



New York State Assembly
2011 ANNUAL REPORT

committee on
**ECONOMIC
DEVELOPMENT,
JOB CREATION,
COMMERCE AND
INDUSTRY**

Robin Schimminger
Chair



Sheldon Silver
Speaker

December 15, 2011

Honorable Sheldon Silver
Speaker of the New York State Assembly
Legislative Office Building
Room 932
Albany, NY 12248

Dear Speaker Silver:

I am pleased to submit the 2011 Annual Report of the Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry.

During the 2011 Legislative Session, the Committee considered many important bills affecting State and local economic development and general business practices. The Committee focused its attention on the development of a State Small Business Credit Initiative (SSBCI), a federally funded program to stimulate small business growth across the State. The Committee welcomed the development of Regional Economic Development Councils, an initiative led by Governor Cuomo, which focuses economic development efforts to the regional level and stimulates growth in high tech industries along with major infrastructure improvements.

The Committee also addressed issues related to the alcohol beverage industry. The Committee has made tremendous progress modernizing the Alcohol Beverage Control Law (ABCL). This year's major development was the reform of New York's winery licenses; the new law reduces the regulatory burden and aids over 350 wineries to grow their business. The Committee has taken a balanced approach to modernizing ABCL, improving the State Liquor Authority's ability to respond to the needs of consumers and licensees.

On behalf of the members of the Committee, I want to thank you for supporting our efforts to encourage economic development and job creation across New York State. With your continued leadership we look forward to a productive session in the year to come.

Sincerely,

A handwritten signature in black ink, appearing to read "Robin Schimminger". The signature is stylized and written in a cursive-like font.

Robin Schimminger, Chair
Committee on Economic Development, Job
Creation, Commerce and Industry

2011 Annual Report

New York State Assembly
Committee on Economic Development, Job Creation,
Commerce and Industry

Robin Schimminger, Chairman

Committee Members

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Joseph D. Morelle
Kevin Cahill
William Magnarelli
Philip R. Ramos
William Boyland, Jr.
Nelson Castro
Addie Russell
Dennis Gabryszak
Donna Lupardo
Harry Bronson
Francisco Moya
Ellen Jaffee
Phillip Goldfeder
Michael A. Simanowitz
Anthony J. Brindisi

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James N. Tedisco
Clifford Crouch
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Ann G. Rabbitt
Dean Murray
Steve Katz
Kevin Smardz

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Lekeya Martin, Legislative Analyst
Victoria Choi, Associate Counsel
Robert Franchini, Committee Assistant
Kenneth Berlinski, Chief of Staff
Vanessa Komarnicki, Legislative Director
Patrice Mago, Committee Clerk

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I. INTRODUCTION: COMMITTEE JURISDICTION

The Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry is responsible for legislation that affects economic development and business regulation throughout the State. The Committee is responsible for oversight of the State's various economic development agencies, authorities, and programs that play an important role in determining the State's overall economy. The Committee also is responsible for the controlled sale of alcoholic beverages and the licensing, registration, and regulation of a broad spectrum of industries associated with the production, distribution, and sale of alcoholic beverages.

Many State agencies, economic development organizations and other groups and associations work with the Committee on these important issues. The State agencies include the Department of Economic Development (DED), the Urban Development Corporation (UDC), the Job Development Authority (JDA), the Department of State (DOS), the Division of Criminal Justice Services (DCJS), the State Liquor Authority (SLA), the Department of Labor (DOL) and the Department of Law. At the local level, the Committee works with a number of organizations, including not-for-profit local development corporations (LDCs), economic development agencies, various not-for-profit foundations, universities, chambers of commerce and Small Business Development Centers (SBDCs).

II. FY 2011-2012 BUDGET OUTCOME

The Committee advanced several key initiatives through the budget process to boost New York's economy with a focus on creating jobs and opportunities for businesses and entrepreneurs. The following are budget highlights that impact business in New York State.

PROGRAMMATIC ISSUES

Empire State Development Corporation / Urban Development Corporation

The Urban Development Corporation (UDC) is currently doing business as the Empire State Development Corporation (ESDC). The mission of the ESDC is to retain and promote economic development and real estate development by providing financial assistance to local government, businesses and not-for-profit corporations engaged in economic development activities. In addition, the ESDC is engaged in housing portfolio maintenance and provides State facility financing for the construction and modernization of State correctional facilities, as well as other special projects. The following are highlights relating to economic development programs that are funded through ESDC:

