

AGENCY

The **Pennsylvania Liquor Control Board (PLCB)** is a state agency that serves as the commonwealth's responsible seller of wines and spirits, regulates Pennsylvania's beverage alcohol industry, and promotes social responsibility and alcohol education, while maximizing financial returns for the benefit of all Pennsylvanians. The PLCB regulates the manufacture, importation, sale, distribution and disposition of liquor, alcohol and malt or brewed beverages in the commonwealth. The agency issues licenses to private individuals or entities that wish to engage in wholesale operations of beer, either as an importing distributor or as a distributor. The agency is responsible for wholesale operations of wine and spirits, which licensees may pick up from state-operated Fine Wine & Good Spirits stores or licensee service centers, or have wine and spirits delivered from PLCB distribution centers.

State of Pennsylvania
PLCB

WET and DRY COUNTIES

State law includes a local option for municipalities, not counties.

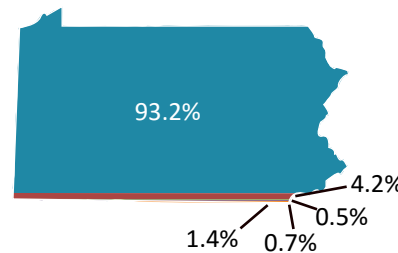
As of July 2015, 684 Pennsylvania municipalities are at least partially dry.

Population 21 and over
(Estimate) (2014) **9,500,000**

CONTRIBUTIONS TO STATE & LOCAL GOVERNMENTS

PA distributes its contributions to state and local governments as follows:

- Pennsylvania Treasury, including liquor tax, state sales tax and annual profit transfers (\$583.6 million) (93.2%)
- Pennsylvania State Police for the Enforcement of Liquor Laws (\$26.1 million) (4.2%)
- The Department of Drug and Alcohol Programs (\$3.3 million) (0.5%)
- Local Communities, through the return of licensing fees (\$4.6 million) (0.7%)
- Philadelphia and Allegheny Counties, through local sales tax (\$8.7 million) (1.4%)



HISTORY

The PLCB was created on Dec. 1, 1933. The agency was responsible for setting up a system of state-run stores to sell wine and spirits, for issuing liquor licenses to hotels, restaurants and clubs and finally enforcing the laws and regulations concerning the sale of alcohol in the state. On January 2, 1934, the first 63 state stores and five warehouses opened for business. In 1987, the legislature passed a law transferring the enforcement of the Liquor Code from the PLCB to the Pennsylvania State Police where it remains today.

In 2016, the most comprehensive changes to Pennsylvania's Liquor Code since Prohibition were signed into law, transformatively changing the beverage alcohol landscape in Pennsylvania. Among the most significant changes brought about by Act 39 of 2016 were direct shipping of wine to residents; wine-to-go sales at restaurant and hotel licensees, including grocery and convenience stores; Pennsylvania Lottery sales and expanded Sunday and holiday hours at Fine Wine & Good Spirits stores; and new marketing opportunities including a customer loyalty program.

ENFORCEMENT

While the PLCB is responsible for issuing and renewing liquor licenses, enforcement of liquor laws is not the responsibility of the agency. The PLCB can refuse to renew a license, but it is not authorized to fine a licensee or revoke or suspend a liquor license for citation matters.

Instead, enforcement of the Liquor Code and PLCB regulations is done by the Pennsylvania State Police, Bureau of Liquor Control Enforcement (PSP BLCE). The PSP BLCE issues citations against licensees found to be in violation of the Liquor Code or PLCB regulations.

The Office of Administrative Law Judge, which is an autonomous office within the PLCB, adjudicates all citations against licensees issued by the PSP BLCE. For each citation, the Administrative Law Judge (ALJ) issues an adjudication presenting findings of fact, conclusions of law and penalties, where applicable. The Office of ALJ has the authority to revoke liquor licenses. Appeals of ALJ decisions are taken to the PLCB.

