

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1654 Session of  
2015

INTRODUCED BY P. COSTA, D. COSTA, DeLUCA, HARKINS, W. KELLER,  
MAHONEY, THOMAS AND YOUNGBLOOD, OCTOBER 21, 2015

REFERRED TO COMMITTEE ON LIQUOR CONTROL, OCTOBER 21, 2015

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; in  
18 the Pennsylvania Liquor Control Board, further providing for  
19 general powers; in Pennsylvania Liquor Stores, further  
20 providing for board to establish State Liquor Stores and for  
21 sales; in licensing, further providing for authority and for  
22 sales, providing for wine expanded permits, further providing  
23 for malt and brewed beverages manufacturers', distributors'  
24 and importing distributors' licenses for prohibitions against  
25 grant of licenses, for number and kinds of licenses, for  
26 sales, storage and purchase restrictions, for assignability,  
27 for surrender of license, for shipment of wine and for  
28 unlawful acts; and, in distilleries, wineries, bonded  
29 warehouses, bailees and transporters, further providing for  
30 limited wineries.

31 The General Assembly of the Commonwealth of Pennsylvania  
32 hereby enacts as follows:

1 Section 1. The definition of "retail dispenser" in section  
2 102 of the act of April 12, 1951 (P.L.90, No.21), known as the  
3 Liquor Code, reenacted and amended June 29, 1987 (P.L.32,  
4 No.14), is amended and the section is amended by adding  
5 definitions to read:

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

9 \* \* \*

10 "Growler" shall mean a refillable glass or metal container  
11 that holds a minimum of sixty-four fluid ounces for malt or  
12 brewed beverages and can be resealed.

13 \* \* \*

14 "Retail dispenser" shall mean any person licensed to engage  
15 in the retail sale of malt or brewed beverages for consumption  
16 on the premises of such licensee, with the privilege of selling  
17 malt or brewed beverages in quantities [not in excess of one  
18 hundred ninety-two fluid ounces in a single sale to one person]  
19 of up to four six-packs or two twelve-packs in a single  
20 transaction, but may not sell more than twenty-four containers  
21 in a single transaction, to be carried from the premises by the  
22 purchaser thereof.

23 \* \* \*

24 "Six-pack" shall mean a configuration:

25 (1) consisting of up to six bottles or cans which total not  
26 more than ninety-six ounces; and

27 (2) which is to be sold in a single sale and carried from  
28 the premises by the purchaser.

29 \* \* \*

30 "Transaction scan device" shall mean a device capable of

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

4 "Twelve-pack" shall mean a configuration:

5 (1) consisting of up to twelve bottles or cans which total  
6 not more than one hundred ninety-two ounces; and

7 (2) which is to be sold in a single sale and carried from  
8 the premises by the purchaser.

9 \* \* \*

10 Section 2. Section 207(b) of the act is amended and the  
11 section is amended by adding subsections to read:

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

14 \* \* \*

15 (b) To control the manufacture, possession, sale,  
16 consumption, importation, use, storage, transportation and  
17 delivery of liquor, alcohol and malt or brewed beverages in  
18 accordance with the provisions of this act, and to fix the  
19 wholesale and retail prices at which liquors and alcohol shall  
20 be sold at Pennsylvania Liquor Stores. Prices shall be  
21 [proportional with prices paid by the board to its suppliers and  
22 shall reflect any advantage obtained through volume purchases by  
23 the board. The board may establish a preferential price  
24 structure for wines produced within this Commonwealth for the  
25 promotion of such wines, as long as the price structure is  
26 uniform within each class of wine purchased by the board.] set  
27 forth by the board so long as the price of a particular item is  
28 uniform throughout this Commonwealth. The board shall require  
29 each Pennsylvania manufacturer and each nonresident manufacturer  
30 of liquors, other than wine, selling such liquors to the board,

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

26 \* \* \*

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

1 (m) To be licensed as a lottery sales agent, as set forth in  
2 section 305 of the act of August 26, 1971 (P.L.351, No.91),  
3 known as the "State Lottery Law," and to take any actions  
4 authorized by such designation except that no bond, insurance or  
5 indemnification may be required from the board.

