

Overview of Pennsylvania's Liquor Laws & Regulations, Including Recent Changes

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Farming for the Future:
HOPE, FARM, HEAL

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Act 39 of 2016 – The Popular Highlights

Wine Expanded Permit (WEP)

Direct Wine Shipper License

Expired Restaurant License Auction

PA Industry Promotion Boards

Alcoholic Cider Definition

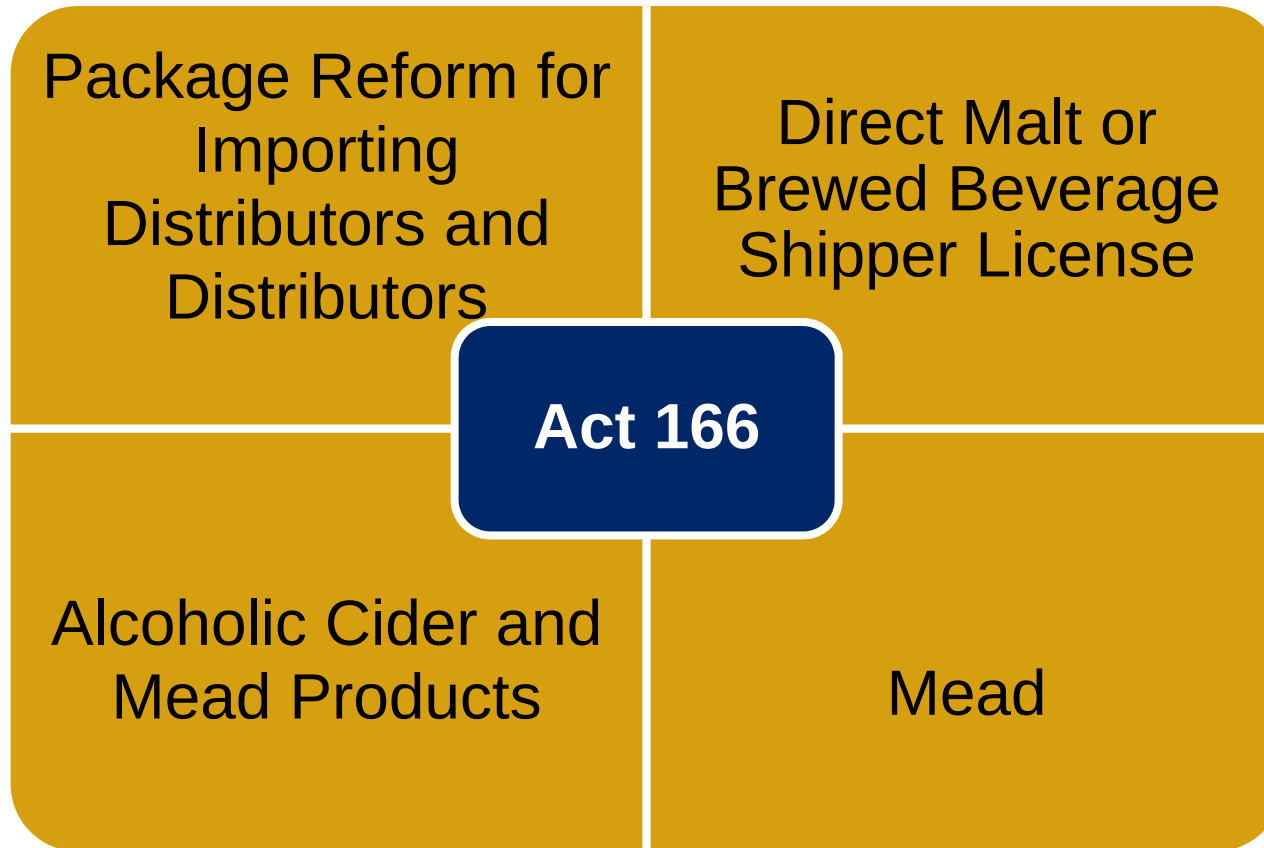
Bed & Breakfasts

Act 39 of 2016 – The Popular Highlights

- Eliminated restrictions on ***Sunday hours*** and the number of Fine Wine & Good Spirits stores that may be open on Sundays.
- Authorized the PLCB to sell ***PA Lottery*** tickets.
- Expanded marketing opportunities including ***pricing flexibility*** and a ***customer relations management program***.
- Authorized new direct-delivery process for ***special liquor orders***.