- Regional Economic Development Councils (**\$130 million in grants**) are 10 regional councils that are a collaborative effort to re-envision the state's economic development strategy and boost job creation efforts within each region of the State. Each Council developed a Strategic Plan that integrates the assets of its region and layouts a coordinated effort for its future development. In addition to capital grants, Excelsior Tax Credits (**\$70 million**) will be awarded on a competitive basis to the Region Councils with the most effective Strategic Plans. The Governor also made up to **\$1 billion** in existing State resources available through the Consolidated Funding Application (CFA), which each Council weighed in on.
- Excelsior Jobs Program provides tax incentives to retain or grow businesses in high tech and vital industries in New York. Tax credits fall into four categories: a credit of 6.85 percent of wages per new job to cover a portion of the associated payroll cost, an investment tax credit of up to 2% of qualified investments, a credit of 50 percent of the Federal Research and Development credit up to three percent of research expenditures in State, and a real property tax credit for businesses located in certain distressed areas and meeting the criteria as regionally significant projects. The Excelsior Jobs Program replaces the Empire Zone Program and is managed by the Empire State Development Corporation. Excelsior tax credits were increased to \$2.5 billion in tax credits over the lifetime of the program.
- Linked Deposit Program (LDP) was amended to increase the LDP lifetime maximum loan limit per eligible business from \$1 million to \$2 million. Also borrowers may apply for a four-year renewal/extension on an existing four-year LDP loan, increasing the total term of assistance on applicable loans to eight years.

- Empire State Economic Development Fund (**\$62.36 million**) provides funds for projects that create or retain jobs;
- Minority and Women-Owned Business Development Program (**\$635,000**) provides available capital to local funds targeted to small “micro loans” for the start-up of minority and women-owned businesses and provides funding intended for program activities in economically distressed and highly distressed areas.
- Economic Transformation Tax Credit Program (**\$50 million**) is a grant and tax credit program that will aid communities where a state prison or youth facility is being closed as part of the state's efforts to right size the resources of its correction services.

New York State Department of Economic Development, Division of Science, Technology & Innovation (NYSTAR)

The New York State Foundation for Science, Technology & Innovation, doing business as NYSTAR, was responsible for directing the State’s university-based high-technology economic development programs. In SFY 2011-2012, NYSTAR is merged into the Department of Economic Development. To facilitate this merger funds (**\$150,000**) were appropriated and the Division of Science, Technology & Innovation was created at Empire State Development.

III. IMPROVING NEW YORK'S ECONOMY AND CREATING JOBS

The Committee believes that the State has an important role in facilitating economic development. The State should partner with the private sector to promote a positive business climate and that our efforts should consist of supporting viable industries while providing both incentives and assistance to the emerging high tech industry in New York. The Committee supports legislation that focuses economic development efforts directed towards assisting companies that retain and create jobs and contribute to the economic stability and revitalization of the communities across New York. Companies that seek and receive State financial assistance should commit to retain or create jobs in their communities. Where appropriate, the State should seek to leverage resources and provide assistance to emerging high tech industries, supporting the growth of specialized clusters of research and development.

Additionally, the Committee recognizes that it is at the local and regional levels that the most informed decisions regarding economic development are made and that the State's economic development programs should incorporate regionalized expertise and enable communities to actively plan their future development. The focus on regionalization helps streamline the administration of programs and fosters better State and local partnerships. With the support of the Committee, Governor Cuomo has instituted a new strategy for economic development in New York based around Regional Economic Development Councils. The ten councils are designed to further regionalize economic development planning and utilize the diverse assets in each region of the State. The Councils formulated a Strategic Plan and competed for \$200 million in financial support to implement their Strategic Plan. They also played an important role in determining how \$1 billion in existing economic aid will be distributed through the State's new Consolidated Funding Application (CFA).

The Committee focused on initiatives that will improve access to capital for businesses, enhance access to economic development programs, and promote research and development. Two definitive steps towards these goals was the Committee contribution to the development of the 2011-2012 State Budget and passing legislation that led to the creation of a State Small Business Credit Initiative (SSBCI). These efforts will assist New York's strategic and high tech industries to grow, creating jobs across New York.

Improving Capital Access and Creating a Technology Seed Fund

A.8452 (Schimminger)

Chapter 103

This law creates the “Innovate NY Fund,” redesigns NY’s Capital Access Program and, for the first time in close to a decade, funds the Bonding Guarantee Assistance Program. In 2010, President Obama signed the federal “Small Business Jobs Act of 2010” into law which provided New York with approximately \$55.4 million in federal funds for seed stage investment and capital access programs for small businesses. The Innovate NY Fund will invest approximately \$26 million with firms investing in seed-stage businesses in New York that have developed cutting-edge breakthroughs in emerging technologies. Four to six investment funds will receive the funds competitively and, along with leveraging private investment, will implement a strategy that will support innovative start-ups, job creation, and high growth entrepreneurship. The Capital Access Program, funded at \$18.9 million, will improve lending in traditional and non-traditional financial institutions aiding small businesses and Minority and Women-Owned Business Enterprises (MWBEs) to expand and create jobs. The Bonding Guarantee Assistance Program will be allocated \$10.4 million to provide additional financial backing to guarantee bonds to assist small businesses and MWBEs with construction projects and securing State contracts.

