

AMENDMENTS TO HOUSE BILL NO. 829

Sponsor: SENATOR REGAN

Printer's No. 1039

1 Amend Bill, page 1, line 16, by inserting after "laws,"
2 in preliminary provisions, further providing for definitions;
3 in Pennsylvania liquor stores, further providing for sales by
4 Pennsylvania liquor stores;

5 Amend Bill, page 1, line 18, by inserting after "for"
6 sales by liquor licensees and restrictions, for

7 Amend Bill, page 1, lines 19 and 20, by striking out
8 "unlawful acts relative to liquor, malt and" in line 19 and all
9 of line 20 and inserting

10 relating to liquor and alcohol (not including manufacturers),
11 for extension of licensed service area and issuance of off-
12 premises catering permits, for malt and brewed beverages
13 manufacturers', distributors' and importing distributors'
14 licenses, for interlocking business prohibited relating to
15 malt and brewed beverages (including manufacturers) and for
16 Pennsylvania Malt and Brewed Beverages Industry Promotion
17 Board, repealing provisions relating to surrender of club
18 licenses for benefit of licensees and further providing for
19 surrender of restaurant, eating place retail dispenser,
20 hotel, importing distributor and distributor license for
21 benefit of licensee, for Pennsylvania Wine Marketing and
22 Research Program Board, for unlawful acts relative to malt or
23 brewed beverages and licensees, for hours of operation
24 relative to manufacturers, importing distributors and
25 distributors, for unlawful acts relative to liquor, malt and
26 brewed beverages and licensees and for premises to be vacated
27 by patrons; and, in distilleries, wineries, bonded
28 warehouses, bailees for hire and transporters for hire,
29 further providing for limited distilleries and distilleries
30 and providing for Pennsylvania Distilled Spirits Industry
31 Promotion Board.

32 Amend Bill, page 1, line 26; page 2, lines 1 and 2; by
33 striking out all of said lines on said pages and inserting

1 Section 1. The definition of "eligible entity" in section
2 102 of the act of April 12, 1951 (P.L.90, No.21), known as the
3 Liquor Code, is amended to read:

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

7 * * *

8 "Eligible entity" shall mean a city of the third class, a
9 hospital, a church, a synagogue, a volunteer fire company, a
10 volunteer ambulance company, a volunteer rescue squad, a unit of
11 a nationally chartered club which has been issued a club liquor
12 license, a club which has been issued a club liquor license and
13 which, as of December 31, 2002, has been in existence for at
14 least 100 years, a library, a nationally accredited Pennsylvania
15 nonprofit zoological institution licensed by the United States
16 Department of Agriculture, a nonprofit agricultural association
17 in existence for at least ten years, a bona fide sportsmen's
18 club in existence for at least ten years, a nationally chartered
19 veterans' organization and any affiliated lodge or subdivision
20 of such organization, a fraternal benefit society that is
21 licensed to do business in this Commonwealth and any affiliated
22 lodge or subdivision of such fraternal benefit society, any
23 nationally recognized community-based voluntary health
24 organization committed to fighting cancer, which has been in
25 existence for at least 100 years, a museum operated by a
26 nonprofit corporation, a nonprofit corporation engaged in the
27 performing arts, an arts council, a nonprofit corporation that
28 operates an arts facility or museum, a nonprofit organization as
29 defined under section 501(c)(3) of the Internal Revenue Code of
30 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is
31 to protect the architectural heritage of a municipality and
32 which has been recognized as such by a resolution of the
33 municipality, a nonprofit organization as defined under section
34 501(c)(3) of the Internal Revenue Code of 1986 (Public Law 99-
35 514, 26 U.S.C. § 501(c)(3)) conducting a regatta in a city of
36 the second class with the permit to be used on State park
37 grounds or conducting a family-oriented celebration as part of
38 Welcome America in a city of the first class on property leased
39 from that city for more than fifty years, a nonprofit
40 organization as defined under section 501(c)(3) of the Internal
41 Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) whose purpose is to
42 raise funds for the research and treatment of cystic fibrosis, a
43 nonprofit organization as defined under section 501(c)(3) of the
44 Internal Revenue Code of 1986 (26 U.S.C. § 501(c)(3)) whose
45 purpose is to educate the public on issues dealing with
46 watershed conservation, a nonprofit organization as defined
47 under section 501(c)(3) of the Internal Revenue Code of 1986
48 (Public Law 99-514, 26 U.S.C. § 501(c)(3)) whose purpose is to
49 provide equine or canine assisted activities for children and
50 adults with special needs, a nonprofit economic development
51 agency in a city of the second class with the primary function

