

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL**No. 1690** Session of
2015

INTRODUCED BY TURZAI, BLOOM, CUTLER, PAYNE, HICKERNELL, GREINER,
A. HARRIS, MILNE, MOUL, SAYLOR, SANKEY, CORBIN, ROAE,
EVERETT, LAWRENCE, DUNBAR, TRUITT, QUIGLEY, LEWIS, MACKENZIE,
MILLARD, STAATS, DELOZIER, MUSTIO, TOPPER, MENTZER, SONNEY,
KNOWLES, KAMPF, ROSS AND METCALFE, NOVEMBER 12, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
NOVEMBER 18, 2015

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," as
17 follows:
18 In preliminary provisions, further providing for definitions.
19 In Pennsylvania Liquor Control Board, further providing for
20 general powers of board.
21 In licenses and regulations, liquor, alcohol and malt and
22 brewed beverages, further providing for license districts,
23 license period and hearings and for issuance, transfer or
24 extension of hotel, restaurant and club liquor licenses,
25 providing for wholesale permit, for wholesale licenses, for wine
26 or liquor expanded permits, for wine or liquor enhanced permits
27 and for grocery store retail permits; further providing for malt
28 and brewed beverages manufacturers', distributors' and importing

1 distributors' licenses, for malt and brewed beverages retail
2 licenses, for application for distributors', importing
3 distributors' and retail dispensers' licenses, for prohibitions
4 against the grant of licenses, for interlocking business
5 prohibited, for licenses not assignable and transfers, for
6 surrender of restaurant, eating place retail dispenser, hotel,
7 importing distributor and distributor license for benefit of
8 licensee and for unlawful acts relative to malt or brewed
9 beverages and licensees.

10 In miscellaneous provisions, providing for transition
11 assistance committee, for preference in public employment
12 hiring, career training and post-secondary education grant
13 eligibility, for reemployment tax credit and for protection of
14 existing benefits.

15 The General Assembly finds and declares as follows:

16 (1) It is the purpose of this act to reform and
17 privatize the system by which alcohol is dispensed and
18 controlled within this Commonwealth to reflect changes in the
19 marketplace while continuing to protect the welfare, health,
20 peace and morals of the citizens of this Commonwealth.

21 (2) The 21st amendment to the Constitution of the United
22 States dictates that the laws of the states shall govern the
23 transportation and importation of intoxicating liquors into
24 the state for delivery and use within the state.

25 (3) Further, the United States Supreme Court has opined
26 in interpreting the 21st amendment that "the states'
27 regulatory power over this segment of commerce is largely
28 unfettered by the Constitution's commerce clause."

29 (4) Revenues derived from the operation of a system for
30 the manufacture, transportation, distribution and sale of
31 alcohol are necessary to implement and sustain a regulated
32 marketplace to continue to protect the welfare, health, peace
33 and morals of the citizens of this Commonwealth and to
34 contribute to the overall economic stability of the
35 Commonwealth.

1 (5) In order to adapt to the changing marketplace, this
2 act will:

3 (i) Permit private industry to offer additional
4 products for sale while ensuring that the laws of this
5 Commonwealth are thoroughly enforced.

6 (ii) Ensure that the value of licenses held by small
7 businesses are not devalued, but are enhanced through the
8 opportunity to expand operations and sales.

9 (iii) Provide for the operation of a retail system
10 that promotes competition and convenience to ensure that
11 the residents of this Commonwealth purchase products
12 within this Commonwealth.

13 (iv) Establish a system by which these increased
14 opportunities will continue to contribute to overall
15 fiscal stability of the Commonwealth.

16 (6) Recognizing the benefits of allowing the private
17 market to offer products directly to licensees and retailers,
18 the General Assembly intends to fully divest of the
19 Commonwealth's wholesale liquor business in order to allow
20 additional products into the marketplace, establish a more
21 reliable system for the distribution of products and provide
22 additional convenience for licensees and retailers.

23 (7) Recognition and furtherance of all these elements is
24 essential to the welfare, health, peace and morals of the
25 citizens of this Commonwealth.

26 The General Assembly of the Commonwealth of Pennsylvania
27 hereby enacts as follows:

28 Section 1. The definitions of "distributor," "importing
29 distributor" and "liquor" in section 102 of the act of April 12,
30 1951 (P.L.90, No.21), known as the Liquor Code, reenacted and

1 amended June 29, 1987 (P.L.32, No.14) and amended May 31, 1996
2 (P.L.312, No.49), are amended and the section is amended by
3 adding definitions 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 "Displaced employee" shall mean a salaried employee of the
9 board whose employment is terminated as a sole and direct result
10 of the implementation of section 207. The term shall not include
11 a person who is terminated for cause or who retires or resigns,
12 is furloughed or is otherwise separated from employment for any
13 other reason. The term shall not include intermittent liquor
14 store clerks and seasonal liquor store clerks.

15 * * *

16 "Distributor" shall mean any person licensed or holding a
17 permit authorized by the board to sell wine, sell liquor or to
18 engage in the purchase only from Pennsylvania manufacturers and
19 from importing distributors and the resale of malt or brewed
20 beverages, except to importing distributors and distributors, in
21 the original sealed containers as prepared for the market by the
22 manufacturer at the place of manufacture, but not for
23 consumption on the premises where sold, and in quantities of not
24 less than a case or original containers containing one hundred
25 twenty-eight ounces or more which may be sold separately.

26 * * *

27 "Grocery store" shall mean a reputable place operated by
28 persons of good repute, which primarily sells food, supplies for
29 the table and food products for human consumption off the
30 premises and which has an area under one roof of ten thousand

1 square feet or more.

2 * * *

3 "Importing distributor" shall mean any person licensed or
4 holding a permit authorized by the board to sell wine, sell
5 liquor and to engage in the purchase from manufacturers and
6 other persons located outside this Commonwealth and from persons
7 licensed as manufacturers of malt or brewed beverages and
8 importing distributors under this act, and the resale of malt or
9 brewed beverages in the original sealed containers as prepared
10 for the market by the manufacturer at the place of manufacture,
11 but not for consumption on the premises where sold, and in
12 quantities of not less than a case or original containers
13 containing one hundred twenty-eight ounces or more which may be
14 sold separately.

15 "Licensed premises" shall mean the premises covered by the
16 license as approved by the board and shall include the term
17 "location" as used in sections 404, 431(b) and 432(d).

18 * * *

19 "Liquor" except as provided in sections 207(a.1), 410.1(c),
20 415(f) and 416(1), shall mean and include any alcoholic,
21 spirituous, vinous, fermented or other alcoholic beverage, or
22 combination of liquors and mixed liquor a part of which is
23 spirituous, vinous, fermented or otherwise alcoholic, including
24 all drinks or drinkable liquids, preparations or mixtures, and
25 reused, recovered or redistilled denatured alcohol usable or
26 taxable for beverage purposes which contain more than one-half
27 of one per cent of alcohol by volume, except pure ethyl alcohol
28 and malt or brewed beverages.

29 * * *

30 "Unlicensed entity" shall mean a person not holding a license

1 issued pursuant to this act that possesses a valid wine enhanced
2 permit or liquor enhanced permit under section 416(f).

3 Section 2. Section 207(b) of the act is amended and the
4 section is amended by adding a subsection to read:

5 Section 207. General Powers of Board.--Under this act, the
6 board shall have the power and its duty shall be:

7 * * *

8 (a.1) (1) To close Pennsylvania Liquor Stores. Before
9 making a determination to close a Pennsylvania Liquor Store, the
10 board shall take into consideration the availability and
11 accessibility of liquor to the public through the private retail
12 market, the pricing of liquor in the area and the profitability
13 of the store.

14 (2) Availability and accessibility of liquor shall be
15 determined by the proximity of the closest holder of a wine and
16 liquor enhanced permit under section 416. The board shall
17 identify the two closest distributors or importing distributors.
18 If one of the distributors or importing distributors is selling
19 wine and liquor under section 416 or, if there is an unlicensed
20 entity selling wine and liquor under section 416 within the same
21 proximity of the two closest distributors or importing
22 distributors, then the board shall close the store.

23 (3) A Pennsylvania Liquor Store designated for closure shall
24 cease operations within sixty days.

25 (4) The board shall arrange for the disposition of the
26 liquor remaining in inventory at a designated store. In order to
27 effectuate this subsection, the board may, in consultation with
28 the Department of General Services, do any of the following:

29 (i) Coordinate with the vendor of record for the repurchase
30 of products by the vendor of record.

1 (ii) Sell products to holders of wine or liquor expanded or
2 enhanced permits or an unlicensed wine or liquor enhanced permit
3 holder.

4 (iii) Transport products for sale at another operating
5 Pennsylvania Liquor Store.

6 (5) The Department of General Services, in consultation with
7 the board, shall establish a procedure for the sale of the
8 nonliquor inventory, property and fixtures of all Pennsylvania
9 Liquor Stores consistent with 62 Pa.C.S. Ch. 15 (relating to
10 supply management). The holders of wine or liquor enhanced
11 permits shall have the opportunity to bid on the items to be
12 sold or otherwise participate in the sale. All proceeds from the
13 sales shall be deposited into the State Store Fund.

