

Discount Pricing Practices and Meal Packages

Generally the Liquor Code prohibits the offering of anything of value to induce the purchase of alcoholic beverages. However, PCLB regulations do permit retail licensees to discount the price of alcoholic beverages in certain circumstances. A retail licensee may discount the price of alcoholic beverages for up to two consecutive hours in any business day as long as the discount ends at midnight. This practice is commonly known in the business as “happy hour.” The following discount practices are prohibited: the sale or serving of more than one alcoholic drink for the price of one alcoholic drink; the sale or serving of an increased volume of one alcoholic drink without a corresponding and proportional increase in the price of the alcoholic drink; the sale or serving of an unlimited or indefinite amount of alcohol for a set price; and the changing of prices of alcoholic beverages during the happy hour discount period.

In addition to the happy hour discount period, a retail licensee may offer one specific type of alcoholic beverage on a discounted basis up until midnight. A specific type of alcohol is defined as a specified brand of malt or brewed beverage, or a type of wine, distilled spirit or mixed drink.

Finally, a retail licensee is permitted to offer one free alcoholic drink per patron as part of a promotion as long as the offer is not conditioned on the purchase of additional alcoholic beverages. Also the free drink must consist of no more than twelve fluid ounces of malt or brewed beverages, four fluid ounces of wine, or one and one-half fluid ounces of liquor.

When it comes to offering an alcoholic drink as part of a meal package, if the package consists of an undiscounted meal and an undiscounted serving of an alcoholic beverage, it would be permissible. It would also be permissible if the package consists of a regularly priced meal and a free alcoholic beverage per person provided that the alcoholic beverage is limited to one such drink and consists of no more than twelve fluid ounces of malt or brewed beverages, four fluid ounces of wine, or one and one-half fluid ounces of liquor.

In addition, retail licensees are permitted to sell and serve an unlimited or indefinite amount of alcoholic beverages at a fixed price for catered events arranged at least 24 hours in advance. This would include parties booked by an individual, group, or organization for an approximate number of people at a set date and time. A catered event must be conducted for a third party. A retail licensee may not conduct its own catered event.

Should you request additional information regarding these practices, or any other area of liquor law, please contact me at the law firm of Scaringi & Scaringi, P.C., 717.657.7770.

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