6 Section 3. Section 301(b) of the act is amended to read:

7 Section 301. Board to Establish State Liquor Stores.--\* \* \*

8 (b) The board may lease the necessary premises for such  
9 stores or establishments, but all such leases shall be made  
10 through the Department of General Services as agent of the  
11 board. Notwithstanding any other provision of law to the  
12 contrary, the Department of General Services shall have no more  
13 than ninety days from the date the board officially approves a  
14 lease recommendation to send the final lease packet to the  
15 appropriate agencies for further processing. The Department of  
16 General Services shall be required to submit quarterly reports  
17 to the chairman and minority chairman of the Law and Justice  
18 Committee of the Senate and the chairman and minority chairman  
19 of the Liquor Control Committee of the House of Representatives  
20 indicating the number of lease recommendations approved by the  
21 board during the preceding quarter and whether the corresponding  
22 final lease packets were sent to the appropriate agencies within  
23 the ninety-day deadline. If the Department of General Services  
24 fails to regularly submit these quarterly reports or fails to  
25 regularly meet the ninety-day deadline imposed by this  
26 subsection, then the General Assembly may consider legislation  
27 that would allow the board to lease premises for its stores  
28 without the involvement of the Department of General Services.  
29 The board, through the Department of General Services, shall  
30 have authority to purchase such equipment and appointments as

1 may be required in the operation of such stores or  
2 establishments.

3 Section 4. Section 304 of the act, amended December 8, 2004  
4 (P.L.1810, No.239), is amended to read:

5 Section 304. When Sales May Be Made at Pennsylvania Liquor  
6 Stores.--(a) Except as provided for in subsection (b), every  
7 Pennsylvania Liquor Store shall be open for business week days,  
8 except holidays as that term is defined in section 102. The  
9 board may, with the approval of the Governor, temporarily close  
10 any store in any municipality.

11 (b) [Certain] Pennsylvania Liquor Stores operated by the  
12 board [shall] may be open for Sunday retail sales [between the  
13 hours of noon and five o'clock postmeridian], except that no  
14 Sunday sales shall occur on Easter Sunday or Christmas day. [The  
15 board shall open up to twenty-five per centum of the total  
16 number of Pennsylvania Liquor Stores at its discretion for  
17 Sunday sales as provided for in this subsection. The board shall  
18 submit yearly reports to the Appropriations and the Law and  
19 Justice Committees of the Senate and the Appropriations and the  
20 Liquor Control Committees of the House of Representatives  
21 summarizing the total dollar value of sales under this section.]

22 Section 5. Section 305(b), amended July 6, 2005 (P.L.135,  
23 No.39), is amended and the section is amended by adding  
24 subsections to read:

25 Section 305. Sales by Pennsylvania Liquor Stores.--\* \* \*

26 (b) Every Pennsylvania Liquor Store shall sell liquors at  
27 wholesale to hotels, restaurants, clubs, and railroad, pullman  
28 and steamship companies licensed under this act; and, under the  
29 regulations of the board, to pharmacists duly licensed and  
30 registered under the laws of the Commonwealth, and to

1 manufacturing pharmacists, and to reputable hospitals approved  
2 by the board, or chemists. Sales to licensees shall be made at a  
3 price that includes a discount of ten per centum from the retail  
4 price. The board may sell to registered pharmacists only such  
5 liquors as conform to the Pharmacopoeia of the United States,  
6 the National Formulary, or the American Homeopathic  
7 Pharmacopoeia. The board may sell at special prices under the  
8 regulations of the board, to United States Armed Forces  
9 facilities which are located on United States Armed Forces  
10 installations and are conducted pursuant to the authority and  
11 regulations of the United States Armed Forces. All other sales  
12 by such stores shall be at retail[.], except that incentives,  
13 such as coupons or discounts on certain products, may be offered  
14 to unlicensed customers of the board as provided for under  
15 section 207(1) and 493(24). A person entitled to purchase liquor  
16 at wholesale prices may purchase the liquor at any Pennsylvania  
17 Liquor Store upon tendering cash, check or credit card for the  
18 full amount of the purchase. For this purpose, the board shall  
19 issue a discount card to each licensee identifying such licensee  
20 as a person authorized to purchase liquor at wholesale prices.  
21 Such discount card shall be retained by the licensee. The board  
22 may contract through the Commonwealth bidding process for  
23 delivery to wholesale licensees at the expense of the licensee  
24 receiving the delivery.

25 (b.1) The board may contract through the Commonwealth  
26 bidding process for delivery to licensees and permit holders, at  
27 the expense of the licensee or permit holder receiving the  
28 delivery. Payment shall be by credit card or electronic fund  
29 transfer only and may occur no later than the time of delivery.

30 \* \* \*

1 (j) If the board becomes a licensed lottery sales agent, as  
2 set forth in section 305 of the act of August 26, 1971 (P.L.351,  
3 No.91), known as the "State Lottery Law," then the following  
4 shall apply, notwithstanding the provisions of the "State  
5 Lottery Law":

6 (1) The Secretary of Revenue shall permit the board to  
7 operate and maintain Pennsylvania lottery instant ticket vending  
8 machines, player-activated terminals and technologies or systems  
9 subsequently approved by the Department of Revenue for the self-  
10 service sale of lottery tickets and games in Pennsylvania Liquor  
11 Stores. The board and the Secretary of Revenue shall mutually  
12 agree upon the number and location of the stores authorized to  
13 conduct self-service sales of lottery tickets and games.

