

COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA LIQUOR CONTROL BOARD Northwest Office Building Harrisburg, Pennsylvania 17124-0001

June 11, 2020

The Honorable Tarah Toohil Pennsylvania House of Representatives P.O. Box 202116 Harrisburg, PA 17120

Representative Toohil:

Having reviewed your recent correspondence requesting the Pennsylvania Liquor Control Board (PLCB) consider instituting a 25 percent discount on liquor license renewals due to the impact of the COVID-19 pandemic on the restaurant industry, this letter responds to your inquiry.

The global pandemic caused by COVID-19 has been unprecedented, and its tremendous impact on the hospitality industry continues to unfold. Throughout this crisis the PLCB has sought to partner with the regulated community to provide what flexibility we can while honoring statutory requirements mandated by the Liquor Code.

Examples of customer- and business-friendly special allowances within the PLCB's authority to implement that we have adopted include allowing retail licensees to continue sales of beer and wine for off-premises consumption even though on-premises food sales have ceased; suspending fees and deadlines for submission of license applications; extending authority expirations; easing safekeeping requirements; refunding payments for event permits that can't be used; expediting certifications for licensees through the Responsible Alcohol Management program (a requirement to sell wine to go); permitting distilleries to shift operations to create hand sanitizer; allowing retail licensees to sell hand sanitizer and facemasks; relaxing beer line cleaning requirements; and, most recently, creating an expedited process for approving requests for extension of premises to include outdoor dining areas.

The PLCB does not have authority, however, to reduce statutorily established license fees and surcharges. As you may know, the fees paid by licensees upon the renewal or validation of their license are primarily governed by the Administrative Code. While some of those fees remain with the PLCB, a portion of license fees are returned to the municipalities where liquor licensees are located, and municipalities rely on the semi-annual return of these funds to meet local needs.

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While we understand the operational concerns and financial hardship faced by the restaurant industry, we believe any change to the license fee structure is best addressed through the legislative process. For example, the Governor recently signed Act 29 of 2020, which will eliminate the license surcharge for certain licenses held by national veterans' organizations and volunteer fire companies. We are also aware of legislation in House that would reduce the license surcharge for other licensees. The PLCB will continue to monitor legislation and work to quickly implement any new laws.

Thank you for your correspondence and the opportunity to respond. Should you have any additional questions or concerns, please contact Michael Vigoda, PLCB Director of Legislative & Governmental Affairs, at <u>mvigoda@pa.gov</u>.

Sincerely,

Tim Holden

Tim Holden Chairman

Mike Negra Board Member

Mary P. Douken

Mary Isenhour Board Member

cc Representative Jeff Pyle Representative Garth Everett Senator Stefano Senator John Yudichak Michael Biacchi