

(Bill No. 100267-AA)

#### AN ORDINANCE

Amending Section 9-703 of The Philadelphia Code, entitled "Special Assembly Occupancies," by imposing various requirements on promoters of events at special assembly occupancies; all under certain terms and conditions.

#### THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Section 9-703 of The Philadelphia Code is hereby amended to read as follows:

§ 9-703. Special Assembly Occupancies.

- (1) Definitions.
- (a) "Special Assembly Occupancy" shall mean the following types of establishments, provided that 50 or more people congregate at such establishment primarily for social entertainment purposes at one or more times during the course of any year:
  - (.1) nightclubs, discotheques and cabarets;
  - (.2) taverns and bars;
  - (.3) restaurants;
  - (.4) private clubs;
  - (.5) banquet halls; and
  - (.6) similar places of assembly without primarily fixed seating.
- (b) "Social entertainment purposes" shall mean dancing, entertainment by live music or a disc jockey, observing a theatrical or other performance or similar activities. The phrase shall not include the consumption of food and beverages, listening to a speaker or lecture, watching television, watching or participating in athletic events, or other similar activities.
- (c) "Teen event" shall mean any event or time for which the special assembly occupancy is open for use either overwhelmingly or exclusively by minors.

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- (d) "Performance Act" shall mean any person or group of persons engaged in the act of singing, rapping, dancing, playing musical instruments, and/or acting for an audience or group of patrons.
- (e) "Promoted Event" shall mean any event wherein the operator of a special assembly occupancy relinquishes operational control over a special assembly occupancy to an outside operator, but shall not include any of the following:
- (.1) an event which occurs on a regular or recurring schedule at the special assembly occupancy;
- (.2) the exhibition of a motion picture or stage drama at a theater.
- (f) "Promoter" shall mean any person who places assets at risk through contracting with event venues, performing artists, advertising services, or similar entities to arrange for and produce an event, other than the exhibition of a motion picture or stage drama at a theater, where such event is for social entertainment purposes at a special assembly occupancy. The term shall not include:
- (.1) a special assembly occupancy licensee or such licensee's employees;
  - (.2) the City of Philadelphia, its agencies or city-related agencies;
- (.3) a person who arranges for and produces a private event for invited guests such as a wedding reception, banquet or other celebration where there is no admission charge;
- (.4) an individual who arranges for and produces no more than one event to advance any charitable purpose as defined by the Solicitation of funds for Charitable Purposes Act, 10 P.S. § 162.1 et seq.; or
  - (.5) a political committee.
- (g) "Outside Operator" shall mean any promoter who assumes operational control over a special assembly occupancy for the express purpose of conducting or otherwise managing a special assembly occupancy.
- (h) "Operational control" shall mean the exercise of final authority over any of the following business operations of the special assembly occupancy during a promoted event: maintaining legal occupancy capacity, deployment and supervision of security personnel (if any exist) or crowd control and dispersal. The term shall not

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include the exercise of final authority over the sale of liquor and/or malt or brewed beverages.

- (i) "Event" shall mean any activity requiring a special assembly occupancy license.
- (j) "Regular or recurring schedule" shall mean an event that occurs with periodic regularity within a three month time period, whether or not the same outside operator is involved.
- (k) "Theater" shall mean any special assembly occupancy primarily used for the exhibition of any motion picture or stage drama.

#### (2) Licenses.

- (a) No person shall operate a special assembly occupancy without first obtaining a special assembly occupancy license from the Department.
- (.1) The fee for a special assembly occupancy license shall be one hundred (100) dollars.
- (.2) Within five (5) days of filing an application for a special assembly occupancy license, the applicant shall post a notice of application provided by the Department on the exterior of the proposed special assembly occupancy location for a period of thirty (30) days.
- (.3) Special assembly occupancy licenses shall be renewed every two years upon payment of the renewal fee of one hundred (100) dollars, subject to the conditions set forth in subsection (2)(b) herein.
- (b) No special assembly occupancy license shall be issued or renewed by the Department unless the Department determines that:
- (.1) The applicant has valid amusement and business privilege licenses.
- (.2) No special assembly occupancy license has been denied or revoked for the proposed location within the preceding three (3) months.
- (.3) The proposed location is in compliance with all relevant local and state laws, including zoning.

