

STATE OF NEW YORK

5932

2021-2022 Regular Sessions

IN ASSEMBLY

March 2, 2021

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

AN ACT to amend the alcoholic beverage control law, in relation to enacting the wine industry and liquor store revitalization act; and to repeal certain provisions of such law relating thereto

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

1 Section 1. This act shall be known and may be cited as the "wine
2 industry and liquor store revitalization act".

3 § 2. Subdivisions 4 and 5 of section 63 of the alcoholic beverage
4 control law, subdivision 4 as amended by section 3 of part H of chapter
5 58 of the laws of 2019, are amended and five new subdivisions 7, 8, 9,
6 10 and 11 are added to read as follows:

7 4. (a) No licensee under this section shall be engaged in any other
8 business on the licensed premises. The sale of products complementary to
9 the business of the licensed premises shall not constitute engaging in
10 another business within the meaning of this subdivision. Such products
11 shall include but not be limited to the sale of lottery tickets, when
12 duly authorized and lawfully conducted, the sale of reusable bags as
13 defined in section 27-2801 of the environmental conservation law, the
14 sale of corkscrews or the sale of ice or the sale of publications,
15 including prerecorded video and/or audio cassette tapes, or educational
16 seminars, designed to help educate consumers in their knowledge and
17 appreciation of alcoholic beverages, as defined in section three of this
18 chapter and allowed pursuant to their license, or the sale of [~~non-car-~~
19 ~~bonated, non-flavored mineral waters, spring waters and drinking waters~~]
20 non-alcoholic beverages for consumption on or off premises, including
21 but not limited to bottled water, juice and soda beverages, or the sale
22 of tobacco products or herbal cigarettes, provided the licensee complies
23 with section thirteen hundred ninety-nine-cc of the public health law,
24 or the sale at retail of cigars which have been prepackaged by the

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

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1 manufacturer in boxes of ten or more, or the sale of publications
2 designed to help educate consumers in their knowledge and appreciation
3 of cigar products, or food items, which shall include locally produced
4 farm products and any food or food product not specifically prepared for
5 immediate consumption upon the premises, or the sale of gift bags and
6 gift baskets including, but not limited to, shot glasses, single malt
7 scotch glasses, grappa glasses, decanters, other glassware, food or farm
8 products not specifically prepared for immediate consumption upon the
9 premises, all of which is related to the consumption and enjoyment of
10 wine and spirits or the sale of glasses designed for the consumption of
11 wine, racks designed for the storage of wine, and devices designed to
12 minimize oxidation in bottles of wine which have been uncorked, or the
13 sale of gift bags, gift boxes, or wrapping, for alcoholic beverages
14 purchased at the licensed premises shall not constitute engaging in
15 another business within the meaning of this subdivision. Any fee
16 obtained from the sale of an educational seminar shall not be considered
17 as a fee for any tasting that may be offered during an educational semi-
18 nar, provided that such tastings are available to persons who have not
19 paid to attend the seminar and all tastings are conducted in accordance
20 with section sixty-three-a of this article.

21 (b) The installation and operation of automated teller machines shall
22 not constitute engaging in another business within the meaning of this
23 subdivision. For purposes of this subdivision, "automated teller
24 machine" means a device which is linked to the accounts and records of a
25 banking institution and which enables consumers to carry out banking
26 transactions, including, but not limited to, account transfers, depos-
27 its, cash withdrawals, balance inquiries, and loan payments.

28 5. [~~Not more than one license shall be~~] Nothing in this section shall
29 be construed to prohibit multiple licenses from being granted to any
30 person under this section.

31 7. Any license obtained under this section includes authorization to
32 sell alcoholic beverages for resale to licensed premises for on-premises
33 consumption as licensed by sections fifty-five, sixty-four,
34 sixty-four-a, seventy-nine-b, and eighty-one of this chapter as provided
35 in subdivisions three-a and three-b of section one hundred two of this
36 chapter.

37 8. Commencing on the effective date of this subdivision, no additional
38 licenses shall be issued pursuant to this section except as outlined in
39 subdivision nine of this section. The provisions of this subdivision
40 shall not apply to (a) the renewal, transfer or continuance of a license
41 pursuant to this chapter, (b) an application for a license filed before
42 the effective date of this subdivision, (c) the issuance of a license in
43 accordance with the provisions of this chapter, to a person who
44 purchased the business operations of a licensee, provided, however, that
45 any person licensed under this section shall make an application to the
46 liquor authority prior to selling its license to another person.

