited winery that applies for and acquires a wine and~~
27 ~~spirits wholesale license may ship or deliver wine sold to a~~
28 ~~licensee of the board.~~

29 (4) At the discretion of the board, obtain a special permit
30 to participate in alcoholic cider, wine and food expositions off

1 the licensed premises. A special permit shall be issued upon
2 proper application and payment of a fee of thirty dollars (\$30)
3 per day for each day of permitted use, not to exceed thirty (30)
4 consecutive days. The total number of days for all the special
5 permits may not exceed one hundred (100) days in any calendar
6 year. A special permit shall entitle the holder to engage in the
7 sale by the glass, by the bottle or in case lots of alcoholic
8 cider or wine produced by the permittee under the authority of a
9 limited winery license. Holders of special permits may provide
10 tasting samples of wines in individual portions not to exceed
11 one fluid ounce. Samples at alcoholic cider, wine and food
12 expositions may be sold or offered free of charge. Except as
13 provided herein, limited wineries utilizing special permits
14 shall be governed by all applicable provisions of this act as
15 well as by all applicable regulations or conditions adopted by
16 the board.

17 For the purposes of this clause, "alcoholic cider, wine and
18 food expositions" are defined as affairs held indoors or
19 outdoors with the intent of ~~promoting Pennsylvania products by~~ <--
20 educating those in attendance of the availability, nature and
21 quality of ~~Pennsylvania-produced~~ alcoholic ciders and wines in <--
22 conjunction with suitable food displays, demonstrations and
23 sales. Alcoholic cider, wine and food expositions may also
24 include activities other than alcoholic cider, wine and food
25 displays, including arts and crafts, musical activities,
26 cultural exhibits, agricultural exhibits and farmers markets.

27 (4.1) At the discretion of the board, obtain a farmers
28 market permit. The permit shall entitle the holder to
29 participate in more than one farmers market at any given time
30 and an unlimited number throughout the year and sell alcoholic

1 cider or wine produced under the authority of the underlying
2 limited winery license by the bottle or in case lots. Samples
3 not to exceed one fluid ounce per brand of wine may be offered
4 free of charge. A farmers market permit shall be issued upon
5 proper application and payment of an annual fee of two hundred
6 fifty dollars (\$250). A permit holder may participate in more
7 than one farmers market at any given time. Sales by permit
8 holders shall take place during the standard hours of operation
9 of the farmers market. Written notice of the date, times and
10 location the permit is to be used shall be provided by the
11 permit holder to the enforcement bureau at least two (2) weeks
12 prior to the event. Except as provided in this subsection,
13 limited wineries utilizing farmers market permits shall be
14 governed by all applicable provisions of this act as well as by
15 all applicable regulations adopted by the board.

16 (5) Apply for and hold a hotel liquor license, a restaurant
17 liquor license or a malt and brewed beverages retail license to
18 sell for consumption at the restaurant or limited winery on the
19 licensed winery premises, liquor, wine and malt or brewed
20 beverages regardless of the place of manufacture under the same
21 conditions and regulations as any other hotel liquor license,
22 restaurant liquor license or malt and brewed beverages retail
23 license.

24 (6) †(i) Secure a permit from the board to allow the holder <--
25 of a limited winery license to use up to twenty-five per centum
26 permitted fruit, not wine, in the current year's production.
27 Each permit is valid only for the calendar year in which it is
28 issued.

29 (ii) The fee for a permit to import and use permitted fruit
30 shall be in an amount to be determined by the board.

1 (iii) The purpose of this section is to increase the
2 productivity of limited wineries while at the same time
3 protecting the integrity and unique characteristics of wine
4 produced from fruit primarily grown in this Commonwealth.
5 Prevailing climatic conditions have a significant impact on the
6 character of the fruit. Accordingly, "permitted fruit" shall
7 mean fruit grown or juice derived from fruit grown within three
8 hundred fifty (350) miles of the winery.

9 (iv) The department is authorized to promulgate regulations
10 requiring the filing of periodic reports by limited wineries to
11 ensure compliance with the provisions of this section.}— <--

12 ~~(Reserved).~~ <--

13 (6.1) Sell food for consumption on or off the licensed
14 premises and at the limited winery's additional board-approved
15 locations and sell by the glass, at the licensed premises and at
16 the limited winery's additional board-approved locations, only
17 wine and alcoholic ciders that may otherwise be sold by the
18 bottle.

19 (6.2) Sell wine- or liquor-scented candles acquired or
20 produced by the limited winery.

21 (6.3) Sell alcoholic cider, wine and wine coolers only
22 between the hours of nine o'clock antemeridian and eleven
23 o'clock postmeridian. A limited winery also may request approval
24 from the board to extend sales hours in individual locations at
25 other times during the year or beyond the limits set forth in
26 this clause. The request shall be made in writing to the board's
27 Office of the Chief Counsel and shall detail the exact locations
28 where sales hours are proposed to be extended, the proposed
29 hours and dates of extended operation and the reason for the
30 proposed extended hours.

