STATE OF NEW YORK

7875

2017-2018 Regular Sessions

IN ASSEMBLY

May 18, 2017

Introduced by M. of A. CAHILL -- read once and referred to the Committee on Economic Development

AN ACT to amend the alcoholic beverage control law, in relation to requiring delinquent licensees to make future alcoholic beverage purchases to manufacturers and wholesalers in cash

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 3 of section 101-aa of the alcoholic beverage control law, as amended by chapter 588 of the laws of 2008, is amended to read as follows:

3. Each such manufacturer and wholesaler is hereby required, on or before the respective notification dates for each retail license, to give written notice of default, by first class mail, to all such licensees therein who have failed to make payment to him or her on or before their final payment date for alcoholic beverages sold or delivered to them during a credit period ending on their final payment date. No retail licensee shall be placed in default if the wholesaler has issued an account credit to the licensee, which after application to all debts owed by the retail licensee, is equal to or greater than the amount of the default. Any such retail licensee receiving such notice shall not thereafter purchase alcoholic beverages [~~except for cash until such time as the authority determines that his or her name shall not be published on the delinquent list as provided in subdivision four of this section, or until such time as the authority permits sales or deliveries to him or her as provided in subdivision five of this section~~] **from the manufacturer or wholesaler such delinquent licensee received a notice of default from, unless such purchase is made in cash. If such delinquent licensee becomes delinquent on a second account within thirty days of their first delinquency, such delinquent licensee shall be required to make all future alcoholic beverage purchases to any manufacturer or wholesaler in cash**. Each such manufacturer and wholesaler is hereby

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

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required to file with the authority, on or before each notification date, copies of the notices sent by him or her to all delinquent retail licensees as required in this subdivision, and in addition, if the authority shall so require, a written list setting forth the names and addresses of all such delinquent licensees. The authority, in its discretion, may extend for a period not exceeding three days the date for giving written notice of default to delinquent retail licensees and extend for three days the date for filing with the authority the copies of notices sent to such licensees and/or the written list of delinquent retail licensees as required in this subdivision. The authority, in its discretion, may limit the documents to be filed to those relating to licensees who are to be added or deleted from the default list and direct that the manufacturer or wholesaler maintain copies of all other documents required under this section for future inspection by the authority. The authority shall, as soon as practicable after each notification date, compile and publish and furnish each manufacturer and wholesaler licensed under this chapter a list, to be designated the delinquent list containing the names and addresses of all retail licensees who have been reported by manufacturers and wholesalers pursuant to the provisions of this section or section one hundred one-aaa of this article as having failed to make payment as required by this section for alcoholic beverages sold or delivered to them, and no such manufacturer or wholesaler, on or after the fifth day after the receipt of such delinquent list, shall knowingly, wilfully or intentionally sell or deliver any alcoholic beverages to any such licensee whose name appears on such list, except for cash, until such time as the name of such licensee is removed therefrom, except as hereinafter permitted**; provided, however, a manufacturer or wholesaler may sell or deliver alcoholic beverages to a licensee licensed to sell liquor and/or wine for off-premises consumption on the delinquent list when such licensee is not in default to such manufacturer or wholesaler**. The receipt of a delinquent list by a manufacturer or wholesaler shall constitute knowledge of the names of the retail licensees who have failed to make payment for alcoholic beverages as required by this section. The failure of any manufacturer or wholesaler to comply with the foregoing provisions of this section may, at the discretion of the authority, subject the license of such manufacturer or wholesaler to suspension for not more than five days for the first offense, and not more than thirty days for a subsequent offense. The authority may publish the delinquent list on its website; provided, however, that full access shall be restricted to those manufacturers and wholesalers licensed under this chapter and access to their specific status shall be provided to retailers licensed under this chapter. Such publication shall be considered receipt thereof by all manufacturers and wholesalers.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.