

January 15, 2015

Brenda Barrett
Club Manager
Rescue Hose and Ladder Co.
408-410 Filbert Street
Curwensville, PA 16833

RE: Catered Events Questions

Dear Ms. Barrett:

ISSUE: This office is in receipt of your e-mail dated December 18, 2014, in which you indicate that your organization has several groups that are not listed on the liquor license. These include EMS, Fire Chiefs and the Fund Raising Committee. You ask if these groups that are affiliated with the club, would be considered third parties for purposes of holding catered events on the licensed premises. You note that these groups would like to have occasional events such as dances, meals and other events as a way of raising money for the Fire Company and EMS. You also ask if the group conducting the event can make payment to the club at the end of the event, rather than prior to the event.

Pennsylvania Liquor Control Board (“Board”) records indicate that Rescue Hose and Ladder Company hold Catering Club Liquor License No. CC-4036 (LID 3572) for use by it at 408-410 Filbert Street, Curwensville, Pennsylvania.

OPINION: As you know, section 406(a)(1) of the Liquor Code provides that “[n]o club licensee nor its officers, servants, agents or employees, other than one holding a catering license, shall sell any liquor or malt or brewed beverages to any person except a member of the club.” [47 P.S. § 4-406(a)(1)]. Catering club patrons, however, may purchase alcoholic beverages from the club, even if they are non-members, as long as they are present on the licensed premises as part of a catered event. A catered event is one involving the furnishing of liquor or malt or brewed beverages, or both, to be served with food prepared on the premises or brought onto the premises already prepared, for accommodation of groups of non-members who are using club facilities by prior arrangement, made at least twenty-four (24) hours in advance of the function, and which is paid for by the non-members. [40 Pa. Code § 5.83(a)]. Records must be kept showing the date and time the catering arrangements were made, the name of the person or organization making the arrangements, and the number of persons to be accommodated. [40 Pa. Code § 5.83(b)]. A club cannot self-

sponsor a catered event. The catered event must be conducted for a third party, although the third party can be a member of the club.

Accordingly, the groups you identified in your correspondence would be considered third parties since they are not the named licensee.

Regarding your question about the timing of payment, please be advised that neither the Liquor Code nor the Board's Regulations require prepayment for a catered event. As such, there is nothing that precludes the third party that made the arrangements from making payment after the event has occurred. Payment terms are a matter of contract law not regulated by the Board. However, please note that section 5.81 of the Board's Regulations [40 Pa. Code § 5.81] mandates that a club licensee must adhere to the provisions of its constitution and bylaws. Therefore, if your club's constitution or bylaws speak to this subject, those rules must be followed.

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. 14-660