Inside NYSABC

The official newsletter of the New York State Association of Beverage Centers 2015 ABC



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- Albany update: pending legislation includes statewide craft beverage advisory council; wine in grocery stores; defense to underage sales; restrictions on warehouse club sales to retailers; more.

NYSABC at State Liquor Authority

NYSABC leadership met with New York State Liquor **Authority Chairman** Vincent Bradley and Counsel Christopher Riano at SLA headquarters in New York City on Monday, November 20, 2017 for a wide-ranging discussion that covered, among many areas, the SLA's upcoming agenda; the impact of beer and wine "superstores;" internet sales; NYSABC's proposal to create a defense to an underage sale charge for a store that uses a stateof-the-art ID scanner; and much more.



In photo (L-R), NYSABC President Henry Kane; SLA Chairman Vincent Bradley; NYSABC Director-Counsel Ken Rosenblum; NYSABC Legislative Liaison Pete Sobol; SLA Counsel Christopher Riano; and NYSABC Director Neil Kavanaugh.

Total Wine

Total Wine & More, a national chain of beer, wine and spirits superstores (172 stores in 21 states with an annual \$3 billion gross) with a reputation for aggressive marketing, opened its first NY store in Westbury in November. Their application for a license for second store in Stony Brook, near Smith Haven Mall in Suffolk, was turned down by the SLA, but a court challenge is expected. And we



are checking out rumors that TW is looking at another Suffolk location, in Bohemia.

In December, NYSABC leadership spent a day in Albany meeting with the Governor's top alcohol policy aide and with key Assembly and Senate staffers to discuss the TW threat. We also met with lobbyists for the leading statewide liquor store trade association, in the hopes of developing a coordinated TW strategy. For the short term, we will be monitoring TW license applications and getting local stores and lawmakers involved.



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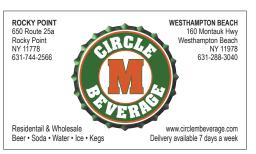
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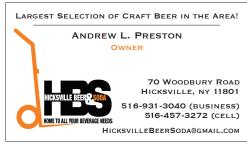
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Suffolk Nickel-A-Bag Law In Effect

Beginning January 1, 2018, Suffolk County local law requires stores to charge customers a minimum of 5 cents for carryout bags. According to County officials, the purpose of the law is "to encourage consumers to use their own reusable bags for shopping and to reduce the environmental impacts associated with single use bags."

The law does not require you to furnish bags, but if you do, you have to charge a minimum of 5 cents (you could charge more). You get to keep the nickel, and there are no recordkeeping requirements (except the bag charge has to be itemized on the receipt) and no sign posting requirements.

Some Bag Law FAQs:

All Bags Are Covered

You have to charge a minimum of 5 cents for every carryout bag you provide to customers, whether plastic or paper.

Bag Requirements

Paper bags must contain a minimum of forty percent post-consumer recycled content and be conspicuously labeled with the amount of post-consumer recycled content.

If plastic carryout bags are not labeled, there are no requirements. If plastic bags are labeled



"compostable" then they must be certified as compliant with the ASTM D6400-12 standard for labeling of plastics designed to be aerobically composted in municipal or industrial facilities.

Plastic carryout bags cannot be labeled as "biodegradable," "degradable," or "decomposable".

Grace Period on Fines

Through June 30, 2018 fines will not be assessed for non-compliance. During this period stores "will be educated on compliance."

Free Holiday Bags

Stores may provide their customers with free bags from December 1 to December 15 each year.

The Fee is Taxable

Bag fees are taxable.

