



July 29, 2024

Summary of Act 57 of 2024

On July 15, 2024, Governor Shapiro signed House Bill No. 829 into law, now known as Act 57 of 2024 (Act 57).

Act 57 made changes to multiple sections of the Liquor Code. The changes become effective on September 13, 2024.

In addition to the changes affecting licensees, Act 57 creates the Pennsylvania Distilled Spirits Industry Promotion Board. Act 57 provides that the Department of Agriculture shall assist this Board, as well as the Pennsylvania Wine Marketing and Research Board and the Pennsylvania Malt and Brewed Beverages Industry Promotion Board. For each of these boards, the Secretary of Agriculture shall make the final decision for the awarding of grants.

Questions about these changes or any other provisions of the Liquor Code may be directed to the PLCB's Office of Chief Counsel at ra-lblegal@pa.gov.

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Additional Discount Program for Licensees

The Board is authorized to establish a program to provide an additional discount to licensees who pick up their purchases at certain Board-specified locations, including its warehouses. The Board has the sole discretion to determine the discount and any minimum purchase requirements. 47 P.S. § 3-305(b).

Club and Catering Club Licenses in Safekeeping

Club and catering club licenses in safekeeping will now be treated in the same manner as restaurant, eating place, hotel, importing distributor and distributor licenses in safekeeping. A club or catering club license may be held in safekeeping for two years. During this two-year period, the licensee may apply to have the license reissued to the licensee or have the license transferred. Act 57 allows a club or catering club licensee to apply for an additional year of safekeeping after the initial two-year period. The fee for an additional year of safekeeping is \$5,000 for club or catering club licenses from counties of the first through fourth class, and \$1,000 for club or catering club licenses from counties of the fifth through eighth class. 47 P.S. § 4-474.1.

Displays of Alcoholic, Nonalcoholic Beverages

Licensees are prohibited from placing alcoholic beverages next to nonalcoholic beverages that bear the same or similar brand name, logo or packaging, unless the licensee posts clear and distinct signage that identifies which products contain alcohol and which products do not. 47 P.S. § 4-493(35).

Eligible Entities

The definition of “eligible entities” now includes a 501(c)(3) nonprofit organization whose purpose is to provide canine assisted activities for children and adults with special needs. 47 P.S. § 1-102. An eligible entity may apply for a special occasion permit to sell alcohol. 47 P.S. § 4-408.4.

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Employment of Licensee Employees by Other Licensees

The Liquor Code requires licensees of different classes to keep their financial and business interests separate. 47 P.S. § 4-411. Prior to Act 57, the Liquor Code prohibited certain types of licensees, or any officer, “servant, agent, or employee” of the licensee, from being employed by licensees of another class. 47 P.S. § 4-493(11). For example, an employee of a hotel licensee could not also be an employee of a distributor licensee.

Act 57 deletes the phrase “servant, agent, or employe” and replaces it with “or manager.” As a result, a servant, agent or employee of a licensee may now work for any other licensee, regardless of the license class. Licensees, as well as their officers and managers, are still prohibited from employment with licensees of a different class, although Act 57 allows the following employment scenarios:

- A manufacturer, importer or vendor licensee, or any out-of-state manufacturer, as well as their officers and managers, may now also work for a distributor or importing distributor. 47 P.S. § 4-493(11).
- A person who has an ownership interest in any manufacturing license may be employed by a retail licensee, as long as the person is not employed as the manager or as alcohol service personnel. 47 P.S. § 4-411(g).
- A manufacturer licensee, its officers and manager, may be employed by a hotel, restaurant or eating place licensee if the hotel, restaurant or eating place is located at the manufacturer’s licensed premises pursuant to section 443. 47 P.S. § 4-493(11).

Extended Hours Food Permit for Clubs

A club licensee may now use an extended hours food permit as often as it wants. 47 P.S. § 4-499(b.1). Previously, a club licensee could only use an extended hours food permit for six days during the term of its license.

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Happy Hour Expansion

The number of happy hours a retail licensee can offer each week has been increased from 14 to 24. 47 P.S. § 4-406(g). In addition, retail licensees may offer up to two food and drink combination specials each day. Examples of food and drink combination specials are a beer with the purchase of wings, or a glass of wine with a steak dinner, for a price that is less than if the items were purchased separately.

