

July 2, 1999

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Paul B. Spickler, Treasurer
Lititz Springs VFW Post 1463
14 N. Spruce Street
Lititz, PA 17543

Dear Mr. Spickler:

ISSUE: In your letter dated June 5, 1999, you posed the following questions on behalf of Lititz Springs VFW Post 1463, the holder of catering club liquor license No. CC-3084:

1. May beer be sold at a reduced price for certain celebratory occasions like 'customer appreciation night' or 'members' night'? Example: The current price for beer is 50 cents per glass. Is selling a glass of beer at 5 or 10 cents a glass permitted?
2. If tickets are sold in advance for admission to special occasions, is beer permitted to be distributed at no charge as part of the ticket price? Example: Special occasions would cover things like a 'World Series Party,' 'Super Bowl Party,' or 'Anniversary Celebrations' connected directly to veterans' remembrances such as Memorial Day, Veterans' Day, etc.
3. During wedding receptions, retirement or birthday parties or other similar types of private parties, is beer permitted to be dispensed from portable-type beer coolers commonly known as 'beer meisters'?
4. Under the small games of chance license, are games such as roulette, cage dice and numbered carnival wheels permitted? Example: Fund raisers such as 'Monte Carlo Night,' 'Las Vegas Night,' etc.

OPINION: With respect to your first question, beer or any alcoholic beverage may be sold at a reduced price for certain celebratory occasions provided such discounts or reductions are conducted according to section 13.102 of the Board's regulations, a copy of which is enclosed. Section 13.102 permits retail licensees such as club licensees to discount the prices of alcoholic beverages under certain conditions provided that all discounts end by midnight. [40 Pa. Code Section 13.102]. First, licensees may discount the prices of all alcoholic beverages for two consecutive hours in a business day so long as those discounted prices do not change within the two-hour period. This is commonly known as a 'Happy Hour.' Second, in the same business day, a licensee may offer one specific type of alcoholic beverage or drink at a reduced price. This is commonly known as the 'Daily Drink Special.' The Daily Drink Special is not subject to a two hour limitation, so long as the Daily Drink Special ends by midnight. Looking at your example, provided the deduction or the discount of beer price occurs either as part of a Happy Hour or a Daily Drink Special and provided the discount ends before 12 o'clock midnight, it would be permissible.

Regarding your second question, as a holder of a catering club license, you are permitted to cater to groups of nonmembers either privately or for functions. Section 5.83 of the Board's regulations defines catering as the furnishing of liquor or malt or brewed beverages, to be served with food prepared on the premises or brought onto the premises already prepared, for the accommodation of groups of nonmembers who are using the facilities of the club by prior arrangement, made at least 24 hours in advance of the time for the private meeting or function, which is paid for by the nonmembers. [40 Pa. Code Section 5.83(a)]. Referring back to section 13.102, this section also prohibits the sale and/or service of an unlimited or indefinite amount of alcoholic beverages for a set price. [40 Pa. Code Section 13.102(a)(3)]. However, this section also has an exception which permits the sale and/or service of an unlimited or indefinite amount of alcoholic beverages for a fixed price for catered events which have been arranged at least 24 hours in advance. The key to remember for catered events is that the catered event must be conducted for a third party. In other words, a licensee may not self sponsor a catered event where unlimited alcoholic beverages are provided for a set price. Therefore, if a special occasion meets the definition of a catered event as set forth in this paragraph, you would be able to offer an unlimited or indefinite amount of beer as part of the ticket price. Please note that since catered events are arranged 24 hours in advance, no tickets may be sold at the door on the day of the event.

In regard to your third question, section 406(a)(1) of the Liquor Code permits club licensees to sell alcoholic beverages by the glass, open bottle or other container in any mixture. [47 P.S. Section 4-406(a)(1)]. In light of this section, it would be permissible for beer to be dispensed on your licensed premises from a portable beer cooler, i.e., a 'beer meister'. However, please be advised that you would still be required to comply with the cleaning of all coils, tap rods and connections used in dispensing malt or brewed beverages and they must be cleaned thoroughly at least once every seven days in accordance with section 5.51 of the Board's regulations. [40 Pa. Code Section 5.51].

With respect to your final question, it should be noted that the Pennsylvania Liquor Control Board is not the agency possessing the authority to issue Small Games of Chance Licenses. In light of this, I am unable to answer your final question. Any questions regarding what is permissible under your Small Games of Chance License should be addressed to the Department of Revenue at (717) 787-8275.

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

Enclosure
cc: Bureau of Liquor Control Enforcement,
Pennsylvania State Police

LCB Advisory Opinion No. 99-236