14 (6) The board shall provide immediate notice to the lessor
15 upon receipt of notice to close a designated Pennsylvania Liquor
16 Store issued by the Department of General Services. The board
17 shall reimburse the lessor for any outstanding renovation costs
18 that were incurred during the term of the current lease as of
19 the effective date of the act.

20 (b) To control the manufacture, possession, sale,
21 consumption, importation, use, storage, transportation and
22 delivery of liquor, alcohol and malt or brewed beverages in
23 accordance with the provisions of this act, and to fix the
24 wholesale and retail prices at which liquors and alcohol shall
25 be sold at Pennsylvania Liquor Stores.

26 (1) Prices shall be proportional with prices paid by the
27 board to its suppliers and shall reflect any advantage obtained
28 through volume purchases by the board.

29 (2) The board may establish a preferential price structure
30 for wines produced within this Commonwealth for the promotion of

1 such wines, as long as the price structure is uniform within
2 each class of wine purchased by the board.

3 (3) The board shall require each Pennsylvania manufacturer
4 and each nonresident manufacturer of liquors, other than wine,
5 selling such liquors to the board, which are not manufactured in
6 this Commonwealth, to make application for and be granted a
7 permit by the board before such liquors not manufactured in this
8 Commonwealth shall be purchased from such manufacturer. Each
9 such manufacturer shall pay for such permit a fee which, in the
10 case of a manufacturer of this Commonwealth, shall be equal to
11 that required to be paid, if any, by a manufacturer or
12 wholesaler of the state, territory or country of origin of the
13 liquors, for selling liquors manufactured in Pennsylvania, and
14 in the case of a nonresident manufacturer, shall be equal to
15 that required to be paid, if any, in such state, territory or
16 country by Pennsylvania manufacturers doing business in such
17 state, territory or country. In the event that any such
18 manufacturer shall, in the opinion of the board, sell or attempt
19 to sell liquors to the board through another person for the
20 purpose of evading this provision relating to permits, the board
21 shall require such person, before purchasing liquors from him or
22 it, to take out a permit and pay the same fee as hereinbefore
23 required to be paid by such manufacturer. All permit fees so
24 collected shall be paid into the State Stores Fund.

25 (4) The board shall not purchase any alcohol or liquor
26 fermented, distilled, rectified, compounded or bottled in any
27 state, territory or country, the laws of which result in
28 prohibiting the importation therein of alcohol or liquor,
29 fermented, distilled, rectified, compounded or bottled in
30 Pennsylvania.

1 (5) The board's authority to exercise the powers granted
2 pursuant to this subsection is subject to the limitations set
3 forth in sections 207(a.1), 410.1 and 410.2.

4 * * *

5 Section 3. Section 402 of the act is amended by adding a
6 subsection to read:

7 Section 402. License Districts; License Period; Hearings.--*

8 * *

9 (d) This section shall not apply to permit holders holding a
10 valid wine or liquor expanded or wine or liquor enhanced permit
11 or grocery store retail permit under section 415, 416 or 417.

12 Section 4. Section 404 of the act, amended January 6, 2006
13 (P.L.1, No.1), is amended to read:

14 Section 404. Issuance, Transfer or Extension of Hotel,
15 Restaurant and Club Liquor Licenses.--Upon receipt of the
16 application and the proper fees, and upon being satisfied of the
17 truth of the statements in the application that the applicant is
18 the only person in any manner pecuniarily interested in the
19 business so asked to be licensed and that no other person will
20 be in any manner pecuniarily interested therein during the
21 continuance of the license, except as hereinafter permitted, and
22 that the applicant is a person of good repute, that the premises
23 applied for meet all the requirements of this act and the
24 regulations of the board, that the applicant seeks a license for
25 a hotel, restaurant or club, as defined in this act, and that
26 the issuance of such license is not prohibited by any of the
27 provisions of this act, the board shall, in the case of a hotel
28 or restaurant, grant and issue to the applicant a liquor
29 license, and in the case of a club may, in its discretion, issue
30 or refuse a license: Provided, however, That in the case of any

1 new license or the transfer of any license to a new location or
2 the extension of an existing license to cover an additional area
3 the board may, in its discretion, grant or refuse such new
4 license, transfer or extension if such place proposed to be
5 licensed is within three hundred feet of any church, hospital,
6 charitable institution, school, or public playground, or if such
7 new license, transfer or extension is applied for a place which
8 is within two hundred feet of any other premises which is
9 licensed by the board: And provided further, That the board's
10 authority to refuse to grant a license because of its proximity
11 to a church, hospital, charitable institution, public playground
12 or other licensed premises shall not be applicable to license
13 applications submitted for public venues or performing arts
14 facilities: And provided further, That the board shall refuse
15 any application for a new license, the transfer of any license
16 to a new location or the extension of an existing license to
17 cover an additional area if, in the board's opinion, such new
18 license, transfer or extension would be detrimental to the
19 welfare, health, peace and morals of the inhabitants of the
20 neighborhood within a radius of five hundred feet of the place
21 proposed to be licensed: And provided further, That the board
22 shall have the discretion to refuse a license to any person or
23 to any corporation, partnership or association if such person,
24 or any officer or director of such corporation, or any member or
25 partner of such partnership or association shall have been
26 convicted or found guilty of a felony within a period of five
27 years immediately preceding the date of application for the said
28 license. [The board shall refuse any application for a new
29 license, the transfer of any license to a new location or the
30 extension of any license to cover an additional area where the

1 sale of liquid fuels or oil is conducted.] The board shall not
2 license the area where liquid fuels or oil is sold. No sales of
3 liquid fuels or oil may be made from a licensee's licensed
4 premises. A licensed premises may not have an interior
5 connection with a location that sells liquid fuels or oils
6 unless it first receives permission from the board for the
7 interior connection. The approval shall be required regardless
8 of whether the licensee or another party is the entity selling
9 the liquid fuels or oils. The board may enter into an agreement
10 with the applicant concerning additional restrictions on the
11 license in question. If the board and the applicant enter into
12 such an agreement, such agreement shall be binding on the
13 applicant. Failure by the applicant to adhere to the agreement
14 will be sufficient cause to form the basis for a citation under
15 section 471 and for the nonrenewal of the license under section
16 470. If the board enters into an agreement with an applicant
17 concerning additional restrictions, those restrictions shall be
18 binding on subsequent holders of the license until the license
19 is transferred to a new location or until the board enters into
20 a subsequent agreement removing those restrictions. If the
21 application in question involves a location previously licensed
22 by the board, then any restrictions imposed by the board on the
23 previous license at that location shall be binding on the
24 applicant unless the board enters into a new agreement
25 rescinding those restrictions. The board may, in its discretion,
26 refuse an application for an economic development license under
27 section 461(b.1) or an application for an intermunicipal
28 transfer of a license if the board receives a protest from the
29 governing body of the receiving municipality. The receiving
30 municipality of an intermunicipal transfer or an economic

1 development license under section 461(b.1) may file a protest
2 against the transfer of a license into its municipality, and the
3 receiving municipality shall have standing in a hearing to
4 present testimony in support of or against the issuance or
5 transfer of a license. Upon any opening in any quota, an
6 application for a new license shall only be filed with the board
7 for a period of six months following said opening.

8 Section 5. The act is amended by adding sections to read:

9 Section 410.1. Wholesale Permit.--(a) Notwithstanding any
10 other provision of law, an importer licensed under Article V may
11 make application to the board on forms prescribed by the board
12 for a wholesale permit for the purpose of selling and
13 distributing wholesale wine or liquor to licensees, unlicensed
14 wine or liquor enhanced permit holders and to United States
15 Armed Forces facilities located on United States Armed Forces
16 installations within this Commonwealth. Within 30 days of the
17 effective date of this section, the board shall accept
18 applications, and the board shall approve the issuance of a
19 wholesale permit within 60 days of receipt of the application if
20 the applicant meets the requirements under this section.
21 Applicants shall submit the initial permit fee with their
22 application to the board. The Department of Revenue shall audit
23 retailers to determine whether wholesale permit holders,
24 licensees or unlicensed wine or liquor enhanced permit holders
25 are remitting the tax imposed under sections 415 and 416 and
26 Article II of the act of March 4, 1971 (P.L.6, No.2), known as
27 the "Tax Reform Code of 1971," for products sold for consumption
28 on and off the premises. The following shall apply:

29 (1) The wholesale permit holder shall:

30 (i) Provide to the board a list of the brands of wine or

1 liquor it will distribute.

2 (ii) Serve all licensees or unlicensed wine or liquor
3 enhanced permit holders authorized to purchase and resell wine
4 or liquor under this act and make wine or liquor available for
5 sale to those licensees or unlicensed wine or liquor enhanced
6 permit holders under the same pricing structure.

7 (iii) Post prices with the board and give written notice of
8 price changes to the board at least 30 days before the effective
9 date of the price change. All price changes shall be effective
10 on the first day of the month.

11 (iv) Keep a detailed log of wholesale wine or liquor
12 transactions, including sales to licensees or unlicensed wine or
13 liquor enhanced permit holders under this act.

14 (2) The wholesale permit holder may sell and distribute more
15 than one brand of wine or liquor under the same permit and shall
16 provide any contractual agreements between the wholesale permit
17 holder and the licensed manufacturer to the board.