Act 166 – The Popular Highlights



PA-Licensed Alcohol Producers – Before Law Changes

Limited Wineries

- Produce up to 200,000 gallons of wine per year (a “winery” license is available from the PLCB without a production cap, but such a license can’t sell directly to the public or to retail licensees).
- Sell its products to the PLCB, licensees and the public.
- Offer on- or off-premises sales by the glass or bottle, offer tastings of its products, and sell food at its primary winery location and at up to five satellite locations.
- Sell its products at qualified farmers markets and alcoholic cider, wine and food exhibitions.
- Direct ship its own products to licensees and the public.
- Hold a hotel, restaurant or eating place license at its primary winery location.

PA-Licensed Alcohol Producers – Before Law Changes

Limited Distilleries

- Produce up to 100,000 gallons of spirits per year (a “distillery” license is available from the PLCB without a production cap, but such a license does not have some of the same privileges).
- Sell its products to the PLCB, licensees and the public.
- Offer on- or off-premises sales by the glass or bottle, offer tastings of its products, and sell food at its primary distillery location and at up to two satellite locations.
- Direct ship its own products to licensees and the public.
- Hold a hotel, restaurant or eating place license at its primary distillery location.

PA-Licensed Alcohol Producers – Before Law Changes

Brewery

- Produce malt or brewed beverages (no production cap).
- Sell products to licensees and the public; may choose to self-distribute its products or may grant distribution rights to wholesale licensees for a particular area.
- May sell to individuals for off-premises consumption in containers or packages of unlimited quantity and volume, and to licensees in quantities of not less than a case or in original containers of at least 128 oz.
- Obtain a “brewery pub” license for its location for on-premises sales; may conduct on-premise sales without a brewery pub license under certain conditions (food/seating).
- Hold a hotel, restaurant or eating place license for use at the brewery location.

2016 Law Changes of Interest to Limited Wineries



Selling Other PA Alcohol Producers' Products

Limited wineries may sell and cross-market products of other PA-licensed breweries, licensed limited wineries, licensed distilleries and licensed limited distilleries. Sales of alcohol products from other PA-licensed manufacturers are for on-premises consumption and cannot exceed 50 percent of total alcohol sales.



Restaurant License at a Satellite Location

A limited winery is allowed to hold and operate a restaurant liquor license at one of its PLCB-approved satellite locations, under certain conditions, in lieu of holding and operating a restaurant license at its main facility. Previously, it could only hold a retail license at its main facility.



Mead

A limited winery may now produce and sell mead in addition to the alcoholic cider that it produces, even though mead is now classified as beer.

2016 Law Changes of Interest to Limited Wineries



New Business Opportunities with Wine Expanded Permit Holders

Limited wineries may sell directly to wine expanded permit holders (including grocery stores) for the resale of their wine products, greatly expanding the number of potential sales outlets for their products.



Obtain a Direct Wine Shipper License

As a result of changes to the law involving direct wine shipping, limited wineries must now obtain a direct wine shipper license in order to ship directly to consumers. The fee is \$250 per year.



Sell to Distributors and Importing Distributors

Limited wineries may now sell their alcoholic cider and mead to importing distributors and distributors.

2016 Law Changes of Interest to Limited Distilleries



Selling Other PA Alcohol Producers' Products

Limited distilleries may sell and cross-market the products of other PA-licensed breweries, licensed limited wineries and licensed limited distilleries. Sales of alcohol products from other PA-licensed manufacturers are for on-premises consumption and cannot exceed 50 percent of total alcohol sales.



Satellite Locations

Limited distilleries, previously limited to two satellite locations, may now have up to five PLCB-approved satellite locations.



Permits for Farmers Markets and Liquor and Food Expositions

Limited distilleries may obtain permits to participate in, sell their products, and offer tastings at qualified farmers markets and events qualifying as an “alcoholic cider, liquor and food exposition.”

2016 Law Changes of Interest to Breweries



Selling Other PA Alcohol Producers' Products

Breweries may sell and cross-market the products of other PA-licensed breweries, licensed limited wineries, licensed distilleries and licensed limited distilleries. Sales of alcohol products from other PA-licensed manufacturers are for on-premises consumption and cannot exceed 50 percent of total alcohol sales.



Permits for Farmers Markets and Malt or Brewed Beverage and Food Expositions

Breweries may obtain permits to participate in, sell their products, and offer tastings at qualified farmers markets and events meeting the definition of a "malt or brewed beverages and food exposition."

