

Mailing Date: July 25, 2007

PENNSYLVANIA LIQUOR CONTROL BOARD
HARRISBURG, PA 17124-0001

PENNSYLVANIA STATE POLICE, : Citation No. 06-0265
BUREAU OF LIQUOR CONTROL :
ENFORCEMENT :

vs. :

6643 GERMANTOWN, INC. : License No. E-211
6643-45 Germantown Avenue :
Philadelphia, PA 19119-2253 :

Counsel for Licensee: John J. McCreesh, III, Esquire
McCreesh, McCreesh, McCreesh & Cannon
7053 Terminal Square
Upper Darby, PA 19082

Counsel for Bureau: Erik S. Shmukler, Esquire
PENNSYLVANIA STATE POLICE,
Bureau of Liquor Control Enforcement
6901 Woodland Avenue, Third Floor
Philadelphia, PA 19142

OPINION

The Pennsylvania State Police, Bureau of Liquor Control Enforcement (“Bureau”) appealed from the Order in Response to Licensee’s Motion to Dismiss of Administrative Law Judge Tania E.

Wright (“ALJ”), wherein the ALJ dismissed the citation against 6643 Germantown, Inc. (“Licensee”).

The citation charged that, on January 17, 2006, Licensee, by its servants, agents or employees, violated section 442(a) of the Liquor Code [47 P.S. § 4-442(a)] by selling malt or brewed beverages for consumption off-premises.

Pursuant to section 471 of the Liquor Code [47 P.S. § 4-471], the appeal in this case must be based solely on the record before the ALJ. The Board shall only reverse the decision of the ALJ if the ALJ committed an error of law or abused her discretion, or if her decision was not based upon substantial evidence. The Commonwealth Court defined "substantial evidence" to be such relevant evidence as a reasonable person might accept as adequate to support a conclusion. Joy Global, Inc. v. Workers' Compensation Appeal Bd. (Hogue), 876 A.2d 1098 (Pa. Cmwlth. 2005); Chapman v. Pennsylvania Bd. of Probation and Parole, 86 Pa. Cmwlth. 49, 484 A.2d 413 (1984).

The record in this matter reveals that the parties stipulated to the facts as set forth in the Bureau’s Pre-Hearing Memorandum. (N.T. 4-6; Ex. B-3). On January 2, 2007, the ALJ issued its Adjudication and

Order sustaining the citation, imposing a one hundred fifty dollar (\$150.00) fine and assessing a one (1) point penalty on Licensee. (Admin. Notice).

Licensee filed a Motion to Dismiss the citation matter on January 3, 2007. (Admin. Notice). On March 9, 2007, the Bureau filed an Answer to Licensee's Motion to Dismiss. (Admin. Notice). Thereafter, on May 25, 2007, the ALJ issued an Order rescinding her Adjudication and Order mailed January 2, 2007, and dismissing the citation. The Bureau filed an appeal with the Board on June 15, 2007.

On appeal, the Bureau contends that the ALJ committed an error of law by dismissing the citation, based upon the erroneous finding that the underlying off-premises sales permit ("OPS") statutes are unconstitutional.

The parties stipulated that, on January 17, 2006 at approximately 4:00 p.m., Bureau Officer H. Ringgold went to the licensed premises and was permitted to purchase a twenty-four (24) ounce can of Coors Light beer to take out. (Ex. B-3). After paying the employee two dollars and fifty cents (\$2.50), the sale was rung up at the register, and the officer departed the premises in possession of the

beer. (Ex. B-3). On the same date, Officer Ringgold requested certification from the Board attesting that the premises did not have an OPS on January 17, 2005. (Ex. B-3).

In her Order In Response To Licensee's Motion To Dismiss, the ALJ concluded that any attempt to enforce the provision of Act 39 of 2005, without first repairing the mechanism by which the applications must be approved and giving notice to Licensee of that process, constitutes a further violation of Licensee's constitutional right to due process under law. In response, the Bureau argues that because the decision in USA Deli, Inc. v. City of Philadelphia, No. 4677 October Term (2005), left intact the underlying requirement set forth in Act 39 to possess an OPS prior to selling "takeout beer," thus providing an alternate route to obtain an OPS, the basis upon which the ALJ based her dismissal of the citation must be overturned. The Board agrees.

Act 39 of 2005 ("Act"), as of November 1, 2005, required all restaurant liquor and eating place retail dispenser licensees located in the City of Philadelphia ("City") to obtain OPS permits from the Board if they wished to sell malt or brewed beverages for off-premises consumption. [47 P.S. § 4-407]. The Act further required that,

before applying to the Board for the OPS permit, (1) the licensee must obtain written approval for such sales from the City and, (2) the City must approve the application within forty-five (45) days of receipt, unless it finds that doing so would adversely affect the welfare, health, peace and morals of the City or its residents. [47 P.S. § 4-407(b)]. A denial of the application by the City may be appealed to the Court of Common Pleas. [47 P.S. § 4-407(b)(4)]. Failure of the City to act within the forty-five (45)-day period is deemed to be approval of the application. [Id.].

It is well settled that licensees are subject to strict liability for violations of the Liquor Code. Pennsylvania Liquor Control Bd. v. TLK, Inc., 518 Pa. 500, 544 A.2d 931 (1988). In order to comply with Liquor Code section 407, Licensee was required to have an OPS permit before selling malt or brewed beverages for off-premises consumption. The facts clearly establish that Licensee had no authority from the Board to engage in the sale of malt or brewed beverages for consumption off its licensed premises on January 17, 2006.

The ALJ dismissed the citation against Licensee, despite the fact that Licensee did not possess an OPS permit, because Act 39 was

determined to be unconstitutional by the court's decision in USA Deli, Inc. v. City of Philadelphia, No. 4677 October Term (2005), and because the City discontinued its appeal of that case to the Commonwealth Court. The ALJ's reference to the USA Deli, Inc. decision as a factor determining the outcome of this case is misplaced. At issue in USA Deli, Inc. was the process by which the City commingled legislative, prosecutorial and adjudicative functions when considering whether to grant applications for permits for licensees to sell malt or brewed beverages for off-premises consumption. The Philadelphia Court of Common Pleas found that the City's determination process, not the General Assembly's requirement that licensees obtain off-premises permits from the Board in order to sell malt or brewed beverages to go, violated due process of law.

Licensee must be held strictly liable for a violation of the Liquor Code, notwithstanding that the issuance process set forth in the Act was later found to be unconstitutional as it pertains to the Philadelphia City Council's actions. The facts of record clearly establish Licensee should not have engaged in sales of beer to-go on the date in question, because

no authority existed for Licensee to sell beer for off-premises consumption.

Based upon the foregoing, there is sufficient evidence that the ALJ committed an error of law. As a result, the Bureau's appeal is granted, and the decision of the ALJ is reversed.

ORDER

The decision of the ALJ is reversed.

The Bureau's appeal is granted.

It is hereby ordered that this matter is remanded to the ALJ in order to impose an appropriate penalty consistent with this Opinion.

Board Secretary