



# Malt Beverage Distributors Association of Pennsylvania

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## MBDA 81<sup>st</sup> Annual CONVENTION & TRADE SHOW



RESORTS &  
CONVENTIONS  
— POCONO MOUNTAINS —

250 Kalahari Boulevard  
Pocono Manor, Pa.

Room Reservations: 877-525-2427

### Saturday, April 22nd

**9:00 AM - 9:40 AM** Starting Times for Golf at Pocono Manor  
Includes green fee, cart, box lunch, beer,  
refreshments & prizes.

**7:00 PM - 1:00 AM** Cocktail Party, Banquet, Live Music,  
Transportation to/from Mt. Airy Casino—  
Great food, beer & prizes.

### Sunday, April 23rd

**10:00 AM - 11:30 AM** General Business Session—Addresses by  
Senator Mario Scavella & Tom Kehoe,  
President, Yards Brewing Co.

**11:30 AM - 12:30 PM** Distributor Business Session & Membership  
Meeting—Legislative & Legal Updates.

**12:30 PM - 1:00 PM** Policy Board Meeting.

**1:00 PM - 5:00 PM** Brewer, Importer, Allied Trade Supplier Hospitality.

**7:00 PM - 10:00 PM** Evening at Desaki Japanese Restaurant in  
Swiftwater. Includes transportation, Hibachi dining  
& entertainment.

**All Beer Distributors, Brewers, Importers, and  
Allied Trade Suppliers Are Invited To Attend**

## Save Time and Money Register in Advance

MBDA recommends that you register in advance for all convention events. Enclosed are pre-registration forms for “All Events” to include Saturday cocktail party, banquet, entertainment & casino and Sunday business sessions & supplier hospitalities and “Daily Events” for attendance to select functions.

Note that tickets for golf at Pocono Manor and dinner at the Desaki Restaurant are priced separate of in-hotel convention events and can be purchased using either the “All-Events” or “Daily Events” form.

**Please return registration forms to MBDA before April 7th.** See page 3 for details on each convention event.



## Easy to Get To

The Kalahari Resort, 250 Kalahari Boulevard, Pocono Manor, is located immediately off I-380 at Pocono Exit 3. The hotel is 2 hours from Philadelphia, 2 hours from Harrisburg, 5 hours from Pittsburgh, 30 minutes from Scranton, and 50 minutes from Allentown. Parking is complimentary.

For directions go to [www.kalahariresorts.com/pennsylvania](http://www.kalahariresorts.com/pennsylvania).



Frank Pistella, President   Stephanie Eckert, Executive Secretary   John Burch, Executive Director  
230 South Broad Street, Suite 903, Philadelphia, PA 19102 P: 215-732-6258 F: 215-732-6023 E: [mbdassn@aol.com](mailto:mbdassn@aol.com)

[www.mbdapa.org](http://www.mbdapa.org)

## Beer Distributors — Family Businesses, Family Convention, Bring the Whole Family!

Convention Chairman John McElroy of Harmony Beverage in Blakeslee guarantees that MBDA will present an outstanding convention for its beer distributors, brewers, importers and allied trade suppliers. This two-day event is the largest state beer distributor convention in the country. Attendance should exceed 400 registrants. Make plans now to come to the Convention, join in on the fun, and improve your business too.

John says, “This is definitely not your daddy’s convention” and promises that our 81st Annual Convention will be like no other that you’ve ever attended. We look forward to seeing you there!



## Guestrooms Offered at a Discounted Rate

**MBDA is pleased to offer our convention registrants an incredible room rate of only \$189.00 per day + 6% sales tax and 3% hotel tax based on single, double, triple or quad occupancy.**

**This special rate includes up to four waterpark passes for each room, complimentary use of the Fitness Center, free parking and complimentary wireless Internet services.**

The reduced rate does require a two-night minimum with a Saturday night stay. This represents a significant savings, as the hotel’s lowest rate over the same time period is \$325.00 per night plus resort fees.

The Kalahari, which opened in the summer of 2015, features first class hotel accommodations. Each of the hotel’s stylish guestrooms is furnished with two-queen beds and a sofa. In-room amenities include HD television with cable, microwave, coffee maker, refrigerator, iron, ironing board, in-room safe, complimentary Wi-Fi, alarm clock, voice mail system, hairdryer, luxurious bath amenities and admission to the indoor waterpark. All rooms are non-smoking.

## The Pocono’s — Offer Fun And Activities For Everyone

There is plenty to do for convention attendees and their families. The Kalahari features the largest indoor waterpark in the United States. Experience stand-up surfing or body boarding on the Flow Rider, the twists and turns of the Anaconda and Swahili Swirl waterslides, a relaxing lazy river ride, or unwind in the resort’s hot tubs. Their family entertainment center features black light mini golf, WX Dark Ride and bowling. Rejuvenate in the Kalahari Spa and Salon.

They offer incredible dining options to include a steakhouse, Italian cuisine, classic tavern fare, buffet with multiple food stations, pizza pub, candy & ice cream shoppe, and coffee house. Then unwind in Felix’s bar, their unique watering hole. For a tour of the hotel go to [www.kalahariresorts.com/pennsylvania](http://www.kalahariresorts.com/pennsylvania).

Just minutes from the Kalahari you can enjoy golf, horseback riding, whitewater rafting and skeet shooting. Visit Bushkill Falls—the Niagara of Pennsylvania.

The famous Pocono Raceway has offered MBDA convention participants a complimentary tour of their facility followed by a loop around the track, and a photo taken in the Winner’s Circle. If you’re interested in this offer, please contact Convention Chairman John McElroy at 570-582-3364 or Stephanie Eckert at the MBDA Executive Office.

