



STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

VETO # 281

December 11, 2015

TO THE ASSEMBLY:

I am returning herewith, without my approval, the following bill:

Assembly Bill Number 5920-A, entitled:

“AN ACT to amend the alcoholic beverage control law, in relation to limiting the authority of the state liquor authority to penalize licensees based on perceived violations of the laws of other states, unless the conduct in question amounts to an independent violation of the alcoholic beverage control law or has resulted in a criminal conviction in another state”

NOT APPROVED

This bill would prohibit the State Liquor Authority (SLA) from penalizing New York State licensees based on conduct that took place outside of New York unless: (1) the conduct in question amounted to an independent violation of another state's laws; (2) following due process of law, the conduct resulted in a final conviction under the other state's law; and (3) such conduct independently violated the Alcohol Beverage Control Law (ABCL).

I am fully committed to advancing and promoting New York's alcoholic beverage industry. However, signing this bill would jeopardize the State's achievements by sending a clear signal that New York is a haven for entities intent on breaking other states' laws, avoiding other states' legitimately imposed taxes and regulations, and selling to minors with impunity.

Holding a New York State liquor license is a privilege. The SLA is statutorily obligated to ensure that licensees act in a legal and ethical manner. This bill would allow SLA licensees to use their New York licenses to illegally access other states' markets and knowingly sell their products in violation of other states' laws - all without fear of reprisal unless the other state successfully prosecuted the offense. It is unlikely that a scofflaw New York retailer would consent to another state's jurisdiction, thus leaving both SLA and the other state unable to take any action. Moreover, the longstanding provision in the ABCL that prevents manufacturers and retailers from having interests in each other would be rendered meaningless as long as such interests were held outside of New York. For these reasons, I am constrained to veto this bill.

However, I have consistently stated that portions of the ABCL need to be amended for modern-day business practices, specifically regarding E-commerce. Accordingly, I am directing the SLA to commence a series of roundtables beginning March 1, 2016 with industry representatives, interested stakeholders, and advocates to review and suggest changes to the law. I am also directing SLA to work collaboratively with liquor authorities in other states to address these issues and propose recommendations for legal interstate sales.

The bill is disapproved.