

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL**No. 688** Session of
2023

INTRODUCED BY REGAN, ROBINSON, DiSANTO, ROTHMAN, STEFANO,
PHILLIPS-HILL, YAW, COLEMAN, AUMENT, BAKER, PENNYCUICK AND
BROWN, MAY 5, 2023

AS REPORTED FROM COMMITTEE ON LIQUOR CONTROL, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 25, 2024

AN ACT

1 ~~Amending the act of April 12, 1951 (P.L.90, No.21), entitled "An~~<--
2 ~~act relating to alcoholic liquors, alcohol and malt and~~
3 ~~brewed beverages; amending, revising, consolidating and~~
4 ~~changing the laws relating thereto; regulating and~~
5 ~~restricting the manufacture, purchase, sale, possession,~~
6 ~~consumption, importation, transportation, furnishing, holding~~
7 ~~in bond, holding in storage, traffic in and use of alcoholic~~
8 ~~liquors, alcohol and malt and brewed beverages and the~~
9 ~~persons engaged or employed therein; defining the powers and~~
10 ~~duties of the Pennsylvania Liquor Control Board; providing~~
11 ~~for the establishment and operation of State liquor stores,~~
12 ~~for the payment of certain license fees to the respective~~
13 ~~municipalities and townships, for the abatement of certain~~
14 ~~nuisances and, in certain cases, for search and seizure~~
15 ~~without warrant; prescribing penalties and forfeitures;~~
16 ~~providing for local option, and repealing existing laws," in~~
17 ~~preliminary provisions, further providing for definitions; in~~
18 ~~Pennsylvania Liquor Stores, further providing for sales by~~
19 ~~Pennsylvania Liquor Stores; and, in licenses and regulations,~~
20 ~~liquor, alcohol and malt and brewed beverages, further~~
21 ~~providing for heading of article, for authority to issue~~
22 ~~liquor licenses to hotels, restaurants and clubs, for sales~~
23 ~~by liquor licensees and restrictions, for secondary service~~
24 ~~area, for sale of malt or brewed beverages by liquor~~
25 ~~licensees, for public service liquor licenses, for liquor~~
26 ~~importers' licenses, fees, privileges and restrictions, for~~
27 ~~public venue license, for performing arts facility license,~~
28 ~~for continuing care retirement community retail licenses,~~
29 ~~for casino liquor license, for malt and brewed beverages~~
30 ~~manufacturers', distributors' and importing distributors'~~
31 ~~licenses, for sales by manufacturers of malt or brewed~~

~~1 beverages and minimum quantities and for distributors' and
2 importing distributors' restrictions on sales, storage, etc;
3 adding provisions relating to fees and taxation of ready to
4 drink cocktails for off premises consumption; and further
5 providing for unlawful acts relative to malt or brewed
6 beverages and licensees.~~

7 AMENDING THE ACT OF APRIL 12, 1951 (P.L.90, NO.21), ENTITLED "AN <--
8 ACT RELATING TO ALCOHOLIC LIQUORS, ALCOHOL AND MALT AND
9 BREWED BEVERAGES; AMENDING, REVISING, CONSOLIDATING AND
10 CHANGING THE LAWS RELATING THERETO; REGULATING AND
11 RESTRICTING THE MANUFACTURE, PURCHASE, SALE, POSSESSION,
12 CONSUMPTION, IMPORTATION, TRANSPORTATION, FURNISHING, HOLDING
13 IN BOND, HOLDING IN STORAGE, TRAFFIC IN AND USE OF ALCOHOLIC
14 LIQUORS, ALCOHOL AND MALT AND BREWED BEVERAGES AND THE
15 PERSONS ENGAGED OR EMPLOYED THEREIN; DEFINING THE POWERS AND
16 DUTIES OF THE PENNSYLVANIA LIQUOR CONTROL BOARD; PROVIDING
17 FOR THE ESTABLISHMENT AND OPERATION OF STATE LIQUOR STORES,
18 FOR THE PAYMENT OF CERTAIN LICENSE FEES TO THE RESPECTIVE
19 MUNICIPALITIES AND TOWNSHIPS, FOR THE ABATEMENT OF CERTAIN
20 NUISANCES AND, IN CERTAIN CASES, FOR SEARCH AND SEIZURE
21 WITHOUT WARRANT; PRESCRIBING PENALTIES AND FORFEITURES;
22 PROVIDING FOR LOCAL OPTION, AND REPEALING EXISTING LAWS," IN
23 PRELIMINARY PROVISIONS, FURTHER PROVIDING FOR DEFINITIONS; IN
24 PENNSYLVANIA LIQUOR STORES, FURTHER PROVIDING FOR SALES BY
25 PENNSYLVANIA LIQUOR STORES; IN LICENSES AND REGULATIONS
26 RELATING TO LIQUOR, ALCOHOL AND MALT AND BREWED BEVERAGES,
27 FURTHER PROVIDING FOR LIQUOR IMPORTERS' LICENSES, FEES,
28 PRIVILEGES AND RESTRICTIONS, PROVIDING FOR READY-TO-DRINK
29 COCKTAIL PERMIT AND FOR AUTHORITY TO ACQUIRE READY-TO-DRINK
30 COCKTAIL PERMITS, FURTHER PROVIDING FOR DISTRIBUTORS' AND
31 IMPORTING DISTRIBUTORS' RESTRICTIONS ON SALES, STORAGE, ETC,
32 FOR UNLAWFUL ACTS RELATIVE TO MALT OR BREWED BEVERAGES AND
33 LICENSEES, FOR UNLAWFUL ACTS RELATIVE TO LIQUOR, MALT AND
34 BREWED BEVERAGES AND LICENSEES; AND, IN DISTILLERIES,
35 WINERIES, BONDED WAREHOUSES, BAILEES FOR HIRE AND
36 TRANSPORTERS FOR HIRE, FURTHER PROVIDING FOR LIMITED
37 DISTILLERIES AND DISTILLERIES.

38 The General Assembly of the Commonwealth of Pennsylvania

39 hereby enacts as follows:

40 ~~Section 1. Section 102 of the act of April 12, 1951 (P.L.90, <--
41 No.21), known as the Liquor Code, is amended by adding
42 definitions to read:~~

43 ~~Section 102. Definitions. The following words or phrases,
44 unless the context clearly indicates otherwise, shall have the
45 meanings ascribed to them in this section:~~

46 * * *

47 "Ready to drink cocktail" shall mean a beverage, composed in
48 part of spirits, combined with other nonalcoholic ingredients,

~~1 carbonated or still, by whatever name such beverage may be
2 called, premixed and packaged in original containers, containing
3 not more than sixteen ounces, provided that it is not mixed or
4 adulterated on the licensed premises of a licensee. It shall
5 mean any beverage consisting of at least one half of one per
6 centum, but not greater than twelve and one half per centum,
7 alcohol by volume. It shall not mean any beverage composed, in
8 part, of wine or malt or brewed beverages. It shall be treated
9 like liquor unless the context clearly indicates otherwise.~~

~~10 * * *~~

~~11 "Spirits" shall mean any beverage which contains alcohol
12 obtained by distillation, mixed with water or other substances
13 in solution, and includes brandy, rum, whiskey, gin or other
14 spirituous liquors and such liquors when rectified, blended or
15 otherwise mixed with alcohol or other substances.~~

~~16 * * *~~

~~17 Section 2. Section 305(b) of the act is amended and the
18 section is amended by adding a subsection to read:~~

~~19 Section 305. Sales by Pennsylvania Liquor Stores. * * *~~

~~20 (b) Every Pennsylvania Liquor Store shall sell liquors at
21 wholesale to hotels, restaurants, clubs, and railroad, pullman
22 and steamship companies licensed under this act; and, under the
23 regulations of the board, to pharmacists duly licensed and
24 registered under the laws of the Commonwealth, and to
25 manufacturing pharmacists, and to reputable hospitals approved
26 by the board, or chemists. Sales to licensees shall be made at a
27 price that includes a discount of ten per centum from the retail
28 price; except that special order sales to licensees authorized
29 in subsection (a) shall not be subject to the ten per centum
30 discount. Ready to drink cocktails as defined in section 102~~

1 ~~shall not be subject to the ten per centum discount.~~ The board
2 ~~may sell to registered pharmacists only such liquors as conform~~
3 ~~to the Pharmacopoeia of the United States, the National~~
4 ~~Formulary, or the American Homeopathic Pharmacopoeia.~~ The board
5 ~~may sell at special prices under the regulations of the board,~~
6 ~~to United States Armed Forces facilities which are located on~~
7 ~~United States Armed Forces installations and are conducted~~
8 ~~pursuant to the authority and regulations of the United States~~
9 ~~Armed Forces. All other sales by such stores shall be at retail,~~
10 ~~except that incentives, such as coupons or discounts on certain~~
11 ~~products, may be offered to unlicensed customers of the board as~~
12 ~~provided under sections 207(m) and 493(24)(ii)(B). A person~~
13 ~~entitled to purchase liquor at wholesale prices may purchase the~~
14 ~~liquor at any Pennsylvania Liquor Store upon tendering cash,~~
15 ~~check or credit card for the full amount of the purchase. For~~
16 ~~this purpose, the board shall issue a discount card to each~~
17 ~~licensee identifying such licensee as a person authorized to~~
18 ~~purchase liquor at wholesale prices. Such discount card shall be~~
19 ~~retained by the licensee. The board may contract through the~~
20 ~~Commonwealth bidding process for delivery to wholesale licensees~~
21 ~~at the expense of the licensee receiving the delivery.~~

22 * * *

23 ~~(1) Pennsylvania Liquor Stores may sell ready to drink~~
24 ~~cocktails but are not restricted to the ready to drink cocktail~~
25 ~~container limits or alcohol by volume limits per the definition~~
26 ~~in section 102.~~

27 Section 3. ~~Article IV heading and sections 401(a), 406(a),~~
28 ~~(c), (d), (e) and (f) introductory paragraph, 406.1(a), 407~~
29 ~~heading and (a)(1) and (2) and 408(a) and (e) of the act are~~
30 ~~amended to read:~~

1 ~~liquor license. This prohibition applies to anyone with arrest~~
2 ~~authority, including, but not limited to, United States~~
3 ~~attorneys, State attorneys general, district attorneys, sheriffs~~
4 ~~and police officers. This prohibition shall also apply to~~
5 ~~magisterial district judges, judges or any other individuals who~~
6 ~~can impose a criminal sentence. This prohibition does not apply~~
7 ~~to members of the General Assembly, township supervisors, city~~
8 ~~councilpersons, mayors without arrest authority and any other~~
9 ~~public official who does not have the ability to arrest or the~~
10 ~~ability to impose a criminal sentence. This section does not~~
11 ~~apply if the proposed premises are located outside the~~
12 ~~jurisdiction of the individual in question.~~

13 ~~* * *~~

14 ~~Section 406. Sales by Liquor Licensees; Restrictions. (a)~~
15 ~~(1) Every hotel, restaurant or club liquor licensee may sell~~
16 ~~liquor, ready to drink cocktails and malt or brewed beverages by~~
17 ~~the glass, open bottle or other container, and in any mixture,~~
18 ~~for consumption only in that part of the hotel or restaurant~~
19 ~~habitually used for the serving of food to guests or patrons, or~~
20 ~~in a bowling alley that is immediately adjacent to and under the~~
21 ~~same roof as a restaurant, and in the case of hotels, to guests,~~
22 ~~and in the case of clubs, to members, in their private rooms in~~
23 ~~the hotel or club. No club licensee nor its officers, servants,~~
24 ~~agents or employes, other than one holding a catering license,~~
25 ~~shall sell any liquor, ready to drink cocktails or malt or~~
26 ~~brewed beverages to any person except a member of the club. The~~
27 ~~holder of a restaurant license located in a hotel may sell~~
28 ~~liquor, ready to drink cocktails or malt or brewed beverages for~~
29 ~~consumption in that part of the restaurant habitually used for~~
30 ~~the serving of meals to patrons and also to guests in private~~

1 ~~guest rooms in the hotel. For the purpose of this paragraph, any~~
2 ~~person who is an active member of another club which is~~
3 ~~chartered by the same state or national organization shall have~~
4 ~~the same rights and privileges as members of the particular~~
5 ~~club. For the purpose of this paragraph, any person who is an~~
6 ~~active member of any volunteer firefighting company, association~~
7 ~~or group of this Commonwealth, whether incorporated or~~
8 ~~unincorporated, shall upon the approval of any club composed of~~
9 ~~volunteer firemen licensed under this act, have the same social~~
10 ~~rights and privileges as members of such licensed club. For the~~
11 ~~purposes of this paragraph, the term "active member" shall not~~
12 ~~include a social member. Any club licensee which is either an~~
13 ~~incorporated unit of a national veterans' organization or an~~
14 ~~affiliated organization as defined in section 461.1 shall be~~
15 ~~permitted to sell liquor, ready to drink cocktails or malt or~~
16 ~~brewed beverages to any active member of another unit which is~~
17 ~~chartered by the same national veterans' organization or to any~~
18 ~~member of a nationally chartered auxiliary associated with the~~
19 ~~same national veterans' organization.~~

20 ~~(2) Hotel and restaurant liquor licensees, municipal golf~~
21 ~~course restaurant liquor licensees and privately owned public~~
22 ~~golf course restaurant licensees may sell liquor, ready to drink~~
23 ~~cocktails and malt or brewed beverages only after seven o'clock~~
24 ~~antemeridian of any day until two o'clock antemeridian of the~~
25 ~~following day, except Sunday, and except as hereinafter~~
26 ~~provided, may sell liquor, ready to drink cocktails and malt or~~
27 ~~brewed beverages on Sunday between the hours of twelve o'clock~~
28 ~~midnight and two o'clock antemeridian. No sales of ready to~~
29 ~~drink cocktails for off premises consumption may take place~~
30 ~~after eleven o'clock postmeridian of any day until the~~