18 (3) The wholesale permit holder may amend the list of brands
19 of wine or liquor it distributes to include additional brands of
20 wine or liquor. The following shall apply:

21 (i) For brands of liquor that have not been sold by the
22 board at Pennsylvania Liquor Stores or through special liquor
23 orders, the wholesale permit holders shall apply to the board
24 for permission to add that brand to the permit holder's list of
25 brands permitted to be sold under the permit.

26 (ii) For each new brand of liquor, an application filing fee
27 of two thousand five hundred dollars (\$2,500) shall be submitted
28 with the application.

29 (4) The wine or liquor products shipped into this
30 Commonwealth must be delivered to the wholesale permit holder's

1 licensed premises. Upon delivery, the products shall be
2 unloaded, inventoried and remain on the licensed premises for
3 forty-eight hours before delivery is made to licensees or
4 unlicensed wine or liquor enhanced permit holders. During that
5 time period, the board may inspect and inventory importer
6 warehouses.

7 (5) The wholesale permit holder may not engage in conduct
8 that would constitute any of the following:

9 (i) Variable pricing.

10 (ii) Unfair or deceptive trade practices proscribed under
11 Federal or State law or regulation.

12 (iii) Intentional exclusion of competing brands of wine or
13 liquor from the marketplace.

14 (6) The wholesale permit holder may only sell and distribute
15 those products in this Commonwealth that are subject to a
16 contractual relationship between the wholesale permit holder and
17 one or more licensed manufacturers or suppliers of wine or
18 liquor.

19 (7) A wholesale permit holder shall remit to the Department
20 of Revenue all applicable taxes. A wholesale permit holder shall
21 be considered a State Liquor Store for the purpose of collecting
22 and remitting taxes under Article II of the "Tax Reform Code of
23 1971" for products sold by licensees for on-premises
24 consumption.

25 (8) The emergency State tax imposed under the act of June 9,
26 1936 (1st Sp.Sess., P.L.13, No.4), entitled "An act imposing an
27 emergency State tax on liquor, as herein defined, sold by the
28 Pennsylvania Liquor Control Board; providing for the collection
29 and payment of such tax; and imposing duties upon the Department
30 of Revenue and the Pennsylvania Liquor Control Board," shall be

1 included in the retail price of wine or liquor offered for sale
2 by a wine or liquor expanded permit holder under section 415 or
3 by a wine or liquor enhanced permit holder under section 416.
4 The tax may not be assessed at the point of sale to consumers.
5 Licensees or unlicensed wine or liquor enhanced permit holders
6 selling wine or liquor at retail shall be required to remit the
7 taxes to the Department of Revenue.

8 (9) No wholesale permit holder under this section may hold a
9 license or permit to engage in any sales of wine or liquor at
10 retail to residents of this Commonwealth and no licensee or
11 permit holder selling wine or liquor at retail in this
12 Commonwealth may obtain a wholesale permit from the board. No
13 wholesale permit may be issued to any wine or liquor
14 manufacturer or producer.

15 (10) Any licensed importer that wishes to obtain a wholesale
16 permit shall do all of the following:

17 (i) Notify the board in writing.

18 (ii) Pay the permitting fees specified under paragraph (11).

19 (iii) Provide a statement to the board indicating that the
20 licensed importer plans to continuously operate under the
21 wholesale permit for the duration of the permit. The wholesale
22 permit shall be in effect for ten years from the date of
23 issuance and shall be renewed yearly with the board unless
24 suspended, revoked or not renewed.

25 (11) Wholesale permit fees shall be as follows:

26 (i) A licensed importer shall submit an initial fee equal to
27 fifteen per centum (15%) of the cost of goods sold with the
28 application. For purposes of this paragraph, "cost of goods
29 sold" shall be determined as the purchase price the board paid
30 to the licensed importer for products sold by the board in the

1 most recent twelve (12) month period.

2 (ii) A wholesale permit holder shall pay a renewal fee equal
3 to fifteen per centum (15%) of its gross receipts for each
4 calendar quarter upon commencement of its wholesale operations.

5 (iii) The renewal fee shall be due and payable on the
6 twentieth day of April, July, October and January. The permit
7 holder shall file a return and remit payment on the form as
8 prescribed by the board.

9 (iv) For purposes of this paragraph, gross receipts shall be
10 determined as the total of all sales of wine and liquor made to
11 the board, licensees and unlicensed wine or liquor enhanced <--
12 permit holders. LICENSEES, UNLICENSED WINE OR LIQUOR ENHANCED <--
13 PERMIT HOLDERS AND GROCERY STORE RETAIL PERMIT HOLDERS.

14 (12) Any violation of this act or the board's regulations
15 for governing activity occurring under the authority of the
16 wholesale permit may be the basis for any of the following:

17 (i) A fine, suspension or wholesale permit revocation.

18 (ii) Nonrenewal of the importer license.

19 (iii) Other penalties authorized under section 471.

20 (13) The board shall have no authority to do any of the
21 following once wholesale permits have been issued and permit
22 holders have commenced providing wholesale products to licensees
23 and permit holders:

24 (i) Determine what wines or liquor products may be sold in
25 this Commonwealth.

26 (ii) Set the price at which products may be sold at
27 wholesale or retail in this Commonwealth.

28 (iii) Sell products at wholesale to retail licensees or
29 unlicensed wine or liquor enhanced permit holders.

30 (b) All fees paid to the board under this section shall be

1 deposited into the General Fund.

2 (c) For the purposes of this section, the term "liquor"
3 shall not include wine.

4 Section 410.2. Wholesale Licenses.--(a) At the conclusion
5 of the ten-year wholesale permit under section 410.1., the
6 Commonwealth's wholesale wine and liquor system shall be
7 divested.

8 (b) At the conclusion of the ten-year wholesale permit, the
9 holder of a wholesale permit shall be granted a wholesale
10 license to continue operations and shall continue to operate
11 under the requirements of section 410.1 in addition to the
12 following requirements:

13 (1) A wholesale license shall be in effect unless suspended,
14 revoked or not renewed under this act. A wholesale license in
15 good standing shall be renewed every year as follows:

16 (i) Wholesale licenses issued under this section shall be
17 subject to renewal every year.

18 (ii) The application for renewal shall be submitted, on a
19 form prescribed by the board, at least thirty days prior to the
20 expiration of the wholesale license and shall include, at a
21 minimum, an update of the information contained in the initial
22 and prior renewal applications and the payment of any renewal
23 fee required under this section.

24 (iii) A renewal fee of five per centum (5%) of the wholesale
25 licensee's gross receipts shall be due upon application for the
26 renewal of a wine and spirits retail license. For the purposes
27 of this subparagraph, gross receipts shall be determined as the
28 total of all sales of wine and liquor made to licensees and
29 unlicensed permit holders.

30 (iv) The board may revoke a wholesale license issued under

1 this section if it finds that the licensee or any of its
2 affiliates, executive officers, directors or general or limited
3 partners or persons holding a controlling interest in the
4 licensee:

5 (A) is in violation of any provision of this act;

6 (B) has furnished the board with false or misleading
7 information; or

8 (C) is no longer reputable or suitable for licensure.

9 (2) (Reserved).

10 (c) All fees paid to the board under this section shall be
11 deposited in the General Fund.

12 Section 415. Wine or Liquor Expanded Permits.--(a) (1) The
13 board shall issue a wine or liquor expanded permit to a person
14 holding and possessing a valid restaurant liquor license or
15 hotel liquor license. Nothing in this section shall be construed
16 to prohibit a person possessing a valid restaurant or hotel
17 liquor license from acquiring both a wine expanded permit and a
18 liquor expanded permit.

19 (2) Nothing in this section may affect the ability of an
20 existing licensee to operate within the scope of its current
21 license as authorized by this act, except that no sales of wine
22 or liquor for consumption off the premises may take place by a
23 wine or liquor expanded permit holder after eleven o'clock
24 postmeridian of any day until eight o'clock antemeridian of the
25 next day, including Sundays if the licensee has a permit
26 authorized under sections 406(a) (3) and 432(f).

27 (3) No wine or liquor expanded permit may be issued to a
28 license holder whose underlying license is subject to a pending
29 objection by the director of the Bureau of Licensing or the
30 board under section 470(a.1), until the matter is decided.

1 Notwithstanding any other provision of law, a holder of a wine
2 or liquor expanded permit may continue to operate under the
3 permit if its underlying license is objected to by the director
4 of the Bureau of Licensing or the board under section 470(a.1),
5 until the matter is decided.

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

13 (5) For purposes of selling wine or liquor for off-premises
14 consumption, a holder of a wine or liquor expanded permit is not
15 subject to section 493(14).

16 (6) A wine or liquor expanded permit holder shall comply
17 with the responsible alcohol management provisions under section
18 471.1.

19 (7) A wine or liquor expanded permit holder may store wine
20 or liquor in a noncontiguous area that is not accessible to the
21 public and is:

22 (i) locked at all times when not being accessed by the
23 licensees' employees;

24 (ii) not accessible to employees eighteen years of age or
25 younger; and

26 (iii) identified by dimensions and locations on forms
27 submitted to the board.

