

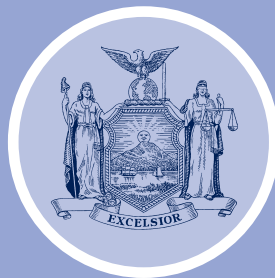


NEW YORK STATE ASSEMBLY

A N N U A L

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R E P O R T



**Committee on
Economic Development, Job Creation,
Commerce and Industry**

Robin Schimminger, Chair

SHELDON SILVER, SPEAKER



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIRMAN
Committee on Economic Development,
Job Creation, Commerce and Industry

COMMITTEES
Codes
Health
Ways & Means

ROBIN SCHIMMINGER
140th District

January 11, 2013

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 2012 Annual Report of the Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry.

During the 2012 Legislative Session, the Committee considered significant legislation impacting State and local economic development and general business practice. The Committee had many important accomplishments, such as the creation of three new Centers of Excellence, including the Center of Excellence in Materials Informatics at the University at Buffalo. The Committee supported a second round of funding for the Regional Economic Development Councils, an initiative led by Governor Cuomo, to support the growth of successful regional economies across the State.

The Committee also addressed issues related to the alcohol beverage industry. The Committee, working with the industry, continues to make progress modernizing the Alcoholic Beverage Control Law (ABCL). This year's major development was the creation of the innovative farm brewery license, modeled after the successful farm winery and distillery license. Through its work with the State Liquor Authority, the Committee has taken a balanced approach to modernizing ABCL 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,

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

2012 Annual Report

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

Robin Schimminger, Chairman

Committee Members

Majority

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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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Dean Murray
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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, the Urban Development Corporation, the Job Development Authority, the Department of State, the Division of Criminal Justice Services, the State Liquor Authority, the Department of Labor and the Department of Law. At the local level, the Committee works with a number of organizations, including not-for-profit local development corporations, economic development agencies, various not-for-profit foundations, universities, chambers of commerce, and Small Business Development Centers.

II. FY 2012-2013 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 / Urban Development Corporation

The Urban Development Corporation is currently doing business as Empire State Development (ESD). The mission of ESD is to promote economic development by providing loans, grants, tax credits and other financial assistance to local governments, businesses, and not-for-profit corporations in order to develop stable and growing local economies. The following are the 2012 highlights relating to economic development initiatives that the Assembly has funded through ESD:

- Regional Economic Development Councils are authorized for a second round of funding in 2012 with **\$150 million** in capital grants and **\$70 million** in Excelsior Tax Credits. The 10 Regional Councils are a collaborative effort between the public and private sector to develop and implement regional Strategic Plans. Each plan endorses specific economic development projects, boosts job creation, and capitalizes on existing assets. In addition to priority awards of capital grants and Excelsior Tax Credits, the Councils will participate in the Consolidated Funding Application (CFA) process to endorse regional significant projects that are under consideration for additional existing State funding. State agencies funded a total of **\$785 million** in requests for aid through the Regional Council program in 2011. This year, the CFA provides access to up to **\$750 million** in existing State resources and will again feature an innovative, one-stop application process.
- Buffalo Regional Innovation Cluster is a new, multi-year **\$1 billion** initiative to revitalize the economy of Buffalo and Western NY. Through the Western NY Regional Council and with involvement of an array of local officials from the Buffalo area, this package of economic incentives is designed to build and expand businesses across the area and transform the Buffalo region's economy. This year's Budget includes a \$100 million package of incentives for the first year, \$75 million in capital grants, and \$25 million in Excelsior Tax Credits.
- The Global 450 Consortium is a five year \$4.8 billion research and design program to bring about the next generation of computer chip wafers. The University at Albany College of Nanoscale Science and Engineering (CNSE), started in 2001 with the support of Speaker Silver and the Assembly, has put together a partnership including Intel, IBM, Globalfoundries, TSMC, and Samsung that will work jointly on the

project. This year's Budget includes a **\$250 million** capital investment to CNSE resulting in 2,500 high-tech jobs that will be created in Albany, East Fishkill, Utica, and Canandaigua.