Establishing the Centers of Excellence Program

A.6320-C (Lupardo)

Chapter 162

This law recodifies the Centers of Excellence Program that has been operating since 2002 and requires Centers to submit an annual plan that outlines how they will promote commercializing products or processes based on innovations developed at the Centers. The Centers of Excellence are SUNY’s flagship research and development centers and focus on specific high tech innovations. This law will increase accountability and oversight of the Centers of Excellences that operate around the State.

Expanding the Ogdensburg Foreign Trade Zone

A.3724 (Russell)

Chapter 364

This law expands the Ogdensburg Foreign Trade Zone to include the entire county of St. Lawrence.

Creating the Seed-NY Investment Fund

A.6167-A (Schimminger)

Referred to Rules

This legislation authorizes the New York State Urban Development Corporation to create the Seed-NY Investment Fund that will make awards to Regional Investment Funds. Established funds will provide seed capital to qualified enterprises for the early stage commercialization of

technologies. A similar investment fund, the Innovate NY Fund, was created through Chapter 103 of the Laws of 2011.

Establishing the Strategic Network Partnerships Program

A.7087-A (Schimminger)

Referred to Ways and Means

This legislation establishes the Strategic Network Partnerships Program which aims to organize, integrate and coordinate state programs designed to assist manufacturing industries in becoming more competitive and productive. The purpose of this bill is to ensure New York's larger companies are able to contract for services in becoming more competitive and productive with medium and smaller sized companies by creating clusters that provide specialized services to such industries.

Creating the Technology Commercialization Partnership Program

A.599-A (Magnarelli)

Referred to Ways and Means

This legislation creates the Technology Commercialization Program at NYSTAR to replace the current incentive program. The new program would provide grants of \$500,000 to \$1 million to New York State academic research institutions, Centers for Advanced Technology, and Centers of Excellence in partnership with private industry.

Enacting the New York State Green Economic Development Zones

A.2219-A (Cusick)

Referred to Ways and Means

This bill enacts the New York State Green Economic Development Zones Act to offer special incentives and assistance that promote the development of new green businesses and expansion of existing businesses within designated Green Economic Development Zones in areas of Staten Island. The goal of this legislation is grow the economy in areas related to the renewable energy industry.

Creating Regional Marketing Programs

A.3136 (Schimminger)

Referred to Rules

This legislation authorizes the Commissioner of Economic Development to grant matching funds to eligible applicants to implement regional marketing programs to attract tourism. It would specifically allow for advertisement of natural resources, infrastructure, and other attractions of the region that promote the location and enhance businesses within the region. Also products manufactured within a region can be included in advertising campaigns.

Expanding the Linked Deposit Program

A.3139 (Schimminger)

Referred to Ways and Means

This legislation increases the limit on the amount of funds allowed to be on deposit with the Excelsior Linked Deposit Program at any given time from \$460 million to \$525 million. The Linked Deposit Program allows for a business to get a business loan from financial institutions for expansion with a lower interest rate.

Designating Technology Development Centers

A.7742-A (Lupardo)

Vetoed – Memo 38

This legislation continues the state's ability to designate Regional Technology Development Centers. The Regional Technology Development Centers, placed regionally throughout the state, promote and attract research and development projects specializing in science and technology. This would allow more time for potential centers to complete the application for designation as a Center. The Governor's veto message noted that the expiration time was already moved from its original time of June 2011 to September 2011, addressing the concerns of the legislation.

Creating an Academic Research Network for New York's Higher Education Institutions

A.5181-A (Schimminger)

Vetoed – Memo 45

This legislation uses public and private academic and research libraries in New York to create a shared information infrastructure that would support and promote teaching, scholarship, and research within colleges across the State. It would allow libraries to bargain collectively for the purchase of scholarly journals and research; involved parties would pay less collectively while gaining access to an increased library of information. The Department of Economic Development would coordinate this effort and commit resources to managing the network. The Governor vetoed this legislation noting that because additional funding was not appropriated to pay for maintaining the network, it would divert Department of Economic Development staff away from pertinent tasks.

IV. REFORMING THE ALCOHOLIC BEVERAGE INDUSTRY

The Committee's primary responsibility in the area of the Alcoholic Beverage Control Law (ABCL) is to ensure the safe and lawful distribution of alcoholic beverages in the State. In 2010, the alcohol beverage industry supported nearly 100,000 jobs across New York State. This year, the Committee sought to alleviate restrictions that hamper growth in the industry and has specifically sought to reduce costly and unnecessary regulations. The Committee also focused on quality of life issues including maintaining adequate control over problem establishments and ensuring community participation in the licensing of retail establishments serving alcoholic beverages on their premises.