1 ~~licensee's permitted hours of operation under this section of~~
2 ~~the following day.~~

3 ~~(2.1) Airport restaurant liquor licensees may sell liquor,~~
4 ~~ready to drink cocktails and malt or brewed beverages only after~~
5 ~~five o'clock antemeridian of any day and until two o'clock~~
6 ~~antemeridian of the following day.~~

7 ~~(3) Hotel and restaurant liquor licensees, municipal golf~~
8 ~~course restaurant liquor licensees and privately owned public~~
9 ~~golf course restaurant licensees may sell liquor, ready to drink~~
10 ~~cocktails and malt or brewed beverages on Sunday between the~~
11 ~~hours of nine o'clock antemeridian and two o'clock antemeridian~~
12 ~~Monday upon purchase of a special permit from the board at an~~
13 ~~annual fee as prescribed in section 614 A of the act of April 9,~~
14 ~~1929 (P.L.177, No.175), known as "The Administrative Code of~~
15 ~~1929." Airport restaurant liquor licensees may sell liquor,~~
16 ~~ready to drink cocktails and malt or brewed beverages on Sunday~~
17 ~~between the hours of five o'clock antemeridian and two o'clock~~
18 ~~antemeridian Monday upon purchase of a special permit from the~~
19 ~~board at an annual fee as prescribed in section 614 A of the act~~
20 ~~of April 9, 1929 (P.L.177, No.175), known as "The Administrative~~
21 ~~Code of 1929." No sales of ready to drink cocktails for off-~~
22 ~~premises consumption may take place after eleven o'clock~~
23 ~~postmeridian of any day until the licensee's permitted hours of~~
24 ~~operation under this section of the following day.~~

25 ~~(4) Hotel and restaurant liquor licensees, municipal golf~~
26 ~~course restaurant liquor licensees and privately owned public~~
27 ~~golf course restaurant licensees which do not qualify for and~~
28 ~~purchase such special permit, their servants, agents or employes~~
29 ~~may sell liquor, ready to drink cocktails and malt or brewed~~
30 ~~beverages only after seven o'clock antemeridian of any day and~~

1 ~~until two o'clock antemeridian of the following day, and shall~~
2 ~~not sell after two o'clock antemeridian on Sunday. No club~~
3 ~~licensee or its servants, agents or employes may sell liquor,~~
4 ~~ready to drink cocktails or malt or brewed beverages between the~~
5 ~~hours of three o'clock antemeridian and seven o'clock~~
6 ~~antemeridian on any day. No public service liquor licensee or~~
7 ~~its servants, agents, or employes may sell liquor, ready to~~
8 ~~drink cocktails or malt or brewed beverages between the hours of~~
9 ~~two o'clock antemeridian and seven o'clock antemeridian on any~~
10 ~~day. No sales of ready to drink cocktails for off premises~~
11 ~~consumption may take place after eleven o'clock postmeridian of~~
12 ~~any day until the licensee's permitted hours of operation under~~
13 ~~this section of the following day.~~

14 ~~(6) Notwithstanding any provisions to the contrary, whenever~~
15 ~~the thirty first day of December falls on a Sunday, every hotel~~
16 ~~or restaurant liquor licensee, their servants, agents or~~
17 ~~employes may sell liquor, ready to drink cocktails and malt or~~
18 ~~brewed beverages on any such day after one o'clock postmeridian~~
19 ~~and until two o'clock antemeridian of the following day. No~~
20 ~~sales of ready to drink cocktails for off premises consumption~~
21 ~~may take place after eleven o'clock postmeridian of any day~~
22 ~~until the licensee's permitted hours of operation under this~~
23 ~~section of the following day.~~

24 ~~(6.1) Notwithstanding any provisions to the contrary,~~
25 ~~whenever Saint Patrick's Day falls on a Sunday, every hotel or~~
26 ~~restaurant liquor licensee, their servants, agents or employes~~
27 ~~may sell liquor, ready to drink cocktails and malt or brewed~~
28 ~~beverages on any such day after seven o'clock antemeridian and~~
29 ~~until two o'clock antemeridian of the following day. No sales of~~
30 ~~ready to drink cocktails for off premises consumption may take~~

1 ~~place after eleven o'clock postmeridian of any day until the~~
2 ~~licensee's permitted hours of operation under this section of~~
3 ~~the following day.~~

4 ~~(7) Notwithstanding any other provision of this act, if~~
5 ~~Groundhog Day falls on a Sunday, a hotel or restaurant licensee~~
6 ~~or the hotel or restaurant licensee's servants, agents or~~
7 ~~employees may sell liquor, ready to drink cocktails and malt or~~
8 ~~brewed beverages on that day after seven o'clock antemeridian~~
9 ~~and until two o'clock antemeridian of the following day. No~~
10 ~~sales of ready to drink cocktails for off premises consumption~~
11 ~~may take place after eleven o'clock postmeridian of any day~~
12 ~~until the licensee's permitted hours of operation under this~~
13 ~~section of the following day.~~

14 * * *

15 ~~(c) Notwithstanding any provision of this act, on the Sunday~~
16 ~~on which the sporting event commonly referred to as the "Super~~
17 ~~Bowl" is conducted, licensees who do not possess the special~~
18 ~~annual permit provided for in subsection (a) (3), their servants,~~
19 ~~agents or employees may sell liquor, ready to drink cocktails and~~
20 ~~malt or brewed beverages on such Sunday after one o'clock~~
21 ~~postmeridian and until two o'clock antemeridian of the following~~
22 ~~day. No sales of ready to drink cocktails for off premises~~
23 ~~consumption may take place after eleven o'clock postmeridian of~~
24 ~~any day until the licensee's permitted hours of operation under~~
25 ~~this section of the following day.~~

26 ~~(d) Subject to section 412, licensed public venues may sell~~
27 ~~liquor, ready to drink cocktails and malt or brewed beverages on~~
28 ~~Sundays from eleven o'clock antemeridian until midnight without~~
29 ~~the need to acquire or qualify for a special permit. In~~
30 ~~addition, subject to section 413, licensed performing arts~~

1 ~~facilities may sell liquor, ready to drink cocktails and malt or~~
2 ~~brewed beverages on Sundays from ten o'clock antemeridian until~~
3 ~~ten o'clock postmeridian without the need to acquire or qualify~~
4 ~~for a special permit.~~

5 ~~(c) (1) The holder of a hotel license or the holder of a~~
6 ~~restaurant license located in a hotel may allow persons to~~
7 ~~transport liquor, ready to drink cocktails or malt or brewed~~
8 ~~beverages from the licensed portion of the premises to the~~
9 ~~unlicensed portion of the premises, so long as the liquor,~~
10 ~~ready to drink cocktails or malt or brewed beverages remain on~~
11 ~~the hotel property. In addition, a holder of a restaurant or~~
12 ~~club license located on a golf course may sell, furnish or give~~
13 ~~liquor, ready to drink cocktails or malt or brewed beverages on~~
14 ~~the unlicensed portion of the golf course so long as the liquor,~~
15 ~~ready to drink cocktails or malt or brewed beverages remain on~~
16 ~~the restaurant, club or golf course. The holder of a restaurant~~
17 ~~license located immediately adjacent to and under the same roof~~
18 ~~of a bowling center may allow persons to transport liquor,~~
19 ~~ready to drink cocktails or malt or brewed beverages from the~~
20 ~~licensed portion of the premises to the unlicensed portion of~~
21 ~~the premises, so long as the liquor, ready to drink cocktails or~~
22 ~~malt or brewed beverages remain within the bowling center. In~~
23 ~~addition, the holder of a hotel license or a restaurant license~~
24 ~~may allow persons who have purchased but only partially consumed~~
25 ~~a bottle of wine on the premises to remove the bottle from the~~
26 ~~premises so long as the bottle was purchased in conjunction with~~
27 ~~a meal which was consumed on the premises and so long as the~~
28 ~~bottle is resealed. For purposes of this subsection, "wine"~~
29 ~~shall have the meaning given to it under section 488(i). For~~
30 ~~purposes of this section and section 432, "meal" shall mean food~~

1 ~~prepared on the premises, sufficient to constitute breakfast,~~
2 ~~lunch or dinner; it shall not mean a snack, such as pretzels,~~
3 ~~popcorn, chips or similar food.~~

4 ~~(2) A holder of a restaurant or club license located on a~~
5 ~~golf course may store liquor, ready to drink cocktails or malt~~
6 ~~or brewed beverages in a permanent facility on the unlicensed~~
7 ~~portion of the golf course so long as the liquor, ready to drink~~
8 ~~cocktails or malt or brewed beverages remain on the restaurant,~~
9 ~~club or golf course without regard to whether there is any~~
10 ~~intervening public thoroughfare.~~

11 ~~(f) The holder of a hotel or restaurant liquor license may~~
12 ~~obtain an off premises catering permit subject to section~~
13 ~~493(33) to hold a catered function off the licensed premises and~~
14 ~~on otherwise unlicensed premises where the licensee may sell~~
15 ~~wine, liquor, ready to drink cocktails and malt or brewed~~
16 ~~beverages by the glass, open bottle or other container, and in~~
17 ~~any mixture together with food, for consumption on those~~
18 ~~premises. Functions conducted under the authority of the permit~~
19 ~~shall be subject to the following:~~

20 ~~* * *~~

21 ~~Section 406.1. Secondary Service Area. (a) Upon~~
22 ~~application of any restaurant, hotel, club, municipal golf~~
23 ~~course liquor licensee, distillery, limited distillery or~~
24 ~~manufacturer of malt or brewed beverages or manufacturer of~~
25 ~~ready to drink cocktails, and payment of the appropriate fee,~~
26 ~~the board may approve a secondary service area by extending the~~
27 ~~licensed premises to include one additional permanent structure~~
28 ~~with dimensions of at least one hundred seventy five square~~
29 ~~feet, enclosed on three sides and having adequate seating. Such~~
30 ~~secondary service area must be located on property having a~~

1 ~~minimum area of one (1) acre, and must be on land which is~~
2 ~~immediate, abutting, adjacent or contiguous to the licensed~~
3 ~~premises with no intervening public thoroughfare; however, the~~
4 ~~original licensed premises and the secondary service area must~~
5 ~~be located on the same tract of land. The board shall have~~
6 ~~discretion to refuse the application for a secondary service~~
7 ~~area in the same manner it has discretion to refuse an~~
8 ~~application for transfer of the license to a new location as set~~
9 ~~forth in section 404. There shall be no requirement that the~~
10 ~~secondary service area be physically connected to the original~~
11 ~~licensed premises. In addition, there shall be no requirement~~
12 ~~that the secondary service area be located in the same~~
13 ~~municipality as the original licensed premises, provided,~~
14 ~~however, that the board shall not approve a secondary service~~
15 ~~area in this case if that secondary service area is located in~~
16 ~~any municipality where the granting of liquor licenses has been~~
17 ~~prohibited as provided in this article. Notwithstanding 40 Pa.~~
18 ~~Code § 7.21, the licensee shall be permitted to store, serve,~~
19 ~~sell or dispense food, liquor, ready to drink cocktails and malt~~
20 ~~or brewed beverages at the board approved secondary service~~
21 ~~area.~~

22 * * *

23 ~~Section 407. Sale of Malt or Brewed Beverages and Ready to~~
24 ~~Drink Cocktails by Liquor Licensees. (a) (1) Every liquor~~
25 ~~license issued to a hotel, restaurant, club, or a railroad,~~
26 ~~pullman or steamship company under this subdivision (A) for the~~
27 ~~sale of liquor shall authorize the licensee to sell malt or~~
28 ~~brewed beverages and ready to drink cocktails at the same places~~
29 ~~but subject to the same restrictions and penalties as apply to~~
30 ~~sales of liquor, except that licensees other than clubs may sell~~

1 ~~malt or brewed beverages for consumption off the premises where~~
2 ~~sold in quantities of not more than one hundred ninety two fluid~~
3 ~~ounces in a single sale to one person. The sales may be made in~~
4 ~~either open or closed containers, Provided, however, That a~~
5 ~~municipality may adopt an ordinance restricting open containers~~
6 ~~in public places. In addition, licensees, other than clubs, may~~
7 ~~sell ready to drink cocktails for off premises consumption where~~
8 ~~sold in quantities of not more than one hundred ninety two fluid~~
9 ~~ounces in a single sale to one person. No licensee under this~~
10 ~~subdivision (A) shall at the same time be the holder of any~~
11 ~~other class of license, except a retail dispenser's license~~
12 ~~authorizing the sale of malt or brewed beverages only. Sales of~~
13 ~~malt or brewed beverages must occur on the licensed premises.~~

14 ~~(2) If a restaurant liquor license holder has an interior~~
15 ~~connection to another business that it operates, the restaurant~~
16 ~~liquor license holder may use one or more of the registers in~~
17 ~~the other business to sell malt or brewed beverages and ready~~
18 ~~to drink cocktails for off premises consumption under the~~
19 ~~following conditions:~~

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

21 ~~(ii) the registers are located in the same building as the~~
22 ~~licensed premises;~~

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

26 ~~(iv) the board has been provided notice of compliance with~~
27 ~~this paragraph by the restaurant liquor license holder,~~
28 ~~including square footage of the building and the location of the~~
29 ~~specific registers to be used prior to their use.~~