- Military Base Retention and Redevelopment Program is funded in total at **\$5.6 million**. With significant budget cuts likely at the federal Department of Defense, a Base Realignment and Closure Commission (BRAC) could be formed to initiate a round of military base reductions and closures. This retention and redevelopment capital funding will be used to ensure New York's military bases are well positioned to stay open or be redeveloped if a new round of BRAC is initiated.
- Linked Deposit Program (LDP) was amended to allow agricultural firms to qualify for the 3% interest rate subsidy when undertaking projects that will expand or improve agricultural operations. Eligible projects must create or retain full-time permanent jobs within New York State. Agriculture is a \$4.7 billion dollar industry in the state with 36,300 farms producing products such as apples, milk, cabbage, cottage cheese, grapes, wine, yogurt, maple syrup and cauliflower.
- Empire State Economic Development Fund is funded at **\$50.4 million** and provides capital for projects that retain or create jobs.
- Minority-and Women-Owned Business Development and Loan Program is funded at **\$1 million** and provides available capital to local funds that specialize in 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.

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's role should be to partner with the private sector to create growing local economies and to focus its incentives to support clusters such as emerging high tech industries in New York. The Committee supports legislation that focuses economic development efforts towards assisting companies that retain and create jobs and contribute to the economic stability and revitalization of 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 industries, supporting the growth of specialized clusters in growing fields of employment.

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. The focus on regionalization helps streamline the administration of programs and fosters better State and local partnerships. With the continued support of the Committee, Governor Cuomo has instituted a second round of the Regional Economic Development Councils. The 10 Councils spent all of 2011 developing innovative and comprehensive Strategic Plans for their respective regions. The Councils were awarded \$200 million in financial support in 2011 and will be awarded \$220 million in 2012 to further implement their updated Strategic Plan. They also played an important role in determining how millions in existing economic aid was awarded through the State's Consolidated Funding Application (CFA). This year's CFA funding will consist of up to \$750 million in state resources with the Councils again weighing in on applications in their region.

The Committee focused its efforts this year on initiatives that support emerging industries, enhance access to economic development programs, and promote research and development.

Establishing the Empire Revolving Bridge Loan Fund

A.540 (Magnarelli)

Reported and Referred to Ways and Means

This legislation creates the Empire Revolving Bridge Loan Fund within Empire State Development (ESD) for the purposes of providing financing to eligible construction projects that promote economic development. Upon the creation of 300 full-time jobs, eligible projects would receive funding through low interest loans. The Empire Revolving Bridge Loan Fund legislation is intended to encourage economic development activity in distressed areas within the State.

Creating the Technology Commercialization Partnership Program

A.599-A (Magnarelli)

Reported and Referred to Ways and Means

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

Promoting Farmers Markets and Access to Fresh Food

A.1319 (McEneny)

Reported and Referred to Rules

As the demand for locally grown fresh produce has increased, the public's demand for farmers markets has also increased. This legislation seeks to help meet the demand for farmers markets by allowing Empire State Development to issue grants that support the creation of new and urban farmers markets. The grants would assist with construction and start-up of eligible farmers markets.

Enacting the New York State Green Economic Development Zones

A.2219-E (Cusick)

Reported and 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 to spur economic development growth in areas related to the renewable energy industry.

Promoting Access to Healthy Food

A.2359-A (Gibson)

Passed Assembly

Many communities across New York lack the necessary, convenient access to the variety of healthy and fresh food that is essential for proper nutrition. This bill would provide loans and grants to businesses, municipalities, not-for-profit organizations or local development corporations for the purpose of attracting, maintaining or permitting the expansion of food retail establishments in underserved areas. To be eligible under the program, a food retail establishment would be required to offer for sale a minimum percentage of produce, meat, and other food items, be a participant in the Pride of New York Program, and accept electronic benefits through the Supplemental Nutritional Assistance Program.

Expanding the Linked Deposit Program

A.3139 (Schimminger)

Reported and Referred to Ways and Means

This legislation increases the authorized funding limit on deposit with the Linked Deposit Program from \$460 million to \$525 million. The Linked Deposit Program provides loans to eligible borrowers through private financial institutions at reduced interest rates.

Providing for Interest When Retainage is used in Construction Projects

A.5023 (Cusick)

Reported and Referred to Codes

This bill provides for agreed upon retainage between an owner and a contractor to be deposited in a separate interest bearing escrow account with a third party escrow agent.

Studying the State Regulatory System and Reaching Sustainable Development

A.5362-A (Kavanagh)

Reported and Referred to Ways and Means

This legislation establishes a sustainable development task force to study the feasibility of adopting a goal oriented and performance based regulatory system to achieve the goal of sustainable development. The legislation seeks to protect the State's resources through sustainable practices and innovation.