28 (8) A wine or liquor expanded permit holder shall utilize a
29 transaction scan device to verify the age of an individual who
30 appears to be under thirty-five years of age before making a

1 sale of wine or liquor. A wine or liquor expanded permit holder
2 may not sell or share data from the use of a transaction scan
3 device, provided that the licensee may use the data to show the
4 enforcement bureau of the board that the licensee is in
5 compliance with this act. As used in this paragraph, the term
6 "transaction scan device" means a device capable of deciphering,
7 in an electronically readable format, the information encoded on
8 the magnetic strip or bar code of an identification card under
9 section 495(a).

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

18 (b) The application and renewal fee for a wine expanded
19 permit shall be as follows:

20 (1) For a wine expanded permit issued to licensees, an
21 initial application fee of two thousand five hundred dollars
22 (\$2,500) and annual renewal fees as follows:

23 (i) One thousand dollars (\$1,000) for a licensee whose total
24 annual wine sales are less than one hundred thousand dollars
25 (\$100,000) in the prior calendar year.

26 (ii) Two thousand dollars (\$2,000) for a licensee whose
27 total annual wine sales are equal to or greater than one hundred
28 thousand dollars (\$100,000) but less than two hundred thousand
29 dollars (\$200,000) in the prior calendar year.

30 (iii) Three thousand dollars (\$3,000) for a licensee whose

1 total annual wine sales are equal to or greater than two hundred
2 thousand (\$200,000) in the prior calendar year.

3 (2) (Reserved).

4 (c) The application and renewal fee for a liquor expanded
5 permit shall be as follows:

6 (1) For a liquor expanded permit issued to licensees, an
7 initial application fee of two thousand five hundred dollars
8 (\$2,500) and annual renewal fees as follows:

9 (i) One thousand dollars (\$1,000) for a licensee whose total
10 annual liquor sales are less than one hundred thousand dollars
11 (\$100,000) in the prior calendar year.

12 (ii) Two thousand dollars (\$2,000) for a licensee whose
13 total annual liquor sales are equal to or greater than one
14 hundred thousand dollars (\$100,000) but less than two hundred
15 thousand dollars (\$200,000) in the prior calendar year.

16 (iii) Three thousand dollars (\$3,000) for a licensee whose
17 total annual liquor sales are equal to or greater than two
18 hundred thousand dollars (\$200,000) in the prior calendar year.

19 (2) (Reserved).

20 (d) All fees paid to the board under this section shall be
21 deposited into the General Fund.

22 (e) A wine or liquor expanded permit holder may sell for
23 consumption off the premises, in a single transaction, up to:

24 (1) ~~one hundred ninety two ounces~~ FOUR AND ONE-HALF LITERS <--
25 of wine; and

26 (2) one and seventy-five one hundredths liters of liquor.

27 (f) A wine or liquor expanded permit holder selling wine or
28 liquor for consumption off the premises shall be considered a
29 Pennsylvania Liquor Store for purposes of collecting and
30 remitting taxes under Article II of the act of March 4, 1971

1 (P.L.6, No.2), known as the "Tax Reform Code of 1971."

2 (g) For the purposes of this section, the term "liquor"
3 shall not include wine.

4 Section 416. Wine or Liquor Enhanced Permits.--(a) (1) The
5 board shall issue a wine or liquor enhanced permit to a person
6 holding and possessing a valid distributor or importing
7 distributor license or to an unlicensed entity. Nothing in this
8 section shall be construed to prohibit a person possessing a
9 valid distributor or importing distributor license or an
10 unlicensed entity from acquiring both a wine enhanced permit and
11 a liquor enhanced permit.

12 (2) Nothing in this section may affect the ability of an
13 existing licensee to operate within the scope of its current
14 license as authorized by this act, except that no sales of wine
15 or liquor for consumption off the premises may take place by a
16 wine enhanced permit holder after eleven o'clock postmeridian of
17 any day until eight o'clock antemeridian of the next day.

18 (3) No wine or liquor enhanced permit may be issued to a
19 license holder whose underlying license is subject to a pending
20 objection by the director of the Bureau of Licensing or the
21 board under section 470(a.1), until the matter is decided.
22 Notwithstanding any other provision of law, a holder of a wine
23 or liquor enhanced permit may continue to operate under the
24 permit if its underlying license is objected to by the director
25 of the Bureau of Licensing or the board under section 470(a.1),
26 until the matter is decided.

27 (4) If the board has approved the operation of another
28 business which has an inside passage or communication to or with
29 the licensed premises, the sale and purchase of wine or liquor
30 shall be confined strictly to the premises, in a specifically

1 designated area covered by the license. The purchase of a good
2 obtained from the unlicensed area of the premises shall be
3 permitted in the licensed area. Notwithstanding this paragraph,
4 a distributor or importing distributor with a valid wine or
5 liquor enhanced permit may sell wine or liquor at a location not
6 covered by the distributor's or importing distributor's license
7 as approved by the board.

8 (5) A wine or liquor enhanced permit holder must be in
9 compliance with the responsible alcohol management provisions
10 under section 471.1.

11 (6) A wine or liquor enhanced permit holder shall utilize a
12 transaction scan device to verify the age of an individual who
13 appears to be under thirty-five years of age before making a
14 sale of liquor. A wine or liquor enhanced permit holder may not
15 sell or share data from the use of a transaction scan device,
16 provided that the licensee may use the data to show the
17 enforcement bureau of the board that the licensee is in
18 compliance with this act. As used in this paragraph, the term
19 "transaction scan device" means a device capable of deciphering,
20 in an electronically readable format, the information encoded on
21 the magnetic strip or bar code of an identification card under
22 section 495(a).

23 (b) The initial application fee and renewal fees shall be as
24 follows:

25 (1) The initial application fee for a wine enhanced permit
26 issued to a licensee:

27 (i) For a county of the first class or second class, thirty
28 thousand dollars (\$30,000).

29 (ii) For a county of the second class A or third class,
30 thirty-seven thousand five hundred dollars (\$37,500).

1 (iii) For a county of the fourth class or fifth class,
2 twenty-two thousand five hundred dollars (\$22,500).

3 (iv) For a county of the sixth class or seventh class,
4 fifteen thousand dollars (\$15,000).

5 (v) For a county of the eighth class, seven thousand five
6 hundred dollars (\$7,500).

7 (2) The annual renewal fee for a wine enhanced permit shall
8 be as follows:

9 (i) Two thousand dollars (\$2,000) for licensees whose total
10 annual wine sales are less than one hundred thousand dollars
11 (\$100,000) in the prior calendar year.

12 (ii) Four thousand dollars (\$4,000) for licensees whose
13 total annual wine sales are equal to or greater than one hundred
14 thousand dollars (\$100,000) but less than two hundred thousand
15 dollars (\$200,000) in the prior calendar year.

16 (iii) Six thousand dollars (\$6,000) for licensees whose
17 total annual wine sales are equal to or greater than two hundred
18 thousand dollars (\$200,000) in the prior calendar year.

19 (3) The initial application fee for a liquor enhanced permit
20 issued to a licensee:

21 (i) For a county of the first class or second class, fifty-
22 two thousand five hundred dollars (\$52,500).

23 (ii) For a county of the second class A or third class,
24 sixty thousand dollars (\$60,000).

25 (iii) For a county of the fourth class or fifth class,
26 forty-five thousand dollars (\$45,000).

27 (iv) For a county of the sixth class or seventh class,
28 thirty-seven thousand five hundred dollars (\$37,500).

29 (v) For a county of the eighth class, thirty thousand
30 dollars (\$30,000).

1 (4) The annual renewal fee for a liquor enhanced permit
2 shall be as follows:

3 (i) Two thousand dollars (\$2,000) for licensees whose total
4 annual liquor sales are less than one hundred thousand dollars
5 (\$100,000) in the prior calendar year.

6 (ii) Four thousand dollars (\$4,000) for licensees whose
7 total annual liquor sales are equal to or greater than one
8 hundred thousand dollars (\$100,000) but less than two hundred
9 thousand dollars (\$200,000) in the prior calendar year.

10 (iii) Six thousand dollars (\$6,000) for licensees whose
11 total annual liquor sales are equal to or greater than two
12 hundred thousand (\$200,000) in the prior calendar year.

13 (c) (Reserved).

14 (d) A wine or liquor enhanced permit holder may sell
15 unlimited quantities of wine or liquor for consumption off the
16 premises.

17 (e) (Reserved).

18 (f) The board shall issue wine enhanced permits and liquor
19 enhanced permits in a number equal to the number of licensed
20 distributors and importing distributors in a county and in
21 existence on the effective date of this section. If there are
22 wine or liquor enhanced permits remaining six months after the
23 effective date of this section, the board shall auction permits
24 to a person who does not possess a distributor or importing
25 distributor license. The permitted facility shall meet all of
26 the conditions imposed on a licensed distributor under this act,
27 including the provisions in section 436 relating to the issuance
28 of a distributor or importing distributor license. The issuance
29 of a wine or liquor enhanced permit shall be subject to the
30 quota and county restrictions under section 437(f).