Shoppers should be sure to visit the Crossings Premium Outlets in Tannersville, just a 12 minute drive from the hotel. You’ll find an exciting collection of 100 outlet stores from the world’s leading designers and name brands, offering 25-65% off every day.

## Guarantee Your Room Reservation Before March 31<sup>st</sup>

**To insure that you receive MBDA’s discounted room rate, please contact the Kalahari Resort by phone #877-525-2427 prior to March 31st and request the MBDA room block.** All reservations must be guaranteed with a credit card. Check-in time is 4:00 PM. Check-out is 11:00 AM.

## Qualify for Discounts Register Before April 7th

Enclosed are two registration forms — “Pre-Registration for All-Events” and “Daily Events Advanced Registration”. Please complete the forms, enclose your check, and return to MBDA before April 7th. Read the forms carefully for fees and listing of events.

**Pre-Registration for All-Events is your best buy!** You’ll save money when compared to purchasing admission to each event separately, and you’ll receive a complimentary copy of our 2017 Trade Directory.

If you cannot attend the entire Convention and want to purchase badges and tickets separately for each event, please use the Daily Events Advanced Registration form (blue). The Association is offering a discount to daily registrants who buy badges in advance for admission to brewer, importer and allied trade supplier hospitality booths on Sunday, April 23rd.

Pre-Registration eliminates your wait in line at the Convention. Your badges will be readily available to you at MBDA’s convention registration desk on Saturday, April 22nd, from 11:00 AM to 6:00 PM and on Sunday, April 23rd, from 10:00 AM to 4:00 PM. If you cannot register in advance, daily event badges and tickets can be purchased at our convention registration desk on each day.

MBDA has the lowest convention registration rate of any state or national distributor association. **This is a Convention that no industry member can afford to miss!**





# Important Business Sessions Outstanding Trade Show ★ Exciting Social Events

## Saturday, April 22nd

- MBDA will hold its golf tournament at Pocono Manor. Their outstanding 18-hole course has been in existence for over 100 years, with holes designed by classic-era giants Donald Ross and William Flynn. The course has challenged dozens of top professionals. Art Wall Jr., Arnold Palmer, Sam Snead, Tommy Bolt, Cary Middlecoff, Robert DeVicenzo and others have gone head-to-head at Pocono Manor over the years. Tee times are scheduled from 9:00 AM—9:40 AM. Cost of \$75.00/person includes green fee, cart, box lunch, beer, refreshments and prizes.
- Our one-hour Cocktail Party begins at 7:00 PM and offers complimentary beer and scrumptious hors d'oeuvres.
- The Association's Banquet and Live Entertainment from 8:00 PM—10:00 PM, are the highlights of our social events. Enjoy fine brews and superb food stations that include salad; pasta; carved beef, turkey & ham; seafood; desserts, etc. Starting at 9:00 PM, we've made arrangements for transportation to nearby Mt. Airy Casino. Our van leaves every half hour with the last van departing the casino at 1:00 AM. More detailed information will be contained in our April newsletter.

## Sunday, April 23rd

- Distributors, brewers, importers and allied trade suppliers are urged to attend our General Business Session starting at 10:00 AM. **We are honored to have Senator Mario Scavello and Yard's Brewing Company's President Tom Kehoe address our audience.** Detailed information on our speakers' program will be featured in our April newsletter.
- Our Distributors' Business Session & Annual Membership Meeting scheduled for 11:30 AM is open to distributor members only. This is an ideal opportunity to acquire industry knowledge and obtain information that is essential in the daily operation of your business. MBDA will review

and update you on legislative and legal issues of concern and importance.

- The MBDA Policy Board Representatives will hold their annual meeting at 12:30 PM. They will elect Association district vice presidents and directors for our fiscal year beginning July 1, 2017. All representatives are urged to attend the policy board meeting. You will be sent detailed information next month.
- Brewer and Importer Hospitality Booths open at 1:00 PM. It is expected that over twenty-five major suppliers (national, regional and local) will make arrangements for hospitality headquarters. Our registrants are welcome to enjoy beer, soft drinks, food, snacks and entertainment. Admission to all hospitality booths is by badge only.
- Our Allied Trade Suppliers open their booths at 1:00 PM. The trade exhibits are an important feature of the Convention designed to help our distributors make money, cut down on expenses and increase the efficiency of their businesses. It is anticipated that at least fifteen allied trade suppliers will provide demonstrations of cost-saving aids and profit-making items at their booths. Admission to all trade supplier booths is by badge only.

A list of participating brewers, importers and allied trade suppliers will be noted in our April newsletter sent to MBDA members. Distributors who attend Sunday's Trade Show qualify for manufacturers' promotions, prizes, and valuable give-a-ways.

- At 7:00 PM, we've scheduled dinner at the Desaki Japanese Restaurant in nearby Swiftwater. Their talented Hibachi chefs will prepare all your favorites including Filet Mignon, lobster, scallops, salmon, chicken, NY Strip and jumbo shrimp right before your eyes. Cost of \$75.00/person includes transportation to and from the restaurant/hotel, three-course Hibachi dinner, and entertainment featuring their exciting fire show.