1 to serve as an economic generator for the greater southwestern
2 Pennsylvania region by attracting and supporting film,
3 television and related media industry projects and coordinating
4 government and business offices in support of a production, a
5 county tourist promotion agency as defined in section 2 of the
6 act of July 4, 2008 (P.L.621, No.50), known as the "Tourism
7 Promotion Act," a junior league that is a nonprofit organization
8 as defined under section 501(c)(3) of the Internal Revenue Code
9 of 1986 (26 U.S.C. § 501(c)(3)) that is comprised of women whose
10 purpose is exclusively educational and charitable in promoting
11 the volunteerism of women and developing and participating in
12 community projects and that has been in existence for over
13 seventy years, a nonprofit organization as defined under section
14 501(c)(3) of the Internal Revenue Code of 1986 and whose purpose
15 is the education and promotion of American history, a nonprofit
16 organization as defined under section 501(c)(6) of the Internal
17 Revenue Code of 1986 whose purpose is to support business and
18 industry, a brewery which has been issued a license to
19 manufacture malt or brewed beverages and has been in existence
20 for at least 100 years or a club recognized by Rotary
21 International and whose purpose is to provide service to others,
22 to promote high ethical standards and to advance world
23 understanding, goodwill and peace through its fellowship of
24 business, professional and community leaders or a nonprofit
25 organization as defined under section 501(c)(3) of the Internal
26 Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. § 501(c)(3))
27 whose purpose is to promote mushrooms while supporting local and
28 regional charities, a museum operated by a not-for-profit
29 corporation in a city of the second class A, a nonprofit
30 organization as defined under section 501(c)(3) of the Internal
31 Revenue Code of 1986 which is located in a city of the second
32 class A and has as its purpose economic and community
33 development, a nonprofit organization as defined under section
34 501(c)(3) or (6) of the Internal Revenue Code of 1986 that is
35 located in a city of the third class in a county of the fifth
36 class, a nonprofit social service organization defined under
37 section 501(c)(3) of the Internal Revenue Code of 1986 located
38 in a county of the third class whose purpose is to serve
39 individuals and families in that county of the third class, a
40 nonprofit organization as defined under section 501(c)(3) of the
41 Internal Revenue Code of 1986 whose main purpose is to
42 temporarily foster stray and unwanted animals and match them to
43 suitable permanent homes or a nonprofit organization as defined
44 under section 501(c)(3) of the Internal Revenue Code of 1986 who
45 operates either a Main Street Program or Elm Street Program
46 recognized by the Commonwealth, the National Trust for Historic
47 Preservation or both, a nonprofit radio station that is a member
48 of the National Public Radio network, a nonprofit public
49 television station that is a member of the Pennsylvania Public
50 Television Network or a nonprofit organization as defined under
51 section 501(c)(3) of the Internal Revenue Code of 1986 whose

1 purpose is to promote awareness, education and research and to
2 provide a support system for patients with neutropenia and their
3 families through a national resource network, a nonprofit
4 organization as defined under section 501(c)(3) of the Internal
5 Revenue Code of 1986 whose main purpose is to stimulate
6 community development by facilitating residential and retail
7 growth in a city of the second class located in a county of the
8 second class or a nonprofit community development corporation
9 organized under section 501(c)(3) of the Internal Revenue Code
10 of 1986 that serves an adjoining borough and township in a
11 county of the second class and whose main purpose is to
12 facilitate commercial development and foster neighborhood
13 stabilization, a nonprofit organization as defined under section
14 501(c)(3) of the Internal Revenue Code of 1986 whose purpose is
15 to provide young people with a program to build character, to
16 teach the responsibilities of citizenship and to develop
17 personal fitness with a goal of creating future leaders, a
18 nonprofit as defined in section 501(c)(3) of the Internal
19 Revenue Code of 1986 whose main purpose is to assist children
20 and their families who are facing financial hardship due to the
21 death of a parent, a nonprofit as defined under section 501(c)
22 (3) of the Internal Revenue Code of 1986 whose purpose is to
23 allocate funds for research to expedite a cure achromatopsia, a
24 nonprofit organization as defined under section 501(c)(3) of the
25 Internal Revenue Code of 1986 that is located in a city of the
26 first class, was organized as a community development
27 organization to promote health, safety and welfare of the
28 residents, businesses and institutions of a neighborhood of a
29 city of the first class, and whose works include public
30 promotions, neighborhood improvement projects and commercial
31 corridor improvements, including a business improvement
32 district, or a nonprofit organization as defined under section
33 501(c)(3) of the Internal Revenue Code of 1986 that is
34 responsible for providing services to members of the armed
35 forces of the United States and relief to disaster victims in
36 the United States and abroad, or any neighborhood improvement
37 district management association as defined in section 3 of the
38 act of December 20, 2000 (P.L.949, No.130), known as the
39 "Neighborhood Improvement District Act," that has been
40 established as a 501(c)(3) nonprofit organization under section
41 501(c)(3) of the Internal Revenue Code of 1986, a nonprofit
42 organization as defined under section 501(c)(3) of the Internal
43 Revenue Code of 1986 located in a city of the first class whose
44 purpose is to support initiatives to enrich the lives of
45 children, teens and families especially those in need, to reach
46 their full potential as productive and responsible citizens and
47 has been in existence for at least seventy-five years, or a
48 nonprofit organization as defined under section 501(c)(3) of the
49 Internal Revenue Code of 1986 located in a city of the second
50 class and incorporated as a nonprofit in 1982 that offers adult
51 education and family literacy, or a nonprofit organization as

1 defined under section 501(c)(3) of the Internal Revenue Code of
2 1986 located in a city of the third class and county of the
3 sixth class, whose purpose is primary and secondary education
4 and educational ministry of the Diocese of Erie, a nonprofit
5 organization as defined under section 501(c)(3) of the Internal
6 Revenue Code located in a county of the fourth class that had a
7 population between 142,000 and 144,000 based on the 2010
8 Decennial Census of the Bureau of the Census and provides
9 rewards for information that leads to the arrest of individuals
10 that may have committed a crime or a nonprofit organization as
11 defined under section 501(c)(3) of the Internal Revenue Code of
12 1986 which is located in a city of the third class in a county
13 of the fifth class whose mission is to improve the quality of
14 life for individuals with developmental disabilities and the
15 families of the individuals through advocacy, education, support
16 and socialization and that has been in existence for over sixty
17 years.

