

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1615** Session of
2021

INTRODUCED BY TOPPER, JUNE 11, 2021

SENATOR REGAN, LAW AND JUSTICE, IN SENATE, AS AMENDED,
APRIL 13, 2022

AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An
2 act relating to alcoholic liquors, alcohol and malt and
3 brewed beverages; amending, revising, consolidating and
4 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 and liquor, alcohol and malt and
18 brewed beverages, further providing for breweries.

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

21 Section 1. Section 446(a)(1), (2) and (3) of the act of
22 April 12, 1951 (P.L.90, No.21), known as the Liquor Code, are
23 amended and subsection (a) is amended by adding a paragraph to
24 read:

25 Section 446. Breweries.--(a) Holders of a brewery license

1 may:

2 (1) Sell malt or brewed beverages [produced at the location
3 and owned by the brewery] as provided in this section under such
4 conditions and regulations as the board may enforce[, to
5 individuals for consumption on the licensed premises in any
6 container or package of any volume and to hotel, restaurant,
7 club and public service liquor licensees. Malt] ~~The following~~ <--
8 ~~shall apply~~ AS FOLLOWS: <--

9 (i) Malt or brewed beverages produced [for the holder of a
10 brewery license under a contract brewing agreement with an out-
11 of-State manufacturer may be sold to a nonlicensee for on-
12 premises or off-premises consumption, except that sales to a
13 licensee must be distributed as provided under section 431(b).]
14 by a brewery at the brewery location or under a contract brewing
15 agreement or alternating proprietorship with an in-State
16 manufacturer may be sold by the brewery to nonlicensees for on-
17 premises or off-premises consumption and to licensees who are
18 authorized to resell malt or brewed beverages. Sales to
19 licensees under this paragraph shall comply with the provisions
20 of this act. Malt or brewed beverages produced for the brewery
21 under a contract brewing agreement or alternating proprietorship
22 with an out-of-State manufacturer may only be distributed as
23 provided under paragraph (3).

24 ~~(ii) A brewery located in a second class city with retail~~ <--
25 ~~sales prior to June 1, 2017, may sell malt or brewed beverages~~
26 ~~produced under a contract brewing agreement with an in state or~~
27 ~~out of State manufacturer to nonlicensees for on premises or~~
28 ~~off premises consumption. If the brewery uses storage locations~~
29 ~~granted to the brewery under section 431(a.2) for distribution~~
30 ~~or retail sales, the brewery may only sell malt or brewed~~

1 ~~beverages as provided under paragraph (3).~~

2 (II) A BREWERY WITH A CONTRACT BREWING AGREEMENT WITH AN <--
3 OUT-OF-STATE MANUFACTURER PRIOR TO THE EFFECTIVE DATE OF THIS
4 PARAGRAPH MAY SELL MALT OR BREWED BEVERAGES TO NONLICENSEES FOR
5 ON-PREMISES OR OFF-PREMISES CONSUMPTION. THESE SALES ARE IN
6 ADDITION TO THE SALES AUTHORIZED BY THIS PARAGRAPH AND ARE NOT
7 SUBJECT TO THE DISTRIBUTION REQUIREMENTS SET FORTH IN PARAGRAPH
8 (3). IF THE BREWERY USES STORAGE LOCATIONS GRANTED TO THE
9 BREWERY UNDER SECTION 431(A.2) FOR DISTRIBUTION OR RETAIL SALES
10 BEYOND THOSE STORAGE LOCATIONS ALREADY USED FOR DISTRIBUTION OR
11 RETAIL SALES PRIOR TO THE EFFECTIVE DATE OF THIS PARAGRAPH, THE
12 BREWERY MAY ONLY SELL MALT OR BREWED BEVERAGES AS PROVIDED UNDER
13 PARAGRAPH (3).

14 (2) Operate a restaurant or brewery pub on the licensed
15 premises under such conditions and regulations as the board may
16 enforce: Provided, however, That sales on Sunday may be made
17 irrespective of the volume of food sales if the licensed
18 premises are at a public venue location. [The] In addition to
19 the sales authorized under paragraph (1), the holder of a
20 brewery license may sell wines, alcoholic cider and fermented
21 fruit beverages produced by the holder of a limited winery
22 license, malt or brewed beverages produced by a manufacturer
23 licensed by the board and liquor produced by a limited
24 distillery or distillery licensed by the board: Provided,
25 however, That said wines, malt or brewed beverages produced by
26 another manufacturer and liquor must be consumed at the licensed
27 premises. In addition, the combined sales of wine, malt or
28 brewed beverages produced by another manufacturer and liquor may
29 not, on a yearly basis, exceed fifty per centum (50%) of the on-
30 premises sales of the brewery's own malt or brewed beverages for

1 the preceding calendar year: however, if a brewery did not
2 operate for an entire calendar year during the preceding year,
3 then its combined sales of wine, malt or brewed beverages
4 produced by another manufacturer and liquor may not, on a yearly
5 basis, exceed fifty per centum (50%) of the on-premises sales of
6 the brewery's own malt or brewed beverages for that year.

7 (3) Use brewery storage and distribution facilities for the
8 purpose of receiving, storing and distributing malt or brewed
9 beverages manufactured outside this Commonwealth [if], including
10 malt or brewed beverages produced for the brewery under a
11 contract brewing agreement or alternating proprietorship with an
12 out-of-State manufacturer, so long as the beverages are
13 distributed in this Commonwealth only through specific importing
14 distributors who shall have first been given distributing rights
15 for such products in designated geographical areas through the
16 distribution system required for out-of-State manufacturers
17 under section [431(b)] 431 as well as all other pertinent
18 sections of this act. The manufacturer of the beverages must
19 comply with section 444.

20 * * *

21 (5) Nothing in paragraphs (2) and (3) shall be construed to
22 impact the status of existing or future distribution contracts
23 or rights under this act.

24 * * *

25 Section 2. This act shall take effect ~~in 60 days~~

<--

26 IMMEDIATELY.

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