## Why Suppliers Should Participate

- ✓ MBDA's Annual Convention is the largest state distributors convention in the country.
- ✓ Pennsylvania is one of the nation's largest volume and per capita consuming states for malt beverages.
- ✓ We attract strictly Industry personnel—your serious shoppers.
- ✓ The Convention is an excellent way to promote your products and services. You are welcome to sell, take orders and schedule appointments—all right from your booth.
- ✓ You gain exposure for your Company.
- ✓ Your customers will be in attendance. The Convention gives you the opportunity to strengthen your business contacts.
- ✓ You will make new business contacts. Our Convention is the least expensive way of reaching new buyers.
- ✓ You will have a full afternoon to showcase your products and services. The Association's business sessions do not compete with the hospitality and exhibit hours.
- ✓ The Association has kept its Convention very affordable.
- ✓ The Convention gives you the opportunity to network with your Industry peers.

## Convention Sponsorships Are Available

Brewers and wholesalers who are interested in convention sponsorships should contact John McElroy at 570-582-3364 or Stephanie Eckert at the MBDA Executive Office. We've established two categories and the advantages to each are outlined below:

### \$5,000 Sponsorship includes:

- 50 complimentary passes for Sunday's hospitality and exhibit booths (\$2,250 value),
- Complimentary full-page ad in our trade directory (\$350 value),
- 8 complimentary golf passes for our Saturday tournament (\$600 value),
- Recognition banner for placement at the Kalahari Resort during the MBDA convention.

### \$1,000 Sponsorship includes:

- 10 complimentary passes for Sunday's hospitality and exhibit booths (\$450 value),
- Complimentary half-page ad in our trade directory (\$250 value),
- 4 complimentary golf passes for our Saturday tournament (\$300 value).

## To Reserve Your Hospitality or Exhibit Booth

Everything you require for a successful convention is here! All booths are located in the Ballroom on the hotel's conference level—ideal for brewer hospitality and allied trade supplier exhibits. We guarantee exposure for all brewers, importers and allied trade suppliers.

*Manufacturers who are interested in participating need only to return their Booth Reservation Request Form to MBDA, which was sent to you under separate cover. If you have any questions, please contact MBDA's Convention Coordinator, Stephanie Eckert, at 215-732-6258, or email mbdassn@aol.com. **Please let us hear from you at your earliest convenience.***

## 2017 Trade Directory — The Industry's Official Handbook

The MBDA Trade Directory is recognized as the official handbook for the Industry. It contains numerous product advertisements and important trade information. The Directory is a year-round reference book used by distributors, brewers, importers and allied trade suppliers doing business in Pennsylvania. It will be distributed at the Convention free of charge to all MBDA members and ad subscribers.

### **Vital information contained in the Trade Directory includes:**

- Names, addresses and classifications of all Pennsylvania beer distributors.
- Association officers, board members and staff.
- Digest of industry state laws and regulations.
- Annual release of the PA Revenue Department indicating malt beverages sold by container size.
- Annual release of the PA Liquor Control Board showing the number of various licenses by county.
- Listing with addresses and telephone numbers for officials of the PA Liquor Control Board, State Police Bureau of Liquor Control Enforcement, PA Revenue Department, and Alcohol & Tobacco Tax & Trade Bureau.
- Names, addresses and telephone numbers of our State Senators and Representatives for their Harrisburg and district offices.
- Names, addresses and products of our associate members and participating brewers, importers and allied trade suppliers.

### **Purchase Advertising Space It Gives You Visibility**

An Order Form for Trade Directory Advertisement with prices and ad placement details is enclosed. Please return the order form together with your ad material to our Executive Office by March 17th.

We encourage you to be part of MBDA's 81st Annual Trade Directory. Your support of our industry's publication is very much appreciated.

## Who Should Subscribe

- Every ID Distributor is encouraged to subscribe to a full-page ad. This is an excellent opportunity for the wholesale distributor to promote his own special interest and image as well as the brewer's brand product.
- Distributors, D & ID, who do not have a particular brand can show their support for this much-needed trade publication with their own ad.
- It is important for distributors to suggest to their sources of supply and county associations to place ads.
- Brewers, importers and allied trade suppliers are especially urged to subscribe to ads. The Directory is the best possible way to remind Pennsylvania's distributors of your products and services.

**Please give serious consideration to inserting a color ad. With your support we expect the 81st annual edition of the Trade Directory to be the largest issued by the Association.**



## Package Reform—A Huge Win for Distributors and Consumers

MBDA was the driving force behind Act 166 (House Bill 1196) to allow beer distributors to sell all package sizes including singles, four packs, six packs, eight packs, and mix a package. It also permits distributors to establish growler stations and to sell mead. Act 166 took effect on January 17, 2017 and was signed into law by Governor Wolf on November 15, 2016.

Act 166 is an historic change to our liquor laws that allows our customers to decide the packages that they want to buy, and enables distributors to become a total beer outlet. This is a huge win for consumers and for distributors.

We thank Governor Tom Wolf and the General Assembly for their support. In particular, we thank the four chairmen of the liquor committees in the Senate and House—Senators Chuck McIlhinney and Jim Brewster and Representatives Adam Harris and Paul Costa—for the excellent job they did in consensus building to enable this legislation to pass the General Assembly.

Finally, we thank our MBDA directors and staff for their hard work in promoting passage of the legislation. We especially thank our members for heeding our call to action in contacting their legislators and helping them understand how this bill would help their small businesses compete in the marketplace. Giving distributors the ability to sell all packages of beer assures consumers of the best selection, price and service.



For updates and more  
information, attend our  
**April 23rd**  
Business Sessions and  
Annual Membership Meeting

## Mehaffie Wins State House Seat

MBDA congratulates Tom Mehaffie, our former president and director, who was elected to represent the 106th State House District, formerly occupied by the retired John Payne. The 106th District is located in Dauphin County and includes Conewago Township, Derry Township, Hummelstown, Lower Swatara Township, parts of Middletown, parts of Swatara Township and Royalton. We wish Tom every success.