2016 Law Changes of Interest to Breweries



Alcoholic Cider

The definition of alcoholic cider was made more consistent with the federal definition, including a higher ABV (8.5 percent) and higher carbonation levels, so that there is parity between state and federal definitions. This allows breweries to make higher alcohol-by-volume ciders.



Mead

Mead, or honey-based alcohol products, is now defined as a malt or brewed beverage, allowing breweries to produce these types of products and sell them as they would other malt or brewed beverages. Limited wineries are also permitted to produce mead.



Mug Clubs

Breweries and retail licensees may offer mug clubs to patrons where members receive beer at a discount. Membership is made by written application and the licensee must maintain a list of all active club member participants.

2016 Law Changes of Interest – Promotion Boards

Act 39 also created two industry promotion boards to each receive \$1 million annually from the PLCB to enhance the business opportunities of Pennsylvania alcohol producers:

- Malt and Brewed Beverages Industry Promotion Board
- Wine Marketing and Research Program Board

Appointees to the boards are made by the Governor or Secretary of Agriculture and the General Assembly.

The boards are charged with awarding grants to entities for increasing the production of Pennsylvania-made beer and wine through promotion, marketing and research-based programs and projects.

2016 Law Changes of Interest to Retail Licensees

Expanded Sunday Sales Hours for
Retail Licenses

Labeled Beer Taps

Exterior Entrance

Recap of Rights & Privileges: Limited Winery License

BEFORE 2016 CHANGES

- Produce up to 200,000 gallons of alcoholic ciders and wines per year.
- Sell to the PLCB, individual consumers, and licensees.
- Offer on- or off-premises sales by the glass or bottle, and sell food.
- Offer tastings/samplings of own products.
- Maintain up to five additional Board-approved locations in addition to the main facility.
- Hold and operate a restaurant, eating place or hotel license at the primary winery location.
- Apply for farmers market and alcoholic cider, wine & food exposition permits.
- Direct ship products to individuals and licensees.

TODAY

- May also sell products from other licensed breweries, distilleries, limited distilleries and limited wineries for on-premises consumption (up to 50 percent of total sales).
- May continue to produce and sell mead, even though mead is now a malt or brewed beverage.
- May hold and operate a restaurant liquor license at a PLCB-approved satellite location in lieu of holding and operating a restaurant license at its main location.
- Direct ship wine to non-licensed consumers only after obtaining a direct wine shipper license from the PLCB.

Recap of Rights & Privileges: Limited Distillery License

BEFORE 2016 CHANGES

- Produce no more than 100,000 gallons of liquor per year.
- Sell to individual consumers, retail licensees and the PLCB.
- Offer sales by the glass or bottle.
- Offer tastings/samplings of own products.
- Operate and maintain up to two additional locations.
- Hold and operate a hotel, restaurant or eating place license at primary distillery location.

TODAY

- May also sell products from other breweries, distilleries, limited distilleries and limited wineries for on-premises consumption (up to 50 percent of total sales).
- May now operate up to five additional PLCB-approved locations.
- Obtain permits to participate in farmers markets and off-premises alcoholic cider, liquor, and food expositions.



Recap of Rights & Privileges : Brewery License

BEFORE 2016 CHANGES

- Produce malt/brewed beverages (no production cap).
- Sell products to licensees and the public; may self-distribute or designate distributors.
- May sell to individuals for off-premises consumption in containers or packages of unlimited quantity and volume, and to licensees in quantities of not less than a case or in original containers of at least 128 oz.
- Obtain a brewery pub license for its location for on-premise sales; may conduct on-premise sales without a brewery pub license under certain conditions (food/seating).
- Hold a hotel, restaurant or eating place license for use at the brewery location; however cannot self-distribute throughout the state if it does.

TODAY

- May also sell products from other breweries, distilleries, limited distilleries and limited wineries for on-premises consumption (up to 50 percent of total sales).
- Maintain beer labels in view of customers, rather than having to individually label beer taps.
- Offer mug clubs to patrons where members receive malt or brewed beverages at a discount.
- Obtain permits to participate in farmers markets and off-premises malt and brewed beverages and food expositions.



Rights & Privileges: Restaurant Licenses

BEFORE 2016 CHANGES

- Sell beer, wine & liquor for on-premises consumption between 7 a.m. and 2 a.m.
- Obtain a Sunday sales permit to begin selling at 11 a.m. on Sundays, or at 9 a.m. if a meal is also served by that time.
- Sell up to 192 oz. of beer (two six packs) per transaction for off-premises consumption.



