



**State Liquor
Authority**

2018 Annual Report

Governor Andrew M. Cuomo
Chairman Vincent Bradley

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HISTORICAL OVERVIEW

On December 5, 1933, President Franklin Delano Roosevelt signed Presidential Proclamation 2,065, officially declaring the 18th Amendment to the U.S. Constitution replaced by the 21st Amendment. The 21st Amendment repealed Prohibition and gave each state the power to regulate the trafficking of alcoholic beverages within its borders. Chapter 180 of the Laws of 1933 provided for the manufacture of malt beverages and wine not exceeding 3.2 percent alcohol content under the guidance of an Alcoholic Beverage Control Board.

In May 1934, New York State enacted Chapter 478, known as the Alcoholic Beverage Control Law (“ABC Law”), creating the State Liquor Authority and the Division of Alcoholic Beverage Control effective July 1, 1934. The State Liquor Authority’s first Annual Report noted that Chapter 478 was enacted by the Legislature to provide for “the protection, health, welfare and safety of the people of the State.”

The agency consists of the following which collectively ensure that the agency’s Mission Statement is met: Executive Office, Public Information Office/Public Affairs, Licensing Bureau, Enforcement, Counsel Office, Hearing Bureau, and Secretary’s Office.

The agency currently operates three offices: New York City (Zone 1); Albany, which serves as the administrative headquarters (Zone 2); and Buffalo (Zone 3).

MISSION STATEMENT

The State Liquor Authority (SLA) has two main functions; issuing licenses and permits and ensuring compliance with the ABC Law. The SLA’s licensing activities focus on the timely processing of permits and licenses. The SLA’s enforcement activities focus on the protection of the public by working with local law enforcement agencies and local communities to bring administrative actions against licensees who violate the law.

The SLA consists of three Members, or Commissioners. While statutorily “the Authority” refers to the three Members of the State Liquor Authority, the phrase is most often used to identify the entire agency, the Members and all agency staff. When the Members meet to take an action, or render a decision, they are often referred to as “the Full Board” and the meetings as “Full Board meetings.” The Commissioners of the Authority are nominated by the Governor and confirmed by the Senate for a term of three years. One of the Members is designated by the Governor to serve as the Chairman, with the two other Commissioners serving on a “per diem” basis.

POWERS OF THE FULL BOARD

Acting together, the Full Board are provided statutory powers in Section 17 of the ABC Law. The two most commonly exercised powers are making determinations on applications for licenses and permits and taking disciplinary action against licensees and

permit holders accused of violating the ABC Law or the Rules of the Authority. Additional other powers set forth in Section 17 include: the ability to impose a moratorium on the issuance of certain types of licenses within the state or a political subdivision of the state; restricting, at the request of a county’s legislative body, the hours of sale in that county; and appointing advisory groups and committees to provide assistance to the Authority to carry out the purposes and objectives of the ABC Law.

The Full Board can delegate its powers to the Chairman or agency staff. Exercising this option, the Full Board has delegated the power to act on routine applications to selected staff referred to collectively as Licensing Board. The Full Board has also delegated to individual Members the ability to act on certain requests for reconsideration and routine disciplinary matters.

POWERS OF THE CHAIRMAN OF THE AUTHORITY

Administrative control over the agency rests with the Chairman. The Chairman can perform any administrative duties that are not specifically vested by the ABC Law with the Full Board. Among the powers expressly given to the Chairman are presiding over Full Board meetings and prescribing the forms for license and permit applications. In 2012, amendments were made to the ABC Law regarding the respective powers of the Full Board and the Chairman. As a result, certain powers that had rested with the Full Board were transferred to the Chairman. Those powers include: hiring and firing staff; overseeing the Alcohol Training Awareness Program and the submission of annual reports.

MEETINGS OF THE FULL BOARD

Full Board meetings are typically conducted at the SLA’s New York City office and video-conferenced to the agency’s Albany and Buffalo offices. Anyone wishing to participate, or attend can do so at any of the three locations. In addition, the meetings are “webcast” live and recordings of prior meetings are available on the SLA web site.