1 (f.1) For the purposes of auctioning wine and liquor
2 enhanced permits, the board shall post a listing of all
3 remaining permits on the board's Internet website within sixty
4 days after the close of the six-month period in subsection (f).
5 The board shall accept applications from persons interested in
6 bidding at an auction for all remaining permits. The application
7 shall contain information as the board prescribes. The auction
8 shall occur sixty days following the date a permit was posted on
9 the board's Internet website. An applicant, who would be
10 precluded from acquiring a license under section 443, shall not
11 be eligible to participate in an auction or acquire a wine or
12 liquor enhanced permit. An auction shall be conducted in the
13 manner set forth by the board and at a date and time set by the
14 board. The minimum bid for a wine or liquor enhanced permit
15 shall be \$150,000. Following an auction, the board shall
16 provisionally award a wine or liquor enhanced permit to a person
17 making the highest bid for that permit. The highest bidder shall
18 then submit to the board information required by the board,
19 including the information required under section 436 relating to
20 the issuance of a distributor or importing distributor license.
21 Payment shall be made to the board within fourteen days of the
22 auction and in a manner prescribed by the board. If the highest
23 bidder does not make payment to the board within fourteen days
24 of the auction, the second highest bidder shall be awarded the
25 right to file an application for the wine or liquor enhanced
26 permit.

27 (g) The annual renewal fee for a wine or liquor enhanced
28 permit for unlicensed entities shall be as follows:

29 (1) For a wine enhanced permit, as follows:

30 (i) Two thousand dollars (\$2,000) for permit holders whose

1 total annual wine sales are less than one hundred thousand
2 dollars (\$100,000) in the prior calendar year.

3 (ii) Four thousand dollars (\$4,000) for permit holders whose
4 total wine sales are equal to or greater than one hundred
5 thousand dollars (\$100,000) but less than two hundred thousand
6 dollars (\$200,000) in the prior calendar year.

7 (iii) Six thousand dollars (\$6,000) for permit holders whose
8 total annual wine sales are equal to or greater than two hundred
9 thousand dollars (\$200,000) in the prior calendar year.

10 (2) For a liquor enhanced permit, as follows:

11 (i) Two thousand dollars (\$2,000) for permit holders whose
12 total annual liquor sales are less than one hundred thousand
13 dollars (\$100,000) in the prior calendar year.

14 (ii) Four thousand dollars (\$4,000) for permit holders whose
15 total annual liquor sales are equal to or greater than one
16 hundred thousand dollars (\$100,000) but less than two hundred
17 thousand dollars (\$200,000) in the prior calendar year.

18 (iii) Six thousand dollars (\$6,000) for permit holders whose
19 total annual liquor sales are equal to or greater than two
20 hundred thousand dollars (\$200,000) in the prior calendar year.

21 (h) A wine or liquor enhanced permit holder selling wine or
22 liquor for consumption off the premises shall be required to
23 obtain a sales tax permit from the Department of Revenue.

24 (i) All fees paid to the board under this section shall be
25 deposited into the General Fund.

26 (j) An unlicensed entity may not hold, directly or
27 indirectly, more than three wine enhanced permits or three
28 liquor enhanced permits within this Commonwealth or more than
29 one wine enhanced permit or one liquor enhanced permit per
30 county.

1 (k) A wine or liquor enhanced permit holder selling wine or
2 liquor for consumption off the premises shall be considered a
3 Pennsylvania Liquor Store for purposes of collecting and
4 remitting the taxes under Article II of the "Tax Reform Code of
5 1971."

6 (l) For the purposes of this section, the term "liquor," as
7 defined in section 102, shall not include wine.

8 Section 417. Grocery Store Retail Permits.--(a) The board
9 shall issue a retail permit to any premises kept or operated by
10 a grocery store for the premises specified in the permit.

11 (a.1) An additional grocery store retail permit may not be
12 issued within a county if the total number of grocery store
13 retail permits is greater than one permit for every fifteen
14 thousand inhabitants in the county, except that a total of two
15 grocery store retail permits may be granted in a county in this
16 Commonwealth.

17 (b) Every applicant for a grocery store retail permit shall
18 file a written application containing information as the board
19 prescribes which shall include, but not be limited to, the
20 following:

21 (1) A description of the part of the grocery store for which
22 the applicant proposes to keep and sell wine.

23 (2) Descriptions, information and plans showing the grocery
24 store and any alterations proposed to be made to the grocery
25 store or any proposed construction to be completed after
26 approval of the permit.

27 (c) Every application shall also be accompanied by the
28 initial application fee as follows:

29 (1) For grocery stores located in counties of the first
30 class or second class, one hundred sixty-five thousand dollars

1 (\$165,000).

2 (2) For grocery stores located in counties of the second
3 class A or third class, one hundred eighty-seven thousand five
4 hundred dollars (\$187,500).

5 (3) For grocery stores located in counties of the fourth
6 class or fifth class, one hundred forty-two thousand five
7 hundred dollars (\$142,500).

8 (4) For grocery stores located in counties of the sixth
9 class or seventh class, one hundred twenty thousand dollars
10 (\$120,000).

11 (5) For grocery stores located in counties of the eighth
12 class, ninety-seven thousand five hundred dollars (\$97,500).

13 (d) The annual renewal fee for a grocery store retail permit
14 shall be as follows:

15 (1) Two thousand dollars (\$2,000) for a grocery store retail
16 permit holder whose total annual wine sales are less than one
17 hundred thousand dollars (\$100,000) in the prior calendar year.

18 (2) Four thousand dollars (\$4,000) for a grocery store
19 retail permit holder whose total annual wine sales are equal to
20 or greater than one hundred thousand (\$100,000) but less than
21 two hundred thousand dollars (\$200,000) in the prior calendar
22 year.

23 (3) Six thousand dollars (\$6,000) for a grocery store retail
24 permit holder whose total annual wine sales are equal to or
25 greater than two hundred thousand (\$200,000) in the prior
26 calendar year.

27 (e) A grocery store retail permit holder may sell for
28 consumption off the premises, in a single transaction, up to
29 ~~twelve (12) bottles~~ NINE (9) LITERS of wine. <--

30 (f) Every applicant for a permit shall post, for a period of

1 at least thirty days beginning with the day the application is
2 filed with the board, in a conspicuous place on the outside of
3 the premises, a notice of the application. The notice shall be
4 in the form, size and contain provisions as required by the
5 board by regulation. Proof of the posting of the notice shall be
6 filed with the board.

7 (g) Upon receipt of an application for a permit under this
8 section, the board shall immediately notify, in writing, the
9 municipality in which the premises proposed to be licensed are
10 located.

11 (h) Every grocery store retail permit holder may sell wine
12 for consumption off the licensed premises from any location
13 within the licensed premises. Educational information regarding
14 the types of products sold by the grocery store retail permit
15 holder and regarding the responsible consumption of alcohol
16 shall be displayed and readily available wherever alcohol is
17 displayed. Permit holders under this section may display the
18 alcohol products the permit holders offer for sale on shelving
19 units and systems, and in or on refrigerated cases and
20 equipment, within the discretion of the grocery store retail
21 permit holder, if the displays are not designed to attract
22 minors and the manner and method of display allows access by all
23 customers, including the physically dependent.

24 (i) Grocery store retail permit holders may not charge a
25 membership fee in order for customers to make purchases from the
26 grocery store.

27 (j) A grocery store retail permit holder shall utilize a
28 transaction scan device to verify the age of an individual who
29 appears to be under thirty-five (35) years of age before making
30 a sale of wine. A grocery store retail permit holder may not

1 sell or share data from the use of a transaction scan device,
2 provided that the grocery store retail permit holder may use the
3 data to show the enforcement bureau of the board that the permit
4 holder is in compliance with this act. As used in this
5 paragraph, the term "transaction scan device" means a device
6 capable of deciphering, in an electronically readable format,
7 the information encoded on the magnetic strip or bar code of an
8 identification card under section 495(a).

9 (k) A sale of wine shall be made through a register which is
10 well designated with signage, which is staffed at all times,
11 which is staffed by a sales clerk who is at least eighteen years
12 of age (18) and has been trained under section 471.1 and which
13 utilizes a transaction scan device for the sale. The sale of
14 wine may not occur at a point of sale where the customer scans
15 the customer's own purchases.

16 (l) Grocery store retail permit holders may store alcohol in
17 a storage area or storage areas not accessible to the public,
18 provided such storage areas are:

19 (1) locked at all times when not being accessed by the
20 grocery store retail permit holder's employees;

21 (2) not accessible to employees eighteen years of age (18)
22 or younger; and

23 (3) identified by dimensions and location on forms submitted
24 in advance to the board.

25 (m) Grocery store retail permit holders may sell wine from
26 eight o'clock antemeridian until eleven o'clock postmeridian
27 every day except Sunday.

28 (n) Grocery store retail permit holders may sell wine from
29 nine o'clock antemeridian until eleven o'clock postmeridian on
30 Sundays upon submission to the board of a Sunday sales permit

1 application and fee of one thousand five hundred dollars
2 (\$1,500) per year.

3 (o) Grocery store retail permit holders shall be permitted
4 to hold:

5 (1) Tastings at any location in the grocery store, if the
6 tastings are in compliance with the provisions and regulations
7 regarding tastings held on restaurant licensed premises.

