

**SENATE APPROPRIATIONS COMMITTEE
FISCAL NOTE**

BILL NO. House Bill 327

PRINTER NO. 3678

AMOUNT

See Fiscal Impact

FUND

State Stores Fund

DATE INTRODUCED

February 1, 2019

PRIME SPONSOR

Representative Warren

DESCRIPTION

House Bill 327 amends the Liquor Code by adding a new Section 417 (Prepared Beverages and Mixed Drinks for Off-Premises Consumption During Disaster Emergency) to allow sales of prepared beverages and mixed drinks for off-premise consumption.

The legislation allows a person holding a restaurant or hotel liquor license that has lost more than 25% of their average monthly sales as a result of restrictions imposed during the COVID-19 disaster emergency to sell prepared beverages and mixed drinks for off-premises consumption where meals prepared for pickup or curbside pick-up are also available.

The legislation prohibits off-premises sales of prepared beverages and mixed drinks after 11:00 pm and by a licensee subject to a pending objection from the Liquor Control Board (LCB) or whose license has been suspended under the licensee compliance program.

The legislation requires a licensee that sells prepared beverages and mixed drinks to begin utilizing a transaction scan device to verify the age of individuals that appear to be under 35 years of age within 60 days of the effective date. It also requires the licensee to prominently post a warning sign that sales of prepared beverages and mixed drinks are considered open containers and may only be transported by the driver in the vehicle's trunk or in some other area that is not occupied by the driver or passengers.

The legislation permits a licensee to sell liquor to another licensee qualified to sell prepared beverage and mixed drinks during the COVID-19 disaster emergency and requires the licensee selling the liquor to notify the LCB of the name of the purchasing licensee and identify the products sold to that licensee.

The legislation specifies that sales authorized under this section may continue for the period after the disaster emergency when the licensee is operating at less than 60% capacity.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

The legislation defines a “prepared beverage and mixed drink” as a sealed container of no less than four (4) fluid ounces and no greater than 64 fluid ounces in a single transaction that holds spirits and mixers that are combined on a licensed premises.

The legislation also restates language contained in Section 427 (Local Option) that was included in Act 48 of 2019.

The legislation is scheduled to take effect immediately.

FISCAL IMPACT:

The enactment of House Bill 327 will have no fiscal impact on Commonwealth funds. To the extent the legislation allows for additional sales of spirits by the LCB to licensees as a result of sales of prepared beverages and mixed drinks for off-premises consumption, the Commonwealth will realize additional revenue in the State Stores Fund.

The City of Philadelphia, on behalf of the Philadelphia School District, and Allegheny County, which tax sales of alcoholic beverages by licensees, may also generate additional revenue as a result of permitting the sale of prepared beverages and mixed drinks for off-premises consumption.