
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 874 Session of
2023

INTRODUCED BY D'ORSIE, MOUL, LEADBETER, FLICK, PASHINSKI,
PICKETT, OBERLANDER, GLEIM, KEEFER, ECKER, CAUSER, KAUFFMAN,
ZIMMERMAN AND ROWE, APRIL 10, 2023

REFERRED TO COMMITTEE ON LIQUOR CONTROL, APRIL 10, 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 licenses and regulations and liquor, alcohol and malt and
19 brewed beverages, further providing for interlocking business
20 prohibited, for number and kinds of licenses allowed same
21 licensee, for interlocking business prohibited, for brand
22 registration and for breweries; in distilleries, wineries,
23 bonded warehouses, bailees for hire and transporters for
24 hire, further providing for limited wineries and for limited
25 distilleries and distilleries, providing for farm cideries
26 and further providing for license fees and for records to be
27 kept; and making an editorial change.

28 The General Assembly of the Commonwealth of Pennsylvania

29 hereby enacts as follows:

30 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,

1 No.21), known as the Liquor Code, is amended by adding
2 definitions to read:

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

6 "Agricultural commodity" shall include any of the following:
7 agricultural, apicultural, horticultural, silvicultural and
8 viticultural commodities.

9 * * *

10 "Alcoholic cider, fermented fruit beverage, mead and food
11 expositions" shall mean affairs held indoors or outdoors with
12 the intent of promoting Pennsylvania products by educating those
13 in attendance of the availability, nature and quality of
14 Pennsylvania-produced alcoholic ciders, fermented fruit
15 beverages and mead in conjunction with suitable food displays,
16 demonstrations and sales. The term may also include activities
17 other than alcoholic cider, fermented fruit beverage, mead and
18 food displays, including arts and crafts, musical activities,
19 cultural exhibits, agricultural exhibits and farmers markets.

20 * * *

21 "Farm cidery" shall mean a location where alcoholic cider is
22 manufactured.

23 "Farmers market" shall include any building, structure or
24 other place:

25 (1) owned, leased or otherwise in the possession of a
26 person, municipal corporation or public or private organization;

27 (2) used or intended to be used by two or more farmers or an
28 association of farmers, who are certified by the Department of
29 Agriculture of the Commonwealth to participate in the Farmers'
30 Market Nutrition Program subject to 7 CFR Pt. 249 (relating to

1 Senior Farmers' Market Nutrition Program (SFMNP)), for the
2 purpose of selling agricultural commodities produced in this
3 Commonwealth directly to consumers;

4 (3) which is physically located within this Commonwealth;
5 and

6 (4) which is not open for business more than twelve hours
7 each day.

8 * * *

9 "Permitted fruit" shall mean fruit grown or juice derived
10 from fruit grown within three hundred fifty miles of a limited
11 winery or farm cidery.

12 * * *

13 Section 2. Sections 411(e) and (e.1)(1), 438(c), 443(a),
14 (c), (d), (e), (f) and (g) and 445(a) and (b) of the act are
15 amended to read:

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

17 (e) Except as herein provided, no hotel, restaurant, retail
18 dispenser or club licensee, and no officer, director or
19 stockholder, agent or employe of any such licensee shall in any
20 wise be interested, directly or indirectly, in the ownership or
21 leasehold of any property or the equipment of any property or
22 any mortgage lien against the same, used by a distributor,
23 importing distributor, or by an importer or sacramental wine
24 licensee, in the conduct of his business; nor shall any hotel,
25 restaurant, retail dispenser or club licensee, or any officer,
26 director, stockholder, agent or employe of any such licensee,
27 either directly or indirectly, lend any moneys, credit, or give
28 anything of value or the equivalent thereof, to any distributor,
29 importing distributor, importer or sacramental wine licensee,
30 for equipping, fitting out, or maintaining and conducting,

1 either in whole or in part, an establishment used in the conduct
2 of his business.

3 The purpose of this section is to require a separation of the
4 financial and business interests between manufacturers and
5 holders of hotel or restaurant liquor licenses and, as herein
6 provided, of club licenses, issued under this article, and no
7 person shall, by any device whatsoever, directly or indirectly,
8 evade the provisions of the section. But in view of existing
9 economic conditions, nothing contained in this section shall be
10 construed to prohibit the ownership of property or conflicting
11 interest by a manufacturer of any place occupied by a licensee
12 under this article after the manufacturer has continuously owned
13 and had a conflicting interest in such place for a period of at
14 least five years prior to July eighteenth, one thousand nine
15 hundred thirty-five: Provided, however, That this clause shall
16 not prohibit any hotel, restaurant or club liquor licensee, or
17 any officer, director or stockholder of any such licensee, from
18 owning land or buildings which are leased to a holder of a
19 retail dispenser's license or a manufacturer's license: And,
20 provided further, That nothing contained in this section shall
21 be construed to prohibit any hotel, restaurant, retail dispenser
22 or club licensee or any officer, director or stockholder, agent
23 or employe of any such licensee from having a financial or other
24 interest, directly or indirectly in the ownership or leasehold
25 of any property or the equipment of any property or any mortgage
26 lien against same, used, leased by an importer or sacramental
27 wine licensee for the exclusive purpose of maintaining
28 commercial offices and on the condition that said property is
29 not used for the storage or sale of liquor or malt or brewed
30 beverages in any quantity: And, provided further, That nothing

