

STATE OF NEW YORK

3275--A

2021-2022 Regular Sessions

IN ASSEMBLY

January 22, 2021

Introduced by M. of A. GUNTHER, BUTTENSCHON, JONES, SANTABARBARA, WOERNER, BARRETT, ASHBY, McDONALD, LUPARDO -- read once and referred to the Committee on Economic Development -- 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 authorizing the direct intrastate and interstate shipment of liquor

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

Section 1. The alcoholic beverage control law is amended by adding two new sections 64-e and 64-f to read as follows:

§ 64-e. Direct intrastate liquor shipments. Any person having applied for and received a license as a distillery or farm distillery pursuant to the provisions of section sixty-one of this article may ship no more than thirty-six cases (no more than nine liters per case) of liquor produced by such distillery or farm distillery per year directly to a New York state resident who is at least twenty-one years of age, for such resident's personal use and not for resale.

1. Licensee's shipping responsibilities. Notwithstanding any provision to the contrary contained in this chapter, any above referred licensee shall:

(a) in the case of a distillery or farm distillery licensee, ship no more than thirty-six cases (no more than nine liters per case) per year of liquor produced by such license holder directly to a New York state resident who is at least twenty-one years of age, for such resident's personal use and not for resale;

(b) ensure that the outside of each shipping container used to ship liquor directly to a New York state resident is conspicuously labeled with the words: "CONTAINS LIQUOR - SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY," or with other language specifically approved by the New York state liquor authority;

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

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(c) maintain records in such manner and form as the authority may direct showing the total amount of liquor shipped in the state each calendar year, the names and addresses of the purchasers to whom the liquor was shipped, the date purchased, the name of the common carrier used to deliver the liquor, and the quantity and value of each shipment. Such records shall be kept for three years and, upon written request, be provided to the authority or the department of taxation and finance;

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

(e) require common carriers to:

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

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

(iii) refuse delivery when the proposed recipient appears to be under twenty-one years of age and refuses to present valid identification as required by paragraph (a) of this subdivision.

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

§ 64-f. Direct interstate liquor shipments. 1. Authorization. Notwithstanding any provision of law, rule or regulation to the contrary, any holder of a license to manufacture liquor 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 liquor produced by such license holder 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, provided the state in which such person is so licensed affords lawful means for shipments of liquor to be received by a resident thereof who is at least twenty-one years of age, for such resident's personal use and not for resale, from a person licensed in this state as a manufacturer and, provided further, that the state in which such out-of-state distillery is located affords to New York state distillery and farm distillery licensees reciprocal shipping privileges, meaning shipping privileges that are substantially similar to the requirements in this section. No person shall place an order for shipment of liquor 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.

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 current license to manufacture liquor in the applicant's state of domicile along with a copy of the applicant's federal basic permit after payment of an annual fee of one hundred twenty-five dollars. Notwithstanding the provisions of section one hundred ten of this chapter, the authority in its discretion, may excuse an out-of-state distillery from the submission of such information.

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

3 (a) ship no more than thirty-six cases (no more than nine liters each
4 case) per year of liquor produced by such license holder directly to a
5 New York state resident who is at least twenty-one years of age, for
6 such resident's personal use and not for resale;

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

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

17 (d) in connection with the acceptance of an order for a delivery of
18 liquor to a New York resident, require the prospective customer to
19 represent that he or she has attained the age of twenty-one years or
20 more and that the liquor being purchased will not be resold or intro-
21 duced into commerce;

22 (e) require common carriers to:

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

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

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

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

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

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

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

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

52 4. Situs. Delivery of a shipment in this state by the holder of an
53 out-of-state direct shipper's license shall be deemed to constitute a
54 sale in this state at the place of delivery and shall be subject to all
55 excise taxes levied pursuant to section four hundred twenty-four of the

1 tax law and all sales taxes levied pursuant to articles twenty-eight and
2 twenty-nine of such law.

3 5. Renewal. The out-of-state shipper may annually renew its license
4 with the authority by paying a one hundred twenty-five dollar renewal
5 fee, providing the authority with a true copy of its current license in
6 such other state as an alcoholic beverage manufacturer and by complying
7 with such other procedures as are prescribed by rule of the authority.

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

11 7. Enforcement. The authority may enforce the requirements of this
12 section including the requirements imposed on the common carrier, by
13 administrative proceedings to suspend or revoke an out-of-state ship-
14 per's license and the authority may accept payment of an administrative
15 fine in lieu of suspension, such payments to be determined by rules or
16 regulations promulgated by the authority. In addition, the authority or
17 the attorney general of the state of New York shall report violations of
18 this section, where appropriate, to the United States department of
19 treasury, tax and trade bureau, for administrative action to suspend or
20 revoke the federal basic permit.

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

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