



Pennsylvania Tavern Association

Pennsylvania Licensed Beverage Association

Testimony on House Bill 1231
Presented to House Liquor Control Committee
By Amy Christie, Executive Director
May 1, 2012

Thank you Chairman Taylor, Chairman Santoni, and members of the House Liquor Control Committee for giving us the opportunity to talk about our concerns with House Bill 1231. We are the Pennsylvania Tavern Association, Pennsylvania's Licensed Beverage Association and I am Amy Christie, Executive Director of the association.

As you are aware, our membership is comprised only of retail licensees of the Commonwealth. All of our members that are licensed to sell wine and spirits are wholesale partners with the PLCB. We not only purchase all wine and spirit products from the PLCB, we are also licensed by the PLCB, enforced by the PLCE which is funded by the PLCB, and also face prosecution by the ALJ that is also funded by the PLCB. If we appeal the ALJ decision, the appeal is then heard by the PLCB itself. The only recourse we have outside of the citation/hearing/appeal-governing arm of our licenses if we feel a wrong decision has been made that will negatively affect our businesses is to go to the Common Pleas as de novo.

One thing we can all agree on is that the liquor code is probably one of the most arduous codes in Pennsylvania to fully understand and comprehend. As the statewide association exclusively representing retail licensees and our vast knowledge of the liquor code, we must voice our concern with House Bill 1231 removing the de novo right of our members while not addressing other issues within the citation/hearing/appeal process. For instance, in the proposal, de novo is taken away from our members but the PLCB is left in the process as reviewing all ALJ appeals. We would advocate that it is imperative to address the process as a whole before piecing items that may compromise the integrity of the process.

We understand that the PLCB would like to see one standard applied to result in consistent outcomes in regards to liquor code violations that makes ridding the de novo right to licensees attractive to them. However, we would point to many instances in which a one-standard approach is not enlisted at all times by the agency and results in good operators being punished in an effort to close a few bad

operators. We fear that until all points due to licensing issues are addressed with consistent standards, the removing of our de novo rights does little to solve the goals of a more streamlined process to close "nuisance" establishments.

Putting some items into perspective, there are over 12,000 retail licensees in the state of Pennsylvania, and there were only 26 appeals in 2011 filed with the Court of Common Pleas relative to licensing matters. Only nine of those cases resulted in the reversal of the PLCB's decision. Meanwhile the nuisance bar unit, the CLA (Conditional Licensing Agreements) process, the ALJ and the BLCE has many more active cases they are currently reviewing and investigating. If one standard were developed from the beginning with each avenue of the process, the good and bad operators would quickly be separated.

Simply put, the removal of one of the judicial rights afforded to retail licensees is not going to solve the issue of closing nuisance bars. To take away a judicial right afforded to 12,000 small businesses in order to address a very small percentage of the industry should and could be avoided.

Lastly, we would like to also address the increasing of fine structures as cited in HB 1231. While we understand the fines for liquor violations have not been increased since the late 80's, we would advocate for a review of the citations that our members are eligible to receive under the liquor code and administer fines accordingly as to the type of liquor code breach. We also feel that this review could provide great assistance while reviewing other aspects discussed in this testimony such as the nuisance bar unit, CLA's, and removal of de novo.

Thank you for your time and we will be glad to answer any questions.