Codifying Previous NYSTAR Programs in Economic Development Law

A.8289-B (Schimminger)

Reported and Referred to Ways and Means

This bill codifies programs previously included under the auspices of the New York State Foundation for Science, Technology and Innovation (NYSTAR), which was merged into the Department of Economic Development in SFY 2011-2012. Such programs include the: Emerging Technology Industrial Classification, Centers for Advanced Technology, Regional Technology Development Centers, and the Science and Technology Law Center. It also consolidates and streamlines reporting requirements that were previously part of the NYSTAR program.

Supporting Job Creation through Small Businesses

A.8671 (Schimminger)

Reported and Referred to Ways and Means

This bill requires the Department of Economic Development and the Urban Development Corporation to give preferences to small businesses and entrepreneurs when administering economic development programs. Preferences include marketing to small businesses concerning availability of such programs and the awarding of at least 20 percent in program funds to small businesses.

Creating a Micro-Enterprise Development Program

A.8889 (Quart)

Reported and Referred to Ways and Means

This bill directs the Commissioner of the Department of Economic Development (DED) to create the Micro-Enterprise Development program. The Commissioner of DED would establish a micro-enterprise technical assistance and capacity building grant program. The technical assistance and capacity building grant program would distribute at least \$1 million annually to eligible micro-enterprise development organizations.

Creating the Cyber Security Research Institute

A.9663-A (Brindisi)

Chapter 503

As the cyber security industry grows, New York has the potential to be a leader in this emerging field. This legislation creates the Cyber Research Institute, an independent not-for-profit corporation, under the oversight of Empire State Development, at the Griffiss Business and Technology Park in Rome, New York. The Institute would collaborate with businesses and educational institutions, as well as the Griffiss Local Development Corporation, to promote linkages between the training, research, development, demonstration, and technology transfer resources between institutions working in the cyber security industry at the Griffiss Business and Technology Park.

IV. REFORMING THE ALCOHOL 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 continue modernizing the law and has specifically sought to reduce outdated and unnecessary restrictions in the law. The Committee also focused on quality of life issues including maintaining adequate control over problem establishments and ensuring community participation in the licensing process of retail establishments that serve alcohol beverages on premise.

The Committee will continue its review of the ABCL to ensure the Law is supporting a market that functions best for consumers and businesses. Since many of the ABCL's provisions have remained unaltered since the end of the Prohibition era, the State has a keen interest in continuing the identification of statutes in conflict with modern alcohol beverage industry standards. The Committee will continue to support 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.

Executive Authority for the Chairman of the State Liquor Authority

A.7016-B (Schimminger)

Chapter 118

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 State Liquor Authority for greater overall efficiency. This legislation expires three years after it is signed into law, allowing the Assembly to review its effectiveness.

Authorizing the State Liquor Authority to Issue Permits for Certain Events

A.7622-B (Magee)

Chapter 120

This legislation allows the State Liquor Authority to issue a temporary 24 hour permit to a winery to sell wine at an outdoor or indoor event, gathering, or function. The winery must produce 150,000 gallons of wine or less in order to be eligible for the temporary permit.

Extending Temporary Retail Permit Authorization

A.9454 (Schimminger)

Chapter 141

This bill extends authorization for the State Liquor Authority to issue temporary retail permits to applicants during the period the license application is pending. This measure significantly reduced the backlog of applications for retail permits and supports businesses by enabling them to open earlier.

Creating the Farm Brewery License

A.10694 (Magee)

Chapter 108

This innovative new law creates a farm brewery license modeled after the successfully enacted farm winery and farm distillery licenses. The farm brewery license allows a brewer to brew beer and cider and sets requirements that a certain amount of the ingredients of each beverage be sourced from within New York. The license also allows a brewer to open a restaurant, conference center, inn, bed and breakfast or hotel that serves beer brewed at the farm brewery. The licensee is allowed to brew up to 60,000 barrels annually and can also sell wines and spirits produced at a farm winery or distillery.

Balancing Protections for Small Brewers and Wholesalers

A.8962 (Brindisi)

Chapter 367

In the years since the Legislature last amended the Alcoholic Beverage Control Law, the brewing industry has evolved significantly. This law rebalances the relationship between small brewers and a wholesaler. It allows small brewers that brew less than 300,000 barrels annually and encompasses no more than three percent of the beer wholesalers' total annual brand sales to end a wholesaling contract with a wholesaler without seeking termination through a costly legal proceeding. It requires a payment equivalent to the fair market value of the distribution rights to the wholesaler and allows for an arbitration panel to review the fair market value. The law reinforces the Assembly's belief that small brewers are important job creators in New York today and supports them as they expand and seek access to new markets.

