

Frequently Asked Questions: Safekeeping

The following Q&As address questions regarding having a license in safekeeping under the provisions of Act 39 of 2016.

1. Did the three-year safekeeping period available to most licensees change with Act 39?

Yes. Act 39 reduced the safekeeping period from three to two consecutive years for the following licensees: restaurants, eating place retail dispensers, hotels, importing distributors, and distributors.

2. Did the fees for the extension of safekeeping change with Act 39?

Yes. Act 39 increased the safekeeping fees to \$10,000 in first through fourth class counties and \$5,000 in fifth through eighth class counties for the first additional year. For each additional year thereafter, the safekeeping fee is doubled. For example, in class 1-4 counties, the fee is \$10,000 to extend the safekeeping period one additional year, \$20,000 to extend the safekeeping one additional year after the first safekeeping extension, \$40,000 to extend the safekeeping period one additional year after the second safekeeping extension, etc.

3. Can the fee for the extension of safekeeping be waived?

Yes, under certain circumstances. There is no safekeeping fee if a licensee can show that it is unable to use the license through no fault of its own because of events such as fire, flood, or inability to obtain an occupancy permit. The Act specifies that the presence of another business or the licensed business no longer being viable are not sufficient reasons to justify a waiver.

4. Does Act 39 impact the safekeeping period for licenses that were already in safekeeping prior to August 8, 2016?

No. A license in safekeeping prior to August 8, 2016, will still have a maximum of three years in safekeeping (unless a request to transfer is filed) before the licensee has to file a request to extend the safekeeping period an additional year. For example, a restaurant license placed into safekeeping

on August 1, 2016, can remain in safekeeping until August 1, 2019, whereas a similar license placed into safekeeping on August 9, 2016 can remain in safekeeping only until August 9, 2018, unless a safekeeping extension or request to transfer is filed.

5. Does Act 39 impact the safekeeping fees for licenses that were already in safekeeping prior to August 8, 2016?

Yes. The higher fees specified in the answer to Question 2 will apply to all safekeeping extension requests, no matter when a license is/was placed into safekeeping. For example, in class 1-4 counties, a license that was placed into safekeeping on January 1, 2014, would have to pay a fee of \$10,000 to extend the safekeeping period one additional year from January 1, 2017.

6. Does the number of safekeeping extensions that a licensee received prior to August 8, 2016 impact the safekeeping fee charged after August 8, 2016?

No. For example, in class 1-4 counties, a licensee who received safekeeping extensions for the periods of April 1, 2014 to March 31, 2015, April 1, 2015 to March 31, 2016, and April 1, 2016 to March 31, 2017, would only have to pay a fee of \$10,000 to extend the safekeeping period one additional year from April 1, 2017.

7. Did Act 39 impact club/catering club licensees regarding safekeeping?

No. Act 39 did not change the way that safekeeping impacts these licensees.