30 ~~* * *~~

1 ~~Section 408. Public Service Liquor Licenses. (a) Subject~~
2 ~~to the provisions of this act and regulations promulgated under~~
3 ~~this act, the board, upon application, shall issue retail liquor~~
4 ~~licenses to railroad or pullman companies permitting liquor,~~
5 ~~ready to drink cocktails and malt or brewed beverages to be sold~~
6 ~~in dining, club or buffet cars to passengers for consumption~~
7 ~~while enroute on such railroad, and may issue retail liquor~~
8 ~~licenses to steamship companies permitting liquor, ready to~~
9 ~~drink cocktails or malt or brewed beverages to be sold in the~~
10 ~~dining compartments of steamships or vessels wherever operated~~
11 ~~in the Commonwealth, except when standing or moored in stations,~~
12 ~~terminals or docks within a municipality wherein sales of liquor~~
13 ~~for consumption on the premises are prohibited, and may further~~
14 ~~issue retail liquor licenses to airline companies permitting~~
15 ~~liquor, ready to drink cocktails or malt or brewed beverages to~~
16 ~~be sold to passengers for consumption while enroute on such~~
17 ~~airline. Such licenses shall be known as public service liquor~~
18 ~~licenses. The board may issue a master license to railroad or~~
19 ~~pullman companies to cover the maximum number of cars which the~~
20 ~~company shall estimate that it will operate within the~~
21 ~~Commonwealth on any one day. Such licensees shall file monthly~~
22 ~~reports with the board showing the maximum number of cars~~
23 ~~operated in any one day during the preceding month, and if it~~
24 ~~appears that more cars have been operated than covered by its~~
25 ~~license it shall forthwith remit to the board the sum of twenty~~
26 ~~dollars for each extra car so operated.~~

27 ~~* * *~~

28 ~~(e) Except as otherwise specifically provided, sales of~~
29 ~~liquor, ready to drink cocktails and malt or brewed beverages by~~
30 ~~the aforesaid public service company licensees shall be made in~~

1 ~~accordance with, and shall be subject to, the provisions of this~~
2 ~~act relating to the sale of liquors by restaurant licensees.~~

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

5 ~~Section 410. Liquor Importers' Licenses; Fees; Privileges;~~
6 ~~Restrictions. * * *~~

7 ~~(e) Importers' licenses shall permit the holders thereof to~~
8 ~~bring or import liquor and ready to drink cocktails from other~~
9 ~~states, foreign countries, or insular possessions of the United~~
10 ~~States, and purchase liquor from manufacturers located within~~
11 ~~this Commonwealth, to be sold outside of this Commonwealth or to~~
12 ~~Pennsylvania Liquor Stores within this Commonwealth, or when in~~
13 ~~original containers of ten gallons or greater capacity, to~~
14 ~~licensed manufacturers within this Commonwealth.~~

15 ~~All importations of liquor into Pennsylvania by the licensed~~
16 ~~importer shall be consigned to the board or the principal place~~
17 ~~of business or authorized place of storage maintained by the~~
18 ~~licensee.~~

19 ~~* * *~~

20 ~~(i) The holder of an importer's license may sell and deliver~~
21 ~~ready to drink cocktails to licensed importers, distributors,~~
22 ~~importing distributors, hotels, restaurants and clubs. The sale~~
23 ~~of ready to drink cocktails shall be subject to section 431.~~

24 ~~Section 5. Sections 412(f) and (g), 413(f), 414(b) (1), (2),~~
25 ~~(3) and (4), 416(a), (e) and (i) (1), (2), (3) and (4) and the~~
26 ~~heading of Subdivision B of Article IV of the act are amended to~~
27 ~~read:~~

28 ~~Section 412. Public Venue License. * * *~~

29 ~~(f) Licenses issued under this section are to be considered~~
30 ~~restaurant liquor licenses. However, the following additional~~

1 ~~restrictions and privileges apply:~~

2 ~~(1) Sales may only be made one hour before, during and one~~
3 ~~hour after any athletic performance, performing arts event,~~
4 ~~trade show, convention, banquet or any other performance at the~~
5 ~~facility; however, sales may not be made from two o'clock~~
6 ~~antemeridian to seven o'clock antemeridian. In addition, sales~~
7 ~~may not occur prior to eleven o'clock antemeridian on Sundays or~~
8 ~~seven o'clock antemeridian on Mondays. Notwithstanding this~~
9 ~~section, facilities that had been licensed under former sections~~
10 ~~408.9 and 408.14 may sell liquor, ready to drink cocktails~~
11 ~~and/or malt or brewed beverages anytime except from two o'clock~~
12 ~~antemeridian to seven o'clock antemeridian or prior to eleven~~
13 ~~o'clock antemeridian on Sundays or seven o'clock antemeridian on~~
14 ~~Mondays, regardless of whether there is a performance at the~~
15 ~~facility.~~

16 ~~(2) Sales of alcoholic beverages before, during and after~~
17 ~~professional and amateur athletic events, performing arts events~~
18 ~~or other entertainment events may consist of liquor, ready to~~
19 ~~drink cocktails or malt or brewed beverages in shatterproof~~
20 ~~containers. Sales during trade shows, conventions, banquets or~~
21 ~~at other events, or sales made in the club seats or at a~~
22 ~~restaurant facility, may consist of liquor, ready to drink~~
23 ~~cocktails or malt or brewed beverages in any type of container;~~
24 ~~however, any liquor, ready to drink cocktails or malt or brewed~~
25 ~~beverages sold in the club seats or restaurant facility must~~
26 ~~remain in the club seating level or restaurant facility. For~~
27 ~~purposes of this section, a club seat is any seating located on~~
28 ~~the designated club seating level and partitioned from general~~
29 ~~seating by a wall, divider, partial wall or railing. The club~~
30 ~~seating level must not be accessible by the general public.~~

1 ~~Sales at zoos during private banquets and other events may be at~~
2 ~~any site within zoo property and may consist of any type of~~
3 ~~alcohol in any type of container. The board's records shall~~
4 ~~clearly delineate where the sale of liquor, ready to drink~~
5 ~~cocktails or malt or brewed beverages in any type of container~~
6 ~~may occur.~~

7 ~~(3) Sales of ready to drink cocktails and malt or brewed~~
8 ~~beverages for off premises consumption are prohibited.~~

9 ~~(4) Licenses issued under this section shall not be subject~~
10 ~~to: (i) the proximity provisions of sections 402 and 404; (ii)~~
11 ~~the quota restrictions of section 461; (iv) the provisions of~~
12 ~~section 493(10) except as they relate to lewd, immoral or~~
13 ~~improper entertainment; (v) the prohibition against minors~~
14 ~~frequenting as described in section 493(14) and (vi) the cost~~
15 ~~and total display area limitations of section 493(20) (i). In~~
16 ~~addition, licenses issued under this section shall not be~~
17 ~~subject to the provisions defining "restaurant" in section 102.~~

18 ~~(g) The board may issue multiple licenses under this section~~
19 ~~for use in a public venue with permanent seating of at least~~
20 ~~thirty five thousand people. If the board does issue more than~~
21 ~~one license for a specific public venue, written notice of the~~
22 ~~event must be provided to the enforcement bureau at least forty~~
23 ~~eight hours in advance of the dispensing of any liquor, ready~~
24 ~~to drink cocktails or malt or brewed beverages. The notice shall~~
25 ~~include the date, time and specific licensed areas to be used.~~
26 ~~No more than one license issued under this section shall be in~~
27 ~~effect at any location at any time of day at the same time.~~

28 ~~Section 413. Performing Arts Facility License. * * *~~

29 ~~(f) Licenses issued under this section are to be considered~~
30 ~~restaurant liquor licenses. However, the following additional~~

1 ~~restrictions and privileges apply:~~

2 ~~(1) Sales of liquor, ready to drink cocktails and malt or~~
3 ~~brewed beverages may be made two hours before, during and one~~
4 ~~hour after any performance at the facility; however, sales may~~
5 ~~not be made from two o'clock antemeridian to seven o'clock~~
6 ~~antemeridian. In addition, sales may not occur prior to ten~~
7 ~~o'clock antemeridian or after ten o'clock postmeridian on~~
8 ~~Sundays. However, facilities that had been licensed under former~~
9 ~~section 408.3(a) and 408.3(a.2) may sell liquor, ready to drink~~
10 ~~cocktails and malt or brewed beverages anytime except from two~~
11 ~~o'clock antemeridian to seven o'clock antemeridian or prior to~~
12 ~~one o'clock postmeridian or after ten o'clock postmeridian on~~
13 ~~Sundays, regardless of whether there is a performance at the~~
14 ~~facility.~~

15 ~~(2) Sales of ready to drink cocktails and malt or brewed~~
16 ~~beverages for off premises consumption are prohibited.~~

17 ~~* * *~~

18 ~~Section 414. Continuing Care Retirement Community Retail~~
19 ~~Licenses. * * *~~

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

23 ~~(1) Licenses issued under this section are not subject to~~
24 ~~the quota restrictions of section 461.~~

25 ~~(2) Sales of liquor, ready to drink cocktails and malt or~~
26 ~~brewed beverages may not occur from two o'clock antemeridian to~~
27 ~~seven o'clock antemeridian. In addition, sales may not occur~~
28 ~~prior to one o'clock postmeridian or after ten o'clock~~
29 ~~postmeridian on Sunday.~~

30 ~~(3) Liquor, ready to drink cocktails and malt or brewed~~

1 ~~beverages sold or furnished by the licensee may be possessed~~
2 ~~anywhere within the continuing care retirement community~~
3 ~~regardless of whether that portion of the premises is licensed.~~
4 ~~However, no liquor, ready to drink cocktails or malt or brewed~~
5 ~~beverages sold or furnished by the licensee may be taken beyond~~
6 ~~the confines of the continuing care retirement community.~~

7 ~~(4) Sales of liquor, ready to drink cocktails or malt or~~
8 ~~brewed beverages may occur in those portions of the premises~~
9 ~~licensed by the board as well as in rooms that are lived in or~~
10 ~~used by residents of the continuing care retirement community.~~
11 ~~Sales of liquor, ready to drink cocktails and malt or brewed~~
12 ~~beverages are limited to residents of the continuing care~~
13 ~~retirement community and the guests of residents in conjunction~~
14 ~~with the normal, regularly scheduled dining, entertainment or~~
15 ~~social activities of the continuing care retirement community.~~

16 ~~***~~

17 ~~Section 416. Casino Liquor License. (a) Notwithstanding~~
18 ~~any provision of law or regulation, a slot machine licensee or~~
19 ~~an affiliated designee holding a restaurant liquor or eating~~
20 ~~place retail dispenser license and which sells liquor, ready to~~
21 ~~drink cocktails or malt or brewed beverages at or adjacent to a~~
22 ~~gaming facility under this act may apply to the board for a~~
23 ~~casino liquor license. The board may issue a casino liquor~~
24 ~~license to a slot machine licensee for use at the casino liquor~~
25 ~~licensee's licensed facility in accordance with this section.~~

26 ~~***~~

27 ~~(e) Notwithstanding any other provision of law, a holder of~~
28 ~~a casino liquor license may sell or serve liquor, ready to drink~~
29 ~~cocktails and malt or brewed beverages twenty four (24) hours a~~
30 ~~day, seven (7) days a week.~~

1 * * *

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

4 ~~(1) Sales may be made at any time the facility is open to~~
5 ~~the public.~~

6 ~~(2) Liquor, ready to drink cocktails or malt or brewed~~
7 ~~beverages may be transported and consumed off the gaming floor~~
8 ~~if the liquor, ready to drink cocktails or malt or brewed~~
9 ~~beverage remains within the premises of the licensed facility.~~

10 ~~(3) Sales of ready to drink cocktails and malt or brewed~~
11 ~~beverages for off premises consumption are prohibited.~~

12 ~~(4) In addition to the provisions of section 493(24)(ii),~~
13 ~~the holder of a casino liquor license may give liquor, ready to~~
14 ~~drink cocktails and malt or brewed beverages free of charge to~~
15 ~~any person attending an invitation only event held anywhere on~~
16 ~~the premises of the licensed facility.~~

17 * * *

18 ~~(B) Malt and Brewed Beverages and~~
19 ~~Ready to Drink Cocktails (Including Manufacturers).~~

20 ~~Section 6. Section 431(b), (b.1), (c), (d) and (f) of the~~
21 ~~act are amended and the section is amended by adding a~~
22 ~~subsection to read:~~

23 ~~Section 431. Malt and Brewed Beverages Manufacturers',~~
24 ~~Distributors' and Importing Distributors' Licenses. * * *~~

25 ~~(b) The board shall issue to any reputable person who~~
26 ~~applies therefor, and pays the license fee hereinafter~~
27 ~~prescribed, a distributor's or importing distributor's license~~
28 ~~for the place which such person desires to maintain for the sale~~
29 ~~of malt or brewed beverages and ready to drink cocktails, not~~
30 ~~for consumption on the premises where sold, and in quantities of~~

~~1 not less than a case or original containers containing one
2 hundred twenty eight ounces or more which may be sold separately
3 as prepared for the market by the manufacturer at the place of
4 manufacture. In addition, a distributor license holder may sell
5 malt or brewed beverages and ready to drink cocktails in any
6 amount to a person not licensed by the board for off premises
7 consumption. The sales shall not be required to be in the
8 package configuration designated by the manufacturer and may be
9 sold in refillable growlers; however, ready to drink cocktails
10 shall only be sold in the original container. The board shall
11 have the discretion to refuse a license to any person or to any
12 corporation, partnership or association if such person, or any
13 officer or director of such corporation, or any member or
14 partner of such partnership or association shall have been
15 convicted or found guilty of a felony within a period of five
16 years immediately preceding the date of application for the said
17 license: And provided further, That, in the case of any new
18 license or the transfer of any license to a new location, the
19 board may, in its discretion, grant or refuse such new license
20 or transfer if such place proposed to be licensed is within
21 three hundred feet of any church, hospital, charitable
22 institution, school or public playground, or if such new license
23 or transfer is applied for a place which is within two hundred
24 feet of any other premises which is licensed by the board: And
25 provided further, That the board shall refuse any application
26 for a new license or the transfer of any license to a new
27 location if, in the board's opinion, such new license or
28 transfer would be detrimental to the welfare, health, peace and
29 morals of the inhabitants of the neighborhood within a radius of
30 five hundred feet of the place proposed to be licensed. The~~

