

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 800 Session of 2013

INTRODUCED BY FERLO, KASUNIC, FONTANA, FARNESE, YUDICHAK, BLAKE, COSTA, HUGHES, SOLOBAY, SCHWANK, STACK, LEACH, DINNIMAN, TARTAGLIONE, TEPLITZ, SMITH, BOSCOLA, WOZNIAK, WILLIAMS, WASHINGTON, KITCHEN, GREENLEAF, BREWSTER AND WILEY, APRIL 16, 2013

REFERRED TO LAW AND JUSTICE, APRIL 16, 2013

AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as
 2 reenacted and amended, "An act relating to alcoholic liquors,
 3 alcohol and malt and brewed beverages; amending, revising,
 4 consolidating and changing the laws relating thereto;
 5 regulating and restricting the manufacture, purchase, sale,
 6 possession, consumption, importation, transportation,
 7 furnishing, holding in bond, holding in storage, traffic in
 8 and use of alcoholic liquors, alcohol and malt and brewed
 9 beverages and the persons engaged or employed therein;
 10 defining the powers and duties of the Pennsylvania Liquor
 11 Control Board; providing for the establishment and operation
 12 of State liquor stores, for the payment of certain license
 13 fees to the respective municipalities and townships, for the
 14 abatement of certain nuisances and, in certain cases, for
 15 search and seizure without warrant; prescribing penalties and
 16 forfeitures; providing for local option, and repealing
 17 existing laws," further providing for general powers of
 18 board, for specific subjects on which board may adopt
 19 regulations, for selection of personnel, for when sales may
 20 be made at Pennsylvania Liquor Stores, for sales by
 21 Pennsylvania Liquor Stores, for authority to issue liquor
 22 licenses to hotels, restaurants and clubs, for sale of malt
 23 or brewed beverages by liquor licensees, for malt and brewed
 24 beverages manufacturers', distributors' and importing
 25 distributors' licenses, for shipment of wine and for unlawful
 26 acts relative to liquor, malt and brewed beverages and
 27 licensees.

28 The General Assembly of the Commonwealth of Pennsylvania
 29 hereby enacts as follows:

1 Section 1. Section 207(b), (f) and (h) of the act of April
2 12, 1951 (P.L.90, No.21), known as the Liquor Code, reenacted
3 and amended June 29, 1987 (P.L.32, No.14), are amended and the
4 section is amended by adding a subsection to read:

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

7 * * *

8 (b) To control the manufacture, possession, sale,
9 consumption, importation, use, storage, transportation and
10 delivery of liquor, alcohol and malt or brewed beverages in
11 accordance with the provisions of this act, and to fix the
12 wholesale and retail prices at which liquors and alcohol shall
13 be sold at Pennsylvania Liquor Stores. Prices shall be
14 [proportional with prices paid by the board to its suppliers and
15 shall reflect any advantage obtained through volume purchases by
16 the board.] as set forth by the board so long as the price of a
17 particular item is uniform throughout this Commonwealth and that
18 the markup may not be less than twenty-five percent (25%) or
19 more than thirty-five percent (35%). Prices may not be changed
20 on any wine or spirit product more than once in any six-month
21 period. The board may establish a preferential price structure
22 for wines produced within this Commonwealth for the promotion of
23 such wines, as long as the price structure is uniform within
24 each class of wine purchased by the board. The board shall
25 require each Pennsylvania manufacturer and each nonresident
26 manufacturer of liquors, other than wine, selling such liquors
27 to the board, which are not manufactured in this Commonwealth,
28 to make application for and be granted a permit by the board
29 before such liquors not manufactured in this Commonwealth shall
30 be purchased from such manufacturer. Each such manufacturer

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

22 * * *

23 (f) To appoint, fix the compensation and define the powers
24 and duties of such managers, officers, inspectors, examiners,
25 clerks and other employes as shall be required for the operation
26 of this act, subject to the provisions of The Administrative
27 Code of 1929 and the Civil Service Act. However, the board may
28 hire a limited number of retail wine specialists on an at-will
29 basis to be employed at up to twenty-five percent (25%) of the
30 total number of Pennsylvania Liquor Stores. Notwithstanding any

