

AMENDMENTS TO HOUSE BILL NO. 1617

Sponsor: SENATOR STEFANO

Printer's No. 2737

1 Amend Bill, page 1, line 18, by inserting after "for"
2 interlocking business prohibited, for

3 Amend Bill, page 1, line 19, by striking out the period after
4 "county" and inserting

5 and for unlawful acts relative to liquor, malt and brewed
6 beverages and licensees.

7 Amend Bill, page 1, lines 22 through 24, by striking out all
8 of said lines and inserting

9 Section 1. Section 411(e) of the act of April 12, 1951
10 (P.L.90, No.21), known as the Liquor Code, is amended and the
11 section is amended by adding a subsection to read:

12 Section 411. Interlocking Business Prohibited.--* * *

13 (e) Except as herein provided, no hotel, restaurant, retail
14 dispenser or club licensee, and no officer, director or
15 stockholder, agent or employe of any such licensee shall in any
16 wise be interested, directly or indirectly, in the ownership or
17 leasehold of any property or the equipment of any property or
18 any mortgage lien against the same, used by a distributor,
19 importing distributor, or by an importer or sacramental wine
20 licensee, in the conduct of his business; nor shall any hotel,
21 restaurant, retail dispenser or club licensee, or any officer,
22 director, stockholder, agent or employe of any such licensee,
23 either directly or indirectly, lend any moneys, credit, or give
24 anything of value or the equivalent thereof, to any distributor,
25 importing distributor, importer or sacramental wine licensee,
26 for equipping, fitting out, or maintaining and conducting,
27 either in whole or in part, an establishment used in the conduct
28 of his business.

29 The purpose of this section is to require a separation of the
30 financial and business interests between manufacturers and
31 holders of hotel or restaurant liquor licenses and, as herein
32 provided, of club licenses, issued under this article, and no
33 person shall, by any device whatsoever, directly or indirectly,
34 evade the provisions of the section. But in view of existing
35 economic conditions, nothing contained in this section shall be

1 construed to prohibit the ownership of property or conflicting
2 interest by a manufacturer of any place occupied by a licensee
3 under this article after the manufacturer has continuously owned
4 and had a conflicting interest in such place for a period of at
5 least five years prior to July eighteenth, one thousand nine
6 hundred thirty-five: Provided, however, That this clause shall
7 not prohibit any hotel, restaurant or club liquor licensee, or
8 any officer, director or stockholder of any such licensee, from
9 owning land or buildings which are leased to a holder of a
10 retail dispenser's license or a manufacturer's license: And,
11 provided further, That nothing contained in this section shall
12 be construed to prohibit any hotel, restaurant, retail dispenser
13 or club licensee or any officer, director or stockholder, agent
14 or employe of any such licensee from having a financial or other
15 interest, directly or indirectly in the ownership or leasehold
16 of any property or the equipment of any property or any mortgage
17 lien against same, used, leased by an importer or sacramental
18 wine licensee for the exclusive purpose of maintaining
19 commercial offices and on the condition that said property is
20 not used for the storage or sale of liquor or malt or brewed
21 beverages in any quantity: And, provided further, That nothing
22 contained in this section shall prohibit an officer or member of
23 a licensed privately owned private golf course catering club
24 from having an interest in a limited winery license: And,
25 provided further, That nothing contained in this section shall
26 be construed to prohibit a member of the governing board of a
27 public authority created under subdivision (n) of Article XXIII
28 of the act of August 9, 1955 (P.L.323, No.130), known as "The
29 County Code," from having an interest in a distributor or
30 importing distributor license notwithstanding the fact that the
31 public authority has an interest in one or more retail licenses
32 or acts as a landlord for one or more retail licenses: And,
33 provided further, That, nothing in this section may prohibit an
34 employe of a hotel or restaurant licensee from guaranteeing any
35 loans, or lending any moneys, providing credit or giving
36 anything of value to a limited winery licensee or its officers,
37 directors and shareholders, provided that the person also is not
38 an officer of or does not have any interest in or exercise any
39 control over any other licensed entity that engages in any sales
40 to or from the licensee: And, provided further, That,
41 notwithstanding any other provision of this section, an entity
42 may acquire both a manufacturer's license or a limited winery
43 license and a hotel, restaurant or retail dispenser license for
44 use at the same location and more than one location may be so
45 licensed. And, provided further, That, notwithstanding any other
46 provision of this section, an entity licensed as a limited
47 winery may hold and operate a restaurant liquor license at one
48 of its additional, board-approved locations instead of at its
49 primary location where manufacturing occurs. The licenses and a
50 person's interest in the licenses or in the entity holding the
51 licenses shall not be subject to this section. Provided further,

