

PROPOSED RULEMAKING

LIQUOR CONTROL BOARD

[40 PA. CODE CH. 5] Events/Tournaments/Contests

The Liquor Control Board (Board) under the authority of section 207(i) of the Pennsylvania Liquor Code (47 P. S. § 2-207(i)), proposes to amend § 5.32 (relating to restrictions/exceptions) as set forth in Annex A.

Purpose of the Proposed Amendment

The proposed amendment will remove current restrictions related to events, tournaments and contests on licensed premises to the extent that hotel, restaurant, club, privately-owned public golf courses, privately-owned private golf courses, municipal golf courses, brew pubs and malt beverage eating place licensees will be permitted to sponsor the activities and award prizes to participants. Governing bodies of professional golf, tennis, skiing and bowling will also be permitted to hold events, tournaments and contests on licensed premises.

Need for the Proposed Amendment

This proposed amendment has been prompted in response to requests from licensees, and from the Pennsylvania Licensed Beverage Association. The proposed changes to § 5.32 will remove current restrictions which generally prohibit licensees (hotel, restaurant, club, privately-owned public golf courses, privately-owned private golf courses, municipal golf courses, brew pubs and malt beverage eating place) from sponsoring events/tournaments/contests on licensed premises. Removal of current restrictions will increase business opportunities for holders of these licenses.

Affected Persons

Those affected by this proposed amendment include holders of restaurant, hotel, club, privately-owned public golf courses, privately-owned private golf courses, municipal golf courses, brew pubs and malt beverage eating place licenses issued by the Board, and the patrons of the licensees' tournaments and contests.

Costs and Paperwork Requirements

This regulatory proposal will impose a slight increase in paperwork upon those affected by virtue of expanded recordkeeping related to winners and prizes. The proposed amendment imposes no additional costs beyond current amusement permit fees as established by statute, section 614A of The Administrative Code of 1929 (71 P. S. § 240.14A).

Effective Date/Sunset Date

This proposed amendment will become effective upon final publication in the *Pennsylvania Bulletin*. No sunset date has been assigned.

Public Comment/Contact Person

Written comments, suggestions or objections will be accepted for 30 days after publication of the proposed amendment in the *Pennsylvania Bulletin*. Comments should be addressed to Jerry Danyluk, Regulatory Coordinator, Liquor Control Board, Room 403, Northwest Office Building, Harrisburg, PA 17124-0001.

Regulatory Review

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), the Board submitted a copy of the proposed amendment on December 21, 1995, to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Committee on Liquor Control and the Senate Committee on Law and Justice. In addition to submitting the proposed amendment, the Board has provided IRRC and the Committees with a detailed Regulatory Analysis Form prepared by the Board in compliance with Executive Order 1982-2, "Improving Government Regulations." A copy of this material is available to the public upon request.

If IRRC has objections to any portion of this proposed amendment, it will notify the Board by within 30 days of the close of the public comment period. The notification shall specify the regulatory review criteria which have not been met by that portion. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the amendment, by the Board, the General Assembly and the Governor, of objections raised.

JOHN E. JONES, III,
Chairperon

Fiscal Note: 54-47. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 40. LIQUOR

PART I. LIQUOR CONTROL BOARD CHAPTER 5. DUTIES AND RIGHTS OF LICENSEES

§ 5.32. Restrictions/exceptions.

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(e) A hotel, restaurant, club, **privately owned public golf course, privately owned private golf course, municipal golf course, brew pub** or malt beverage eating place licensee may not hold or permit to be held, on the licensed premises an event, tournament or contest; nor advertise, offer, award or permit the award, on the licensed premises of trophies, prizes or premiums, for any purpose except as follows:

* * * * *

(3) A hotel, restaurant, club, **privately owned public golf course, privately owned private golf course, municipal golf course, brew pub** or malt beverage eating place licensee may permit the conduct of events on the licensed premises by groups constituting a league. Liquor and malt or brewed beverages, as generally permitted by the class of license involved, may be sold, served or delivered at the events on the licensed premises.

(4) Hotel, restaurant, club, **privately owned public golf course, privately owned private golf course, municipal golf course, brew pub** or malt beverage eating place licensees may permit the conduct of tournaments and contests on the licensed premises for the benefit of, and officially sponsored by, bona fide charitable organizations.

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(5) [**Club**] **Hotel, restaurant, club, privately owned public golf course, privately owned private**

golf course, municipal golf course, brew pub and malt beverage eating place licensees may conduct self-sponsored tournaments, events or contests on their own licensed premises **[for the benefit of the club]** so long as the activities are in conformance with the applicable provisions of this subchapter.

(f) For an activity conducted under **[the provisions of]** this subchapter, the following apply:

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(6) **[Club] Hotel, restaurant, club, privately owned public golf course, privately owned private golf course, municipal golf course, brew pub and malt beverage eating place licensees, as well as governing bodies of professional golf, skiing, tennis, bowling, pocket billiards** licensees and nonlicensee sponsors as provided in subsection (e) may award prizes to contestants or participants of events, tournaments or contests. **[Hotel, restaurant and malt beverage eating place licensees may only award trophies to a winner of a league competition, event, tournament or contest. There may be no passage of other prizes, monies or the equivalent thereof directly or indirectly between hotel, restaurant or malt beverage eating place licensees and a contestant or participant.]**

(7) **[The licensee, its agents, servants, employes or representatives, may have no financial interest in an event, tournament or contest except for proceeds received from the sale of alcoholic beverages and food and for the proceeds from reasonable facility rental fees.]** The total value of the prizes for a given event, tournament or contest may not exceed the limits as established by the Local Option Small Games of Chance Act (10 P. S. §§ 311—327).

(8) **Golf, skiing, tennis, pocket billiards or bowling events/tournaments/contests and events sanctioned by the State Athletic Commission are exempted from the prize value restrictions set forth in this section.**

(9) **Licensees shall maintain on the licensed premises for 2 years from the date of the event, an itemized list of the prizes for each event/tournament/contest indicating each prize, its value and the name and address of the recipient.**

(g) The restrictions in this section **[may]** apply not only to the licensee, but to partners, officers, directors, servants, agents and employes of a licensee.

[Pa.B. Doc. No. 96-7. Filed for public inspection January 5, 1996, 9:00 a.m.]