### Please Provide Your Email Address and Cell Number

MBDA members who have not provided us with their email address are missing out on the latest industry news as it's happening. E-newsletters are sent to members on a weekly basis and alerts are sent as needed.

If we don't have your e-mail address or cell number, please send them to us at [mbdassn@aol.com](mailto:mbdassn@aol.com)

### PA House & Senate Dates

Future session dates for the Pennsylvania House of Representatives and Senate are as follows:

January 23, 24, 25, (Senate only 30, 31).

February (Senate only 1), 6, 7, 8.

March (House only 13, 14, 15), 20, 21, 22,  
(Senate only 27, 28, 29).

April (House only 3, 4, 5), (Senate only 17), 18, 19, 24,  
25, 16.

May 8, 9, 10, 22, 23, 24.

June 5, 6, 7, 12, 13, 14, 19, 20, 21, 22, 26, 27, 28, 29, 30.

When not in session, Senators and House Members can be reached at their district offices.

It is extremely important for distributors to personally reach out to their legislators. If you're not certain as to your House Member, please visit [www.house.state.pa.us/](http://www.house.state.pa.us/), click on "Find My Representative", and then type in your address, city and zip code. For Senators, go to [www.pasen.gov/](http://www.pasen.gov/), click on "Find My Senator", and then type in your address, city and zip code.

### Visit MBDA Website

For developments, please continue  
to go on-line at [www.mbdapa.org](http://www.mbdapa.org).



## More Information on Growler Sales

Many members have asked about Pennsylvania's statutory and regulatory requirements for growler sales at beer distributors since the passage of Act 166. Generally speaking, the PLCB and PA Department of Agriculture are the state agencies which have jurisdiction over growler sales. While there are only a few official rulings and/or regulations from these agencies on the issue of growler sales, here are some we believe will be important for our members:

- The Department of Agriculture ("DOA") will require distributors to register with them (and Pay an application fee) in order to fill and sell growlers. For distributors who are already registered with the DOA, you should be able to treat this as a change in operations application.
- Distributors will be required to install a 3 compartment sink and a separate hand washing sink near the growler area (although it may be possible to seek a variance to utilize the 3 compartment sink as the hand washing sink). The location of the sinks must be approved by the DOA.
- If you are filling growlers for your customers, you are required at a minimum, to rinse the growler with hot water before filling. This can be done with a pressurized bottle washer or in the 3 compartment sink.
- If you choose to allow customers to fill their own growlers, you do not have to clean the growler prior to filling, but the sink must be available for customers to rinse with hot water. There are additional labeling and monitoring requirements for self-service growler stations, which can be provided to members upon request.
- All tap systems must be cleaned in accordance with PLCB Regulations (40 Pa Code §§5.50-5.54).
- There is nothing in the Liquor Code or the Board's Regulations which prohibit a distributor from filling a growler which bears a label for a particular brand of beer with a different type or brand of beer.
- There is no requirement to affix any sort of label to a growler once it is filled, but a distributor is responsible for maintaining accurate records that reflect what type of beer is being sold in a transaction in order to comply with 47 P.S. § 4-493(12). Growlers must be individually labeled if they are displayed and offered for sale as "pre-filled".
- Employees serving and filling growlers must be RAMP certified, and they must refuse to fill growlers for patrons who are underage or visibly intoxicated.

- The Surgeon General's Warning regarding alcohol consumption set forth in 27 U.S. Code § 215 (a) should be posted on all growlers: "Government Warning: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects. (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery, and may cause health problems." Best practices dictate that a growler should not be filled unless the Surgeon general's warning is in a conspicuous and prominent location on the container, or a label containing the warning (e.g., a sticker) can be affixed to the container by the distributor.

We have been asked about distributors selling other popular containers in addition to a traditional growler. While the new statutory language only references "growlers" specifically, we believe the changes to Section 431 of the Liquor Code are broad enough to authorize the sale of other popular containers at distributors, even though these containers may be referred to by other names, such as crowsers, mason jars, etc. We will advise members if we receive any additional information from the PLCB concerning these other containers.

If you intend to sell growlers at your distributor, you should contact the DOA as soon as possible to initiate the application and inspection process. Be advised that not all facilities are under the DOA's jurisdiction. Six counties (Allegheny, Bucks, Chester, Erie, Montgomery and Philadelphia) have county health departments that handle inspections and licensing in their jurisdictions. Additionally, some local municipalities also do their own inspection and licensing. If your business is located in a county or local health department jurisdiction, you should contact your local health department for assistance with licensing and requirements.

### Beer Taps

For distributors who intend to sell growlers, please be advised that under Act 166, licensees are no longer required to label their beer taps (faucet, spigot, or dispensing apparatus). However, if you elect to use unlabeled beer taps, the brand label of the malt or brewed beverage must

be located somewhere in full sight of the customer.



## Crowlers

**MEMBERS: Please be sure to read your weekly newsletter as it will contain more information on crowler sales.**



## Transshipping Changes

Sen. James Brewster (D-45), Democrat chair of the Law and Justice Committee, is circulating a memo seeking co-sponsors of a bill that would modify certain rules regarding distributor sales to licensees, a part of the Liquor Code that was amended by Act 166 of 2016.

House Liquor Chairmen Adam Harris and Paul Costa are introducing a similar bill in the House.

Senator Brewster's memo says, "since the passage of Act 166 we've heard from many beer distributors in our districts that believe we undermined their ongoing business to liquor licensees (restaurants and taverns) by prohibiting them from selling beer outside of the franchise territory of the import distributor that the beer came from."