1 other provision of law to the contrary, a retail wine specialist
2 shall not be considered a member of the classified service, as
3 that term is defined in the act of August 5, 1941 (P.L.752,
4 No.286), known as the "Civil Service Act," except as set forth
5 in this act. A retail wine specialist shall be considered a
6 State employe for purposes of 71 Pa.C.S. Pt. XXV (relating to
7 retirement for State employees and officers). The board shall
8 establish a system of classification and compensation of its
9 retail wine specialists and they shall not be subject to the
10 provisions of the act of April 9, 1929 (P.L.177, No.175), known
11 as "The Administrative Code of 1929," as to classification and
12 compensation for its employes, and shall conduct its activities
13 consistent with the practices and procedures of Commonwealth
14 agencies. The board shall adhere to the provisions of 51 Pa.C.S.
15 Ch. 71 (relating to veterans' preference), as they relate to
16 noncivil service positions. This subsection may not be construed
17 to alter, remove or bar current or new employees from a
18 collective bargaining agreement.

19 * * *

20 (h) Without in any way limiting or being limited by the
21 foregoing, to do all such things and perform all such acts as
22 are deemed necessary or advisable for the purpose of carrying
23 into effect the provisions of this act and the regulations made
24 thereunder. Notwithstanding any other provision of law to the
25 contrary, the board is authorized to purchase all goods and
26 services in its sole discretion which are deemed necessary to
27 perform all such acts. The board is authorized to promulgate
28 regulations providing for the procurement of such goods and
29 services.

30 * * *

1 (1) To establish and implement a customer relations
2 marketing program for the purpose of offering incentives, such
3 as coupons or discounts on certain products, to customers of the
4 board.

5 Section 2. Sections 208(c) and 302 of the act are amended to
6 read:

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

11 * * *

12 (c) The purchase, as provided in this act, of liquor and
13 alcohol, and its supply to Pennsylvania Liquor Stores and the
14 procurement of all other goods and services which are deemed
15 necessary by the board, in its sole discretion, to perform all
16 such acts.

17 * * *

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

22 Section 3. Section 304(b) 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.--* * *

26 (b) Certain Pennsylvania Liquor Stores operated by the board
27 shall be open for Sunday retail sales between the hours of
28 [noon] nine o'clock antemeridian and [five] nine o'clock
29 postmeridian, except that no Sunday sales shall occur on Easter
30 Sunday or Christmas day. The board shall open [up to twenty-five

1 per centum of the total number of Pennsylvania Liquor Stores] at
2 its discretion as many Pennsylvania Liquor Stores as it deems
3 necessary for Sunday sales as provided for in this subsection.
4 The board shall submit yearly reports to the Appropriations and
5 the Law and Justice Committees of the Senate and the
6 Appropriations and the Liquor Control Committees of the House of
7 Representatives summarizing the total dollar value of sales
8 under this section.

9 Section 4. Section 305(a) and (b) of the act, amended May 8,
10 2003 (P.L.1, No.1) and July 6, 2005 (P.L.135, No.39), are
11 amended to read:

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

24 In computing the retail price of such special orders for
25 liquor or alcohol, the board shall not include the cost of
26 freight or shipping before applying [the] a mark-up calculated
27 at fifty per centum of the markup under section 207(b) and taxes
28 but shall add the freight or shipping charges to the price after
29 the mark-up and taxes have been applied.

30 Unless the customer pays for and accepts delivery of any such

1 special order within ten days after notice of arrival, the store
2 may place it in stock for general sale and the customer's
3 deposit shall be forfeited.

4 (b) Every Pennsylvania Liquor Store shall sell liquors at
5 wholesale to hotels, restaurants, clubs, and railroad, pullman
6 and steamship companies licensed under this act; and, under the
7 regulations of the board, to pharmacists duly licensed and
8 registered under the laws of the Commonwealth, and to
9 manufacturing pharmacists, and to reputable hospitals approved
10 by the board, or chemists. Sales to licensees shall be made at a
11 price that includes a discount of [ten] sixteen per centum from
12 the retail price. The board may sell to registered pharmacists
13 only such liquors as conform to the Pharmacopoeia of the United
14 States, the National Formulary, or the American Homeopathic
15 Pharmacopoeia. The board may sell at special prices under the
16 regulations of the board, to United States Armed Forces
17 facilities which are located on United States Armed Forces
18 installations and are conducted pursuant to the authority and
19 regulations of the United States Armed Forces. All other sales
20 by such stores shall be at retail. A person entitled to purchase
21 liquor at wholesale prices may purchase the liquor at any
22 Pennsylvania Liquor Store upon tendering cash, check or credit
23 card for the full amount of the purchase. For this purpose, the
24 board shall issue a discount card to each licensee identifying
25 such licensee as a person authorized to purchase liquor at
26 wholesale prices. Such discount card shall be retained by the
27 licensee. The board may contract through the Commonwealth
28 bidding process for delivery to wholesale licensees at the
29 expense of the licensee receiving the delivery.

