
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1750 Session of
2023

INTRODUCED BY LEADBETER, KUTZ, GAYDOS, ROWE, SMITH, MUSTELLO,
MIHALEK, STENDER, MOUL, METZGAR, MAJOR, KEEFER AND ECKER,
OCTOBER 13, 2023

REFERRED TO COMMITTEE ON LIQUOR CONTROL, OCTOBER 13, 2023

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 preliminary provisions, further providing for definitions; in
18 Pennsylvania Liquor Stores, further providing for sales by
19 Pennsylvania Liquor Stores; in licenses and regulations,
20 liquor, alcohol and malt and brewed beverages, further
21 providing for heading of article, for authority to issue
22 liquor licenses to hotels, restaurants and clubs, for sales
23 by liquor licensees and restrictions, for secondary service
24 area, for sale of malt or brewed beverages by liquor
25 licensees, for public service liquor licenses, for liquor
26 importers' licenses, fees, privileges and restrictions, for
27 public venue license, for performing arts facility license,
28 for continuing care retirement community retail licenses,
29 for casino liquor license, for malt and brewed beverages
30 manufacturers', distributors' and importing distributors'
31 licenses, for sales by manufacturers of malt or brewed
32 beverages and minimum quantities and for distributors' and
33 importing distributors' restrictions on sales, storage, etc;

1 adding provisions relating to fees and taxation of ready-to-
2 drink cocktails for off-premises consumption; and further
3 providing for unlawful acts relative to malt or brewed
4 beverages and licensees.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,
8 No.21), known as the Liquor Code, is amended by adding
9 definitions to read:

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

13 * * *

14 "Ready-to-drink cocktail" shall mean a beverage, composed in
15 part of spirits, combined with other nonalcoholic ingredients,
16 carbonated or still, by whatever name such beverage may be
17 called, premixed and packaged in original containers, containing
18 not more than sixteen ounces, provided that it is not mixed or
19 adulterated on the licensed premises of a licensee. It shall
20 mean any beverage consisting of at least one-half of one per
21 centum, but not greater than twelve and one-half per centum,
22 alcohol by volume. It shall not mean any beverage composed, in
23 part, of wine or malt or brewed beverages. It shall be treated
24 like liquor unless the context clearly indicates otherwise.

25 * * *

26 "Spirits" shall mean any beverage which contains alcohol
27 obtained by distillation, mixed with water or other substances
28 in solution, and includes brandy, rum, whiskey, gin or other
29 spirituous liquors and such liquors when rectified, blended or
30 otherwise mixed with alcohol or other substances.

31 * * *

32 Section 2. Section 305(b) of the act is amended and the

1 section is amended by adding a subsection to read:

2 Section 305. Sales by Pennsylvania Liquor Stores.--* * *

3 (b) Every Pennsylvania Liquor Store shall sell liquors at
4 wholesale to hotels, restaurants, clubs, and railroad, pullman
5 and steamship companies licensed under this act; and, under the
6 regulations of the board, to pharmacists duly licensed and
7 registered under the laws of the Commonwealth, and to
8 manufacturing pharmacists, and to reputable hospitals approved
9 by the board, or chemists. Sales to licensees shall be made at a
10 price that includes a discount of ten per centum from the retail
11 price; except that special order sales to licensees authorized
12 in subsection (a) shall not be subject to the ten per centum
13 discount. Ready-to-drink cocktails as defined in section 102
14 shall not be subject to the ten per centum discount. The board
15 may sell to registered pharmacists only such liquors as conform
16 to the Pharmacopoeia of the United States, the National
17 Formulary, or the American Homeopathic Pharmacopoeia. The board
18 may sell at special prices under the regulations of the board,
19 to United States Armed Forces facilities which are located on
20 United States Armed Forces installations and are conducted
21 pursuant to the authority and regulations of the United States
22 Armed Forces. All other sales by such stores shall be at retail,
23 except that incentives, such as coupons or discounts on certain
24 products, may be offered to unlicensed customers of the board as
25 provided under sections 207(m) and 493(24)(ii)(B). A person
26 entitled to purchase liquor at wholesale prices may purchase the
27 liquor at any Pennsylvania Liquor Store upon tendering cash,
28 check or credit card for the full amount of the purchase. For
29 this purpose, the board shall issue a discount card to each
30 licensee identifying such licensee as a person authorized to

1 purchase liquor at wholesale prices. Such discount card shall be
2 retained by the licensee. The board may contract through the
3 Commonwealth bidding process for delivery to wholesale licensees
4 at the expense of the licensee receiving the delivery.

5 * * *

6 (l) Pennsylvania Liquor Stores may sell ready-to-drink
7 cocktails but are not restricted to the ready-to-drink cocktail
8 container limits or alcohol by volume limits per the definition
9 in section 102.

10 Section 3. Article IV heading and sections 401(a), 406(a),
11 (c), (d), (e) and (f) introductory paragraph, 406.1(a), 407
12 heading and (a)(1) and (2) and 408(a) and (e) of the act are
13 amended to read:

14 ARTICLE IV.

15 LICENSES AND REGULATIONS; LIQUOR, ALCOHOL AND

16 MALT AND BREWED BEVERAGES

17 AND READY-TO-DRINK COCKTAILS.

18 Section 401. Authority to Issue Liquor Licenses to Hotels,
19 Restaurants and Clubs.--(a) Subject to the provisions of this
20 act and regulations promulgated under this act, the board shall
21 have authority to issue a retail liquor license for any premises
22 kept or operated by a hotel, restaurant or club and specified in
23 the license entitling the hotel, restaurant or club to purchase
24 liquor from a Pennsylvania Liquor Store and to keep on the
25 premises such liquor and, subject to the provisions of this act
26 and the regulations made thereunder, to sell the same and also
27 malt or brewed beverages to guests, patrons or members for
28 consumption on the hotel, restaurant or club premises. Such
29 licensees, other than clubs, shall be permitted to sell malt or
30 brewed beverages for consumption off the premises where sold in

1 quantities of not more than one hundred ninety-two fluid ounces
2 in a single sale to one person as provided for in section 407.
3 In addition, such licensees, other than clubs, shall be
4 permitted to sell ready-to-drink cocktails for off-premises
5 consumption where sold in quantities of not more than one
6 hundred ninety-two fluid ounces in a single sale to one person
7 in the same manner as malt or brewed beverages as provided for
8 in section 407. Such licenses shall be known as hotel liquor
9 licenses, restaurant liquor licenses and club liquor licenses,
10 respectively. No person who holds any public office that
11 involves the duty to enforce any of the penal laws of the United
12 States, this Commonwealth or of any political subdivision of
13 this Commonwealth may have any interest in a hotel or restaurant
14 liquor license. This prohibition applies to anyone with arrest
15 authority, including, but not limited to, United States
16 attorneys, State attorneys general, district attorneys, sheriffs
17 and police officers. This prohibition shall also apply to
18 magisterial district judges, judges or any other individuals who
19 can impose a criminal sentence. This prohibition does not apply
20 to members of the General Assembly, township supervisors, city
21 councilpersons, mayors without arrest authority and any other
22 public official who does not have the ability to arrest or the
23 ability to impose a criminal sentence. This section does not
24 apply if the proposed premises are located outside the
25 jurisdiction of the individual in question.