"There are good reasons to protect the franchise territories of import distributors, including protecting the three tier system for distributing beer and to protect the contacts between brewers and import distributors. However, the change in Act 166 went too far and needs to be adjusted without total repeal."

"In order to address the concerns raised about Act 166 and still protect our existing beer distribution system I'm proposing the following three scenarios to allow beer sales by distributors to liquor licensees:

1. When the liquor license is within the territory of the import distributor;



2. When the liquor license is within the county of import distributor; and

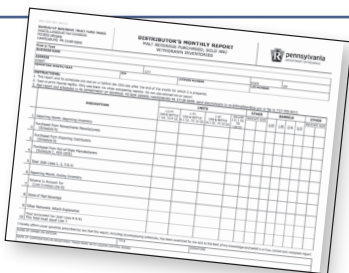
3. When the liquor license is within 40 miles of the distributor and within a contiguous county".

The amendments regarding distributor sales to licensees outside of the selling ID's district were enacted to prevent large grocery and convenience gas station chains with multiple R licenses from doing business statewide through a single "chosen" ID and distributor.

MBDA will keep members updated as additional information become available.

## 1014 Report

Please be advised that the 1014 report is a PA Department of Revenue form, not a PLCB form, so MBDA counsel doesn't believe that Act 166 changed anything in regard to 1014 reports. He believes the addition of Section 445(c) creates an additional PLCB reporting requirement for wholesalers and breweries who sell at retail.



## Clarification on ID's and Package Reform

The PLCB has confirmed the provisions of Act 166 which allow a distributor to sell malt or brewed beverages in any package configuration to non-licensees apply to both importing distributors and distributors. Please note that Act 166 did not change the packaging rules for importing distributor or distributor sales to other licensees. Thus, the ability to sell in smaller quantities only applies to sales to non-licensees for off premises consumption.

## Distributors Selling Mead

Act 166 allows mead to be distributed and sold by malt and brewed beverage distributors. This is because after January 17, 2017, mead will be categorized as a malt or brewed beverage under the Liquor Code. Act 166 defines "mead" as an alcoholic beverage produced by fermenting a solution of at least 51% honey, water, and other agricultural products, containing no more than 8.5% alcohol by volume and marketed as malt or brewed beverages rather than wine. Mead can be sold in bottles, cases, kegs, cans, or other suitable containers, and it may be produced by breweries or limited wineries.

The PLCB will continue to sell the mead in its inventory until such mead inventory is depleted, but the PLCB may not purchase additional mead after January 17, 2017.





## Senate and House Leadership and Committees

We regularly meet with Leadership and Committee Members. But, it is equally important for distributors who reside in the Senatorial or House Districts of Leadership and Committee Members to contact their lawmakers.

Share with them your personal story—how many years you have been in business, how many full and part-time people you employ, the good wages you pay, health and pension benefits that you provide, vacation time that you offer, how much inventory you carry, your involvement in community events, and your excellent record in not selling to minors. If 1,300 locally owned beer distributors in 67 counties go out of business, it translates into a loss of over 15,000 good-paying jobs—jobs that would not be recouped by grocery, convenience and big box stores.

Leadership and committee members are listed below.

### PA SENATE LEADERS

Here are the Senate leadership teams for the current session:

Republicans—President Pro Tempore Joseph Scarnati (Jefferson). Majority Leader Jake Corman (Centre). Whip John Gordner (Columbia). Caucus Chairman Bob Mensch (Montgomery). Caucus Secretary Rich Alloway (Franklin). Policy Committee Chairman David Argall (Schuylkill). Caucus Administrator Charles McIlhinney (Bucks). Appropriations Committee Chairman Pat Browne (Lehigh).

Democrats—Minority Leader Jay Costa (Allegheny). Whip Anthony Williams (Philadelphia). Caucus Chairman Wayne Fontana (Allegheny). Caucus Secretary Larry Farnese (Philadelphia). Policy Committee Chairman Lisa Boscola (Northampton). Caucus Administrator John Blake (Lackawanna). Appropriations Committee Chairman Vincent Hughes (Philadelphia).

### PA HOUSE LEADERS

House leadership teams for the current session are:

Republicans—Speaker Mike Turzai (Allegheny). Floor Leader Dave Reed (Indiana). Whip Bryan Cutler (Lancaster). Caucus Chairwoman Marcy Toepel (Montgomery). Caucus Secretary Donna Oberlander (Clarion). Policy Chairman Kerry Benninghoff (Centre). Caucus Administrator Kurt Masser (Northumberland). Appropriations Committee Chairman Stan Saylor (York).

Democrats—Minority Leader Frank Dermody (Allegheny). Whip Michael Hanna (Clinton). Caucus Chairman Dan Frankel (Allegheny). Caucus Secretary Rosita Youngblood (Philadelphia). Policy Chairman Mike Sturla (Lancaster). Caucus Administrator Neal Goodman (Schuylkill). Appropriations Committee Chairman Joseph Markosek (Allegheny).

### PA SENATE COMMITTEE LAW & JUSTICE

The Law & Justice Committee works on alcohol legislation in the Senate. The following is the Republican Committee: Charles McIlhinney, Majority Chair (Delaware), Richard Alloway, Majority Vice Chair (Franklin), John Rafferty (Montgomery), Mike Regan (Cumberland), Guy Reschenthaler (Allegheny), Don White (Indiana), Gene Yaw (Lycoming). Joseph Scarnati (Jefferson) serves as ex-officio.

The following is the Democratic Committee: James Brewster, Minority Chair (Allegheny), Wayne Fontana (Allegheny) Christine Tartaglione (Philadelphia), Anthony Williams (Philadelphia).