47 9. Any existing license issued under this section which is canceled or
48 revoked by the liquor authority may be auctioned off to the highest
49 bidder, provided that the person meets all the applicable requirements.
50 The amount of the sale of the existing license as authorized in this
51 subdivision shall be subject to sales and compensating use tax as
52 imposed by section eleven hundred five of the tax law.

53 10. Each existing licensee shall be authorized to apply for one addi-
54 tional license for retail sale of liquor for consumption off the prem-
55 ises for use in the establishment of another licensed premises, provided
56 however, the additional premises complies with all applicable

1 restrictions and requirements. The additional license issued by the
2 authority under this subdivision may be sold provided the purchaser
3 meets all applicable requirements, which sale shall be subject to sales
4 and compensating use tax as imposed by section eleven hundred five of
5 the tax law. The authorization for the establishment of a new premises
6 or sale of the additional license under this subdivision shall expire
7 three years from the effective date of this subdivision.

8 11. The authority is authorized to auction off to the highest bidder,
9 provided that the person meets all the applicable requirements, addi-
10 tional licenses for the sale of liquor or wine or both at retail for
11 consumption off the premises. The revenue from this sale shall be allo-
12 cated for the increased licensure and enforcement efforts of the author-
13 ity. The authority shall be authorized to sell no more than fifteen
14 additional licenses every two years, beginning on April first, two thou-
15 sand twenty-four.

16 § 3. Section 79 of the alcoholic beverage control law is amended by
17 adding four new subdivisions 5, 6, 7 and 8 to read as follows:

18 5. Any license obtained under this section includes authorization to
19 sell alcoholic beverages for resale to licensed premises for on-premises
20 consumption as licensed by sections fifty-five, sixty-four,
21 sixty-four-a, seventy-nine-b, and eighty-one of this chapter as provided
22 in subdivisions three-a and three-b of section one hundred two of this
23 chapter.

24 6. Commencing on the effective date of this subdivision, no additional
25 licenses shall be issued pursuant to this section except as outlined in
26 subdivision seven of this section. The provisions of this subdivision
27 shall not apply to (a) the renewal, transfer or continuance of a license
28 pursuant to this chapter, (b) an application for a license filed before
29 the effective date of this subdivision, (c) the issuance of a license in
30 accordance with the provisions of this chapter, to a person who
31 purchased the business operations of a licensee, provided, however, that
32 any person licensed under this section shall make an application to the
33 liquor authority prior to selling its license to another person.

34 7. Any existing license issued under this section which is canceled or
35 revoked by the liquor authority may be auctioned off to the highest
36 bidder, provided that the person meets all the applicable requirements.
37 The amount of the sale of the existing license as authorized in this
38 subdivision shall be subject to sales and compensating use tax as
39 imposed by section eleven hundred five of the tax law.

40 8. Each existing licensee shall be authorized to apply for one addi-
41 tional license for retail sale of liquor for consumption off the prem-
42 ises for use in the establishment of another licensed premises, provided
43 however, the additional premises complies with all applicable
44 restrictions and requirements. The additional license issued by the
45 authority under this subdivision as well as any existing license issued
46 under this section may be sold provided the purchaser meets all applica-
47 ble requirements, which sale shall be subject to sales and compensating
48 use tax as imposed by section eleven hundred five of the tax law. The
49 authorization for the establishment of a new premises or sale of the
50 additional license under this subdivision shall expire three years from
51 the effective date of this subdivision.

52 § 4. Section 83 of the alcoholic beverage control law is amended by
53 adding a new subdivision 10 to read as follows:

54 10. The annual fee for a grocery or drug store wine license pursuant
55 to section seventy-nine-e of this article shall be one hundred ten
56 dollars. Where, however, the applicant is the holder of two or more such

1 licenses, the annual fee for each additional license shall be double the
2 amount hereinabove set forth.