1 That, a person who is a holder of ten per centum (10%) or less
2 of securities or other interests in a publicly or privately held
3 domestic or foreign corporation, partnership, limited liability
4 company or other form of legal entity owning a retail license
5 shall not be deemed to possess a financial interest and is not
6 subject to the provisions of this section, provided that the
7 person is not an officer of, employe of or does not have any
8 interest in or exercise any control over any other licensed
9 entity that engages in any sales to or from the retail licensee
10 in which the person holds the ten per centum (10%) or less
11 interest.[: And, provided further, That nothing in this section
12 shall prohibit a person who has an ownership interest in a
13 limited winery license from being employed by an entity that
14 holds a hotel, restaurant, eating place or club license if the
15 person is not employed as alcohol service personnel or as
16 manager.]

17 (e.1) Nothing in subsection (e) shall prohibit any of the
18 following:

19 (1) A person who has an ownership interest in a limited
20 winery license from being employed by an entity that holds a
21 hotel, restaurant, eating place or club license if the person is
22 not employed as alcohol service personnel or as manager.

23 (2) A person who has an ownership interest in a brewery
24 license from being employed by an entity that holds a hotel,
25 restaurant, eating place or club license if the person has no
26 job duties or responsibilities on, or connected with, the
27 licensed premises in any capacity.

28 * * *

29 Section 2. Section 461(c) of the act is amended by adding a
30 clause to read:

31 Amend Bill, page 3, by inserting between lines 8 and 9

32 Section 3. Section 493(11) of the act is amended to read:

33 Section 493. Unlawful Acts Relative to Liquor, Malt and
34 Brewed Beverages and Licensees.--The term "licensee," when used
35 in this section, shall mean those persons licensed under the
36 provisions of Article IV, unless the context clearly indicates
37 otherwise.

38 It shall be unlawful--

39 * * *

40 (11) Licensees Employed by Others. For any hotel, restaurant
41 or club liquor licensee, or any malt or brewed beverage
42 licensee, or any officer, servant, agent or employe of such
43 licensee, to be at the same time employed, directly or
44 indirectly, by any distributor, importing distributor,
45 manufacturer, importer or vendor licensee or any out of State
46 manufacturer. It shall also be unlawful for any distributor or
47 importing distributor, or any officer, servant, agent or employe
48 of such licensee, to be at the same time employed, directly or
49 indirectly, by any other distributor, importing distributor,

1 manufacturer, importer, vendor, out of State manufacturer, hotel
2 restaurant, malt or brewed beverage licensee, or club liquor
3 licensee. It shall also be unlawful for any manufacturer,
4 importer, or vendor licensee, or any out of State manufacturer,
5 or any officer, servant, agent or employe of such licensee or
6 manufacturer, to be at the same time employed, directly or
7 indirectly, by any hotel, restaurant or club liquor licensee or
8 any malt or brewed beverage licensee or any distributor or
9 importing distributor licensee. Nothing in this subsection shall
10 be construed to prohibit a manufacturer or limited winery
11 licensee, or any officer, servant, agent or employe of such
12 licensee, to be employed at the same time by a hotel, restaurant
13 or retail dispenser licensee if the hotel, restaurant or retail
14 dispenser licensee is located at the manufacturer or limited
15 winery premises pursuant to section 443. For the purposes of
16 this subsection, an officer, servant, agent or employe of a
17 licensee or manufacturer is an individual who has either an
18 ownership interest in the licensee or manufacturer or who
19 receives compensation for his or her work on behalf of the
20 licensee or manufacturer: Provided further, That nothing in this
21 section shall prohibit a person who has an ownership interest in
22 a limited winery license from being employed by an entity that
23 holds a hotel, restaurant, eating place or club license if the
24 person is not employed as alcohol service personnel or as a
25 manager[.]: And, provided further, That nothing in this section
26 shall prohibit a person who has an ownership interest in a
27 brewery license from being employed by an entity that holds a
28 hotel, restaurant, eating place or club license if the person
29 has no job duties or responsibilities on, or connected with, the
30 licensed premises in any capacity.

31 * * *

32 Amend Bill, page 3, line 9, by striking out "2" and inserting

33 4