14 (2) The board shall not be required to post any type of bond  
15 prior to conducting self-service sales of lottery tickets and  
16 games.

17 (3) Any commissions, compensation or any type of incentive  
18 award based upon the sale of lottery tickets and games shall be  
19 deposited by the board into the State Stores Fund.

20 Section 6. Section 401 of the act, amended December 22, 2011  
21 (P.L.530, No.113), is amended to read:

22 Section 401. Authority to Issue Liquor Licenses to Hotels,  
23 Restaurants and Clubs.--(a) Subject to the provisions of this  
24 act and regulations promulgated under this act, the board shall  
25 have authority to issue a retail liquor license for any premises  
26 kept or operated by a hotel, restaurant or club and specified in  
27 the license entitling the hotel, restaurant or club to purchase  
28 liquor from a Pennsylvania Liquor Store and to keep on the  
29 premises such liquor and, subject to the provisions of this act  
30 and the regulations made thereunder, to sell the same and also



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

27 (b) The board may issue to any club which caters to groups  
28 of non-members, either privately or for functions, a catering  
29 license, and the board shall, by its rules and regulations,  
30 define what constitutes catering under this subsection except

1 that any club which is issued a catering license shall not be  
2 prohibited from catering on Sundays during the hours which the  
3 club may lawfully serve liquor, malt or brewed beverages.

4 Section 7. Section 406(a)(1) of the act, amended July 6,  
5 2005 (P.L.135, No.39), is amended to read:

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

7 (1) Every hotel, restaurant or club liquor licensee may sell  
8 liquor and malt or brewed beverages by the glass, open bottle or  
9 other container, and in any mixture, for consumption only in  
10 that part of the hotel or restaurant habitually used for the  
11 serving of food to guests or patrons, or in a bowling alley that  
12 is immediately adjacent to and under the same roof as a  
13 restaurant, and in the case of hotels, to guests, and in the  
14 case of clubs, to members, in their private rooms in the hotel  
15 or club, and sales by a holder of a wine expanded permit may  
16 occur off the licensed premises as provided for in section  
17 415(a)(3). No club licensee nor its officers, servants, agents  
18 or employes, other than one holding a catering license, shall  
19 sell any liquor or malt or brewed beverages to any person except  
20 a member of the club. The holder of a restaurant license located  
21 in a hotel may sell liquor or malt or brewed beverages for  
22 consumption in that part of the restaurant habitually used for  
23 the serving of meals to patrons and also to guests in private  
24 guest rooms in the hotel. For the purpose of this paragraph, any  
25 person who is an active member of another club which is  
26 chartered by the same state or national organization shall have  
27 the same rights and privileges as members of the particular  
28 club. For the purpose of this paragraph, any person who is an  
29 active member of any volunteer firefighting company, association  
30 or group of this Commonwealth, whether incorporated or

1 unincorporated, shall upon the approval of any club composed of  
2 volunteer firemen licensed under this act, have the same social  
3 rights and privileges as members of such licensed club. For the  
4 purposes of this paragraph, the term "active member" shall not  
5 include a social member. Any club licensee which is either an  
6 incorporated unit of a national veterans' organization or an  
7 affiliated organization as defined in section 461.1 shall be  
8 permitted to sell liquor or malt or brewed beverages to any  
9 active member of another unit which is chartered by the same  
10 national veterans' organization or to any member of a nationally  
11 chartered auxiliary associated with the same national veterans'  
12 organization.

13 \* \* \*

14 Section 8. Section 407(a) of the act, amended June 28, 2011  
15 (P.L.55, No.11), is amended to read:

16 Section 407. Sale of Malt or Brewed Beverages by Liquor  
17 Licensees.--(a) (1) Every liquor license issued to a hotel,  
18 restaurant, club, or a railroad, pullman or steamship company  
19 under this subdivision (A) for the sale of liquor shall  
20 authorize the licensee to sell malt or brewed beverages at the  
21 same places but subject to the same restrictions and penalties  
22 as apply to sales of liquor, except that licensees other than  
23 clubs may sell malt or brewed beverages for consumption off the  
24 premises where sold in quantities of [not more than one hundred  
25 ninety-two fluid ounces] up to four six-packs or two twelve-  
26 packs in a single transaction, but may not sell more than  
27 twenty-four containers in a single sale to one person. The sales  
28 may be made in either open or closed containers, Provided,  
29 however, That a municipality may adopt an ordinance restricting  
30 open containers in public places. No licensee under this

1 subdivision (A) shall at the same time be the holder of any  
2 other class of license, except a retail dispenser's license  
3 authorizing the sale of malt or brewed beverages only.