3 § 5. Subdivision 2-a of section 100 of the alcoholic beverage control
4 law, as amended by chapter 249 of the laws of 2002, is amended to read
5 as follows:

6 2-a. No retailer shall employ, or permit to be employed, or shall
7 suffer to work, on any premises licensed for retail sale hereunder, any
8 person under the age of eighteen years, as a hostess, waitress, waiter,
9 or in any other capacity where the duties of such person require or
10 permit such person to sell, dispense or handle alcoholic beverages;
11 except that: (1) any person under the age of eighteen years and employed
12 by any person holding a grocery or drug store beer license shall be
13 permitted to handle and deliver beer and wine products for such licen-
14 see, (2) any person under the age of eighteen employed as a cashier by a
15 person holding a grocery or drug store beer license shall be permitted
16 to record and receive payment for beer and wine product sales when in
17 the presence of and under the direct supervision of a person eighteen
18 years of age or over, (2-a) any person under the age of eighteen years
19 and employed by a person holding a grocery store or drug store beer
20 license as either a cashier or in any other position to which handling
21 of containers which may have held alcoholic beverages is necessary,
22 shall be permitted to handle the containers if such have been presented
23 for redemption in accordance with the provisions of title ten of article
24 twenty-seven of the environmental conservation law, ~~and~~ (3) any person
25 under the age of eighteen years employed as a dishwasher, busboy, or
26 other such position as to which handling of containers which may have
27 held alcoholic beverages is necessary shall be permitted to do so under
28 the direct supervision of a person of legal age to purchase alcoholic
29 beverages in the state, (4) any person under the age of eighteen years
30 and employed by any person holding a grocery or drug store wine license
31 shall be permitted to handle and deliver wine for such licensee, and (5)
32 any person under the age of eighteen employed as a cashier by a person
33 holding a grocery or drug store wine license shall be permitted to
34 record and receive payment for wine when in the presence of and under
35 the direct supervision of a person eighteen years of age or over.

36 § 6. Section 100 of the alcoholic beverage control law is amended by
37 adding a new subdivision 2-c to read as follows:

38 2-c. No person shall sell, deliver or give away or cause or permit or
39 procure to be sold, delivered or given away any alcoholic beverages to
40 any person, actually or apparently, under the age of twenty-one years.
41 As a precondition to the sale of any alcoholic beverage, the purchaser
42 of any alcoholic beverage must provide written evidence of age. No
43 licensee, or agent or employee of a licensee under this chapter, shall
44 accept as written evidence of age by any such person for the purchase of
45 any alcoholic beverage, any documentation other than: (a) a valid driv-
46 er's license or non-driver identification card issued by the commission-
47 er of motor vehicles, the federal government, any United States territo-
48 ry, commonwealth or possession, the District of Columbia, a state
49 government within the United States or a provincial government of the
50 dominion of Canada, or (b) a valid passport issued by the United States
51 government or any other country, or (c) an identification card issued by
52 the armed forces of the United States.

53 § 7. Paragraph (a) of subdivision 14 of section 105 of the alcoholic
54 beverage control law, as amended by section 1 of part U of chapter 63 of
55 the laws of 2003, is amended to read as follows:

1 (a) No premises licensed to sell liquor and/or wine for off-premises
2 consumption shall be permitted to remain open:

3 (i) On Sunday before [~~twelve o'clock post meridian~~] eight o'clock
4 antemeridian and after nine o'clock post meridian.

5 (ii) On any day between [~~midnight and~~] three o'clock antemeridian and
6 eight o'clock antemeridian.

7 [~~(iii) On the twenty-fifth day of December, known as Christmas day.~~]

8 In any community where daylight saving time is in effect, such time
9 shall be deemed the standard time for the purpose of this subdivision.

10 § 8. Section 105 of the alcoholic beverage control law is amended by
11 adding a new subdivision 24 to read as follows:

12 24. Cooperative agreements by licensees to sell at retail for consump-
13 tion on the premises. Any two or more retail licensees for off-premises
14 consumption may join in a cooperative agreement to make joint purchases
15 of alcoholic beverages in larger quantities than might otherwise be
16 purchased; provided, however, that all alcoholic beverages purchased
17 pursuant to any such agreement shall be distributed to none other than a
18 licensee who is a party to such agreement.