TODAY

- Begin Sunday sales (with a Sunday sales permit) starting at 9 a.m. – meal requirement removed.
- Maintain beer labels in view of customers, rather than individually labeling beer taps as previously required.
- Offer mug clubs to patrons where members receive malt or brewed beverages at a discount.
- Obtain a wine expanded permit to sell up to three liters (four bottles) of wine per transaction for off-premises consumption. Wine-to-go sales may occur until 11 p.m.

Rights & Privileges: Who Producers Can Sell/Donate To



Rights & Privileges: Who Producers Can Sell/Donate To

Breweries

Distributors & Importing
Distributors

Limited Wineries

Other Breweries

Retail Licensees

Special Occasion
Permit Holders

Distilleries & Limited
Distilleries

The Public

Limited Distilleries

PLCB

Limited Wineries

Breweries

Retail Licensees

Special Occasion &
Wine/Spirits Auction
Permit Holders

Distilleries & Other
Limited Distilleries

The Public

Distilleries

PLCB

Limited Wineries

Breweries

Retail Licensees

Special Occasion &
Wine/Spirits Auction
Permit Holders

Other Distilleries &
Limited Distilleries

The Public

Obtaining a License – Producers

Separate from federal
licensing requirements

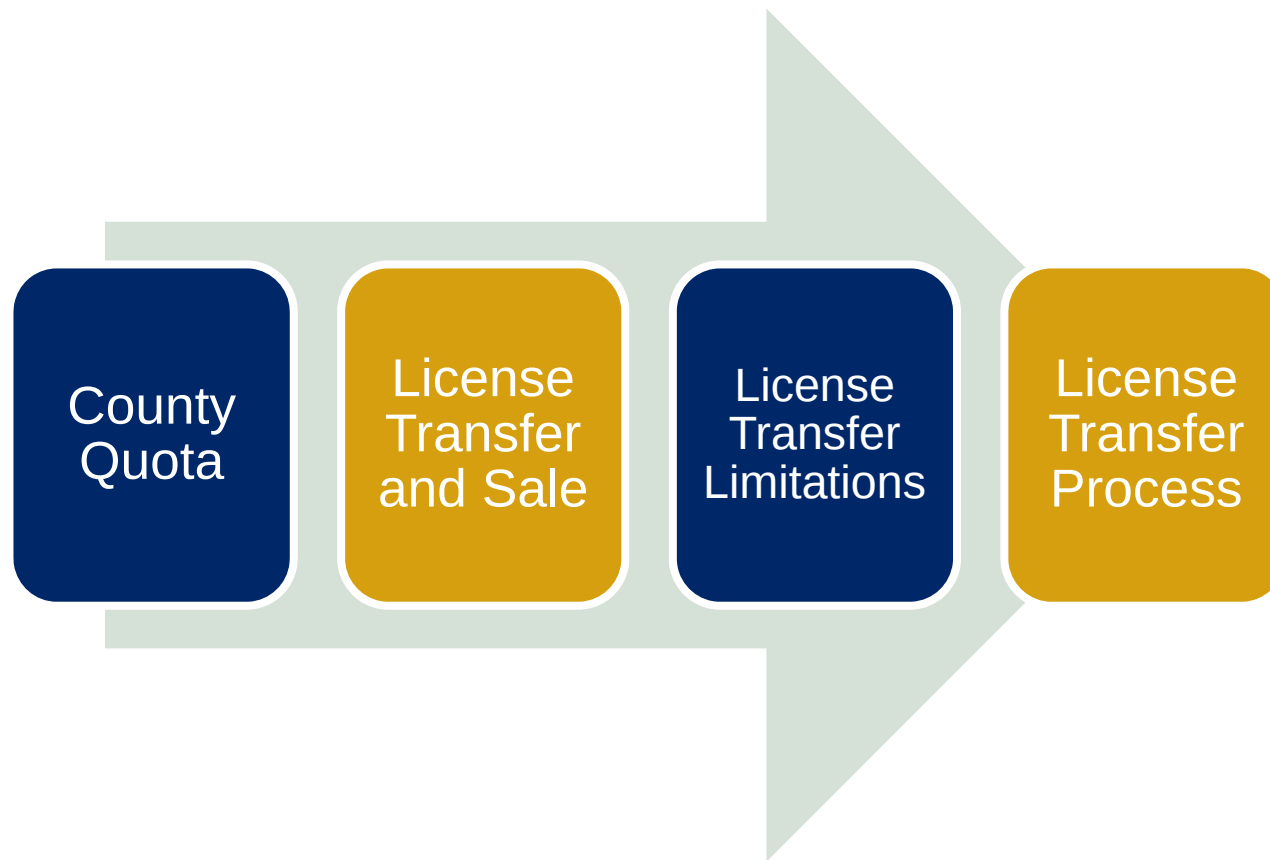
PLCB[®]+
Online Regulatory System

Licensing fees

Field investigation & review

Satellite locations, farmers market