30 * * *

1 Section 5. Section 401(a) of the act, amended December 22,
2 2011 (P.L.530, No.113), is amended to read:

3 Section 401. Authority to Issue Liquor Licenses to Hotels,
4 Restaurants and Clubs.--(a) Subject to the provisions of this
5 act and regulations promulgated under this act, the board shall
6 have authority to issue a retail liquor license for any premises
7 kept or operated by a hotel, restaurant or club and specified in
8 the license entitling the hotel, restaurant or club to purchase
9 liquor from a Pennsylvania Liquor Store and to keep on the
10 premises such liquor and, subject to the provisions of this act
11 and the regulations made thereunder, to sell the same and also
12 malt or brewed beverages to guests, patrons or members for
13 consumption on the hotel, restaurant or club premises. Such
14 licensees with an interior connection, other than clubs, shall
15 be permitted to sell malt or brewed beverages for consumption
16 off the premises where sold in quantities of not more than one
17 hundred ninety-two fluid ounces in a single sale to one person
18 as provided for in section 407.

19 A licensee without an interior connection, other than clubs,
20 selling malt or brewed beverages for consumption off premises
21 may not sell more than three hundred eighty-four ounces in not
22 more than twenty-four original containers in a single sale to
23 one person as provided for in section 407, Provided, That the
24 licensee may not sell a package as prepared for sale or
25 distribution by the manufacturer containing more than twelve
26 containers. Such licenses shall be known as hotel liquor
27 licenses, restaurant liquor licenses and club liquor licenses,
28 respectively. No person who holds any public office that
29 involves the duty to enforce any of the penal laws of the United
30 States, this Commonwealth or of any political subdivision of

1 this Commonwealth may have any interest in a hotel or restaurant
2 liquor license. This prohibition applies to anyone with arrest
3 authority, including, but not limited to, United States
4 attorneys, State attorneys general, district attorneys, sheriffs
5 and police officers. This prohibition shall also apply to
6 magisterial district judges, judges or any other individuals who
7 can impose a criminal sentence. This prohibition does not apply
8 to members of the General Assembly, township supervisors, city
9 councilpersons, mayors without arrest authority and any other
10 public official who does not have the ability to arrest or the
11 ability to impose a criminal sentence. This section does not
12 apply if the proposed premises are located outside the
13 jurisdiction of the individual in question.

14 * * *

15 Section 6. Section 407(a) of the act, amended June 28, 2011
16 (P.L.55, No.11), is amended to read:

17 Section 407. Sale of Malt or Brewed Beverages by Liquor
18 Licensees.--(a) Every liquor license issued to a hotel,
19 restaurant, club, or a railroad, pullman or steamship company
20 under this subdivision (A) for the sale of liquor shall
21 authorize the licensee to sell malt or brewed beverages at the
22 same places but subject to the same restrictions and penalties
23 as apply to sales of liquor, except that licensees with an
24 interior connection, other than clubs, may sell malt or brewed
25 beverages for consumption off the premises where sold in
26 quantities of not more than one hundred ninety-two fluid ounces
27 in a single sale to one person. A licensee without an interior
28 connection, other than clubs, selling malt or brewed beverages
29 for consumption off premises may not sell more than three
30 hundred eighty-four ounces in not more than twenty-four original

1 containers in a single sale to one person, Provided, That the
2 licensee may not sell a package as prepared for sale or
3 distribution by the manufacturer containing more than twelve
4 containers. The sales may be made in either open or closed
5 containers, Provided, however, That a municipality may adopt an
6 ordinance restricting open containers in public places. No
7 licensee under this subdivision (A) shall at the same time be
8 the holder of any other class of license, except a retail
9 dispenser's license authorizing the sale of malt or brewed
10 beverages only.

