

Inside NYSABC

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



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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 state-of-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.





CELEBRATING 70 YEARS AS BUFFALO'S #1 BEER STORE

In 1948, Consumers Beverages was founded at 1762 Genesee Street, Buffalo. Indicative of the era, Consumers Beverages rooted in the "home delivery" of beer and soft drinks. A fleet of Consumers' trucks covered the Queen City bringing to the doors of loyal customers brands such as Iron City, Olde Frothingslosh and Tech. The Consumers Beverages home delivery man was akin to the milk and bread men of the 1940s, 50s and 60s. "Why bother with bottles?" was the motto as the driver picked up empty cases and dropped full cases to thousands of houses in the Buffalo-Niagara region.

As home delivery waned, Consumers reinvented itself by opening its first "cash and carry" outlet in 1966 at 2163 South Park Avenue in South Buffalo. Several grand openings were to follow. Since the opening of the first retail store, Consumers Beverages has grown to 17 stores in the Western New York area. Consumers success is the result of many talented employees of past and present, who have assisted in our growth and success over the last half century. Since 1948, Consumers has employed over 10,000 men and women in Western New York. Over the years, the people of Consumers Beverages have been committed to bringing Western New Yorkers a wide range of beer and soft drinks at affordable prices.



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NY State Minimum Wage Continues to Climb...

...

Effective January 1, 2018, the New York State minimum wage continues its climb, reflecting regional differences in costs of living. On Long Island and in Westchester County, the minimum wage rose to \$11 per hour from \$10. In New York City, the minimum wage for employers with 10 or fewer workers increased to \$12, from \$10.50; and for employers with 11 or more workers, it is now \$13 per hour, up from \$11. In the rest of the state the minimum wage is \$10.40, up from \$9.70. A copy of the official poster is available at <http://bit.ly/l207>



... but Minimum Wage Tax Credit Could Save \$1.35/Hour

...

A little-known amendment to the NY State Tax Law buried in a budget bill can give you a break on minimum wage. The law establishes a tax credit of up to \$1.35/hour to defray the cost of minimum wage paid to students ages 16 but not yet 20, for tax years beginning January 1, 2014, through January 1, 2019. The credit is equal to the total number of hours worked by eligible employees during the taxable year for which they are paid the New York minimum wage, multiplied by the applicable tax credit rate for that year, as follows:

- January 1, 2014, and before January 1, 2015 \$0.75/hour
- January 1, 2015, and before January 1, 2016 \$1.31/hour
- January 1, 2016, and before January 1, 2019 \$1.35/hour

There are student status verification and recordkeeping requirements, have your accountant check out the details here: bit.ly/taxcreditlink

Part of NYSABC's 2018 Albany agenda is a law that would provide similar tax credits for minimum wage seasonal employees regardless of age, and another that would provide tax credits for employees that make up to 50¢ and hour over the minimum wage. The current law allows the credit only if you pay exactly the minimum wage, so if you give a worker a 50 cent/hour raise, you lose the \$1.35/hour credit.

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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 Rakhimimov, 46, of Brooklyn, New York, Nasim Rakhimimov, 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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