For more on the Suffolk law: http://bit.ly/suffolk-bag-law







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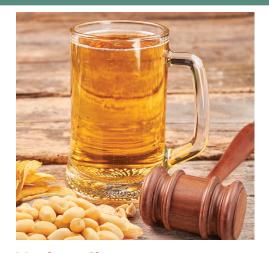
Pending Legislation

Statewide and Regional Craft Beverage Councils

S4772/A00128 would create the New York Craft Beverage Council, a statewide advisory group charged with branding, marketing and promoting NY State wines, spirits, ciders and craft beers. One of the 10 seats at the table is specifically designated for a "Beer Distributor," defined as "a business that sells craft brews to the public and delivers craft brews to retailers." The proposed law would also create 10 regional boards, including Long Island, NYC, Mid-Hudson, Capital Region and Western NY.

Wine in Grocery Stores

S6350 would allow grocery and drug stores to sell wine; would allow liquor stores to sell items complementary to wine and liquor sales; and would allow liquor stores under 3000 sf to sell directly to bars and restaurants; among many other provisions. Thanks to NYSABC lobbying, C-licenses are included; that is, if grocery and drug stores get to sell wine, we do, too.



Warehouse Stores

S5240/A6899 Would prohibit warehouse retail stores from selling alcoholic beverages to a retailer who presents a corporate or business credit, debit or membership card bearing the name of a retailer.

Underage Sale-Affirmative Defense

S1988/A5198 would establish an affirmative defense for a retailer charged with underage sale of alcohol if the store requires an electronic ID scan, employees have completed alcohol awareness training and no violations within past 3 years.

Underage Sale-Alternative Penalty

S1987A/A5124 would allow the SLA to impose a requirement that a store guilty of an underage sale to purchase and install an electronic ID scanner as an alternative to a fine.

Summary Revocation for Underage Sale

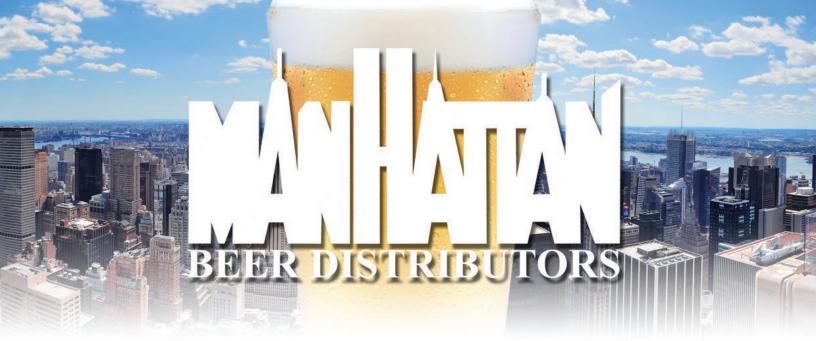
A1173 would authorize a law enforcement officer to revoke a license upon issuance of a second summons for underage sale within the past year.

Minimum Age for Tobacco Sales

A273/S3978 would increase the minimum age to buy cigarettes from 18 to 21. A7529 would increase the age to 19.

Cigarette Sales

S5789/A3688, intended to reduce counterfeit and bootleg cigarette sales, would require 3-year state licenses for cigarette retailers; establish requirements for collection of state taxes on tribal sales to non-tribal members; and require reporting of sales of more than 5 cartons per transaction; among many other requirements.















































































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Feds Bust 5 In New York City Redemption Fraud

In December, the U.S. Attorney's Office for the Southern District of New York announced the arrest of 5 men charged with conspiring to defraud bottling companies and the State of New York in a complex container redemption scam.

Using an assortment of deceptive techniques, ranging from doctored invoices to redeeming the same containers twice to redeeming New Jersey containers to paying (or receiving) kickbacks, from September 2016 to December 2017 the 5 allegedly extracted hundreds of thousands of dollars from victim companies — and, ultimately, the State of New York.

Eldar Rakhamimov, 46, of Brooklyn, New York, Nasim Rakhamimov, 46, of Brooklyn, Vladimir Zabrodin, 32, of Staten Island, Ruslan Kadirov, 32, of Brooklyn, and Joseph Finneran, 64, of Bay Shore, are each charged with one count of conspiring to commit mail and wire fraud, which carries a maximum penalty of 20 years in prison.

Full details here: http://bit.ly/bottle-return-bust



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