1 contained in this section shall prohibit an officer or member of
2 a licensed privately owned private golf course catering club
3 from having an interest in a limited winery or a farm cidery
4 license: And, provided further, That nothing contained in this
5 section shall be construed to prohibit a member of the governing
6 board of a public authority created under subdivision (n) of
7 Article XXIII of the act of August 9, 1955 (P.L.323, No.130),
8 known as "The County Code," from having an interest in a
9 distributor or importing distributor license notwithstanding the
10 fact that the public authority has an interest in one or more
11 retail licenses or acts as a landlord for one or more retail
12 licenses: And, provided further, That, nothing in this section
13 may prohibit an employe of a hotel or restaurant licensee from
14 guaranteeing any loans, or lending any moneys, providing credit
15 or giving anything of value to a limited winery or a farm cidery
16 licensee or its officers, directors and shareholders, provided
17 that the person also is not an officer of or does not have any
18 interest in or exercise any control over any other licensed
19 entity that engages in any sales to or from the licensee: And,
20 provided further, That, notwithstanding any other provision of
21 this section, an entity may acquire both a manufacturer's
22 license or a limited winery or a farm cidery license and a
23 hotel, restaurant or retail dispenser license for use at the
24 same location and more than one location may be so licensed.
25 And, provided further, That, notwithstanding any other provision
26 of this section, an entity licensed as a limited winery or as a
27 farm cidery may hold and operate a restaurant liquor license at
28 one of its additional, board-approved locations instead of at
29 its primary location where manufacturing occurs. The licenses
30 and a person's interest in the licenses or in the entity holding

1 the licenses shall not be subject to this section. Provided
2 further, That, a person who is a holder of ten per centum (10%)
3 or less of securities or other interests in a publicly or
4 privately held domestic or foreign corporation, partnership,
5 limited liability company or other form of legal entity owning a
6 retail license shall not be deemed to possess a financial
7 interest and is not subject to the provisions of this section,
8 provided that the person is not an officer of, employe of or
9 does not have any interest in or exercise any control over any
10 other licensed entity that engages in any sales to or from the
11 retail licensee in which the person holds the ten per centum
12 (10%) or less interest.

13 (e.1) Nothing in subsection (e) shall prohibit any of the
14 following:

15 (1) A person who has an ownership interest in a limited
16 winery or a farm cidery license from being employed by an entity
17 that holds a hotel, restaurant, eating place or club license if
18 the person is not employed as alcohol service personnel or as
19 manager.

20 * * *

21 Section 438. Number and Kinds of Licenses Allowed Same
22 Licensee.--* * *

23 (c) No person shall possess more than one class of license,
24 except that a holder of a retail dispenser's license may also be
25 a holder of a retail liquor license: Provided, however, That
26 nothing contained in this section shall be construed to prohibit
27 a member of the governing board of a public authority created
28 under subdivision (n) of Article XXIII of the act of August 9,
29 1955 (P.L.323, No.130), known as "The County Code," from having
30 an interest in a distributor or importing distributor license

1 notwithstanding the fact that the public authority has an
2 interest in one or more retail licenses or acts as a landlord
3 for one or more retail licenses: And, provided further, That,
4 notwithstanding any other provision of this section, an entity
5 may acquire both a manufacturer's license or a limited winery
6 license or a farm cidery license and a hotel, restaurant or
7 retail dispenser license for use at the same location and more
8 than one location may be so licensed. The licenses and a
9 person's interest in the licenses or in the entity holding the
10 licenses shall not be subject to this section.

11 Section 443. Interlocking Business Prohibited.--(a) No
12 manufacturer of malt or brewed beverages and no officer or
13 director of any such manufacturer shall at the same time be a
14 distributor, importing distributor or retail dispenser, or an
15 officer, director or stockholder or creditor of any distributor,
16 importing distributor or retail dispenser, nor, except as
17 hereinafter provided, be the owner, proprietor or lessor of any
18 place for which a license has been issued for any importing
19 distributor, distributor or retail dispenser, or for which a
20 hotel, restaurant or club liquor license has been issued:
21 Provided, however, That a holder of a manufacturer's license
22 under section 431(a) who is eligible to operate a brewery pub
23 under section 446(2) [or], a limited winery as provided for
24 under section 505.2 or a farm cidery as provided for under
25 section 505.5 may also hold and operate under a hotel liquor
26 license, a restaurant liquor license or a malt and brewed
27 beverages retail license on the manufacturer's [or], limited
28 winery's or farm cidery's licensed premises. The hotel liquor
29 license or restaurant liquor license or the malt and brewed
30 beverages retail license shall be acquired by the manufacturer

1 [or], limited winery or farm cidery subject to section 461 and
2 shall satisfy all requirements for each respective license.

3 * * *

4 (c) No licensee licensed under this subdivision (B) of
5 Article IV and no officer or director of such licensee shall,
6 directly or indirectly, own any stock of, or have any financial
7 interest in, any other class of business licensed under this
8 subdivision: Provided, however, That a holder of a
9 manufacturer's license under section 431(a) who is eligible to
10 operate a brewery pub under section 446(2) [or], a limited
11 winery as provided for under section 505.2 or a farm cidery as
12 provided for under section 505.5 may also hold and operate under
13 a hotel liquor license, a restaurant liquor license or a malt
14 and brewed beverages retail license on the manufacturer's [or],
15 limited winery's or farm cidery's licensed premises. The hotel
16 liquor license or restaurant liquor license or the malt and
17 brewed beverages retail license shall be acquired by the
18 manufacturer [or], limited winery or farm cidery subject to
19 section 461 and shall satisfy all requirements for each
20 respective license.