Allowing Certain Establishments to Apply for a Liquor License

A.9585 (Butler)

Chapter 319

This legislation provides an exemption to the Alcoholic Beverage Control Law which prohibits the location of a licensed establishment within 200 feet of a church or place of worship. The legislation is necessary to provide the New York State Liquor Authority flexibility to approve licenses when community support exists.

Allowing a Certain Establishment to Apply for a Liquor License

A.9589 (Cahill)

Chapter 421

This legislation authorizes the New York State Liquor Authority to consider an application for an establishment located within 200 feet of a church or place of worship.

Expanding Privileges to Members of Additional Veterans Organizations

A.10096 (Schimminger)

Chapter 328

This law allows members of the Sons of the American Legion and the American Legion Auxiliary to be served alcoholic beverages on the premises of a licensed club serving alcohol.

Making a Technical Correction to the Alcoholic Beverage Control Law

A.10190 (Schimminger)

Chapter 242

This law makes a technical correction that allows wholesalers to sell wine products under the terms of sale in §101-aa of the Alcohol Beverage Control Law.

Updating the Restaurant-Brewer License

A.10667 (Schimminger)

Chapter 366

This law updates and expands the restaurant-brewer or brewpub license. It amends the restaurant-brewer license to increase the maximum number of beer barrels brewed from 5,000 to 20,000 barrels at one location. It also allows beer brewed at any one of the brewpubs to be sold to other retail establishments owned by the brewpub licensee if the beer is sold through a licensed New York wholesaler.

Increasing the Number of Wine Auctions

A.9362-A (Paulin)

Chapter 445

As the demand for wine auctions increases, this legislation updates New York's Alcoholic Beverage Control Law to accommodate additional auctions. This bill authorizes 12 additional auction permits to a licensed wine auctioneer for a total of 24 auction permits annually. The current law provides that the State Liquor Authority may issue no more than 12 permits annually.

Providing Additional Information About An Applicant to Municipalities or Community Boards

A.583 (Lentol)

Passed Assembly

This legislation requires the State Liquor Authority to provide certain information to a municipality or community board concerning an exemption to the 500 foot rule. The 500 foot rule prohibits more than three licensed establishments within 500 feet. The rule was enacted to protect communities from over-saturation through effective community planning.

Requiring Notification of Public Hearings

A.584-A (Lentol)

Passed Assembly

This legislation establishes that the New York State Liquor Authority notify community boards and municipalities of any rescheduled 500 foot hearing. The 500 foot proceedings are required by law in an effort to assist localities and neighborhoods in planning and redevelopment.

Increasing Advanced Hearing Notice to Municipalities

A.675 (Lentol)

Passed Assembly

Alcoholic Beverage Control Law (SLA) prohibits the issuance of a liquor license to an establishment within 500 feet of three or more currently licensed establishments. However, legal exemptions to the rule require notification to the municipality or community board 15 days prior to a hearing. This legislation increases the notification period for a hearing from 15 days to 30 days, increasing the time allowed for input from municipalities and the public.

Allowing Non-Profits Additional Billing Time

A.1060 (Ortiz)

Reported and Referred to Rules

This legislation would provide not-for-profit establishments with a 30 day billing cycle for the purchases of alcoholic beverages. The additional time would give not-for-profits increased flexibility when it comes to the purchase of alcoholic beverages from a wholesaler.

Ensuring a Community Is Notified

A.1077 (Lentol)

Passed Assembly

In recent years, the Alcoholic Beverage Control Law has been reformed to ensure a community is properly notified when a new establishment serving alcohol opens. This legislation continues that trend by requiring that a notice be posted at the entrance of an establishment stating a liquor license application has been filed and the date of the public hearing on the matter. By providing widespread notification to a community, the State Liquor Authority

and local community board can better measure the community's reaction to the proposed establishment.

Encouraging Growth and Job Creation from Breweries, Wineries, and Distilleries

A.2412-B (Gabryszak)

Reported and Referred to Ways and Means

Breweries, wineries and distilleries represent a growing industry creating jobs around the State. This legislation provides that the New York State Liquor Authority include as one of its objectives, economic development and tourism. The legislation seeks to assist the State's growing niche markets such as farm breweries and distilleries, as well as encourage growth in more established markets such as wine production and export.