1 (6.4) Store alcoholic cider, wine and wine coolers produced
2 by the limited winery at no more than two (2) board-approved
3 locations other than the licensed premises and those premises
4 referenced in clause (3) pertaining to the five (5) board-
5 approved locations for the sale of wine, with no bottling or
6 production requirement at those additional locations and under
7 such conditions and regulations as the board may enforce. If two
8 (2) or more businesses will operate out of the same storage
9 facility, the limited winery must designate specific and
10 distinct areas for its storage. The limited winery's designated
11 storage area must be secured and no one other than the licensee
12 and his employees may be allowed access to the storage area. No
13 board-approved manager will be necessary for the storage
14 facility. The limited winery must fill out an application for
15 such an additional board-approved storage location, and such
16 location shall count as one of the two permitted for each
17 limited winery. The limited winery is responsible for keeping
18 only its own complete records. A limited winery may be cited for
19 a violation of the recordkeeping requirements of sections 512
20 and 513 pertaining to its own records only.

21 (b) The total production of alcoholic ciders, wine and wine
22 coolers by a limited winery may not exceed two hundred thousand
23 (200,000) gallons per year.

24 (c) As used in this section:

25 "Agricultural commodity" shall include any of the following:
26 agricultural, apicultural, horticultural, silvicultural and
27 viticultural commodities.

28 "Farmers market" shall include any building, structure or
29 other place:

30 (1) owned, leased or otherwise in the possession of a

1 person, municipal corporation or public or private organization;

2 (2) used or intended to be used by two or more farmers or an
3 association of farmers, who are certified by the Department of
4 Agriculture of the Commonwealth to participate in the Farmers'
5 Market Nutrition Program subject to 7 CFR Pt. 249 (relating to
6 Senior Farmers' Market Nutrition Program (SFMNP)), for the
7 purpose of selling agricultural commodities produced in this
8 Commonwealth directly to consumers;

9 (3) which is physically located within this Commonwealth;
10 and

11 (4) which is not open for business more than twelve hours
12 each day.

13 Section 41. Section 505.4 of the act, amended December 22,
14 2011 (P.L.530, No.113), is amended to read:

15 Section 505.4. Distilleries.--(a) The board may issue a
16 distillery of historical significance license to any distillery
17 which was established prior to January 1, 1875. The holder of
18 the license may manufacture and sell liquor produced on the
19 licensed premises to the board, to wine and spirits retail
20 licensees, to other entities licensed by the board and to the
21 public under such conditions and regulations as the board may
22 enforce. Production at the distillery of historical significance
23 shall be limited to an amount not to exceed twenty thousand
24 (20,000) gallons per year. The distillery does not need to
25 establish continuous operation since January 1, 1875, in order
26 to qualify for a license under this section.

27 (b) (1) The board may issue a limited distillery license
28 that will allow the holder thereof to operate a distillery that
29 shall not exceed production of one hundred thousand (100,000)
30 gallons of distilled liquor per year. The holder of the license

1 may manufacture and sell bottled liquors produced on the
2 licensed premises to the board, to wine and spirits retail
3 licensees, to other entities licensed by the board and to the
4 public between the hours of nine o'clock antemeridian and eleven
5 o'clock postmeridian so long as a specific code of distilled
6 liquor which is listed for sale as a stock item by the board in
7 State liquor stores may not be offered for sale at a licensed
8 limited distillery location at a price which is lower than that
9 charged by the board and under such conditions and regulations
10 as the board may enforce.

11 (2) (i) The holder of a limited distillery license may,
12 separately or in conjunction with other limited distillery
13 licensees, sell bottled liquors produced by the distillery at no
14 more than two (2) board-approved locations other than the
15 licensed premises, with no bottling or production requirement at
16 those additional board-approved locations and under such
17 conditions and regulations as the board may enforce to the
18 board, to individuals and to entities licensed by the board.

19 (ii) If two (2) or more limited distilleries apply to
20 operate an additional board-approved location in conjunction
21 with each other, the distilleries need only have one (1) board-
22 approved manager for the location, need only pay one application
23 fee and need not designate specific or distinct areas for each
24 distillery's licensed area. A limited distillery must file an
25 application for the additional board-approved location, and that
26 location shall count as one (1) of the two (2) permitted for
27 each limited distillery. A limited distillery is responsible for
28 keeping only its own complete records. A limited distillery may
29 be cited for a violation of the recordkeeping requirements of
30 sections 512 and 513 pertaining to its own records only.