21 (d) Excepting as hereinafter provided, no malt or brewed
22 beverage manufacturer, importing distributor or distributor
23 shall in any wise be interested, either directly or indirectly,
24 in the ownership or leasehold of any property or in any mortgage
25 against the same, for which a liquor or retail dispenser's
26 license is granted; nor shall any such manufacturer, importing
27 distributor or distributor, either directly or indirectly, lend
28 any moneys, credit or equivalent thereof to, or guarantee the
29 payment of any bond, mortgage, note or other obligation of, any
30 liquor licensee or retail dispenser, in equipping, fitting out,

1 or maintaining and conducting, either in whole or in part, an
2 establishment or business operated under a liquor or retail
3 dispenser's license, excepting only the usual and customary
4 credits allowed for returning original containers in which malt
5 or brewed beverages were packaged for market by the manufacturer
6 at the place of manufacture: Provided, however, That a holder of
7 a manufacturer's license under section 431(a) who is eligible to
8 operate a brewery pub under section 446(2) [or], a limited
9 winery as provided for under section 505.2 or a farm cidery as
10 provided for under section 505.5 may also hold and operate under
11 a hotel liquor license, a restaurant liquor license or a malt
12 and brewed beverages retail license on the manufacturer's [or],
13 limited winery's or farm cidery's licensed premises. The hotel
14 liquor license or restaurant liquor license or the malt and
15 brewed beverages retail license shall be acquired by the
16 manufacturer [or], limited winery or farm cidery subject to
17 section 461 and shall satisfy all requirements for each
18 respective license.

19 (e) Excepting as hereinafter provided, no manufacturer of
20 malt or brewed beverages shall in any wise be interested, either
21 directly or indirectly, in the ownership or leasehold of any
22 property or any mortgage lien against the same, for which a
23 distributor's or importing distributor's license is granted; nor
24 shall any such manufacturer, either directly or indirectly, lend
25 any moneys, credit, or their equivalent to, or guarantee the
26 payment of any bond, mortgage, note or other obligation of, any
27 distributor or importing distributor, in equipping, fitting out,
28 or maintaining and conducting, either in whole or in part, an
29 establishment or business where malt or brewed beverages are
30 licensed for sale by a distributor or importing distributor,

1 excepting only the usual credits allowed for the return of
2 original containers in which malt or brewed beverages were
3 originally packaged for the market by the manufacturer at the
4 place of manufacture: Provided, however, That a holder of a
5 manufacturer's license under section 431(a) who is eligible to
6 operate a brewery pub under section 446(2) [or], a limited
7 winery as provided for under section 505.2 or a farm cidery as
8 provided for under section 505.5 may also hold and operate under
9 a hotel liquor license, a restaurant liquor license or a malt
10 and brewed beverages retail license on the manufacturer's [or],
11 limited winery's or farm cidery's licensed premises. The hotel
12 liquor license or restaurant liquor license or the malt and
13 brewed beverages retail license shall be acquired by the
14 manufacturer [or], limited winery or farm cidery subject to
15 section 461 and shall satisfy all requirements for each
16 respective license. Nothing in this section shall be construed
17 to prohibit an out of State manufacturer from engaging in a
18 transaction or making payments authorized by section 431(a.1).

19 (f) No distributor, importing distributor or retail
20 dispenser shall in anywise receive, either directly or
21 indirectly, any credit, loan, moneys or the equivalent thereof
22 from any other licensee, or from any officer, director or firm
23 member of any other licensee, or from or through a subsidiary or
24 affiliate of another licensee, or from any firm, association or
25 corporation, except banking institutions, in which another
26 licensee or any officer, director or firm member of another
27 licensee has a substantial interest or exercises a control of
28 its business policy, for equipping, fitting out, payment of
29 license fee, maintaining and conducting, either in whole or in
30 part, an establishment or business operated under a

1 distributor's, importing distributor's or retail dispenser's
2 license, excepting only the usual and customary credits allowed
3 for the return of original containers in which malt or brewed
4 beverages were packaged for the market by the manufacturer at
5 the place of manufacture: Provided, however, That a holder of a
6 manufacturer's license under section 431(a) who is eligible to
7 operate a brewery pub under section 446(2) [or], a limited
8 winery as provided for under section 505.2 or a farm cidery as
9 provided for under section 505.5 may also hold and operate under
10 a hotel liquor license, a restaurant liquor license or a malt
11 and brewed beverages retail license on the manufacturer's [or],
12 limited winery's or farm cidery's licensed premises. The hotel
13 liquor license or restaurant liquor license or the malt and
14 brewed beverages retail license shall be acquired by the
15 manufacturer [or], limited winery or farm cidery subject to
16 section 461 and shall satisfy all requirements for each
17 respective license. Nothing in this section shall be construed
18 to prohibit an importing distributor from receiving payment from
19 an out of State manufacturer for engaging in a transaction or
20 performing services authorized by section 431(b) or 444(a.1).

21 (g) The purpose of this section is to require a separation
22 of the financial and business interests between the various
23 classes of business regulated by subdivision (B) of this
24 article, and no person or corporation shall, by any device
25 whatsoever, directly or indirectly, evade the provisions of this
26 section. But in view of existing economic conditions, nothing
27 contained in this section shall be construed to prohibit the
28 ownership of property or conflicting interest by a malt or
29 brewed beverage manufacturer of any place occupied by a
30 distributor, importing distributor or retail dispenser after the

1 manufacturer has continuously owned and had a conflicting
2 interest in such place for a period of at least five years prior
3 to the eighteenth day of July, one thousand nine hundred thirty-
4 five: Provided, however, That a holder of a manufacturer's
5 license under section 431(a) who is eligible to operate a
6 brewery pub under section 446(2) [or], a limited winery as
7 provided for under section 505.2 or a farm cidery as provided
8 for under section 505.5 may also hold and operate under a hotel
9 liquor license, a restaurant liquor license or a malt and brewed
10 beverages retail license on the manufacturer's [or], limited
11 winery's or farm cidery's licensed premises. The hotel liquor
12 license or restaurant liquor license or the malt and brewed
13 beverages retail license shall be acquired by the manufacturer
14 [or], limited winery or farm cidery subject to section 461 and
15 shall satisfy all requirements for each respective license: And,
16 provided further, That nothing contained in this section shall
17 be construed to prohibit a member of the governing board of a
18 public authority created under subdivision (n) of Article XXIII
19 of the act of August 9, 1955 (P.L.323, No.130), known as "The
20 County Code," from having an interest in a distributor or
21 importing distributor license notwithstanding the fact that the
22 public authority has an interest in one or more retail licenses
23 or acts as a landlord for one or more retail licenses.