2018 CALENDAR HIGHLIGHTS

Farm Based Craft Manufacturing Growth

In March, Governor Cuomo announced the number of farm-based manufacturers have increased by over 150 percent since the first Wine, Beer, Spirits and Cider Summit in 2012, with the addition of 433 new farm licenses issued. Recognizing the impact craft producers have on the New York's economy, Governor Cuomo hosted the state's first craft beverage summit in October of 2012, where craft producers detailed Prohibition era laws, regulations, and policies that placed unnecessary restrictions on the production, sale and marketing of products. This led to a series of legislative and regulatory changes to make it easier to open and grow craft manufacturing business.

Number of New York Breweries Surpasses 400, Eclipsing Record Set in 1876

In February, Governor Cuomo announced New York State is now home to 400 breweries, breaking the previous record of 393 breweries set in 1876. The number of breweries statewide grew by nearly 290 percent resulting from reforms and new legislation following the state's first Wine, Beer and Spirits Summit in 2012, with 243 new breweries obtaining licenses, and beer now being brewed in 57 of the state's 62 counties.

New York State Surpasses 1,000 Craft Beverage Manufacturers

In June, Governor Cuomo announced the number craft manufacturers in New York State has surpassed 1,000, with craft beverage manufacturers operating in 60 counties across the state. Since the state's first Summit in 2012, 538 new craft businesses have opened, including 285 new craft breweries, 96 wineries, 95 distilleries, 39 new cideries and 23 new producers that are licensed to produce multiple types of alcoholic beverages. New York now ranks first in U.S. for the number of hard cider producers, second in craft distillers, third in breweries, and fourth in the country for the total number of wineries.

Combined Craft Manufacturing Licenses

In February, Governor Cuomo encouraged craft manufacturers to take advantage of the combined craft manufacturing license, a new provision of the Alcoholic Beverage Control law that combines craft manufacturing licenses into one application to cut fees and reduce paperwork for small businesses. In February, thirty-three craft beverage manufacturers producing multiple types of beverages at a single location have taken advantage of the new license; at the close of 2018, seventy-seven businesses had obtained combined craft manufacturing licenses.

Statewide Underage Drinking Crackdowns

In 2011 the SLA initiated, for the first time in its history, underage decoy operations throughout the State using the agency's own decoys to crack down on sales to minors, supplementing routine details with local police departments. In 2018 SLA Investigators conducted 127 underage details, visiting 1,734 establishments with 440 sales to minors, up from 2017, with 120 details, 1,620 visits and 393 sales to minors. These efforts included major statewide sting initiatives conducted in April, with the SLA targeting 756 licensed businesses, with 200 sales to minors, and in October, with the SLA targeting 506 businesses, with 141 sales to minors.

2018 LEGISLATIVE SUMMARY

Municipal notification for “all night permits”

Licensees in New York City applying for “all night permits” must now provide notice of their intent to apply to their local community board. Additionally, the law mandates

licensees throughout the state applying for an “all night permit” must notify their local police department. This statutory change regarding police notification does not affect SLA practices as these notifications are already required under Rule 35.2. The existing rules requiring applicants to file the application 45 days in advance and submit proof of mailing to the police department with the permit application remain in effect. Chapter 396, Laws of 2018

Certain hotel licensees now may serve “tavern” food menus

Hotels which meet the definition of “motel” or “apartment hotel” are no longer required to have a restaurant on premises serving full entrees and may instead serve food in compliance with the special on-premises food requirements (sandwiches, soups, etc). The new law does not apply to traditional “hotels.” For traditional hotels, a restaurant must be available in the same building for hotel guests. Chapter 230, Laws of 2018

Custom liquor production for non-licensed persons

Farm distilleries are now authorized to produce custom liquor for non-licensed individuals for personal use, not for resale. The non-licensed individuals can assist in the production of liquor if the licensee, their employee or their agent is present. The custom liquor must qualify as “New York labelled liquor” and feature a brand label that clearly indicates that it is not for resale. Chapter 193, Laws of 2018

Electronic payment of fees for brand label registrations

The fee for a brand label registration may now be made to the Authority via electronic payment. In addition, the amount of time that the Authority has to deny a brand label application from the date of receipt is now 7 business days. If the label is not denied before the end of 7 business days, the label is deemed approved. Chapter 440, Laws of 2018

Production and sale of Mead and Braggot

The Alcoholic Beverage Control Law now defines “Mead” as “a wine made primarily from honey and water...” and also requires at least 51% of the “starting fermentable sugars” in finished “mead” to be from honey. “New York state labelled mead” is defined as “mead” made exclusively from honey produced in New York state. In addition, a product which is 8.5% ABV or less may be designated by its producer to be treated as either wine or mead. If designated as a wine it can be sold in wine and liquor stores. If designated as a “mead” it can be sold in both wine and liquor stores and grocery stores. Chapter 522, Laws of 2018

- “Braggot” is defined as “a malt beverage made primarily from honey, water, and malt and/or hops...” and also requires at least 51% of the “starting fermentable sugars” in finished “braggot” to be from honey. “Braggot” is to be treated and sold in the same manner as beer. “New York state labelled

braggot” is defined to mean “braggot” made exclusively from honey produced in New York state.