26 * * *

27 Section 406. Sales by Liquor Licensees; Restrictions.--(a)

28 (1) Every hotel, restaurant or club liquor licensee may sell
29 liquor, ready-to-drink cocktails and malt or brewed beverages by
30 the glass, open bottle or other container, and in any mixture,

1 for consumption only in that part of the hotel or restaurant
2 habitually used for the serving of food to guests or patrons, or
3 in a bowling alley that is immediately adjacent to and under the
4 same roof as a restaurant, and in the case of hotels, to guests,
5 and in the case of clubs, to members, in their private rooms in
6 the hotel or club. No club licensee nor its officers, servants,
7 agents or employes, other than one holding a catering license,
8 shall sell any liquor, ready-to-drink cocktails or malt or
9 brewed beverages to any person except a member of the club. The
10 holder of a restaurant license located in a hotel may sell
11 liquor, ready-to-drink cocktails or malt or brewed beverages for
12 consumption in that part of the restaurant habitually used for
13 the serving of meals to patrons and also to guests in private
14 guest rooms in the hotel. For the purpose of this paragraph, any
15 person who is an active member of another club which is
16 chartered by the same state or national organization shall have
17 the same rights and privileges as members of the particular
18 club. For the purpose of this paragraph, any person who is an
19 active member of any volunteer firefighting company, association
20 or group of this Commonwealth, whether incorporated or
21 unincorporated, shall upon the approval of any club composed of
22 volunteer firemen licensed under this act, have the same social
23 rights and privileges as members of such licensed club. For the
24 purposes of this paragraph, the term "active member" shall not
25 include a social member. Any club licensee which is either an
26 incorporated unit of a national veterans' organization or an
27 affiliated organization as defined in section 461.1 shall be
28 permitted to sell liquor, ready-to-drink cocktails or malt or
29 brewed beverages to any active member of another unit which is
30 chartered by the same national veterans' organization or to any

1 member of a nationally chartered auxiliary associated with the
2 same national veterans' organization.

3 (2) Hotel and restaurant liquor licensees, municipal golf
4 course restaurant liquor licensees and privately-owned public
5 golf course restaurant licensees may sell liquor, ready-to-drink
6 cocktails and malt or brewed beverages only after seven o'clock
7 antemeridian of any day until two o'clock antemeridian of the
8 following day, except Sunday, and except as hereinafter
9 provided, may sell liquor, ready-to-drink cocktails and malt or
10 brewed beverages on Sunday between the hours of twelve o'clock
11 midnight and two o'clock antemeridian. No sales of ready-to-
12 drink cocktails for off-premises consumption may take place
13 after eleven o'clock postmeridian of any day until the
14 licensee's permitted hours of operation under this section of
15 the following day.

16 (2.1) Airport restaurant liquor licensees may sell liquor,
17 ready-to-drink cocktails and malt or brewed beverages only after
18 five o'clock antemeridian of any day and until two o'clock
19 antemeridian of the following day.

20 (3) Hotel and restaurant liquor licensees, municipal golf
21 course restaurant liquor licensees and privately-owned public
22 golf course restaurant licensees may sell liquor, ready-to-drink
23 cocktails and malt or brewed beverages on Sunday between the
24 hours of nine o'clock antemeridian and two o'clock antemeridian
25 Monday upon purchase of a special permit from the board at an
26 annual fee as prescribed in section 614-A of the act of April 9,
27 1929 (P.L.177, No.175), known as "The Administrative Code of
28 1929." Airport restaurant liquor licensees may sell liquor,
29 ready-to-drink cocktails and malt or brewed beverages on Sunday
30 between the hours of five o'clock antemeridian and two o'clock

1 antemeridian Monday upon purchase of a special permit from the
2 board at an annual fee as prescribed in section 614-A of the act
3 of April 9, 1929 (P.L.177, No.175), known as "The Administrative
4 Code of 1929." No sales of ready-to-drink cocktails for off-
5 premises consumption may take place after eleven o'clock
6 postmeridian of any day until the licensee's permitted hours of
7 operation under this section of the following day.

8 (4) Hotel and restaurant liquor licensees, municipal golf
9 course restaurant liquor licensees and privately-owned public
10 golf course restaurant licensees which do not qualify for and
11 purchase such special permit, their servants, agents or employes
12 may sell liquor, ready-to-drink cocktails and malt or brewed
13 beverages only after seven o'clock antemeridian of any day and
14 until two o'clock antemeridian of the following day, and shall
15 not sell after two o'clock antemeridian on Sunday. No club
16 licensee or its servants, agents or employes may sell liquor,
17 ready-to-drink cocktails or malt or brewed beverages between the
18 hours of three o'clock antemeridian and seven o'clock
19 antemeridian on any day. No public service liquor licensee or
20 its servants, agents, or employes may sell liquor, ready-to-
21 drink cocktails or malt or brewed beverages between the hours of
22 two o'clock antemeridian and seven o'clock antemeridian on any
23 day. No sales of ready-to-drink cocktails for off-premises
24 consumption may take place after eleven o'clock postmeridian of
25 any day until the licensee's permitted hours of operation under
26 this section of the following day.

27 (6) Notwithstanding any provisions to the contrary, whenever
28 the thirty-first day of December falls on a Sunday, every hotel
29 or restaurant liquor licensee, their servants, agents or
30 employes may sell liquor, ready-to-drink cocktails and malt or

1 brewed beverages on any such day after one o'clock postmeridian
2 and until two o'clock antemeridian of the following day. No
3 sales of ready-to-drink cocktails for off-premises consumption
4 may take place after eleven o'clock postmeridian of any day
5 until the licensee's permitted hours of operation under this
6 section of the following day.

7 (6.1) Notwithstanding any provisions to the contrary,
8 whenever Saint Patrick's Day falls on a Sunday, every hotel or
9 restaurant liquor licensee, their servants, agents or employes
10 may sell liquor, ready-to-drink cocktails and malt or brewed
11 beverages on any such day after seven o'clock antemeridian and
12 until two o'clock antemeridian of the following day. No sales of
13 ready-to-drink cocktails for off-premises consumption may take
14 place after eleven o'clock postmeridian of any day until the
15 licensee's permitted hours of operation under this section of
16 the following day.

17 (7) Notwithstanding any other provision of this act, if
18 Groundhog Day falls on a Sunday, a hotel or restaurant licensee
19 or the hotel or restaurant licensee's servants, agents or
20 employes may sell liquor, ready-to-drink cocktails and malt or
21 brewed beverages on that day after seven o'clock antemeridian
22 and until two o'clock antemeridian of the following day. No
23 sales of ready-to-drink cocktails for off-premises consumption
24 may take place after eleven o'clock postmeridian of any day
25 until the licensee's permitted hours of operation under this
26 section of the following day.

27 * * *

28 (c) Notwithstanding any provision of this act, on the Sunday
29 on which the sporting event commonly referred to as the "Super
30 Bowl" is conducted, licensees who do not possess the special

1 annual permit provided for in subsection (a) (3), their servants,
2 agents or employes may sell liquor, ready-to-drink cocktails and
3 malt or brewed beverages on such Sunday after one o'clock
4 postmeridian and until two o'clock antemeridian of the following
5 day. No sales of ready-to-drink cocktails for off-premises
6 consumption may take place after eleven o'clock postmeridian of
7 any day until the licensee's permitted hours of operation under
8 this section of the following day.

9 (d) Subject to section 412, licensed public venues may sell
10 liquor, ready-to-drink cocktails and malt or brewed beverages on
11 Sundays from eleven o'clock antemeridian until midnight without
12 the need to acquire or qualify for a special permit. In
13 addition, subject to section 413, licensed performing arts
14 facilities may sell liquor, ready-to-drink cocktails and malt or
15 brewed beverages on Sundays from ten o'clock antemeridian until
16 ten o'clock postmeridian without the need to acquire or qualify
17 for a special permit.