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

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

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

30 ~~Each out of State manufacturer [of] and manufacturer of~~

~~1 ready to drink cocktails and malt or brewed beverages whose~~
~~2 products are sold and delivered in this Commonwealth shall give~~
~~3 distributing rights for such products in designated geographical~~
~~4 areas to specific importing distributors, and such importing~~
~~5 distributor shall not sell or deliver malt or brewed beverages~~
~~6 and ready to drink cocktails manufactured by the out of State~~
~~7 manufacturer to any person issued a license under the provisions~~
~~8 of this act whose licensed premises are not located within the~~
~~9 geographical area for which he has been given distributing~~
~~10 rights by such manufacturer. In addition, the holder of a~~
~~11 distributor license may not sell or deliver malt or brewed~~
~~12 beverages and ready to drink cocktails to any licensee whose~~
~~13 licensed premises is located within the designated geographical~~
~~14 area granted to an importing distributor other than the~~
~~15 importing distributor that sold the malt or brewed beverages to~~
~~16 the distributor. If the licensee purchasing the malt or brewed~~
~~17 beverages and ready to drink cocktails from the distributor~~
~~18 license holder holds multiple licenses or operates at more than~~
~~19 one location, then the malt or brewed beverages and ready to~~
~~20 drink cocktails may not be consumed or sold at licensed premises~~
~~21 located within the designated geographical area granted to an~~
~~22 importing distributor other than the importing distributor that~~
~~23 sold the malt or brewed beverages and ready to drink cocktails~~
~~24 to the distributor. Should a licensee accept the delivery of~~
~~25 malt or brewed beverages and ready to drink cocktails or~~
~~26 transfer malt or brewed beverages and ready to drink cocktails~~
~~27 in violation of this section, said licensee shall be subject to~~
~~28 a suspension of his license for at least thirty days: Provided,~~
~~29 That the importing distributor holding such distributing rights~~
~~30 for such product shall not sell or deliver the same to another~~

1 ~~importing distributor without first having entered into a~~
2 ~~written agreement with the said secondary importing distributor~~
3 ~~setting forth the terms and conditions under which such products~~
4 ~~are to be resold within the territory granted to the primary~~
5 ~~importing distributor by the manufacturer.~~

6 ~~When a Pennsylvania manufacturer of malt or brewed beverages~~
7 ~~or manufacturer of ready to drink cocktails licensed under this~~
8 ~~article names or constitutes a distributor or importing~~
9 ~~distributor as the primary or original supplier of his product,~~
10 ~~he shall also designate the specific geographical area for which~~
11 ~~the said distributor or importing distributor is given~~
12 ~~distributing rights, and such distributor or importing~~
13 ~~distributor shall not sell or deliver the products of such~~
14 ~~manufacturer to any person issued a license under the provisions~~
15 ~~of this act whose licensed premises are not located within the~~
16 ~~geographical area for which distributing rights have been given~~
17 ~~to the distributor and importing distributor by the said~~
18 ~~manufacturer. In addition, the holder of a distributor license~~
19 ~~may not sell or deliver malt or brewed beverages and ready to~~
20 ~~drink cocktails to a licensee whose licensed premises is located~~
21 ~~within the designated geographical area granted to an importing~~
22 ~~distributor other than the importing distributor that sold the~~
23 ~~malt or brewed beverages and ready to drink cocktails to the~~
24 ~~distributor. If the licensee purchasing the malt or brewed~~
25 ~~beverages and ready to drink cocktails from the distributor~~
26 ~~license holder holds multiple licenses or operates at more than~~
27 ~~one location, the malt or brewed beverages and ready to drink~~
28 ~~cocktails may not be consumed or sold at licensed premises~~
29 ~~located within the designated geographical area granted to an~~
30 ~~importing distributor other than the importing distributor that~~

1 ~~sold the malt or brewed beverages and ready to drink cocktails~~
2 ~~to the distributor. If a licensee accepts the delivery of malt~~
3 ~~or brewed beverages and ready to drink cocktails or transfers~~
4 ~~malt or brewed beverages and ready to drink cocktails in~~
5 ~~violation of this section, the licensee shall be subject to~~
6 ~~suspension of his license for at least thirty days: Provided,~~
7 ~~That the importing distributor holding such distributing rights~~
8 ~~for such product shall not sell or deliver the same to another~~
9 ~~importing distributor without first having entered into a~~
10 ~~written agreement with the said secondary importing distributor~~
11 ~~setting forth the terms and conditions under which such products~~
12 ~~are to be resold within the territory granted to the primary~~
13 ~~importing distributor by the manufacturer. Nothing herein~~
14 ~~contained shall be construed to prevent any manufacturer from~~
15 ~~authorizing the importing distributor holding the distributing~~
16 ~~rights for a designated geographical area from selling the~~
17 ~~products of such manufacturer to another importing distributor~~
18 ~~also holding distributing rights from the same manufacturer for~~
19 ~~another geographical area, providing such authority be contained~~
20 ~~in writing and a copy thereof be given to each of the importing~~
21 ~~distributors so affected.~~

22 ~~(b.1) (1) Any person in this Commonwealth or elsewhere who~~
23 ~~shall purchase or in any manner whatsoever acquire or otherwise~~
24 ~~succeed to the business of a manufacturer, assets or rights to~~
25 ~~import, market, ship into this Commonwealth or distribute a~~
26 ~~brand of beer or ready to drink cocktail, or to use and exploit~~
27 ~~any trademark incorporated as part of a brand of beer or ready~~
28 ~~to drink cocktail produced by such a manufacturer shall be~~
29 ~~obligated to all terms of the manufacturer's franchise~~
30 ~~agreements in effect on the effective date of the purchase,~~

1 ~~acquisition or succession, or, if earlier, at the time the~~
2 ~~agreement contemplating the purchase, acquisition or succession~~
3 ~~is actually made.~~

4 ~~(2) "Purchase" or "acquisition," for purposes of this~~
5 ~~section, includes, but is not limited to, a purchase,~~
6 ~~acquisition, lease, license or assignment of all or a~~
7 ~~controlling interest in the capital stock or operating assets,~~
8 ~~including brand trademarks rights; merger; any corporate~~
9 ~~reorganization or consolidation; and also, without limitation,~~
10 ~~any license, cross license, joint venture or other agreement or~~
11 ~~arrangement, directly or indirectly, transferring, substituting~~
12 ~~or materially changing the person or persons authorized by the~~
13 ~~one owning or controlling a brand or any trademark as part of a~~
14 ~~brand, to produce, import, ship, market or distribute the brand~~
15 ~~of beer into or within this Commonwealth.~~

16 ~~(3) "Manufacturer," as used in this subsection, shall mean~~
17 ~~any person, including any agent of such person, who (i) is~~
18 ~~licensed as a manufacturer of malt or brewed beverages or~~
19 ~~manufacturer of ready to drink cocktails located within the~~
20 ~~Commonwealth of Pennsylvania, (ii) holds a distributor or~~
21 ~~importing distributor license, or (iii) manufactures any malt~~
22 ~~beverage and ready to drink cocktail, has title to any malt~~
23 ~~beverage and ready to drink cocktail products or has the~~
24 ~~contractual right to distribute any malt beverage product and~~
25 ~~ready to drink cocktail, whether licensed in this Commonwealth~~
26 ~~or not, who enters into an "agreement" with any importing~~
27 ~~distributor licensed to do business in this Commonwealth.~~

28 ~~(c) The aforesaid licenses shall be issued only to reputable~~
29 ~~individuals, partnerships and associations who are, or whose~~
30 ~~members are, citizens of the United States and are residents of~~

1 ~~the Commonwealth of Pennsylvania or to reputable corporations~~
2 ~~organized or duly registered under the laws of the Commonwealth~~
3 ~~of Pennsylvania. Such licenses shall be issued to corporations~~
4 ~~duly organized or registered under the laws of the Commonwealth~~
5 ~~of Pennsylvania only when it appears that all of the officers~~
6 ~~and directors of the corporation are citizens of the United~~
7 ~~States and are residents of the Commonwealth of Pennsylvania,~~
8 ~~and that at least fifty one per centum of the capital stock of~~
9 ~~such corporation is actually owned by individuals who are~~
10 ~~citizens of the United States and are residents of the~~
11 ~~Commonwealth of Pennsylvania: Provided, That the provisions of~~
12 ~~this subsection with respect to residence requirements shall not~~
13 ~~apply to individuals, partners, officers, directors and owners~~
14 ~~of capital stock, of corporations licensed or applying for~~
15 ~~licenses as manufacturers of malt or brewed beverages and ready~~
16 ~~to drink cocktails, nor shall the provisions of this subsection~~
17 ~~with respect to stockholder requirements apply to corporations~~
18 ~~licensed or applying for licenses as manufacturers of malt or~~
19 ~~brewed beverages and ready to drink cocktails.~~

20 ~~(d) (1) All distributing rights as hereinabove required~~
21 ~~shall be in writing, shall be equitable in their provisions and~~
22 ~~shall be substantially similar as to terms and conditions with~~
23 ~~all other distributing rights agreements between the~~
24 ~~manufacturer giving such agreement and its other importing~~
25 ~~distributors and distributors shall not be modified, cancelled,~~
26 ~~terminated or rescinded by the manufacturer without good cause,~~
27 ~~and shall contain a provision in substance or effect as follows:~~
28 ~~"The manufacturer recognizes that the importing distributor and~~
29 ~~distributor are free to manage their business in the manner the~~
30 ~~importing distributor and distributor deem best and that this~~

1 ~~prerogative vests in the importing distributor and distributor~~
2 ~~the exclusive right to establish a selling price, to select the~~
3 ~~brands of malt or brewed beverages and ready to drink cocktails~~
4 ~~they wish to handle and to determine the efforts and resources~~
5 ~~which the importing distributor and distributor will exert to~~
6 ~~develop and promote the same of the manufacturer's products~~
7 ~~handled by the importing distributor and distributor. However,~~
8 ~~the manufacturer expects that the importing distributor and~~
9 ~~distributor will price competitively the products handled by~~
10 ~~them, devote reasonable effort and resources to the sale of such~~
11 ~~products and maintain a reasonable sales level." "Good cause"~~
12 ~~shall mean the failure by any party to an agreement, without~~
13 ~~reasonable excuse or justification, to comply substantially with~~
14 ~~an essential, reasonable and commercially acceptable requirement~~
15 ~~imposed by the other party under the terms of an agreement.~~

16 ~~(2) After January 1, 1980, no manufacturer shall enter into~~
17 ~~any agreement with more than one distributor or importing~~
18 ~~distributor for the purpose of establishing more than one~~
19 ~~agreement for designated brand or brands of malt or brewed~~
20 ~~beverages and ready to drink cocktails in any one territory.~~
21 ~~Each franchise territory which is granted by a manufacturer~~
22 ~~shall be geographically contiguous or in counties which are~~
23 ~~contiguous with one another. All importing distributors shall~~
24 ~~maintain sufficient records to evidence compliance of this~~
25 ~~section. With regard to any territorial distribution authority~~
26 ~~granted to an importing distributor by a manufacturer of malt or~~
27 ~~brewed beverages and ready to drink cocktails after January 1,~~
28 ~~1996, the records shall establish that each and every case of a~~
29 ~~brand of malt or brewed beverages and ready to drink cocktails~~
30 ~~for which the importing distributor is assigned was sold,~~

1 ~~resold, stored, delivered or transported by the importing~~
2 ~~distributor, either from a point or to a point with the assigned~~
3 ~~geographically contiguous territory or in counties which are~~
4 ~~contiguous with one another, to any person or persons, whether~~
5 ~~such person or persons are licensed by this act or not licensed~~
6 ~~by this act.~~

7 ~~(3) Except for discontinuance of a brand or a valid~~
8 ~~termination for good cause, the purchaser of the assets of the~~
9 ~~manufacturer as defined in this act shall become obligated to~~
10 ~~all the territorial and brand designations of the agreement in~~
11 ~~effect on the date of purchase. Purchase of assets as defined~~
12 ~~for the purposes of this act shall include, but not be limited~~
13 ~~to, the sale of stock, sale of assets, merger, lease, transfer~~
14 ~~or consolidation.~~

15 ~~(4) The court of common pleas of the county wherein the~~
16 ~~licensed premises of the importing distributor or distributor~~
17 ~~are located is hereby vested with jurisdiction and power to~~
18 ~~enjoin the modification, rescission, cancellation or termination~~
19 ~~of a franchise or agreement between a manufacturer and an~~
20 ~~importing distributor or distributor at the instance of such~~
21 ~~importing distributor or distributor who is or might be~~
22 ~~adversely affected by such modification, rescission,~~
23 ~~cancellation or termination, and in granting an injunction the~~
24 ~~court shall provide that no manufacturer shall supply the~~
25 ~~customers or territory of the importing distributor or~~
26 ~~distributor by servicing the territory or customers through~~
27 ~~other importing distributors or distributors or any other means~~
28 ~~while the injunction is in effect: Provided, however, That any~~
29 ~~injunction issued under this subsection shall require the~~
30 ~~posting of sufficient bond against damages arising from an~~

1 ~~injunction improvidently granted and a showing that the danger~~
2 ~~of irrevocable loss or damage is immediate and that during the~~
3 ~~pendency of such injunction the importing distributor or~~
4 ~~distributor shall continue to service the accounts of the~~
5 ~~manufacturer in good faith.~~

6 ~~(5) The provisions of this subsection shall not apply to~~
7 ~~Pennsylvania manufacturers whose principal place of business is~~
8 ~~located in Pennsylvania unless they name or constitute a~~
9 ~~distributor or importing distributor as a primary or original~~
10 ~~supplier of their products subsequent to the effective date of~~
11 ~~this act, or unless such Pennsylvania manufacturers have named~~
12 ~~or constituted a distributor or importing distributor as a~~
13 ~~primary or original supplier of their products prior to the~~
14 ~~effective date of this act, and which status is continuing when~~
15 ~~this act becomes effective.~~