11 * * *

12 Section 7. Section 431(b) of the act, amended December 8,
13 2004 (P.L.1810, No.239), is amended and the section is amended
14 by adding a subsection to read:

15 Section 431. Malt and Brewed Beverages Manufacturers',
16 Distributors' and Importing Distributors' Licenses.--* * *

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

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

1 location previously licensed by the board, then any restrictions
2 imposed by the board on the previous license at that location
3 shall be binding on the applicant unless the board enters into a
4 new agreement rescinding those restrictions. The board shall
5 require notice to be posted on the property or premises upon
6 which the licensee or proposed licensee will engage in sales of
7 malt or brewed beverages. This notice shall be similar to the
8 notice required of hotel, restaurant and club liquor licensees.

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

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

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

1 importing distributor setting forth the terms and conditions
2 under which such products are to be resold within the territory
3 granted to the primary importing distributor by the
4 manufacturer.

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

1 affected.

2 * * *

3 (g) (1) In addition to being able to sell a case as
4 provided for under subsection (b), a distributor or import
5 distributor may break the bulk of a case and sell units of the
6 case in quantities not less than forty-two ounces, provided the
7 distributor or import distributor sells a package prepared for
8 sale by the manufacturer of no more than twelve units.

9 (2) Before a distributor or import distributor breaks the
10 bulk of a case for the purpose of selling units, the distributor
11 or import distributor shall inspect the case for damage and
12 appropriate production date. When the distributor or import
13 distributor breaks the bulk of a case for the purpose of selling
14 units of the case, the distributor or import distributor bears
15 the risk of loss and is responsible for the destruction of any
16 malt and brewed beverages that violate the manufacturer's
17 specifications relating to sales by a certain date or within a
18 number of days of the production date.

19 (3) As used in this subsection the term "unit" means an
20 undamaged bottle or can from a case.

21 Section 8. Section 488 of the act, added February 21, 2002
22 (P.L.103, No.10), is amended to read:

23 Section 488. Shipment of Wine [into Commonwealth].--(a) The
24 shipment of wine [from out-of-State] to residents of this
25 Commonwealth [is prohibited, except as otherwise provided for
26 in] shall be governed by this section.

27 (b) Notwithstanding any other provision of this act or law
28 to the contrary, a person licensed by the board or another state
29 as a producer[, supplier, importer, wholesaler, distributor or
30 retailer] of wine and who obtains a direct wine shipper license

1 as provided for in this section may ship up to [nine] eighteen
2 liters per month of any wine [not included on the list provided
3 for in subsection (c) on] upon the Internet, telephone or mail
4 order of any resident of this Commonwealth who is at least
5 twenty-one (21) years of age for such resident's personal use
6 and not for resale.

7 (c) Each month, the board shall publish on the Internet a
8 list of all classes, varieties and brands of wine available for
9 sale in the Pennsylvania Liquor Stores. [A person holding a
10 direct shipper license may ship only those classes, varieties
11 and brands of wine not included on the list at the time an
12 Internet order is placed.]

13 (c.1) Prior to issuing a direct wine shipper license, the
14 board shall require the person seeking the license to:

15 (1) File an application with the board.

16 (2) Pay a one hundred dollar (\$100) registration fee.

17 (3) Provide to the board a true copy of its current
18 alcoholic beverage license issued by the board or another state,
19 if applicable.

20 (4) Provide the board with any other information the board
21 deems necessary and appropriate.

22 (5) Provide documentation which evidences that it has
23 obtained a sales tax license from the Department of Revenue.

24 (d) [An out-of-State] A direct wine shipper shall:

25 (1) Not ship more than [nine] eighteen liters per month on
26 the Internet, telephone or mail order of any person in this
27 Commonwealth.

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

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

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

8 (5) Require proof of age of the recipient in a manner or
9 format approved by the board before any wine is shipped to a
10 resident of this Commonwealth.

11 (6) Ensure that all boxes or exterior containers of wine
12 shipped directly to a resident in this Commonwealth are
13 conspicuously labeled with the words "CONTAINS ALCOHOL:
14 SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR
15 DELIVERY."

16 (7) Collect and remit to the Department of Revenue all taxes
17 due on sales to residents of this Commonwealth. The amount of
18 such taxes shall be calculated as if the sales were in this
19 Commonwealth at the locations where delivery is made.

20 (8) Annually renew its license by paying a renewal fee
21 established by the board.