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, ready-to-drink cocktails or malt or brewed
21 beverages from the licensed portion of the premises to the
22 unlicensed portion of the premises, so long as the liquor, __
23 ready-to-drink cocktails or malt or brewed beverages remain on
24 the hotel property. In addition, a holder of a restaurant or
25 club license located on a golf course may sell, furnish or give
26 liquor, ready-to-drink cocktails or malt or brewed beverages on
27 the unlicensed portion of the golf course so long as the liquor, __
28 ready-to-drink cocktails or malt or brewed beverages remain on
29 the restaurant, club or golf course. The holder of a restaurant
30 license located immediately adjacent to and under the same roof

1 of a bowling center may allow persons to transport liquor,
2 ready-to-drink cocktails or malt or brewed beverages from the
3 licensed portion of the premises to the unlicensed portion of
4 the premises, so long as the liquor, ready-to-drink cocktails or
5 malt or brewed beverages remain within the bowling center. In
6 addition, the holder of a hotel license or a restaurant license
7 may allow persons who have purchased but only partially consumed
8 a bottle of wine on the premises to remove the bottle from the
9 premises so long as the bottle was purchased in conjunction with
10 a meal which was consumed on the premises and so long as the
11 bottle is resealed. For purposes of this subsection, "wine"
12 shall have the meaning given to it under section 488(i). For
13 purposes of this section and section 432, "meal" shall mean food
14 prepared on the premises, sufficient to constitute breakfast,
15 lunch or dinner; it shall not mean a snack, such as pretzels,
16 popcorn, chips or similar food.

17 (2) A holder of a restaurant or club license located on a
18 golf course may store liquor, ready-to-drink cocktails or malt
19 or brewed beverages in a permanent facility on the unlicensed
20 portion of the golf course so long as the liquor, ready-to-drink
21 cocktails or malt or brewed beverages remain on the restaurant,
22 club or golf course without regard to whether there is any
23 intervening public thoroughfare.

24 (f) The holder of a hotel or restaurant liquor license may
25 obtain an off-premises catering permit subject to section
26 493(33) to hold a catered function off the licensed premises and
27 on otherwise unlicensed premises where the licensee may sell
28 wine, liquor, ready-to-drink cocktails and malt or brewed
29 beverages by the glass, open bottle or other container, and in
30 any mixture together with food, for consumption on those

1 premises. Functions conducted under the authority of the permit
2 shall be subject to the following:

3 * * *

4 Section 406.1. Secondary Service Area.--(a) Upon
5 application of any restaurant, hotel, club, municipal golf
6 course liquor licensee, distillery, limited distillery or
7 manufacturer of malt or brewed beverages or manufacturer of
8 ready-to-drink cocktails, and payment of the appropriate fee,
9 the board may approve a secondary service area by extending the
10 licensed premises to include one additional permanent structure
11 with dimensions of at least one hundred seventy-five square
12 feet, enclosed on three sides and having adequate seating. Such
13 secondary service area must be located on property having a
14 minimum area of one (1) acre, and must be on land which is
15 immediate, abutting, adjacent or contiguous to the licensed
16 premises with no intervening public thoroughfare; however, the
17 original licensed premises and the secondary service area must
18 be located on the same tract of land. The board shall have
19 discretion to refuse the application for a secondary service
20 area in the same manner it has discretion to refuse an
21 application for transfer of the license to a new location as set
22 forth in section 404. There shall be no requirement that the
23 secondary service area be physically connected to the original
24 licensed premises. In addition, there shall be no requirement
25 that the secondary service area be located in the same
26 municipality as the original licensed premises, provided,
27 however, that the board shall not approve a secondary service
28 area in this case if that secondary service area is located in
29 any municipality where the granting of liquor licenses has been
30 prohibited as provided in this article. Notwithstanding 40 Pa.

1 Code § 7.21, the licensee shall be permitted to store, serve,
2 sell or dispense food, liquor, ready-to-drink cocktails and malt
3 or brewed beverages at the board approved secondary service
4 area.

5 * * *

6 Section 407. Sale of Malt or Brewed Beverages and Ready-to-
7 Drink Cocktails by Liquor Licensees.--(a) (1) Every liquor
8 license issued to a hotel, restaurant, club, or a railroad,
9 pullman or steamship company under this subdivision (A) for the
10 sale of liquor shall authorize the licensee to sell malt or
11 brewed beverages and ready-to-drink cocktails at the same places
12 but subject to the same restrictions and penalties as apply to
13 sales of liquor, except that licensees other than clubs may sell
14 malt or brewed beverages for consumption off the premises where
15 sold in quantities of not more than one hundred ninety-two fluid
16 ounces in a single sale to one person. The sales may be made in
17 either open or closed containers, Provided, however, That a
18 municipality may adopt an ordinance restricting open containers
19 in public places. In addition, licensees, other than clubs, may
20 sell ready-to-drink cocktails for off-premises consumption where
21 sold in quantities of not more than one hundred ninety-two fluid
22 ounces in a single sale to one person. No licensee under this
23 subdivision (A) shall at the same time be the holder of any
24 other class of license, except a retail dispenser's license
25 authorizing the sale of malt or brewed beverages only. Sales of
26 malt or brewed beverages must occur on the licensed premises.
27 (2) If a restaurant liquor license holder has an interior
28 connection to another business that it operates, the restaurant
29 liquor license holder may use one or more of the registers in
30 the other business to sell malt or brewed beverages and ready-

1 to-drink cocktails for off-premises consumption under the
2 following conditions:

3 (i) the building is eleven thousand square feet or less;

4 (ii) the registers are located in the same building as the
5 licensed premises;

6 (iii) the registers comply with the signage, staffing,
7 training, carding, scanning and prohibition on the sharing of
8 data provisions of section 415(a)(8) and (9); and

9 (iv) the board has been provided notice of compliance with
10 this paragraph by the restaurant liquor license holder,
11 including square footage of the building and the location of the
12 specific registers to be used prior to their use.

13 * * *

14 Section 408. Public Service Liquor Licenses.--(a) Subject
15 to the provisions of this act and regulations promulgated under
16 this act, the board, upon application, shall issue retail liquor
17 licenses to railroad or pullman companies permitting liquor,
18 ready-to-drink cocktails and malt or brewed beverages to be sold
19 in dining, club or buffet cars to passengers for consumption
20 while enroute on such railroad, and may issue retail liquor
21 licenses to steamship companies permitting liquor, ready-to-
22 drink cocktails or malt or brewed beverages to be sold in the
23 dining compartments of steamships or vessels wherever operated
24 in the Commonwealth, except when standing or moored in stations,
25 terminals or docks within a municipality wherein sales of liquor
26 for consumption on the premises are prohibited, and may further
27 issue retail liquor licenses to airline companies permitting
28 liquor, ready-to-drink cocktails or malt or brewed beverages to
29 be sold to passengers for consumption while enroute on such
30 airline. Such licenses shall be known as public service liquor

1 licenses. The board may issue a master license to railroad or
2 pullman companies to cover the maximum number of cars which the
3 company shall estimate that it will operate within the
4 Commonwealth on any one day. Such licensees shall file monthly
5 reports with the board showing the maximum number of cars
6 operated in any one day during the preceding month, and if it
7 appears that more cars have been operated than covered by its
8 license it shall forthwith remit to the board the sum of twenty
9 dollars for each extra car so operated.