Rule Making Authority for the State Liquor Authority

A.3411-B (Schimminger)

Reported and Referred to Codes

The final report of the New York State 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, 2014.

Increasing Notification When a New Establishment Opens

A.3594-A (Glick)

Reported and Advanced to 3rd Reading

This bill increases community notification by requiring an applicant to post a notice and contact information for the State Liquor Authority within 10 days of filing a new or renewal application for a liquor license. It also requires an applicant to post a hearing notice at the entrance of an establishment applying for a liquor license, including a statement of the use and capacity of the establishment within 10 days of the applicant's hearing being scheduled.

Allowing a Certain Establishment to Apply for a Liquor License

A.4371 (Perry)

Reported and Referred to Codes

This legislation allows an establishment to apply to the State Liquor Authority for a license to sell alcoholic beverages. This legislation is necessary because an exemption is needed by certain establishments located within 200 feet of a place of worship.

Expanding the Offerings of Class C Distributors

A.5565-A (Heastie)

Passed the Legislature

This legislation authorizes class C distributors to offer additional items for retail sale under the Alcoholic Beverage Control law. The legislation will assist small New York State businesses by expanding diversity capability in the marketplace.

Authorizing Courts to Suspend a Driver's License

A.5722 (Schimminger)

Reported and Referred to Codes

This legislation would provide more stringent enforcement laws related to underage drinking and possession of marijuana. Currently, New York Courts are only authorized to issue an appearance ticket, followed by a fine, community service requirement, or completion of an alcohol awareness program. However, this legislation would authorize the suspension of the minor's license upon the refusal to appear in court or complete the court's requirements.

Notifying Local Communities About Establishments Serving Alcoholic Beverages

A.8524-B (Meng)

Reported and Referred to Codes

This legislation provides that upon the receipt of an application for a license or a renewal of a license to sell liquor for off-premise consumption within New York City, the applicant must notify the community board where the prospective licensed premises is to be located or where it is currently located. The notice must be sent via certified mail, return receipt requested, not less than 30 days prior to the submission of the application to the State Liquor Authority (SLA) for a license or for renewal. A community board may express an opinion for or against the issuance of the license and that opinion will be deemed part of the record upon which the SLA board makes its determination regarding the issuance of the license.

Allowing Roadside Farmers Markets to Sell Wine

A.9387 (Magee)

Reported and Referred to Codes

As New York's farm wineries grow, they are constantly searching for new venues to offer their wines. This legislation authorizes farm wineries to sell wine to roadside farm markets. It creates a new roadside farm market license that allows the sale of wine from up to two manufacturers located within 20 miles of the roadside market.

Allowing Supermarket Food Courts to Serve Beer and Wine

A.9505-B (Reilly)

Reported and Referred to Rules

This legislation allows a supermarket to serve beer and wine at its food court during the operation hours that a restaurant may serve alcoholic beverages. Supermarkets would be required to follow the same restrictions and laws that restaurants follow in regard to serving beer and wine. The bill also requires a follow-up study by the State Liquor Authority on the effects of making this change in policy.

Appointing Community Liaisons to Community Boards

A.9575-A (Moya)

Passed Assembly

This bill requires the State Liquor Authority (SLA) to appoint a community liaison to each community board in New York City. The liaison would ensure proper notifications regarding a license being filed, renewed, or issued with the SLA are also filed with the local community board. Upon request by the community board, a liaison will attend a community board meeting. The liaison would be responsible for the submission of community board recommendations to the SLA. The bill also requires at least 60 days notice to a community board prior to the submission of certain license applications with the SLA and at least 30 days notice to a community board with regard to a hearing on the 500 foot rule.

Streamlining Transportation Costs for Breweries

A.9643-A (Morelle)

Passed Assembly

This bill authorizes the State Liquor Authority to issue a company permit to a licensed brewer or beer wholesaler for an annual fee of \$6500. The permit would allow the licensee to transport alcoholic beverages for a contracted term in vehicles over 65,000 pounds. It streamlines transportation costs by allowing the brewer or beer wholesaler to contract with a greater variety of transportation companies that may be able to offer more cost effective transportation.

Improving Labeling Requirements When Wine Shipping

A.9789 (Schimminger)

Reported and Referred to Codes

This legislation requires shipping containers used to transport wine by out-of-state shippers to include specific labels. It also clarifies that identification be required during the delivery by all common carriers regardless of the mode of purchase.