8 (2) Educational classes, including cooking classes, how-to
9 classes, seminars and similar classes, regarding the proper or
10 recommended use, consumption, identification, pairing,
11 appellation, aging, storage, characteristics, service,
12 presentation and similar subjects, of the alcohol products that
13 the grocery store permit holder offers for sale, during which
14 the incidental consumption of alcohol by registered participants
15 of lawful age shall be permitted. The classes may be free of
16 charge to participants or may be at a fee.

17 (p) Grocery store retail permit holders shall be permitted
18 to hold restaurant licenses issued for areas within the same
19 building for which the grocery store retail permit has been
20 issued or for a different building. Grocery store retail permits
21 and restaurant licenses issued for areas within the same grocery
22 stores may be issued for areas that are adjacent, abutting and
23 contiguous and the board shall approve interior connections
24 between the areas. If a grocery store retail permit and a
25 restaurant license are issued for the same grocery store, wine
26 may only be sold for off-premises consumption in the area
27 licensed for grocery store retail sales.

28 (q) Grocery store retail permit holders may not sell wine at
29 a price less than the wine's underlying cost.

30 (r) All fees paid to the board under this section shall be

1 deposited into the General Fund.

2 (s) A grocery store retail permit holder selling wine and
3 liquor for off-premises consumption shall be considered a
4 Pennsylvania Liquor Store for purposes of collecting and
5 remitting taxes under Article II of the act of March 4, 1971
6 (P.L.6, No.2), known as the "Tax Reform Code of 1971."

7 (r) For the purposes of this section, the term "liquor"
8 shall not include wine.

9 Section 6. Section 431(b) of the act, amended December 8,
10 2004 (P.L.1810, No.239), is amended to read:

11 Section 431. Malt and Brewed Beverages Manufacturers',
12 Distributors' and Importing Distributors' Licenses.--* * *

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

1 or transfer if such place proposed to be licensed is within
2 three hundred feet of any church, hospital, charitable
3 institution, school or public playground, or if such new license
4 or transfer is applied for a place which is within two hundred
5 feet of any other premises which is licensed by the board: And
6 provided further, That the board shall refuse any application
7 for a new license or the transfer of any license to a new
8 location if, in the board's opinion, such new license or
9 transfer would be detrimental to the welfare, health, peace and
10 morals of the inhabitants of the neighborhood within a radius of
11 five hundred feet of the place proposed to be licensed. [The
12 board shall refuse any application for a new license or the
13 transfer of any license to a location where the sale of liquid
14 fuels or oil is conducted.] The board shall not license the area
15 where liquid fuels or oil is sold. No sales of liquid fuels or
16 oil may be made from a licensee's licensed premises. A licensed
17 premises may not have an interior connection with a location
18 that sells liquid fuels or oils unless it first receives
19 permission from the board for the interior connection. The
20 approval shall be required regardless of whether the licensee or
21 another party is the entity selling the liquid fuels or oils.
22 The board may enter into an agreement with the applicant
23 concerning additional restrictions on the license in question.
24 If the board and the applicant enter into such an agreement,
25 such agreement shall be binding on the applicant. Failure by the
26 applicant to adhere to the agreement will be sufficient cause to
27 form the basis for a citation under section 471 and for the
28 nonrenewal of the license under section 470. If the board enters
29 into an agreement with an applicant concerning additional
30 restrictions, those restrictions shall be binding on subsequent

1 holders of the license until the license is transferred to a new
2 location or until the board enters into a subsequent agreement
3 removing those restrictions. If the application in question
4 involves a location previously licensed by the board, then any
5 restrictions imposed by the board on the previous license at
6 that location shall be binding on the applicant unless the board
7 enters into a new agreement rescinding those restrictions. The
8 board shall require notice to be posted on the property or
9 premises upon which the licensee or proposed licensee will
10 engage in sales of malt or brewed beverages. This notice shall
11 be similar to the notice required of hotel, restaurant and club
12 liquor licensees.

13 Except as hereinafter provided, such license shall authorize
14 the holder thereof to sell or deliver malt or brewed beverages
15 in quantities above specified anywhere within the Commonwealth
16 of Pennsylvania, which, in the case of distributors, have been
17 purchased only from persons licensed under this act as
18 manufacturers or importing distributors, and in the case of
19 importing distributors, have been purchased from manufacturers
20 or persons outside this Commonwealth engaged in the legal sale
21 of malt or brewed beverages or from manufacturers or importing
22 distributors licensed under this article. If the holder of a
23 distributor or importing distributor license has applied for and
24 received a wine or liquor enhanced permit pursuant to section
25 416, that distributor or importing distributor may sell liquor
26 on the same premises where malt or brewed beverages are sold. In
27 the case of an importing distributor, the holder of such a
28 license shall be authorized to store and repackage malt or
29 brewed beverages owned by a manufacturer at a segregated portion
30 of a warehouse or other storage facility authorized by section

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

24 Each out of State manufacturer of malt or brewed beverages
25 whose products are sold and delivered in this Commonwealth shall
26 give distributing rights for such products in designated
27 geographical areas to specific importing distributors, and such
28 importing distributor shall not sell or deliver malt or brewed
29 beverages manufactured by the out of State manufacturer to any
30 person issued a license under the provisions of this act whose

1 licensed premises are not located within the geographical area
2 for which he has been given distributing rights by such
3 manufacturer. Should a licensee accept the delivery of such malt
4 or brewed beverages in violation of this section, said licensee
5 shall be subject to a suspension of his license for at least
6 thirty days: Provided, That the importing distributor holding
7 such distributing rights for such product shall not sell or
8 deliver the same to another importing distributor without first
9 having entered into a written agreement with the said secondary
10 importing distributor setting forth the terms and conditions
11 under which such products are to be resold within the territory
12 granted to the primary importing distributor by the
13 manufacturer.

14 When a Pennsylvania manufacturer of malt or brewed beverages
15 licensed under this article names or constitutes a distributor
16 or importing distributor as the primary or original supplier of
17 his product, he shall also designate the specific geographical
18 area for which the said distributor or importing distributor is
19 given distributing rights, and such distributor or importing
20 distributor shall not sell or deliver the products of such
21 manufacturer to any person issued a license under the provisions
22 of this act whose licensed premises are not located within the
23 geographical area for which distributing rights have been given
24 to the distributor and importing distributor by the said
25 manufacturer: Provided, That the importing distributor holding
26 such distributing rights for such product shall not sell or
27 deliver the same to another importing distributor without first
28 having entered into a written agreement with the said secondary
29 importing distributor setting forth the terms and conditions
30 under which such products are to be resold within the territory

1 granted to the primary importing distributor by the
2 manufacturer. Nothing herein contained shall be construed to
3 prevent any manufacturer from authorizing the importing
4 distributor holding the distributing rights for a designated
5 geographical area from selling the products of such manufacturer
6 to another importing distributor also holding distributing
7 rights from the same manufacturer for another geographical area,
8 providing such authority be contained in writing and a copy
9 thereof be given to each of the importing distributors so
10 affected.

11 * * *

12 Section 6.1. Section 432(d) of the act, amended January 6,
13 2006 (P.L.1, No.1), is amended AND THE SECTION IS AMENDED BY <--
14 ADDING A SUBSECTION to read:

15 Section 432. Malt and Brewed Beverages Retail Licenses.--* *
16 *

17 (d) The board shall, in its discretion, grant or refuse any
18 new license, the transfer of any license to a new location or
19 the extension of an existing license to cover an additional area
20 if such place proposed to be licensed is within three hundred
21 feet of any church, hospital, charitable institution, school, or
22 public playground, or if such new license, transfer or extension
23 is applied for a place which is within two hundred feet of any
24 other premises which is licensed by the board. The board shall
25 refuse any application for a new license, the transfer of any
26 license to a new location or the extension of an existing
27 license to cover an additional area if, in the board's opinion,
28 such new license, transfer or extension would be detrimental to
29 the welfare, health, peace and morals of the inhabitants of the
30 neighborhood within a radius of five hundred feet of the place

1 to be licensed. The board may enter into an agreement with the
2 applicant concerning additional restrictions on the license in
3 question. If the board and the applicant enter into such an
4 agreement, such agreement shall be binding on the applicant.
5 Failure by the applicant to adhere to the agreement will be
6 sufficient cause to form the basis for a citation under section
7 471 and for the nonrenewal of the license under section 470. If
8 the board enters into an agreement with an applicant concerning
9 additional restrictions, those restrictions shall be binding on
10 subsequent holders of the license until the license is
11 transferred to a new location or until the board enters into a
12 subsequent agreement removing those restrictions. If the
13 application in question involves a location previously licensed
14 by the board, then any restrictions imposed by the board on the
15 previous license at that location shall be binding on the
16 applicant unless the board enters into a new agreement
17 rescinding those restrictions. [The board shall refuse any
18 application for a new license, the transfer of any license to a
19 location where the sale of liquid fuels or oil is conducted or
20 the extension of an existing license to cover an additional
21 area] The board shall not license the area where liquid fuels or
22 oil is sold. No sales of liquid fuels or oil may be made from a
23 licensee's licensed premises. A licensed premises may not have
24 an interior connection with a location that sells liquid fuels
25 or oils unless it first receives permission from the board for
26 the interior connection. The approval shall be required
27 regardless of whether the licensee or another party is the
28 entity selling the liquid fuels or oils: And provided further,
29 That the board shall have the discretion to refuse a license to
30 any person or to any corporation, partnership or association if

1 such person, or any officer or director of such corporation, or
2 any member or partner of such partnership or association shall
3 have been convicted or found guilty of a felony within a period
4 of five years immediately preceding the date of application for
5 the said license. The board may, in its discretion, refuse an
6 application for an economic development license under section
7 461(b.1) or an application for an intermunicipal transfer or a
8 license if the board receives a protest from the governing body
9 of the receiving municipality. The receiving municipality of an
10 intermunicipal transfer or an economic development license under
11 section 461(b.1) may file a protest against the approval for
12 issuance of a license for economic development or an
13 intermunicipal transfer of a license into its municipality, and
14 such municipality shall have standing in a hearing to present
15 testimony in support of or against the issuance or transfer of a
16 license. Upon any opening in any quota, an application for a new
17 license shall only be filed with the board for a period of six
18 months following said opening.