19 § 9. Subdivisions 3-a and 3-b of section 102 of the alcoholic beverage
20 control law, as amended by chapter 458 of the laws of 1993, are amended
21 to read as follows:

22 3-a. No licensee or permittee shall purchase or agree to purchase any
23 alcoholic beverages from any person within the state who is not duly
24 licensed to sell such alcoholic beverage as the case may be, at the time
25 of such agreement and sale nor give any order for any alcoholic beverage
26 to any individual who is not the holder of a solicitor's permit, except
27 as provided for in section eighty-five [~~ex~~], ninety-nine-g, or seventy-
28 nine-e, or subdivision ten of section sixty-three of this chapter.

29 3-b. No retail licensee shall purchase, agree to purchase or receive
30 any alcoholic beverage except from a person duly licensed within the
31 state by the liquor authority to sell such alcoholic beverage at the
32 time of such agreement and sale to such retail licensee, except as
33 provided for in section eighty-five [~~ex~~], ninety-nine-g, or seventy-
34 nine-e, or subdivision ten of section sixty-three of this chapter.

35 § 10. Subdivision 2 of section 79 of the alcoholic beverage control
36 law is amended to read as follows:

37 2. [~~Not more than one license shall be~~] Nothing in this section shall
38 be construed to prohibit multiple licenses from being granted to any
39 person under this section.

40 § 11. Subdivision 2 of section 105 of the alcoholic beverage control
41 law is REPEALED.

42 § 12. Subdivision 7 of section 105 of the alcoholic beverage control
43 law is REPEALED.

44 § 13. The alcoholic beverage control law is amended by adding a new
45 section 79-e to read as follows:

46 § 79-e. Grocery or drug store wine license. 1. Any person may apply to
47 the authority for a license to sell from the licensed premises wine in
48 sealed containers for consumption off such premises.

49 2. No such license shall be issued, however, to any person for any
50 premises other than a grocery store, as defined in subdivision thirteen
51 of section three of this chapter, or a drug store, as defined in subdivi-
52 vision twelve of section three of this chapter.

53 3. (a) Notwithstanding any other provision of this chapter, except for
54 good cause shown, the authority shall issue a grocery or drug store wine
55 license to the holder of a license to sell beer at retail for consump-
56 tion off the premises pursuant to section fifty-four of this chapter, or

1 beer and wine products at retail for consumption off the premises pursu-
 2 ant to section fifty-four-a of this chapter, at the request of such
 3 licensee, or to the holder of a wholesaler's license issued or renewed
 4 prior to July first, nineteen hundred sixty, and thereafter renewed or
 5 transferred, which authorizes the holder thereof to sell beer at retail
 6 to a person for consumption in his or her home.

7 (b) For the purposes of this subdivision, the premises of the grocery
 8 or drug store wine licensee shall be the same as the premises licensed
 9 under section fifty-four or fifty-four-a of this chapter.

10 (c) Notwithstanding any other provisions of this chapter, any license
 11 issued pursuant to this section shall run concurrently with the underly-
 12 ing license under section fifty-four or fifty-four-a of this chapter,
 13 and shall be deemed expired at such time as the underlying license
 14 expires.

15 (d) Wine tasting. Any person licensed to sell wine pursuant to this
 16 article shall be permitted to conduct wine tastings. Wine tastings which
 17 are conducted under the auspices of an official agent of a farm winery,
 18 winery, wholesaler, or importer and where such agent is physically pres-
 19 ent at all times during the conduct of the tasting, then, in that event,
 20 any liability stemming from a right of action resulting from a wine
 21 tasting as authorized pursuant to this section, and in accordance with
 22 the provisions of sections 11-100 and 11-101 of the general obligations
 23 law, shall accrue to the farm winery, winery, wholesaler, or importer.

24 4. Notwithstanding any other provision of this chapter, the authority
 25 may issue a license under this section to the holder of a license to
 26 sell wine at retail for consumption off the premises pursuant to section
 27 seventy-nine of this article, provided that: (a) the licensee meets the
 28 requirements of subdivision two of this section; and (b) upon issuance
 29 of a license, the licensee under this section surrenders the license
 30 certificate issued pursuant to such section seventy-nine.

31 5. Such application shall be in such form and shall contain such
 32 information as shall be required by the rules of the authority and shall
 33 be accompanied by a check or draft in the amount required by this arti-
 34 cle for such license.