permits, expo permits,
storage facilities (breweries only)

Obtaining a Restaurant Liquor License



Auction of Expired Restaurant Licenses – Act 39

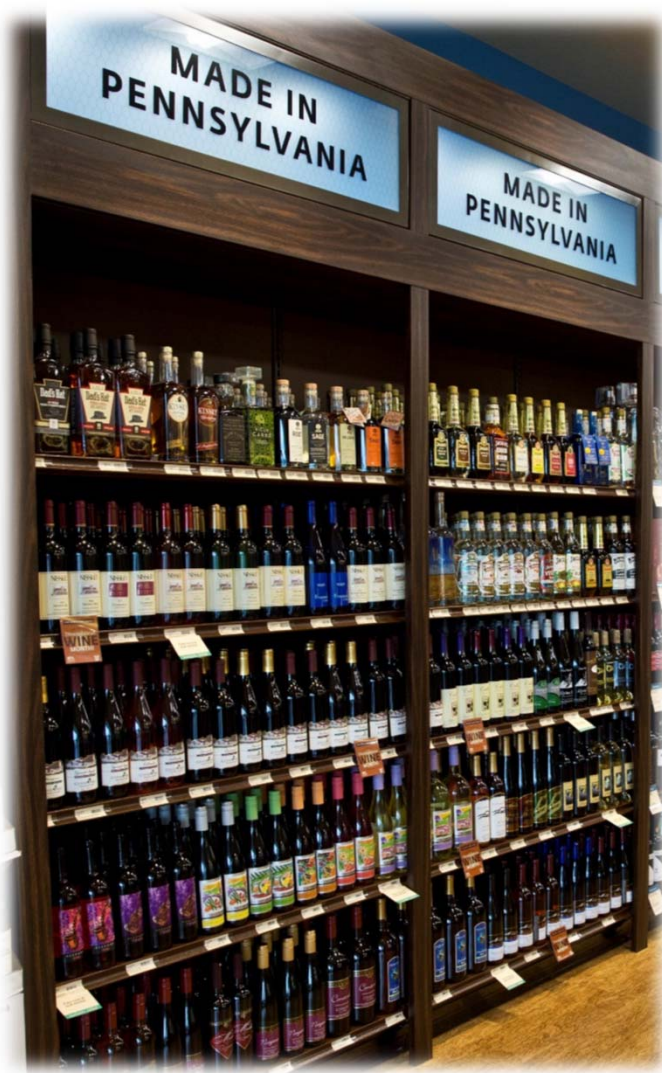
Acts 39 & 85 require the PLCB to auction about 1,200 licenses that have expired or otherwise lapsed since 2000.

First Auction – Fall 2016
40 licenses across 21 counties; 37 awarded

Second Auction – Bids due March 3
50 licenses across 48 counties

More information is available on the [restaurant license auction](#) page of our website.

PA Producer Opportunities



FINE WINE & GOOD SPIRITS



PA Proud Wine & Spirits



Limited Distilleries and Product Quality Testing

- Improperly distilled spirits can be deadly.
- Self-policing negates the need or interest for government intervention in quality testing.

ABC Online

Nov. 21, 2016

Coroner criticises woman who made toxic 'moonshine', says it contributed to deaths of three people

ABC Online

July 16, 2016

21 people die in alcohol poisoning incident in northern India

Jakarta News

Nov. 27, 2016

Tainted homemade liquor kills 8 in East Jakarta, manufacturer arrested

Resources for Licensees

Bureau of Licensing

- ra-lblicensing@pa.gov or 717-783-8250

Office of Chief Counsel

- ra-lblegal@pa.gov or 717-783-9454

Responsible Alcohol Management Program

- ra-lbramp@pa.gov or 866-275-8237

Questions

Thank You!

