

# STATE OF NEW YORK

7793

## IN SENATE

February 26, 2018

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the alcoholic beverage control law, in relation to establishing a custom distiller's endorsement for holders of class D distiller's licenses

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

1 Section 1. Subdivision 2-c of section 61 of the alcoholic beverage  
2 control law is amended by adding a new paragraph (i) to read as follows:

3 (i) A class D distiller's license holder may apply to the authority  
4 for a custom distiller's endorsement to conduct those activities  
5 provided for pursuant to section sixty-one-c of this article. If such  
6 endorsement is granted, those activities authorized pursuant to section  
7 sixty-one-c of this article shall be activities that may be conducted  
8 under the authority and power specified under this subdivision.

9 § 2. Subdivision 1 of section 61-a of the alcoholic beverage control  
10 law, as added by chapter 297 of the laws of 2016, is amended to read as  
11 follows:

12 1. The authority may issue a combined craft manufacturer's license to  
13 a person for the purposes of this article and articles four, [~~four-a,~~  
14 ~~five~~] four-A and six of this chapter, combining the privileges of two or  
15 more farm or micro manufacturing licenses and a custom distiller's  
16 endorsement for use at one premises.

17 § 3. The alcoholic beverage control law is amended by adding a new  
18 section 61-c to read as follows:

19 § 61-c. Custom distiller's endorsement; activities permitted. 1. Any  
20 holder of a class D distiller's license, issued pursuant to subdivision  
21 two-c of section sixty-one of this article, may apply to the authority  
22 for a custom distiller's endorsement as provided for in this section to  
23 operate a custom distiller's facility, and manufacture liquors to the  
24 order of any person under the authority and power specified in subdivi-  
25 sion two-c of section sixty-one of this article. Such application shall  
26 be in writing and verified, and shall contain such information as the  
27 authority shall require. The application shall be accompanied by a check  
28 or draft for the amount required by this subdivision for such endorse-

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

LBD14658-04-8

1 ment. If the authority grants the application, it shall issue an  
2 endorsement in such form as shall be determined by its rules.

3 2. All liquors manufactured under a custom distiller's endorsement  
4 must qualify as New York state labeled liquor.

5 3. A custom distiller's endorsement shall authorize the holder thereof  
6 to operate a facility for the production of liquors under the authority  
7 of a class D distiller's license made to the order of any person. Such  
8 an endorsement shall also authorize the holder, provided such activities  
9 are permitted by the federal Alcohol and Tobacco Tax and Trade Bureau  
10 for the manufacture of distilled spirits for personal household use, to:

11 (a) conduct training classes on how to manufacture liquor;

12 (b) conduct liquor tastings for those persons taking such classes,  
13 provided that such tastings shall be conducted by the holder of the  
14 endorsement or by an official agent of such holder. Such holder or agent  
15 shall be physically present at all times during the conduct of the tast-  
16 ings as provided pursuant to subdivision two-c of section sixty-one of  
17 this article;

18 (c) rent space, equipment and storage facilities and, if necessary,  
19 purchase fruit and grains to manufacture liquor for personal household  
20 use provided that the manufacture and production of liquor for personal  
21 household consumption and use is done in accordance with state and  
22 federal laws and regulations;

23 (d) distribute to persons who have ordered such manufactured liquor.  
24 Such liquor shall only be distributed to or used for (i) personal house-  
25 hold consumption; (ii) gifts to be given to persons, but not for resale;  
26 or (iii) persons residing outside of this state, in accordance with the  
27 laws of the state or jurisdiction where such person is located; and

28 (e) permit such persons, who have ordered such manufactured liquor, to  
29 assist the class D license holder in the manufacture and processing of  
30 such liquor, so long as such person is under the direct supervision and  
31 control of personnel employed by such class D license holder.

32 4. The holder of an endorsement or an official agent of such holder  
33 shall be physically present at all times during the licensed facility's  
34 hours of operations.

35 5. The annual aggregate production of liquors for all New York labeled  
36 liquor at the licensed premises, pursuant to a custom distiller's  
37 endorsement, shall not exceed seventy-five thousand gallons of liquor  
38 annually; provided that such aggregate production limit shall not be  
39 offset by liquors produced at such facility under a farm distillery  
40 license.

41 6. Notwithstanding any other provision of this chapter to the contra-  
42 ry, the authority may issue a custom distiller's endorsement to the  
43 holder of a farm distillery license for use at such licensee's existing  
44 licensed premises.

45 7. The endorsement holder shall maintain a record of the name, address  
46 and contact information of the individuals, corporations and other busi-  
47 ness entities for whom it manufactures liquor and the annual amount of  
48 liquor produced for each individual, corporation or other business enti-  
49 ty at the licensed premises pursuant to the rules of the authority.

50 8. The fee for a custom distiller's endorsement shall be three hundred  
51 dollars for each three year license term.

52 § 4. This act shall take effect on the sixtieth day after it shall  
53 have become a law; provided, however, that effective immediately, the  
54 addition, amendment and/or repeal of any rule or regulation necessary  
55 for the implementation of this act on its effective date are authorized  
56 and directed to be made and completed on or before such effective date.