- The “Farm Meadery” license was added to the ABC Law and defined as any place where “New York state labelled mead” or “New York state labelled braggot” is manufactured, stored and sold. Farm meaderies have similar privileges of other farm manufacturers as to production, sales and tastings as well as on-site retail sales and the ability to open five branch offices.
- The “Mead producer’s license” was also added to the ABC Law, allowing for the manufacture of “mead” and “braggot” for sale to wholesalers and retailers as well as to persons outside of the state pursuant to the laws of the place of delivery. Mead producer licensees do not need to use ingredients produced exclusively in New York.
- Beer wholesalers now may distribute “braggot” in the same manner as beer. Wine wholesalers now have the ability to distribute “mead” which has been designated as wine by the manufacturer.
- All retailers may sell “mead” that has not been designated as wine by the manufacturer. Retailers that sell wine may now sell “mead” that has been designated as wine by the manufacturer. Retailers who sell beer, may sell “braggot.” All retailers are now permitted to conduct consumer tastings of the “mead” and “braggot” that they are authorized to sell.

Ice cream or other frozen desserts made with beer or cider

Ice cream or other frozen desserts up to but not exceeding 5% ABV may now be manufactured with beer or cider (in addition to wine, which is already allowed under the law) without being regulated as an alcoholic beverage. Chapter 118, Laws of 2018

Sale of gift bags made permanent

Chapter 297 of the Laws of 2016 provided for gift bags could be sold in package stores for profit. This provision was originally set to expire in 2019 but has now been made permanent. Chapter 226, Laws of 2018

Grocery stores with adjacent restaurants

Chapter 297 of the Laws of 2016 authorized grocery stores with adjacent restaurant to transport alcoholic beverages (liquor and wine) that cannot be sold or stored in the grocery store through the grocery store to the restaurant. This provision was originally set to expire in 2019 but has now been made permanent. Chapter 226, Laws of 2018

New York Wine and Culinary Center branch office

Under existing law, branch office permits can only be issued to the “farm” manufacturing licensee. An exemption has been granted to allow a permit to be issued to a wholly owned subsidiary of the New York Wine and Culinary Center (which has a farm winery license) to operate a branch office at the Finger Lakes Welcome Center. Chapter 148, Laws of 2018

Chairman’s sole administrative power extended for 3 years

Chapter 118 of the Laws of 2012 transferred from the Members of the Authority to the Chairman sole administrative power over the Authority. The original law was set to expire in 2015 and was later extended until 2018. The law has now been extended until July 18, 2021. Chapter 117, Laws of 2018

Temporary retail permits provision extended for another year

Chapter 396 of the Laws of 2010 provided for temporary retail permits to be issued to applicants for a new on-premises licenses and off-premises beer licenses if the premises is located outside of New York City. This law was subject to expire after one year, but has been extended each session since 2010. This most recent extension is until October 12, 2019. Chapter 65, Laws of 2018

Tied house exemption for proposed project in Troy, NY

The site of a proposed project in Troy that would be owned by both manufacturing and retail licensees has been granted an exemption from the Tied House Laws. Chapter 453, Laws of 2018

200’ Exemption for Washington County

A premise in Washington County that is within 200’ of an existing church has been granted an exemption from the Two Hundred Foot Law to allow an on-premises license to be issued for the location. Chapter 240, Laws of 2018

CHAIRMAN’S AND EXECUTIVE OFFICE OVERVIEW

The Office of the Chairman and Executive includes Deputy Commissioners and an Administrative Support Team.

The Office coordinates the daily operations of the agency, providing external support to a wide variety of public and licensed interests, as well as internal support to all agency program areas (e.g. supply and equipment acquisition, maintenance and inventory control, internal controls, telecommunications and tenancy, etc.). The Administrative Support

Team provides direct support to the Chairman and functions as program liaisons with our host partner, OGS, on all finance and human resource activities.