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- (.4) The proposed location is a safe and proper place for purposes of the special assembly occupancy. In making such determination, the Department shall consider:
- (.a) The results of a safety inspection of the proposed location, including inspection relating to electrical wiring, lawful occupancy, fire safety and emergency exits.
- (.b) The results of a criminal background check of the applicant and its principals.
- (.c) The suitability of the location, taking into consideration such factors as crime, traffic, litter, noise, parking and hours of operation. In making such suitability determination, the Department shall take into account community concerns, particularly those of neighbors in the immediate vicinity, as well as the views of the Police Department.
- (.5) The applicant or licensee has filed all required returns and made payment of any monies due and owing as a result of all taxes imposed by the City or School District of Philadelphia or, if delinquent in the payment of taxes, interest or penalties, has entered into and is in compliance with a payment agreement with the Department of Revenue or the Law Department.
  - (.6) The applicant has received a certificate of occupancy.
- (c) No special assembly occupancy license shall be renewed unless the special assembly occupancy has been inspected by the Department within the year prior to the renewal application.
- (d) A special assembly occupancy license shall be revoked upon a finding of non-compliance with any provision(s) of this Section. A finding of one instance of non-compliance may be sufficient cause to revoke a special assembly occupancy license.
  - (3) Operation of Special Assembly Occupancies.

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- (a) It shall be the responsibility of every special assembly occupancy licensee as a condition to the receipt or retention of the special assembly occupancy license to insure that patrons do not congregate in a disorderly manner, and do not engage in any illegal activity, including non-compliance with § 10-604 relating to alcoholic beverages in and around the immediate vicinity of the special assembly occupancy.
- (b) No special assembly occupancy shall operate between the hours of 2:00 a.m. and 7:00 a.m. Notwithstanding the foregoing, special application may be made to the Department for permission for a special assembly occupancy to operate afterhours. The Department shall grant such permission only upon a showing of special circumstances, including, but not limited to, a showing that the proposed location and event are safe and proper for after-hours social entertainment.
- (c) It shall be the responsibility of every special assembly occupancy licensee as a condition to the receipt or retention of the special assembly occupancy license to:
- (.1) refrain, under color of such license, from selling, transferring, delivering or manufacturing, illegal drugs to any person, or alcoholic beverages to a minor, or engaging in acts of prostitution or promoting prostitution as defined at 18 Pa.C.S. § 5902(a) and (b), or permitting a minor to remain upon the premises of said establishment in violation of Chapter 10-300 of The Philadelphia Code.
- (.a) To ensure that no special assembly occupancy knowingly permits a minor to remain upon the premises of said establishment in violation of Chapter 10-300 of The Philadelphia Code, all special assembly occupancies shall conclude all teen events and take reasonable steps to vacate all minors from the premises no later than thirty (30) minutes prior to the time restrictions set forth in Chapter 10-300 of The Philadelphia Code;
- (.2) refrain, under color of such license, from leasing real estate to a person knowing, or having reason to know, that such person is using, or intends to use, such real estate or improvements thereon in the selling, transferring, delivering or manufacturing of illegal drugs, or in the sale of alcoholic beverages to a minor, or to engage in acts of prostitution or promoting prostitution as defined at 18 Pa.C.S. § 5902(a) and (b) or permitting a minor to remain upon the premises of said establishment in violation of Chapter 10-300 of The Philadelphia Code; [and]

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- (.3) refrain from causing or permitting a patron or employee to cause a public or private nuisance, either directly or indirectly, or by permitting third persons or conditions to do so, when such nuisances may be minimized or prevented by reasonable measures, regardless of whether the special assembly occupancy licensee was aware of such nuisance. A nuisance shall include the sale of illegal drugs or paraphernalia on or about the premises of the special assembly occupancy. As used in this subparagraph, a special assembly occupancy operator shall be conclusively deemed to have taken reasonable measures and therefore to have complied with its obligations under this subparagraph if it (i) has a reasonable policy to prevent nuisances such as the sale of illegal drugs, (ii) has an adequate security staff to enforce such a policy, and (iii) its security staff does in fact undertake good faith measures to enforce said [policy;.] *policy;*
- (.4) prohibit the use of pyrotechnic devices, fireworks, explosives, or similar material as defined and regulated by the Philadelphia Fire Prevention Code within the special assembly occupancy. A special assembly occupancy operator shall inform all performance acts, in writing, that the use of the above mentioned devices are prohibited inside the special assembly occupancy, and take appropriate measures to enforce said [policy.] *policy*;
- (.5) refrain, under color of such license, from entering into any contracts or agreements with a promoter to arrange for and produce a promoted event at the special assembly occupancy, knowing, or having reason to know, that such person is not registered as a promoter with the Managing Director and/or does not possess a valid business privilege license;
- (.6) notify the local Police District Commander two weeks in advance of any promoted event. If notice is provided less than two weeks in advance, the licensee must demonstrate good cause for the late notice. The form for providing advance notice shall be available for filing online and shall include:
- (a) The full name, address and business privilege license of the outside operator;
- (b) The date, starting time and duration that the promoted event is scheduled;
- (c) The lawful occupancy of the special assembly occupancy where the promoted event will be held;

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- (d) The anticipated number of persons who will attend the promoted event based upon the best information available, which may include advance ticket sales and the number of attendees at similar events in the past;
- (e) Whether private security will be on location of the promoted event to manage security and traffic concerns;
- (f) If private security will be on location of a promoted event, the name and telephone number of the person who will be in charge of security during the promoted event;
- (g) If private security will be on location of a promoted event, whether or not the security staff will be armed or unarmed.

