

June 16, 2016

Scott Neeley
KingViewMead, LLC
VIA E-MAIL

RE: Distribution of Wine

Dear Mr. Neeley:

ISSUE: This office is in receipt of your e-mail, dated May 31, 2016, wherein you indicated that you own KingViewMead, LLC (“King”), which is a limited winery. You explain that King may package some of its meads and wines into 5.16 gallon kegs. You also note that King packages its products in 357 milliliter and 750 milliliter bottles. You ask if you may distribute your products through a distributor licensee.

Records maintained by the Pennsylvania Liquor Control Board (“PLCB”) indicate that KingViewMead, LLC holds Limited Winery License No. LK-493 (LID 73109) for use by it at premises located at 357 Toura Drive, Pittsburgh, Pennsylvania. You are listed as the member, and manager.

OPINION: Limited wineries are governed primarily by section 505.2 of the Liquor Code. Section 505.2(a)(2) provides, in pertinent part that limited winery licensees may:

(2) Sell alcoholic cider, wine and wine coolers produced by the limited winery or purchased in bulk in bond from another Pennsylvania limited winery on the licensed premises, under such conditions and regulations as the board may enforce, ***to the board, to individuals and to brewery, hotel, restaurant club and public service liquor licensees, and to Pennsylvania winery licensees***: Provided, That a limited winery shall not, in any calendar year, purchase alcoholic cider or wine produced by other limited wineries in an amount in excess of fifty per centum of the alcoholic cider or wine produced by the purchasing limited winery in the preceding calendar year. In addition, the holder of a limited winery license may purchase wine in bottles from another Pennsylvania limited winery if these wines undergo a second

fermentation process. Such wine may be sold in bottles bearing the purchasing limited winery's label or the producing limited winery's label. Such wines, if sold by the board, may be sold by the producing limited winery to the purchasing limited winery at a price lower than the price charged by the board. . . .

47 P.S. §5-505.2(a)(2)(emphasis added). Distributor and importing distributor licensees are not specifically listed as entities to which a limited winery may sell its product. Furthermore, distributor and importing distributor licensees are only permitted to sell malt or brewed beverages, which a limited winery is not permitted to produce. 47 P.S. § 4-431. Thus, a limited winery may not sell its products through distributor and/or importing distributor licensees.¹

Should you have any additional questions, do not hesitate to 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.

Sincerely,



RODRIGO J. DIAZ
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. 16-221

¹ Act 39 of 2016 does not affect this determination.