10 * * *

11 (e) Except as otherwise specifically provided, sales of
12 liquor, ready-to-drink cocktails and malt or brewed beverages by
13 the aforesaid public service company licensees shall be made in
14 accordance with, and shall be subject to, the provisions of this
15 act relating to the sale of liquors by restaurant licensees.

16 Section 4. Section 410(e) of the act is amended and the
17 section is amended by adding a subsection to read:

18 Section 410. Liquor Importers' Licenses; Fees; Privileges;
19 Restrictions.--* * *

20 (e) Importers' licenses shall permit the holders thereof to
21 bring or import liquor and ready-to-drink cocktails from other
22 states, foreign countries, or insular possessions of the United
23 States, and purchase liquor from manufacturers located within
24 this Commonwealth, to be sold outside of this Commonwealth or to
25 Pennsylvania Liquor Stores within this Commonwealth, or when in
26 original containers of ten gallons or greater capacity, to
27 licensed manufacturers within this Commonwealth.

28 All importations of liquor into Pennsylvania by the licensed
29 importer shall be consigned to the board or the principal place
30 of business or authorized place of storage maintained by the

1 licensee.

2 * * *

3 (i) The holder of an importer's license may sell and deliver
4 ready-to-drink cocktails to licensed importers, distributors,
5 importing distributors, hotels, restaurants and clubs. The sale
6 of ready-to-drink cocktails shall be subject to section 431.

7 Section 5. Sections 412(f) and (g), 413(f), 414(b)(1), (2),
8 (3) and (4) and 416(a), (e) and (i)(1), (2), (3) and (4) and the
9 heading of Subdivision B of Article IV of the act are amended to
10 read:

11 Section 412. Public Venue License.--* * *

12 (f) Licenses issued under this section are to be considered
13 restaurant liquor licenses. However, the following additional
14 restrictions and privileges apply:

15 (1) Sales may only be made one hour before, during and one
16 hour after any athletic performance, performing arts event,
17 trade show, convention, banquet or any other performance at the
18 facility; however, sales may not be made from two o'clock
19 antemeridian to seven o'clock antemeridian. In addition, sales
20 may not occur prior to eleven o'clock antemeridian on Sundays or
21 seven o'clock antemeridian on Mondays. Notwithstanding this
22 section, facilities that had been licensed under former sections
23 408.9 and 408.14 may sell liquor, ready-to-drink cocktails
24 and/or malt or brewed beverages anytime except from two o'clock
25 antemeridian to seven o'clock antemeridian or prior to eleven
26 o'clock antemeridian on Sundays or seven o'clock antemeridian on
27 Mondays, regardless of whether there is a performance at the
28 facility.

29 (2) Sales of alcoholic beverages before, during and after
30 professional and amateur athletic events, performing arts events

1 or other entertainment events may consist of liquor, ready-to-
2 drink cocktails or malt or brewed beverages in shatterproof
3 containers. Sales during trade shows, conventions, banquets or
4 at other events, or sales made in the club seats or at a
5 restaurant facility, may consist of liquor, ready-to-drink
6 cocktails or malt or brewed beverages in any type of container;
7 however, any liquor, ready-to-drink cocktails or malt or brewed
8 beverages sold in the club seats or restaurant facility must
9 remain in the club seating level or restaurant facility. For
10 purposes of this section, a club seat is any seating located on
11 the designated club seating level and partitioned from general
12 seating by a wall, divider, partial wall or railing. The club
13 seating level must not be accessible by the general public.
14 Sales at zoos during private banquets and other events may be at
15 any site within zoo property and may consist of any type of
16 alcohol in any type of container. The board's records shall
17 clearly delineate where the sale of liquor, ready-to-drink
18 cocktails or malt or brewed beverages in any type of container
19 may occur.

20 (3) Sales of ready-to-drink cocktails and malt or brewed
21 beverages for off-premises consumption are prohibited.

22 (4) Licenses issued under this section shall not be subject
23 to: (i) the proximity provisions of sections 402 and 404; (ii)
24 the quota restrictions of section 461; (iv) the provisions of
25 section 493(10) except as they relate to lewd, immoral or
26 improper entertainment; (v) the prohibition against minors
27 frequenting as described in section 493(14) and (vi) the cost
28 and total display area limitations of section 493(20) (i). In
29 addition, licenses issued under this section shall not be
30 subject to the provisions defining "restaurant" in section 102.

1 (g) The board may issue multiple licenses under this section
2 for use in a public venue with permanent seating of at least
3 thirty-five thousand people. If the board does issue more than
4 one license for a specific public venue, written notice of the
5 event must be provided to the enforcement bureau at least forty-
6 eight hours in advance of the dispensing of any liquor, ready-
7 to-drink cocktails or malt or brewed beverages. The notice shall
8 include the date, time and specific licensed areas to be used.
9 No more than one license issued under this section shall be in
10 effect at any location at any time of day at the same time.

11 Section 413. Performing Arts Facility License.--* * *

12 (f) Licenses issued under this section are to be considered
13 restaurant liquor licenses. However, the following additional
14 restrictions and privileges apply:

15 (1) Sales of liquor, ready-to-drink cocktails and malt or
16 brewed beverages may be made two hours before, during and one
17 hour after any performance at the facility; however, sales may
18 not be made from two o'clock antemeridian to seven o'clock
19 antemeridian. In addition, sales may not occur prior to ten
20 o'clock antemeridian or after ten o'clock postmeridian on
21 Sundays. However, facilities that had been licensed under former
22 section 408.3(a) and 408.3(a.2) may sell liquor, ready-to-drink
23 cocktails and malt or brewed beverages anytime except from two
24 o'clock antemeridian to seven o'clock antemeridian or prior to
25 one o'clock postmeridian or after ten o'clock postmeridian on
26 Sundays, regardless of whether there is a performance at the
27 facility.

28 (2) Sales of ready-to-drink cocktails and malt or brewed
29 beverages for off-premises consumption are prohibited.

30 * * *

1 Section 414. Continuing Care Retirement Community Retail
2 Licenses.--* * *

3 (b) Licenses issued under this section are restaurant liquor
4 licenses for all purposes except as provided herein. However,
5 the following additional restrictions and privileges apply:

6 (1) Licenses issued under this section are not subject to
7 the quota restrictions of section 461.

8 (2) Sales of liquor, ready-to-drink cocktails and malt or
9 brewed beverages may not occur from two o'clock antemeridian to
10 seven o'clock antemeridian. In addition, sales may not occur
11 prior to one o'clock postmeridian or after ten o'clock
12 postmeridian on Sunday.

13 (3) Liquor, ready-to-drink cocktails and malt or brewed
14 beverages sold or furnished by the licensee may be possessed
15 anywhere within the continuing care retirement community
16 regardless of whether that portion of the premises is licensed.
17 However, no liquor, ready-to-drink cocktails or malt or brewed
18 beverages sold or furnished by the licensee may be taken beyond
19 the confines of the continuing care retirement community.

20 (4) Sales of liquor, ready-to-drink cocktails or malt or
21 brewed beverages may occur in those portions of the premises
22 licensed by the board as well as in rooms that are lived in or
23 used by residents of the continuing care retirement community.
24 Sales of liquor, ready-to-drink cocktails and malt or brewed
25 beverages are limited to residents of the continuing care
26 retirement community and the guests of residents in conjunction
27 with the normal, regularly scheduled dining, entertainment or
28 social activities of the continuing care retirement community.