Appropriations and Revenue

All administrative Finance and Human Resource activities are hosted by the New York State Office of General Services (“OGS”).

Fiscal Year	Appropriation
2018-19	\$13,313,000

Total Revenues for Fiscal Year 2017-18 were \$72,446,795*

*2017-18 SFY licensing revenue was \$61,983,470; 2017-18 SFY civil penalties collected were \$10,463,325.

PUBLIC INFORMATION OFFICE/OFFICE OF PUBLIC AFFAIRS OVERVIEW

The Office of Public Affairs fosters positive working relationships with federal, state and local legislators, community groups and their staffs; engages in discussions in support of the SLA’s annual legislative program and, where appropriate, Governor’s Program Bills bearing on alcoholic beverage control policy; responds to media requests, distributes press releases, coordinates press-related events and assists in the management of the content of the agency’s website. The Office of Public Affairs is committed to keeping the media, licensees and the public up to date on news, policies and current events concerning the SLA.

LICENSING BUREAU OVERVIEW

The Licensing Bureau coordinates statewide licensing policies, standards, initiatives, and ensures that all applicants meet the statutory requirements to obtain a license or permit. All three (3) zone offices have a licensing unit. Staff review all license and permit applications for completeness and accuracy. They prepare detailed reports of the application’s facts to ensure that either the Licensing Board or the Members of the Authority are able to make a proper determination on each application. The specific units, within the Licensing Bureau are as follows:

Intake Unit- The intake unit receives all applications from the agency’s lockbox. These applications are data entered and then appropriately distributed to the zone offices. In 2018 they received and processed 7,280 new applications, 5,985 change applications and 4,226 temporary retail permit applications. The total number of applications received in 2018 was 17,491.

Licensing Unit- Examiners receive applications from the Intake Unit and appropriately review and analyze each application. Those application types include manufacturing, wholesale, retail, temporary retail permits and change applications. This activity generated \$13,646,931 million in revenue. Of the 7,280 new applications received 5,878 of those were approved by licensing board or the Members. It should be noted that the revenue for the temporary retail permits is reflected as part of the miscellaneous permits total below.

Renewal Unit- The renewal unit centered in Albany, processes all license and permit renewal applications statewide. Licensing has ensured a timely turnaround with regard to renewal processing. The Authority processed 51,055 renewal applications which generated \$42,633,227 million in revenue.

Permit Unit- The permit unit also centered in Albany, processes all permit applications statewide. These permits include one day Special Event Permits (Temporary Beer, Wine and Cider (TPA's) and Caterer's Permits), Transportation Permits, Warehouse Permits, Solicitor's Permits, Brand Label Permits and other miscellaneous permits. This unit processed 22,787 Special Event Permits, 10,734 new Brand Label Permits and 2,441 Miscellaneous Permits which generated \$5,703,312 million in revenue. It should be noted of this total, \$1,399,838 was comprised of miscellaneous permit renewals and \$1,611,700 were brand label permit renewals.

The total revenue generated by the Licensing Bureau for Fiscal Year 2017-18 was \$61,983,470 million.

License Types

There are 96 license types and 91 permit types, allowing for various means of trafficking in alcoholic beverages, with approximately 50 of these constituting the majority of the application categories. During 2018 the SLA was responsible for the regulation of over 53,000 active licensees and 35,000 permittees.

Licenses are issued for durations that range from 1 to 3 years, depending on license type, after which licensees may apply for renewal. Licenses fall into three major categories: manufacturer, wholesaler and retailer.

Manufacturer Licenses include several classes of distillery, winery, brewery and cidery licenses. To encourage the creation and growth of New York based industries, within each category there are provisions allowing for licenses to be issued at a lower cost for businesses with limits on production, as well as provisions for businesses that manufacture alcoholic beverages made primarily from New York agricultural products. In addition to selling their goods to wholesalers and retailers, certain small manufacturers are also allowed to sell directly to consumers.

Wholesaler Licenses allow licensees to purchase alcoholic beverages from manufacturers, importers and other wholesalers and to sell those products to retailers. There are separate licenses for liquor, wine and beer wholesalers. In limited situations, wholesalers can sell directly to consumers.

