S T A T E O F N E W Y O R K

6909--B

I N S E N A T E

March 27, 2014

Introduced by Sens. VALESKY, KLEIN -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the alcoholic beverage control law, in relation to promoting economic development by expanding products sold by farm cideries and authorizing such cideries to sell cider to other licensees for resale

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 3-a of section 58 of the alcoholic beverage control law, as added by chapter 384 of the laws of 2013, is amended to read as follows:

3-a. A licensed cider producer producing New York state labelled cider may:

(a) sell such cider OR ANY NEW YORK STATE LABELED CIDER to licensed farm distillers, farm wineries, WINERIES, farm cideries [and], CIDERIES AND farm breweries. All such cider sold by the licensee shall be securely sealed and have attached thereto a label as shall be required by section one hundred seven-a of this chapter;

(b) conduct tastings at the licensed premises of such cider OR ANY NEW YORK STATE LABELED CIDER;

(c) sell such cider OR ANY NEW YORK STATE LABELED CIDER at retail for consumption off the premises at the state fair, at recognized county fairs and at farmers markets operated on a not-for-profit basis;

(d) sell and conduct tastings of such cider OR ANY NEW YORK STATE LABELED CIDER at retail for consumption on the premises of a restaurant, conference center, inn, bed and breakfast or hotel business owned and operated by the licensee in or adjacent to its farm cidery. A licensee who operates a restaurant, conference center, inn, bed and breakfast or hotel pursuant to such authority shall comply with all applicable

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

LBD14186-05-4

provisions of this chapter which relate to licenses to sell cider at retail for consumption on the premises;

(e) apply for a permit to conduct tastings away from the licensed premises of such cider OR ANY NEW YORK STATE LABELED CIDER. Such permit shall be valid throughout the state and may be issued on an annual basis or for individual events. Each such permit and the exercise of the privilege granted thereby shall be subject to such rules and conditions of the authority as it deems necessary. Tastings shall be conducted subject to the following conditions:

(i) tastings shall be conducted by an official agent, representative or solicitor of the licensee. Such agent, representative or solicitor shall be physically present at all times during the conduct of the tastings; and

(ii) any liability stemming from a right of action resulting from a tasting of cider as authorized [herein] IN THIS PARAGRAPH and in accordance with the provisions of sections 11-100 and 11-101 of the general obligations law, shall accrue to the licensee.

(f) if it holds a tasting permit issued pursuant to paragraph (e) of this subdivision, apply to the authority for a permit to sell such cider OR ANY NEW YORK STATE LABELED CIDER, for consumption off the premises, during such tastings in premises licensed under sections sixty-four, sixty-four-a, eighty-one and eighty-one-a of this chapter. Each such permit and the exercise of the privilege granted thereby shall be subject to such rules and conditions of the authority as it deems necessary.

S 2. Paragraphs (c), (d), (e), (f) and (g) of subdivision 2 of section 58-c of the alcoholic beverage control law, as added by chapter 384 of the laws of 2013, are amended to read as follows:

(c) sell cider manufactured by the licensee OR ANY NEW YORK STATE LABELED CIDER to wholesalers and retailers licensed in this state to sell such cider, TO licensed farm distillers, licensed farm wineries, LICENSED WINERIES, licensed farm breweries, and any other licensed farm cidery OR LICENSED CIDERY. All such cider sold by the licensee shall be securely sealed and have attached thereto a label as shall be required by section one hundred seven-a of this chapter;

(d) sell at the licensed premises cider manufactured by the licensee or any other licensed farm cidery, OR ANY NEW YORK STATE LABELED CIDER at retail for consumption on or off the licensed premises;

(e) conduct tastings at the licensed premises of cider manufactured by the licensee or any other licensed farm cidery, OR ANY NEW YORK STATE LABELED CIDER;

(f) sell and conduct tastings of cider manufactured by the licensee or any other licensed farm cidery, OR ANY NEW YORK STATE LABELED CIDER at retail for consumption on the premises of a restaurant, conference center, inn, bed and breakfast or hotel business owned and operated by the licensee in or adjacent to its farm cidery. A licensee who operates a restaurant, conference center, inn, bed and breakfast or hotel pursuant to such authority shall comply with all applicable provisions of this chapter which relate to licenses to sell cider at retail for consumption on the premises;

(g) sell cider manufactured by the licensee or any other licensed farm cidery, OR ANY NEW YORK STATE LABELED CIDER at retail for consumption off the premises, at the state fair, at recognized county fairs and at farmers markets operated on a not-for-profit basis;

S 3. Subdivision 5 of section 58-c of the alcoholic beverage control law, as added by chapter 384 of the laws of 2013, is amended to read as follows:

5. A licensed farm cidery may, under such rules as may be adopted by the authority, sell cider manufactured by the licensee or any other licensed farm cidery, OR ANY NEW YORK STATE LABELED CIDER at retail in bulk by the keg, cask or barrel for consumption and not for resale at a clam-bake, barbeque, picnic, outing or other similar outdoor gathering at which more than fifty persons are assembled.