29 * * *

30 Section 416. Casino Liquor License.--(a) Notwithstanding

1 any provision of law or regulation, a slot machine licensee or
2 an affiliated designee holding a restaurant liquor or eating
3 place retail dispenser license and which sells liquor, ready-to-
4 drink cocktails or malt or brewed beverages at or adjacent to a
5 gaming facility under this act may apply to the board for a
6 casino liquor license. The board may issue a casino liquor
7 license to a slot machine licensee for use at the casino liquor
8 licensee's licensed facility in accordance with this section.

9 * * *

10 (e) Notwithstanding any other provision of law, a holder of
11 a casino liquor license may sell or serve liquor, ready-to-drink
12 cocktails and malt or brewed beverages twenty-four (24) hours a
13 day, seven (7) days a week.

14 * * *

15 (i) In addition to any other restrictions and privileges, a
16 casino liquor license shall be subject to the following:

17 (1) Sales may be made at any time the facility is open to
18 the public.

19 (2) Liquor, ready-to-drink cocktails or malt or brewed
20 beverages may be transported and consumed off the gaming floor
21 if the liquor, ready-to-drink cocktails or malt or brewed
22 beverage remains within the premises of the licensed facility.

23 (3) Sales of ready-to-drink cocktails and malt or brewed
24 beverages for off-premises consumption are prohibited.

25 (4) In addition to the provisions of section 493(24)(ii),
26 the holder of a casino liquor license may give liquor, ready-to-
27 drink cocktails and malt or brewed beverages free of charge to
28 any person attending an invitation-only event held anywhere on
29 the premises of the licensed facility.

30 * * *

1 (B) Malt and Brewed Beverages and
2 Ready-to-Drink Cocktails (Including Manufacturers).

3 Section 6. Section 431(b), (b.1), (c), (d) and (f) of the
4 act are amended and the section is amended by adding a
5 subsection to read:

6 Section 431. Malt and Brewed Beverages Manufacturers',
7 Distributors' and Importing Distributors' Licenses.--* * *

8 (b) The board shall issue to any reputable person who
9 applies therefor, and pays the license fee hereinafter
10 prescribed, a distributor's or importing distributor's license
11 for the place which such person desires to maintain for the sale
12 of malt or brewed beverages and ready-to-drink cocktails, not
13 for consumption on the premises where sold, and in quantities of
14 not less than a case or original containers containing one
15 hundred twenty-eight ounces or more which may be sold separately
16 as prepared for the market by the manufacturer at the place of
17 manufacture. In addition, a distributor license holder may sell
18 malt or brewed beverages and ready-to-drink cocktails in any
19 amount to a person not licensed by the board for off-premises
20 consumption. The sales shall not be required to be in the
21 package configuration designated by the manufacturer and may be
22 sold in refillable growlers; however, ready-to-drink cocktails
23 shall only be sold in the original container. The board shall
24 have the discretion to refuse a license to any person or to any
25 corporation, partnership or association if such person, or any
26 officer or director of such corporation, or any member or
27 partner of such partnership or association shall have been
28 convicted or found guilty of a felony within a period of five
29 years immediately preceding the date of application for the said
30 license: And provided further, That, in the case of any new

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

1 which the licensee or proposed licensee will engage in sales of
2 malt or brewed beverages and ready-to-drink cocktails. This
3 notice shall be similar to the notice required of hotel,
4 restaurant and club liquor licensees.

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

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

13 Each out of State manufacturer [of] and manufacturer of
14 ready-to-drink cocktails and malt or brewed beverages whose
15 products are sold and delivered in this Commonwealth shall give
16 distributing rights for such products in designated geographical
17 areas to specific importing distributors, and such importing
18 distributor shall not sell or deliver malt or brewed beverages
19 and ready-to-drink cocktails manufactured by the out of State
20 manufacturer to any person issued a license under the provisions
21 of this act whose licensed premises are not located within the
22 geographical area for which he has been given distributing
23 rights by such manufacturer. In addition, the holder of a
24 distributor license may not sell or deliver malt or brewed
25 beverages and ready-to-drink cocktails to any licensee whose
26 licensed premises is located within the designated geographical
27 area granted to an importing distributor other than the
28 importing distributor that sold the malt or brewed beverages to
29 the distributor. If the licensee purchasing the malt or brewed
30 beverages and ready-to-drink cocktails from the distributor

1 license holder holds multiple licenses or operates at more than
2 one location, then the malt or brewed beverages and ready-to-
3 drink cocktails may not be consumed or sold at licensed premises
4 located within the designated geographical area granted to an
5 importing distributor other than the importing distributor that
6 sold the malt or brewed beverages and ready-to-drink cocktails
7 to the distributor. Should a licensee accept the delivery of
8 malt or brewed beverages and ready-to-drink cocktails or
9 transfer malt or brewed beverages and ready-to-drink cocktails
10 in violation of this section, said licensee shall be subject to
11 a suspension of his license for at least thirty days: Provided,
12 That the importing distributor holding such distributing rights
13 for such product shall not sell or deliver the same to another
14 importing distributor without first having entered into a
15 written agreement with the said secondary importing distributor
16 setting forth the terms and conditions under which such products
17 are to be resold within the territory granted to the primary
18 importing distributor by the manufacturer.

19 When a Pennsylvania manufacturer of malt or brewed beverages
20 or manufacturer of ready-to-drink cocktails licensed under this
21 article names or constitutes a distributor or importing
22 distributor as the primary or original supplier of his product,
23 he shall also designate the specific geographical area for which
24 the said distributor or importing distributor is given
25 distributing rights, and such distributor or importing
26 distributor shall not sell or deliver the products of such
27 manufacturer to any person issued a license under the provisions
28 of this act whose licensed premises are not located within the
29 geographical area for which distributing rights have been given
30 to the distributor and importing distributor by the said

1 manufacturer. In addition, the holder of a distributor license
2 may not sell or deliver malt or brewed beverages and ready-to-
3 drink cocktails to a licensee whose licensed premises is located
4 within the designated geographical area granted to an importing
5 distributor other than the importing distributor that sold the
6 malt or brewed beverages and ready-to-drink cocktails to the
7 distributor. If the licensee purchasing the malt or brewed
8 beverages and ready-to-drink cocktails from the distributor
9 license holder holds multiple licenses or operates at more than
10 one location, the malt or brewed beverages and ready-to-drink
11 cocktails may not be consumed or sold at licensed premises
12 located within the designated geographical area granted to an
13 importing distributor other than the importing distributor that
14 sold the malt or brewed beverages and ready-to-drink cocktails
15 to the distributor. If a licensee accepts the delivery of malt
16 or brewed beverages and ready-to-drink cocktails or transfers
17 malt or brewed beverages and ready-to-drink cocktails in
18 violation of this section, the licensee shall be subject to
19 suspension of his license for at least thirty days: Provided,
20 That the importing distributor holding such distributing rights
21 for such product shall not sell or deliver the same to another
22 importing distributor without first having entered into a
23 written agreement with the said secondary importing distributor
24 setting forth the terms and conditions under which such products
25 are to be resold within the territory granted to the primary
26 importing distributor by the manufacturer. Nothing herein
27 contained shall be construed to prevent any manufacturer from
28 authorizing the importing distributor holding the distributing
29 rights for a designated geographical area from selling the
30 products of such manufacturer to another importing distributor

1 also holding distributing rights from the same manufacturer for
2 another geographical area, providing such authority be contained
3 in writing and a copy thereof be given to each of the importing
4 distributors so affected.