### PA HOUSE COMMITTEE LIQUOR CONTROL

The Liquor Control Committee works on alcohol legislation in the House. The following is the Republican Committee: Adam Harris, Chair (Juniata), Warren Kampf (Chester) John A. Lawrence (Chester), Jim Marshall (Beaver) Nick Miccarelli (Delaware), Mark T. Mustio (Allegheny) Scott A. Petri (Bucks), Mike Reese (Westmoreland) Greg Rothman (Cumberland), Justin J. Simmons (Lehigh) Curt Sonney (Erie), Craig T. Staats (Bucks), John J. Taylor (Philadelphia), Mike Tobash (Schuylkill), Jesse Topper (Bedford), Jeff C. Wheeland (Lycoming).

The following is the Democratic Committee: Paul Costa, Democratic Chair (Allegheny), Kevin J. Boyle (Philadelphia) Frank Burns (Cambria), Morgan B. Cephas (Philadelphia) Maria P. Donatucci (Philadelphia), Marty Flynn (Lackawanna) Bill Kortz (Allegheny), Anita Astorino Kulik (Allegheny) Joanna McClinton (Philadelphia), Adam J. Ravenstahl (Allegheny), Peter Schweyer (Lehigh).





# Township Rejects Giant License Transfer

Giant Food Stores v. Lancaster Township - Giant Food Stores filed an appeal from the denial by Lancaster Township of Giant Food Store's request for an inter-municipal transfer of a liquor license. Lancaster Township's Board of Supervisors held a hearing on Giant Food Store's request on April 11, 2016. At the hearing, counsel for Giant Food Stores made a presentation regarding Giant's plans for the license. There were MBDA members and other individuals in attendance in opposition to the request.

On June 1, 2016, the Lancaster Township Board of Supervisors voted to deny Giant's request. Giant Food Stores filed an appeal to the Court of Common Pleas of Lancaster County. On November 28, 2016, MBDA filed a motion for leave to file an amicus brief, and this motion was granted on December 5, 2016. Following consideration of the briefs filed by all interested parties, Judge Leonard Brown dismissed Giant's appeal for lack of subject matter jurisdiction. The court reasoned that although Giant may have had a need or desire for the liquor license, because Giant had no property right or interest in seeking inter-municipal approval of the license transfer, it had no right to appeal the Township's denial under Local Agency Law. This means Giant must live with the Township's decision and cannot ask for review from the Court of Common Pleas.

This is a big win for our members who have businesses in Lancaster Township and for taverns, beer distributors and others seeking to keep businesses such as Giant out of their markets.

## Intermunicipal Hearing Talking Points

- **Quota/Municipal Discretion:**

If the receiving municipality is scheduling a public hearing that means the municipality is at or over the statutory quota (1 liquor license per 3,000 inhabitants of the municipality). The general assembly set this quota for a reason and there should be a compelling reason to saturate the municipality with additional liquor licenses. There are already too many liquor licenses in the municipality.

If there are liquor licenses available within the municipality (either in safekeeping, or otherwise), the applicant should have to purchase one of those licenses instead of transferring a new license into the municipality which is already over quota. What efforts has the applicant made to acquire a liquor license from within the municipality? Approving new licenses in the municipality will lower the value of existing licenses. By increasing competition above the quota, there is potential to put these existing alcohol retailers out of business.

Under the statute and developing case law, the municipality has the discretion to approve or deny these requests and the applicant has no right to appeal.

- **Subsequent Purchaser:** The municipality loses control of the liquor license once it is approved within its borders. A license transferred into a municipality through this process must remain in the municipality for at least five (5) years. If the applicant decides it no longer wants the license, or it is no longer profitable for the applicant to sell alcohol, the applicant will be able to sell the liquor license to anyone for use within the municipality. The person they sell the license to does not have to come back to the municipality for

another hearing. The purchaser of the license can use it for any permissible use, including a bar, nightclub, etc.

- **Restrictive Institutions/Residents:** It would be beneficial to know what is around the applicant's proposed business location. If there are churches, schools, charitable organizations, playgrounds, other businesses with liquor licenses, or other restrictive institutions nearby, they have (in some cases) automatic standing to challenge the application both at the municipal and possibly the PLCB level.

Residents within a 500 foot radius have automatic standing under the liquor code and can attend the hearings to voice their opposition to the proposed transfer. There is some debate as to whether local business owners who are non-residents have standing to testify at inter-municipal hearings in opposition to these transfers.

- **Prior citation History:** If the applicant owns other liquor licenses, their citation history is available on the PLCB website to see if they have ever been cited by the state police for violations of the liquor code.

- **Conditional Approvals by the Municipality:** Some municipalities will try to put conditions on their approvals in the inter-municipal liquor license context but, for all practical purposes, these conditions are unenforceable. These restrictions are not binding on the PLCB and there is no enforcement agency for these restrictions. If a municipality is inclined to put conditions in a resolution approving an inter-municipal liquor license transfer, those conditions should be adopted by the PLCB as part of a formal conditional licensing agreement.

## Act 39— Supermarkets Selling Wine

HB 1690 signed into law in June as Act 39 allows restaurant and hotel licensees to sell 4 bottles of wine for off-premises consumption and codifies the PLCB's interpretation of the liquid fuel prohibition in the Liquor Code to allow gas stations to qualify for licensure. Obviously, MBDA was opposed. A majority of the wine permit licenses are being purchased by large chain supermarkets and convenience stores.

Act 39 also allows the PLCB to auction expired restaurant licenses, including those that were not renewed, were revoked by an Administrative Law Judge or are no longer eligible for safekeeping. Most of these licenses are being purchased by supermarket and convenience store chains.