Authorizing Farm Distillers to Sell at Farmers Markets and Fairs

A.9863 (Cahill)

Passed Assembly

This bill authorizes farm distilleries to sell at farmer markets and fairs. It modernizes the Alcoholic Beverage Control Law and gives farm distillers the same ability that a farm winery and brewer currently has. The State Liquor Authority would issue a permit to interested farm distilleries for off-premises sales at State and county fairs and farmer markets. A representative from the distillery must be present at the time of the sale and tastings would be limited to three samples of one quarter ounce per person.

Allowing Arenas and Stadiums to Serve Alcoholic Beverages Earlier

A.10030-B (Benedetto)

Reported and Advanced to 3rd Reading

This bill changes the current restriction on a stadium, arena, or place of entertainment in regards to serving alcoholic beverages on a Sunday. Venues with a seating capacity exceeding 18,000 would only be restricted from serving alcoholic beverages from 4 A.M. to 11 A.M. on a Sunday. This update to the Alcoholic Beverage Control Law would give attendees of a major sporting event on a Sunday afternoon the option of purchasing an alcoholic beverage beginning at 11:00 A.M.

Eliminating a Prohibition Era Requirement from the Alcohol Beverage Control Law

A.10617 (Schimminger)

Reported and Referred to Codes

This bill eliminates the requirement that a premise that sells alcohol for off-premise consumption must have a street level entrance. This requirement dates back to the original passage of the Alcoholic Beverage Control Law shortly after the Prohibition Era ended. The restriction's original intent was to curb illegal activity related to the Prohibition Era and the subsequent period of legalization and implementation.

V. PROTECTING CONSUMERS WHILE ASSISTING BUSINESSES

The Committee continues to regulate businesses to enhance public good and to support the State's market economy. In evaluating legislation, the Committee seeks to balance the legitimate concerns of the business community with those of consumers. The Committee supports legislation that avoids imposing burdens on businesses and protects consumer safety.

Prohibits the Sale of Fraudulently Labeled Electrical Cords

A.672-A (Jaffee)

Passed Assembly

This legislation requires merchants to sell only properly sourced electrical cords and raises awareness through education and training of the dangers associated with using fraudulently labeled electrical cords. It seeks to protect consumers from the dangers that may develop from the use of faulty electrical cords. The bill also provides fines for merchants found selling incorrectly marked electrical cords.

Reducing the Use of Abrasive Chemicals in Nail Polish

A.1473 (Rosenthal)

Reported and Referred to Codes

This bill would prohibit dibutyl phthalates, toluene, and formaldehyde chemicals in the manufacture, distribution or sale of nail polish or nail hardener. Exposure to these chemicals in high dosages is known to affect the nervous system and it is currently being phased out of some nail polishes but not all of them. This legislation also would protect workers in nail salons that could be exposed to these chemicals in a typical work shift.

Increasing the Penalties for Fraudulent Sales of Patriotic Items

A.1561 (Ortiz)

Reported and 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. The legislation seeks to protect organizations raising funds to benefit veteran populations.

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.

Protecting Consumers from Oil Spills

A.2918 (Pretlow)

Reported and Referred to Codes

This legislation requires oil delivery companies to clean up any spills that occur during delivery within 24 hours, including replacing any affected soil with new soil. It provides consumers with the right of a timely clean-up if an oil delivery company spills oil and sets up fines for violations of this provision.

Preventing Impersonation of a Law Enforcement Official

A.3261 (Pretlow)

Reported and Referred to Codes

This legislation would provide a penalty for the unlawful sale of law enforcement insignia. The legislation seeks to protect public safety issues concerning the fraudulent sale of law enforcement badges and emblems.

Protecting Consumers From Unscrupulous Second-Hand Precious Metal Dealers

A.4123 (Camara)

Reported and Referred to Codes

With the rising demand for precious metals, there has been an increase in unscrupulous dealers who fail to do proper due diligence on where an item comes from. This bill requires out of State second-hand precious metal dealers to register with the Department of State to conduct business, obtain the seller's name, address, telephone number, and electronic mail address, if available, as well as keep a photocopy of the seller's driver's license or identification card, and obtain the signature of a seller on a statement that asserts the person is the rightful owner of the precious metal being sold and the identity given is accurate. It also establishes that a violation would be a felony to deter second-hand precious metal dealers and individuals from dealing in stolen goods or merchandise.

Requiring Denatonium Benzoate in Engine Coolant

A.4332 (Millman)

Passed Assembly

This legislation requires that any engine coolant or antifreeze that contains more than 10 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.

