
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

NO. 7
Session of 2019

INTRODUCED BY _____ October 11, 2019

REFERRED TO SENATE STATE GOVERNMENT COMMITTEE

Liquor Store Privatization

An Act amending the act of April 12, 1951 (P.L.90, No.21), known as the Liquor Code, as follows: In preliminary provisions, further providing for definitions. In Pennsylvania Liquor Control Board, further providing for general powers of board. In Pennsylvania liquor stores, providing for career training and postsecondary education grant eligibility. In licenses and regulations, liquor, alcohol and malt and brewed beverages, further providing for license districts, license period and hearings and for issuance, transfer or extension of hotel, restaurant and club liquor licenses, providing for wholesale permit, for wholesale licenses, for wine or liquor expanded permits and for wine or liquor enhanced permits; further providing for malt and brewed beverages manufacturers', distributors' and importing distributors' licenses, for malt and brewed beverages retail licenses, for application for distributors', importing distributors' and retail dispensers' licenses, for prohibitions against the grant of licenses, for interlocking business prohibited, for licenses not assignable and transfers, for surrender of restaurant, eating place retail dispenser, hotel, importing distributor and distributor license for benefit of licensee and for unlawful acts relative to malt or brewed beverages and licensees.

This legislation will privatize the sale of wine and spirits in the Commonwealth to ensure that our system provides the greatest service to the citizens of Pennsylvania.

In order to divest the retail system, the legislation provides for the closing of all the State Stores. It provides a safeguard to ensure that the citizens of Pennsylvania will receive the same or better service they are currently experiencing before a State Store is closed.

In order to guarantee service beyond the current level, 1,200 wine and liquor enhanced permits will be created. These permits are available for purchase by licensed beer distributors for 6 months after enactment. Such permits will create a one-stop shop for consumers, offering beer, wine, and spirits under one roof for purchase. After the 6 month right-of-first refusal has expired, any of the remaining licenses not purchased will be available via public auction to any qualified bidder.

In order to further provide service to the citizens, the legislation provides for wine and liquor expanded permits for a Restaurant or Hotel. Such a permit will allow the limited sale of wine and

spirits to go from the licensed premises. The legislation also creates a grocery store permit that would permit a grocery store to sell limited wine to go. In order to prevent sales to a minor, the sale to anyone looking younger than 35 years of age will require the use of a transaction scan device.

The wholesale system will be leased to any importer licensed by the PLCB for 10 years. After 10 years, the system will be divested and the importers will be licensed to continue operations. Privatizing the wholesale system will help to not only increase the variety of products available in Pennsylvania, but will also provide current licensees with the service and pricing they have been requesting.