18 * * *

19 Section 2. Section 305(b) of the act is amended to read:

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

21 (b) Every Pennsylvania Liquor Store shall sell liquors at
22 wholesale to hotels, restaurants, clubs, and railroad, pullman
23 and steamship companies licensed under this act; and, under the
24 regulations of the board, to pharmacists duly licensed and
25 registered under the laws of the Commonwealth, and to
26 manufacturing pharmacists, and to reputable hospitals approved
27 by the board, or chemists. Sales to licensees shall be made at a
28 price that includes a discount of ten per centum from the retail
29 price; except that special order sales to licensees authorized
30 in subsection (a) shall not be subject to the ten per centum
31 discount. The board may sell to registered pharmacists only such
32 liquors as conform to the Pharmacopoeia of the United States,
33 the National Formulary, or the American Homeopathic
34 Pharmacopoeia. The board may sell at special prices under the
35 regulations of the board, to United States Armed Forces
36 facilities which are located on United States Armed Forces
37 installations and are conducted pursuant to the authority and
38 regulations of the United States Armed Forces. All other sales
39 by such stores shall be at retail, except that incentives, such
40 as coupons or discounts on certain products, may be offered to
41 unlicensed customers of the board as provided under sections
42 207(m) and 493(24)(ii)(B). A person entitled to purchase liquor
43 at wholesale prices may purchase the liquor at any Pennsylvania
44 Liquor Store upon tendering cash, check or credit card for the
45 full amount of the purchase. For this purpose, the board shall
46 issue a discount card to each licensee identifying such licensee
47 as a person authorized to purchase liquor at wholesale prices.
48 Such discount card shall be retained by the licensee. The board
49 may contract through the Commonwealth bidding process for
50 delivery to wholesale licensees at the expense of the licensee
51 receiving the delivery. In addition, the board shall establish a

1 program under which wholesale licenses are provided a discount
2 if the licensee picks up its purchases at board-specified
3 locations, including its warehouse. The board may set whatever
4 parameters that it deems appropriate, including the amount of
5 the discount or discounts and minimum purchase requirements.

6 * * *

7 Section 3. Sections 406(g) and 411(e.1) of the act are
8 amended and the sections are amended by adding subsections to
9 read:

10 Section 406. Sales by Liquor Licensees; Restrictions.--* * *

11 (g) Notwithstanding any other provision of law or regulation
12 and except as otherwise provided, the holder of a retail license
13 may hold happy hours up to four consecutive or nonconsecutive
14 hours per day and up to [fourteen] twenty-four hours per week
15 during which the holder discounts the price of alcoholic
16 beverages[.] and food and alcohol beverage combinations.
17 Discounts may include food and drink combination specials for no
18 more than two combinations on any day. No discounts may be given
19 between the hours of midnight and the legal closing time. Notice
20 of all happy hours shall be visibly posted on the licensed
21 premises seven days prior to the happy hour. Except as provided
22 in this subsection, a licensee shall comply with the provisions
23 of 40 Pa. Code § 13.102 (relating to discount pricing
24 practices). Neither events conducted under the authority of 40
25 Pa. Code § 13.102(b) nor discounts provided to mug club members
26 shall be counted against the four-hour per day or [fourteen-
27 hour] twenty-four-hour per week limit.

28 * * *

29 (k) Notwithstanding any other provision of law or
30 regulation, a hotel, restaurant or club licensee that self-
31 sponsors an event may include the price of a drink not to exceed
32 two alcoholic beverages in the cost of the ticket, provided the
33 event is scheduled more than twenty-four hours in advance.

34 Amend Bill, page 2, line 21, by striking out all of said line
35 and inserting

36 Section 4. Sections 417(a.1) and (a.3), 431(g)(2) and 443(d)
37 of the act are amended to read:

38 Section 417. Extension of Licensed Service Area and Issuance
39 of Off-premises Catering Permits.--* * *

40 (a.1) Notwithstanding any other provision of this act, the
41 following shall apply to the temporary extension of the licensed
42 premises to cover an outside serving area:

43 (1) Upon receipt of a request from a licensed club, catering
44 club, restaurant, retail dispenser, hotel, limited distillery,
45 distillery, brewery or limited winery, the board may temporarily
46 extend the licensed premises of the applicant to include any
47 outside serving area that is:

- 48 (i) immediately adjacent to the existing licensed areas; or
49 (ii) within one thousand feet of the main licensed building,

1 notwithstanding that the area to be temporarily licensed and the
2 main licensed building are separated by a public thoroughfare.

3 (2) The board shall grant immediate operating authority to
4 the applicant to use the outside area subject to the request
5 while the board processes the request.

6 (3) The operating authority under this subsection shall be
7 terminated if:

8 (i) a valid protest is received; or

9 (ii) the board determines that the proposed area does not
10 meet the requirements of this act and board regulations for the
11 licensing of the area in question.

12 (4) A filing fee may [not] be required from an applicant
13 under this subsection.

14 (5) The board may require the applicant to provide any
15 information that the board deems relevant.

16 (6) Except as otherwise provided in this subsection,
17 temporary extensions of licensed premises authorized by this
18 subsection shall remain valid for the remainder of the
19 validation or renewal period during which the application is
20 filed.

21 (7) Temporary extensions of licensed premises authorized by
22 this subsection may be renewed at the expiration of the
23 validation or renewal period, subject to the filing of an
24 application and payment of a filing fee as may be required by
25 the board.

26 (8) As used in this subsection, the term "validation or
27 renewal period" shall mean the validation or renewal period for
28 the underlying license held by the applicant.

29 * * *

30 (a.3) [Subsections (a.1) and (a.2)] Subsection (a.2) shall
31 expire December 31, 2024.

