

Getting PA Out of the Alcohol Business (House Bill 466):

New Licenses:

- Creates 1,200 Wine and Spirits licenses.
- Beer distributors would be given first shot at these licenses for the first year.
- After one year, remainder of unused licenses sold to public.
- Licenses would allow sale of wine or liquor or both, but a license is not separable for different sellers (one for wine, one for liquor).
- Does not expand locations where beer may be sold (remember, the PLCB is already allowing “R” license sales in groceries and convenience stores).

Costs:

- License fees depend on county classification.
- Fees for beer distributors (first year):
 - Wine -- \$7,500 to \$37,500
 - Liquor -- \$30,000 to \$60,000
 - Both -- \$37,500 to \$97,500
- Fees for public (after one year):
 - Wine -- \$97,500 to \$187,500
 - Liquor -- \$142,500 to \$262,500
 - Both -- \$240,000 to \$450,000
- Renewal cost (every two years): \$1,000
- Hours (Monday-Saturday) would be 9 a.m. to 11 p.m.
- Sunday Sales Permit (9 a.m. to 9 p.m.): \$1,000 annually

Grocery Store (Wine) Licenses:

- Grocery stores could be licensed to sell wine (maximum 12 bottles per transaction)
 - Up to 12 bottles of wine for consumption off premises
 - No wine purchases at self-checkout
- Fees would range from \$97,500 to \$187,500 (depending on county classification)
- Hours (Monday-Saturday) would be 7 a.m. to 11 p.m.
- Sunday Sales Permit (9 a.m. to 9 p.m.): \$1,500 annually

- Renewal fees: \$4,000 (County Classes 1-4) and \$2,000 (County Classes 5-8)
- Number of licenses: 1 per 15,000 people with minimum two per county

Wholesale Divestiture:

- Begins 12 months after legislation enacted
- Cost of license will be dependent upon the applicant's book of business
 - Sum of the wholesale profit margin on each product of a brand
- One Wine and Spirits Wholesale License to each successful applicant
 - Applicant or affiliate of applicant may not hold Wine and Spirits Retail License or any other license authorizing the sale of wine and spirits
- Renewal fee of \$5,000 every two years

State Store Closings:

- When number of privately licensed stores (W&S and grocery) equals the number of state stores, the PLCB shall close the state stores or provide rationale for their continued operation.
- All state stores must close within six months of when the number of W&S stores plus licensed grocery stores equals 2 times the number of state stores in a county.
- The PLCB shall not operate fewer than 100 state stores.

Employee Help:

- On the retail side, moving from the current 600 outlets to as many as 1,800 means there will be more career opportunities in new businesses looking to hire good, knowledgeable employees.
- Many of the chain wine and liquor stores pay good, family-sustaining salaries with benefits.
- The bottom line, if current state store workers are good, private industry will scoop them up.
- Displaced PLCB employees who intend to remain in the workforce will receive the following opportunities under the plan:
 - Three additional points on Civil Service exam
 - Preferential treatment given for state jobs that don't require Civil Service exam, as long as employee has necessary skills
 - \$1,000 per year grant for part-time education/\$2,000 per year grant for full-time education
 - \$2,000 per year (for two years) tax credit for those hiring displaced workers, something no other person in the job market will have.