

May 16, 2014

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Mark Haradzin

North Irwin Volunteer Fire Company

vfclub@comcast.net on behalf of markh21126@comcast.net

RE: Running a Tab at a Private Club

Dear Mr. Haradzin:

ISSUE: This office is in receipt of your e-mail April 9, 2014, in which you state that you are an officer of a local firemen's club in Western Pennsylvania that is now in the process of reorganizing. Most recently, an employee was "caught" allowing a social club member to "run a tab." It has been your understanding that tabs are illegal in private clubs and you seek advice regarding the same.

Records of the Pennsylvania Liquor Control Board ("Board") indicate that North Irwin Volunteer Fire Company holds Catering Club Liquor License No. CC-3912 (LID 1796) for premises located at the Corner of Broadway and 2nd Streets, North Irwin, Irwin, Pennsylvania.

OPINION: Section 493(2) of the Liquor Code prohibits licensees from selling or offering to sell alcoholic beverages for credit, other than the exceptions listed therein. [47 P.S. § 4-493(2)]. One (1) of the exceptions permits the extension of credit by a club to its members. Another exception permits retail licensees to sell alcoholic beverages to non-trade consumers and accept for payment credit cards issued by banking institutions or issued in accordance with the Board's Regulations. Section 11.192 of the Board's Regulations [40 Pa. Code § 11.192] permits hotel, restaurant and public service licensees to extend credit to customers by the issuance of credit cards where the person to whom the card is issued has filed a written application retained in the records of the licensee.

Because section 11.192 applies only to hotel, restaurant and public service licensees, and because the extension of credit by licensed clubs to members is expressly permitted by section 493(2), there is no requirement that a club issue a credit card in order to extend credit to a member. Further, there is no requirement that a club keep a

credit card to secure the account or that there be an approved application for credit on file unless that is required by the club's constitution or bylaws.

The Board's Regulations require clubs to follow their constitution and bylaws. [40 Pa. Code § 5.82]. Therefore, if there is a provision in either document that prohibits the practice of extending credit or specifies the methodology by which to do so, only then is it prohibited or restricted.

If you have any further questions or concerns regarding this matter, the Liquor Code or the Board's Regulations, please do not hesitate to again contact this office.

THIS OPINION APPLIES ONLY TO THE FACTUAL SITUATION DESCRIBED HEREIN AND DOES NOT INSULATE THE LICENSEE OR OTHERS FROM CONSEQUENCES OF CONDUCT OCCURRING PRIOR TO ITS ISSUANCE. THE PROPRIETY OF THE PROPOSED CONDUCT HAS BEEN ADDRESSED ONLY UNDER THE LIQUOR CODE AND REGULATIONS. THE LAWS AND POLICIES ON WHICH THIS OPINION IS BASED ARE SUBJECT TO CHANGE BY THE LEGISLATURE OR THE PENNSYLVANIA LIQUOR CONTROL BOARD.

Very truly yours,

FAITH S. DIEHL
CHIEF COUNSEL

cc: Pennsylvania State Police, Bureau of Liquor Control Enforcement
Jerry W. Waters, Director of Office of Regulatory Affairs
Tisha Albert, Director, Bureau of Licensing
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 14-225