Restricting Items Sold by Itinerant Vendors

A.5345-A (Schimminger)

Reported and 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 of such

products. The prohibited products include non-prescription drugs, cosmetics, and batteries. Baby food intended for children 2 years old or younger is also prohibited.

Prohibiting the Sale of Salvia Divinorum

A.5491-B (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 long-term effects of salvia divinorum are still being studied, it remains unregulated in federal law and is known to cause a hallucinogenic state. The legislation seeks to protect minors from the potentially dangerous effects of the substance.

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 metal would be increased as a means of increasing deterrence. In addition, the legislation would prohibit the sale of certain governmental, utility, and railroad items in an effort to further reduce illegal scrap metal transactions.

Prohibiting the Sale of Synthetic Cannabinoids

A.7324 (Zebrowski)

Reported and Referred to Codes

This legislation prohibits the sale and distribution of synthetic cannabinoids. Synthetic cannabinoids mimic the effects of marijuana and often contain a dangerous cocktail of chemicals that can harm individuals. The New York State Department of Health has currently banned them through regulation. The Assembly further addressed this issue by passing A.9855-A (Zebrowski), a Health Committee bill, which also restricts synthetic cannabinoids.

Protecting Consumers from Zone or Geographic Pricing

A.7775-B (Thiele)

Passed Assembly

This bill implements reforms to New York's current law prohibiting zone or geographic pricing of gasoline. It makes a series of technical amendments to the existing law including making the relevant geographic market the same as the terminal market. It also updates the definition of zone pricing as a price "based on the geographical location of the retail outlet within the relevant geographic market, without regard to the posted terminal price any additional costs

where the effect is to injure competition.” Updates to the existing law will better protect consumers from this practice.

Regulating Budget Planners

A.8212-B (Morelle)

Reported and Referred to Codes

In recent years, consumers have increasingly turned to debt settlement companies to negotiate a settlement to outstanding debts. This bill updates the regulation of budget planners, debt settlement companies, and credit counseling providers and increases disclosure requirements to consumers so they can make informed decisions. It also regulates fees that can be charged to consumers for the services of a budget planner. This bill further removes the limitation that budget planners must be a type B not-for-profit corporation and to provide consumers with more options when choosing a budget planner to work with.

Regulating Immigration Service Providers

A.10420 (Kavanagh)

Reported and Referred to Codes

This legislation would require immigration service providers to become licensed by the Department of State. The license would be in effect for a two-year period. In addition, the legislation would permit a civil action and authorize injunctive relief in cases where an aggrieved individual suffered due to a violation of the statute. The legislation seeks to reduce instances of fraudulent behavior by questionable service providers and increase protection of vulnerable immigration populations.

VI. 2012 PUBLIC HEARING

On December 17, 2012, the Assembly Standing Committee on Economic Development, Job Creation, Commerce and Industry held a public hearing to review the State Fiscal Year 2012-2013 budget. The witnesses discussed recent changes to the economic development programs and future changes planned for State Fiscal Year 2013-2014.

VII. OUTLOOK FOR 2013

The economic crisis beginning in 2007 has led to a lack of demand and declining sales for businesses and shrinking incomes and higher unemployment for consumers. The downturn has also led to a higher demand from businesses for economic development tax credits, loans, grants, and technical services that New York State offers to support its economy. In this environment, New York State's ability to provide these services has been tested as revenues declined and the costs of providing these tools and services increased.

The Committee will continue to evaluate existing programs and expand programs that will assist New York's economic recovery from the recession. The 2012 session included significant accomplishments, including a second round of the Regional Economic Development Council process, the Buffalo Regional Innovation Cluster, the Global 450 Consortium announcement and our support of legislation that continues to meet our goal of increased economic development activity and investments that will benefit all New Yorkers. During the 2013 Legislative Session, the Committee on Economic Development, Job Creation, Commerce and Industry will continue to address the economic crisis by remaining committed to enacting legislation which helps to retain and create jobs, with a persistent focus on expanding existing businesses and promoting emerging industries in New York.

The Committee will continue its focus on the review of the Alcoholic Beverage Control Law and continue to consider the recommendations offered by the Law Revision Commission in order to modernize New York's laws. The creation of the farm brewery license shows the Committee's ability to identify and report innovative legislation that will create new businesses across the State. Retaining a productive balance between the needs of the industry and consumers also remains a top priority for the Committee. The State Liquor Authority, with the Committee's help, has moved in the direction to create a diverse alcoholic beverage market in the State that supports the needs of consumers, retailers, manufacturers, and wholesalers.

