

## Introduction

The Liquor Code imposes a quota, or limit, on the number of licenses that may be granted allowing the retail sale of liquor, wine and malt and brewed beverages. Generally, there may be only one license for every 3,000 inhabitants in any county. Quotas are updated every 10 years following the federal decennial census.

Restaurants (bars, taverns), eating place licensees places (selling beer only) and clubs are generally subject to the quota, while licenses granted to public venues, performing arts facilities, continuing care retirement communities, airport restaurants, municipal golf courses, hotels, privately-owned public golf courses, racetracks, non-primary pari-mutuel wagering locations and national veterans' organizations are not subject to the quota.

Most Pennsylvania counties have more retail liquor licenses than the quota allows because many licenses date back to before the quota was established in 1939. The PLCB can't issue new retail liquor licenses in counties that exceed their quotas, but it doesn't refuse to renew licenses simply to meet the quota.

If a license in a county over its quota is revoked by the Office of Administrative Law Judge or not renewed by the PLCB, the license ceases to exist, and a new license can't be issued to replace it.

As a general rule, licenses cannot be transferred between counties.

## If most areas are at or above their quota, how do new restaurants obtain licenses?

A business seeking a liquor license in an area at or above quota must seek to have an existing license transferred to it. Existing license holders often sell their licenses to meet demand, although sales of liquor licenses are private transactions not tracked by the PLCB. The PLCB's role is to evaluate applications for license transfer and approve or deny transfers.

## How do inter-municipal transfers relate to the quota?

A municipal quota of 1 license per 3,000 municipal residents also applies. If a municipality is under that quota, licenses may be applied for (if the county is also under quota) or transferred into the municipality without issue. Municipal authorities must approve the transfer of licenses into the municipality in excess of the municipal quota, however. The approval must happen through written resolution passed at a public meeting. If a municipality refuses to allow a license transfer, the PLCB cannot transfer the license into that municipality.

## How does a business get a license in a municipality that recently went from dry to wet?

If the county is under its quota, the business can apply directly with the PLCB for a license.

If the county is at or over its quota, the business must seek to transfer a license existing in a neighboring municipality to the newly wet municipality.

## Quota on Distributors and Importing Distributors

The Liquor Code also subjects beer distributors to a quota. The total number of distributor and importing distributor licenses in a county can't exceed the ratio of one per 30,000 county inhabitants, although each county is allowed up to five licenses regardless of population.

## Are county and municipal quotas available?

The Bureau of Licensing ([ra-lblocaloption@pa.gov](mailto:ra-lblocaloption@pa.gov)) can provide quota information.

*Examples illustrating how quotas impact retailer liquor licenses and a history of quota changes are available on the following page.*

### **Retail Liquor License Quota Examples:**

In the last U.S. Census, Keystone County had a population of 31,000, so its retail liquor license quota is 10. It has 15 retail liquor licenses. A bar recently had its liquor license revoked. Because the county is over its quota, that license ceases to exist, and the PLCB cannot issue a new one. Keystone County still has a quota of 10, but it now has 14 licenses.

Capitol Township, a formerly dry municipality in Keystone County recently voted to allow the sale of retail liquor within its borders. Even though Capitol Township has a population of 11,000, the quota for Keystone County remains 10. The PLCB cannot issue new retail liquor licenses because the county is over its quota.

Because of the township's population, however, up to three licenses may be transferred into the township from elsewhere in Keystone County before the municipality must approve additional transfers over the municipal quota.

### **Retail Liquor License Quota History:**

There was no quota for retail licenses from the establishment of the PLCB in 1933 until Act 358 of 1939, which set the first quota at 1 license for every 1,000 municipal inhabitants.

Legislation changed the quota over the years:

- 1939 (Act 358): 1 license for every 1,000 municipal inhabitants
- 1951 (Act 702): 1 license for every 1,500 municipal inhabitants
- 1972 (Act 108): 1 license for every 2,000 municipal inhabitants
- 1990 (Act 160): 1 license for every 3,000 municipal inhabitants
- 2000 (Act 141): 1 license for every 3,000 county inhabitants (though the municipal quota also remains)

### **Distributor/Importing Distributor Quota History:**

- No quota until 1952.
- 1952 (Act 591): 1 license for every 10,000 county inhabitants
- 1965 (Act 445): 1 license for every 15,000 county inhabitants
- 1990 (Act 160): 1 license for every 30,000 county inhabitants