24 A person who is a holder of five per centum (5%) or less of
25 securities or other interests in a publicly or privately held
26 domestic or foreign corporation, partnership, limited liability
27 company or other form of legal entity owning a restaurant liquor
28 license or retail dispenser's license shall not be deemed to
29 possess a financial interest and is not subject to the
30 provisions of this section, provided that the person is not an

1 officer of, employe of or does not have any interest in or
2 exercise any control over any other licensed entity that engages
3 in any sales to or from the restaurant liquor or retail
4 dispenser licensee in which the person holds the five per centum
5 (5%) or less interest.

6 The term "manufacturer" as used in this section shall include
7 manufacturers of malt or brewed beverages as defined in this act
8 and any person manufacturing any malt or brewed beverages
9 outside of this Commonwealth.

10 * * *

11 Section 445. Brand Registration.--(a) No brand or brands of
12 malt or brewed beverages shall be offered, sold or delivered to
13 any trade buyer within this Commonwealth unless the manufacturer
14 thereof shall first submit an application in the form and manner
15 prescribed by the board for the registration of the said brand
16 or brands of malt or brewed beverages, together with an annual
17 filing fee not to exceed seventy-five dollars (\$75) for each
18 brand registration requested as set forth for malt or brewed
19 beverages in section 614-A(35) of the act of April 9, 1929
20 (P.L.177, No.175), known as "The Administrative Code of 1929."
21 Notwithstanding section 614-A(35) of that act, up to twenty
22 brands of malt or brewed beverages may be registered for a
23 single annual fee of one hundred fifty dollars (\$150.00), so
24 long as one hundred barrels or less of each brand is produced on
25 an annual basis. Any brand or brands of malt or brewed beverages
26 that are produced by a manufacturer but not offered for sale
27 because of additional aging of the beverages shall only be
28 registered at the time the brand or brands are offered for sale.
29 In the event an out-of-State or foreign manufacturer of malt or
30 brewed beverages has granted franchise rights to any person for

1 the sale and distribution of its brand products but which person
2 is not licensed to sell and distribute the same in this
3 Commonwealth, said such person shall nevertheless be required to
4 register the involved brand before offering the same for sale in
5 Pennsylvania. It is further conditioned that the person holding
6 such franchise rights shall, together with its application for
7 brand registration, file with the board copies of all agreements
8 between it and the Pennsylvania importing distributor appointed
9 by such person to sell and distribute the brands of malt or
10 brewed beverages as provided by sections 431 and 492. Such
11 agreement shall contain the manufacturer's consent and approval
12 to the appointment of the Pennsylvania importing distributor and
13 the rights conferred thereunder.

14 (b) The board shall employ a [malt beverage] compliance
15 officer whose duties shall include reviewing label registration
16 to ensure compliance with this act and investigating reports of
17 unregistered brands of malt or brewed beverages being sold by
18 licensees and reports of worthless checks and any other duties
19 the board shall assign the officer. If the [malt beverage]
20 compliance officer finds that a licensee is selling malt or
21 brewed beverages that are unregistered in this Commonwealth, he
22 shall give the manufacturer of the malt or brewed beverages
23 written notice that the manufacturer has ten days to register
24 the malt or brewed beverages with the board. During that ten-day
25 period in which the manufacturer has to come into compliance
26 with brand registration, the unregistered malt or brewed
27 beverages shall remain on the licensee's premises but may not be
28 sold. Should the manufacturer fail to register the malt or
29 brewed beverages with the board within ten days, the
30 manufacturer shall be required to remove the unregistered malt

1 or brewed beverages from the licensee's premises and reimburse
2 the licensee for all unregistered products that cannot be sold
3 in this Commonwealth. If a [malt beverage] compliance officer
4 receives notification that a licensee issued a worthless check,
5 the officer shall give the licensee written notice that the
6 licensee has ten days from the date the notice was mailed to
7 honor that check. Should the licensee fail to honor the check
8 within ten days from the date the notice was mailed, the matter
9 shall be turned over to the enforcement bureau for citation.

10 * * *

11 Section 3. Section 446(a)(2) of the act, amended July 11,
12 2022 (P.L.747, No.67), is amended to read:

13 Section 446. Breweries.--(a) Holders of a brewery license
14 may:

15 * * *

16 (2) Operate a restaurant or brewery pub on the licensed
17 premises under such conditions and regulations as the board may
18 enforce: Provided, however, That sales on Sunday may be made
19 irrespective of the volume of food sales if the licensed
20 premises are at a public venue location. In addition to the
21 sales authorized under paragraph (1), the holder of a brewery
22 license may sell wines, alcoholic cider and fermented fruit
23 beverages produced by the holder of a limited winery or farm
24 cidery license, malt or brewed beverages produced by a
25 manufacturer licensed by the board and liquor produced by a
26 limited distillery or distillery licensed by the board:
27 Provided, however, That said wines, alcoholic cider, malt or
28 brewed beverages produced by another manufacturer and liquor
29 must be consumed at the licensed premises. In addition, the
30 combined sales of wine, alcoholic cider, malt or brewed

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

11 * * *

12 Section 4. Article V heading and sections 505.2(a)(2), (3),
13 (4), (4.1), (5)(i), (6)(iv) and (6.1), (b) and (c) and 505.4(b)
14 (1) and (c)(1) of the act are amended to read:

