
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 933 Session of
2017

INTRODUCED BY MOUL, JAMES, MILLARD, EVERETT, WARD, ORTITAY,
GABLER AND JOZWIAK, MARCH 23, 2017

REFERRED TO COMMITTEE ON LIQUOR CONTROL, MARCH 23, 2017

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 licenses and regulations, liquor, alcohol and malt and brewed
18 beverages, further providing for interlocking business
19 prohibited, for number and kinds of licenses allowed same
20 licensee and for interlocking business prohibited; and, in
21 distilleries, wineries, bonded warehouses, bailees for hire
22 and transporters for hire, further providing for limited
23 wineries.

24 The General Assembly of the Commonwealth of Pennsylvania
25 hereby enacts as follows:

26 Section 1. Section 411(e) of the act of April 12, 1951
27 (P.L.90, No.21), known as the Liquor Code, amended November 15,
28 2016 (P.L.1286, No.166), is amended to read:

1 Section 411. Interlocking Business Prohibited.--* * *

2 (e) Except as herein provided, no hotel, restaurant, retail
3 dispenser or club licensee, and no officer, director or
4 stockholder, agent or employe of any such licensee shall in any
5 wise be interested, directly or indirectly, in the ownership or
6 leasehold of any property or the equipment of any property or
7 any mortgage lien against the same, used by a distributor,
8 importing distributor, or by an importer or sacramental wine
9 licensee, in the conduct of his business; nor shall any hotel,
10 restaurant, retail dispenser or club licensee, or any officer,
11 director, stockholder, agent or employe of any such licensee,
12 either directly or indirectly, lend any moneys, credit, or give
13 anything of value or the equivalent thereof, to any distributor,
14 importing distributor, importer or sacramental wine licensee,
15 for equipping, fitting out, or maintaining and conducting,
16 either in whole or in part, an establishment used in the conduct
17 of his business.

18 The purpose of this section is to require a separation of the
19 financial and business interests between manufacturers and
20 holders of hotel or restaurant liquor licenses and, as herein
21 provided, of club licenses, issued under this article, and no
22 person shall, by any device whatsoever, directly or indirectly,
23 evade the provisions of the section. But in view of existing
24 economic conditions, nothing contained in this section shall be
25 construed to prohibit the ownership of property or conflicting
26 interest by a manufacturer of any place occupied by a licensee
27 under this article after the manufacturer has continuously owned
28 and had a conflicting interest in such place for a period of at
29 least five years prior to July eighteenth, one thousand nine
30 hundred thirty-five: Provided, however, That this clause shall

1 not prohibit any hotel, restaurant or club liquor licensee, or
2 any officer, director or stockholder of any such licensee, from
3 owning land or buildings which are leased to a holder of a
4 retail dispenser's license, a distillery license or a limited
5 distillery license: And, provided further, That nothing
6 contained in this section shall be construed to prohibit any
7 hotel, restaurant, retail dispenser or club licensee or any
8 officer, director or stockholder, agent or employe of any such
9 licensee from having a financial or other interest, directly or
10 indirectly in the ownership or leasehold of any property or the
11 equipment of any property or any mortgage lien against same,
12 used, leased by an importer or sacramental wine licensee for the
13 exclusive purpose of maintaining commercial offices and on the
14 condition that said property is not used for the storage or sale
15 of liquor or malt or brewed beverages in any quantity: And,
16 provided further, That nothing contained in this section shall
17 prohibit an officer or member of a licensed privately owned
18 private golf course catering club from having an interest in a
19 limited winery license: And, provided further, That nothing
20 contained in this section shall be construed to prohibit a
21 member of the governing board of a public authority created
22 under subdivision (n) of Article XXIII of the act of August 9,
23 1955 (P.L.323, No.130), known as "The County Code," from having
24 an interest in a distributor or importing distributor license
25 notwithstanding the fact that the public authority has an
26 interest in one or more retail licenses or acts as a landlord
27 for one or more retail licenses: And, provided further, That,
28 nothing in this section may prohibit an employe of a hotel or
29 restaurant licensee from having an interest in any property used
30 by a limited winery licensee or in guaranteeing any loans, or

1 lending any moneys, providing credit or giving anything of value
2 to a limited winery licensee or its officers, directors and
3 shareholders, provided that the person also is not an officer of
4 or does not have any interest in or exercise any control over
5 any other licensed entity that engages in any sales to or from
6 the licensee: And, provided further, That, notwithstanding any
7 other provision of this section, an entity may acquire both a
8 manufacturer's license or a limited winery license and a hotel,
9 restaurant or retail dispenser license for use at the same
10 location and more than one location may be so licensed[.]: And,
11 provided further, That, notwithstanding any other provision of
12 this section, the holder of a limited winery license may also
13 hold and operate under a hotel liquor license, a restaurant
14 liquor license or a retail dispenser license on premises other
15 than limited winery's licensed premises. And, provided further,
16 That, notwithstanding any other provision of this section, an
17 entity licensed as a limited winery may hold and operate a
18 restaurant liquor license at one of its additional, board-
19 approved locations instead of at its primary location where
20 manufacturing occurs. The licenses and a person's interest in
21 the licenses or in the entity holding the licenses shall not be
22 subject to this section. Provided further, That, a person who is
23 a holder of ten per centum (10%) or less of securities or other
24 interests in a publicly or privately held domestic or foreign
25 corporation, partnership, limited liability company or other
26 form of legal entity owning a retail license shall not be deemed
27 to possess a financial interest and is not subject to the
28 provisions of this section, provided that the person is not an
29 officer of, employe of or does not have any interest in or
30 exercise any control over any other licensed entity that engages

1 in any sales to or from the retail licensee in which the person
2 holds the ten per centum (10%) or less interest.