16 ~~***~~

17 ~~(f) (1) Any malt or brewed beverage and ready to drink~~
18 ~~cocktail produced outside this Commonwealth that is repackaged~~
19 ~~by a bailee for hire or importing distributor on behalf of an~~
20 ~~out of State manufacturer must be returned to the out of State~~
21 ~~manufacturer and come to rest out of State before it may reenter~~
22 ~~this Commonwealth. Such repackaged malt or brewed beverages and~~
23 ~~ready to drink cocktails must be distributed through the three~~
24 ~~tier system. Any malt or brewed beverage or ready to drink~~
25 ~~cocktail that is repackaged by a bailee for hire or importing~~
26 ~~distributor on behalf of an in State manufacturer must be~~
27 ~~returned to the in State manufacturer and come to rest at the in~~
28 ~~State manufacturer's licensed facility.~~

29 ~~(2) For purposes of this section, "repackage" shall mean any~~
30 ~~change or alteration to the containers or container~~

1 ~~configuration of a case.~~

2 ~~* * *~~

3 ~~(h) Notwithstanding any other provision of law, sales made~~
4 ~~to the Pennsylvania Liquor Control Board and sales made by the~~
5 ~~Pennsylvania Liquor Control Board to licensees and nonlicensees~~
6 ~~shall not be subject to this section.~~

7 ~~Section 7. Sections 440 and 441 of the act are amended to~~
8 ~~read:~~

9 ~~Section 440. Sales by Manufacturers of Malt or Brewed~~
10 ~~Beverages; Minimum Quantities. A manufacturer may sell malt or~~
11 ~~brewed beverages and ready to drink cocktails produced and owned~~
12 ~~by the manufacturer to individuals on the licensed premises for~~
13 ~~consumption on the licensed premises where sold only if it~~
14 ~~complies with the conditions and regulations placed upon holders~~
15 ~~of brewery licenses under section 446(a)(1). A manufacturer also~~
16 ~~may sell any malt or brewed beverages and ready to drink~~
17 ~~cocktails produced and owned by the manufacturer to individuals~~
18 ~~on the licensed premises for consumption off the licensed~~
19 ~~premises in containers or packages of unlimited quantity and of~~
20 ~~any volume. No manufacturer may maintain or operate within the~~
21 ~~Commonwealth any place or places other than the place or places~~
22 ~~covered by his or its license where malt or brewed beverages and~~
23 ~~ready to drink cocktails are sold or where orders are taken.~~

24 ~~Section 441. Distributors' and Importing Distributors'~~
25 ~~Restrictions on Sales, Storage, Etc. (a) No distributor or~~
26 ~~importing distributor shall purchase, receive or resell any malt~~
27 ~~or brewed beverages and ready to drink cocktails except:~~

28 ~~(1) in the original containers as prepared for the market by~~
29 ~~the manufacturer at the place of manufacture;~~

30 ~~(2) in the case of identical containers repackaged in the~~

1 ~~manner described by subsection (f); or~~

2 ~~(3) as provided in section 431(b).~~

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

16 ~~(c) No distributor or importing distributor shall maintain~~
17 ~~or operate any place where sales are made other than that for~~
18 ~~which the license is granted.~~

19 ~~(d) (1) No distributor shall maintain any place for the~~
20 ~~storage of malt or brewed beverages and ready to drink cocktails~~
21 ~~except in the same municipality in which the licensed premises~~
22 ~~is located and unless the same has been approved by the board.~~
23 ~~In the event there is no place of cold storage in the same~~
24 ~~municipality, the board may approve a place of cold storage in~~
25 ~~the nearest municipality.~~

26 ~~(2) No importing distributor shall maintain any place for~~
27 ~~the storage of malt or brewed beverages and ready to drink~~
28 ~~cocktails except in the franchise territory in which the~~
29 ~~licensed premises is located and unless the same has been~~
30 ~~approved by the board. The board shall issue no more than four~~

1 ~~storage facilities license to an importing distributor. The~~
2 ~~storage location shall be designated solely as a storage~~
3 ~~facility, from which only sales to other licensees are~~
4 ~~permitted. Retail sales may be made at the licensed location~~
5 ~~pursuant to subsection (c). If the importing distributor~~
6 ~~maintains a storage location for cold storage in the same~~
7 ~~municipality in which the importing distributor is licensed or a~~
8 ~~nearby municipality, the importing distributor may continue to~~
9 ~~maintain that cold storage location in addition to another~~
10 ~~storage location within their franchise territory.~~

11 ~~(c) No distributor or importing distributor shall purchase,~~
12 ~~sell, resell, receive or deliver any malt or brewed beverages~~
13 ~~and ready to drink cocktails, except in strict compliance with~~
14 ~~the provisions of subsection (b) of section 431 of this act.~~

15 ~~(f) (1) To salvage one or more salable cases from one or~~
16 ~~more damaged cases, cartons or packages of malt or brewed~~
17 ~~beverages and ready to drink cocktails, a distributor or~~
18 ~~importing distributor may repackage consequent to inadvertent~~
19 ~~damage and sell a case, carton or package of identical units of~~
20 ~~malt or brewed beverages.~~

21 ~~(2) Repackaging is permissible only to the extent made~~
22 ~~necessary by inadvertent damage. Repackaging not consequent to~~
23 ~~damage is prohibited.~~

24 ~~(3) The term "identical units" as used in this subsection~~
25 ~~means undamaged bottles or cans of identical brand, package and~~
26 ~~volume.~~

27 ~~(g) All malt or brewed beverages and ready to drink~~
28 ~~cocktails purchased by an importing distributor from a~~
29 ~~Pennsylvania manufacturer of malt or brewed beverages or ready~~
30 ~~to drink cocktails or from any person located outside this~~

1 ~~Commonwealth for resale shall be invoiced to the importing~~
2 ~~distributor, shall come physically into the possession of such~~
3 ~~importing distributor and shall be unloaded into and distributed~~
4 ~~from the licensed premises of such importing distributor. The~~
5 ~~board may act to further define and control the storage and~~
6 ~~distribution of malt or brewed beverages and ready to drink~~
7 ~~cocktails in conformity with this section and this act.~~

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

12 ~~(i) Notwithstanding any other provision to the contrary,~~
13 ~~when making a sale of malt or brewed beverages and ready to~~
14 ~~drink cocktails to a private individual, no distributor or~~
15 ~~importing distributor may be required to collect the name,~~
16 ~~address or any other identifying information of the private~~
17 ~~individual for the purpose of keeping a record of the quantity~~
18 ~~of cases or volume of malt or brewed beverages or ready to drink~~
19 ~~cocktails purchased.~~

20 ~~Section 8. Article IV of the act is amended by adding a~~
21 ~~subarticle to read:~~

22 ~~(C.2) Fees and Taxation of Ready to drink Cocktails~~
23 ~~for Off premises Consumption.~~

24 ~~Section 489. Fees for Licensees Importing, Distributing and~~
25 ~~Selling Ready to drink Cocktails for Off premises Consumption.~~

26 ~~(a) In addition to any other fee charged, an importer licensee~~
27 ~~and importing distributor licensee shall pay an initial~~
28 ~~application fee and an annual renewal fee to sell ready to drink~~
29 ~~cocktails for off premises consumption as follows:~~

30 ~~(1) An initial application fee of five thousand dollars~~

1 ~~(\$5,000).~~

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

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

11 ~~(1) An initial application fee of two thousand five hundred~~
12 ~~dollars (\$2,500).~~

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

16 ~~(c) In addition to any other fee charged, a restaurant~~
17 ~~licensee, hotel licensee and distributor licensee who is not~~
18 ~~subject to subsection (b) shall pay an initial application fee~~
19 ~~and an annual renewal fee to sell ready to drink cocktails for-~~
20 ~~off premises consumption as follows:~~

21 ~~(1) An initial application fee of one thousand dollars~~
22 ~~(\$1,000).~~

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

26 ~~(d) Notwithstanding the provisions of section 802, all fees~~
27 ~~paid to the board under this section shall be paid into the~~
28 ~~State Stores Fund.~~

29 ~~(e) As used in this section, the following words and phrases~~
30 ~~shall have the meanings given to them in this subsection unless~~

1 ~~the context clearly indicates otherwise:~~

2 ~~"Convenience store" shall mean a retail business that sells a~~
3 ~~range of every day items, including coffee, groceries, snack~~
4 ~~foods, confectionery, soft drinks, tobacco products, over the~~
5 ~~counter drugs, toiletries, gasoline and magazines.~~

6 ~~"Department store" shall mean a retail establishment offering~~
7 ~~a wide range of consumer goods in different areas of the store,~~
8 ~~which may include food items.~~

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

12 ~~Section 489.1. Taxation of Ready to drink Cocktails for Off~~
13 ~~premises Consumption. (a) Except for sales to the board or~~
14 ~~from the board, the following taxes shall be imposed on each~~
15 ~~sale in this Commonwealth of ready to drink cocktails for off~~
16 ~~premises consumption:~~

17 ~~(1) A tax in lieu of the emergency State tax imposed under~~
18 ~~the act of June 9, 1936 (1st Sp. Sess., P.L.13, No.4), entitled~~
19 ~~"An act imposing an emergency State tax on liquor, as herein~~
20 ~~defined, sold by the Pennsylvania Liquor Control Board;~~
21 ~~providing for the collection and payment of such tax; and~~
22 ~~imposing duties upon the Department of Revenue and the~~
23 ~~Pennsylvania Liquor Control Board," shall be imposed and~~
24 ~~assessed at a rate of eighteen per centum (18%) of the net price~~
25 ~~of ready to drink cocktails sold for off premises consumption~~
26 ~~and is subject to the following:~~

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

30 ~~(ii) The tax imposed under this paragraph shall be included~~

1 ~~in the purchase price of all ready to drink cocktails sold for~~
2 ~~off premises consumption and may not be separately stated from~~
3 ~~the purchase price.~~

4 ~~(iii) The tax imposed under this paragraph shall be paid to~~
5 ~~and received by the Department of Revenue and, along with~~
6 ~~interest and penalties, shall be deposited into the General~~
7 ~~Fund.~~

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

12 ~~(b) A second or subsequent seller of ready to drink~~
13 ~~cocktails for off premises consumption may, when filing the~~
14 ~~seller's required returns under Article II of the "Tax Reform~~
15 ~~Code of 1971" and this section, request a credit of taxes paid~~
16 ~~in accordance with subsection (a) for ready to drink cocktails~~
17 ~~for off premises consumption for which taxes were remitted to~~
18 ~~the department under subsection (a). The Department of Revenue~~
19 ~~may promulgate rules or regulations and prescribe forms as may~~
20 ~~be necessary to implement the provisions of this subsection.~~

21 ~~(c) The provisions of Part VI of Article II of the "Tax~~
22 ~~Reform Code of 1971" shall apply to the taxes imposed under~~
23 ~~subsection (a) (1).~~

24 ~~(d) The Department of Revenue shall share information with~~
25 ~~the board detailing the sales and taxes paid by sellers of~~
26 ~~ready to drink cocktails for off premises consumption under this~~
27 ~~section.~~

28 ~~(e) The provisions of this section shall not apply to the~~
29 ~~sale of ready to drink cocktails for off premises consumption by~~
30 ~~a limited distillery or distillery.~~

1 ~~(f) A licensee that sells a ready to drink cocktail for off~~
2 ~~premises consumption without collecting the tax or allows a~~
3 ~~person to leave the premises with a ready to drink cocktail for~~
4 ~~off premises consumption that was sold or provided without the~~
5 ~~imposition of the tax shall be subject to citation under section~~
6 ~~471 or nonrenewal under section 470.~~

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

9 Section 492. ~~Unlawful Acts Relative to Malt or Brewed~~
10 ~~Beverages and Licensees.~~

11 ~~It shall be unlawful~~

12 ~~* * *~~

13 ~~(11) Delivery of Malt or Brewed Beverages And Ready to Drink~~
14 ~~Cocktails With Other Commodities. For any manufacturer,~~
15 ~~importing distributor or distributor, or his servants, agents or~~
16 ~~employees, except with board approval, to deliver or transport~~
17 ~~any malt or brewed beverages or ready to drink cocktails in any~~
18 ~~vehicle in which any other commodity is being transported.~~

19 ~~(12) Distributors and Importing Distributors Engaging in~~
20 ~~Other Business. For any distributor or importing distributor, or~~
21 ~~his servants, agents or employees, without the approval of the~~
22 ~~board, and then only in accordance with board regulations, to~~
23 ~~engage in any other business whatsoever, except the business of~~
24 ~~distributing malt or brewed beverages and ready to drink~~
25 ~~cocktails, except that the sale of the following goods shall be~~
26 ~~permitted on the licensed premises of a distributor or importing~~
27 ~~distributor:~~

28 ~~(i) Any book, magazine or other publication related to malt~~
29 ~~or brewed beverages and ready to drink cocktails.~~

30 ~~(ii) Any equipment, ingredients or other supplies necessary~~

1 ~~for the unlicensed manufacture of malt or brewed beverages as~~
2 ~~described in paragraph (1), commonly known as "homebrewing."~~

3 ~~(13) Possession or Storage of Liquor or Alcohol by Certain~~
4 ~~Licensees. For any distributor, importing distributor or retail~~
5 ~~dispenser, or his servants, agents or employes, to have in his~~
6 ~~possession, or to permit the storage of on the licensed premises~~
7 ~~or in any place contiguous or adjacent thereto accessible to the~~
8 ~~public or used in connection with the operation of the licensed~~
9 ~~premises, any alcohol or liquor[.], except importing~~
10 ~~distributors and distributors and their servants, agents and~~
11 ~~their employes may possess and store ready to drink cocktails.~~