The Committee will continue its review of the ABCL to ensure the Law is supporting a market that functions fairly for consumers and businesses. Since many of the ABCL's provisions have remained unaltered since the end of Prohibition, the State has a keen interest in continuing the identification of statutes in conflict with modern alcoholic beverage industry standards. The Committee will continue to develop legislation that ensures communities have adequate information and notice as they make decisions in regards to the future of alcohol serving establishments in their neighborhoods.

Reforming the Licensing of Wineries

A.7828-A (Schimminger)

Chapter 221

This law implements the recommendations of the 2008 Wine Grape Task Force. It supports New York wineries by providing them with the ability to open five branch stores as an extension of their existing operating license. It creates efficiencies by consolidating the amount of winery licenses and reduces unnecessary paperwork burdens. The law eliminates the maximum limit of charity events a winery can hold each year. A farm winery license will also allow wineries to expand production into hard cider and utilize a custom crush facility when they have an excess supply of grapes.

Streamlining Local Notification for a Liquor License Applicant

A.6732 (Bing)

Chapter 506

This law streamlines and closes loopholes with the notification requirements to local government and community boards when an ownership or ownership group applies to the State Liquor Authority for a license to serve alcohol on the premises of an establishment. It amends ABCL to require greater disclosure to municipalities and community boards as an establishment is in the application process for a license. It also removes a burdensome 30 day waiting period on licensees outside of the City of New York after a municipality receives notification. The law closes loopholes that omitted certain licenses from notification requirements and allow use of a corporate ownership change to subvert the required notification of a community board.

Authorizing Movie Theaters to Serve Alcoholic Beverages

A.7315 (Lentol)

Chapter 475

This law allows specifically built theaters, where theater seating is replaced with a dining room, to fall within the State's definition of restaurant and apply to the State Liquor Authority for a liquor license. It will offer a new experience to consumers and allow this type of business to establish itself in New York.

Expanding the Agreements that Prove Control of a Premises

A.8318 (Schimminger)

Chapter 196

This law allows the State Liquor Authority to accept a lease, management agreement, or other agreement giving the applicant control over the food and beverage service at the premises. The lease agreement can now serve as proof of control of the premises during the application process to obtain a liquor license.

Extending Temporary Retail Permits

A.7668 (Schimminger)

Chapter 442

This law extends the State Liquor Authority's ability to issue temporary retail permits to applicants until October 12, 2012. This allows a business to begin operating while they are awaiting a permit and also helps to mitigate the impact of any backlog at the State Liquor Authority. The temporary retail permit originally became law in 2010.

Adding a Premise to Existing Exemptions

A.5150 (Kolb)

Chapter 22

This law authorizes the State Liquor Authority to issue a liquor license to a certain establishment upon approval of an application. This amendment to ABCL allows the Finger Lakes Performing Arts Center to be licensed for an entire performance season without the need to apply for a new license for each individual performance to the State Liquor Authority due to a technicality under the law.

Adding Penalties for the Sale of Alcohol to Minors

A.6324-B (Castro)

Chapter 417

This law adds a penalty to the sale of an alcoholic beverage to persons under the age of 21 by barbers. Along with existing penalties, a barber could lose his or her license if convicted of selling an alcoholic beverage to a minor at a barber's place of business.

Allowing Liquor License for Certain Premises

A.6695 (Rodriguez)

Chapter 165

This law authorizes the State Liquor Authority to grant a license to an on-premise establishment by waiving the restriction against such a license located within 200 feet of a place of worship, upon agreement by such place of worship. This applies to a specific location of an on-premise establishment located within the borough of Manhattan.

Allowing for the Provision of Beer Samples

A.4622-A (Hoyt)

Referred to Rules

With the growing number of small brewers, consumers have shown a growing preference for locally brewed pilsners, lagers, and ales that offer a new level of complexity and originality than products offered by national brewers. This legislation would allow licensed off-premises retail establishments to provide beer samples directly and would increase the exposure of local small brewers. Customers would be limited to four one-ounce servings during any visit to a retail establishment. Any retailer selling gasoline would be prohibited from serving samples.

Providing Additional Information About An Applicant to Municipalities or Community Boards

A.583 (Lentol)

Passed Assembly

With this bill, a municipality or local community board would be entitled to a copy of the application of an applicant that is applying to the State Liquor Authority for a liquor license. The bill's intention is to provide additional information to municipalities or community boards as the application process is taking place with the State Liquor Authority.

