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CHEERS *by Barbara A. Darkes*

It has been a tough year to say the least. As we approach the winter solstice, spirits are hopefully lighter and things on the horizon a bit brighter. With the hours of daylight shrinking, December has become the month of great celebrations of all faiths and populations. The celebrations culminate with the birth of a new calendar year, longer daylight hours and likely a snow storm or two before we creep out of the winter season into spring.

Regardless of what it is you celebrate this December, it is likely that there will be office parties, family gatherings and other social events where alcohol will be available for purchase or consumption. Though I have found no resource to confirm this, my suspicion is that more alcohol is purchased in this season than any other in the calendar year.

Ever wonder what is involved in getting the alcohol from the manufacturer to the restaurant, party or home where you are holding your festivities? The supply chain process is pretty much the same as for any other commodity in that it goes from being manufactured, to being shipped to the retail entity (sometimes with a layover in a warehouse), to the consumer. The difference is that to participate in many of these processes, including transporting alcohol for hire and storing alcohol for hire, the entity/person doing so must be properly licensed.

In Pennsylvania, a person (defined in the PA Liquor Code as a "natural person, association or corporation") may not store as a bailee for hire or transport as a transporter for hire liquor, malt or brewed beverages (in essence, beer, wine or spirits) unless they are

appropriately licensed by the Pennsylvania Liquor Control Board ("PLCB"). So, in addition to having your state and federal operating authorities and other required licenses in place, if you want to store or transport beer, wine and spirits for hire, you will also need additional licensure from PLCB.

The licensing process can be quite cumbersome. It begins with the filing of an application in which PLCB requests a host of information about the person to be licensed, i.e. name, address, date and place of birth, title, social security number, etc. Notably, if the person is a corporate entity, PLCB will want this information for all officers, directors and shareholders. The prospective licensee will also have to confirm they are United States citizens and pay a filing fee ranging from \$160 to \$265 depending upon what type of license is sought. PLCB will also conduct criminal background checks on the applicant. The existence of a criminal record could be cause to decline licensing. The applicant will also have to provide detailed information regarding the facilities that will be used in their operations and the owners of those premises if they are not owned by the applicant.

After the application is submitted to PLCB, a PLCB employee will be assigned to investigate the application. That investigator will want copies of corporate documents (organizational filings, meeting minutes, stock certificates, etc.), and copies of deeds and leases for the facilities. The investigator will also meet and interview all officers, directors and shareholders. Finally, the applicant is required to produce documentation disclosing all financial sources used to operate the business. This is required to confirm that no one else



has a financial interest in the license and that financial resources have not been secured from inappropriate sources.

After the investigator has completed gathering the needed information and interviewing persons involved, the application will proceed through its final approval with PLCB's Licensing Division. In certain instances, special PLCB approval may be needed, which will result in the application being reviewed at a PLCB meeting. Ultimately, usually about six to twelve weeks after applying for licensure (assuming no difficulties arise), the license will be issued and the licensee may begin transporting and/or storing beer, wine and spirits for hire.

The additional requirements to be involved in the storage and transportation of beer, wine and spirits does not end with securing a license. Licensees have various ongoing responsibilities. They must be certain that all containers they store or transport (which contain alcohol or liquor) have securely and permanently attached a label identifying the name of the manufacturer, the kind and quantity of alcohol or liquor, the date of manufacture and the license number of the manufacturer. Licensees must also keep detailed records of the quantities of alcohol and liquor stored and transported; the sales or other disposition of alcohol, liquor and malt beverages; and the names and addresses of the purchasers of the alcohol, liquor and malt beverages. Transporters for hire must display on each side of their vehicles used in the transportation for hire business, their name, address and PLCB license number, which must be preceded by the letters "P.L.C.B." Also, while transporting alcoholic beverages, the licensees must have documentation identifying the names and addresses of the consignee and consignor. The premises and records of licensees are always open and subject to inspection by the PLCB or its designee, and suspension or revocation can result if there are violations.

It takes a little more effort to be involved in the storage and transportation of alcoholic beverages. Keep this in mind when you are attending your office party, family gathering or other social event this season where alcoholic beverages may be present. If you have an interest or opportunity to get involved in this area of business, we recommend you consult with your counsel to assist with securing the liquor license needed.

McNees Wallace & Nurick wishes you and yours a safe and happy holiday. ■

In addition to bailees for hire and transporters for hire, PLCB also licenses bonded warehouses. Bonded warehouses hold alcohol in bond for customers. This means sales tax consequences are deferred until removal of the alcoholic beverages from the warehouse.

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