15 ARTICLE V.

16 DISTILLERIES, WINERIES, FARM CIDERIES, BONDED WAREHOUSES,
17 BAILEES FOR HIRE AND TRANSPORTERS FOR HIRE.

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

21 * * *

22 (2) Sell alcoholic cider, fermented fruit beverages, mead,
23 wine and wine coolers produced by the limited winery or
24 purchased in bulk in bond from another Pennsylvania limited
25 winery or Pennsylvania farm cidery on the licensed premises,
26 under such conditions and regulations as the board may enforce,
27 to the board, to individuals and to brewery, importing
28 distributor, distributor, hotel, restaurant, club and public
29 service liquor licensees, and to Pennsylvania winery and farm
30 cidery licensees: Provided, That a limited winery shall not, in

1 any calendar year, purchase alcoholic cider, fermented fruit
2 beverages, mead or wine produced by other limited wineries or
3 farm cideries in an amount in excess of fifty per centum of the
4 alcoholic cider, fermented fruit beverages, mead or wine
5 produced by the purchasing limited winery in the preceding
6 calendar year. In addition, the holder of a limited winery
7 license may purchase wine in bottles from another Pennsylvania
8 limited winery if these wines undergo a second fermentation
9 process. Such wine may be sold in bottles bearing the purchasing
10 limited winery's label or the producing limited winery's label.
11 Such wines, if sold by the board, may be sold by the producing
12 limited winery to the purchasing limited winery at a price lower
13 than the price charged by the board.

14 * * *

15 (3) Separately or in conjunction with other limited wineries
16 or farm cideries, sell alcoholic cider, fermented fruit
17 beverages, mead, wine and wine coolers produced by the limited
18 winery or farm cidery on no more than five (5) board-approved
19 locations other than the licensed premises, with no bottling or
20 production requirement at those additional board-approved
21 locations and under such conditions and regulations as the board
22 may enforce, to the board, to individuals and to brewery, hotel,
23 restaurant, club and public service liquor licensees. If two or
24 more limited wineries, or a limited winery and a farm cidery,
25 apply to operate an additional board-approved location in
26 conjunction with each other, the [wineries] board-approved
27 location need only have one board-approved manager for the
28 location, need only pay one application fee and need not
29 designate specific or distinct areas for each winery's or farm
30 cidery's licensed area. Each limited winery or farm cidery must

1 file an application for such an additional board-approved
2 location, and such location shall count as one of the five
3 permitted for each limited winery. Each limited winery or farm
4 cidery is responsible for keeping only its own complete records.
5 A limited winery or farm cidery may be cited for a violation of
6 the recordkeeping requirements of sections 512 and 513
7 pertaining to its own records only.

8 (4) At the discretion of the board, obtain a special permit
9 to participate in alcoholic cider, fermented fruit beverage,
10 mead, wine and food expositions off the licensed premises. A
11 special permit shall be issued upon proper application and
12 payment of a fee of thirty dollars (\$30) per day for each day of
13 permitted use, not to exceed thirty (30) consecutive days. The
14 total number of days for all the special permits may not exceed
15 one hundred (100) days in any calendar year. A special permit
16 shall entitle the holder to engage in the sale by the glass, by
17 the container, by multiple-container lots, by the bottle or in
18 case lots of alcoholic cider, fermented fruit beverages, mead or
19 wine produced by the permittee under the authority of a limited
20 winery license. Holders of special permits may provide tasting
21 samples [of wines] in individual portions not to exceed one
22 fluid ounce. Samples at alcoholic cider, fermented fruit
23 beverage, mead, wine and food expositions may be sold or offered
24 free of charge. Except as provided herein, limited wineries
25 utilizing special permits shall be governed by all applicable
26 provisions of this act as well as by all applicable regulations
27 or conditions adopted by the board.

28 [For the purposes of this clause, "alcoholic cider, fermented
29 fruit beverage, mead, wine and food expositions" are defined as
30 affairs held indoors or outdoors with the intent of promoting

1 Pennsylvania products by educating those in attendance of the
2 availability, nature and quality of Pennsylvania-produced
3 alcoholic ciders, fermented fruit beverages, mead and wines in
4 conjunction with suitable food displays, demonstrations and
5 sales. Alcoholic cider, fermented fruit beverage, mead, wine and
6 food expositions may also include activities other than
7 alcoholic cider, fermented fruit beverage, mead, wine and food
8 displays, including arts and crafts, musical activities,
9 cultural exhibits, agricultural exhibits and farmers markets.]

10 (4.1) At the discretion of the board, obtain a farmers
11 market permit. The permit shall entitle the holder to
12 participate in more than one farmers market at any given time
13 and an unlimited number throughout the year and sell alcoholic
14 cider, fermented fruit beverages, mead or wine produced under
15 the authority of the underlying limited winery license by the
16 container, by multiple-container lots, by the bottle or in case
17 lots. Samples not to exceed one fluid ounce per brand [of mead or
18 wine] may be offered free of charge. A farmers market permit
19 shall be issued upon proper application and payment of an annual
20 fee of two hundred fifty dollars (\$250). A permit holder may
21 participate in more than one farmers market at any given time.
22 Sales by permit holders shall take place during the standard
23 hours of operation of the farmers market. Written notice of the
24 date, times and location the permit is to be used shall be
25 provided by the permit holder to the enforcement bureau at least
26 two (2) weeks prior to the event. Except as provided in this
27 subsection, limited wineries utilizing farmers market permits
28 shall be governed by all applicable provisions of this act as
29 well as by all applicable regulations adopted by the board.