Increasing Advanced Hearing Notice to Municipalities

A.675 (Lentol)

Passed Assembly

ABCL prohibits the issuance of a liquor license to an establishment within 500 feet of three or more currently licensed establishments. In order to bypass this rule, the municipality must be notified 15 days prior and a hearing must be held to establish that granting a license is in the public interest of the neighborhood area. This legislation increases the time period for a hearing notification from 15 days to 30 days. This allows for more preparation time for the municipality and the public regarding the hearing.

Rule Making Authority for the State Liquor Authority

A.3411-A (Schimminger)

Referred to Rules

In its final report the Law Revision Commission recommended, after careful consideration, that rule making authority should be granted to the State Liquor Authority in order to streamline operations. This legislation grants general rule making authority to the State Liquor Authority until December 31, 2013.

Authorizing Courts to Suspend a Driver's License

A.5722 (Schimminger)

Referred to Codes

This legislation closes a loophole and strengthens the enforcement against underage possession of alcohol with the intent to consume or unlawful possession of marijuana. Currently, New York Courts are restricted in cases of underage possession of alcohol to the options of issuing a fine, requiring the completion of community service and/or requiring the completion of an alcohol awareness program. Courts are prohibited from issuing jail time to underage offenders which prevents the issuance of a warrant. This legislation authorizes the suspension of the minor's license upon the refusal to complete alcohol awareness or community service, appear in court or pay a fine.

Requiring a Criminal Background History Check for Prospective Bouncers

A.7953-A (Ortiz)

Referred to Codes

This legislation creates a background check process and certification course for bouncers in certain establishments that serve alcoholic beverages. It seeks to clear up ambiguity in the law that arose from the Security Guard Act of 1992 and sets up a specific certification process for bouncers who work in large establishments that serve alcohol.

Authorizing the State Liquor Authority to Issue Permits for Certain Events

A.7622-A (Magee)

Passed Assembly

This legislation allows the State Liquor Authority to issue a temporary permit to the holder of a license to manufacture wine, with an annual cap of 150 gallons of wine, to sell wine at outdoor or indoor events and gatherings.

Permitting Retail Tobacco Business to Sell Liquor and Food on the Premises

A.7305 (Bing)

Passed Assembly

This legislation allows a certain tobacco business in New York City to exercise its liquor license and sell food to customers.

Executive Authority for the Chairman of the State Liquor Authority

A.7016-A (Schimminger)

Passed Assembly

This bill transfers exclusive executive authority from the State Liquor Authority Board to the Chairperson of the State Liquor Authority. It was the recommendation of the New York State Law Review Commission Report that this change be implemented in order to centralize administrative control of the Authority for a greater overall efficiency.

Shipping Alcoholic Beverages into the State

A.6884 (Schimminger)

Referred to Codes

This legislation tightens existing requirements that a “primary source” is established for alcoholic beverages shipped into New York. It ensures that only authorized alcoholic beverages are being sold in New York and closes any loopholes in the existing primary source requirement in ABCL. Additionally, it serves as another enforcement tool for the State Liquor Authority to collect state excise tax on alcoholic beverages.

Balancing Protections for Small Brewers and Wholesalers

A.789 (Destito)

Passed Assembly

This bill allows brewers with a certain annual volume and with a certain percentage of sales to terminate an agreement with a beer wholesaler without having to pursue termination through a costly legal proceeding. It requires payment of fair market value of the applicable distribution rights lost and allows for the arbitration panel to review the fair market value.

Allowing a Municipality or Community Board to Express an Opinion Before a License is Granted

A.1052 (Pheffer)

Passed Assembly

This bill requires notice to a locality and allows a municipality or community board to express an opinion for or against the granting or renewal of a license to sell liquor at retail for consumption off the premises. This bill allows for greater input from a municipality or community board in the licensing process.

Expanding the Offerings Included in a Wine License

A.160-A (Cahill)

Vetoed – Memo 49

This legislation permits the sale of medium alcoholic content beverages by restaurant wine licensees. Certain alcoholic products containing no more than 24 percent alcohol have been highly successful on the alcoholic beverage market and expanding to allow these beverages to be sold under a restaurant wine license would benefit consumer choice. This bill was vetoed because restaurant wine licensees currently can apply for a full liquor license if they want to offer a wider selection of alcoholic beverages.

V. PROTECTING CONSUMERS WHILE ASSISTING BUSINESSES

The Committee continues to regulate businesses where it will enhance public good and create market efficiencies. In evaluating legislation, the Committee seeks to balance the legitimate concerns of the business community with those of consumers. The Committee seeks to advance legislation that responds positively to the needs of the industry without imposing undue costly burdens on businesses or jeopardizing consumer protections or public safety.