Retailer Licenses are available for both on-premises and off-premises sales. Specifically:

On-premises licenses are issued to businesses such as restaurants and taverns that serve alcoholic beverages to be consumed at the establishment. These licenses may allow for the sale and consumption of all types of alcoholic beverages or may be limited to the sale of wine and beer, or beer only.

Off-premises beer licenses are issued to grocery and drug stores, while package stores are authorized to sell spirits and wine, or wine only.

Applications to modify the conditions of a retail license as originally granted are required to be filed and approved in most instances before any changes may be made. Examples include moving to a new location; altering the layout of an establishment; changing principals, officers, or LLC members of a licensee; upgrading the type of license currently held; or changing the method of operation originally approved by the SLA.

LICENSING BUREAU STATISTICS

Fiscal Year 2017/2018 Statewide Licensing Revenue

<u>Class</u>	<u>New Licenses</u>	<u>Renewed Licenses</u>	<u>Totals</u>
On-Premises	\$9,597,147	\$32,774,529	\$42,371,676
Off-Premises	\$2,559,893	\$4,829,516	\$7,389,409
Liquor Stores	\$894,537	\$2,567,843	\$3,462,380
Wholesale	\$595,354	\$2,461,339	\$3,056,693
Subtotals	\$13,646,931	\$42,633,227	\$56,280,158
Misc. Permit Fees	\$439,249	\$1,399,838	\$1,839,087
Special Event Permits	\$1,641,600		\$1,641,600
Brand Label Permits	\$610,925	\$1,611,700	\$2,222,625
Total Licensing Revenues			\$61,983,470

2018 Licensing Statistics					
Licenses		On	Off		
		<u>Premises</u>	<u>Premises</u>	<u>Wholesaler / Manufacturer</u>	<u>Sub-Totals</u>
Zone 1	Received	2,802	1,639	157	4,598
	Approved	2,209	1,302	113	3,624
Zone 2	Received	836	520	336	1,692
	Approved	702	430	291	1,423
Zone 3	Received	630	288	72	990
	Approved	<u>522</u>	<u>248</u>	<u>61</u>	<u>831</u>
			Statewide Total	Received	7,280
				Approved	5,878
Permits		<u>Brand Label</u>	<u>ST Permits</u>	<u>Other</u>	<u>Totals</u>
		Processed	10,734	4,226	2,441
Renewals		Statewide Total			
		51,055			
Special Event Permits (Applications Processed)			<u>TPA's</u>	<u>Caterer's</u>	<u>Totals</u>
			11,799	10,988	22,787
License Changes			Zone 1	Processed	3,586
			Zone 2	Processed	1,484
			Zone 3	Processed	915
			Statewide Total		5,985

ENFORCEMENT BUREAU OVERVIEW

The Enforcement Bureau is responsible for investigating violations of the ABC Law, rules and regulations relating to the manufacturing, wholesale, retail, transportation, and storage of alcoholic beverages. The Enforcement Bureau works with law enforcement agencies and community groups across the state, performs disclosed and undisclosed investigations, and conducts trainings for police departments, licensees, and servers.

In 2018, cracking down on underage sales continued to be a top priority for the SLA. Investigators conducted 127 Underage Compliance Details, including joint efforts with law enforcement entities. These details visited 1,734 licensed premises and resulted in 440 sales to minor violations.

SLA Underage Details 2018	
SLA Underage Compliance Initiatives:	127
Licensed premises visited during SLA details:	1,734
Sales to Minor Violations during SLA details	440

The SLA continued to foster its relationships with law enforcement agencies and licensees throughout the state. These activities included:

Gun Involved Violence Elimination (“GIVE”) – The SLA collaborated with multiple police agencies designed to support strategic crime-fighting and violence reduction initiatives. Over the last two years we traveled to 10 different sites across the state including statewide IMPACT meetings in which agencies shared criminal intelligence. This enhanced the SLA’s efforts to aggressively investigate and prosecute violations that jeopardize the public health and safety.

Multi -Agency Response to Community Hotspots (“MARCH”) Program – The SLA worked closely with the New York City Police Department (“NYPD”) through the MARCH program to monitor potentially problematic licensed premises. The MARCH program is directed by the New York City Criminal Justice Coordinator’s office, coordinated by the NYPD, and includes investigators from the SLA, the Fire Department of the City of New York, the New York City Department of Buildings and the New York City Department of Health. In 2018, The SLA participated in 57 MARCH operations making visits to 151 licensed premises.

