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

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Urge Governor Cuomo to Veto New Law that Would Allow Gas Stations, Convenience Stores, Groceries and Drug Stores to Offer Unregulated Beer Tastings

A proposed law would allow retail off-premises beer licenses to offer beer tastings using their own employees (currently A licenses can offer beer tastings, but only with a brewer's representative). This new law would allow any gas station or convenience store to offer free beer (three x 3 oz samples) without getting a permit and any time the store is open. The law (known as A8043/S5333A) has passed both houses of the legislature and will soon be sent to the Governor. We ask you to communicate your opposition to the Governor.

Contact information follows, along with a sample letter.

Email: https://www.governor.ny.gov/ contact/GovernorContactForm.php

Phone: 1-518-474-8390

Office hours: 9 a.m. to 5 p.m.

Postal mail:

The Honorable Andrew M. Cuomo Governor of New York State NYS State Capitol Building Albany, NY 12224

Sample Letter

Dear Governor Cuomo:

FREE BEER AT GAS STATIONS!!!

That doesn't sound like a very good idea, does it? But that's exactly what will happen if you sign A8043/S5333A.

This proposed law would allow any retail off-premises beer license (including gas stations and convenience stores, as well as drug stores and supermarkets) to offer free beer tastings using their own employees.

Current law allows retail off-premises licenses to offer tastings, but only when they are provided by a brewer's representative, which makes sense, since this guarantees that a knowledgeable person will be on hand to discuss, describe and promote a product he/she is familiar with. The brewer's rep requirement also serves another purpose: it limits both the time and the number of tastings that can take place, typically to larger and more responsible locations.

This proposal would remove the brewer rep requirement, and allow any off-premises beer license to offer tastings with their own employees. If you sign this bill into law, every gas station or convenience store with a retail off-premises beer license will be continued on page 3





BEER DISTRIBUTORS

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250 Kellum Street, West Babylon, NY 11704

KSJ Enterprises Inc.

Brightwaters Beverage Distributor, 242 Orinoco Drive Brightwaters, NY 11718

able to offer every "customer" 3 free beer tastings of 3 ounces each. These are the premises that have by far the worst record of getting IDs for sales, imagine what it will be like when they are giving the beer away for free! Further, imagine college kids driving down Central Avenue in Albany or Jericho Turnpike on Long Island on a warm summer evening with the chance to get free beer at every gas station and 7-11 along the way. It's a tragedy waiting to happen.

And there's still more that's bad, and scary, about this proposal:

There are no restrictions on location, so free tastings can be offered in stores close to schools and houses of worship.

There's no restriction on hours, so the free beer can be flowing all hours the store can be open for sales.

There's no restriction on how the tastings can be offered. It's likely that in some places a couple of bottles will be left in a bucket of ice with a sign, "help yourself."

There's no requirement that stores get a permit to conduct tastings, so there's no way to track who is doing tastings when.

There's no record-keeping requirement, so there's nothing to prevent people from coming back multiple times.

Gas stations, convenience stores and food markets are not "alcohol-first" destinations like liquor stores or beer discount centers. Employees are not trained in scrupulously checking IDs and discussing beer, wine or spirits, or, for that matter, assessing customers who may be intoxicated. People who drive up for a loaf of bread or a quart of milk will now be encouraged to have a few samples.

If this stealth proposal that sailed through the legislature unexamined and undebated frightens you as much as it frightens us, please VETO A8043/ S5333A, the free beer in gas stations law.

THE CURRENT TASTING RULES FOR C LICENSES

C licensed beverage centers can offer tastings with their own employees; a new SLA advisory on tasting procedures has not changed that.

The SLA recently approved a new advisory on tastings and marketing permits, (2015-7, April 21, 2015, see https://www.sla.ny.gov/system/files/ Advisory_2015-7_-_Supplier_Whole*saler_Marketing_Permit.pdf*), which replaces in part SLA Advisory 2013-6 July 31, 2013. In that advisory, the SLA confirmed that C-Licensed beverage centers can offer beer tastings on their own premises using their own employees, because they hold wholesale licenses. Nothing in the new advisory affects the ability of C-licenses to continue to offer beer tastings on their premises, using their own employees.

