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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1397 Session of  
2015

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INTRODUCED BY VULAKOVICH, RESCENTIALER, ALLOWAY, BARTOLOTTA,  
STEFANO, WAGNER, KILLION AND WHITE, OCTOBER 24, 2016

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REFERRED TO LAW AND JUSTICE, OCTOBER 24, 2016

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AN ACT

1 Amending the act of April 12, 1951 (P.L.90, No.21), entitled, as  
2 reenacted, "An act relating to alcoholic liquors, alcohol and  
3 malt and brewed beverages; amending, revising, consolidating  
4 and changing the laws relating thereto; regulating and  
5 restricting the manufacture, purchase, sale, possession,  
6 consumption, importation, transportation, furnishing, holding  
7 in bond, holding in storage, traffic in and use of alcoholic  
8 liquors, alcohol and malt and brewed beverages and the  
9 persons engaged or employed therein; defining the powers and  
10 duties of the Pennsylvania Liquor Control Board; providing  
11 for the establishment and operation of State liquor stores,  
12 for the payment of certain license fees to the respective  
13 municipalities and townships, for the abatement of certain  
14 nuisances and, in certain cases, for search and seizure  
15 without warrant; prescribing penalties and forfeitures;  
16 providing for local option, and repealing existing laws," in  
17 preliminary provisions, further providing for definitions;  
18 and, in licenses and regulations and liquor, alcohol and malt  
19 and brewed beverages, providing for spirit expanded permits.

20 The General Assembly of the Commonwealth of Pennsylvania  
21 hereby enacts as follows:

22 Section 1. Section 102 of the act of April 12, 1951 (P.L.90,  
23 No.21), known as the Liquor Code, reenacted and amended June 29,  
24 1987 (P.L.32, No.14), is amended by adding a definition to read:

25 Section 102. Definitions.--The following words or phrases,  
26 unless the context clearly indicates otherwise, shall have the

1 meanings ascribed to them in this section:

2 \* \* \*

3 "Spirits" shall mean any beverage which contains alcohol  
4 obtained by distillation, mixed with water or other substance in  
5 solution, and includes brandy, rum, whiskey, gin, or other  
6 spirituous liquors, and such liquors when rectified, blended or  
7 otherwise mixed with alcohol or other substances.

8 \* \* \*

9 Section 2. The act is amended by adding a section to read:

10 Section 417. Spirit Expanded Permits.--(a) The following  
11 apply:

12 (1) The board shall issue a spirit expanded permit to a  
13 person holding and possessing a valid restaurant liquor license  
14 or hotel liquor license.

15 (2) Nothing in this section may affect the ability of an  
16 existing licensee to operate within the scope of its current  
17 license as authorized by this act, except that no sales of  
18 spirits for off-premises consumption may take place by a spirit  
19 expanded permit holder after eleven o'clock postmeridian of any  
20 day until the licensee's permitted hours of operation under  
21 section 406 of the next day, including Sundays if the licensee  
22 has a permit authorized under sections 406(a)(3) and 432(f).

23 (3) A spirit expanded permit may not be issued to a license  
24 holder whose underlying license is subject to a pending  
25 objection by the director of the Bureau of Licensing or the  
26 board under section 470(a.1), until the matter is decided, so  
27 long as the underlying license is authorized to operate.

28 Notwithstanding any other provision of law, a holder of a spirit  
29 expanded permit may continue to operate under the permit if its  
30 underlying license is objected to by the director of the Bureau

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

3 (4) If the board has approved the operation of another  
4 business which has an inside passage or communication to or with  
5 the licensed premises, the sale and purchase of spirits shall be  
6 confined strictly to the premises, in a specifically designated  
7 area covered by the license. The purchase of goods obtained from  
8 the unlicensed area of the premises shall be permitted in the  
9 licensed area.

10 (5) For purposes of selling spirits for off-premises  
11 consumption, a holder of a spirit expanded permit is not subject  
12 to section 493(14).

13 (6) A spirit expanded permit holder shall comply with the  
14 responsible alcohol management provisions under section 471.1.

15 (7) A spirit expanded permit holder may store spirits in a  
16 noncontiguous area that is not accessible to the public and is:

17 (i) locked at all times when not being accessed by the  
18 licensees' employes;

19 (ii) not accessible to employes under eighteen years of age;  
20 and

21 (iii) identified by dimensions and locations on forms  
22 submitted to the board.

23 (8) A spirit expanded permit holder shall utilize a  
24 transaction scan device to verify the age of an individual who  
25 appears to be under thirty-five years of age before making a  
26 sale of spirits. A spirit expanded permit holder may not sell or  
27 share data from the use of a transaction scan device, provided  
28 that the licensee may use the data to show the enforcement  
29 bureau of the board that the licensee is in compliance with this  
30 act. As used in this paragraph, the term "transaction scan

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

5 (9) A sale of spirits by a spirit expanded permit holder  
6 shall be made through a register which is well designated with  
7 signage, which is staffed at all times, which is staffed by a  
8 sales clerk who is at least eighteen years of age and has been  
9 trained under section 471.1 and which utilizes a transaction  
10 scan device for the sale. The sale of spirits may not occur at a  
11 point of sale where the customer scans the customer's own  
12 purchases.

13 (b) The application and renewal fee for a spirit expanded  
14 permit shall be as follows:

15 (1) For a spirit expanded permit issued to licensees, an  
16 initial application fee of two thousand dollars (\$2,000).

17 (2) An annual renewal fee equal to two per centum of the  
18 cost of spirits purchased from the board for off-premises  
19 consumption.

20 (c) Notwithstanding the provisions of section 802, all fees  
21 paid to the board under this section shall be paid into the  
22 State Treasury for deposit as follows:

23 (1) All moneys shall be deposited in the State Stores Fund.

24 (2) Every June 1, all moneys deposited under paragraph (1)  
25 shall be transferred to the General Fund.

26 (d) A spirit expanded permit holder may sell for off-  
27 premises consumption, in a single transaction, up to three  
28 thousand (3,000) milliliters of spirits.

29 (e) The following apply:

30 (1) Spirit expanded permit holders shall comply with the

1 provisions of section 201(f), (k) and (o) of the act of March 4,  
2 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971,  
3 regarding the purchase of spirits from a Pennsylvania Liquor  
4 Store.

5 (2) The sale of spirits by a spirit expanded permit holder  
6 for off-premises consumption shall be considered a "purchase at  
7 retail" under section 201(f) of the Tax Reform Code of 1971, a  
8 "sale at retail" under section 201(k) of the Tax Reform Code of  
9 1971 or a "use" under section 201(o) of the Tax Reform Code of  
10 1971.

11 (3) A spirit expanded permit holder may, when filing its  
12 required returns under Article II of the Tax Reform Code of  
13 1971, request a credit of any taxes paid in accordance with  
14 paragraph (1) for spirits sold for off-premises consumption and  
15 for which taxes were remitted to the department under paragraph  
16 (2).

17 (f) A spirit expanded permit holder may not sell a spirit  
18 product for off-premises consumption at a price less than the  
19 licensee's purchase price from the board of the spirit product.

20 (g) A spirit expanded permit holder may not sell a private  
21 label product.

22 Section 3. This act shall take effect in 60 days.