COUNSEL’S OFFICE OVERVIEW

Counsel’s Office is responsible for providing a full range of legal services, advice, and counsel to the State Liquor Authority/Division of Alcoholic Beverage Control.

Specific functions include, but are not limited to:

- Prosecuting manufacturer, wholesale, and retail licensees in administrative proceedings for violations of the Alcoholic Beverage Control Law; representing the Authority during in any administrative review proceedings; and defending representing the Authority in Administrative, State, and Federal litigation.
- Responding to requests regarding the interpretations and applications of the law, and reviewing information received from the Enforcement Bureau and other law enforcement agencies for rapid enforcement action. This includes, when necessary, requesting summary suspension of a license where there is an imminent threat to the public health, safety, or welfare.
- Advising Authority staff and units on legal, advisory, declaratory, and compliance issues, including developing rules, regulations, and policy directives, and preparing and commenting on pending and possible legislation.
- Assisting the Full Board in the administration of the Alcohol Training Awareness Programs (ATAP) across the State.
- Responding and managing any Freedom of Information Law requests directed to the Authority, including the extensive review, research, and retrieval of Agency records. This includes a careful determination on what information is releasable, redacting information that is not, and the preparation and distribution of records and responses accordingly.

Attending meetings of the Full Board; acting as the legal advisor to and advising the Full Board on requests for declaratory rulings.

The SLA Counsel's office regulates the distribution and sale of alcoholic beverages through the three-tiered system of independent: manufacturers, wholesalers and retailers. The Wholesale Bureau provides on-going assistance and guidance to the industry on trade practices and policy issues. The Wholesale Bureau specifically handles the following:

WHOLESALE PRICE POSTING – The Alcoholic Beverage Control Law requires wholesalers of wine and spirits to post their prices monthly with the Authority to enable it to detect patterns that might indicate collusive practices or tied houses (i.e., the control of a licensee at one level of the three-tier system by a licensee at another level). These statutory provisions were enacted to eliminate predatory pricing schemes that encouraged irresponsible sales practices and forced many licensees out of business. Wholesalers provide this information to the Authority through an electronic price filing system.

CASH ON DELIVERY (“COD”) LISTING – The ABC Law requires the monitoring of delinquent retail accounts. The Wholesale Bureau tracks these accounts via the COD List and delinquent retail accounts must pay cash for their purchases from wholesalers. The intent of the statute is to avoid a wholesaler illegally favoring one retailer over another or

controlling a retailer by providing unlimited credit. If this protection were not in place, one consequence would likely be the creation of tied houses and retailers being forced to purchase all or most of their products from one wholesaler.

PROSECUTE MANUFACTURING AND WHOLESALE CASES – Counsel’s office maintains a staff of experienced investigators and prosecutors trained to prosecute administrative cases against manufacturers and wholesalers for violations of the ABC Law.

Alcohol Training Awareness Program (“ATAP”) Participation

Counsel’s office oversees the certification and monitoring of the Alcohol Training Awareness Program (“ATAP”) where licensees and servers are trained in the appropriate and lawful sales of alcoholic beverages. Educating licensees regarding their responsibilities has proven to be an effective tool to reduce underage drinking and sales to intoxicated persons. There are currently 18 approved ATAP classroom programs, and 17 approved online programs. In 2018, the 35 State Liquor Authority Certified ATAP Training Programs held 705 classroom training sessions and 19, 314 on-line sessions which resulted in 20,019 students certified.

Disciplinary Process

The SLA’s Counsel’s Office prosecutes licensees in administrative proceedings for violations of the Alcoholic Beverage Control Law and Rules of the SLA. An investigation into a disciplinary matter typically begins with one (1) or more of the following:

- **An on-site, announced inspection of a licensed establishment;**
- **An on-site, undisclosed investigation by SLA investigators;**
- **A review of referrals or investigations by other law enforcement and regulatory agencies; and/or**
- **Interviewing witnesses and collecting evidence.**

Disciplinary proceedings are commenced by the issuance of a Notice of Pleading setting forth the alleged violations. After receiving the Notice of Pleading a licensee may enter one (1) of the following pleas:

