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# Empire State Restaurant & Tavern Association

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

## January 2025

Governor Proposes Additional Funding for the State Liquor Authority - Governor Kathy Hochul unveiled her Executive Budget this month and included \$4.9 million in additional funding to support increased staffing levels and to improve the functionality of the SLA's online licensing system. The increased funding will support 28 new positions in the agency's Licensing, Wholesale, and Legal Bureaus.

The additional licensing staff will assist the Authority in reviewing the growing number of license and permit applications being filed and improve licensing operations and customer service to businesses applying for licenses. The new funding will also support the SLA's legal and compliance activities related to agency litigation and disciplinary cases, as well oversight of wholesalers/manufacturers. This should result in operational efficiencies and improvements that will benefit businesses across the State.

The budget did not include any proposals to modernize the laws governing the sale of alcohol beverages. We were not expecting the Governor to include our proposal allowing restaurants and taverns to make limited purchases of wine & spirits from liquor stores. While the Governor's office reiterated their support for our proposal this fall, the SLA is still looking at certain technical changes that may be needed. Nor were we surprised that the Governor passed on adding Wine in Groceries to her budget proposal. However, given Governor Hochul's interest in the hospitality industry, it's unusual she doesn't have a key initiative benefiting our businesses.

Executive Budget Proposes Solution to Business Headache - State law requires manual workers to be paid weekly, with some exceptions and allows for 100 percent of liquidated damages for certain wage claims, with a six-year statute of limitations. A 2019 court case held that that manual workers who received full pay, at least semi-monthly, but were paid late in violation of the weekly frequency of payment provision of the Labor Law, have a private right of action and can recover liquidated damages for untimely payment of wages. This has resulted in certain workers being awarded liquidated damages for up to six years of their wages for untimely payment, even if they were paid in full and on a semi-monthly schedule.

The Governor's proposal would clarify the damages manual workers may recover if they were not paid weekly pursuant to the relevant provisions of the Labor Law. It would make first-time violations subject to 100 percent of the lost interest due for delayed payment, second-time violations subject to 300 percent of the lost interest due for delayed payment and allow for liquidated damages equal to 100 percent of the total amount of wages due for a third or subsequent violation for employees within the same manual work classification.