1 (3) The holder of a limited distillery license may apply for
2 and hold a hotel liquor license, a restaurant liquor license or
3 a malt and brewed beverages retail license to sell for
4 consumption at the restaurant or limited distillery on the
5 licensed distillery premises liquor, wine and malt or brewed
6 beverages regardless of the place of manufacture under the same
7 conditions and regulations as any other hotel liquor license,
8 restaurant liquor license or malt and brewed beverages retail
9 license.

10 (4) The holder of a limited distillery license may sell food
11 for consumption on or off the licensed premises and at the
12 limited distillery's additional board-approved locations, and
13 may sell by the glass, at the licensed premises and at the
14 limited distillery's additional board-approved locations, only
15 liquor that may otherwise be sold by the bottle.

16 (5) The holder of a limited distillery license may provide
17 tasting samples of liquor that in total do not exceed one and
18 one-half (1.5) fluid ounces per person on the licensed premises
19 and at the two (2) board-approved locations. Samples may be sold
20 or provided free of charge and may only be provided between the
21 hours of nine o'clock antemeridian and eleven o'clock
22 postmeridian.

23 (6) The fee for the limited distillery license shall be in
24 an amount to be determined by the board but shall not exceed one
25 thousand five hundred dollars (\$1,500).

26 (7) The board may issue to the holder of a distillery
27 license a limited distillery license in exchange for the
28 distillery license provided that the applicant has not
29 manufactured more than one hundred thousand (100,000) gallons of
30 distilled liquor in the prior calendar year. The board may not

1 charge a fee for this exchange. An applicant under this
2 subsection shall surrender his distillery license for
3 cancellation prior to the issuance of the new limited distillery
4 license. The authority of the board to exchange a distillery
5 license for a limited distillery license under this subsection
6 and this subsection shall expire December 31, 2012.

7 (c) (1) The holder of a distillery license as issued under
8 section 505 may sell bottled liquors produced on the licensed
9 premises to the board, to wine and spirits retail licensees and
10 other entities licensed by the board and to the public between
11 the hours of nine o'clock antemeridian and eleven o'clock
12 postmeridian so long as a specific code of distilled liquor
13 which is listed for sale as a stock item by the board in State
14 liquor stores may not be offered for sale at a licensed
15 distillery location at a price which is lower than that charged
16 by the board and under such conditions and regulations as the
17 board may enforce.

18 (2) The holder of a distillery license as issued under
19 section 505 may provide tasting samples of liquor that in total
20 do not exceed one and one-half (1.5) fluid ounces. Samples may
21 be sold or provided free of charge between the hours of nine
22 o'clock antemeridian and eleven o'clock postmeridian.

23 ~~(d) Notwithstanding any other provision of law, a sale by a <--~~
24 ~~distillery of historical significance, limited distillery or~~
25 ~~distillery to a licensee of the board must take place on the~~
26 ~~licensed distillery premises. Only a distillery authorized under~~
27 ~~this section that applies for and acquires a wine and spirits~~
28 ~~wholesale license may ship or deliver wine sold to a licensee of~~
29 ~~the board.~~

30 Section 42. Section 508 of the act, amended April 29, 1994

1 (P.L.212, No.30), is amended to read:

2 Section 508. License Fees.--(a) The annual fee for every
3 license issued to a limited winery or a winery shall be as
4 prescribed in section 614-A of the act of April 9, 1929

5 (P.L.177, No.175), known as "The Administrative Code of 1929."

6 The fee for every license issued to a distillery (manufacturer)
7 shall be as prescribed in section 614-A of "The Administrative
8 Code of 1929." The annual fee for all other licenses shall be as

9 prescribed in section 614-A of "The Administrative Code of

10 1929." An applicant for renewal of a license issued under this

11 article shall file a written application with the board together

12 with an application surcharge of seven hundred dollars (\$700).

13 Whenever any checks issued in payment of filing and/or license
14 fees shall be returned to the board as dishonored, the board
15 shall charge a fee of five dollars (\$5.00) per hundred dollars
16 or fractional part thereof, plus all protest fees, to the maker
17 of such check submitted to the board. Failure to make full
18 payment or pay the face amount of the check in full and all
19 charges thereon as herein required within ten days after demand
20 has been made by the board upon the maker of the check, the
21 license of such person shall not be renewed for the license
22 period or validated for any interim period for such year.

23 (b) For the purpose of this section, the term "proof gallon"
24 shall mean a gallon liquid which contains one-half its volume of
25 alcohol of a specific gravity of seven thousand nine hundred
26 thirty-nine ten thousandths (.7939) at sixty degrees Fahrenheit.

27 Section 42.1. Section 801 of the act is amended to read:

28 Section 801. Moneys Paid Into Liquor License Fund and
29 Returned to Municipalities.--(a) The following fees collected
30 by the board under the provisions of this act shall be paid into

1 the State Treasury through the Department of Revenue into a
2 special fund to be known as the "Liquor License Fund":

3 (1) License fees for hotel, restaurant and club liquor
4 licenses.