35 6. Notwithstanding any other provisions of this chapter, any person
 36 receiving a license pursuant to this section shall not be subject to the
 37 provisions of subdivision two, three or four of section seventy-nine of
 38 this article.

39 7. Notwithstanding any other provisions of this chapter, any person
 40 receiving a license pursuant to this section shall not be subject to the
 41 provisions of paragraph (a) of subdivision three of section one hundred
 42 five of this chapter.

43 8. (a) A one-time franchise fee shall be paid for by each retail
 44 outlet to the state liquor authority. This franchise fee is hereby
 45 imposed at a rate of 0.46 of one percent of the total gross sales at the
 46 individual licensed premises of the licensee in the previous year.

47 (b) In the event an applicant has been in business for less than
 48 twelve months prior to the filing of the application for this license,
 49 such applicant shall, in accordance with the rules of the authority,
 50 remit an estimate of its franchise fee based on square footage at a
 51 licensee's location pursuant to the following schedule:

<u>Square Footage at</u>	<u>Franchise Fee</u>
<u>Licensee's Location</u>	<u>Per Location</u>
<u>0-999</u>	<u>\$825</u>
<u>1,000-1,999</u>	<u>\$1,650</u>
<u>2,000-3,999</u>	<u>\$3,300</u>

1	<u>4,000-9,999</u>	<u>\$8,250</u>
2	<u>10,000-19,999</u>	<u>\$16,500</u>
3	<u>20,000-24,999</u>	<u>\$33,000</u>
4	<u>25,000-29,999</u>	<u>\$82,500</u>
5	<u>30,000-39,999</u>	<u>\$132,000</u>
6	<u>40,000 and greater</u>	<u>\$495,000</u>

7 Within sixty days after such licensee shall have been in business for
8 twelve months, such licensee shall submit to the authority, in accord-
9 ance with the rules of the authority, a statement showing its actual
10 total gross sales for the first twelve months of operation and the fran-
11 chise fee due pursuant to paragraph (a) of this subdivision. In the
12 event the franchise fee determined pursuant to such paragraph exceeds
13 the amount paid pursuant to this paragraph, the licensee shall remit
14 payment for the balance of the required franchise fee within such
15 sixty-day period. Failure to remit payment within such sixty-day period
16 shall be grounds for cancellation or revocation of such license. In the
17 event that the franchise fee due pursuant to paragraph (a) of this
18 subdivision is less than the amount paid pursuant to this paragraph, the
19 licensee shall be entitled to a refund equal to the difference between
20 the franchise fee paid pursuant to this paragraph and the amount due
21 pursuant to paragraph (a) of this subdivision.

22 (c) No license shall be issued pursuant to this section until the
23 franchise fee or estimated franchise fee under this subdivision required
24 by either paragraph (a) or (b) of this subdivision has been paid in
25 full.

26 (d) The franchise fee shall be deposited and disposed of in the same
27 manner as any license fee as provided in section one hundred twenty-five
28 of this chapter.

29 9. (a) Any person licensed to sell wine pursuant to this article that
30 operates the premises of the grocery or drug store wine licensee that
31 occupies less than one thousand square feet may purchase, agree to
32 purchase or receive any alcoholic beverage from a person licensed under
33 section sixty-three of this chapter to sell liquor at retail for
34 consumption off the premises.

35 (b) Any person licensed to sell wine at retail for consumption off the
36 premises under section seventy-nine of this article is authorized to
37 sell wine to persons licensed to sell wine under this article and this
38 section who operate the premises of the grocery or drug store wine
39 licensee that occupies less than one thousand square feet.

40 10. The state liquor authority may make such rules as it deems neces-
41 sary to carry out the provisions of this section, however, such rules
42 shall not be construed to place additional limitations upon the holders
43 of licenses issued pursuant to section seventy-nine of this article
44 unrelated to the sale of wine.

