



Paul Zuber
Executive Vice President

Paul Zuber: NYS Senate SLA Public Hearing Testimony

Esteemed members of the committee,

My name is Paul Zuber, Executive Vice President of The Business Council of New York State Inc. Today, I stand before you to advocate for the urgent need to reform New York's archaic Alcohol Beverage Control (ABC) laws.

Let me start by saying the following, I believe that Commissioner Fan and her team at the New York State Liquor Authority have done a tremendous job. I have had the opportunity to speak with Commissioner Fan and her staff on several occasions. One thing has become very clear to me is that they understand that more than any other agency aside from DMV, the SLA is very much a customer service orientated agency. I have nothing but praise for the previous Commissioner and his staff but I truly believe that Commissioner Fan understand the customer service aspect of her agency and therefore she has worked hard to make the agency easier and more accessible to the public.

But in looking at the SLA we must take into account one very important factor, this is an agency that must interpret many section of the ABC law that were originally drafted immediately after Prohibition. Laws that were created during a time in which the marketplace was completely different. Thus there are many sections of the ABC Law that no longer fit the concerns and marketplace of the late 1930s. Thus, our first step in making the SLA more user friendly is to provide them with the help they need to amending sections of the law which are no longer relevant today.

When the 2021-2022 New York State Budget was adopted language was passed which created the Commission to Study Reform of the Alcoholic and Beverage Control Law. That commission was represented by a board group of interests, including The Business Council of New York State, whose members were appointed by the Governor, Speaker, Majority Leader and both minority leaders. The result of that commission was recommendations to make 18 changes to the current ABC Law after an exhaustive discussion between the commission members. These recommendations, which have yet to be passed by the New York State Legislature, mark small but significant changes to the ABC Law that will help the SLA enforce the law as well as business entrepreneurs to continue to grow their businesses in New York State.

Some of the changes recommended were simple and pragmatic such as giving the SLA more leeway in interpreting the "tied house" laws so specific economic development projects were not scuttled over a law that was simply designed to ensure that no one entity dominated the market. The "tied house" law is an important contract of the ABC Law is is necessary to this day, but the rigid interpretation which the SLA must adhere to hurts all New Yorkers by thwarting significant economic development projects.

Additionally, we ask the SLA to make determinations on the issuance of licenses to liquor stores but we also ask them to do so by interpreting a statute with no clear definition under the public convenience and advantage. Therefore we have had uneven decisions by the SLA over the years because there is no bright line definition as what constitutes public convenience and advantage. By simply switching to a standard of good cause for disapproval.

The Commission also looked at issue that would make sense from both and economic development and licensee friendly standpoint. One of those items is removing the restriction preventing liquor store owners from operating multiple locations. This law was intentionally created to curtail access to goods in neighborhoods, and is incredibly anti-competitive, discouraging new entrepreneurs from entering the market and suppressing existing retailers from innovating and expanding.

The process of acquiring a retail license is also outdated, with outsized power given to nearby competitors to oppose new applications, which they almost always do because well-financed family operations have found loopholes in the law to still own multiple locations.

My question is – what about everyone else? New York’s entrepreneurs should not have to face an uphill battle against these ‘family franchises’ to open a new business.

Changing the one-license rule would result in over 4,000 new jobs created, over \$100 million in additional tax revenues and nearly half a billion in new economic activity for New York State. We cannot ignore these benefits any longer.

I stand with the coalition of business groups and restaurant organizations advocating for ABC reform, New Yorkers Cheers for Change. Our vision is simple: put consumers and small businesses first by making smart, practical changes to existing laws.

This includes measures like allowance of temporary licenses, amending the 200- and 500-foot rule, and allowing restaurants and bars to buy directly from retailers when they need to. Streamlining permit applications and clarifying licensing procedures would reduce barriers for small businesses and entrepreneurs and promote a more efficient regulatory framework.

I urge the committee to heed the voices of small business owners and consumers alike. Let's embrace progress and usher in a new era of prosperity for New York's alcohol industry. The time for action is now.

Thank you for your attention, and I stand ready to answer any questions you may have.

