

April 17, 2015

Brian

RE: Catering Club Questions

Dear Brian:

ISSUE: This correspondence is in response to your e-mail received March 20, 2015, in which you advise that you are the president of a catering club licensee and ask the following three (3) questions:

1. Can a company sponsor a series of catered events? For instance, can Budweiser sponsor a summer concert series where every Sunday we have a band and are open to the public?
2. Can we offer a brunch open to the public if we close the bar during the event?
3. Is there a limit on how many guest[s] a member can bring into a club?

OPINION: In response to your first question, initially, please note that nothing in the Liquor Code or the Pennsylvania Liquor Control Board's ("Board") Regulations prohibits a club or catering club licensee from being open to the public, i.e. non-members, for the sale of food and non-alcoholic beverages anywhere on the licensed premises. However, the Board's Regulations require that the operation of a licensed club must conform to the club's constitution and bylaws at all times. [40 Pa. Code § 5.81]. Thus, if your club's constitution or bylaws contain any provisions prohibiting the club from being open to the public for the sale of food and non-alcoholic beverages, your club would be required to adhere to such provisions.

The only scenario in which a catering club licensee may sell alcohol to a non-member is in connection with a "catered event." The Board's Regulations define "catered events" as those 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 the accommodation of groups of non-members who are using the facilities by prior arrangement made at least twenty-four (24) hours in advance of the time of the event and which are paid for by the third party. [40 Pa. Code § 5.83(a)]. Records must be kept by the club showing the date and time catering arrangements were made, the name of the person or the organization making the arrangements, and the approximate number of persons to be accommodated. [40 Pa. Code § 5.83(b)]. A catered event must be conducted for a third party, and cannot be self-sponsored by the licensee.

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Therefore, as long as the proposed catered event meets the above requirements, your club would be permitted to sell alcoholic beverages to non-member guests of the catered event. Please note, however, that the Board's Regulations indicate that catered events are intended to be "private meetings or functions, such as dances, card parties, banquets and the like." [40 Pa. Code § 5.83(a)].

In response to your second question, as was discussed above, nothing in the Liquor Code or the Board's Regulations prohibits a club or catering club licensee from being open to the public for the sale of food. Therefore, your club may serve brunch to non-members during its permissible hours of operation. Further, you would not be required to close the club's bar during the brunch, but you may not sell alcohol to a non-member.

Finally, in response to your third question, there is nothing in the Liquor Code or the Board's Regulations that places a limit on the number of guests a member may bring into a licensed club or catering club. However, your club must follow any provisions of its constitution or bylaws relevant to non-member guests being present on the club premises.

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
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