12 ~~(14) Malt or Brewed Beverage and Ready to drink Cocktail~~
13 ~~Licensees Dealing in Liquor or Alcohol. For any malt or brewed~~
14 ~~beverage licensee, other than a manufacturer, or the servants,~~
15 ~~agents or employes thereof, to manufacture, import, sell,~~
16 ~~transport, store, trade or barter in any liquor or alcohol[.],~~
17 ~~except importing distributors and their servants, agents and~~
18 ~~their employes may import sell, transport and store ready to~~
19 ~~drink cocktails and distributors and their servants, agents and~~
20 ~~their employes may sell, transport and store ready to drink~~
21 ~~cocktails.~~

22 * * *

23 ~~(18) Coercing Distributors and Importing Distributors. For~~
24 ~~any manufacturer or any officer, agent or representative of any~~
25 ~~manufacturer to coerce or persuade or attempt to coerce or~~
26 ~~persuade any person licensed to sell or distribute malt or~~
27 ~~brewed beverages or ready to drink cocktails at wholesale or~~
28 ~~retail to establish selling prices for its products or to enter~~
29 ~~into any contracts or agreements, whether written or oral, or~~
30 ~~take any action which will violate or tend to violate any~~

1 ~~provisions of this act or any of the rules or regulations~~
2 ~~promulgated by the board pursuant thereto.~~

3 * * *

4 ~~(21) Inducing or Coercing Distributors or Importing~~
5 ~~Distributors to Accept Unordered Products or Commit Illegal~~
6 ~~Acts. For any manufacturer to compel or attempt to compel any~~
7 ~~distributor or importing distributor to accept delivery of any~~
8 ~~malt or brewed beverages or ready to drink cocktails or any~~
9 ~~other commodity which shall not have been ordered by the~~
10 ~~distributor or importing distributor, or to do any illegal act~~
11 ~~by any means whatsoever including, but not limited to,~~
12 ~~threatening to amend, cancel, terminate, rescind or refuse to~~
13 ~~renew any agreement existing between manufacturer and the~~
14 ~~distributor or importing distributor, or to require a~~
15 ~~distributor or importing distributor to assent to any condition,~~
16 ~~stipulation or provision limiting the distributor or importing~~
17 ~~distributor in his right to sell the products of any other~~
18 ~~manufacturer.~~

19 * * *

20 ~~Section 10. This act shall take effect immediately.~~

21 SECTION 1. SECTION 102 OF THE ACT OF APRIL 12, 1951 (P.L.90, <--
22 NO.21), KNOWN AS THE LIQUOR CODE, IS AMENDED BY ADDING
23 DEFINITIONS TO READ:

24 SECTION 102. DEFINITIONS.--THE FOLLOWING WORDS OR PHRASES,
25 UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE, SHALL HAVE THE
26 MEANINGS ASCRIBED TO THEM IN THIS SECTION:

27 * * *

28 "READY-TO-DRINK COCKTAIL" SHALL MEAN A BEVERAGE, COMPOSED IN
29 PART OF DISTILLED LIQUOR, COMBINED WITH OTHER NONALCOHOLIC
30 INGREDIENTS, CARBONATED OR STILL, BY WHATEVER NAME THE BEVERAGE

1 MAY BE CALLED, PREMIXED AND PACKAGED IN ORIGINAL CONTAINERS BY
2 THE MANUFACTURER, CONTAINING NOT MORE THAN SIXTEEN OUNCES THAT
3 IS NOT MIXED OR ADULTERATED ON THE LICENSED PREMISES OF A
4 LICENSEE. THE TERM SHALL INCLUDE ANY BEVERAGE CONSISTING OF AT
5 LEAST ONE-HALF OF ONE PER CENTUM, BUT NOT GREATER THAN TWELVE
6 AND ONE-HALF PER CENTUM, ALCOHOL BY VOLUME. THE TERM SHALL NOT
7 INCLUDE ANY BEVERAGE COMPOSED, IN PART, OF WINE OR MALT OR
8 BREWED BEVERAGES. A READY-TO-DRINK COCKTAIL SHALL BE CONSIDERED
9 LIQUOR UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE.

10 * * *

11 SECTION 2. SECTION 305 (B) OF THE ACT IS AMENDED AND THE
12 SECTION IS AMENDED BY ADDING A SUBSECTION TO READ:

13 SECTION 305. SALES BY PENNSYLVANIA LIQUOR STORES.--* * *

14 (A.2) THE FOLLOWING SHALL APPLY:

15 (1) NOTWITHSTANDING ANY PROVISION OF THE LAW TO THE
16 CONTRARY, EXCEPT AS PROVIDED UNDER PARAGRAPH (2), NO PRODUCT
17 THAT MEETS THE DEFINITION OF A "READY-TO-DRINK COCKTAIL" MAY BE
18 SOLD AS A SPECIAL ORDER; THE PRODUCTS MUST BE ACQUIRED FROM THE
19 BOARD AS PART OF A REGULAR OR LIMITED PURCHASE LISTING.

20 (2) A PRODUCT THAT MEETS THE DEFINITION OF A "READY-TO-DRINK
21 COCKTAIL" MAY BE SOLD AS A SPECIAL ORDER TO LICENSEES THAT DO
22 NOT POSSESS A READY-TO-DRINK COCKTAIL PERMIT IF THE PRODUCTS ARE
23 NOT SOLD FOR OFF-PREMISES CONSUMPTION.

24 (B) EVERY PENNSYLVANIA LIQUOR STORE SHALL SELL LIQUORS,
25 INCLUDING WINE AND READY-TO-DRINK COCKTAILS, AT WHOLESALE TO
26 HOTELS, RESTAURANTS, CLUBS, AND RAILROAD, PULLMAN AND STEAMSHIP
27 COMPANIES LICENSED UNDER THIS ACT; AND READY-TO-DRINK COCKTAILS
28 TO DISTRIBUTORS AND IMPORTING DISTRIBUTORS THAT HOLD A READY-TO-
29 DRINK COCKTAIL PERMIT; AND, UNDER THE REGULATIONS OF THE BOARD,
30 TO PHARMACISTS DULY LICENSED AND REGISTERED UNDER THE LAWS OF

1 THE COMMONWEALTH, AND TO MANUFACTURING PHARMACISTS, AND TO
2 REPUTABLE HOSPITALS APPROVED BY THE BOARD, OR CHEMISTS. SALES TO
3 LICENSEES SHALL BE MADE AT A PRICE THAT INCLUDES A DISCOUNT OF
4 TEN PER CENTUM FROM THE RETAIL PRICE; EXCEPT THAT SPECIAL ORDER
5 SALES TO LICENSEES AUTHORIZED IN SUBSECTION (A) SHALL NOT BE
6 SUBJECT TO THE TEN PER CENTUM DISCOUNT. THE BOARD MAY SELL TO
7 REGISTERED PHARMACISTS ONLY SUCH LIQUORS AS CONFORM TO THE
8 PHARMACOPOEIA OF THE UNITED STATES, THE NATIONAL FORMULARY, OR
9 THE AMERICAN HOMEOPATHIC PHARMACOPOEIA. THE BOARD MAY SELL AT
10 SPECIAL PRICES UNDER THE REGULATIONS OF THE BOARD, TO UNITED
11 STATES ARMED FORCES FACILITIES WHICH ARE LOCATED ON UNITED
12 STATES ARMED FORCES INSTALLATIONS AND ARE CONDUCTED PURSUANT TO
13 THE AUTHORITY AND REGULATIONS OF THE UNITED STATES ARMED FORCES.
14 ALL OTHER SALES BY SUCH STORES SHALL BE AT RETAIL, EXCEPT THAT
15 INCENTIVES, SUCH AS COUPONS OR DISCOUNTS ON CERTAIN PRODUCTS,
16 MAY BE OFFERED TO UNLICENSED CUSTOMERS OF THE BOARD AS PROVIDED
17 UNDER SECTIONS 207(M) AND 493(24)(II)(B). A PERSON ENTITLED TO
18 PURCHASE LIQUOR AT WHOLESALE PRICES MAY PURCHASE THE LIQUOR AT
19 ANY PENNSYLVANIA LIQUOR STORE UPON TENDERING CASH, CHECK OR
20 CREDIT CARD FOR THE FULL AMOUNT OF THE PURCHASE. FOR THIS
21 PURPOSE, THE BOARD SHALL ISSUE A DISCOUNT CARD TO EACH LICENSEE
22 IDENTIFYING SUCH LICENSEE AS A PERSON AUTHORIZED TO PURCHASE
23 LIQUOR AT WHOLESALE PRICES. SUCH DISCOUNT CARD SHALL BE RETAINED
24 BY THE LICENSEE. THE BOARD MAY CONTRACT THROUGH THE COMMONWEALTH
25 BIDDING PROCESS FOR DELIVERY TO WHOLESALE LICENSEES AT THE
26 EXPENSE OF THE LICENSEE RECEIVING THE DELIVERY.

27 * * *

28 SECTION 3. SECTION 410(E) OF THE ACT IS AMENDED TO READ:

29 SECTION 410. LIQUOR IMPORTERS' LICENSES; FEES; PRIVILEGES;
30 RESTRICTIONS.--* * *

1 (E) IMPORTERS' LICENSES SHALL PERMIT THE HOLDERS THEREOF TO
2 BRING OR IMPORT LIQUOR AND READY-TO-DRINK COCKTAILS FROM OTHER
3 STATES, FOREIGN COUNTRIES, OR INSULAR POSSESSIONS OF THE UNITED
4 STATES, AND PURCHASE LIQUOR FROM MANUFACTURERS LOCATED WITHIN
5 THIS COMMONWEALTH, TO BE SOLD OUTSIDE OF THIS COMMONWEALTH OR TO
6 PENNSYLVANIA LIQUOR STORES WITHIN THIS COMMONWEALTH, OR WHEN IN
7 ORIGINAL CONTAINERS OF TEN GALLONS OR GREATER CAPACITY, TO
8 LICENSED MANUFACTURERS WITHIN THIS COMMONWEALTH.

9 ALL IMPORTATIONS OF LIQUOR INTO PENNSYLVANIA BY THE LICENSED
10 IMPORTER SHALL BE CONSIGNED TO THE BOARD OR THE PRINCIPAL PLACE
11 OF BUSINESS OR AUTHORIZED PLACE OF STORAGE MAINTAINED BY THE
12 LICENSEE.

13 * * *

14 SECTION 4. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

15 SECTION 415.1. READY-TO-DRINK COCKTAIL PERMIT.-- (A) (1)
16 THE HOLDER OF A RESTAURANT, HOTEL, DISTRIBUTOR OR IMPORTING
17 DISTRIBUTOR LICENSE MAY APPLY FOR A READY-TO-DRINK COCKTAIL
18 PERMIT. THE BOARD SHALL ISSUE A READY-TO-DRINK COCKTAIL PERMIT
19 TO THE APPLICANT IF THE APPLICANT MEETS THE REQUIREMENTS SET
20 FORTH IN THIS ACT AND THE BOARD'S REGULATIONS AND PAYS THE
21 APPROPRIATE FEES.

22 (2) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO AFFECT THE
23 ABILITY OF AN EXISTING LICENSEE TO OPERATE WITHIN THE SCOPE OF
24 ITS CURRENT LICENSE AS AUTHORIZED BY THIS ACT, EXCEPT THAT NO
25 SALES OF READY-TO-DRINK COCKTAILS FOR OFF-PREMISES CONSUMPTION
26 MAY TAKE PLACE BY A READY-TO-DRINK COCKTAIL PERMIT HOLDER AFTER
27 ELEVEN O'CLOCK POSTMERIDIAN. SALES BY RESTAURANT AND HOTEL
28 LICENSE HOLDERS MAY OCCUR ON SUNDAYS FROM THE TIME THE LICENSEE
29 MAY LEGALLY BEGIN TO SELL ALCOHOL THAT DAY UNTIL ELEVEN O'CLOCK
30 POSTMERIDIAN IF THE LICENSEE HAS A PERMIT AUTHORIZED UNDER

1 SECTIONS 406(A) (3) AND 432(F). SALES BY DISTRIBUTOR AND
2 IMPORTING DISTRIBUTOR LICENSE HOLDERS MAY OCCUR ON SUNDAYS
3 BETWEEN THE HOURS OF NINE O'CLOCK ANTEMERIDIAN AND NINE O'CLOCK
4 POSTMERIDIAN IF THE LICENSEE HAS A PERMIT AUTHORIZED UNDER
5 SECTION 492.1(C).

6 (3) A READY-TO-DRINK COCKTAIL PERMIT MAY NOT BE ISSUED TO A
7 LICENSE HOLDER WHOSE UNDERLYING LICENSE IS SUBJECT TO A PENDING
8 OBJECTION BY THE DIRECTOR OF THE BUREAU OF LICENSING OR THE
9 BOARD UNDER SECTION 470(A.1), UNTIL THE MATTER IS DECIDED.
10 NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A HOLDER OF A READY-
11 TO-DRINK COCKTAIL PERMIT MAY CONTINUE TO NORMALLY OPERATE UNDER
12 THE PERMIT IF ITS UNDERLYING LICENSE IS OPERATIONAL,
13 NOTWITHSTANDING IF THE UNDERLYING LICENSE IS OBJECTED TO BY THE
14 DIRECTOR OF THE BUREAU OF LICENSING OR THE BOARD UNDER SECTION
15 470(A.1).

16 (4) IF THE BOARD HAS APPROVED THE OPERATION OF ANOTHER
17 BUSINESS WHICH HAS AN INSIDE PASSAGE OR COMMUNICATION TO OR WITH
18 THE LICENSED PREMISES, THE SALE AND PURCHASE OF READY-TO-DRINK
19 COCKTAILS SHALL BE CONFINED STRICTLY TO THE AREAS COVERED BY THE
20 LICENSE. THE PAYMENT FOR THE PURCHASE OF GOODS OBTAINED FROM THE
21 UNLICENSED AREA OF THE PREMISES SHALL BE PERMITTED IN THE
22 LICENSED AREA.