S 4. Paragraphs (b) and (e) of subdivision 7 of section 58-c of the alcoholic beverage control law, as added by chapter 384 of the laws of 2013, are amended to read as follows:

(b) food items for the purpose of complementing cider tastings, which shall mean a diversified selection of food that is ordinarily consumed without the use of tableware and can be conveniently consumed while standing or walking. Such food items shall include but not be limited to: cheeses, fruits, vegetables, chocolates, breads, BAKED GOODS, mustards and crackers;

(e) cider-making equipment and supplies including, but not limited to, APPLES, APPLE JUICE, OTHER POME FRUITS, OTHER POME FRUIT JUICES, home cider-making kits, PRESSES, PUMPS, filters, YEASTS, CHEMICALS AND OTHER CIDER ADDITIVES, bottling equipment, BOTTLES, CIDER STORAGE AND FERMENTING VESSELS, BARRELS, and books or other written material to assist cider-makers and home cider-makers to produce and bottle cider;

S 5. Subdivision 2 of section 76 of the alcoholic beverage control law is amended by adding a new paragraph (d-1) to read as follows:

(D-1) TO SELL FROM THE LICENSED PREMISES TO LICENSED FARM DISTILLERS, FARM WINERIES, WINERIES, FARM CIDERIES, CIDERIES AND FARM BREWERS ANY NEW YORK STATE LABELED CIDER. ALL SUCH CIDER SHALL BE SECURELY SEALED AND HAVE ATTACHED THERETO A LABEL AS SHALL BE REQUIRED BY SECTION ONE HUNDRED SEVEN-A OF THIS CHAPTER;

S 6. Subdivisions 3, 4 and 5 of section 76 of the alcoholic beverage control law, as amended by chapter 221 of the laws of 2011, are amended to read as follows:

3. (a) Any person having applied for and received a license as a winery under this section may conduct wine AND CIDER tastings of New York state labelled wines OR CIDERS in establishments licensed under sections sixty-three and seventy-nine of this chapter to sell wine for off-premises consumption. Such winery may charge a fee for each wine OR CIDER sample tasted. The state liquor authority shall promulgate rules and regulations regarding such tastings as provided for in this subdivision.

(a-1) Any person having applied for and received a license as a winery under this section may conduct wine AND CIDER tastings of New York state labelled wines OR CIDERS and apply to the liquor authority for a permit to sell wine produced by such winery OR ANY NEW YORK STATE LABELED CIDER by the bottle, during such tastings in establishments licensed under section sixty-four, section sixty-four-a, section eighty-one or section eighty-one-a of this chapter to sell wine for consumption on the premises. Such winery may charge a fee of no more than twenty-five cents for each wine OR CIDER sample tasted. The state liquor authority shall promulgate rules and regulations regarding such tastings as provided for in this subdivision.

(b) Tastings shall be conducted subject to the following limitations:

(i) wine AND CIDER tastings shall be conducted by an official agent, representative or solicitor of one or more wineries. Such agent, repre-

sentative or solicitor shall be physically present at all times during the conduct of the tastings; and

(ii) any liability stemming from a right of action resulting from a wine OR CIDER tasting as authorized herein and in accordance with the provisions of sections 11-100 and 11-101 of the general obligations law, shall accrue to the winery licensee.

(c)(i) Any person having applied for and received a license as a winery under this section may conduct wine AND CIDER tastings of New York state labelled wines OR CIDERS and sell such wine OR CIDER by the bottle, during such tasting, for off-premises consumption at outdoor or indoor gatherings, functions, occasions or events, within the hours fixed by or pursuant to subdivision fourteen of section one hundred five of this chapter, sponsored by a bona fide charitable organization. For the purposes of this paragraph, a bona fide charitable organization shall mean and include any bona fide religious or charitable organization or bona fide educational, fraternal or service organization or bona fide organization of veterans or volunteer firefighters, which by its charter, certificate of incorporation, constitution, or act of the legislature, shall have among its dominant purposes one or more of the lawful purposes as defined in subdivision five of section one hundred eighty-six of the general municipal law.

