

PLCB to Implement Special Order Shipping Procedures

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A recent Pennsylvania court case ruled that certain liquor license holders soon will be able to have their special wine and liquor orders shipped to them directly instead of having to pick them up at a nearby liquor store.

The ruling only encompasses "special orders" - ones that include items or brands of alcohol not currently available from the Pennsylvania Liquor Control Board and ordered by state businesses with a liquor license. However, once the PLCB creates and implements this process, those businesses that make the special orders and have the shipments sent directly to them will no longer have to pay the handling fee PLCB currently charges for in-store pickups.

The Commonwealth Court of Pennsylvania recently directed the PLCB to begin the process of creating procedures to implement this direct shipment of special orders. The decision enforces Act 39 of 2016, which the PLCB believed was "discretionary," and chose not to mandate it.

When the state closed its Fine Wine and Spirits stores due the COVID-19 pandemic, it also put a halt to special orders. This halt put some distributors who deal exclusively in special orders out of business, prompting the lawsuit and the court's decision.

The court did not award monetary damages, costs and fees requested by petitioners, but stated that they could pursue these claims in a separate application.

Prior to Act 39, licensees wishing to purchase a class, variety, or brand of liquor or alcohol not currently available from PLCB could place a special order for the item. The licensee would then be required to pick the order up from a PLCB store, which would imposition handling fees on the products. However, Section 3 of Act 39 amended Section 305(a) to include the following new provision relating to special orders:

A licensed importer or a licensed vendor may place special orders on behalf of customers and may deliver the orders to customers. The orders do not need to come to rest at a store, but delivery may not occur until payment for the order has been forwarded to the board and the board has authorized the delivery of the order. A handling fee may not be assessed by the board on an order delivered directly to a customer. . . . The board shall, by January 1, 2017, implement a procedure for processing special orders which do not come to rest at a store.

If anyone has any questions about this case, please contact <u>Larry Heim</u>.

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