23 (5) FOR PURPOSES OF SELLING READY-TO-DRINK COCKTAILS FOR
24 OFF-PREMISES CONSUMPTION, A HOLDER OF A READY-TO-DRINK COCKTAIL
25 PERMIT IS NOT SUBJECT TO SECTION 493(14).

26 (6) A READY-TO-DRINK COCKTAIL PERMIT HOLDER SHALL COMPLY
27 WITH THE RESPONSIBLE ALCOHOL MANAGEMENT PROVISIONS UNDER SECTION
28 471.1.

29 (7) A READY-TO-DRINK COCKTAIL PERMIT HOLDER MAY STORE READY-
30 TO-DRINK COCKTAILS IN A NONCONTIGUOUS AREA THAT IS NOT

1 ACCESSIBLE TO THE PUBLIC AND IS:

2 (I) LOCKED AT ALL TIMES WHEN NOT BEING ACCESSED BY THE
3 LICENSEES' EMPLOYEES;

4 (II) NOT ACCESSIBLE TO EMPLOYEES UNDER EIGHTEEN YEARS OF
5 AGE; AND

6 (III) IDENTIFIED BY DIMENSIONS AND LOCATIONS ON FORMS
7 SUBMITTED TO THE BOARD.

8 (8) A READY-TO-DRINK COCKTAIL PERMIT HOLDER SHALL UTILIZE A
9 TRANSACTION SCAN DEVICE TO VERIFY THE AGE OF AN INDIVIDUAL WHO
10 APPEARS TO BE UNDER THIRTY-FIVE YEARS OF AGE BEFORE MAKING A
11 SALE OF A READY-TO-DRINK COCKTAIL. A READY-TO-DRINK COCKTAIL
12 PERMIT HOLDER MAY NOT SELL OR SHARE DATA FROM THE USE OF A
13 TRANSACTION SCAN DEVICE, PROVIDED THAT THE LICENSEE MAY USE THE
14 DATA TO SHOW THE ENFORCEMENT BUREAU OF THE BOARD THAT THE
15 LICENSEE IS IN COMPLIANCE WITH THIS ACT. AS USED IN THIS
16 PARAGRAPH, THE TERM "TRANSACTION SCAN DEVICE" MEANS A DEVICE
17 CAPABLE OF DECIPHERING, IN AN ELECTRONICALLY READABLE FORMAT,
18 THE INFORMATION ENCODED ON THE MAGNETIC STRIP OR BAR CODE OF AN
19 IDENTIFICATION CARD UNDER SECTION 495(A).

20 (9) A SALE OF READY-TO-DRINK COCKTAILS BY A READY-TO-DRINK
21 COCKTAIL PERMIT HOLDER SHALL BE MADE THROUGH A REGISTER, WHICH
22 IS LOCATED ON THE LICENSED PREMISES, WHICH IS WELL DESIGNATED
23 WITH SIGNAGE, WHICH IS STAFFED AT ALL TIMES WHEN PATRONS ARE ON
24 THE LICENSED PREMISES. THE ACTUAL SALE SHALL BE CONDUCTED BY A
25 PERSON WHO IS AT LEAST EIGHTEEN YEARS OF AGE AND HAS BEEN
26 TRAINED UNDER SECTION 471.1 AND WHICH UTILIZES A TRANSACTION
27 SCAN DEVICE FOR THE SALE AS SET FORTH IN PARAGRAPH (8). THE SALE
28 OF READY-TO-DRINK COCKTAILS MAY NOT OCCUR AT A POINT OF SALE
29 WHERE THE CUSTOMER SCANS THE CUSTOMER'S OWN PURCHASES. SALES OF
30 READY-TO-DRINK COCKTAILS MUST OCCUR ON THE LICENSED PREMISES.

1 (10) IF A READY-TO-DRINK COCKTAIL PERMIT HOLDER HAS AN
2 INTERIOR CONNECTION TO ANOTHER BUSINESS THAT IT OPERATES, THE
3 PERMIT HOLDER MAY USE ONE OR MORE OF THE REGISTERS IN THE OTHER
4 BUSINESS TO SELL READY-TO-DRINK COCKTAILS FOR OFF-PREMISES
5 CONSUMPTION UNDER THE FOLLOWING CONDITIONS:

6 (I) THE BUILDING IS ELEVEN THOUSAND (11,000) SQUARE FEET OR
7 LESS;

8 (II) THE REGISTERS ARE LOCATED IN THE SAME BUILDING AS THE
9 LICENSED PREMISES;

10 (III) THE REGISTERS COMPLY WITH THE SIGNAGE, STAFFING,
11 TRAINING, CARDING, SCANNING AND PROHIBITION ON THE SHARING OF
12 DATA PROVISIONS OF PARAGRAPHS (8) AND (9); AND

13 (IV) THE BOARD HAS BEEN PROVIDED NOTICE OF COMPLIANCE WITH
14 THIS PARAGRAPH BY THE READY-TO-DRINK COCKTAIL PERMIT HOLDER,
15 INCLUDING SQUARE FOOTAGE OF THE BUILDING AND THE LOCATION OF THE
16 SPECIFIC REGISTERS TO BE USED PRIOR TO THEIR USE.

17 (11) THE REGISTERS USED UNDER PARAGRAPH (10) SHALL BE DEEMED
18 TO BE LICENSED AREAS BUT NO FORMAL APPLICATION BEYOND NOTICE TO
19 THE BOARD SHALL BE REQUIRED. THE REGISTERS MAY BE USED BY THE
20 OTHER BUSINESS.

21 (B) THE APPLICATION AND RENEWAL FEE FOR A READY-TO-DRINK
22 COCKTAIL PERMIT SHALL BE AS FOLLOWS:

23 (1) AN INITIAL APPLICATION FEE OF TWO THOUSAND AND FIVE
24 HUNDRED DOLLARS (\$2,500).

25 (2) AN ANNUAL RENEWAL FEE EQUAL TO TWO PER CENTUM OF THE
26 COST OF READY-TO-DRINK COCKTAILS PURCHASED FROM THE BOARD FOR
27 OFF-PREMISES CONSUMPTION.

28 (C) NOTWITHSTANDING THE PROVISIONS OF SECTION 802, ALL FEES
29 PAID TO THE BOARD UNDER THIS SECTION SHALL BE PAID INTO THE
30 STATE TREASURY FOR DEPOSIT AS FOLLOWS:

1 (1) ALL MONEYS SHALL BE DEPOSITED INTO THE STATE STORES
2 FUND.

3 (2) BEGINNING JUNE 1, 2025, AND EVERY JUNE 1 THEREAFTER, ALL
4 MONEYS DEPOSITED UNDER PARAGRAPH (1) SHALL BE TRANSFERRED TO THE
5 GENERAL FUND.

6 (D) A RESTAURANT OR HOTEL LICENSE HOLDER THAT IS ALSO A
7 READY-TO-DRINK COCKTAIL PERMIT HOLDER MAY SELL FOR OFF-PREMISES
8 CONSUMPTION, IN A SINGLE TRANSACTION, UP TO ONE HUNDRED NINETY-
9 TWO (192) FLUID OUNCES. OUNCES OF READY-TO-DRINK COCKTAILS SHALL
10 NOT BE COMBINED WITH WINE OR MALT OR BREWED BEVERAGES FOR THE
11 PURPOSE OF CALCULATING THE SALE RESTRICTIONS APPLICABLE TO EACH
12 OF THOSE BEVERAGES. A DISTRIBUTOR OR IMPORTING DISTRIBUTOR
13 LICENSE HOLDER THAT IS ALSO A READY-TO-DRINK COCKTAIL PERMIT
14 HOLDER, MAY SELL READY-TO-DRINK COCKTAILS, IN ANY QUANTITY. NO
15 READY-TO-DRINK COCKTAIL PERMIT HOLDER MAY SELL READY-TO-DRINK
16 COCKTAILS TO A PERMIT OR LICENSE HOLDER.

17 (E) (1) READY-TO-DRINK COCKTAIL PERMIT HOLDERS SHALL COMPLY
18 WITH THE PROVISIONS OF SECTION 201(F), (K) AND (O) OF THE ACT OF
19 MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE "TAX REFORM CODE OF
20 1971," REGARDING THE PURCHASE OF READY-TO-DRINK COCKTAILS FROM A
21 PENNSYLVANIA LIQUOR STORE.

22 (2) THE SALE OF READY-TO-DRINK COCKTAILS BY A READY-TO-DRINK
23 COCKTAIL PERMIT HOLDER FOR OFF-PREMISES CONSUMPTION SHALL BE
24 CONSIDERED A "PURCHASE AT RETAIL" UNDER SECTION 201(F) OF THE
25 "TAX REFORM CODE OF 1971," A "SALE AT RETAIL" UNDER SECTION
26 201(K) OF THE "TAX REFORM CODE OF 1971" OR A "USE" UNDER SECTION
27 201(O) OF THE "TAX REFORM CODE OF 1971."

28 (3) A READY-TO-DRINK COCKTAIL PERMIT HOLDER MAY, WHEN FILING
29 ITS REQUIRED RETURNS UNDER ARTICLE II OF THE "TAX REFORM CODE OF
30 1971," REQUEST A REFUND OF ANY TAXES PAID IN ACCORDANCE WITH

1 PARAGRAPH (1) FOR READY-TO-DRINK COCKTAILS SOLD FOR OFF-PREMISES
2 CONSUMPTION AND FOR WHICH TAXES WERE REMITTED TO THE DEPARTMENT
3 UNDER PARAGRAPH (2). THE REQUEST FOR A REFUND SHALL INCLUDE THE
4 ORIGINAL RECEIPT FROM A PENNSYLVANIA LIQUOR STORE SHOWING THE
5 AMOUNT OF TAXES PAID UNDER PARAGRAPH (1) FOR WHICH THE TAXPAYER
6 IS REQUESTING A REFUND.

7 (4) THE DEPARTMENT SHALL REFUND THE AMOUNT OF TAXES PAID TO
8 A PENNSYLVANIA LIQUOR STORE BY A READY-TO-DRINK COCKTAIL PERMIT
9 HOLDER UNDER PARAGRAPH (1) FOR WHICH THE TAXPAYER REMITTED TAXES
10 IMPOSED UNDER PARAGRAPH (2). THE DEPARTMENT MAY PROMULGATE RULES
11 OR REGULATIONS AND PRESCRIBE FORMS AS MAY BE NECESSARY TO
12 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION.

13 (F) ALL READY-TO-DRINK COCKTAILS THAT ARE TO BE SOLD FOR
14 OFF-PREMISES CONSUMPTION MUST BE ACQUIRED FROM THE BOARD. A
15 READY-TO-DRINK COCKTAIL PERMIT HOLDER MAY NOT SELL READY-TO-
16 DRINK COCKTAIL FOR OFF-PREMISES CONSUMPTION AT A PRICE LESS THAN
17 THE LICENSEE'S PURCHASE PRICE FROM THE BOARD OF THE READY-TO-
18 DRINK COCKTAIL.

19 (G) A READY-TO-DRINK COCKTAIL PERMIT HOLDER MAY NOT SELL A
20 PRIVATE LABEL PRODUCT.

21 (H) HOLDERS OF A READY-TO-DRINK COCKTAIL PERMIT MAY NOT
22 PURCHASE READY-TO-DRINK COCKTAILS DIRECTLY FROM A LICENSED
23 PENNSYLVANIA MANUFACTURER FOR THE PURPOSE OF RESELLING THE
24 READY-TO-DRINK COCKTAIL FOR OFF-PREMISES CONSUMPTION.

25 SECTION 5. THE HEADING OF SUBDIVISION (B) OF ARTICLE IV OF
26 THE ACT IS AMENDED TO READ:

27 (B) MALT AND BREWED BEVERAGES AND
28 READY-TO-DRINK COCKTAILS (INCLUDING MANUFACTURERS).

29 SECTION 6. THE ACT IS AMENDED BY ADDING A SECTION TO READ:

30 SECTION 431.2. AUTHORITY TO ACQUIRE READY-TO-DRINK COCKTAIL

1 PERMITS.--THE HOLDER OF A DISTRIBUTOR OR IMPORTING DISTRIBUTOR
2 LICENSE MAY ACQUIRE A READY-TO-DRINK COCKTAIL PERMIT AS SET
3 FORTH IN SECTION 415.1. THE HOLDER OF A READY-TO-DRINK COCKTAIL
4 PERMIT MAY CONDUCT TASTINGS OF READY-TO-DRINK COCKTAILS IN
5 ACCORDANCE WITH THE BOARD'S REGULATIONS PERTAINING TO TASTINGS
6 FOR LIQUOR. THE READY-TO-DRINK COCKTAILS SHALL NOT BE SUBJECT TO
7 THE PROHIBITIONS SET FORTH IN SECTIONS 492(13) AND 492(14) WHICH
8 WOULD OTHERWISE PROHIBIT DISTRIBUTORS AND IMPORTING DISTRIBUTORS
9 FROM SELLING, STORING, POSSESSING OR INTERACTING WITH LIQUOR.

10 SECTION 7. SECTIONS 441 AND 492(13) AND (14) OF THE ACT ARE
11 AMENDED TO READ:

12 SECTION 441. DISTRIBUTORS' AND IMPORTING DISTRIBUTORS'
13 RESTRICTIONS ON SALES, STORAGE, ETC.--(A) NO DISTRIBUTOR OR
14 IMPORTING DISTRIBUTOR SHALL PURCHASE, RECEIVE OR RESELL ANY MALT
15 OR BREWED BEVERAGES AND READY-TO-DRINK COCKTAILS, IF A READY-TO-
16 DRINK COCKTAIL PERMIT IS OBTAINED, EXCEPT:

17 (1) IN THE ORIGINAL CONTAINERS AS PREPARED FOR THE MARKET BY
18 THE MANUFACTURER AT THE PLACE OF MANUFACTURE;

19 (2) IN THE CASE OF IDENTICAL CONTAINERS REPACKAGED IN THE
20 MANNER DESCRIBED BY SUBSECTION (F); OR

21 (3) AS PROVIDED IN SECTION 431(B).