Licensees are encouraged to update the local Police Commander if there are substantial changes in the nature of the promoted event, including, but not limited to cancellation of the event. The form for providing updated notifications shall be available for filing online;

- (.7) for every promoted event, maintain and produce for inspection by any City or State law enforcement agency a written agreement with any outside operator delineating the specific operational areas in which the outside operator will be in operational control of the special assembly occupancy during the promoted event. The written agreement shall be on a form prescribed by the Managing Director and shall be available online.
- (d) The Department shall take all steps necessary to terminate the business operations of any special assembly occupancy that has violated any provisions of this subsection (3), including, but not limited to the following:
- (.1) The seizure of the illegal drugs and/or drug paraphernalia located at such establishment, and the delivery of the material taken to appropriate law enforcement personnel for forfeiture proceedings pursuant to the provisions of the Act of June 30, 1988, P.L. 464, No. 79, § 4, as amended, P.L. 1337, No. 154, § 1; and
- (.2) padlocking and physical closure of the special assembly occupancy; and
- (.3) the initiation of proceedings to enjoin preliminarily and/or permanently the further operation of the special assembly occupancy which has violated or intends to violate such subsections.

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- (e) Any special assembly occupancy licensed under this Section who violates the provisions of this Section or whose agents or employees violate the provisions of this Section shall also be subject to immediate revocation of his or her amusement and business privilege licenses.
- (4) Registration of Promoters. No person shall operate as a promoter without first registering as a promoter with the Managing Director.
- (a) All promoters shall be registered on forms provided by the Managing Director. These forms shall also be available online.
- (b) The application for promoter registration shall contain the following information:
  - (.1) promoter's name and address;
  - (.2) promoter's business name;
  - (.3) promoter's work and mobile telephone number;
  - (.4) promoter's email address and website (if any); and
  - (.5) promoter's business privilege license number.

It shall be the responsibility of the promoter to report any changes in the registration information to the Managing Director within fifteen (15) days of the change. The form for reporting changes shall be available online.

- (c) A permanent registration shall be issued upon payment of a fee of forty (\$40) dollars.
  - [(4)](5) Enforcement.

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- (a) All special assembly occupancies shall be subject to inspection by the Philadelphia Police Department or the Department of Licenses and Inspections at all reasonable times and whenever such place is open for business.
- (b) The Police Department and the Department of Licenses and Inspections shall have the power to order a place vacated and/or closed in the event a special assembly occupancy is not in compliance with the terms of this Section.
- (c) The special assembly occupancy licensee and the outside operator, if one exists, shall be jointly liable for the costs incurred by the police, fire department and/or the Department in responding to and quelling any violations of this Section, including any disorderly crowds, disturbances of the peace or riots and any other private or public nuisances arising from the operations of the special assembly occupancy. Such assessment of costs shall not include those costs expended by the police or fire department responding to or investigating isolated criminal acts or medical emergencies.
- [(c)](d)The Department shall promulgate such regulations as it deems proper to regulate the form and manner of issuing and revoking special assembly occupancy licenses and the imposition of sanctions set forth in this Chapter for operating without, or in violation of the conditions of, a valid license. Such regulations may provide for the imposition of sanctions on one or more of the premises operated under a particular license, depending on the breadth of occurrence of the violative behavior.
- (e) A violation of any provision of subsection (3)(a), (b) or (c)(.1) through (.4) of this Section shall be classified as a Class III offense as set forth in Section 1-109. All violations of each subsection of subsection (3)(a), (b) or (c)(.1) through (.4) which are committed on a single calendar day shall be aggregated together and constitute one single violation for the purpose of issuing citations and assessing penalties under this Section. Violations of different subsections of subsection (3) which are committed on a single calendar day shall not be aggregated and shall constitute separate and distinct violations for the purpose of issuing citations and assessing penalties under this Section.
- [(5)](6) Supersession. This Ordinance is intended to supersede Act 1919, May 16, P.L. 193, as amended, 53 P.S. Section 4731 to 4742, with respect to the regulation of special assembly occupancies and social entertainment events in the City of Philadelphia, and said Act shall no longer be applicable to the regulation of special assembly occupancies and social entertainment events in the City of Philadelphia.

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SECTION 2. Effective Date. This Ordinance shall take effect 30 days after becoming law.

#### **Explanation:**

[Brackets] indicate matter deleted. *Italics* indicate new matter added.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on September 23, 2010. The Bill was Signed by the Mayor on September 29, 2010.

Michael A. Decker

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Chief Clerk of the City Council