\$626,338,683
FY 2015-2016 Total PLCB Contributions

From 1933 through fiscal year 2015-2016, the PLCB has contributed **\$16.2 billion** to the state.

Figures are from 2015-16

DISTRIBUTION

The PLCB uses three distribution centers in Philadelphia, Scranton and Pittsburgh totaling 904,000 square feet, roughly 19 football fields. Three privately held companies operate the warehouses.

The PLCB does offer delivery to high-volume licensees through its Licensee Online Order Portal and Licensee Delivery Program and home delivery for consumers who order from www.FineWineAndGoodSpirits.com.

Cases and kegs of malt and brewed beverages are sold by distributors and importing distributors, who are also permitted to sell growlers, six-packs and even single bottles and cans of malt and brewed beverages to non-licensee customers. Sales between licensees must be in case quantities or single containers of 128 ounces or more. Restaurant, hotel and eating place malt beverage licensees are permitted to sell up to 192 ounces (commonly two six packs) to go, per transaction. Pennsylvania breweries may self-distribute to licensees and the public, or may distribute through distributors and importing distributors.

Consumers and licensees may buy wine and spirits from either the PLCB or Pennsylvania-licensed manufacturers, such as limited wineries and limited distilleries.

Does jurisdiction allow direct shipping of wine?



Pennsylvania residents may receive up to 36 cases (up to nine liters per case) per year of wine shipped by a wine producer licensed by the PLCB as a direct wine shipper. The 36-case annual limit is per direct wine shipper, and direct-shipped wine must be for personal use.

Tax per standard drink*:

SPIRITS: \$0.039

WINE: \$0.134

BEER: \$0.081

Taxes per drink are higher in Philadelphia and Allegheny counties.

OUTLETS AND GROCERY STORES

The PLCB operates more than 600 Fine Wine & Good Spirits stores across Pennsylvania, including about 90 Premium Collection stores and an e-commerce retail website.

The PLCB regulates more than 16,000 retail and wholesale licensees in the commonwealth and has the discretion to grant or refuse a new license or transfer if the applicant to be licensed is within three hundred feet of any church, hospital, charitable institution, school or public playground, or if such new license or transfer is within two hundred feet of any other premises which is licensed by the board. The Board can also refuse any new license or the transfer of any license to a new location if, in the Board's opinion, it would be detrimental to the welfare, health, peace and morals of the inhabitants of the neighborhood within a radius of five hundred feet of the place proposed to be licensed.

- Spirits may be purchased from Fine Wine & Good Spirits stores, licensed limited distilleries and licensed distilleries.
- Certain license types, most commonly restaurant, hotel and eating place malt beverage licenses, allow for the sale of up to two six packs of beer to go, per transaction. Restaurant and hotel licensees, which include many grocery and convenience stores, that obtain a wine expanded permit are also authorized to sell up to three liters of wine to go.
- Servers must be 18 years old and older to serve beer, wine or liquor at on-premise outlets, and employees at off-premise outlets must be 18 years old to sell alcohol.
- Sunday sales are allowed under a Sunday sales permit.
- Keg registration is not required.
- For every 100,000 residents ages 21 and older, there are 6.3 spirits outlets.
- Beverage service training is required for all new hires of retail licensees.

**PENNSYLVANIA
LIQUOR
CONTROL
BOARD
IN ACTION**



The PLCB's Bureau of Alcohol Education provides a comprehensive alcohol education program to communities, colleges and universities, schools and law enforcement to help prevent sales to minors, underage drinking and high risk drinking.

The PLCB's Responsible Alcohol Management Program (RAMP) training assists licensees with identifying fraudulent IDs, preventing to sales to minors, recognizing and handling visibly intoxicated patrons, and understanding liability issues. In FY 15-16, 5,179 owners and managers and 44,359 servers were trained through RAMP.

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, Pennsylvania Liquor Control Board, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)