5 (b.1) (1) Any person in this Commonwealth or elsewhere who
6 shall purchase or in any manner whatsoever acquire or otherwise
7 succeed to the business of a manufacturer, assets or rights to
8 import, market, ship into this Commonwealth or distribute a
9 brand of beer or ready-to-drink cocktail, or to use and exploit
10 any trademark incorporated as part of a brand of beer or ready-
11 to-drink cocktail produced by such a manufacturer shall be
12 obligated to all terms of the manufacturer's franchise
13 agreements in effect on the effective date of the purchase,
14 acquisition or succession, or, if earlier, at the time the
15 agreement contemplating the purchase, acquisition or succession
16 is actually made.

17 (2) "Purchase" or "acquisition," for purposes of this
18 section, includes, but is not limited to, a purchase,
19 acquisition, lease, license or assignment of all or a
20 controlling interest in the capital stock or operating assets,
21 including brand trademarks rights; merger; any corporate
22 reorganization or consolidation; and also, without limitation,
23 any license, cross-license, joint venture or other agreement or
24 arrangement, directly or indirectly, transferring, substituting
25 or materially changing the person or persons authorized by the
26 one owning or controlling a brand or any trademark as part of a
27 brand, to produce, import, ship, market or distribute the brand
28 of beer into or within this Commonwealth.

29 (3) "Manufacturer," as used in this subsection, shall mean
30 any person, including any agent of such person, who (i) is

1 licensed as a manufacturer of malt or brewed beverages or
2 manufacturer of ready-to-drink cocktails located within the
3 Commonwealth of Pennsylvania, (ii) holds a distributor or
4 importing distributor license, or (iii) manufactures any malt
5 beverage and ready-to-drink cocktail, has title to any malt
6 beverage and ready-to-drink cocktail products or has the
7 contractual right to distribute any malt beverage product and
8 ready-to-drink cocktail, whether licensed in this Commonwealth
9 or not, who enters into an "agreement" with any importing
10 distributor licensed to do business in this Commonwealth.

11 (c) The aforesaid licenses shall be issued only to reputable
12 individuals, partnerships and associations who are, or whose
13 members are, citizens of the United States and are residents of
14 the Commonwealth of Pennsylvania or to reputable corporations
15 organized or duly registered under the laws of the Commonwealth
16 of Pennsylvania. Such licenses shall be issued to corporations
17 duly organized or registered under the laws of the Commonwealth
18 of Pennsylvania only when it appears that all of the officers
19 and directors of the corporation are citizens of the United
20 States and are residents of the Commonwealth of Pennsylvania,
21 and that at least fifty-one per centum of the capital stock of
22 such corporation is actually owned by individuals who are
23 citizens of the United States and are residents of the
24 Commonwealth of Pennsylvania: Provided, That the provisions of
25 this subsection with respect to residence requirements shall not
26 apply to individuals, partners, officers, directors and owners
27 of capital stock, of corporations licensed or applying for
28 licenses as manufacturers of malt or brewed beverages and ready-
29 to-drink cocktails, nor shall the provisions of this subsection
30 with respect to stockholder requirements apply to corporations

1 licensed or applying for licenses as manufacturers of malt or
2 brewed beverages and ready-to-drink cocktails.

3 (d) (1) All distributing rights as hereinabove required
4 shall be in writing, shall be equitable in their provisions and
5 shall be substantially similar as to terms and conditions with
6 all other distributing rights agreements between the
7 manufacturer giving such agreement and its other importing
8 distributors and distributors shall not be modified, cancelled,
9 terminated or rescinded by the manufacturer without good cause,
10 and shall contain a provision in substance or effect as follows:
11 "The manufacturer recognizes that the importing distributor and
12 distributor are free to manage their business in the manner the
13 importing distributor and distributor deem best and that this
14 prerogative vests in the importing distributor and distributor
15 the exclusive right to establish a selling price, to select the
16 brands of malt or brewed beverages and ready-to-drink cocktails
17 they wish to handle and to determine the efforts and resources
18 which the importing distributor and distributor will exert to
19 develop and promote the same of the manufacturer's products
20 handled by the importing distributor and distributor. However,
21 the manufacturer expects that the importing distributor and
22 distributor will price competitively the products handled by
23 them, devote reasonable effort and resources to the sale of such
24 products and maintain a reasonable sales level." "Good cause"
25 shall mean the failure by any party to an agreement, without
26 reasonable excuse or justification, to comply substantially with
27 an essential, reasonable and commercially acceptable requirement
28 imposed by the other party under the terms of an agreement.

29 (2) After January 1, 1980, no manufacturer shall enter into
30 any agreement with more than one distributor or importing

1 distributor for the purpose of establishing more than one
2 agreement for designated brand or brands of malt or brewed
3 beverages and ready-to-drink cocktails in any one territory.
4 Each franchise territory which is granted by a manufacturer
5 shall be geographically contiguous or in counties which are
6 contiguous with one another. All importing distributors shall
7 maintain sufficient records to evidence compliance of this
8 section. With regard to any territorial distribution authority
9 granted to an importing distributor by a manufacturer of malt or
10 brewed beverages and ready-to-drink cocktails after January 1,
11 1996, the records shall establish that each and every case of a
12 brand of malt or brewed beverages and ready-to-drink cocktails
13 for which the importing distributor is assigned was sold,
14 resold, stored, delivered or transported by the importing
15 distributor, either from a point or to a point with the assigned
16 geographically contiguous territory or in counties which are
17 contiguous with one another, to any person or persons, whether
18 such person or persons are licensed by this act or not licensed
19 by this act.

20 (3) Except for discontinuance of a brand or a valid
21 termination for good cause, the purchaser of the assets of the
22 manufacturer as defined in this act shall become obligated to
23 all the territorial and brand designations of the agreement in
24 effect on the date of purchase. Purchase of assets as defined
25 for the purposes of this act shall include, but not be limited
26 to, the sale of stock, sale of assets, merger, lease, transfer
27 or consolidation.

28 (4) The court of common pleas of the county wherein the
29 licensed premises of the importing distributor or distributor
30 are located is hereby vested with jurisdiction and power to

1 enjoin the modification, rescission, cancellation or termination
2 of a franchise or agreement between a manufacturer and an
3 importing distributor or distributor at the instance of such
4 importing distributor or distributor who is or might be
5 adversely affected by such modification, rescission,
6 cancellation or termination, and in granting an injunction the
7 court shall provide that no manufacturer shall supply the
8 customers or territory of the importing distributor or
9 distributor by servicing the territory or customers through
10 other importing distributors or distributors or any other means
11 while the injunction is in effect: Provided, however, That any
12 injunction issued under this subsection shall require the
13 posting of sufficient bond against damages arising from an
14 injunction improvidently granted and a showing that the danger
15 of irrevocable loss or damage is immediate and that during the
16 pendency of such injunction the importing distributor or
17 distributor shall continue to service the accounts of the
18 manufacturer in good faith.

19 (5) The provisions of this subsection shall not apply to
20 Pennsylvania manufacturers whose principal place of business is
21 located in Pennsylvania unless they name or constitute a
22 distributor or importing distributor as a primary or original
23 supplier of their products subsequent to the effective date of
24 this act, or unless such Pennsylvania manufacturers have named
25 or constituted a distributor or importing distributor as a
26 primary or original supplier of their products prior to the
27 effective date of this act, and which status is continuing when
28 this act becomes effective.

29 * * *

30 (f) (1) Any malt or brewed beverage and ready-to-drink

1 cocktail produced outside this Commonwealth that is repackaged
2 by a bailee for hire or importing distributor on behalf of an
3 out of State manufacturer must be returned to the out of State
4 manufacturer and come to rest out of State before it may reenter
5 this Commonwealth. Such repackaged malt or brewed beverages and
6 ready-to-drink cocktails must be distributed through the three-
7 tier system. Any malt or brewed beverage or ready-to-drink
8 cocktail that is repackaged by a bailee for hire or importing
9 distributor on behalf of an in State manufacturer must be
10 returned to the in State manufacturer and come to rest at the in
11 State manufacturer's licensed facility.