32 * * *

33 Section 431. Malt and Brewed Beverages Manufacturers',
34 Distributors' and Importing Distributors' Licenses.--* * *

35 (g) * * *

36 (2) For the purposes of this subsection, "nonalcoholic malt
37 or brewed beverage" means any beverage intended to be marketed
38 or sold as nonalcoholic beer having at least a trace amount of
39 alcohol content but which does not contain one-half of one per
40 centum (0.5%) or more alcohol by volume[.] and shall include a
41 beverage that, during production, had the alcohol by volume
42 level of a malt or brewed beverage stated in section 102, but
43 the beverage alcohol level was reduced during further production
44 below one-half of one per centum (0.5%) alcohol by volume.

45 Section 443. Interlocking Business Prohibited.--* * *

46 (d) Excepting as hereinafter provided, no malt or brewed
47 beverage manufacturer, importing distributor or distributor
48 shall in any wise be interested, either directly or indirectly,
49 in the ownership or leasehold of any property or in any mortgage
50 against the same, for which a liquor or retail dispenser's
51 license is granted; nor shall any such manufacturer, importing

1 distributor or distributor, either directly or indirectly, lend
2 any moneys, credit or equivalent thereof to, or guarantee the
3 payment of any bond, mortgage, note or other obligation of, any
4 liquor licensee or retail dispenser, in equipping, fitting out,
5 or maintaining and conducting, either in whole or in part, an
6 establishment or business operated under a liquor or retail
7 dispenser's license, excepting only the usual and customary
8 credits allowed for returning original containers in which malt
9 or brewed beverages were packaged for market by the manufacturer
10 at the place of manufacture: Provided, however, That a holder of
11 a manufacturer's license under section 431(a) who is eligible to
12 operate a brewery pub under section 446(2) or a limited winery
13 as provided for under section 505.2 may also hold and operate
14 under a hotel liquor license, a restaurant liquor license or a
15 malt and brewed beverages retail license on the manufacturer's
16 or limited winery's licensed premises. The hotel liquor license
17 or restaurant liquor license or the malt and brewed beverages
18 retail license shall be acquired by the manufacturer or limited
19 winery subject to section 461 and shall satisfy all requirements
20 for each respective license. Notwithstanding any other provision
21 of this section, nothing shall preclude an importing distributor
22 or distributor from selling or renting items to other licensees
23 at fair market value as otherwise authorized by this act.

24 Section 5. Section 446.1(e)(1) introductory paragraph and
25 (f) of the act are amended and the section is amended by adding
26 a subsection to read:

27 Section 446.1. Pennsylvania Malt and Brewed Beverages
28 Industry Promotion Board.--* * *

29 (e) The Pennsylvania Malt and Brewed Beverages Industry
30 Promotion Board has the following powers and duties:

31 (1) Make recommendations to the [board] Secretary of
32 Agriculture to award grants to entities for the purpose of
33 increasing the production of Pennsylvania-made malt and brewed
34 beverages and enhancing the Pennsylvania malt and brewed
35 beverages industry through promotion, marketing and research-
36 based programs and projects. Grants shall be awarded through a
37 competitive grant review process. The application for a grant
38 shall include the following information:

39 * * *

40 (f) The Department of Agriculture shall provide assistance
41 to [assist] the Pennsylvania Malt and Brewed Beverages Industry
42 Promotion Board in carrying out its powers and duties. Final
43 decisions for awarding grants under subsection (e)(1) shall be
44 made by the Secretary of Agriculture.

45 * * *

46 (h) The board shall transfer the annual allocation
47 authorized under this section to the Pennsylvania Malt and
48 Brewed Beverages Industry Promotion Board account. The
49 Pennsylvania Malt and Brewed Beverages Industry Promotion Board
50 shall allocate money under this subsection for the purpose of
51 awarding grants under subsection (e)(1). The following shall

1 apply:

2 (1) The Pennsylvania Malt and Brewed Beverages Industry
3 Promotion Board may deduct money from the allocation under this
4 subsection to cover the Department of Agriculture's expenses in
5 assisting the Pennsylvania Malt and Brewed Beverages Industry
6 Promotion Board.

7 (2) In any fiscal year when grant money authorized under
8 this section remains unallocated, the remaining amount of money
9 shall be made available for grants in subsequent fiscal years.

10 (3) Notwithstanding any provision of law, all of the
11 obligations of the board under this section are fulfilled by
12 virtue of the transfer of the annual allocation under this
13 subsection to the Pennsylvania Malt and Brewed Beverages
14 Industry Promotion Board.

15 Section 6. Section 474 of the act is repealed:

16 [Section 474. Surrender of Club Licenses for Benefit of
17 Licensees.--Whenever a club license has been returned to the
18 board for the benefit of the licensee due to the licensed
19 establishment not having been in operation for any reason
20 whatsoever for a period of time not exceeding fifteen days, the
21 license shall be held by the board for the benefit of the
22 licensee for a period of time not exceeding one year, or, upon
23 proper application to the board, for an additional year, and the
24 license shall be revoked at the termination of the period, and
25 transfer of the license shall not be permitted after the
26 termination of the period.]

27 Section 7. Section 474.1 heading, (a) and (g) of the act are
28 amended to read:

29 Section 474.1. Surrender of Restaurant, Eating Place Retail
30 Dispenser, Hotel, Club, Catering Club, Importing Distributor and
31 Distributor License for Benefit of Licensee.--(a) A restaurant,
32 eating place retail dispenser, hotel, club, catering club,
33 importing distributor and distributor licensee whose licensed
34 establishment is not in operation for fifteen consecutive days
35 shall return its license for safekeeping with the board no later
36 than at the expiration of the fifteen-day period. The license
37 may only be reissued from safekeeping in the manner set forth by
38 the board through regulation.