- **Not Guilty;**
- **No Contest; or**
- **Conditional No Contest.**

If a licensee pleads “not guilty,” a hearing date is scheduled with an Administrative Law Judge (“ALJ”). At the hearing, the SLA and the licensee may produce witnesses, which are subject to cross-examination, and submit documentary evidence. Findings are made by the ALJ and presented to the Full Board for final approval. If the licensee admits to committing the violation with a “no contest” plea, the Board imposes an appropriate penalty. If the licensee submits a “conditional no contest” plea, the licensee's offer of settlement is forwarded to the Board for consideration. If the offer is rejected by the Board, the matter is returned to Counsel's Office to schedule an administrative hearing. Each case brought to the Board is examined on its individual merits. If a disciplinary charge is sustained, the Board may impose one or more of the following:

Letter of Warning – A formal letter documenting that although the licensee may have committed a violation, only a warning is warranted under the circumstances;

Civil Fine – A monetary penalty;

Bond Claim – A claim for payment is made against the surety bond that was filed with the license application;

Suspension – The license is seized for a specified number of days;

Cancellation – The license is terminated, but there are no time restrictions on reapplying for another license;

Revocation – The license is terminated, and the licensee(s) cannot hold a liquor license in New York State for two (2) years; and

Proscription – A two-year ban on the issuance of a license to any part of the building containing the revoked licensed premises.

Frequent/Common violations brought against licensees in 2018

Sale to Minor – 1,090

Failure to Comply* with Local Regulations- 865

Failure to Conform** to Application- 390

Failure to Comply - Unlicensed Security Guard(s)- 172

Failure to Supervise*** - 370

Disorderly Premises - Altercation/Assault - 107

Gambling - 47

Availing***** - 124

Disorderly Premises - Controlled Substance – 36

Wholesale Violations

Wholesale - Sale at Unposted Price – 237

Wholesale - Gifts and Services – 17

Wholesale – Improper Credit (30 Days) – 10

Wholesale – Improper Credit (Delinquent License) – 10

*Failure to Comply – requirements placed on the licensee by the SLA regarding the operation of the business.

**Failure to Conform – a licensed establishment is subject to all representations made in their application. Violations can constitute any change or deviation from those representations without approval from the SLA.

***Failure to Supervise – allowing the licensed establishment to become unruly.

****Availing – an undisclosed person having an ownership or other financial/controlling interest in the licensed business.

HEARING BUREAU OVERVIEW

The Hearing Bureau is comprised of part-time Administrative Law Judges (“ALJs”). Licensees charged with violations, such as sales of alcoholic beverages to underage purchasers, have the right to fair and impartial hearings. The Hearing Bureau conducts all such disciplinary proceedings and all cases are prosecuted by the Counsel’s Office. Additionally, the Hearing Bureau holds hearings: to review Licensing Board decisions denying licenses; and pertaining to license applications when such hearings are mandated by statute, primarily “500 Foot Rule Hearings” which afford a forum for public comments regarding applications for bar, restaurant or cabaret licenses in municipalities of 20,000 or more people where there are already three (3) or more “on-premises” liquor licenses within 500 feet of the applied for premises.

Hearings are governed by the State Administrative Procedures Act (“SAPA”), the Alcoholic Beverage Control Law, the Rules of the SLA and Executive Order 131, which require that they be conducted in a manner that is impartial, efficient, timely, expert and fair. After a hearing is held, the ALJ makes findings of fact and renders a written determination. The hearing record, including a transcript (or an audio recording) of testimony taken at a hearing, constitutes the basis upon which all succeeding reviews, including reviews by the Full Board or on appeal to the courts of the State of New York, are heard.

In 2018 the Hearing Bureau held 1,008 disciplinary hearings – 868 in New York City (Zone 1), 74 in Albany (Zone 2), and 66 in Buffalo (Zone 3). In addition, the Hearing Bureau held 805 500-Foot Hearings – 730 in New York City (Zone 1), 44 in Albany (Zone 2), and 31 in Buffalo (Zone 3).

SECRETARY'S OFFICE OVERVIEW

The Members of the Authority conduct their official business (deciding applications, making determinations and imposing penalties in disciplinary proceedings, etc.) at public meetings referred to as Full Board meetings. The Secretary's Office is responsible for the preparation of the agenda for each Full Board meeting. The Office receives matters for consideration by the Full Board from the Licensing Bureau, Counsel's Office and Hearing Bureau, as well as miscellaneous matters presented by other units within the SLA.