30 (5) Do either of the following:

1 (i) Apply for and hold a hotel liquor license, a restaurant
2 liquor license or a malt and brewed beverages retail license to
3 sell for consumption at the restaurant or limited winery on the
4 licensed winery premises, liquor, alcoholic cider, wine and malt
5 or brewed beverages regardless of the place of manufacture under
6 the same conditions and regulations as any other hotel liquor
7 license, restaurant liquor license or malt and brewed beverages
8 retail license.

9 * * *

10 (6) * * *

11 (iv) The [department] board is authorized to promulgate
12 regulations requiring the filing of periodic reports by limited
13 wineries to ensure compliance with the provisions of this
14 section.

15 (6.1) Sell food for consumption on or off the licensed
16 premises and at the limited winery's additional board-approved
17 locations and sell by the glass, at the licensed premises and at
18 the limited winery's additional board-approved locations, wine,
19 mead, alcoholic ciders and fermented fruit beverages that may
20 otherwise be sold by the bottle or container. In addition, the
21 holder of a limited winery license may sell for consumption on
22 the licensed premises and at the limited winery's additional
23 board-approved locations, liquor produced by a licensed
24 distillery or limited distillery, wine, alcoholic cider produced
25 by the limited winery or a farm cidery and fermented fruit
26 beverages produced by another limited winery and malt or brewed
27 beverages produced by a licensed brewery. The combined sales of
28 wine, alcoholic cider and fermented fruit beverages produced by
29 another limited winery or farm cidery, malt or brewed beverages
30 and liquor may not, on a yearly basis, exceed fifty per centum

1 of the on-premises sales of the limited winery's own sales of
2 wine, alcoholic cider and fermented fruit beverages for the
3 preceding calendar year: however, if a limited winery did not
4 operate for an entire calendar year during the preceding year,
5 then its combined sales of wine, alcoholic cider and alcohol
6 produced by another limited winery, malt or brewed beverages and
7 liquor may not, on a yearly basis, exceed fifty per centum of
8 the on-premises sales of the limited winery's own wine,
9 alcoholic cider and fermented fruit beverages for that year.

10 * * *

11 [(b) The total production of alcoholic ciders, fermented
12 fruit beverages, mead, wine and wine coolers by a limited winery
13 may not exceed two hundred thousand (200,000) gallons per year.

14 (c) As used in this section:

15 "Agricultural commodity" shall include any of the following:
16 agricultural, apicultural, horticultural, silvicultural and
17 viticultural commodities.

18 "Farmers market" shall include any building, structure or
19 other place:

20 (1) owned, leased or otherwise in the possession of a
21 person, municipal corporation or public or private organization;

22 (2) used or intended to be used by two or more farmers or an
23 association of farmers, who are certified by the Department of
24 Agriculture of the Commonwealth to participate in the Farmers'
25 Market Nutrition Program subject to 7 CFR Pt. 249 (relating to
26 Senior Farmers' Market Nutrition Program (SFMNP)), for the
27 purpose of selling agricultural commodities produced in this
28 Commonwealth directly to consumers;

29 (3) which is physically located within this Commonwealth;
30 and

1 (4) which is not open for business more than twelve hours
2 each day.]

3 Section 505.4. Limited Distilleries and Distilleries.--* * *

4 (b) (1) The board may issue a limited distillery license
5 that will allow the holder thereof to operate a distillery that
6 shall not exceed production of one hundred thousand (100,000)
7 gallons of distilled liquor per year. The holder of the license
8 may manufacture and sell bottled liquors produced on the
9 licensed premises to the board, to entities licensed by the
10 board and to the public between the hours of nine o'clock
11 antemeridian and twelve o'clock antemeridian Monday through
12 Saturday and Sunday between the hours of nine o'clock
13 antemeridian through eleven o'clock postmeridian so long as a
14 specific code of distilled liquor which is listed for sale as a
15 stock item by the board in State liquor stores may not be
16 offered for sale at a licensed limited distillery location at a
17 price which is lower than that charged by the board and under
18 such conditions and regulations as the board may enforce. The
19 holder of a limited distillery license may not sell a product or
20 a substantially similar product which is listed for sale as a
21 stock item by the board in State Liquor Stores to a licensee at
22 a price which is lower than that charged by the board and under
23 such conditions and regulations as the board may enforce. The
24 holder of a limited distillery license may also sell wine,
25 alcoholic cider and fermented fruit beverages produced by a
26 licensed limited winery or farm cidery, liquor produced by a
27 licensed distillery or limited distillery and malt or brewed
28 beverages produced by a licensed brewery for on-premises
29 consumption. The combined sales of wine, alcoholic cider, malt
30 or brewed beverages and liquor produced by another licensed

1 distillery or limited distillery may not, on a yearly basis,
2 exceed fifty per centum of the on-premises sales of the limited
3 distillery's own sales of liquor for the preceding calendar
4 year: however, if a limited distillery did not operate for an
5 entire calendar year during the preceding year, then its
6 combined sales of wine, alcoholic cider, malt or brewed
7 beverages and liquor produced by another licensed distillery or
8 limited distillery may not, on a yearly basis, exceed fifty per
9 centum of the on-premises sales of the limited distillery's own
10 liquor for that year.