39 * * *

40 (g) (1) A licensee whose license is subject to this section
41 may, upon written request, apply to the board to allow the
42 license to remain in safekeeping for an additional one year. The
43 written request must be accompanied by a ten thousand dollar
44 (\$10,000) fee for licenses placed in safekeeping from counties
45 of the first class, second class, second class A, third class
46 and fourth class and a fee of five thousand dollars (\$5,000) for
47 licenses placed in safekeeping from counties of the fifth
48 through eighth classes[.], except that the fees for clubs and
49 catering clubs shall be five thousand dollars (\$5,000) for
50 licenses placed in safekeeping from counties of the first class,
51 second class, second class A, third class and fourth class and

1 one thousand dollars (\$1,000) for licenses placed in safekeeping
2 from counties of the fifth through eighth classes. For each
3 subsequent year in safekeeping, the fees set forth in this
4 paragraph shall be doubled over the amount charged for the
5 previous year's fee. No fee shall be required if the licensee
6 can prove that he or she is unable to use the license through no
7 fault of his or her own, including a fire, flood or other event,
8 which includes the inability to obtain an occupancy permit for
9 the licensed premises from a municipality, that renders the
10 licensed premises unusable. Factors such as another business
11 operating at the licensed premises, the licensed business being
12 no longer viable or other similar circumstances shall not
13 justify a fee waiver. The board shall approve the request unless
14 the license or licensee no longer meets the requirements of this
15 act or the board's regulations. The fee collected shall be paid
16 into the State Treasury through the Department of Revenue into
17 the State Store Fund.

18 (2) (Reserved).

19 Section 8. Section 488.1(d)(3)(i) of the act is amended and
20 the section is amended by adding subsections to read:

21 Section 488.1. Pennsylvania Wine Marketing and Research
22 Program Board.--* * *

23 (d) In addition to duties imposed under other laws, the
24 Pennsylvania Wine Marketing and Research Program Board shall do
25 all of the following:

26 * * *

27 (3) Have the following duties as to awarding grants:

28 (i) Make recommendations to the [board] Secretary of
29 Agriculture to award grants to entities for the purpose of
30 increasing the production of Pennsylvania-made wines and
31 enhancing the Pennsylvania wine industry through promotion,
32 marketing and research-based programs and projects.

33 * * *

34 (e) The Department of Agriculture shall provide assistance
35 to the Pennsylvania Wine Marketing and Research Program Board in
36 carrying out its powers and duties. Final decisions for awarding
37 grants under subsection (d)(3) shall be made by the Secretary of
38 Agriculture.

39 (f) (Reserved).

40 (g) Annually, the board shall allocate the amount of one
41 million dollars (\$1,000,000), as required by section 488(k), for
42 the purpose of awarding grants under subsection (d)(3).

43 (h) The board shall transfer the allocation under subsection
44 (g) to the Pennsylvania Wine Marketing and Research Program
45 Board account. The Pennsylvania Wine Marketing and Research
46 Program Board shall allocate money for the purpose of awarding
47 grants under subsection (d)(3). The following shall apply:

48 (1) The Pennsylvania Wine Marketing and Research Program
49 Board may deduct money from the allocation under subsection (g)
50 to cover the Department of Agriculture's expenses in assisting
51 the Pennsylvania Wine Marketing and Research Program Board.

1 (2) In any fiscal year when grant money authorized under
2 this section remains unallocated, the remaining amount of money
3 shall be made available for grants in subsequent fiscal years.

4 (3) Notwithstanding any provision of law to the contrary,
5 all of the board's obligations under this section and section
6 488(k) are fulfilled by virtue of the transfer of the allocation
7 under subsection (g) to the Pennsylvania Wine Marketing and
8 Research Program Board.

9 Section 9. Sections 492(12) and 492.1(a) of the act are
10 amended to read:

11 Section 492. Unlawful Acts Relative to Malt or Brewed
12 Beverages and Licensees.--

13 It shall be unlawful--

14 * * *

15 (12) Distributors and Importing Distributors Engaging in
16 Other Business. For any distributor or importing distributor, or
17 his servants, agents or employes, without the approval of the
18 board, and then only in accordance with board regulations, to
19 engage in any other business whatsoever, except the business of
20 distributing malt or brewed beverages, except that [the sale of]
21 the following [goods] shall be expressly permitted on the
22 licensed premises of a distributor or importing distributor:

23 (i) [Any] The sale of any book, magazine or other
24 publication related to malt or brewed beverages.

25 (ii) [Any] The sale of any equipment, ingredients or other
26 supplies necessary for the unlicensed manufacture of malt or
27 brewed beverages as described in paragraph (1), commonly known
28 as "homebrewing."

29 (iii) The rental of equipment and supplies necessary to
30 dispense draft beer, as may be further defined by the board.

31 * * *

32 Section 492.1. Hours of Operation Relative to Manufacturers,
33 Importing Distributors and Distributors.--(a) (1)

34 [Manufacturers] Except as otherwise provided, manufacturers may
35 sell or deliver malt or brewed beverages between two o'clock
36 antemeridian of any Monday and twelve o'clock midnight of the
37 following Saturday. Manufacturers may operate extended hours on
38 December 31 of each calendar year until two o'clock antemeridian
39 January 1 of the following calendar year.

40 (2) Notwithstanding any other provision of law,
41 manufacturers may sell malt and brewed beverages and alcohol
42 subject to section 446(a)(2) for on-premises consumption between
43 the hours of nine o'clock antemeridian and twelve o'clock
44 antemeridian Monday through Saturday and Sunday between the
45 hours of nine o'clock antemeridian and eleven o'clock
46 postmeridian. Manufacturers may operate extended hours on
47 December 31 of each calendar year until two o'clock antemeridian
48 January 1 of the following calendar year.

