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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 688 Session of  
2023

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

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REFERRED TO LAW AND JUSTICE, MAY 5, 2023

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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  
32 beverages and minimum quantities and for distributors' and  
33 importing distributors' restrictions on sales, storage, etc;

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

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

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

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

13 \* \* \*

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

25 \* \* \*

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

31 \* \* \*

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

1 section is amended by adding a subsection to read:

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

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

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

5 \* \* \*

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

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

14 ARTICLE IV.

15 LICENSES AND REGULATIONS; LIQUOR, ALCOHOL AND

16 MALT AND BREWED BEVERAGES

17 AND READY-TO-DRINK COCKTAILS.

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

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

26 \* \* \*

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

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

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

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

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

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

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

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

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

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



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

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

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

27 \* \* \*

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

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

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

18 (e) (1) The holder of a hotel license or the holder of a  
19 restaurant license located in a hotel may allow persons to  
20 transport liquor, ready-to-drink cocktails or malt or brewed  
21 beverages from the licensed portion of the premises to the  
22 unlicensed portion of the premises, so long as the liquor,  
23 ready-to-drink cocktails or malt or brewed beverages remain on  
24 the hotel property. In addition, a holder of a restaurant or  
25 club license located on a golf course may sell, furnish or give  
26 liquor, ready-to-drink cocktails or malt or brewed beverages on  
27 the unlicensed portion of the golf course so long as the liquor,  
28 ready-to-drink cocktails or malt or brewed beverages remain on  
29 the restaurant, club or golf course. The holder of a restaurant  
30 license located immediately adjacent to and under the same roof

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

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

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

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

3 \* \* \*

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

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

5 \* \* \*

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

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

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

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

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

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

13 \* \* \*

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

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

10 \* \* \*

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

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

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

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

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

1 licensee.

2 \* \* \*

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

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

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

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

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

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



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

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

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

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

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

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

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

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

30 \* \* \*

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

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

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

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

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

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

29 \* \* \*

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

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

9 \* \* \*

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

14 \* \* \*

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

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

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

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

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

30 \* \* \*

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 \* \* \*

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

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

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

15 \* \* \*

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

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

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



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

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

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

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

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

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

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

1 which the license is granted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 It shall be unlawful--

25 \* \* \*

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

1 vehicle in which any other commodity is being transported.

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

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

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

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

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



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

5 \* \* \*

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

16 \* \* \*

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

1 manufacturer.

2 \* \* \*

3 Section 10. This act shall take effect immediately.