
Empire State Restaurant & Tavern Association

Report From The Executive Director...Scott Wexler

May 2024

Safety Group 554 Dividend Announced for 2022-2023 Policy Year - The Empire State Restaurant & Tavern Association (ESRTA) Safety Group 554 and the New York State Insurance Fund announced a 37.5 percent dividend for the policy year September 30, 2022 to September 30, 2023. This marks the 30th consecutive year that Safety Group 554 has paid a dividend to its members. This dividend of 37.5 percent represents \$603,232 in premium dollars returned to members for the September 30, 2022 to September 30, 2023 policy term. With this payment, the 5-year dividend average is now 39.5%.

In addition, the maximum upfront policy discount available to Safety Group 554 members for the upcoming September 30, 2024 to September 30, 2025 period has been increased to 32.5 percent. The policy discount for each individual policyholder is determined by the policyholder's overall 5-year loss experience. The combination of upfront discount and year-end dividend equals as much as a 60% savings on workers' compensation insurance. This member benefit has more than delivered for our members!

In addition to the up-front discount and year-end dividend the State Insurance Fund's PayGo is available for the majority of NYSIF policyholders regardless of premium size. PayGo is an automated electronic payment option that relies on real-time payroll to calculate your workers' compensation premium payments.

You can save even more by taking advantage of our New Member Referral Program. Current Association members can receive a \$50 credit on their dues invoice for each new member they refer to the association. And current members of Safety Group 554 who refer a new member to the group will receive a 10% credit on their Group Manager's Fee for the next billing cycle for every new safety group member they refer, in addition to the \$50 new member referral credit.

Liquor License Backlog Improving - State Liquor Authority Chair Lily Fan reported at a Board meeting this month that the Authority has made progress with the long delays in reviewing licenses, permits, and renewals. While far from declaring victory, Fan indicated that the average time to process a license has declined by more than 26% statewide. The Committee to Address the Backlog of License Applications, formed in November has made a significant dent in the problem, According to the SLA they've reduced on-premises application processing times by 38% in Zone 2 and 25% in Zone 3.

The committee has been extremely busy, reviewing more than 1350 applications since their formation. Nearly half the applications have been approved with the others referred to the regular licensing review process due to being incomplete, needing consideration by the full board, or are not eligible for the expedited processing. Because of the committee's progress reducing the backlog, the Full Board voted to continue its work for another six months.

While reports of progress are encouraging, the fact that problems persist year-after-year make you wonder if the SLA can ever get its head above water. SLA Chair Fan is committed to that goal and she has our support. Hopefully the Executive Chamber and Legislature are on the same page.

Bill Authorizing Liquor Store Purchases Advances - The Senate Investigations and Government Operations Committee approved our bill to allow restaurants and taverns to make limited purchases from liquor stores earlier this month. The bill has advanced to the Senate Floor Calendar where it is eligible to be voted on at any time. The Senate, you'll recall, included this proposal in their one-house budget bill, so they're already on record supporting it.

The Governor and the State Liquor Authority support this bill too. During the budget deliberations the Governor's office made clear their willingness to accept the Senate's position to include this proposal in the budget. And State Liquor Authority Chair Lily Fan has been working as hard, if not harder, than us to get this bill passed. The Authority understands the exorbitant split case and delivery fees charged by the liquor wholesalers and, since the wholesalers refused the work with the SLA to address these concerns, agree this approach is the best option available.

Our proposal fell out of the budget because of objections from the Assembly and they're standing in the way of getting this done through the legislative process. They've raised concerns about tax evasion by restaurants and bars, claiming this could lead to a loss of \$45 million or more in sales tax revenue. They claim licensees making purchases from liquor stores would avoid paying taxes on the drinks served with this liquor. They also have a series of questions about price discrimination, the delinquency list, illegal credit card purchases, and the destruction of the three-tier system.

The Assembly's concerns didn't come from out of the blue. They were fed these objections by Empire, Southern, and DIAGEO – yes, that's right DIAGEO has joined in the opposition. These huge companies are working together to preserve their outrageous pricing practices. And the liquor store associations are standing on the sidelines afraid to tick off their suppliers or to admit they sell to restaurants and bars on a regular basis.

There are three weeks remaining in the legislative session and we're making a final push to get this bill across the finish line. We're working with our colleagues in the NYC Hospitality Alliance, the NYS Latino Restaurant Bar & Lounge Association, and the NYS Restaurant Association to make the case for the legislature to protect small business owners and not the greedy liquor wholesalers. We've gotten this proposal further this year than in the past, but "close" doesn't do you any good – we've got to get it done!