49 (3) The board may issue a manufacturer an extended hours
50 permit permitting the manufacturer to remain open and sell
51 alcohol until two o'clock antemeridian the following calendar

1 day. Following a fifty-dollar (\$50) fee, a manufacturer must
2 submit a written application for an extended hours permit under
3 this paragraph to the board in a form prescribed by the board.
4 The following shall apply:

5 (i) Only one manufacturer extended hours permit may be
6 issued to a manufacturer per calendar year and may only be used
7 for one day in that calendar year at all the manufacturer's
8 locations.

9 (ii) The manufacturer shall provide written notice to the
10 local police department, or Pennsylvania State Police if no
11 local police department is available, at least forty-eight hours
12 prior to each use of the manufacturer extended hours permit.
13 Written notice shall include notifying the police of the date,
14 time and place of the extended sale of alcoholic beverages.

15 * * *

16 Section 10. Section 493(11), (17), (20)(i) and (24) of the
17 act are amended and the section is amended by adding a clause to
18 read:

19 Amend Bill, page 3, line 10, by inserting a comma after
20 "hotel"

21 Amend Bill, page 4, by inserting between lines 13 and 14

22 (17) Licensees, etc., Interested or Employed in
23 Manufacturing or Sale of Equipment or Fixtures. For any
24 licensee, or any officer, director, stockholder, servant, agent
25 or employe of any licensee, to own any interest, directly or
26 indirectly, in or be employed or engaged in any business which
27 involves the manufacture or sale of any equipment, furnishings
28 or fixtures to any hotel, restaurant or club licensees, or to
29 any importing distributors, distributors or retail dispensers.
30 Notwithstanding any other provision of this section or this act,
31 licensees may sell glasses at not less than cost and to provide
32 metal keg connectors and tap knobs to other licensees and to
33 holders of special occasion permits. Additionally,
34 notwithstanding any other provision of this section or act,
35 importing distributor and distributor licensees may rent all
36 equipment and supplies necessary to dispense draft beer, as may
37 be further defined by the board, to other licensees.

38 * * *

39 (20) (i) Retail Liquor and Retail Malt or Brewed Beverages
40 Licensee's Inside Advertisements. For any retail liquor or
41 retail malt or brewed beverages licensee, to display or permit
42 the display in the show window or doorways of his licensed
43 premises, any placard or sign advertising the brands of liquor
44 or malt or brewed beverages, if the total display area of any
45 such placard or sign advertising the product or products exceeds
46 six hundred square inches. Nothing herein shall prohibit a
47 licensee from displaying inside his licensed premises point of

1 sale displays advertising brand names of products sold by him,
2 other than a window or door display: Provided, That the total
3 cost of all such point of sale advertising matter relating to
4 any one brand shall not exceed [the dollar amount set forth by
5 the board through regulation] seven hundred-fifty dollars
6 (\$750). All such advertising material, including the window and
7 door signs, may be furnished by a manufacturer, distributor or
8 importing distributor. The restrictions on advertising set forth
9 in subclause (ii) and in clauses (20.1) and (20.2) shall also
10 apply to this subclause.

11 * * *

12 (24) (i) Things of Value Offered as Inducement. Except as
13 provided in subclauses (ii) [and (iii)], (iii), (iv) and (v),
14 for any licensee under the provisions of this article, or the
15 board or any manufacturer, or any employe or agent of a
16 manufacturer, licensee or of the board, to offer to give
17 anything of value or to solicit or receive anything of value as
18 a premium for the return of caps, stoppers, corks, stamps or
19 labels taken from any bottle, case, barrel or package containing
20 liquor or malt or brewed beverage, or to offer or give or
21 solicit or receive anything of value as a premium or present to
22 induce directly the purchase of liquor or malt or brewed
23 beverage, or for any licensee, manufacturer or other person to
24 offer or give to trade or consumer buyers any prize, premium,
25 gift or other inducement to purchase liquor or malt or brewed
26 beverages, except advertising novelties of nominal value which
27 the board shall define. This section shall not prevent any
28 manufacturer or any agent of a manufacturer from offering and
29 honoring coupons which offer monetary rebates on purchases of
30 wines and spirits through State Liquor Stores or purchases of
31 malt or brewed beverages through distributors and importing
32 distributors in accordance with conditions or regulations
33 established by the board. The board may redeem coupons offered
34 by a manufacturer or an agent of a manufacturer at the time of
35 purchase. Coupons offered by a manufacturer or an agent of a
36 manufacturer shall not be redeemed without proof of purchase.
37 This section shall not apply to the return of any monies
38 specifically deposited for the return of the original container
39 to the owners thereof.

40 (ii) Notwithstanding subclause (i) or any other provision of
41 law:

42 (A) A holder of a restaurant license that is also approved
43 to hold a slot machine license or a conditional slot machine
44 license under 4 Pa.C.S. Part II (relating to gaming) may give
45 liquor and malt or brewed beverages free of charge to any person
46 actively engaged in playing a slot machine.

47 (B) The board may establish and implement a customer
48 relations management program for the purpose of offering to
49 unlicensed customers of the board incentives, such as coupons or
50 discounts on certain products, which may be conditioned on the
51 purchase of liquor.

1 (iii) Notwithstanding subclause (i) or any other provision
2 of law, a retail licensee or a brewery may offer a mug club to
3 its patrons.

4 (iv) Notwithstanding subclause (i) or any other provision of
5 law, a distributor or importing distributor may offer and
6 advertise quantity discounts on the purchase of malt or brewed
7 beverages.