Inside Advertisements

The cap for the total cost of inside advertisements relating to any one brand has been raised to \$750.00 per licensed establishment. 47 P.S. § 4-493(20)(i). Previously, the cap had been \$300.00 per licensed establishment.

Manufacturers' Hours and Extended Hours Permit

Every year, breweries, limited distilleries and distilleries may operate extended hours on New Year's Eve (December 31), until 2:00 a.m. New Year's Day (January 1). 47 P.S. §§ 4-492.1, 5-505.4(b), (c). Previously, these licensees were required to close at either 12:00 a.m. or 11:00 p.m. depending on the day of the week, and there was no exception for New Year's Eve.

Breweries, limited distilleries and distilleries may each also obtain an extended hours permit, which allows the permit holder to remain open and sell alcohol until 2:00 a.m. of the following calendar day. 47 P.S. §§ 4-492.1, 5-505.4(b)(1), (c)(1). There is a \$50.00 fee for the permit, and it is only good for one day in the calendar year, which shall be the same day for all of the permit holder's locations. At least 48 hours prior to the use of the permit, the permit holder must notify the local police department (or the Pennsylvania State Police if there is no local police department) of the date, time and place of the extended sale of alcoholic beverages.

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Nonalcoholic Malt or Brewed Beverages

The definition of “nonalcoholic malt or brewed beverage” is expanded to include a beverage that, during production, had an alcohol by volume (“ABV”) level of at least one-half of one percent (0.5%), but after further production, the ABV was reduced to less than 0.5%. 47 P.S. § 4-431(g)(2).

Sales or Rentals by Distributors and Importing Distributors

An importing distributor or distributor may sell or rent items to other licensees at fair market value, as authorized by the Liquor Code. 47 P.S. § 4-443(d). Importing distributor and distributor licensees may also rent equipment and supplies necessary to dispense draft beer to other licensees and consumers. The definition of “draft beer” is in the discretion of the Board. 47 P.S. §§ 4-492(12), 4-493(17).

An importing distributor or distributor may offer and advertise quantity discounts on the purchase of malt or brewed beverages. 47 P.S. § 4-493(24)(iv).

Self-sponsored Events

A hotel, restaurant or club licensee may self-sponsor an event where the admission ticket allows the ticketholder to receive up to two alcoholic drinks. 47 P.S. § 4-406(k). The event must be scheduled more than 24 hours in advance.

Temporary Extensions

Act 57 indefinitely extends the Board’s authority to issue temporary extensions under section 417 of the Liquor Code to cover outside serving areas in the same manner that it did during the COVID-19 emergency, with operating authority being conveyed immediately upon the filing of application and continuing thereafter unless terminated by the Board. 47 P.S. § 4-417(a.1). Prior to Act 57, the Board’s authority to process temporary extensions in this manner was set to expire on December 31, 2024.

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The Board is also now authorized to require that applicants for temporary extensions filed pursuant to section 417 pay a filing fee. Prior to Act 57, the Board was precluded from assessing a fee for these applications.

Temporary extensions authorized by section 417 shall remain in effect for the rest of the validation or renewal period during which the application was filed. The temporary extension may be renewed at the end of the validation or renewal period, upon the filing of an application and payment of the filing fee.

Unlawful Inducement Exceptions

Section 493(24) of the Liquor Code provides it is unlawful for any licensee, manufacturer or the Board to give anything of value to induce the purchase of liquor or malt or brewed beverages. However, there are exceptions to this general rule, and Act 57 adds three new exceptions:

- A distributor or importing distributor may offer and advertise quantity discounts on the purchase of malt or brewed beverages.
- A manufacturer or licensee may provide a trade buyer with point-of-sale advertising for liquor or malt or brewed beverages sold by the manufacturer or licensee, if the total cost of such advertising relating to one brand is not more than \$750.00 per licensed establishment.
- A limited winery may offer discounts to non-licensees, including quantity discounts, on products sold for off-premises consumption.

47 P.S. § 4-493(24)(iv), (v), (vi).