45 § 14. Subdivision 10 of section 105 of the alcoholic beverage control
46 law, paragraph (a) as amended by chapter 679 of the laws of 1950, is
47 amended to read as follows:

48 10. ~~[(a)]~~ Each retail licensee of liquor and/or wine for off-premises
49 consumption shall have conspicuously displayed within the interior of
50 the licensed premises where sales are made and where it can be readily
51 inspected by consumers a printed price list of the liquors and/or wines
52 offered for sale therein; and no liquor and/or wine shall be sold except
53 at the price set forth in such list~~+~~

54 ~~(b) No screen, blind, curtain, partition, article or thing shall be~~
55 ~~permitted in the windows or upon the doors of such licensed premises,~~

~~1 which shall prevent a clear view into the interior of such licensed
 2 premises from the sidewalk, at all times, and
 3 (c) No booth, screen, partition or other obstruction shall be permit-
 4 ted in the interior of said licensed premises]~~.

§ 15. The alcoholic beverage control law is amended by adding a new section 97-c to read as follows:

§ 97-c. Temporary retail permit for new applicants. 1. The authority is hereby authorized to issue a temporary retail permit to an applicant of a premises that is not licensed when the applicant has filed with the authority an application for a retail license at such premises or has filed renewal of such license. Such application shall be in writing and verified and shall contain information as the authority shall require. Such application shall be accompanied by a filing fee of seventy-five dollars.

2. Upon application, the authority shall issue a temporary retail permit when the applicant has filed with the authority an application for a retail license at such premises or a renewal thereof, together with all required filing and license fees. A temporary permit issued by the authority pursuant to this section shall be for a period not to exceed ninety days. A temporary permit may be extended at the discretion of the authority, for an additional thirty days.

3. Pursuant to this section a temporary retail permit may not be issued for any premises that is in violation of the provisions of subdivision seven of section sixty-four, subdivision seven of section sixty-four-a, subdivision five of section sixty-four-b, subdivision eleven of section sixty-four-c, subdivision eight of section sixty-four-d or subdivision three of section one hundred five of this chapter.

4. A temporary retail permit is a conditional permit and shall authorize the holder thereof to, in the case of all other retail applications, purchase and sell such alcoholic beverages as would be permitted to be purchased and sold under the privileges of the license applied for; to sell alcoholic beverages to consumers only and not for resale; and to purchase alcoholic beverages only by payment in currency or check for such alcoholic beverages on or before they are delivered to such premises.

5. Notwithstanding any other provision of law, a temporary permit may be summarily cancelled or suspended at any time if the authority determines that good cause for such cancellation or suspension exists. The authority shall promptly notify the holder of a temporary permit in writing of such cancellation or suspension and shall set forth the reasons for such action.

6. Approval of, or extension of, a temporary retail license shall not be deemed as an approval of the retail application.

7. Notwithstanding any inconsistent provision of law to the contrary, the authority may promulgate such rules and regulations as may be necessary to carry out the provisions of this section.

§ 16. Paragraph (b) of subdivision 3 of section 101-b of the alcoholic beverage control law, as amended by section 1 of part E of chapter 56 of the laws of 2006, is amended to read as follows:

(b) No brand of liquor or wine shall be sold to or purchased by a retailer unless a schedule, as provided by this section, is transmitted to and received by the liquor authority, and is then in effect. Such schedule shall be transmitted to the authority in such form, manner, medium and format as the authority may direct; shall be deemed duly verified by the person submitting such schedule upon its transmission to the authority; and shall contain, with respect to each item, the exact

1 brand or trade name, capacity of package, nature of contents, age and
2 proof where stated on the label, the number of bottles contained in each
3 case, the bottle and case price to retailers, the net bottle and case
4 price paid by the seller, which prices, in each instance, shall be indi-
5 vidual for each item and not in "combination" with any other item, the
6 discounts for quantity, if any, and the discounts for time of payment,
7 if any. For purposes of this paragraph, in regards to premises licensed
8 under section sixty-three of this chapter, "combination" shall not
9 include wines provided by the same vineyard or distributor to a retailer
10 and where such wines may be different. Such brand of liquor or wine
11 shall not be sold to retailers except at the price and discounts then in
12 effect unless prior written permission of the authority is granted for
13 good cause shown and for reasons not inconsistent with the purpose of
14 this chapter. Such schedule shall be transmitted by each manufacturer
15 selling such brand to retailers and by each wholesaler selling such
16 brand to retailers.

17 § 17. This act shall take effect on the one hundred eightieth day
18 after it shall have become a law.