8 (v) Notwithstanding subclause (i) or any other provision of
9 law, a manufacturer or licensee of the board may provide a trade
10 buyer with point-of-sale advertising for liquor or malt or
11 brewed beverage products being sold by the manufacturer or
12 licensee, subject to the limits specified in clause (20) (i).

13 * * *

14 (35) Display of Nonalcoholic Beverages. For any class of
15 licensee to place any alcoholic beverage which they are
16 permitted to sell under the specific authority of the license or
17 permit they hold in an area immediately adjacent to where
18 nonalcoholic beverages containing the same or similar brand
19 name, logo or packaging as the alcoholic beverage are being
20 displayed without posting clear and distinct signage identifying
21 which products are alcoholic products and which are
22 nonalcoholic. For purposes of this clause, the term
23 "nonalcoholic beverages" shall mean any beverage intended to be
24 marketed or sold as anything other than an alcoholic beverage.

25 Section 11. Sections 499(b.1) and 505.4(b) (1) and (c) (1) of
26 the act are amended to read:

27 Section 499. Premises to be Vacated by Patrons.--* * *

28 (b.1) Upon application of any club, the board shall issue a
29 club extended hours food permit [for a period of six (6) days
30 during the term of its license]. The board shall issue
31 regulations governing terms of the application. The permits
32 shall be used solely for the purpose of serving food between the
33 hours of three o'clock antemeridian and seven o'clock
34 antemeridian. All patrons of a licensee shall be required to
35 leave that part of the premises habitually used for the serving
36 of liquor or malt or brewed beverages to guests or patrons not
37 later than one-half hour after the time the licensee is required
38 by this act to cease serving liquor or malt or brewed beverages
39 and shall not be permitted to have any previously served liquor
40 or malt or brewed beverages in their possession, nor shall they
41 be permitted to remove any previously served liquor or malt or
42 brewed beverages from that part of the premises.

43 * * *

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

45 (b) (1) [The] (i) Except as otherwise provided, the board
46 may issue a limited distillery license that will allow the
47 holder thereof to operate a distillery that shall not exceed
48 production of one hundred thousand (100,000) gallons of
49 distilled liquor per year. The holder of the license may
50 manufacture and sell bottled liquors produced on the licensed
51 premises to the board, to entities licensed by the board and to

1 the public between the hours of nine o'clock antemeridian and
2 twelve o'clock antemeridian Monday through Saturday and Sunday
3 between the hours of nine o'clock antemeridian through eleven
4 o'clock postmeridian so long as a specific code of distilled
5 liquor which is listed for sale as a stock item by the board in
6 State liquor stores may not be offered for sale at a licensed
7 limited distillery location at a price which is lower than that
8 charged by the board and under such conditions and regulations
9 as the board may enforce. The holder of a limited distillery
10 license may not sell a product or a substantially similar
11 product which is listed for sale as a stock item by the board in
12 State Liquor Stores to a licensee at a price which is lower than
13 that charged by the board and under such conditions and
14 regulations as the board may enforce. The holder of a limited
15 distillery license may also sell wine, alcoholic cider and
16 fermented fruit beverages produced by a licensed limited winery,
17 liquor produced by a licensed distillery or limited distillery
18 and malt or brewed beverages produced by a licensed brewery for
19 on-premises consumption. The combined sales of wine, malt or
20 brewed beverages and liquor produced by another licensed
21 distillery or limited distillery may not, on a yearly basis,
22 exceed fifty per centum of the on-premises sales of the limited
23 distillery's own sales of liquor for the preceding calendar
24 year: however, if a limited distillery did not operate for an
25 entire calendar year during the preceding year, then its
26 combined sales of wine, malt or brewed beverages and liquor
27 produced by another licensed distillery or limited distillery
28 may not, on a yearly basis, exceed fifty per centum of the on-
29 premises sales of the limited distillery's own liquor for that
30 year.

31 (ii) A limited distillery may operate extended hours on
32 December 31 of each calendar year until two o'clock antemeridian
33 January 1 of the following calendar year.

34 (iii) The board may issue an extended hours permit
35 permitting the holder of a limited distillery license to remain
36 open and sell alcohol until two o'clock antemeridian the
37 following calendar day. Following a fifty-dollar (\$50) fee, a
38 holder of a limited distillery license must submit a written
39 application for an extended hours permit under this subclause to
40 the board in a form prescribed by the board. The following shall
41 apply:

42 (A) Only one extended hours permit may be issued to a holder
43 of a limited distillery license per calendar year and may only
44 be used for one day in that calendar year at all of the holder
45 of a limited distillery license's locations.

46 (B) The holder of a limited distillery license shall provide
47 written notice to the local police department, or Pennsylvania
48 State Police if no local police department is available, at
49 least forty-eight hours prior to each use of the extended hours
50 permit. Written notice shall include notifying the police of the
51 date, time and place of the extended sale of alcoholic

1 beverages.