4 (2) Sales by a holder of a wine expanded permit may occur  
5 off the licensed premises as provided for in section 415(a)(3).

6 \* \* \*

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

8 Section 415. Wine Expanded Permits.--(a) (1)

9 Notwithstanding section 492(13) and (14), the board may issue a  
10 wine expanded permit to a person holding and possessing a valid  
11 restaurant liquor license or hotel license.

12 (2) Nothing in this section shall affect the ability of an  
13 existing licensee to operate within the scope of its current  
14 license as authorized by this act, except that:

15 (i) The following shall apply:

16 (A) No sales of wine for off-premises consumption may take  
17 place by a wine expanded permit holder after eleven o'clock  
18 postmeridian of any day until eight o'clock antemeridian of the  
19 next day, including Sundays if the licensee has a permit  
20 authorized under section 406(a)(3).

21 (B) A permit holder may only sell wine for off-premise  
22 consumption during the time which the permit holder is serving  
23 alcohol for consumption on premises.

24 (ii) No wine expanded permit may be issued to a license  
25 holder whose underlying license is subject to a pending  
26 objection by the Director of the Bureau of Licensing or the  
27 board under section 470(a.1), until the matter is ultimately  
28 decided. Notwithstanding any other provision of law, a holder of  
29 a wine expanded permit may continue to operate under the permit  
30 if its underlying license is objected to by the Director of the

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

3 (3) If the board has approved the operation of another  
4 business which has an inside passage or connection to or with  
5 the licensed premises, the sale and purchase of wine and malt or  
6 brewed beverages for consumption off the premises shall not be  
7 confined strictly to the licensed premises. The purchase of a  
8 good obtained from the unlicensed area of the premises shall be  
9 permitted in the licensed area.

10 (4) A wine expanded permit holder must be in compliance with  
11 the responsible alcohol management provisions under section  
12 471.1.

13 (5) Wine expanded permit holders may store alcohol in a  
14 noncontiguous area that is not accessible to the public and is:

15 (i) Locked at all times when not being accessed by  
16 licensees' employes.

17 (ii) Not accessible to employes under eighteen years of age.

18 (iii) Identified by dimensions and locations on forms  
19 submitted to the board.

20 (6) A wine expanded permit holder shall utilize a  
21 transaction scan device to verify the age of an individual  
22 before making a sale of wine. A wine expanded permit holder may  
23 not sell or share data obtained from the use of a transaction  
24 scan device, except that the licensee may use the data to  
25 demonstrate to the enforcement bureau or the board that the  
26 licensee is in compliance with this act.

27 (7) Sales of alcoholic beverages by a wine expanded permit  
28 holder:

29 (i) shall be conducted at a checkout manned by an employe  
30 eighteen years of age or older; and

1 (ii) are prohibited at a customer-operated checkout.

2 (b) The application and renewal fee for a wine expanded  
3 permit shall be two thousand five hundred dollars (\$2,500).

4 (c) A wine expanded permit holder may sell in a single  
5 transaction up to four bottles of wine in seven hundred fifty  
6 milliliters to one-liter bottles, or up to two bottles of wine  
7 in one-and-five-tenths liter to one-and-three-quarter-liter  
8 bottles, or one bottle or container of wine in two-liter bottles  
9 or containers to five-liter bottles or containers.

10 (d) Upon the condition of granting a wine expanded permit,  
11 the board shall require an applicant to file a written  
12 application with the board in a manner determined by the board.  
13 The application shall include a description or plan of the part  
14 of the premises where the storage and sales of wine for retail  
15 are proposed.

16 (e) The board may not grant a wine expanded permit to any  
17 licensee or a licensee's officers, directors or shareholders who  
18 have been convicted in any jurisdiction of a felony liquor  
19 offense.

20 (f) A wine expanded permit holder may not sell wine for off-  
21 premises consumption at a price less than the licensee's  
22 acquisition cost.