Appendix A

**2012 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	4	0	4
To Ways and Means	13	0	13
To Codes	33	0	33
To Rules	2	0	2
To Judiciary	0	0	0
Passed Assembly			
Chaptered			
Vetoed			
Total	52	0	52
 Bills Having Committee Reference Changed			
To Consumer Protection			0
To Tourism			0
Total	0		0
 Senate Bills Substituted or Recalled			
Substituted		4	4
Recalled		1	1
Total		5	5
 Bills Defeated in Committee	1	0	1
Bills Never Reported, Held in Committee	53	0	53
Bills Never Reported, Died in Committee	140	16	156
Bills Having Enacting Clauses Stricken	9	0	9
Motions Discharge Lost	0	0	0
 Total Bills in Committee	254	21	275
Total Number of Committee Meetings Held	7		

APPENDIX B

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

2012 Bills Considered

Assembly Bill #	Senate Bill #	Last Action	Description
A.583 (Lentol)		Passed Assembly	Provides additional information about an applicant to the municipalities or community boards.
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.599-A (Magnarelli)	S.7290 (Parker)	Referred to Ways and Means	Creates the Technology Commercialization Partnership Program and removes the Incentive Program from the research development program.
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-E (Cusick)	S.5491-F (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.3411-B (Schimminger)	S.4190-A (Marcellino)	Referred to Codes	Grants the State Liquor Authority general rule making privileges.
A.4332 (Millman)	S.6246 (Alesi)	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.4711	S.4789	Referred to Codes	Provides for the sale, use, and

(Ramos)	(Lavalle)		storage of nitric acid.
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.5883-B (Peoples-Stokes)	S.1779-B (Perkins)	Passed Assembly	Regulates the sale of scrap metal.
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.
A.7622-A (Magee)	S.5240-A (Maziarz)	Passed Assembly	Authorizes the State Liquor Authority to issue temporary permits for certain events.
A.7953-A (Ortiz)	S.5408-A (Libous)	Referred to Codes	Requires a criminal background history check for prospective bouncers.
A.8212-A (Morelle)	S.5215-B (Griffo)	Referred to Codes	Updates the regulation of budget planners.

APPENDIX C

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

2012 Chapters

Assembly Bill #	Senate Bill #	Chapter	Description
A.584-A (Lentol)	S.575 (Klein)	185	Revises procedures for issuance of liquor licenses for on-premises consumption for premises within 500 feet of 3 or more existing premises.
A.7016-B (Schimminger)	S.4303-C (Marcellino)	118	Relates to the powers of Chairman and members of the Authority.
A.7622-B (Magee)	S.5240-B (Maziarz)	120	Authorizes the Liquor Authority to issue permits for certain events and under certain circumstances.
A.8962 (Brindisi)	S.1315 (Griffo)	367	Relates to agreements between brewers and beer wholesalers.
A.9362-A (Paulin)	S.6547-A (Marcellino)	445	Relates to wine and liquor auctions.
A.9454 (Schimminger)	S.6195 (Marcellino)	141	Extends provisions of Chapter 396 of the laws of 2010 relating to temporary retail permits.
A.10096 (Schimminger)	S.7252 (Marcellino)	328	Includes the Sons of the American Legion and the American Legion Auxiliary in the definition of "club," extending certain provisions to such groups.
A.10667 (Schimminger)	S.7216 (Grisanti)	366	Relates to where beer may be sold relating to brewpubs.
A.9585 (Butler)	S.6770 (Farley)	319	Authorizes certain premises to sell liquor.
A.9589 (Cahill)	S.6986 (Larkin)	421	Relates to a license to sell liquor at retail for consumption on certain premises.
A.9643-A (Morelle)	S.6341-B (Robach)	453	Authorizes the SLA to issue company permits for certain vehicles over sixty-five thousand pounds.

A.9663-A (Brindisi)	S.6762-A (Griffo)	503	Provides that the Urban Development Corporation shall establish a Cyber Research Institute to perform research and development in cyber security.
A.9863 (Cahill)	S.6426 (Bonacic)	484	Relates to the sale and production of liquor by farm distilleries.
A.10190 (Schimminger)	S.7207 (Marcellino)	242	Relates to the terms of sale of alcoholic beverages.
A.10684 (Magee)	S.7727 (Ritchie)	108	Creates a farm brewery license.