19 * * *

20 (G) THE BOARD MAY, IN A MUNICIPALITY WHICH HAS APPROVED THE <--
21 GRANTING OF LIQUOR LICENSES, ISSUE TO A RETAIL DISPENSER
22 LICENSEE A RESTAURANT LIQUOR LICENSE IN EXCHANGE FOR THE RETAIL
23 DISPENSER'S RETAIL DISPENSER LICENSE.

24 (1) AN APPLICANT UNDER THIS SUBSECTION SHALL SURRENDER HIS
25 OR HER RETAIL DISPENSER LICENSE FOR CANCELLATION PRIOR TO THE
26 ISSUANCE OF THE NEW RESTAURANT LIQUOR LICENSE.

27 (2) AN APPLICANT UNDER THIS SUBSECTION SHALL FILE AN
28 APPLICATION FOR A RESTAURANT LIQUOR LICENSE AND SHALL POST
29 NOTICE OF THE APPLICATION AS PROVIDED UNDER SECTION 403. IN
30 DETERMINING WHETHER THE EXCHANGE SHALL BE GRANTED, THE BOARD

1 SHALL HAVE THE SAME DISCRETION AS PROVIDED UNDER SECTION 404 FOR
2 A NEW LICENSE.

3 (3) THE PROVISIONS OF SECTION 461 PERTAINING TO A QUOTA
4 SHALL NOT APPLY TO THIS SECTION FOR EXCHANGE PURPOSES.

5 (4) THE BOARD SHALL CHARGE A ONE-TIME UPGRADE FEE OF NOT
6 MORE THAN THIRTY THOUSAND DOLLARS (\$30,000).

7 Section 7. Sections 436(e) and 437(e) of the act are amended
8 to read:

9 Section 436. Application for Distributors', Importing
10 Distributors' and Retail Dispensers' Licenses.--Application for
11 distributors', importing distributors' and retail dispensers'
12 licenses, or for the transfer of an existing license to another
13 premises not then licensed or to another person, shall contain
14 or have attached thereto the following information and
15 statements:

16 * * *

17 (e) That the applicant is not, or in case of a partnership
18 or association, that the members or partners are not, and in the
19 case of a corporation, that the officers and directors are not,
20 in any manner pecuniarily interested, either directly or
21 indirectly, in the profits of any other class of business
22 regulated under this article, except as hereinafter permitted.

23 The requirements of this section shall not prohibit a
24 distributor or importing distributor from holding a wine or
25 liquor enhanced permit pursuant to section 416.

26 * * *

27 Section 437. Prohibitions Against the Grant of Licenses.--*

28 * *

29 (e) No distributor's or importing distributor's license
30 shall be issued for any premises in any part of which there is

1 operated any retail license for the sale of liquor or malt or
2 brewed beverages. The requirements of this section shall not
3 prohibit a distributor or importing distributor from holding a
4 wine or liquor enhanced permit pursuant to section 416.

5 * * *

6 Section 8. Section 443(b) of the act, amended May 31, 1996
7 (P.L.312, No.49), is amended to read:

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

9 (b) No distributor or importing distributor and no officer
10 or director of any distributor or importing distributor shall at
11 the same time be a manufacturer, a retail dispenser or a liquor
12 licensee, or be an officer, director, stockholder or creditor of
13 a manufacturer, a retail dispenser or a liquor licensee, or,
14 directly or indirectly, own any stock of, or have any financial
15 interest in, or be the owner, proprietor or lessor of, any place
16 covered by any other malt or brewed beverage or liquor license.
17 The requirements of this section may not prohibit a distributor
18 or importing distributor from holding a wine or liquor enhanced
19 permit pursuant to section 416.

20 * * *

21 Section 8.1. Section 468(a)(3) of the act, amended December
22 20, 2000 (P.L.992, No.141), is amended to read:

23 Section 468. Licenses Not Assignable; Transfers.--(a) * * *

24 [(3) No license shall be transferred to any place or
25 property upon which is located as a business the sale of liquid
26 fuels and oil. Except in cases of emergency such as death,
27 serious illness, or circumstances beyond the control of the
28 licensee, as the board may determine such circumstances to
29 justify its action, transfers of licenses may be made only at
30 times fixed by the board. In the case of the death of a

1 licensee, the board may transfer the license to the surviving
2 spouse or personal representative or to a person designated by
3 him. From any refusal to grant a transfer or upon the grant of
4 any transfer, the party aggrieved shall have the right of appeal
5 to the proper court in the manner hereinbefore provided.]

6 * * *

7 Section 9. Section 474.1(b), (c) and (g) of the act, amended
8 November 29, 2006 (P.L.1421, No.155), are amended to read:

9 Section 474.1. Surrender of Restaurant, Eating Place Retail
10 Dispenser, Hotel, Importing Distributor and Distributor License
11 for Benefit of Licensee.--* * *

12 (b) The board may hold the license in safekeeping for a
13 period not to exceed [three] two consecutive years. Any license
14 remaining in safekeeping for more than [three] two consecutive
15 years shall be immediately revoked by the Bureau of Licensing
16 unless a transfer application or request for reissue from
17 safekeeping has been filed prior to the expiration of the
18 [three-year] two-year period or unless the board has approved a
19 request to extend the safekeeping for an additional year as set
20 forth in subsection (g). In addition, the board shall extend the
21 period for an additional year if, at the end of the [three-year]
22 two-year period, the licensed premises are unavailable due to
23 fire, flood or other similar natural disaster; no further
24 extension beyond one additional year shall be granted by the
25 board regardless of whether the licensed premises are
26 unavailable due to fire, flood or other similar natural disaster
27 unless an application is made as set forth in subsection (g).

28 (c) In the event a transfer application filed prior to the
29 expiration of the [three-year] two-year period is disapproved by
30 the board, then the license may remain in safekeeping so long as

1 the licensee has submitted and the board has approved a request
2 to extend the safekeeping for an additional year as set forth in
3 subsection (g). Such request must be submitted within thirty
4 days of the board's decision notwithstanding any appeal filed in
5 the matter; however, the fee set forth in subsection (g) shall
6 be refunded if the board's decision is overturned.

7 * * *

8 (g) (1) A licensee whose license is subject to this section
9 may, upon written request, apply to the board to allow the
10 license to remain in safekeeping for an additional one year. The
11 written request must be accompanied by a [five thousand dollar
12 (\$5,000)] ten thousand dollar (\$10,000) fee for licenses placed
13 in safekeeping from counties of the first class, second class,
14 second class A, third class and fourth class and a fee of [two
15 thousand five hundred dollars (\$2,500)] five thousand dollars
16 (\$5,000) for licenses placed in safekeeping from counties of the
17 fifth through eighth classes. For each subsequent year in
18 safekeeping, the fees set forth in this paragraph shall be
19 doubled over the amount charged for the previous year's fee. No
20 fee shall be required if the licensee can prove that he or she
21 is unable to use the license through no fault of his or her own,
22 including a fire, flood or other event that renders the licensed
23 premises unusable. The board shall approve the request unless
24 the license or licensee no longer meets the requirements of this
25 act or the board's regulations. The fee collected shall be paid
26 into the State Treasury through the Department of Revenue into
27 the State Store Fund.

28 [(2) A licensee whose license remains in safekeeping after
29 the expiration of an approved additional one-year period may
30 submit a written request for additional one-year periods;

1 however, each such request must be accompanied by a five
2 thousand dollar (\$5,000) fee for licenses placed in safekeeping
3 from counties of the first class, second class, second class A,
4 third class and fourth class and a fee of two thousand five
5 hundred dollars (\$2,500) for licenses placed in safekeeping from
6 counties of the fifth through eighth classes.]

7 Section 10. Section 492(12), (13) and (14) of the act,
8 amended December 22, 2011 (P.L.530, No.113), are amended to
9 read:

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

12 It shall be unlawful--

13 * * *

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

22 (i) Any book, magazine or other publication related to malt
23 or brewed beverages.

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

27 (iii) If the holder of a distributor or importing
28 distributor license acquires a wine or liquor enhanced permit
29 pursuant to section 416 for use at its licensed premises, it may
30 engage in the sale of wine or liquor, so long as the licensee

1 meets all of the requirements of this act.