3 * * *

4 Section 2. Sections 438(c) and 443(g) of the act are amended
5 to read:

6 Section 438. Number and Kinds of Licenses Allowed Same
7 Licensee.--* * *

8 (c) No person shall possess more than one class of license,
9 except that a holder of a retail dispenser's license may also be
10 a holder of a retail liquor license: Provided, however, That
11 nothing contained in this section shall be construed to prohibit
12 a member of the governing board of a public authority created
13 under subdivision (n) of Article XXIII of the act of August 9,
14 1955 (P.L.323, No.130), known as "The County Code," from having
15 an interest in a distributor or importing distributor license
16 notwithstanding the fact that the public authority has an
17 interest in one or more retail licenses or acts as a landlord
18 for one or more retail licenses: And, provided further, That,
19 notwithstanding any other provision of this section, an entity
20 may acquire both a manufacturer's license or a limited winery
21 license and a hotel, restaurant or retail dispenser license for
22 use at the same location and more than one location may be so
23 licensed[.]: And, provided further, That, notwithstanding any
24 other provision of this section, the holder of a limited winery
25 license may also hold and operate under a hotel liquor license,
26 a restaurant liquor license or a retail dispenser license on
27 premises other than the limited winery's licensed premises. The
28 licenses and a person's interest in the licenses or in the
29 entity holding the licenses shall not be subject to this
30 section.

1 Section 443. Interlocking Business Prohibited.--* * *

2 (g) The purpose of this section is to require a separation
3 of the financial and business interests between the various
4 classes of business regulated by subdivision (B) of this
5 article, and no person or corporation shall, by any device
6 whatsoever, directly or indirectly, evade the provisions of this
7 section. But in view of existing economic conditions, nothing
8 contained in this section shall be construed to prohibit the
9 ownership of property or conflicting interest by a malt or
10 brewed beverage manufacturer of any place occupied by a
11 distributor, importing distributor or retail dispenser after the
12 manufacturer has continuously owned and had a conflicting
13 interest in such place for a period of at least five years prior
14 to the eighteenth day of July, one thousand nine hundred thirty-
15 five: Provided, however, That a holder of a manufacturer's
16 license under section 431(a) who is eligible to operate a
17 brewery pub under section 446(2) or a limited winery as provided
18 for under section 505.2 may also hold and operate under a hotel
19 liquor license, a restaurant liquor license or a malt and brewed
20 beverages retail license on the manufacturer's or limited
21 winery's licensed premises[.]: And, provided further, That,
22 notwithstanding any other provision of this section, the holder
23 of a limited winery license may also hold and operate under a
24 hotel liquor license, a restaurant liquor license or a retail
25 dispenser license on premises other than the limited winery's
26 licensed premises. The hotel liquor license or restaurant liquor
27 license or the malt and brewed beverages retail license shall be
28 acquired by the manufacturer or limited winery subject to
29 section 461 and shall satisfy all requirements for each
30 respective license: And, provided further, That nothing

1 contained in this section shall be construed to prohibit a
2 member of the governing board of a public authority created
3 under subdivision (n) of Article XXIII of the act of August 9,
4 1955 (P.L.323, No.130), known as "The County Code," from having
5 an interest in a distributor or importing distributor license
6 notwithstanding the fact that the public authority has an
7 interest in one or more retail licenses or acts as a landlord
8 for one or more retail licenses.

9 A person who is a holder of five per centum (5%) or less of
10 securities or other interests in a publicly or privately held
11 domestic or foreign corporation, partnership, limited liability
12 company or other form of legal entity owning a restaurant liquor
13 license or retail dispenser's license shall not be deemed to
14 possess a financial interest and is not subject to the
15 provisions of this section, provided that the person is not an
16 officer of, employe of or does not have any interest in or
17 exercise any control over any other licensed entity that engages
18 in any sales to or from the restaurant liquor or retail
19 dispenser licensee in which the person holds the five per centum
20 (5%) or less interest.

21 The term "manufacturer" as used in this section shall include
22 manufacturers of malt or brewed beverages as defined in this act
23 and any person manufacturing any malt or brewed beverages
24 outside of this Commonwealth.

25 * * *

26 Section 3. Section 505.2(a) of the act is amended by adding
27 a paragraph to read:

28 Section 505.2. Limited Wineries.--(a) In the interest of
29 promoting tourism and recreational development in Pennsylvania,
30 holders of a limited winery license may:

1 * * *

2 (5.1) Notwithstanding any other provision of law to the
3 contrary, apply for and hold hotel liquor licenses, restaurant
4 liquor licenses or retail dispenser licenses for premises other
5 than the licensed limited winery premises under the same
6 conditions and regulations as any other hotel liquor license,
7 restaurant liquor license or retail dispenser license and
8 subject to the limitation on the issuance of those licenses
9 under sections 461 and 472.

10 * * *

11 Section 4. This act shall take effect in 60 days.