11 * * *

12 (c) (1) The holder of a distillery license as issued under
13 section 505 may sell bottled liquors produced on the licensed
14 premises to the board, to entities licensed by the board and to
15 the public between the hours of nine o'clock antemeridian and
16 twelve o'clock antemeridian Monday through Saturday and Sunday
17 between the hours of nine o'clock antemeridian through eleven
18 o'clock postmeridian so long as a specific code of distilled
19 liquor which is listed for sale as a stock item by the board in
20 State liquor stores may not be offered for sale at a licensed
21 distillery location at a price which is lower than that charged
22 by the board and under such conditions and regulations as the
23 board may enforce. The holder of a distillery license may not
24 sell a product or a substantially similar product which is
25 listed for sale as a stock item by the board in State Liquor
26 Stores to a licensee at a price which is lower than that charged
27 by the board and under such conditions and regulations as the
28 board may enforce. The holder of a distillery license may also
29 sell its liquor, wine, alcoholic cider and fermented fruit
30 beverages produced by a licensed limited winery or farm cidery,

1 liquor produced by a licensed distillery or limited distillery
2 and malt or brewed beverages produced by a licensed brewery for
3 on-premises consumption. The combined sales of wine, alcoholic
4 cider, malt or brewed beverages and liquor produced by another
5 licensed distillery or limited distillery may not, on a yearly
6 basis, exceed fifty per centum of the on-premises sales of the
7 distillery's own sales of liquor for the preceding calendar
8 year: however, if a distillery did not operate for an entire
9 calendar year during the preceding year, then its combined sales
10 of wine, alcoholic cider, malt or brewed beverages and liquor
11 produced by another licensed distillery or limited distillery
12 may not, on a yearly basis, exceed fifty per centum of the on-
13 premises sales of the distillery's own liquor for that year.

14 * * *

15 Section 5. The act is amended by adding a section to read:

16 Section 505.5. Farm Cideries.--(a) In the interest of
17 promoting tourism and recreational development in Pennsylvania,
18 a holder of a farm cidery license may:

19 (1) Produce and sell alcoholic cider that is derived from no
20 less than sixty per centum fresh juice of apples or pears,
21 subject to the exceptions provided under this section.

22 (2) Sell:

23 (i) On the licensed premises, alcoholic cider produced by
24 the licensed farm cidery or purchased in bulk in bond from
25 another licensed farm cidery or from a licensed limited winery
26 producing alcoholic cider under such conditions and regulations
27 as the board may enforce.

28 (ii) Alcoholic cider produced by the licensed farm cidery or
29 purchased in bulk in bond from another licensed farm cidery or
30 from a licensed limited winery producing alcoholic cider to the

1 following:

2 (A) A brewery.

3 (B) A club.

4 (C) A distillery.

5 (D) A distributor.

6 (E) A hotel.

7 (F) An importing distributor.

8 (G) An individual.

9 (H) A farm cidery.

10 (I) A limited winery.

11 (J) A public service liquor licensee.

12 (K) A restaurant.

13 (3) Separately or in conjunction with another licensed farm
14 cidery or licensed limited winery producing alcoholic cider,
15 sell alcoholic cider produced by the farm cidery or limited
16 winery at no more than five (5) board-approved locations other
17 than the licensed premises, with no bottling or production
18 requirement at those additional board-approved locations and
19 under such conditions and regulations as the board may enforce,
20 to the following:

21 (i) A brewery.

22 (ii) A club.

23 (iii) A distillery.

24 (iv) A distributor.

25 (v) A hotel.

26 (vi) An importing distributor.

27 (vii) An individual.

28 (viii) A farm cidery.

29 (ix) A limited winery.

30 (x) A public service liquor licensee.

1 (xi) A restaurant.

2 (4) At the discretion of the board, obtain a special permit
3 to participate in alcoholic cider, fermented fruit beverage,
4 mead, wine and food expositions off the licensed premises. A
5 special permit shall be issued upon proper application and
6 payment of a fee of thirty dollars (\$30) per day for each day of
7 permitted use, not to exceed thirty (30) consecutive days. The
8 total number of days for all the special permits may not exceed
9 one hundred (100) days in any calendar year. A special permit
10 shall entitle the holder to engage in the sale by the glass, by
11 the container, by multiple-container lots or in case lots of
12 alcoholic cider produced by the permittee under the authority of
13 a farm cidery license. Holders of special permits may provide
14 tasting samples of alcoholic cider in individual portions not to
15 exceed one (1) fluid ounce. Samples offered of alcoholic cider,
16 fermented fruit beverage, mead, wine and food expositions may be
17 sold or offered free of charge. Except as provided herein, a
18 farm cidery utilizing a special permit shall be governed by all
19 applicable provisions of this act as well as by all applicable
20 regulations or conditions adopted by the board.

21 (5) At the discretion of the board, obtain a farmers market
22 permit. A farmers market permit shall entitle the holder to
23 participate in more than one (1) farmers market at any given
24 time and an unlimited number throughout the year and sell
25 alcoholic cider produced under the authority of the underlying
26 farm cidery license by the container, by multiple-container lots
27 or in case lots. Samples not to exceed one (1) fluid ounce per
28 brand of alcoholic cider may be offered free of charge. A
29 farmers market permit shall be issued upon proper application
30 and payment of an annual fee of two hundred fifty dollars

1 (\$250). A permit holder may participate in more than one (1)
2 farmers market at any given time. Sales by a permit holder shall
3 take place during the standard hours of operation of the farmers
4 market. Written notice of the date, times and location the
5 farmers market permit is to be used shall be provided by the
6 permit holder to the enforcement bureau at least two (2) weeks
7 prior to the use of the permit. Except as provided in this
8 section, a farm cidery utilizing a farmers market permit shall
9 be governed by all applicable provisions of this act as well as
10 by all applicable regulations adopted by the board.

11 (6) Do either of the following:

12 (i) Apply for and hold a hotel liquor license, a restaurant
13 liquor license or a malt and brewed beverages retail license to
14 sell for consumption at the restaurant or farm cidery on the
15 licensed farm cidery premises, liquor, alcoholic cider and malt
16 or brewed beverages regardless of the place of manufacture under
17 the same conditions and regulations as any other hotel liquor
18 license, restaurant liquor license or malt and brewed beverages
19 retail license.

20 (ii) Apply for and hold a restaurant liquor license for use
21 at one of the additional board-approved locations referenced
22 under clause (3), as long as such location does not serve as an
23 additional board-approved location for any other manufacturer.