12 (2) For purposes of this section, "repackage" shall mean any
13 change or alteration to the containers or container
14 configuration of a case.

15 * * *

16 (h) Notwithstanding any other provision of law, sales made
17 to the Pennsylvania Liquor Control Board and sales made by the
18 Pennsylvania Liquor Control Board to licensees and nonlicensees
19 shall not be subject to this section.

20 Section 7. Sections 440 and 441 of the act are amended to
21 read:

22 Section 440. Sales by Manufacturers of Malt or Brewed
23 Beverages; Minimum Quantities.--A manufacturer may sell malt or
24 brewed beverages and ready-to-drink cocktails produced and owned
25 by the manufacturer to individuals on the licensed premises for
26 consumption on the licensed premises where sold only if it
27 complies with the conditions and regulations placed upon holders
28 of brewery licenses under section 446(a)(1). A manufacturer also
29 may sell any malt or brewed beverages and ready-to-drink
30 cocktails produced and owned by the manufacturer to individuals

1 on the licensed premises for consumption off the licensed
2 premises in containers or packages of unlimited quantity and of
3 any volume. No manufacturer may maintain or operate within the
4 Commonwealth any place or places other than the place or places
5 covered by his or its license where malt or brewed beverages and
6 ready-to-drink cocktails are sold or where orders are taken.

7 Section 441. Distributors' and Importing Distributors'
8 Restrictions on Sales, Storage, Etc.--(a) No distributor or
9 importing distributor shall purchase, receive or resell any malt
10 or brewed beverages and ready-to-drink cocktails except:

11 (1) in the original containers as prepared for the market by
12 the manufacturer at the place of manufacture;

13 (2) in the case of identical containers repackaged in the
14 manner described by subsection (f); or

15 (3) as provided in section 431(b).

16 (b) No distributor or importing distributor shall sell any
17 malt or brewed beverages and ready-to-drink cocktails in
18 quantities of less than a case or malt and brewed beverages in
19 original containers containing less than one hundred twenty-
20 eight ounces [or more which may be sold separately]: Provided,
21 That no malt or brewed beverages and ready-to-drink cocktails
22 sold or delivered shall be consumed upon the premises of the
23 distributor or importing distributor, or in any place provided
24 for such purpose by such distributor or importing distributor.
25 Notwithstanding any other provision of this section or act, malt
26 or brewed beverages and ready-to-drink cocktails which are part
27 of a tasting conducted pursuant to the board's regulations may
28 be consumed on licensed premises.

29 (c) No distributor or importing distributor shall maintain
30 or operate any place where sales are made other than that for

1 which the license is granted.

2 (d) (1) No distributor shall maintain any place for the
3 storage of malt or brewed beverages and ready-to-drink cocktails
4 except in the same municipality in which the licensed premises
5 is located and unless the same has been approved by the board.
6 In the event there is no place of cold storage in the same
7 municipality, the board may approve a place of cold storage in
8 the nearest municipality.

9 (2) No importing distributor shall maintain any place for
10 the storage of malt or brewed beverages and ready-to-drink
11 cocktails except in the franchise territory in which the
12 licensed premises is located and unless the same has been
13 approved by the board. The board shall issue no more than four
14 storage facilities license to an importing distributor. The
15 storage location shall be designated solely as a storage
16 facility, from which only sales to other licensees are
17 permitted. Retail sales may be made at the licensed location
18 pursuant to subsection (c). If the importing distributor
19 maintains a storage location for cold storage in the same
20 municipality in which the importing distributor is licensed or a
21 nearby municipality, the importing distributor may continue to
22 maintain that cold storage location in addition to another
23 storage location within their franchise territory.

24 (e) No distributor or importing distributor shall purchase,
25 sell, resell, receive or deliver any malt or brewed beverages
26 and ready-to-drink cocktails, except in strict compliance with
27 the provisions of subsection (b) of section 431 of this act.

28 (f) (1) To salvage one or more salable cases from one or
29 more damaged cases, cartons or packages of malt or brewed
30 beverages and ready-to-drink cocktails, a distributor or

1 importing distributor may repackage consequent to inadvertent
2 damage and sell a case, carton or package of identical units of
3 malt or brewed beverages.

4 (2) Repackaging is permissible only to the extent made
5 necessary by inadvertent damage. Repackaging not consequent to
6 damage is prohibited.

7 (3) The term "identical units" as used in this subsection
8 means undamaged bottles or cans of identical brand, package and
9 volume.

10 (g) All malt or brewed beverages and ready-to-drink
11 cocktails purchased by an importing distributor from a
12 Pennsylvania manufacturer of malt or brewed beverages or ready-
13 to-drink cocktails or from any person located outside this
14 Commonwealth for resale shall be invoiced to the importing
15 distributor, shall come physically into the possession of such
16 importing distributor and shall be unloaded into and distributed
17 from the licensed premises of such importing distributor. The
18 board may act to further define and control the storage and
19 distribution of malt or brewed beverages and ready-to-drink
20 cocktails in conformity with this section and this act.

21 (h) As used in this section, the term "franchise territory"
22 shall mean the geographically contiguous area in which an
23 importing distributor has been given rights for the sale or
24 resale of malt or brewed beverages and ready-to-drink cocktails.

25 (i) Notwithstanding any other provision to the contrary,
26 when making a sale of malt or brewed beverages and ready-to-
27 drink cocktails to a private individual, no distributor or
28 importing distributor may be required to collect the name,
29 address or any other identifying information of the private
30 individual for the purpose of keeping a record of the quantity

1 of cases or volume of malt or brewed beverages or ready-to-drink
2 cocktails purchased.

3 Section 8. Article IV of the act is amended by adding a
4 subdivision to read:

5 (C.2) Fees and Taxation of Ready-to-drink Cocktails
6 for Off-premises Consumption.

7 Section 489. Fees for Licensees Importing, Distributing and
8 Selling Ready-to-drink Cocktails for Off-premises Consumption.--

9 (a) In addition to any other fee charged, an importer licensee
10 and importing distributor licensee shall pay an initial
11 application fee and an annual renewal fee to sell ready-to-drink
12 cocktails for off-premises consumption as follows:

13 (1) An initial application fee of five thousand dollars
14 (\$5,000).

15 (2) An annual renewal fee of three per centum (3%) of the
16 licensee's gross sales of ready-to-drink cocktails for off-
17 premises consumption.

18 (b) In addition to any other fee charged, a licensee with an
19 interior connection to a convenience store, grocery store or
20 department store, as those terms are defined in section 406(j)
21 (7), shall pay an initial application fee and an annual renewal
22 fee to sell ready-to-drink cocktails for off-premises
23 consumption as follows:

24 (1) An initial application fee of two thousand five hundred
25 dollars (\$2,500).

26 (2) An annual renewal fee of two per centum (2%) of the
27 store's gross sales of ready-to-drink cocktails for off-premises
28 consumption.

29 (c) In addition to any other fee charged, a restaurant
30 licensee, hotel licensee and distributor licensee who is not

1 subject to subsection (b) shall pay an initial application fee
2 and an annual renewal fee to sell ready-to-drink cocktails for
3 off-premises consumption as follows:

4 (1) An initial application fee of one thousand dollars
5 (\$1,000).

6 (2) An annual renewal fee of two per centum (2%) of the
7 licensee's gross sales of ready-to-drink cocktails for off-
8 premises consumption.