23 Section 10. Section 431(b) of the act, amended December 8,  
24 2004 (P.L.1810, No.239), is amended to read:

25 Section 431. Malt and Brewed Beverages Manufacturers',  
26 Distributors' and Importing Distributors' Licenses.--\* \* \*

27 (b) The board shall issue to any reputable person who  
28 applies therefor, and pays the license fee hereinafter  
29 prescribed, a distributor's or importing distributor's license  
30 for the place which such person desires to maintain for the sale

1 of malt or brewed beverages, not for consumption on the premises  
2 where sold, and in quantities of not less than a [case or  
3 original containers containing one hundred twenty-eight ounces  
4 or more which may be sold separately as prepared for the market  
5 by the manufacturer at the place of manufacture] six-pack,  
6 growler or individually packaged twenty-two-ounce container. The  
7 board shall have the discretion to refuse a license to any  
8 person or to any corporation, partnership or association if such  
9 person, or any officer or director of such corporation, or any  
10 member or partner of such partnership or association shall have  
11 been convicted or found guilty of a felony within a period of  
12 five years immediately preceding the date of application for the  
13 said license: And provided further, That, in the case of any new  
14 license or the transfer of any license to a new location, the  
15 board may, in its discretion, grant or refuse such new license  
16 or transfer if such place proposed to be licensed is within  
17 three hundred feet of any church, hospital, charitable  
18 institution, school or public playground, or if such new license  
19 or transfer is applied for a place which is within two hundred  
20 feet of any other premises which is licensed by the board: And  
21 provided further, That the board shall refuse any application  
22 for a new license or the transfer of any license to a new  
23 location if, in the board's opinion, such new license or  
24 transfer would be detrimental to the welfare, health, peace and  
25 morals of the inhabitants of the neighborhood within a radius of  
26 five hundred feet of the place proposed to be licensed. The  
27 board shall refuse any application for a new license or the  
28 transfer of any license to a location where the sale of liquid  
29 fuels or oil is conducted. The board may enter into an agreement  
30 with the applicant concerning additional restrictions on the

1 license in question. If the board and the applicant enter into  
2 such an agreement, such agreement shall be binding on the  
3 applicant. Failure by the applicant to adhere to the agreement  
4 will be sufficient cause to form the basis for a citation under  
5 section 471 and for the nonrenewal of the license under section  
6 470. If the board enters into an agreement with an applicant  
7 concerning additional restrictions, those restrictions shall be  
8 binding on subsequent holders of the license until the license  
9 is transferred to a new location or until the board enters into  
10 a subsequent agreement removing those restrictions. If the  
11 application in question involves a location previously licensed  
12 by the board, then any restrictions imposed by the board on the  
13 previous license at that location shall be binding on the  
14 applicant unless the board enters into a new agreement  
15 rescinding those restrictions. The board shall require notice to  
16 be posted on the property or premises upon which the licensee or  
17 proposed licensee will engage in sales of malt or brewed  
18 beverages. This notice shall be similar to the notice required  
19 of hotel, restaurant and club liquor licensees.

20 Except as hereinafter provided, such license shall authorize  
21 the holder thereof to sell or deliver malt or brewed beverages  
22 in quantities above specified anywhere within the Commonwealth  
23 of Pennsylvania, which, in the case of distributors, have been  
24 purchased only from persons licensed under this act as  
25 manufacturers or importing distributors, and in the case of  
26 importing distributors, have been purchased from manufacturers  
27 or persons outside this Commonwealth engaged in the legal sale  
28 of malt or brewed beverages or from manufacturers or importing  
29 distributors licensed under this article. In the case of an  
30 importing distributor, the holder of such a license shall be



1 authorized to store and repackage malt or brewed beverages owned  
2 by a manufacturer at a segregated portion of a warehouse or  
3 other storage facility authorized by section 441(d) and operated  
4 by the importing distributor within its appointed territory and  
5 deliver such beverages to another importing distributor who has  
6 been granted distribution rights by the manufacturer as provided  
7 herein. The importing distributor shall be permitted to receive  
8 a fee from the manufacturer for any related storage, repackaging  
9 or delivery services. In the case of a bailee for hire hired by  
10 a manufacturer, the holder of such a permit shall be authorized:  
11 to receive, store and repackage malt or brewed beverages  
12 produced by that manufacturer for sale by that manufacturer to  
13 importing distributors to whom that manufacturer has given  
14 distribution rights pursuant to this subsection or to purchasers  
15 outside this Commonwealth for delivery outside this  
16 Commonwealth; or to ship to that manufacturer's storage  
17 facilities outside this Commonwealth. The bailee for hire shall  
18 be permitted to receive a fee from the manufacturer for any  
19 related storage, repackaging or delivery services. The bailee  
20 for hire shall, as required in Article V of this act, keep  
21 complete and accurate records of all transactions, inventory,  
22 receipts and shipments and make all records and the licensed  
23 areas available for inspection by the board and for the  
24 Pennsylvania State Police, Bureau of Liquor Control Enforcement,  
25 during normal business hours.