2 * * *

3 (c) (1) [The] (i) Except as otherwise provided, the holder
4 of a distillery license as issued under section 505 may sell
5 bottled liquors produced on the licensed premises to the board,
6 to entities licensed by the board and to the public between the
7 hours of nine o'clock antemeridian and twelve o'clock
8 antemeridian Monday through Saturday and Sunday between the
9 hours of nine o'clock antemeridian through eleven o'clock
10 postmeridian so long as a specific code of distilled liquor
11 which is listed for sale as a stock item by the board in State
12 liquor stores may not be offered for sale at a licensed
13 distillery location at a price which is lower than that charged
14 by the board and under such conditions and regulations as the
15 board may enforce. The holder of a distillery license may not
16 sell a product or a substantially similar product which is
17 listed for sale as a stock item by the board in State Liquor
18 Stores to a licensee at a price which is lower than that charged
19 by the board and under such conditions and regulations as the
20 board may enforce. The holder of a distillery license may also
21 sell its liquor, wine, alcoholic cider and fermented fruit
22 beverages produced by a licensed limited winery, liquor produced
23 by a licensed distillery or limited distillery and malt or
24 brewed beverages produced by a licensed brewery for on-premises
25 consumption. The combined sales of wine, malt or brewed
26 beverages and liquor produced by another licensed distillery or
27 limited distillery may not, on a yearly basis, exceed fifty per
28 centum of the on-premises sales of the distillery's own sales of
29 liquor for the preceding calendar year: however, if a distillery
30 did not operate for an entire calendar year during the preceding
31 year, then its combined sales of wine, malt or brewed beverages
32 and liquor produced by another licensed distillery or limited
33 distillery may not, on a yearly basis, exceed fifty per centum
34 of the on-premises sales of the distillery's own liquor for that
35 year.

36 (ii) A distillery may operate extended hours on December 31
37 of each calendar year until two o'clock antemeridian January 1
38 of the following calendar year.

39 (iii) The board may issue an extended hours permit
40 permitting the holder of a distillery license to remain open and
41 sell alcohol until two o'clock antemeridian the following
42 calendar day. Following a fifty-dollar (\$50) fee, a holder of a
43 distillery license must submit a written application for an
44 extended hours permit under this subclause to the board in a
45 form prescribed by the board. The following shall apply:

46 (A) Only one extended hours permit may be issued to a holder
47 of a distillery license per calendar year and may only be used
48 for one day in that calendar year at all of the holder of a
49 distillery license's locations.

50 (B) The holder of a distillery license shall provide written
51 notice to the local police department, or Pennsylvania State

1 Police if no local police department is available, at least
2 forty-eight hours prior to each use of the extended hours
3 permit. Written notice shall include notifying the police of the
4 date, time and place of the extended sale of alcoholic
5 beverages.

6 * * *

7 Amend Bill, page 4, line 14, by striking out all of said line
8 and inserting

9 Section 12. The act is amended by adding a section to read:

10 Section 505.5. Pennsylvania Distilled Spirits Industry
11 Promotion Board.--(a) The Pennsylvania Distilled Spirits
12 Industry Promotion Board is established.

13 (b) The Pennsylvania Distilled Spirits Industry Promotion
14 Board shall be composed of the following members:

15 (1) One member appointed by the Governor.

16 (2) Four members appointed by the General Assembly as
17 follows:

18 (i) One individual appointed by the President pro tempore of
19 the Senate.

20 (ii) One individual appointed by the Speaker of the House of
21 Representatives.

22 (iii) One individual appointed by the Minority Leader of the
23 Senate.

24 (iv) One individual appointed by the Minority Leader of the
25 House of Representatives.

26 (c) Each member must be a resident of this Commonwealth and
27 have substantial experience or expertise in the Pennsylvania
28 distilleries industry.

29 (d) Each member shall serve at the pleasure of the
30 appointing authority.

31 (e) The Pennsylvania Distilled Spirits Industry Promotion
32 Board has the following powers and duties:

33 (1) Make recommendations to the Secretary of Agriculture to
34 award grants to entities for the purpose of increasing the
35 production of Pennsylvania-made spirits and enhancing the
36 Pennsylvania distilled spirits industry through promotion,
37 marketing and research-based programs and projects. Grants shall
38 be awarded through a competitive grant review process. The
39 application for a grant shall include the following information:

40 (i) Purpose for which the grant will be utilized.

41 (ii) Need for the grant.

42 (iii) Estimated budget.

43 (iv) Method for measuring outcome.

44 (v) Other criteria required by the Pennsylvania Distilled
45 Spirits Industry Promotion Board.

46 (2) Require each grant recipient to provide full and
47 complete access to all records relating to the performance of
48 the grant and to submit accurate information.

49 (3) Conduct a thorough annual evaluation of each program for

1 which a grant under this section is made.

2 (4) Seek repayment of money upon a determination that the
3 money was not utilized for the original stated purpose.

4 (5) Submit an annual report to the General Assembly
5 detailing all grants and other actions.

6 (f) The Department of Agriculture shall assist the
7 Pennsylvania Distilled Spirits Industry Promotion Board in
8 carrying out its powers and duties. Final decisions for awarding
9 grants under subsection (e) (1) shall be made by the Secretary of
10 Agriculture.

11 (g) Annually, the board shall allocate the amount of one
12 million dollars (\$1,000,000) for the purpose of awarding grants
13 under subsection (e) (1).

14 (h) The board shall transfer the annual allocation
15 authorized under this section to the Pennsylvania Distilled
16 Spirits Industry Promotion Board account. The Pennsylvania
17 Distilled Spirits Industry Promotion Board shall allocate money
18 under this subsection for the purpose of awarding grants under
19 subsection (e) (1). The following shall apply:

20 (1) The Pennsylvania Distilled Spirits Industry Promotion
21 Board may deduct money from the allocation under this subsection
22 to cover the Department of Agriculture's expenses in assisting
23 the Pennsylvania Distilled Spirits Promotion Board.

24 (2) In any fiscal year when grant money authorized under
25 this section remains unallocated, the remaining amount of money
26 shall be made available for grants in subsequent fiscal years.

27 (3) Notwithstanding any other provision of law, all of the
28 obligations of the board under this section are fulfilled by
29 virtue of the transfer of the annual allocation under this
30 subsection to the Pennsylvania Distilled Spirits Industry
31 Promotion Board.

32 Section 13. All regulations and parts of regulations are
33 abrogated to the extent of any inconsistency with this act.

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