

---

# Empire State Restaurant & Tavern Association

---

*Report From The Executive Director...Scott Wexler*

## February 2022

Drinks-to-Go Campaign Kicks Off - Governor Hochul's proposal to allow restaurants, taverns, and other on-premises operators to sell drinks-to-go as part of the State Budget has re-started the discussion over this policy. The announcement was applauded by the public who celebrated the chance to once again get their favorite drinks for takeout. And businesses and employees cheered the additional revenue this would bring.

But New York's liquor store lobby has already begun a campaign of misinformation and distortion in an effort to block this popular proposal. Its basic premise is that allowing restaurants to sell drinks-to-go will result in a threat to the public health and that it will be economically devastating to liquor stores.

There is no evidence to support their claims about drinks-to-go posing a risk to public safety. And there's plenty of evidence to show that it's not a threat to liquor stores. It wasn't that long ago that liquor stores controlled two-thirds of the state's liquor sales. By 2019, just before the pandemic began, liquor stores sold 76% of all liquor in New York and last year they sold 85% - even with drinks-to-go allowed during most of this period. The data indicates that drinks-to-go will not put liquor stores in jeopardy.

The Governor's support for this proposal has had an immediate impact on the Legislature's response. Early reports suggest we're in a better position this year than last, but we continue to hear "concerns" about what this proposal will do to liquor stores in spite of all of the evidence that the stores are at no risk. It's a perfect example of the squeaky wheel getting the attention - even if what they say is untrue. The noise being generated by unhappy liquor store owners pushing a false narrative is drowning out our coherent, fact-based advocacy.

We're kicking off a campaign to counteract noisy liquor stores with a two pronged response. We held press conferences across New York State last week with the New York State Restaurant Association to start our effort to engage the public in this fight. The events are being held in Albany, Buffalo, Long Island, Queens, and Westchester to get to word out. Drinks-to-go is very popular with the public so we need them to speak up. The press events are being followed up by a social media campaign seeking to generate contacts to legislators from the public in support of drinks-to-go.

The public activation is being complemented by an industry grass roots effort. We've partnered with our colleagues at the New York State Restaurant Association to help you communicate your support for drinks-to-go to legislators. You can access the online tool by pasting <https://p2a.co/eUKJAXE> into your Internet browser (Chrome, Explorer, Safari, etc.). Contact our office if you'd prefer to write or call your legislators and we can provide you with their information.

As part of the budget, the Assembly and Senate will review the Governor's proposal and will communicate their position on key issues through their one-house budgets in the middle of March. That will set-off last minute negotiations to finalize agreements over the budget. If we do our work over the next 30 days, the Assembly and Senate will both include drinks-to-go in their budget proposals and then we can iron out the details as the budget negotiations come to a close. We'll report back on our progress next month.

Coalition Forms to Push for Higher Lottery Commissions - Year after year, New York's 14,600 licensed lottery sales agents -- bodegas, taverns, grocery stores, gas stations, liquor stores, newsstands, convenience stores, and other neighborhood businesses -- deliver the highest sales of traditional lottery games of any state in the union, generating billions of dollars to support public education. But the costs of selling and redeeming lottery tickets have risen sharply, far outpacing the modest growth in lottery commission income. Agents desperately need an increase in the commission rate, which has remained at 6 percent since the New York Lottery started in 1967.

When we approached the Division of the Lottery in the past seeking an increase in commission, they were less than receptive. Their answer has been consistent every time we've made the request -- lottery agents' commissions have gone up over the years as the sales of lottery tickets has increased and any increase in commission for agents means less money for education.

But the truth is that the increase in ticket sales and the accompanying commissions have not kept pace with the cost of operating a business that sells lottery tickets. And an increase in agents' commissions has no effect on education aid. The amount of education aid that is allocated to individual school districts is determined by the Legislature and the Governor -- not by lottery ticket sales.

We joined a coalition led by the New York Association of Convenience Stores including 14 trade associations whose members sell lottery tickets to seek an increase in lottery agent commission over the Division's objections. We wrote directly to Governor Hochul requesting she include a one percent increase in commission phased in over four years in her Executive Budget proposal. Now that her budget proposal has been released without a commission increase, we've taken our fight to the Legislature.

Please help convince the New York State Legislature to increase your lottery commission rate from 6% to 7% over the next four years. You can use NYACS' online messaging system by pasting <https://www.votervoice.net/NYACS/Campaigns/91060/Respond> into your browser so you can send a preloaded email message to your Senate and Assembly members urging them to ask their leaders to insert this overdue adjustment into the next state budget. It'll only take two minutes, but it will make a big difference!