26 Each out of State manufacturer of malt or brewed beverages  
27 whose products are sold and delivered in this Commonwealth shall  
28 give distributing rights for such products in designated  
29 geographical areas to specific importing distributors, and such  
30 importing distributor shall not sell or deliver malt or brewed

1 beverages manufactured by the out of State manufacturer to any  
2 person issued a license under the provisions of this act whose  
3 licensed premises are not located within the geographical area  
4 for which he has been given distributing rights by such  
5 manufacturer. Should a licensee accept the delivery of such malt  
6 or brewed beverages in violation of this section, said licensee  
7 shall be subject to a suspension of his license for at least  
8 thirty days: Provided, That the importing distributor holding  
9 such distributing rights for such product shall not sell or  
10 deliver the same to another importing distributor without first  
11 having entered into a written agreement with the said secondary  
12 importing distributor setting forth the terms and conditions  
13 under which such products are to be resold within the territory  
14 granted to the primary importing distributor by the  
15 manufacturer.

16 When a Pennsylvania manufacturer of malt or brewed beverages  
17 licensed under this article names or constitutes a distributor  
18 or importing distributor as the primary or original supplier of  
19 his product, he shall also designate the specific geographical  
20 area for which the said distributor or importing distributor is  
21 given distributing rights, and such distributor or importing  
22 distributor shall not sell or deliver the products of such  
23 manufacturer to any person issued a license under the provisions  
24 of this act whose licensed premises are not located within the  
25 geographical area for which distributing rights have been given  
26 to the distributor and importing distributor by the said  
27 manufacturer: Provided, That the importing distributor holding  
28 such distributing rights for such product shall not sell or  
29 deliver the same to another importing distributor without first  
30 having entered into a written agreement with the said secondary

1 importing distributor setting forth the terms and conditions  
2 under which such products are to be resold within the territory  
3 granted to the primary importing distributor by the  
4 manufacturer. Nothing herein contained shall be construed to  
5 prevent any manufacturer from authorizing the importing  
6 distributor holding the distributing rights for a designated  
7 geographical area from selling the products of such manufacturer  
8 to another importing distributor also holding distributing  
9 rights from the same manufacturer for another geographical area,  
10 providing such authority be contained in writing and a copy  
11 thereof be given to each of the importing distributors so  
12 affected.

13 \* \* \*

14 Section 11. Section 437(e) of the act is amended to read:

15 Section 437. Prohibitions Against the Grant of Licenses.--\*

16 \* \*

17 (e) No [distributor's or] importing distributor's license  
18 shall be issued for any premises in any part of which there is  
19 operated any retail license for the sale of liquor or malt or  
20 brewed beverages.

21 \* \* \*

22 Section 12. Section 438(b) of the act is amended and the  
23 section is amended by adding a subsection to read:

24 Section 438. Number and Kinds of Licenses Allowed Same  
25 Licensee.--\* \* \*

26 (b) No person shall possess or be issued more than one  
27 [distributor's or] importing distributor's license.

28 (b.1) A person may not possess or be issued more than four  
29 distributor licenses or more than one distributor license in a  
30 county.

1 \* \* \*

2 Section 13. Section 441(b) of the act, amended December 9,  
3 2002 (P.L.1653, No.212), is amended to read:

4 Section 441. Distributors' and Importing Distributors'  
5 Restrictions on Sales, Storage, Etc.--\* \* \*

6 (b) No distributor or importing distributor shall sell any  
7 malt or brewed beverages in quantities of less than a [case or  
8 original containers containing one hundred twenty-eight ounces  
9 or more which may be sold separately] six-pack, growler or  
10 individually packaged twenty-two-ounce container: Provided, That  
11 no malt or brewed beverages sold or delivered shall be consumed  
12 upon the premises of the distributor or importing distributor,  
13 or in any place provided for such purpose by such distributor or  
14 importing distributor. Notwithstanding any other provision of  
15 this section or act, malt or brewed beverages which are part of  
16 a tasting conducted pursuant to the board's regulations may be  
17 consumed on licensed premises.

18 \* \* \*

19 Section 14. Section 468(e) of the act, added December 22,  
20 2011 (P.L.530, No.113), is amended to read:

21 Section 468. Licenses Not Assignable; Transfers.--\* \* \*

22 (e) Notwithstanding any other provision of law, the board  
23 may [not] approve an interior connection [that is greater than  
24 ten feet wide] between a licensed business and another business.  
25 [This subsection shall not prohibit the board from approving a  
26 renewal application of a license, even if the licensed business  
27 has an interior connection that is greater than ten feet wide to  
28 an unlicensed business, if the board had approved the interior  
29 connection prior to the effective date of this subsection.]