5 (2) License fees for retail dispensers' (malt and brewed
6 beverages) licenses.

7 (a.1) The following fees LICENSE FEES FOR GROCERY STORES <--
8 collected by the board under the provisions of this act shall be
9 paid into the State Treasury through the Department of Revenue
10 into the State Stores Fund. <--

11 (1) License fees for grocery stores.

12 (2) License fees for big box retail stores.

13 (3) License fees for pharmacies.

14 (4) License fees for convenience stores.

15 (b) The moneys in the Liquor License Fund shall, on the
16 first days of February and August of each year, be paid by the
17 board to the respective municipalities in which the respective
18 licensed places are situated, in such amounts as represent the
19 aggregate license fees collected from licenses in such
20 municipalities during the preceding period.

21 (c) The board shall have the power to appropriate moneys in
22 the Liquor License Fund for the payment of claims for refunds
23 allowed and approved by the board for moneys paid into the
24 Liquor License Fund because of the over-payment or overcharge on
25 license fees. In the event that the moneys in the Liquor License
26 Fund have been distributed to the respective municipalities, the
27 board shall have the authority to deduct from the next semi-
28 annual payment to the respective municipalities the amount of
29 any over-payment previously refunded by the board to any person
30 on account of an overcharge or over-payment on a license fee.

1 Section 43. The act is amended by adding an article to read:

2 ARTICLE VIII-A

3 EMERGENCY STATE TAX

4 Section 801-A. Definitions.

5 The following words and phrases when used in this article
6 shall have the meanings given to them in this section unless the
7 context clearly indicates otherwise:

8 "Department." The Department of Revenue of the Commonwealth.

9 "Fiscal month." The monthly period established by the board
10 for the purpose of conducting the board's business.

11 "Taxable liquor." As follows:

12 (1) Any of the following which contain more than one-
13 half of one percent of alcohol by volume:

14 (i) An alcoholic, spirituous, vinous, fermented or
15 other alcoholic beverage.

16 (ii) A combination of liquors and mixed liquor, a
17 part of which is spirituous, vinous, fermented or
18 otherwise alcoholic.

19 (iii) A drink or drinkable liquid, preparation or
20 mixture intended for beverage purposes.

21 (2) The term shall not include alcohol and malt or
22 brewed beverages.

23 Section 802-A. Tax.

24 (a) Imposition.--An emergency State tax is imposed and
25 assessed at the rate of 18% of the net price of all taxable
26 liquor sold by the board or a wine and spirits wholesale
27 licensee.

28 (b) Collection.--The tax imposed under subsection (a) shall
29 be collected by the board or the wine and spirits wholesale
30 licensee from the purchasers of the taxable liquor from the

1 board or the wine and spirits wholesale licensee.

2 (c) Disposition.--The tax collected under subsection (b)
3 shall be paid into the State Treasury, through the department,
4 as provided under this article and shall be credited to the
5 General Fund.

6 Section 803-A. Transmittal.

7 (a) Duty.--Except as provided under subsection (b), the
8 board or the wine and spirits wholesale licensee shall, on or
9 before the 15th day of each calendar month, do all of the
10 following:

11 (1) Transmit to the department all of the following:

12 (i) A statement of its receipts from sales of
13 taxable liquor and taxes collected during the preceding
14 fiscal month.

15 (ii) Information necessary to effectuate this
16 article.

17 (2) Pay to the department the tax imposed under section
18 802-A(a).

19 (b) Exception.--The following shall apply:

20 (1) The board or a wine and spirits wholesale licensee
21 may add the tax imposed under section 802-A(a) to the
22 wholesale and retail price at which taxable liquor is sold
23 and eliminate any accounting of the tax separate from sale
24 prices.

25 (2) If the board or the wine and spirits wholesale
26 licensee adds the tax as provided under paragraph (1), the
27 amount of the tax for a calendar month shall be calculated by
28 dividing the entire gross receipts derived from sales at
29 Pennsylvania Liquor Stores or at wholesale licensees during
30 the month by six and five-ninths and the quotient shall be

1 the amount of the tax for the month payable as provided under
2 this section.

3 Section 44. Repeals are as follows:

4 (1) The General Assembly declares that the repeal under
5 paragraph (2) is necessary to effectuate the addition of
6 Article VIII-A of the act.

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

14 Section 45. This act shall take effect ~~immediately.~~ AS <--
15 FOLLOWS:

16 (1) THE ADDITION OF ARTICLE III-A OF THE ACT SHALL TAKE
17 EFFECT IN 120 DAYS.

18 (2) THE AMENDMENT OR ADDITION OF SECTIONS 401.1, 403.1,
19 404.1 AND 406.2 OF THE ACT SHALL TAKE EFFECT IN 60 DAYS.

20 (3) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
21 IMMEDIATELY.