The Secretary's Office is also responsible for coordinating the scheduling of the Full Board meetings, assisting the Chairman in conducting the meetings and recording the actions taken by the Full Board at each meeting. After each meeting, the Secretary's Office coordinates the drafting, filing and distribution of all written decisions. In addition, the Secretary's Office is responsible for advising licensees of the determinations made in disciplinary cases, the issuance of revocation, cancellation and suspension orders, the collection of civil penalties imposed by the Full Board and processing refunds of license fees.

2018 at a Glance:

- 23 regular Full Board Meetings
- 11 special Full Board Meetings
- 2,588 items scheduled for Full Board review including 456 licensing matters.
- 59 revocations
- 293 cancellations
- 19 suspensions (398 days total)
- \$10,441,299.99 in civil penalties
- \$287,500.00 in bond claims
- 34 emergency summary suspensions

Disciplinary Penalties Imposed by the SLA Board

(By Penalty Due Date)

LEGAL MATTERS SUBMITTED TO THE SLA BOARD			
Year	Calendared Items	Non-Calendared Items	Total
2013	3,632	890	4,522
2014	3,512	1,107	4,073
2015	2,731	598	3,329
2016	2,725	470	3,195
2017	2,783	684	3,475
2018	2,554	1,000	3,575

Disciplinary Penalties Imposed by the SLA Board

(By Penalty Due Date)

Year	Civil Penalties	Revocations & Cancellations	Suspensions	Number of Days (Suspensions)
2013	\$8,769,881	526	90	1,736
2014	\$11,059,281	474	81	1,602
2015	\$8,217,879	449	93	2323
2016	\$6,575,666	380	75	1315
2017	\$9,032,875	405	90	1439
2018	\$10,441,249.99	352	19	398

HOW TO CONTACT THE SLA

<p>ENFORCEMENT If you would like to make a complaint or have questions on enforcement issues, please call (518) 474-3114 and select option 2 or send an email to: Enforcement@sla.ny.gov</p>	<p>OFFICE OF THE SECRETARY If you have questions regarding the Full Board Calendar or questions regarding fines or penalties imposed by the Board, please call (518) 474-3114 and select option 4 or send an email to: Secretarys.Office@sla.ny.gov</p>
<p>LICENSING If you have any questions concerning how to obtain a license or permit, please call (518) 474-3114 and select option 1 or send an email to: Licensing.Information@sla.ny.gov</p>	<p>TECHNOLOGY If you have questions or suggestions regarding the Agency's use of technology, please call (518) 474-3114 and select option 5 or send an email to: Web.Master@sla.ny.gov</p>
<p>WHOLESALE If you are a manufacturer, wholesaler, retailer or other interested party with questions concerning trade practice, price schedules, or delinquent/credit statutes, please call (518) 474-3114 and select option 1 or send an email to: Wholesale.Bureau@sla.ny.gov</p>	<p>PUBLIC AND LEGISLATIVE AFFAIRS If you are a member of the media with questions regarding the SLA please call (518) 474-3114 and select option 3 or send an email to: Press.Office@sla.ny.gov</p>
<p>FOIL If you would like to make a Freedom of Information request, please send an email to: FOIL@sla.ny.gov</p>	<p>LEGAL If you have a legal question, please call (518) 474-3114 and select option 4 or send an email to: Legal@sla.ny.gov</p>

ZONE OFFICES AND THEIR DESIGNATED COUNTIES

<p>ZONE 1 317 Lenox Ave. New York, NY 10027</p>	<p>ZONE 2 80 S. Swan St. Albany, NY 12210-8002</p>	<p>ZONE 3 535 Washington St. Buffalo, NY 14203</p>
<p>Bronx Kings Nassau New York Queens Richmond Suffolk Westchester</p>	<p>Albany Broome Cayuga Chenango Clinton Columbia Cortland Delaware Dutchess Essex Franklin Fulton Greene Hamilton Herkimer Jefferson Lewis Madison Montgomery Oneida Onondaga Orange Oswego Otsego Putnam Rensselaer Rockland St. Lawrence Saratoga Schenectady Schoharie Sullivan Ulster Washington Warren</p>	<p>Allegany Cattaraugus Chautauqua Chemung Erie Genesee Livingston Monroe Niagara Ontario Orleans Schuyler Seneca Steuben Tioga Tompkins Wayne Wyoming Yates</p>