

February 19, 1999

Ms. Gina Rohrbaugh
Office Manager
Ace Distributing
3800 East Market Street
York, PA 17402

Dear Ms. Rohrbaugh:

ISSUE: In your letter dated February 3, 1999, you ask whether customer escrow accounts for purchases from a distributor may be recorded through the distributor's computer system rather than by maintaining all cash on the premises.

OPINION: Generally, importing distributors and distributors may not make sales on credit to other licensed customers. [47 P.S. §4-493(2)]. However, the regulations permit distributors and importing distributors to accept debit card payments for instant electronic transfer of funds, which is considered cash under the Liquor Code. [40 Pa. Code §9.95(c)]. Therefore, if the escrow accounts are held and upon transaction with the licensed customer, are debited the amount of the sale immediately, it would be permissible to sell in this manner, rather than holding the cash escrow account at the establishment at all times. Complete records should be maintained on the 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

c.c. Pennsylvania State Police
Bureau of Liquor Control Enforcement

Refer to: (717) 783-9454
FAX: (717) 787-8820

LCB Advisory Opinion No. 99-054