22 (B) (1) NO DISTRIBUTOR OR IMPORTING DISTRIBUTOR SHALL SELL
23 ANY MALT OR BREWED BEVERAGES IN QUANTITIES OF LESS THAN A CASE
24 OR ORIGINAL CONTAINERS CONTAINING ONE HUNDRED TWENTY-EIGHT
25 OUNCES OR MORE WHICH MAY BE SOLD SEPARATELY: PROVIDED, THAT NO
26 MALT OR BREWED BEVERAGES SOLD OR DELIVERED SHALL BE CONSUMED
27 UPON THE PREMISES OF THE DISTRIBUTOR OR IMPORTING DISTRIBUTOR,
28 OR IN ANY PLACE PROVIDED FOR SUCH PURPOSE BY SUCH DISTRIBUTOR OR
29 IMPORTING DISTRIBUTOR. NOTWITHSTANDING ANY OTHER PROVISION OF
30 THIS SECTION OR ACT, MALT OR BREWED BEVERAGES AND READY-TO-DRINK

1 COCKTAILS WHICH ARE PART OF A TASTING CONDUCTED PURSUANT TO THE
2 BOARD'S REGULATIONS MAY BE CONSUMED ON LICENSED PREMISES.

3 (2) DISTRIBUTORS AND IMPORTING DISTRIBUTORS THAT HOLD A
4 READY-TO-DRINK COCKTAIL PERMIT SHALL BE PERMITTED TO SELL READY-
5 TO-DRINK COCKTAILS IN ANY QUANTITY AND ALL SALES MUST BE IN
6 ORIGINAL CONTAINERS AND MAY ONLY BE ACQUIRED FROM THE BOARD.
7 SALES OF READY-TO-DRINK COCKTAILS ARE LIMITED TO SALES TO NON-
8 LICENSEES AND SALES OF READY-TO-DRINK COCKTAILS FOR SUBSEQUENT
9 RESALE ARE PROHIBITED.

10 (C) NO DISTRIBUTOR OR IMPORTING DISTRIBUTOR SHALL MAINTAIN
11 OR OPERATE ANY PLACE WHERE SALES ARE MADE OTHER THAN THAT FOR
12 WHICH THE LICENSE IS GRANTED.

13 (D) (1) NO DISTRIBUTOR SHALL MAINTAIN ANY PLACE FOR THE
14 STORAGE OF MALT OR BREWED BEVERAGES AND READY-TO-DRINK COCKTAILS
15 EXCEPT IN THE SAME MUNICIPALITY IN WHICH THE LICENSED PREMISES
16 IS LOCATED AND UNLESS THE SAME HAS BEEN APPROVED BY THE BOARD.
17 IN THE EVENT THERE IS NO PLACE OF COLD STORAGE IN THE SAME
18 MUNICIPALITY, THE BOARD MAY APPROVE A PLACE OF COLD STORAGE IN
19 THE NEAREST MUNICIPALITY.

20 (2) NO IMPORTING DISTRIBUTOR SHALL MAINTAIN ANY PLACE FOR
21 THE STORAGE OF MALT OR BREWED BEVERAGES AND READY-TO-DRINK
22 COCKTAILS EXCEPT IN THE FRANCHISE TERRITORY IN WHICH THE
23 LICENSED PREMISES IS LOCATED AND UNLESS THE SAME HAS BEEN
24 APPROVED BY THE BOARD. THE BOARD SHALL ISSUE NO MORE THAN FOUR
25 STORAGE FACILITIES LICENSE TO AN IMPORTING DISTRIBUTOR. THE
26 STORAGE LOCATION SHALL BE DESIGNATED SOLELY AS A STORAGE
27 FACILITY, FROM WHICH ONLY SALES TO OTHER LICENSEES ARE
28 PERMITTED. RETAIL SALES MAY BE MADE AT THE LICENSED LOCATION
29 PURSUANT TO SUBSECTION (C). IF THE IMPORTING DISTRIBUTOR
30 MAINTAINS A STORAGE LOCATION FOR COLD STORAGE IN THE SAME

1 MUNICIPALITY IN WHICH THE IMPORTING DISTRIBUTOR IS LICENSED OR A
2 NEARBY MUNICIPALITY, THE IMPORTING DISTRIBUTOR MAY CONTINUE TO
3 MAINTAIN THAT COLD STORAGE LOCATION IN ADDITION TO ANOTHER
4 STORAGE LOCATION WITHIN THEIR FRANCHISE TERRITORY.

5 (E) NO DISTRIBUTOR OR IMPORTING DISTRIBUTOR SHALL PURCHASE,
6 SELL, RESELL, RECEIVE OR DELIVER ANY MALT OR BREWED BEVERAGES,
7 EXCEPT IN STRICT COMPLIANCE WITH THE PROVISIONS OF SUBSECTION
8 (B) OF SECTION 431 OF THIS ACT.

9 (F) (1) TO SALVAGE ONE OR MORE SALABLE CASES FROM ONE OR
10 MORE DAMAGED CASES, CARTONS OR PACKAGES OF MALT OR BREWED
11 BEVERAGES AND READY-TO-DRINK COCKTAILS, A DISTRIBUTOR OR
12 IMPORTING DISTRIBUTOR MAY REPACKAGE CONSEQUENT TO INADVERTENT
13 DAMAGE AND SELL A CASE, CARTON OR PACKAGE OF IDENTICAL UNITS OF
14 MALT OR BREWED BEVERAGES OR READY-TO-DRINK COCKTAILS.

15 (2) REPACKAGING IS PERMISSIBLE ONLY TO THE EXTENT MADE
16 NECESSARY BY INADVERTENT DAMAGE. REPACKAGING NOT CONSEQUENT TO
17 DAMAGE IS PROHIBITED.

18 (3) THE TERM "IDENTICAL UNITS" AS USED IN THIS SUBSECTION
19 MEANS UNDAMAGED BOTTLES OR CANS OF IDENTICAL BRAND, PACKAGE AND
20 VOLUME.

21 (G) ALL MALT OR BREWED BEVERAGES PURCHASED BY AN IMPORTING
22 DISTRIBUTOR FROM A PENNSYLVANIA MANUFACTURER OF MALT OR BREWED
23 BEVERAGES OR FROM ANY PERSON LOCATED OUTSIDE THIS COMMONWEALTH
24 FOR RESALE SHALL BE INVOICED TO THE IMPORTING DISTRIBUTOR, SHALL
25 COME PHYSICALLY INTO THE POSSESSION OF SUCH IMPORTING
26 DISTRIBUTOR AND SHALL BE UNLOADED INTO AND DISTRIBUTED FROM THE
27 LICENSED PREMISES OF SUCH IMPORTING DISTRIBUTOR. THE BOARD MAY
28 ACT TO FURTHER DEFINE AND CONTROL THE STORAGE AND DISTRIBUTION
29 OF MALT OR BREWED BEVERAGES AND READY-TO-DRINK COCKTAILS IN
30 CONFORMITY WITH THIS SECTION AND THIS ACT.

1 (H) AS USED IN THIS SECTION, THE TERM "FRANCHISE TERRITORY"
2 SHALL MEAN THE GEOGRAPHICALLY CONTIGUOUS AREA IN WHICH AN
3 IMPORTING DISTRIBUTOR HAS BEEN GIVEN RIGHTS FOR THE SALE OR
4 RESALE OF MALT OR BREWED BEVERAGES AND READY-TO-DRINK COCKTAILS.

5 (I) NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY,
6 WHEN MAKING A SALE OF MALT OR BREWED BEVERAGES AND READY-TO-
7 DRINK COCKTAILS TO A PRIVATE INDIVIDUAL, NO DISTRIBUTOR OR
8 IMPORTING DISTRIBUTOR MAY BE REQUIRED TO COLLECT THE NAME,
9 ADDRESS OR ANY OTHER IDENTIFYING INFORMATION OF THE PRIVATE
10 INDIVIDUAL FOR THE PURPOSE OF KEEPING A RECORD OF THE QUANTITY
11 OF CASES OR VOLUME OF MALT OR BREWED BEVERAGES OR READY-TO-DRINK
12 COCKTAILS PURCHASED.

13 SECTION 492. UNLAWFUL ACTS RELATIVE TO MALT OR BREWED
14 BEVERAGES AND LICENSEES.--

15 IT SHALL BE UNLAWFUL--

16 * * *

17 (13) POSSESSION OR STORAGE OF LIQUOR OR ALCOHOL BY CERTAIN
18 LICENSEES. FOR ANY DISTRIBUTOR, IMPORTING DISTRIBUTOR OR RETAIL
19 DISPENSER, OR HIS SERVANTS, AGENTS OR EMPLOYES, TO HAVE IN HIS
20 POSSESSION, OR TO PERMIT THE STORAGE OF ON THE LICENSED PREMISES
21 OR IN ANY PLACE CONTIGUOUS OR ADJACENT THERETO ACCESSIBLE TO THE
22 PUBLIC OR USED IN CONNECTION WITH THE OPERATION OF THE LICENSED
23 PREMISES, ANY ALCOHOL OR LIQUOR. THE PROVISIONS OF THIS SECTION
24 SHALL NOT APPLY TO THE POSSESSION OR STORAGE OF READY-TO-DRINK
25 COCKTAILS THAT ARE PURCHASED IN COMPLIANCE WITH SECTION 441 OF
26 THIS ACT.

27 (14) MALT OR BREWED BEVERAGE LICENSEES DEALING IN LIQUOR OR
28 ALCOHOL. FOR ANY MALT OR BREWED BEVERAGE LICENSEE, OTHER THAN A
29 DISTRIBUTOR OR IMPORTING DISTRIBUTOR THAT POSSESSES A READY-TO-
30 DRINK COCKTAIL PERMIT, A MANUFACTURER, OR THE SERVANTS, AGENTS

1 OR EMPLOYES THEREOF, TO MANUFACTURE, IMPORT, SELL, TRANSPORT,
2 STORE, TRADE OR BARTER IN ANY LIQUOR OR ALCOHOL.

3 * * *

4 SECTION 8. SECTION 493 OF THE ACT IS AMENDED BY ADDING A
5 PARAGRAPH TO READ:

6 SECTION 493. UNLAWFUL ACTS RELATIVE TO LIQUOR, MALT AND
7 BREWED BEVERAGES AND LICENSEES.--THE TERM "LICENSEE," WHEN USED
8 IN THIS SECTION, SHALL MEAN THOSE PERSONS LICENSED UNDER THE
9 PROVISIONS OF ARTICLE IV, UNLESS THE CONTEXT CLEARLY INDICATES
10 OTHERWISE.

11 IT SHALL BE UNLAWFUL--

12 * * *

13 (35) (I) READY-TO-DRINK COCKTAILS. FOR ANY LICENSEE THAT
14 DOES NOT HOLD A READY-TO-DRINK COCKTAIL PERMIT TO SELL AN
15 ALCOHOLIC BEVERAGE THAT MEETS THE DEFINITION OF A "READY-TO-
16 DRINK COCKTAIL" FOR OFF-PREMISES CONSUMPTION, EXCEPT THAT AN
17 ENTITY LICENSED UNDER SECTION 505.4 MAY SELL AN ALCOHOLIC
18 BEVERAGE THAT MEETS THE DEFINITION OF A "READY-TO-DRINK
19 COCKTAIL" IF THE PURCHASER IS EITHER UNLICENSED OR IS LICENSED
20 AND IS ONLY RESELLING THE PRODUCT FOR ON-PREMISES CONSUMPTION.

21 (II) FOR ANY LICENSEE TO ACQUIRE AN ALCOHOLIC BEVERAGE THAT
22 MEETS THE DEFINITION OF A "READY-TO-DRINK COCKTAIL" FROM ANYONE
23 OTHER THAN THE BOARD, EXCEPT THAT A LICENSEE MAY ACQUIRE AN
24 ALCOHOLIC BEVERAGE THAT MEETS THE DEFINITION OF A "READY-TO-
25 DRINK COCKTAIL" FROM AN ENTITY LICENSED UNDER SECTION 505.4, IF
26 THE PURCHASING LICENSEE DOES NOT RESELL THE ALCOHOLIC BEVERAGE
27 FOR OFF-PREMISES CONSUMPTION.

28 (III) FOR A LICENSEE WHO ACQUIRED AN ALCOHOLIC BEVERAGE THAT
29 MEETS THE DEFINITION OF A "READY-TO-DRINK COCKTAIL" AS A SPECIAL
30 ORDER TO SELL THE ALCOHOLIC BEVERAGE THAT MEETS THE DEFINITION

1 OF A "READY-TO-DRINK COCKTAIL" FOR OFF-PREMISES CONSUMPTION
2 REGARDLESS OF WHETHER THE LICENSEE HOLDS A READY-TO-DRINK
3 COCKTAIL PERMIT.

4 SECTION 9. SECTION 505.4 OF THE ACT IS AMENDED BY ADDING A
5 SUBSECTION TO READ:

6 SECTION 505.4. LIMITED DISTILLERIES AND DISTILLERIES.--* * *

7 (D) THE HOLDER OF A LICENSE ISSUED UNDER THIS SECTION MAY
8 ONLY SELL ALCOHOLIC BEVERAGES THAT MEET THE DEFINITION OF A
9 "READY-TO-DRINK COCKTAIL" TO UNLICENSED PURCHASERS AND TO
10 LICENSEES WHO WILL NOT RESELL THE ALCOHOLIC BEVERAGE FOR OFF-
11 PREMISES CONSUMPTION.

12 SECTION 10. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.