

STATE OF NEW YORK

10306

IN ASSEMBLY

May 13, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Bronson) --
read once and referred to the Committee on Economic Development

AN ACT to amend the alcoholic beverage control law, in relation to
allowing cooperative agreements by licensees to sell wine or liquor at
retail for consumption off the premises

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

1 Section 1. The alcoholic beverage control law is amended by adding a
2 new section 106-c to read as follows:

3 § 106-c. Cooperative agreements by licensees to sell wine or liquor at
4 retail for consumption off the premises. No more than ten licensees with
5 licenses for the sale at retail of wine or liquor for off-premises
6 consumption as established in section sixty-three or section seventy-
7 nine of this chapter, may join a cooperative agreement to make joint
8 purchases of alcoholic beverages, provided that such agreement and
9 activity shall conform to the following standards:

10 1. The cooperative may hire employees to act in an administrative or
11 management capacity for the cooperative's purchase, storage and trans-
12 portation of alcoholic beverages. Such employees shall be in compliance
13 with sections one hundred twenty-six and one hundred twenty-eight of
14 this article;

15 2. No cooperative agreement shall prohibit any licensee from joining
16 any other cooperative agreement;

17 3. No cooperative agreement shall prohibit any retailer from advertis-
18 ing or selling any product at any otherwise lawful price;

19 4. Any licensee may withdraw from a cooperative agreement within thir-
20 ty days of forming such cooperative by written notice to the remaining
21 participating members of such cooperative and no penalties shall be
22 charged for such withdrawal;

23 5. All purchases on credit through or by cooperative agreement shall
24 be reduced to writing, signed by the wholesaler and each individual
25 participating member of the cooperative and be consistent with sections
26 one hundred one-aa and one hundred one-aaa of this article. All credit
27 terms shall include adequate assurances of payment by each individual

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

LBD15533-01-2

1 participating member of the cooperative by either the posting of a bond
2 by the cooperative member or a provision that each member of the cooper-
3 ative shall be jointly and severally liable for payment for the
4 purchases made through the cooperative. A copy of such written agree-
5 ments shall be maintained by the wholesaler and by the registered buying
6 cooperative member;

7 6. All individual purchases through or by cooperative agreement shall
8 be separately invoiced consistent with sections one hundred one-aa and
9 one hundred one-aaa of this article and shall contain the cooperative's
10 registration number;

11 7. All purchases through or by a cooperative agreement shall be trans-
12 ported consistent with section one hundred seventeen of this article;

13 8. No licensed party to a cooperative agreement shall commingle inven-
14 tory, funds or other assets inconsistent with any section of this chap-
15 ter;

16 9. Any purchase or transfer in violation of any section of this chap-
17 ter or the regulations promulgated thereunder, shall be a violation by
18 all members of the cooperative purchase agreement;

19 10. Nothing herein shall be deemed to require the servicing of any
20 cooperative agreement with quantity or cash discounts if there exists no
21 corresponding justification for the differential; and

22 11. Each licensed cooperative buying group may maintain a public ware-
23 house provided that the cooperative complies with section one hundred
24 two of this article, the cooperative public warehouse maintains assigned
25 space for each individual participating member of the cooperative and
26 the inventory is transferred to that space within seventy-two hours
27 after delivery. All purchases through or by the cooperative agreement
28 shall be transported to and from the warehouse consistent with section
29 one hundred seventeen of this article.

30 § 2. This act shall take effect on the one hundred eightieth day after
31 it shall have become a law. Effective immediately, the addition, amend-
32 ment and/or repeal of any rule or regulation necessary for the implemen-
33 tation of this act on its effective date are authorized to be made and
34 completed on or before such effective date.