## MBDA Officers and Directors

Officers and directors give generously of their time to attend board meetings, meet with our Senators, House Members and industry partners, and attend legislative receptions. We appreciate their efforts throughout the year, and members should feel free to call on them with questions and suggestions. A listing of officers and directors and their contact information can be found on-line at [www.mbdapa.org/documents/officers\\_directory.pdf](http://www.mbdapa.org/documents/officers_directory.pdf). MBDA members can also use the listing that was included with your membership certificate and decal.

## MBDA Committees

MBDA President Frank Pistella asks Association directors and members to volunteer their time and talent to serve on a Sub-Committee to assist us in proactively facing our challenges and helping us make the best possible decisions on behalf of our Association's members. Members who are interested in serving on any of these committees are asked to please call our executive office: **Legislative Committee; Finance Committee; Membership Committee; Convention Committee; Fundraising Committee; Public Relations Committee; Legal Committee.**

## Compliance Checks

The State Police Bureau of Liquor Control Enforcement regularly conducts compliance checks at beer distributors, restaurants, and bars throughout Pennsylvania. They use minors, between the ages of 18 and 20, who appear to be of legal drinking age, as decoys.

Distributors—please be vigilant and card anyone whose age appears questionable. Let's maintain our excellent record of not selling to minors.

## MBDA Offers On-Line Employee Ramp Training

MBDA provides an on-line Responsible Alcohol Management Program (RAMP) for beer distributor employees. Go on-line to [mbdapa.org](http://mbdapa.org).

Owners and managers can schedule RAMP training by contacting the PLCB at [www.lcb.state.pa.us](http://www.lcb.state.pa.us).

## PNC Merchant Services Relationship Manager

MBDA members who process through PNC Merchant Services are encouraged to contact our Relationship Manager with questions or assistance. You can reach Jammie Jones of PNCMS at telephone 717-597-4786 or email [jammie.jones@pnc.com](mailto:jammie.jones@pnc.com).



## Director Vacancies

Vacancies exist in Districts #1 (Philadelphia County), District #4 (Allegheny, Beaver, Fayette, Greene, Washington & Westmoreland), District #7 (Armstrong, Butler, Cameron, Clarion, Clearfield, Elk, Forest, Indiana & Jefferson), District #9 (Berks, Carbon, Lehigh, Northampton & Schuylkill), District #10 (Delaware & Montgomery) and District #12 (Bradford, Clinton, Lycoming, Potter, Sullivan & Tioga). MBDA members who are interested in serving are asked to please call the MBDA executive office. You are urged to be active and please get involved.

## Avoid Sales to Minors

Distributors are reminded to always ask a suspected minor for current photo identification, make a photocopy or take a photograph of the ID or have him/her sign a declaration of age affidavit. MBDA recommends that you do both. Keep these records on your licensed premises. A photo ID must be a driver's license, identification card issued by the Department of Transportation, military identification, or passport.

We also encourage the use of an electronic scan device. When a valid form of identification, verified as such by use of an electronic scan device, is relied upon in good faith by a distributor, the distributor will be saved from both civil and criminal prosecution for the offense of sale to a minor. MBDA offers electronic scanning equipment to its members at discounted pricing through our endorsed vendor. Contact Stephanie Eckert of our Executive Office for details.



## Associates Members

MBDA's associate membership year runs from January 1 to December 31, 2017. The cost of becoming an Associate Member starts at only \$300.00 and is open to brewers, importers, allied trade suppliers, and professionals who supply products or provide services to beer distributors.

Our Association recognizes associate members as supporters of our industry and their names, addresses, phone numbers and products or services are noted in MBDA newsletters, on our on-line Buyer's Guide, and in our annual trade directory.

As we go to press, we thank the following firms who have joined our Association. **Appalachian Brewing Co., Inc.**, Artie Tafoya, 717-221-1080. **M. Fried Store Fixtures** (shelving), Jonathan Klitnick, 718-766-0720. **Infosolve Inc./m Power Beverage Software** (POS software), Patrick Mooney, 877-396-0141. **RITE** (POS software & hardware), Gary Noble, 320-230-2282. **Yards Brewing Company**, Tom Kehoe, 215-634-2600.

Manufacturers who are interested in applying for associate membership should return the application sent to you in January. If you misplaced the form please call our Executive Office or obtain one on-line at [www.mbdapa.org](http://www.mbdapa.org).



## Distributors Political Action Committee (DISPAC)

DISPAC is MBDA's political arm. Its purpose is to raise money and make contributions to the campaigns of legislators who are sensitive to our issues. Your DISPAC contributions enable MBDA officers, directors, staff and members to attend legislative fundraisers and participate in breakfasts and receptions to discuss with our Senators and House Members issues that are of extreme importance to you.