2 (13) Possession or Storage of Liquor or Alcohol by Certain
3 Licensees. For any distributor, importing distributor or retail
4 dispenser, or his servants, agents or employes, to have in his
5 possession, or to permit the storage of on the licensed premises
6 or in any place contiguous or adjacent thereto accessible to the
7 public or used in connection with the operation of the licensed
8 premises, any alcohol or liquor. This section shall not prohibit
9 a licensed distributor or importing distributor that holds a
10 wine or liquor enhanced permit issued pursuant to section 416
11 from possessing or permitting the storage of wine or liquor on
12 the licensed premises used in connection with the operation of
13 the licensed premises.

14 (14) Malt or Brewed Beverage Licensees Dealing in Liquor or
15 Alcohol. For any malt or brewed beverage licensee, other than a
16 distributor or importing distributor that holds a wine or liquor
17 enhanced permit, manufacturer, or the servants, agents or
18 employes thereof, to manufacture, import, sell, transport,
19 store, trade or barter in any liquor or alcohol.

20 * * *

21 Section 11. The act is amended by adding sections to read:

22 Section 1002. Transition Assistance Committee.--(a) The
23 following shall apply to the transition assistance committee:

24 (1) On the effective date of this section, the Department of
25 General Services shall designate individuals to serve on a
26 committee for the purpose of managing the staffing transition
27 and displacement of employees during the divestiture process.

28 (2) The committee, which shall be chaired by a
29 representative from the department, shall involve the
30 participation of the Office of Administration, the Civil Service

1 Commission, the Department of Labor and Industry and the board's
2 Bureau of Human Resources, to ensure a coordinated approach to
3 allocating personnel and assisting displaced employees during
4 the transition to find an appropriate position.

5 (3) The department shall contract with advisors necessary to
6 assist the department and the board in administering the duties
7 under paragraph (2). The contracts shall not be subject to the
8 provisions of 62 Pa.C.S. Ch. 5 (relating to source selection and
9 contract formation).

10 (b) The committee shall coordinate with the Office of
11 Administration to provide counseling and other general
12 assistance to employees of the board who are displaced to
13 transition the employees to other employment in either the
14 public or private sector.

15 (c) The costs for the programs provided under this section
16 and sections 1003, 1004, 1005 and 1006 shall be transferred from
17 the State Stores Fund.

18 Section 1003. Preference in Public Employment Hiring.--(a)
19 The following shall apply to civil service examinations:

20 (1) A displaced employee who successfully passes a civil
21 service appointment examination shall be marked or graded an
22 additional three points above the mark or grade credited for the
23 examination if all of the following apply:

24 (i) The examination is for a paid position administered
25 under the act of August 5, 1941 (P.L.752, No.286), known as the
26 Civil Service Act, and in the classified service existing under
27 the commission's jurisdiction.

28 (ii) The employee establishes the qualifications required by
29 law for appointment to the position.

30 (2) The total mark or grade, including the markup under

1 paragraph (1), obtained by the displaced employee shall
2 represent the final mark or grade of the employee and shall
3 determine the employee's standing on any eligibility list
4 certified or furnished to the appointing power.

5 (3) The three additional points awarded under paragraph (1)
6 shall be in addition to any points that shall be afforded to a
7 veteran meeting the requirements of 51 Pa.C.S. § 7103 (relating
8 to additional points in grading civil service examinations).

9 (b) The commission shall require the board to certify a list
10 of displaced employees under subsection (a). Placement on the
11 list by the board shall establish eligibility for the preference
12 granted under subsection (a).

13 (c) If a paid State position does not require a civil
14 service examination, a displaced employee, possessing the
15 requisite qualifications and who is eligible for appointment to
16 a paid State position in offices under the Governor's
17 jurisdiction within the executive branch shall be given a
18 preference in the appointment by the appointing authority over
19 nonveteran candidates.

20 (d) (Reserved).

21 (e) The following shall apply:

22 (1) A displaced employee's eligibility for the markup
23 provided under subsection (a) and for the preference for
24 noncivil service positions provided under subsection (c) shall
25 cease upon the occurrence of one of the following:

26 (i) The displaced employee's appointment or hiring into a
27 position in the classified service existing under the
28 commission's jurisdiction or into a paid State position where no
29 civil service examination is required.

30 (ii) Four years from the effective date of this section.

1 (2) In order to be eligible for the markup provided under
2 subsection (a) and for the preference for noncivil service
3 positions provided under subsection (c), a displaced worker must
4 be terminated as a sole and direct result of the decision to
5 cease wholesale and retail operations under this section and
6 sections 1004, 1005 and 1006, and must work until the final day
7 set by the board for that employee's job function.

8 Section 1004. Career Training and Post-secondary Education
9 Grant Eligibility.--(a) A displaced employee shall be eligible
10 for a two-year grant for attending a program of instruction at
11 an institution of higher education, including career training
12 and adult education courses of study, within one year of the
13 date of displacement from State service in the following amount:

14 (1) two thousand dollars (\$2,000) per year for attendance on
15 a full-time basis; or

16 (2) one thousand dollars (\$1,000) per year for attendance on
17 a part-time basis.

18 (b) The board shall certify the list of displaced employees
19 to the Pennsylvania Higher Education Assistance Agency.

20 (c) The agency shall make a determination of grant
21 eligibility and shall pay the grant directly to the institution
22 of higher education attended by the displaced employee in a
23 manner consistent with the Pennsylvania Higher Education
24 Assistance Agency's regulations.

25 Section 1005. Reemployment Tax Credit.--(a) The following
26 shall apply:

27 (1) A displaced employee shall be eligible for a two-year
28 reemployment tax credit voucher in the amount of two thousand
29 dollars (\$2,000) per taxable year.

30 (2) The voucher under paragraph (1) shall be made available

1 to each displaced employee upon termination of employment.

2 (3) Each voucher under paragraph (1) shall be certified by
3 the board before the voucher is provided to the displaced
4 employee.

5 (4) The Department of Revenue shall be informed of each
6 displaced employee to whom a voucher under paragraph (1) has
7 been provided.

8 (b) An employer in this Commonwealth who employs a displaced
9 employee on a full-time basis may, upon transfer of the voucher
10 from the employee to the employer, use the voucher as a credit
11 against the State tax liability of the employer, if the employer
12 can demonstrate the following:

13 (1) The employee for whom the tax credit is being sought was
14 displaced from the board within 12 months of being employed by
15 the employer.

16 (2) The former board employee has been employed by the
17 employer seeking the tax credit on a full-time basis for a
18 period not less than one year.

19 (c) The employer shall submit the tax credit voucher to the
20 Department of Revenue with the information required under
21 subsection (b) (1) and (2) to claim a tax credit against the
22 employer's liability for a tax identified under subsection (d)
23 (2).

24 (d) The following shall apply:

25 (1) An employer may claim a reemployment tax credit for each
26 job filled by a displaced employee of two thousand dollars
27 (\$2,000) per taxable year for a maximum of two taxable years.

28 (2) An employer may apply the reemployment tax credit to
29 100% of the employer's:

30 (i) State corporate net income tax, capital stock and

1 franchise tax or the personal tax of a shareholder of the
2 company if the company is a Pennsylvania S corporation.

3 (ii) Insurance premiums tax, gross receipts tax, bank and
4 trust company shares tax, mutual thrift institutions tax or
5 title insurance companies shares tax.

6 (iii) Any combination of the taxes under subparagraphs (i)
7 and (ii).

8 (3) A displaced employee whose subsequent employment is
9 terminated with an employer and who has utilized the
10 reemployment tax credit voucher to claim a one-year two thousand
11 dollar (\$2,000) tax credit may transfer the voucher to a new
12 employer who may use the remaining two thousand dollar (\$2,000)
13 tax credit as a claim against the employer's tax liability for
14 taxes identified under paragraph (2).

15 (4) The term of the reemployment tax credit voucher may not
16 exceed two years from the date the voucher is provided to the
17 qualified displaced employee.

18 Section 1006. Protection of Existing Benefits.--(a) Nothing
19 under this section shall be deemed to affect:

20 (1) Pension benefits accrued prior to the date of separation
21 occurring as a sole and direct result of the divestiture of the
22 board's wholesale and retail operations under this article.

23 (2) Payment of an accrued benefit derived from the terms of
24 a preexisting collective bargaining agreement payable upon
25 separation from employment.

26 (b) As a result of the preferential hiring benefits, the tax
27 credit for subsequent employers and the protection of benefits
28 arising from an employee's pension or from a preexisting
29 collective bargaining agreement under this section, the board
30 shall be deemed to have satisfied all obligations to bargain

1 over the impact of the decision to cease wholesale and retail
2 operations under this article which may arise under the act of
3 July 23, 1970 (P.L.563, No.195), known as the Public Employe
4 Relations Act.

5 (c) The provisions of this section and sections 1002, 1003,
6 1004 and 1005 supersedes a local regulation, ordinance or
7 resolution of a political subdivision regarding notice to
8 displaced workers.

9 Section 12. The regulations of the board at 40 Pa. Code §§
10 3.52 and 3.53 are abrogated to the extent of any inconsistency
11 with this act.

12 Section 13. This act shall take effect in 60 days.