Regulating the Sale of Scrap Metal

A.5883-B (Peoples-Stokes)

Passed Assembly

This legislation reforms the regulation of the sale of scrap metal with the purpose of reducing the illegal scrapping of stolen metal. It would require salvage dealers to obtain a copy of a government-issued identification card from the seller of scrap metals and would require sellers to provide written verification of their authority to sell such scrap metal. Penalties on dealers who accept stolen scrap metal and those who sell stolen scrap would be increased as a means of increasing deterrence. It also prohibits the sale of certain items, including street signs, propane containers for fueling forklifts, funeral markers or any metal items bearing markings of a governmental entity, utility company, cemetery or railroad.

Restricting Items Sold by Itinerant Vendors

A.5345 (Schimminger)

Referred to Codes

This legislation prohibits the sale of certain products by itinerant vendors who are not the manufacturer, an authorized manufacturer's representative or authorized distributor. The prohibited products include baby food, non-prescription drugs, cosmetics and batteries.

Prohibiting the Sale of Salvia Divinorum

A.5491-A (Rivera)

Passed Assembly

This legislation prohibits the sale of salvia divinorum by a person or entity to any persons under the age of 18. Although the effects of salvia divinorum are currently being studied, it remains virtually unregulated and is known to cause a hallucinogenic state. The legislation seeks to protect minors from potentially dangerous effects of the substance.

Regulating the Sale of Nitric Acid

A.4711 (Ramos)

Referred to Codes

This legislation requires retailers who sell nitric acid to verify the identity of the buyer (using a picture identification) and record the buyer's name and address. The records must be

retrievable within the same premises where the sale is made. Schools and colleges must secure nitric acid before, after and during its academic uses. If nitric acid is taken off laboratory premises, records must be kept including name and address. Websites with instructions for creating explosives using nitric acid will be banned. Nitric acid is a dangerous substance, used for both sound scientific purposes and dangerous irresponsible purposes. This legislation focuses on enhancing safety by regulating the sale and use of nitric acid.

Regulating Budget Planners

A.8212-A (Morelle)

Referred to Codes

This bill updates the regulation of budget planners, debt settlement companies, and credit counseling providers and increases their disclosure requirements to consumers so they can make informed decisions. Lastly, it regulates fees that can be charged to consumers for the services of a budget planner.

Increasing the Penalties for Fraudulent Sales

A.1561 (Ortiz)

Referred to Codes

This legislation would increase the penalty for the fraudulent sale of poppies, forget-me-nots, daisies, flags, and other articles sold for patriotic purposes.

Ensuring Protection of Consumers Against Gas Price Gouging

A.1970 (Jeffries)

Passed Assembly

This bill prohibits more than one increase in the price of motor fuel in any 24 hour period. It is designed to protect consumers from multiple price increases in any one day.

Requiring Denatonium Benzoate in Engine Coolant

A.4332 (Millman)

Passed Assembly

This legislation requires that any engine coolant or antifreeze that contains more than ten percent ethylene glycol can only be sold if it contains 30 ppm of denatonium benzoate. Denatonium benzoate is a bittering agent that will deter animals from consuming engine coolant.

VI. SUPPORTING WORKFORCE DEVELOPMENT

A vital component of a productive and sustained economy is supporting a skilled workforce. Companies are often attracted to New York due to the availability of a highly skilled and educated workforce. The Committee is committed to supporting this asset that keeps businesses in New York by ensuring that workforce training and development opportunities are available to all New Yorkers.

Assisting Bioscience Research Institutions

A.7156-A (Magnarelli)

Chapter 467

This law adds bioscience research institutions and organizations as eligible to receive support from the Economic Development Fund on a competitive basis. Research and development efforts in the bioscience field, including basic, applied or translational research, can lead to the development of products that improve human health or agriculture and create jobs. By providing targeted assistance for curriculum development, workforce development, as well as faculty development, New York can aid startup bioscience institutions and organizations.

VII. 2011 PUBLIC HEARINGS

Direct Wine Shipment Provisions of the Alcoholic Beverage Control Law

On October 25, 2011, the Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry held a public hearing to review the State Liquor Authority's implementation of the direct wine shipment provisions and the impact of such requirements on New York State and out-of-state businesses. Enacted in 2005, the law enables New York wineries to ship State wine in-state and out-of-state to states with compatible laws. At the hearing, the Chair of the Liquor Authority, industry representatives, and wineries provided testimony about the law's effectiveness. The Committee discussed compliance with the law, recent changes to reduce the paperwork burden on wineries, and how the law has boosted New York wine sales with the stakeholders who testified.