24 (7) Secure a permit from the board to allow the holder of
25 the farm cidery license to use up to twenty-five per centum
26 apple and pear permitted fruit in the current year's production.
27 Each permit is valid only for the calendar year in which it is
28 issued. The following shall apply:

29 (i) The fee for a permit to import and use apple and pear
30 permitted fruit shall be in an amount to be determined by the

1 board.

2 (ii) The board is authorized to promulgate regulations
3 requiring the licensed farm cidery to file periodic reports to
4 ensure compliance with the provisions of this clause.

5 (8) Sell food for consumption on or off the licensed
6 premises and at the additional board-approved locations
7 referenced under clause (3).

8 (9) Sell by the glass, at the licensed premises and at
9 expositions off the licensed premises under clause (4),
10 alcoholic cider that may otherwise be sold by the container.

11 (10) As follows:

12 (i) Sell for consumption on the licensed premises and at the
13 additional board-approved locations under paragraph (3):

14 (A) Liquor produced by a licensed distillery or limited
15 distillery.

16 (B) Wine, alcoholic cider and malt or brewed beverages
17 produced by a licensed brewery, a licensed limited winery or a
18 licensed farm cidery.

19 (ii) The combined sales of products under subclause (i) may
20 not, on a yearly basis, exceed fifty per centum of the on-
21 premises sales of the farm cidery's own alcoholic cider for the
22 preceding calendar year.

23 (11) Sell products under clause (10)(i) only between the
24 hours of nine o'clock antemeridian and eleven o'clock
25 postmeridian. The farm cidery also may request approval from the
26 board to extend sales hours in individual locations at other
27 times during the year or beyond the limits set forth in this
28 clause. The request shall be made in writing to the board's
29 Office of the Chief Counsel and shall detail the exact locations
30 where sales hours are proposed to be extended, the proposed

1 hours and dates of extended operation and the reason for the
2 proposed extended hours.

3 (12) Store alcoholic cider produced by the farm cidery at no
4 more than two (2) board-approved locations other than the
5 licensed premises and those premises specified under clause (3),
6 with no bottling or production requirement at those additional
7 locations and under such conditions and regulations as the board
8 may enforce. If two (2) or more businesses will operate out of
9 the same storage facility, the farm cidery must designate
10 specific and distinct areas for its storage. The farm cidery's
11 designated storage area must be secured and no one other than
12 the licensee and the licensee's employees may be allowed access
13 to the storage area. No board-approved manager will be necessary
14 for the storage facility. The farm cidery must fill out an
15 application for such an additional board-approved storage
16 location, and such location shall count as one of the two
17 permitted for the farm cidery. The farm cidery is responsible
18 for keeping only its own complete records. The farm cidery may
19 be cited for a violation of the recordkeeping requirements of
20 sections 512 and 513 pertaining to its own records only.

21 (13) Label alcoholic cider as "Pennsylvania cider" only if
22 at least seventy-five per centum of the fresh juice used in the
23 production of the alcoholic cider is derived from an
24 agricultural commodity grown in Pennsylvania.

25 Section 6. Sections 508(a) and 512 of the act are amended to
26 read:

27 Section 508. License Fees.--(a) The annual fee for every
28 license issued to a limited winery or a winery shall be as
29 prescribed in section 614-A of the act of April 9, 1929

30 (P.L.177, No.175), known as "The Administrative Code of 1929."

1 The fee for every license issued to a distillery (manufacturer)
2 shall be as prescribed in section 614-A of "The Administrative
3 Code of 1929." The annual fee for all other licenses shall be as
4 prescribed in section 614-A of "The Administrative Code of
5 1929." The annual fee for every license issued to a farm cidery
6 shall be the same as the fee for a license issued to a limited
7 winery as prescribed in section 614-A of "The Administrative
8 Code of 1929." Whenever any checks issued in payment of filing
9 and/or license fees shall be returned to the board as
10 dishonored, the board shall charge a fee of five dollars (\$5.00)
11 per hundred dollars or fractional part thereof, plus all protest
12 fees, to the maker of such check submitted to the board. Failure
13 to make full payment or pay the face amount of the check in full
14 and all charges thereon as herein required within ten days after
15 demand has been made by the board upon the maker of the check,
16 the license of such person shall not be renewed for the license
17 period or validated for any interim period for such year.

18 * * *

19 Section 512. Records To Be Kept.--Every person holding a
20 license issued under the provisions of this article shall keep
21 on the licensed premises daily permanent records which shall
22 show, (a) the quantities of any alcohol, alcoholic cider or
23 liquor manufactured, produced, distilled, developed, denatured,
24 redistilled, recovered, reused, stored in bond, stored as bailee
25 for hire, received or used in the process of manufacture by him,
26 and of all other material used in manufacturing or developing
27 any alcohol or liquor; (b) the sales or other disposition of any
28 alcohol, alcoholic cider, liquor or malt or brewed beverages if
29 covered by said license; (c) the quantities thereof, if any,
30 stored in bond, stored for hire, or transported for hire by or

1 for the licensee; and (d) the names and addresses of the
2 purchasers or other recipients thereof: Provided, however, That
3 persons holding licenses issued under the provisions of this
4 article for the transportation for hire of any alcohol, liquor
5 or malt or brewed beverages shall not be required to keep the
6 above records, but shall keep daily permanent records showing
7 the names and addresses of the persons from whom any alcohol,
8 liquor or malt or brewed beverage was received and to whom
9 delivered, and such other permanent records as the board shall
10 prescribe: Provided, however, That a sales invoice may not be
11 required for purchases made at a limited winery or at a farm
12 cidery by a private individual unless the purchase is for
13 greater than 16 liters in a single transaction.

14 Section 7. This act shall take effect in 60 days.