22 (e) A direct shipper may ship wine on the Internet or mail
23 order of a resident into this Commonwealth provided that the
24 wine [is shipped to a Pennsylvania Liquor Store selected by the
25 resident. The wine will be subject to taxes in the same manner
26 as wine sold directly by the board. The wine will not be
27 released by the State store until all moneys due, including all
28 taxes and fees, have been paid by the resident.] will be subject
29 to all taxes due on sales to residents of this Commonwealth with
30 the amount of such taxes to be calculated as if the sale were in

1 this Commonwealth at the location where delivery is made.

2 (f) [A person shall sign an affidavit provided by the
3 Pennsylvania Liquor Store where the wine was delivered to
4 stating that the wine will only be used for the person's
5 personal use.] Any person who resells wine obtained under this
6 section commits a misdemeanor of the second degree.

7 (g) The board may promulgate such rules and regulations as
8 are necessary to implement and enforce the provisions of this
9 section. [The board may charge the resident a fee to cover the
10 cost associated with processing the Internet order.]

11 (h) The board shall submit [monthly] annual reports to the
12 Appropriations Committee and the Law and Justice Committee of
13 the Senate and to the Appropriations Committee and the Liquor
14 Control Committee of the House of Representatives summarizing
15 the number of direct shipper licenses issued by the board[,] and
16 the quantity of wine sold by direct wine shippers pursuant to
17 this section [and the total dollar value of sales under this
18 section].

19 (i) The term "wine" as used in this section shall mean
20 liquor which is fermented from grapes and other fruits, having
21 alcoholic content of twenty-four per centum or less. The term
22 "wine" shall not include malt or brewed beverages nor shall wine
23 include any products containing alcohol derived from malt,
24 grain, cereal, molasses or cactus.

25 (j) The term "direct wine shipper" as used in this section
26 shall mean a wine producer who holds a direct wine shipper
27 license as provided in this section and includes a limited
28 winery.

29 Section 9. Section 493(24) of the act, amended November 29,
30 2006 (P.L.1421, No.155), is amended to read:

1 Section 493. Unlawful Acts Relative to Liquor, Malt and
2 Brewed Beverages and Licensees.--The term "licensee," when used
3 in this section, shall mean those persons licensed under the
4 provisions of Article IV, unless the context clearly indicates
5 otherwise.

6 It shall be unlawful--

7 * * *

8 (24) (i) Things of Value Offered as Inducement. Except as
9 provided in subclause (ii), for any licensee under the
10 provisions of this article, or the board or any manufacturer, or
11 any employe or agent of a manufacturer, licensee or of the
12 board, to offer to give anything of value or to solicit or
13 receive anything of value as a premium for the return of caps,
14 stoppers, corks, stamps or labels taken from any bottle, case,
15 barrel or package containing liquor or malt or brewed beverage,
16 or to offer or give or solicit or receive anything of value as a
17 premium or present to induce directly the purchase of liquor or
18 malt or brewed beverage, or for any licensee, manufacturer or
19 other person to offer or give to trade or consumer buyers any
20 prize, premium, gift or other inducement to purchase liquor or
21 malt or brewed beverages, except advertising novelties of
22 nominal value which the board shall define. This section shall
23 not prevent any manufacturer or any agent of a manufacturer from
24 offering and honoring coupons which offer monetary rebates on
25 purchases of wines and spirits through State Liquor Stores or
26 purchases of malt or brewed beverages through distributors and
27 importing distributors in accordance with conditions or
28 regulations established by the board. The board may redeem
29 coupons offered by a manufacturer or an agent of a manufacturer
30 at the time of purchase. Coupons offered by a manufacturer or an

1 agent of a manufacturer shall not be redeemed without proof of
2 purchase. This section shall not apply to the return of any
3 monies specifically deposited for the return of the original
4 container to the owners thereof.

5 (ii) Notwithstanding subclause (i) or any other provision of
6 law, a holder of a restaurant license that is also approved to
7 hold a slot machine license or a conditional slot machine
8 license under 4 Pa.C.S. Part II (relating to gaming) may give
9 liquor and malt or brewed beverages free of charge to any person
10 actively engaged in playing a slot machine.

11 (iii) Notwithstanding subclause (i) or any other provision
12 of law, the board may establish and implement a customer
13 relations marketing program for the purpose of offering
14 incentives, such as coupons or discounts on certain products
15 that may be conditioned upon the purchase of liquor, to
16 customers of the board.

17 * * *

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