

# STATE OF NEW YORK

8899

2019-2020 Regular Sessions

## IN ASSEMBLY

December 30, 2019

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

AN ACT to amend the alcoholic beverage control law, in relation to providing for certain limited direct interstate shipments of wine for off-premises consumption

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

1 Section 1. The section heading of section 79-c of the alcoholic beverage control law, as amended by chapter 184 of the laws of 2005, is amended to read as follows:

2 Direct interstate wine shipments by licensees to manufacturing wine.

3 § 2. Section 79-d of the alcoholic beverage control law is renumbered section 79-e and a new section 79-d is added to read as follows:

4 § 79-d. Direct interstate wine shipments by retail licensees to sell wine for off-premises consumption. 1. Authorization. Notwithstanding any provision of law, rule or regulation to the contrary, any holder of a license to sell wine for off-premises consumption in any other state who obtains an out-of-state direct shipper's license, as provided in this section, may ship no more than thirty-six cases (no more than nine liters each case) of wine per year directly to a resident of New York who is at least twenty-one years of age, for such resident's personal use and not for resale. No person shall place an order for shipment of wine unless they are twenty-one years of age or older. Any common carrier with a permit issued pursuant to this chapter to whom such out-of-state shipper's license is presented is authorized to make delivery of shipments provided for hereunder in this state in compliance with this section.

21 2. License. Before sending any shipment hereunder to a resident in this state, the out-of-state shipper shall first obtain a license from the authority under procedures prescribed by rules and regulations of the authority and after providing the authority with a true copy of its

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

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1 current license to sell wine for off-premises consumption in the appli-  
2 cant's state of domicile after payment of an annual fee of one hundred  
3 twenty-five dollars.

4 3. Licensee's responsibilities. The holder of an out-of-state direct  
5 shipper's license shall:

6 (a) ship no more than thirty-six cases (no more than nine liters each  
7 case) per year of wine to a New York state resident who is at least  
8 twenty-one years of age, for such resident's personal use and not for  
9 resale;

10 (b) ensure that the outside of each shipping container used to ship  
11 wine directly to a New York resident is conspicuously labeled with the  
12 words: "CONTAINS WINE - SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED  
13 FOR DELIVERY - NOT FOR RESALE", or with other language specifically  
14 approved by the New York state liquor authority;

15 (c) maintain records in such manner and form as the authority may  
16 direct, showing the total amount of wine shipped into the state each  
17 calendar year; the names and addresses of the purchasers to whom the  
18 wine was shipped, the date purchased, the name of the common carrier  
19 used to deliver the wine, and the quantity and value of each shipment;

20 (d) in connection with the acceptance of an order for a delivery of  
21 wine to a New York resident, require the prospective customer to repre-  
22 sent that he or she has attained the age of twenty-one years or more and  
23 that the wine being purchased will not be resold or introduced into  
24 commerce;

25 (e) require common carriers to:

26 (i) require a recipient, at the delivery address, upon delivery, to  
27 demonstrate that the recipient is at least twenty-one years of age by  
28 providing a valid form of photographic identification authorized by  
29 section sixty-five-b of this chapter;

30 (ii) require a recipient to sign an electronic or paper form or other  
31 acknowledgement of receipt as approved by the authority; and

32 (iii) refuse delivery when the proposed recipient appears to be under  
33 twenty-one years of age and refuses to present valid identification as  
34 required by subparagraph (i) of this paragraph;

35 (f) file returns with and pay to the New York state department of  
36 taxation and finance all state and local sales taxes due on sales into  
37 this state in accordance with the applicable provisions of the tax law  
38 relating to such taxes, the amount of such taxes to be determined on the  
39 basis that each sale in this state was at the location where delivery is  
40 made;

41 (g) keep all records required by this section for three years and  
42 provide copies of such records, upon written request, to the authority  
43 or the department of taxation and finance;

44 (h) permit the authority or the department of taxation and finance to  
45 perform an audit of such out-of-state shipper upon request;

46 (i) execute a written consent to the jurisdiction of this state, its  
47 agencies and instrumentalities and the courts of this state concerning  
48 enforcement of this section and any related laws, rules, or regulations,  
49 including tax laws, rules or regulations; and

50 (j) prior to obtaining an out-of-state direct shipper's license,  
51 obtain a certificate of authority pursuant to section eleven hundred  
52 thirty-four of the tax law and a registration as a distributor pursuant  
53 to sections four hundred twenty-one and four hundred twenty-two of the  
54 tax law.

55 4. Situs. Delivery of a shipment in this state by the holder of an  
56 out-of-state direct shipper's license shall be deemed to constitute a

1 sale in this state at the place of delivery and shall be subject to all  
2 sales taxes levied pursuant to articles twenty-eight and twenty-nine of  
3 the tax law.

4 5. Renewal. The out-of-state shipper may annually renew its license  
5 with the authority by paying a one hundred twenty-five dollar renewal  
6 fee, providing the authority with a true copy of its current license in  
7 such other state to sell wine for off-premises consumption and by  
8 complying with such other procedures as are prescribed by rule of the  
9 authority.

10 6. Rules and regulations. The authority and the department of taxation  
11 and finance may promulgate rules and regulations to effectuate the  
12 purposes of this section.

13 7. Enforcement. The authority may enforce the requirements of this  
14 section including the requirements imposed on the common carrier, by  
15 administrative proceedings to suspend or revoke an out-of-state ship-  
16 per's license and the authority may accept payment of an administrative  
17 fine in lieu of suspension, such payments to be determined by rules or  
18 regulations promulgated by the authority.

19 8. Violations. In any action brought under this section, the common  
20 carrier and the licensee shall only be held liable for their independent  
21 acts.

22 § 3. This act shall take effect on the thirtieth day after it shall  
23 have become a law. Effective immediately, the addition, amendment and/or  
24 repeal of any rule or regulation necessary for the implementation of  
25 this act on its effective date are authorized to be made and completed  
26 on or before such effective date.