Utilization of the State's Assistance Programs for Small Businesses

On November 30, 2011, the Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry held a public hearing to review utilization of New York's small business assistance programs and their effectiveness. The Committee has a long history of supporting initiatives that support the formation and growth of small businesses. As small business are generally the major job creators that lead the economy out of a recession, the Committee invited agency officials and the public to testify to the effectiveness of New York's small business technical assistance and access to capital programs. At the hearing, Kenneth Adams, President and CEO of Empire State Development, experts in small business assistance, and small businesses that have received assistance testified to the importance of the State's programs in the past and how they can improve assistance in the future.

VIII. OUTLOOK FOR 2012

The economic crisis beginning in 2008 has led to a lack of demand and declining sales for businesses and shrinking incomes and higher unemployment for consumers. It has led to a higher demand for economic development technical services, tax credits, and grants New York State offers to support its economy. In this environment, New York State's ability to provide these services has been tested as the financial sector, responsible for roughly 14% of all State revenues, has been significantly impacted by the recent recession.

The Committee will continue to fight to preserve existing programs and to further expand programs that will assist New York's economic recovery from the recession. The 2011 session concluded with significant progress, including the creation of a State Small Business Credit Initiative with \$55.4 million in federal funds. The new Innovate NY Fund (\$25.9 million), the New York State Capital Access Program (CAP) (\$18.9 million), and the Bonding Guarantee Assistance Program (\$10.4 million) will work toward our goal of spurring economic development and investment that will benefit all New Yorkers. During the 2012 Legislative Session, the Committee on Economic Development, Job Creation, Commerce and Industry will continue to address the economic crisis by remaining committed to passing legislation which helps to retain and create jobs, with a continued focus on expanding existing businesses and promoting the emerging high tech industry in New York.

The Committee will continue to focus on its review of the Alcoholic Beverage Control Law (ABCL) and consider the recommendations offered by the Law Revision Commission in order to modernize New York's laws and retain a productive balance between the needs of the industry and consumers. As many of the ABCL's provisions remain unaltered since the end of the Prohibition, the State has a special interest in responding to the needs of the alcoholic beverage industry. By supporting the State Liquor Authority in its effort to streamline its regulation of the alcoholic beverage industry, the Committee can assist in creating a responsive market to the needs of businesses and consumers.

APPENDIX A

2011 SUMMARY OF ACTION ON ALL BILLS REFERRED TO THE COMMITTEE ON ECONOMIC DEVELOPMENT, JOB CREATION, COMMERCE, AND INDUSTRY

Final Disposition of Bills	Assembly	Senate	Total
Bills Reported With or Without Amendment			
To Floor; Not Returning to Committee			
To Ways and Means	4		4
To Codes	7		7
To Rules	4		4
To Judiciary			
Passed Assembly	11		11
Chaptered	12		12
Vetoed	3		3
Total	38		38
Bills Having Committee Reference Changed			
To Consumer Protection	1		1
To Tourism	1		1
Total	2		2
Senate Bills Substituted or Recalled			
Substituted			
Recalled			
Total			
Bills Defeated in Committee			
Bills Never Reported, Held in Committee	188		188
Bills Never Reported, Died in Committee			
Bills Having Enacting Clauses Stricken			
Motions Discharge Lost			
Total Bills in Committee	231		231
Total Number of Committee Meetings Held	7		7

APPENDIX B

COMMITTEE ON ECONOMIC DEVELOPMENT, JOB CREATION, COMMERCE, AND INDUSTRY

2011 Bills Considered

Assembly Bill #	Senate Bill #	Last Action	Description
A.3411-A (Schimminger)	S.4190 (Marcellino)	Referred to Rules	Grants the State Liquor Authority general rule making privileges.
A.5883-B (Peoples-Stokes)	S.1779-B (Perkins)	Passed Assembly	Regulates the sale of scrap metal.
A.5345 (Schimminger)	S.525 (Fuschillo)	Referred to Codes	Restricts items sold by itinerant vendors.
A.5491-A (Rivera)	No Same As	Passed Assembly	Prohibits the sale of salvia divinorum.
A.5722 (Schimminger)	S.3188 (Ranzenhofer)	Referred to Codes	Provides for the suspension of drivers licenses for those who fail to participate in required alcohol awareness training programs or pay fines.
A.6167-A (Schimminger)	S.4483 (Alesi)	Referred to Rules	Creates the Seed-NY Investment Fund.
A.8212-A (Morelle)	S.5215-B (Griffo)	Referred to Codes	Updates the regulation of budget planners.
A.7953-A (Ortiz)	S.5408-A (Libous)	Referred to Codes	Requires a criminal background history check for prospective bouncers.
A.7622-A (Magee)	S.5240-A (Maziarz)	Passed Assembly	Authorizes the State Liquor Authority to issue temporary permits for certain events.
A.675 (Lentol)	No Same As	Passed Assembly	Requires 30 days advanced notice to community boards on applications for retail liquor licenses concerning the 500 feet rule.
A.4711 (Ramos)	S.4789 (Lavalle)	Referred to Codes	Provides for the sale, use, and storage of nitric acid.
A.599-A (Magnarelli)	No Same As	Referred to Ways and Means	Creates the Technology Commercialization Partnership Program and removes the Incentive Program from the research development program.

