

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 306 Session of 2017

INTRODUCED BY VULAKOVICH, RESCHENTHALER, ALLOWAY, BARTOLOTTA, STEFANO, WAGNER, LAUGHLIN, MARTIN, MCGARRIGLE, REGAN, WHITE AND YAW, FEBRUARY 15, 2017

REFERRED TO LAW AND JUSTICE, FEBRUARY 15, 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 preliminary provisions, further providing for definitions;
 18 and, in licenses and regulations and liquor, alcohol and malt
 19 and brewed beverages, providing for spirit expanded permits.

20 The General Assembly of the Commonwealth of Pennsylvania

21 hereby enacts as follows:

22 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
 23 No.21), known as the Liquor Code, is amended by adding a
 24 definition to read:

25 Section 102. Definitions.--The following words or phrases,
 26 unless the context clearly indicates otherwise, shall have the

1 meanings ascribed to them in this section:

2 * * *

3 "Spirits" shall mean a beverage that contains alcohol
4 obtained by distillation and mixed with water or other substance
5 in solution, including brandy, rum, whiskey, gin or other
6 spirituous liquors, and such liquors when rectified, blended or
7 otherwise mixed with alcohol or other substances.

8 * * *

9 Section 2. The act is amended by adding a section to read:

10 Section 417. Spirit Expanded Permits.--(a) The following
11 apply:

12 (1) The board shall issue a spirit expanded permit to a
13 person holding and possessing a valid restaurant liquor license
14 or hotel liquor license.

15 (2) Nothing in this section may affect the ability of an
16 existing licensee to operate within the scope of its current
17 license as authorized by this act, except that no sales of
18 spirits for off-premises consumption may take place by a spirit
19 expanded permit holder after eleven o'clock postmeridian of any
20 day until the licensee's permitted hours of operation under
21 section 406 of the next day, including Sundays if the licensee
22 has a permit authorized under sections 406(a)(3) and 432(f).

23 (3) A spirit expanded permit may not be issued to a license
24 holder whose underlying license is subject to a pending
25 objection by the director of the Bureau of Licensing or the
26 board under section 470(a.1), until the matter is decided, so
27 long as the underlying license is authorized to operate.

28 Notwithstanding any other provision of law, a holder of a spirit
29 expanded permit may continue to operate under the permit if its
30 underlying license is objected to by the director of the Bureau

1 of Licensing or the board under section 470(a.1), until the
2 matter is decided.

3 (4) If the board has approved the operation of another
4 business which has an inside passage or communication to or with
5 the licensed premises, the sale and purchase of spirits shall be
6 confined strictly to the premises in a specifically designated
7 area covered by the license. The purchase of goods obtained from
8 the unlicensed area of the premises shall be permitted in the
9 licensed area.

10 (5) For purposes of selling spirits for off-premises
11 consumption, a holder of a spirit expanded permit is not subject
12 to section 493(14).

13 (6) A spirit expanded permit holder shall comply with the
14 responsible alcohol management provisions under section 471.1.

15 (7) A spirit expanded permit holder may store spirits in a
16 noncontiguous area that is not accessible to the public and is:

17 (i) locked at all times when not being accessed by the
18 licensees' employes;

19 (ii) not accessible to employes under eighteen years of age;
20 and

21 (iii) identified by dimensions and locations on forms
22 submitted to the board.

23 (8) A spirit expanded permit holder shall utilize a
24 transaction scan device to verify the age of an individual who
25 appears to be under thirty-five years of age before making a
26 sale of spirits. A spirit expanded permit holder may not sell or
27 share data from the use of a transaction scan device, provided
28 that the licensee may use the data to show the enforcement
29 bureau that the licensee is in compliance with this act. As used
30 in this paragraph, the term "transaction scan device" means a

1 device capable of deciphering, in an electronically readable
2 format, the information encoded on the magnetic strip or bar
3 code of an identification card under section 495(a).

4 (9) A sale of spirits by a spirit expanded permit holder
5 shall be made through a register that is well designated with
6 signage, is staffed at all times, including by a sales clerk who
7 is at least eighteen years of age and has been trained under
8 section 471.1, and utilizes a transaction scan device for the
9 sale. The sale of spirits may not occur at a point of sale where
10 the customer scans the customer's own purchases.

11 (b) The application and renewal fee for a spirit expanded
12 permit shall be as follows:

13 (1) For a spirit expanded permit issued to licensees, an
14 initial application fee of two thousand dollars (\$2,000).

15 (2) An annual renewal fee equal to two per centum of the
16 cost of spirits purchased from the board for off-premises
17 consumption.

18 (c) Notwithstanding the provisions of section 802, all fees
19 paid to the board under this section shall be paid into the
20 State Treasury for deposit as follows:

21 (1) All moneys shall be deposited in The State Stores Fund.

22 (2) Every June 1, all moneys deposited under paragraph (1)
23 shall be transferred to the General Fund.

24 (d) A spirit expanded permit holder may sell for off-
25 premises consumption, in a single transaction, up to three
26 thousand (3,000) milliliters of spirits.

27 (e) The following apply:

28 (1) Spirit expanded permit holders shall comply with the
29 provisions of section 201(f), (k) and (o) of the act of March 4,
30 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,

1 regarding the purchase of spirits from a Pennsylvania Liquor
2 Store.

3 (2) The sale of spirits by a spirit expanded permit holder
4 for off-premises consumption shall be considered a "purchase at
5 retail" under section 201(f) of the Tax Reform Code of 1971, a
6 "sale at retail" under section 201(k) of the Tax Reform Code of
7 1971 or a "use" under section 201(o) of the Tax Reform Code of
8 1971.

9 (3) A spirit expanded permit holder may, when filing its
10 required returns under Article II of the Tax Reform Code of
11 1971, request a credit of any taxes paid in accordance with
12 paragraph (1) for spirits sold for off-premises consumption and
13 for which taxes were remitted to the department under paragraph
14 (2).

15 (f) A spirit expanded permit holder may not sell a spirit
16 product for off-premises consumption at a price less than the
17 licensee's purchase price from the board of the spirit product.

18 (g) A spirit expanded permit holder may not sell a private
19 label product.

20 Section 3. This act shall take effect in 60 days.