**DISPAC efforts played a strong role in our recent package reform accomplishments. First, 12-packs sales...now sales down to a single including growlers!**

To date, we have received a generous contribution from Maureen & Donald Hicks for 2017. We thank the following distributors for their 2016 DISPAC contributions: Geano & Rosemarie Agostino, Margaret Alston, Douglas & Susan Berthold, Ronald Baumbach, Joseph Bound, Mark Boyce, Kyun & Jung Chung, Albert & Jan Clause, Anthony & Patricia Colangelo, James & Kathleen Crane, Wayne Crouse, Sandra Danison, Robert DeBone, Jim Delaplaine, Tom Derr, Diane Dillon, David & Tracey Dripps, Ryan & Gretchen Federbusch,



Patrick Flannery, Virginia Gante, John & Cheryl Grunden, Larry Hatter, Karen & Geoffrey Hurley, Doug Jack, Michael & Zoe Kennedy, Bradley & Tammy

Keuscher, Francis & Mary Krafty, Frank LaRosa, Louis & Samuel Lombardo, Louis Marcellus, John McElroy, Elizabeth & Charity McNeill, Chris Miller, Rodney Miller, Scott & Linda Nelson, Arun & Manasvi Patel, Peter & Christina Petousis, William & Pamela Petitt, Frank Pistella, Alexander & David Piermani, Gregory Ramirez, Keith Rutt, David & Sharon Shipula, Don Short, Pete Sirianni, Michael Spaziani, Rebecca Stubler, Mark Tanczos, Leonard Treat, Joseph & Mary Ellen Tssario, Richard Vanevenhoven, Matt Viens, Jessica Wheeland, James & Sally Wolf, Donald & Diane Zeigler, Tim Zottlemeyer.

DISPAC funds are dangerously low and we're asking you to help underwrite our continued legislative efforts with a contribution of \$100, \$250, \$500 or better yet, \$1,000 to DISPAC. Our legislative battles are not over. Other licensees—which now include the powerful lobbies that support the chain grocery and convenience stores—will continue efforts to erode our markets and our new business model. They want to sell cases in their aisles. A healthy DISPAC fund is a critical part of our efforts for success.

**Please help us keep the family-owned and operated beer distributor in business. Will you please make a personal or partnership check (no corporate) payable to DISPAC, and mail it to 230 S. Broad St., Suite 903, Philadelphia, PA 19102. Your future is in your hands!**

## Group Buying Power for MBDA Members

**High insurance costs? Reduce them through MBDA's Business Insurance Program.** Any Penn National agent can place an MBDA member. You can save money on the cost of your automobile, business owners, general liability, liquor liability, property, umbrella, and worker's compensation insurance. You'll receive expanded coverages at no additional cost, and you'll be eligible to receive a dividend regardless of account size. This program has paid a dividend back to policy holders for eight of the last ten years!

**Lower your credit and debit card fees by enrolling in MBDA's processing program through PNC Merchant Services.** You'll pay the lowest possible fees on Visa, MasterCard & Discover debit and credit. You'll incur no monthly statement fees and supplies are free of charge. Purchase the latest equipment at minimal cost or have your existing equipment re-programmed free of charge. Take advantage of our gift card program which can be a very effective promotional tool for your business.

**Tired of paying high electricity bills? MBDA is excited to offer its members a program through Kinetic Energy.** Because of deregulation, everyone can "shop" the generation portion of their bills. Associations can get a better energy generation rate for members by combining members' generation needs together and shopping their total generation. Each member will still have their own bills and be responsible for their own payment of the bills. Each member will still have their local utility company maintain and service the wires that carry the electricity to their business. Members will only be entered into an agreement with an energy generation supplier if the price secured is lower than the price currently offered by the utility company.

Over the years, many MBDA members have signed up for our energy-saving program. Additional distributors have told us that they are waiting for their current energy contracts to expire so that they too can join our program. We expect to initiate another round in the near future.

**MBDA members who are interested in a program should contact Stephanie Eckert at the Association's Executive Office.**

## Support Those Who Support You — Support MBDA

MBDA Convention Chairman John McElroy asks, “What do you pay per day for a cup of coffee—\$2.00?

Your cell phone—\$3.00? The Internet—\$4.00?” You can protect your business and get on board with MBDA for as little as \$1.25 a day! MBDA has much to offer beer distributors including timely distribution of industry information; strong government advocacy and public relations consultants; and programs to help us do business more efficiently at a lower cost. We continue to come up with ideas and programs to better serve our members and strengthen our Association.

We thank our MBDA members for their continued support. You have enabled us to maintain a powerful voice in Harrisburg in representing Pennsylvania’s beer distributors. Members should not hesitate to contact our Executive Office for industry

advice or assistance. Call or write us if you have any ideas or suggestions that you believe will enhance the beer business.

Distributors who haven’t renewed their membership are asked to do so, and a reminder invoice is enclosed. We ask non-member distributors to please give serious thought to joining MBDA, and an invoice is also enclosed for your use. By becoming a member you give us even more power and influence in taking our message to our state lawmakers. And, an added membership benefit is that you can enroll in our discounted programs. If you don’t agree that your savings more than pays for your dues we will gladly refund your money.

Distributors—we look forward to working with you to protect and strengthen our business interests in Pennsylvania. Protect your business—Join MBDA today!

## DISTRIBUTOR RECAPS

To our members—We thank you for your vote of confidence. We pledge to do our utmost to always merit your support. Please reach out to a non-member distributor in your area to join MBDA.

To non-members—Please join! Help us promote your interests and voice your concerns in Harrisburg. A membership application is enclosed for your use.

Save money and enroll in MBDA’s discounted membership programs—business insurance, credit/debit card processing, energy, electronic scanners, promotional items. See page 11 for details on each program.

Personally reach out to your legislators. You’re a voting constituent, and your Senators and House Members want to hear your concerns! See page 8 for additional information.

Make a personal contribution to DISPAC—MBDA’s Political Action Committee. Show support for and help elect Senators and House Members who support our issues! See page 11 for additional information.

Come to MBDA’s April 22 & 23 Convention at the Kalahari Resort, Pocono Manor, PA. Join in on the fun and improve your business too! See pages 1 through 5 for details. Call the hotel at 877-525-2427 to make your room reservation. You must mention the MBDA room block to obtain the discount.

Provide MBDA with your email address & cell number. You’ll be assured of receiving the latest industry news as it’s happening!

