

January 9, 2017

Jeffrey A. Levine, Esquire
VIA FACSIMILE: (570) 282-7155

Re: Sale of Restaurant Liquor License Via Auction

Dear Mr. Levine:

ISSUE: Your letter of December 7, 2016 inquires whether the holder of a restaurant liquor license may sell that license via an auction.

OPINION: The transfer of a license requires approval by the Pennsylvania Liquor Control Board ("PLCB") of an application for transfer; presumably, in the scenario you describe, a successful bidder would file such an application. Nothing in the Liquor Code or the PLCB's Regulations would prohibit the holder of a liquor license from conducting an auction of its license resulting in a successful bidder filing an application for transfer. Note that the purchase price of the business, either in the form of cash or legal obligation as security for the purchase price, shall be placed in escrow with an attorney or financial institution to be paid to the original licensee upon the approval of the transfer by the PLCB. 40 Pa. Code § 7.2.

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
Tisha Albert, Director of Office of Regulatory Affairs
B. L. Peifer, Director, Bureau of Licensing
Jeffrey Lawrence, Assistant Director, Bureau of Licensing

LCB Advisory Opinion No. 16-563