30 Section 15. Section 474.1(a) of the act, amended November

1 29, 2006 (P.L.1421, No.155), is amended to read:

2 Section 474.1. Surrender of Restaurant, Eating Place Retail  
3 Dispenser, Hotel, Importing Distributor and Distributor License  
4 for Benefit of Licensee.--(a) A restaurant, eating place retail  
5 dispenser, hotel, importing distributor and distributor licensee  
6 whose licensed establishment is not in operation for fifteen  
7 consecutive days or wine expanded permit holder that does not  
8 sell wine as provided under section 415 during a fifteen-  
9 consecutive-day period shall return its license for safekeeping  
10 with the board no later than at the expiration of the fifteen-  
11 day period. The license may only be reissued from safekeeping in  
12 the manner set forth by the board through regulation.

13 \* \* \*

14 Section 16. Section 488 of the act, added February 21, 2002  
15 (P.L.103, No.10), is amended to read:

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

20 (b) Notwithstanding any other provision of this act or law  
21 to the contrary, a person licensed by the board or another state  
22 as a producer[, supplier, importer, wholesaler, distributor or  
23 retailer] of wine and who obtains a direct wine shipper license  
24 as provided for in this section may ship [up to nine liters per  
25 month of any] wine [not included on the list provided for in  
26 subsection (c)] on the [Internet] order of any resident of this  
27 Commonwealth who is at least twenty-one (21) years of age for  
28 such resident's personal use and not for resale.

29 (c) [Each month, the board shall publish on the Internet a  
30 list of all classes, varieties and brands of wine available for

1 sale in the Pennsylvania Liquor Stores. A person holding a  
2 direct shipper license may ship only those classes, varieties  
3 and brands of wine not included on the list at the time an  
4 Internet order is placed.] Prior to issuing a direct wine  
5 shipper license, the board shall require the person seeking the  
6 license to:

7 (1) File an application with the board.

8 (2) Pay a registration fee of two hundred fifty dollars  
9 (\$250).

10 (3) Provide to the board a true copy of the applicant's  
11 current alcoholic beverage license issued by the board or  
12 another state, if applicable.

13 (4) Provide documentation to the board which evidences that  
14 the applicant has obtained a sales tax license from the  
15 Department of Revenue.

16 (5) Provide the board with any other information that the  
17 board deems necessary and appropriate.

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

19 (1) [Not ship more than nine liters per month on the  
20 Internet order of any person in this Commonwealth.] On a  
21 quarterly basis, pay to the Department of Revenue all taxes due  
22 on sales to residents of this Commonwealth. Notwithstanding any  
23 other provision of law to the contrary, the wine delivered under  
24 the authority of this section shall be subject to the following:

25 (i) The sales and use tax imposed by section 202 of the act  
26 of March 4, 1971 (P.L.6, No.2), known as the "Tax Reform Code of  
27 1971."

28 (ii) The sales and use tax imposed by Article XXXI-B of the  
29 act of July 28, 1953 (P.L.723, No.230), known as the "Second  
30 Class County Code."

1 (iii) The sales and use tax imposed by the act of June 5,  
2 1991 (P.L.9, No.6), known as the "Pennsylvania Intergovernmental  
3 Cooperation Authority Act for Cities of the First Class."

4 (iv) The emergency State tax imposed on wines sold by the  
5 board under the act of June 9, 1936 (1st Sp.Sess., P.L.13,  
6 No.4), entitled, as reenacted and amended, "An act imposing an  
7 emergency State tax on liquor, as herein defined, sold by the  
8 Pennsylvania Liquor Control Board; providing for the collection  
9 and payment of such tax; and imposing duties upon the Department  
10 of Revenue and the Pennsylvania Liquor Control Board."

11 (2) Report to the board each year the total of wine shipped  
12 [into] to residents of this Commonwealth in the preceding  
13 calendar year.

14 (3) Permit the board, the enforcement bureau or the  
15 Secretary of Revenue, or their designated representatives, to  
16 perform an audit of the out-of-State wine shipper's records upon  
17 request.

18 (4) Be deemed to have submitted to the jurisdiction of the  
19 board, any other State agency and the courts of this  
20 Commonwealth for purposes of enforcement of this section and any  
21 related laws, rules or regulations[.], including the collection  
22 and remission of taxes as required under this section.

23 (5) Require proof of age of the recipient, in a manner or  
24 format approved by the board, before any wine is shipped to a  
25 resident of this Commonwealth.