A.583 (Lentol)	S.1315 (Griffo)	Passed Assembly	Provides additional information about an applicant to the municipalities or community boards.
A.789 (Destito)	No Same As	Passed Assembly	Balances protections for small brewers and wholesalers.
A.1052 (Pheffer)	No Same As	Passed Assembly	Allows a municipality or community board to express an opinion before a license is granted.
A.1561 (Ortiz)	No Same As	Referred to Codes	Increases the penalties for fraudulent items.
A.1970 (Jeffries)	S.603 (Peralta)	Passed Assembly	Ensuring protection of consumers against gas price gouging.
A.2219-A (Cusick)	S.5491-A (Lanza)	Referred to Ways and Means	Enacts the New York State Green Economic Development Zone.
A.3136 (Schimminger)	No Same As	Referred to Rules	Creates regional marketing programs.
A.3139 (Schimminger)	S.4227 (Alesi)	Referred to Ways and Means	Expands the Linked Deposit Program.
A.4332 (Millman)	No Same As	Passed Assembly	Requires Denatonium Benzoate in engine coolant.
A.4622-A (Hoyt)	S.3109-A (Kennedy)	Referred to Rules	Allows for beer samples at licensed premises and establishments.
A.6884 (Schimminger)	No Same As	Referred to Codes	Shipping alcoholic beverages into the State.
A.7016-A (Schimminger)	S.4303-B (Marcellino)	Passed Assembly	Establishes executive authority for the Chairman of the State Liquor Authority.
A.7087-A (Schimminger)	No Same As	Referred to Ways and Means	Establishes the Strategic Network Partnerships Program.
A.7305 (Bing)	S.4859 (Golden)	Passed Assembly	Permits a certain retail tobacco business to sell liquor and food on the premises.

APPENDIX C

**COMMITTEE ON ECONOMIC DEVELOPMENT, JOB CREATION,
COMMERCE, AND INDUSTRY**

2011 Chapters

Assembly Bill #	Senate Bill #	Chapter	Description
A.8452 (Schimminger)	S.5782 (Alesi)	Chapter 103	Creates the Innovate-NY Fund, redesigns the Capital Access Program, and funds the Bonding Guarantee Assistance Program.
A.6695 (Rodriguez)	S.2009 (Perkins)	Chapter 165	Authorizes the State Liquor Authority to grant a liquor license to a certain premise.
A.5150 (Kolb)	S.3241 (Gallivan)	Chapter 22	Adds a premise to existing exemptions.
A.6324-B (Castro)	S.1880-B (Espaillat)	Chapter 417	Adds penalties for the sale of alcohol to minors.
A.8318 (Schimminger)	S.4014-A (Marcellino)	Chapter 196	Expands the agreements that prove control of a premise.
A.7828-A (Schimminger)	S.4143-A (Young)	Chapter 221	Reforms the licenses available to wineries.
A.7668 (Schimminger)	S.5261-A (Marcellino)	Chapter 442	Extends temporary retail permits.
A.6732 (Bing)	S.4161 (Little)	Chapter 560	Establishes local notification for a liquor license applicant.
A.7156-A (Magnarelli)	S.3834-A (Lavalle)	Chapter 467	Authorizes the use of Economic Development funds to assist bioscience research institutions.
A.3724 (Russell)	S.5225 (Ritchie)	Chapter 364	Expands the Ogdensburg Foreign Trade Zone.
A.6320-C (Lupardo)	S.5223-B (Libous)	Chapter 162	Establishes and recodifies the Centers of Excellence Program.
A.7315 (Lentol)	S.4772 (Marcellino)	Chapter 475	Authorizes movie theaters to serve alcoholic beverages.

APPENDIX D

**COMMITTEE ON ECONOMIC DEVELOPMENT, JOB CREATION,
COMMERCE, AND INDUSTRY**

2011 Vetoes

Assembly Bill #	Senate Bill #	Veto	Description
A.7742-A (Lupardo)	S.5570 (Alesi)	Vetoed Memo 38	Relates to the designation of Technology Development Centers.
A.5181-A (Schimminger)	S 3736-A (Alesi)	Vetoed Memo 45	Creates the Academic Research Information Access Network.
A.160-A (Cahill)	S.4242-B (Larkin)	Vetoed Memo 49	Permits persons licensed to sell wine on the premises to also sell certain low content alcoholic beverages.