9 (d) Notwithstanding the provisions of section 802, all fees
10 paid to the board under this section shall be paid into the
11 State Stores Fund.

12 (e) As used in this section, the following words and phrases
13 shall have the meanings given to them in this subsection unless
14 the context clearly indicates otherwise:

15 "Convenience store" shall mean a retail business that sells a
16 range of every day items, including coffee, groceries, snack
17 foods, confectionery, soft drinks, tobacco products, over-the-
18 counter drugs, toiletries, gasoline and magazines.

19 "Department store" shall mean a retail establishment offering
20 a wide range of consumer goods in different areas of the store,
21 which may include food items.

22 "Grocery store" shall mean a retail business that primarily
23 sells a wide variety of fresh and packaged foods, beverages and
24 other items to be consumed or used off of the store premises.

25 Section 489.1. Taxation of Ready-to-drink Cocktails for Off-
26 premises Consumption.--(a) Except for sales to the board or
27 from the board, the following taxes shall be imposed on each
28 sale in this Commonwealth of ready-to-drink cocktails for off-
29 premises consumption:

30 (1) A tax in lieu of the emergency State tax imposed under

1 the act of June 9, 1936 (1st Sp. Sess., P.L.13, No.4), entitled
2 "An act imposing an emergency State tax on liquor, as herein
3 defined, sold by the Pennsylvania Liquor Control Board;
4 providing for the collection and payment of such tax; and
5 imposing duties upon the Department of Revenue and the
6 Pennsylvania Liquor Control Board," shall be imposed and
7 assessed at a rate of eighteen per centum (18%) of the net price
8 of ready-to-drink cocktails sold for off-premises consumption
9 and is subject to the following:

10 (i) The tax imposed under this paragraph shall be collected
11 from the purchaser at the time of sale and shall be paid over to
12 the Commonwealth as provided in this subsection.

13 (ii) The tax imposed under this paragraph shall be included
14 in the purchase price of all ready-to-drink cocktails sold for
15 off-premises consumption and may not be separately stated from
16 the purchase price.

17 (iii) The tax imposed under this paragraph shall be paid to
18 and received by the Department of Revenue and, along with
19 interest and penalties, shall be deposited into the General
20 Fund.

21 (2) The tax under Article II of the act of March 4, 1971
22 (P.L.6, No.2), known as the "Tax Reform Code of 1971," which
23 shall be imposed on the purchase price of ready-to-drink
24 cocktails sold for off-premises consumption.

25 (b) A second or subsequent seller of ready-to-drink-
26 cocktails for off-premises consumption may, when filing the
27 seller's required returns under Article II of the "Tax Reform
28 Code of 1971" and this section, request a credit of taxes paid
29 in accordance with subsection (a) for ready-to-drink cocktails
30 for off-premises consumption for which taxes were remitted to

1 the department under subsection (a). The Department of Revenue
2 may promulgate rules or regulations and prescribe forms as may
3 be necessary to implement the provisions of this subsection.

4 (c) The provisions of Part VI of Article II of the "Tax
5 Reform Code of 1971" shall apply to the taxes imposed under
6 subsection (a) (1).

7 (d) The Department of Revenue shall share information with
8 the board detailing the sales and taxes paid by sellers of
9 ready-to-drink cocktails for off-premises consumption under this
10 section.

11 (e) The provisions of this section shall not apply to the
12 sale of ready-to-drink cocktails for off-premises consumption by
13 a limited distillery or distillery.

14 (f) A licensee that sells a ready-to-drink cocktail for off-
15 premises consumption without collecting the tax or allows a
16 person to leave the premises with a ready-to-drink cocktail for
17 off-premises consumption that was sold or provided without the
18 imposition of the tax shall be subject to citation under section
19 471 or nonrenewal under section 470.

20 Section 9. Section 492(11), (12), (13), (14), (18) and (21)
21 of the act are amended to read:

22 Section 492. Unlawful Acts Relative to Malt or Brewed
23 Beverages and Licensees.--

24 It shall be unlawful--

25 * * *

26 (11) Delivery of Malt or Brewed Beverages And Ready-to-Drink
27 Cocktails With Other Commodities. For any manufacturer,
28 importing distributor or distributor, or his servants, agents or
29 employes, except with board approval, to deliver or transport
30 any malt or brewed beverages or ready-to-drink cocktails in any

1 vehicle in which any other commodity is being transported.

2 (12) Distributors and Importing Distributors Engaging in
3 Other Business. For any distributor or importing distributor, or
4 his servants, agents or employes, without the approval of the
5 board, and then only in accordance with board regulations, to
6 engage in any other business whatsoever, except the business of
7 distributing malt or brewed beverages and ready-to-drink
8 cocktails, except that the sale of the following goods shall be
9 permitted on the licensed premises of a distributor or importing
10 distributor:

11 (i) Any book, magazine or other publication related to malt
12 or brewed beverages and ready-to-drink cocktails.

13 (ii) Any equipment, ingredients or other supplies necessary
14 for the unlicensed manufacture of malt or brewed beverages as
15 described in paragraph (1), commonly known as "homebrewing."

16 (13) Possession or Storage of Liquor or Alcohol by Certain
17 Licensees. For any distributor, importing distributor or retail
18 dispenser, or his servants, agents or employes, to have in his
19 possession, or to permit the storage of on the licensed premises
20 or in any place contiguous or adjacent thereto accessible to the
21 public or used in connection with the operation of the licensed
22 premises, any alcohol or liquor[.], except importing
23 distributors and distributors and their servants, agents and
24 their employes may possess and store ready-to-drink cocktails.

25 (14) Malt or Brewed Beverage and Ready-to-drink Cocktail
26 Licensees Dealing in Liquor or Alcohol. For any malt or brewed
27 beverage licensee, other than a manufacturer, or the servants,
28 agents or employes thereof, to manufacture, import, sell,
29 transport, store, trade or barter in any liquor or alcohol[.],
30 except importing distributors and their servants, agents and

1 their employes may import sell, transport and store ready-to-
2 drink cocktails and distributors and their servants, agents and
3 their employes may sell, transport and store ready-to-drink
4 cocktails.

5 * * *

6 (18) Coercing Distributors and Importing Distributors. For
7 any manufacturer or any officer, agent or representative of any
8 manufacturer to coerce or persuade or attempt to coerce or
9 persuade any person licensed to sell or distribute malt or
10 brewed beverages or ready-to-drink cocktails at wholesale or
11 retail to establish selling prices for its products or to enter
12 into any contracts or agreements, whether written or oral, or
13 take any action which will violate or tend to violate any
14 provisions of this act or any of the rules or regulations
15 promulgated by the board pursuant thereto.

16 * * *

17 (21) Inducing or Coercing Distributors or Importing
18 Distributors to Accept Unordered Products or Commit Illegal
19 Acts. For any manufacturer to compel or attempt to compel any
20 distributor or importing distributor to accept delivery of any
21 malt or brewed beverages or ready-to-drink cocktails or any
22 other commodity which shall not have been ordered by the
23 distributor or importing distributor, or to do any illegal act
24 by any means whatsoever including, but not limited to,
25 threatening to amend, cancel, terminate, rescind or refuse to
26 renew any agreement existing between manufacturer and the
27 distributor or importing distributor, or to require a
28 distributor or importing distributor to assent to any condition,
29 stipulation or provision limiting the distributor or importing
30 distributor in his right to sell the products of any other

1 manufacturer.

2 * * *

3 Section 10. This act shall take effect immediately.