26 (6) Ensure that all boxes or exterior containers of wine  
27 shipped directly to a resident of this Commonwealth are  
28 conspicuously labeled with the words "CONTAINS ALCOHOL:  
29 SIGNATURE OF PERSON 21 YEARS OF AGE OR OLDER REQUIRED FOR  
30 DELIVERY."

1 (7) Annually renew its license by paying a renewal fee  
2 established by the board.

3 (e) A direct shipper may ship wine on the [Internet] order  
4 of a resident into this Commonwealth provided that the wine [is  
5 shipped to a Pennsylvania Liquor Store selected by the resident.  
6 The wine will be subject to taxes in the same manner as wine  
7 sold directly by the board. The wine will not be released by the  
8 State store until all moneys due, including all taxes and fees,  
9 have been paid by the resident.] delivered under the authority  
10 of this section shall be subject to the following:

11 (1) The sales and use tax imposed by section 202 of the "Tax  
12 Reform Code of 1971."

13 (2) The sales and use tax imposed by Article XXXI-B of the  
14 "Second Class County Code."

15 (3) The sales and use tax imposed by the "Pennsylvania  
16 Intergovernmental Cooperation Authority Act for Cities of the  
17 First Class."

18 (4) The emergency State tax imposed on wines sold by the  
19 board under the act of June 9, 1936 (1st Sp.Sess., P.L.13,  
20 No.4).

21 (e.1) A transporter for hire shall:

22 (1) keep records as required under section 512 pertaining to  
23 the direct shipment of wine; and

24 (2) permit the board and the enforcement bureau, or their  
25 designated representatives, to inspect such records in  
26 accordance with section 513.

27 (f) [A person shall sign an affidavit provided by the  
28 Pennsylvania Liquor Store where the wine was delivered to  
29 stating that the wine will only be used for the person's  
30 personal use.] Any person who resells wine obtained under this



1 section commits a misdemeanor of the second degree.

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

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

14 (i) [The term "wine" as used in this section] As used in  
15 this section, the following words and phrases shall have the  
16 meanings given to them in this subsection:

17 "Direct wine shipper" shall mean a person who holds a direct  
18 wine shipper license as provided for in this section and  
19 includes a limited winery.

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

25 Section 17. Section 493(24) of the act, amended November 29,  
26 2006 (P.L.1421, No.155), is amended to read:

27 Section 493. Unlawful Acts Relative to Liquor, Malt and  
28 Brewed Beverages and Licensees.--The term "licensee," when used  
29 in this section, shall mean those persons licensed under the  
30 provisions of Article IV, unless the context clearly indicates

1 otherwise.

2 It shall be unlawful--

3 \* \* \*

4 (24) (i) Things of Value Offered as Inducement. Except as  
5 provided in subclause (ii), for any licensee under the  
6 provisions of this article, or the board or any manufacturer, or  
7 any employe or agent of a manufacturer, licensee or of the  
8 board, to offer to give anything of value or to solicit or  
9 receive anything of value as a premium for the return of caps,  
10 stoppers, corks, stamps or labels taken from any bottle, case,  
11 barrel or package containing liquor or malt or brewed beverage,  
12 or to offer or give or solicit or receive anything of value as a  
13 premium or present to induce directly the purchase of liquor or  
14 malt or brewed beverage, or for any licensee, manufacturer or  
15 other person to offer or give to trade or consumer buyers any  
16 prize, premium, gift or other inducement to purchase liquor or  
17 malt or brewed beverages, except advertising novelties of  
18 nominal value which the board shall define. This section shall  
19 not prevent any manufacturer or any agent of a manufacturer from  
20 offering and honoring coupons which offer monetary rebates on  
21 purchases of wines and spirits through State Liquor Stores,  
22 purchases of wine for off-premises consumption from wine  
23 expanded permits or purchases of malt or brewed beverages  
24 through distributors and importing distributors in accordance  
25 with conditions or regulations established by the board. The  
26 board may redeem coupons offered by a manufacturer or an agent  
27 of a manufacturer at the time of purchase. Coupons offered by a  
28 manufacturer or an agent of a manufacturer shall not be redeemed  
29 without proof of purchase. This section shall not apply to the  
30 return of any monies specifically deposited for the return of

1 the original container to the owners thereof.

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

8 \* \* \*

9 Section 18. Section 505.2(a) of the act is amended by adding  
10 a clause to read:

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

14 \* \* \*

15 (2.1) Notwithstanding any other provision of this act or law  
16 to the contrary, only ship wine to residents of this  
17 Commonwealth in accordance with the provisions of section 488.

18 \* \* \*

19 Section 19. This act shall take effect in 90 days.