(ii) Upon application, the liquor authority shall issue an annual permit authorizing such winery to participate in outdoor or indoor gatherings, functions, occasions or events sponsored by a charitable organization. The winery must give the authority written or electronic notice of the date, time and specific location of each tasting at least fifteen days prior to the tasting. A winery that obtains a permit to conduct such wine OR CIDER tastings does not need to apply for or obtain a temporary beer or wine permit pursuant to section ninety-seven of this chapter or any other permit to conduct such a tasting or to sell wine OR CIDER by the bottle for off-premises consumption at such tastings.

(iii) Such winery may charge a fee for each wine OR CIDER sample tasted. Tastings shall be conducted by an official agent, representative or solicitor of such winery. The state liquor authority may promulgate rules and regulations regarding such tastings as provided for in this subdivision.

4. A licensed winery may apply to the liquor authority for a license to sell wine OR ANY NEW YORK STATE LABELED CIDER at retail for consumption on the premises. All the provisions of this chapter relative to licenses to sell wine at retail for consumption on the premises shall apply so far as applicable to such application.

5. Notwithstanding any provision of this chapter to the contrary, any one or more winery licensees, singly or jointly, may apply to the liquor authority for a license or licenses to sell wine AND ANY NEW YORK STATE LABELED CIDER at retail for consumption off the premises. For licensees applying singly, the duration of such license shall be coextensive with the duration of such licensee's winery license, and the fee therefor shall be five hundred dollars if such retail premises is located in cities having a population of one million or more; in cities having less than one million population and more than one hundred thousand, two hundred fifty dollars; and elsewhere, the sum of one hundred twenty-five dollars. Such license shall entitle the holder thereof to sell at retail for consumption off the premises any New York state labelled wine OR CIDER. Such license shall also entitle the holder thereof to conduct wine AND CIDER tastings. Such license shall also authorize the sale by the holder thereof of New York state labelled wine OR CIDER, in sealed

containers for off-premises consumption, from the specially licensed premises of any person licensed pursuant to section eighty-one-a of this article to sell wine at retail for consumption on premises in which the principal business is the operation of a legitimate theater or such other lawful adult entertainment or recreational facility as the liquor authority may classify for eligibility pursuant to subdivision six of section sixty-four-a of this chapter. Not more than five such licenses shall be issued, either singly or jointly, to any licensed winery. All other provisions of this chapter relative to licenses to sell wine at retail for consumption off the premises shall apply so far as applicable to such application. The liquor authority is hereby authorized to adopt such rules as it may deem necessary to carry out the purpose of this subdivision, provided that all licenses issued pursuant to this subdivision shall be subject to the same rules and regulations as are applicable to the sale of wine at retail for consumption off the premises of the winery licensee.

S 7. Subdivisions 2 and 3 of section 76-a of the alcoholic beverage control law, as added by chapter 221 of the laws of 2011, paragraph (c) of subdivision 2 as amended by chapter 384 of the laws of 2013, are amended to read as follows:

2. A farm winery license shall authorize the holder thereof to:

(a) operate a farm winery for the manufacture of wine or cider at the premises specifically designated in the license;

(b) sell in bulk from the licensed premises the products manufactured under such license OR ANY NEW YORK STATE LABELED CIDER to any winery licensee, any other farm winery licensee, any distiller licensee or to a permittee engaged in the manufacture of products which are unfit for beverage use and to sell or deliver such wine OR CIDER to persons outside the state pursuant to the laws of the place of such sale or delivery;

(c) sell from the licensed premises to a licensed winery, farm distiller, farm brewery, farm cidery, wholesaler or retailer, or to a corporation operating railroad cars or aircraft for consumption on such carriers, or at retail for consumption off the premises, wine or cider manufactured by the licensee OR ANY NEW YORK STATE LABELED CIDER as above set forth and to sell or deliver such wine or cider to persons outside the state pursuant to the laws of the place of such sale or delivery. All wine or cider sold by such licensee for consumption off the premises shall be securely sealed and have attached thereto a label setting forth such information as shall be required by this chapter;

(d) operate, or use the services of, a custom crush facility as defined in subdivision nine-a of section three of this chapter;

(e) sell cider and wine at retail for consumption on or off the premises;

(f) sell wine AND CIDER at retail for consumption on the premises of a restaurant, conference center, inn, bed and breakfast or hotel business owned and operated by the licensee in or adjacent to the farm winery for which the licensee is licensed. A licensee who operates a restaurant, conference center, inn, bed and breakfast or hotel pursuant to such authority shall comply with all applicable provisions of this chapter which relate to licenses to sell wine at retail for consumption on the premises.