To offer tastings, Cs must get a supplier/wholesaler marketing permit and comply with certain rules.

Marketing Permit

The marketing permit can be annual or for an individual function. The annual permit fee is \$125/year plus a \$20 filing fee. The annual permit is issued for a 3-year period, for a total cost of \$395. The fee for an individual function is \$20 plus a \$5 filing fee. Links for the permit application and instructions are at the end of this article.



Tasting Rules

Following is a quick summary of the rules for tastings, but please review the full text of the rules at the link below.

- Must be at the licensed premises.
- •The site is subject to SLA inspection during the tasting.
- No fee can be charged to a consumer attending or participating in the tasting.
- Each beer sample must be 3 ounces or less.
- •The permit holder must comply with all federal and state tax requirements.
- •The permit holder must provide all beverages used for the samples.
- •All remaining product must be removed at the conclusion of the event.
- •All beer used at the tasting must be in the original containers and must comply with the ABC Law and the SLA's regulations pertaining to brand label registration.
- •The permit or a duplicate copy must be displayed at the location.
- •The permit holder must keep records, including a log of all events conducted pursuant to the permit, and make these records available for SLA inspection.
- The event must be conducted by the permit holder or an authorized agent of the permit holder. A beer wholesaler may not serve as the agent for another permit holder, or be involved in any manner with a beer tasting conducted by another permit holder.

The complete rules for tastings are available at *https://www.sla.ny.gov/ system/files/Advisory_2015-7_-_Supplier_Wholesaler_Marketing_Permit.* pdf pages 3-4.

You can apply for a marketing permit on line at *https://www.sla.ny.gov/ online-permit-applications*.



Associated Beverage Corp.

1735 Goldbach Avenue Ronkonkoma, NY 11779



Bellmore Distribution, Inc.

1377 Newbridge Road North Bellmore, NY 11710

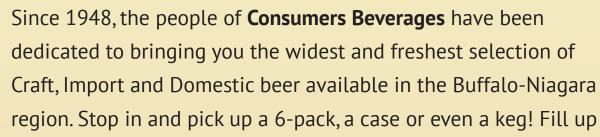


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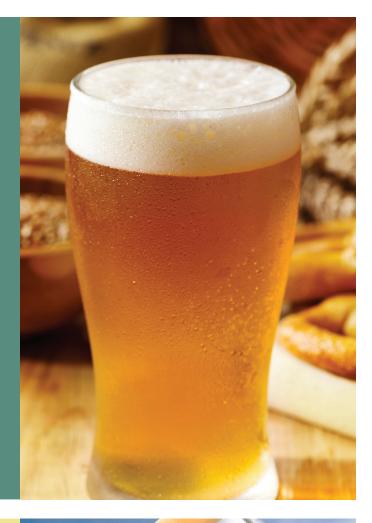
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Vincent Bradley is New SLA Chairman

Vincent Bradley was unanimously confirmed by the New York State Senate as Chairman of the State Liquor Authority (SLA) on June 24, 2015. As Chairman, Bradley is responsible for the dayto-day operations of the agency. He previously served as Assistant Attorney General in Charge at the Poughkeepsie Regional Office of the New York State Attorney General, managing all operations of the regional office. Prior to this role, he was Senior Investigative Counsel for the Labor Racketeering/ Construction Industry Strike Force for the New York County District Attorney's Office and, before that, an Assistant District Attorney for the Office of the Special Narcotics Prosecutor for the City of



New York. Bradley, a Certified Public Accountant, has also worked as a senior accountant for Deloitte and Touche, as litigation associate at the New York-based law firm Brown & Wood, LLP, and as Assistant Court Attorney for the New York State Supreme Court, Appellate Division, 3rd Department. He graduated from the University of Notre Dame with a bachelor's degree in business administration and holds a J.D. from the State University of New York at Buffalo School of Law. A native and resident of Ulster County, he lives in Kingston with his wife and two children.

Bradley replaces Dennis Rosen, who led the Authority since 2009. Rosen is taking over the state Office of the Medicaid Inspector General.

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