3. (a) Any person having applied for and received a license as a farm winery under this section may conduct wine AND CIDER tastings of New York state labelled wines AND CIDERS in establishments licensed under section sixty-three of this chapter and section seventy-nine of this

article to sell wine OR ANY NEW YORK STATE LABELED CIDER for off-premises consumption. Such farm winery may charge a fee for each wine OR CIDER sample tasted. The state liquor authority shall promulgate rules and regulations regarding such tastings as provided for in this subdivision.

(b) Any person having applied for and received a license as a farm winery under this section may conduct wine AND CIDER tastings of New York state labelled wines AND CIDERS and apply to the liquor authority for a permit to sell wine produced by such farm winery OR ANY NEW YORK STATE LABELED CIDER, by the bottle, during such tastings in establishments licensed under sections sixty-four and sixty-four-a of this chapter and section eighty-one or section eighty-one-a of this article to sell wine for consumption on the premises. Such farm winery may charge a fee of no more than twenty-five cents for each wine OR CIDER sample tasted. The state liquor authority shall promulgate rules and regulations regarding such tastings as provided for in this subdivision.

(c) Tastings shall be conducted subject to the following limitations:

(i) wine OR CIDER tastings shall be conducted by an official agent, representative or solicitor of one or more farm wineries. Such agent, representative or solicitor shall be physically present at all times during the conduct of the tastings; and

(ii) any liability stemming from a right of action resulting from a wine tasting as authorized herein and in accordance with the provisions of sections 11-100 and 11-101 of the general obligations law, shall accrue to the farm winery.

(d) (i) Any person having applied for and received a license as a farm winery under this section may conduct wine AND CIDER tastings of New York state labelled wines AND CIDERS and sell such wine OR CIDER by the bottle, during such tasting, for off-premises consumption at outdoor or indoor gatherings, functions, occasions or events, within the hours fixed by or pursuant to subdivision fourteen of section one hundred five of this chapter, sponsored by a bona fide charitable organization. For the purposes of this paragraph, a bona fide charitable organization shall mean and include any bona fide religious or charitable organization or bona fide educational, fraternal or service organization or bona fide organization of veterans or volunteer firefighters, which by its charter, certificate of incorporation, constitution, or act of the legislature, shall have among its dominant purposes one or more of the lawful purposes as defined in subdivision five of section one hundred eighty-six of the general municipal law.

(ii) Upon application, the liquor authority shall issue an annual permit authorizing such farm winery to participate in such outdoor or indoor gatherings, functions, occasions or events sponsored by a charitable organization. The farm winery must give the authority written or electronic notice of the date, time and specific location of each tasting at least fifteen days prior to the tasting. A farm winery that obtains a permit to conduct such wine OR CIDER tastings does not need to apply for or obtain a temporary beer or wine permit pursuant to section ninety-seven of this chapter or any other permit to conduct such a tasting or to sell wine OR CIDER by the bottle for off-premises consumption at such tastings.

(iii) Such farm winery may charge a fee for each wine OR CIDER sample tasted. Tastings shall be conducted by an official agent, representative or solicitor of such farm winery. The state liquor authority may adopt rules and regulations regarding such tastings as provided in this subdivision.

S 8. Paragraph (a) of subdivision 7-b of section 3 of the alcoholic beverage control law, as amended by chapter 384 of the laws of 2013, is amended to read as follows:

(a) "Cider" means the partially or fully fermented juice of fresh, whole apples or other pome fruits, containing more than three and two-tenths per centum but not more than eight and one-half per centum alcohol by volume: (i) to which nothing has been added to increase the alcoholic content produced by natural fermentation; and (ii) with the usual cellar treatments and necessary additions to correct defects due to climate, [saccharine] SUGAR levels and seasonal conditions. Nothing contained in this subdivision shall be deemed to preclude the use of such methods or materials as may be necessary to encourage a normal alcoholic fermentation and to make a product that is free of microbiological activity at the time of sale. Cider may be sweetened or flavored after fermentation with fruit juice, fruit juice concentrate, sugar, maple syrup, honey, spices or other agricultural products, separately or in combination. Cider may contain retained or added carbon dioxide.

S 9. This act shall take effect on the one hundred eightieth day after it shall have become a law; provided, however, that effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made and completed on or before such effective date.