

Alcoholic Beverage Licenses

Civil Administrative Penalties which the State Liquor Authority May Impose Against the Alcoholic Beverage License Holder

In connection with a violation of law, the State Liquor Authority may impose civil administrative penalties against a licensee. Penalties which may be imposed against the holder of a retail beverage license include revocation, cancellation, or suspension of the alcoholic beverage license; a civil money penalty of up to \$10,000; a bond claim of up to \$1,000; and a two-year ban against future licensure of the building containing the licensed premises.

Alcoholic Beverage Control Law §112 - Bonds of licensees and permittees – The liquor authority may require licensees or permittees to file a bond to the people of the state of New York in such penal sum as the liquor authority may prescribe, conditioned that such licensee or permittee will not suffer or permit any violation of the administrative laws and that all fines or penalties will be paid, together with all costs taxed or allowed in any action for a violation of these laws. A suit to recover on any bond may be brought by the liquor authority or by any aggrieved party in a court of competent jurisdiction and in the event that the licensee or permittee has violated any of the conditions of the bond, recovery for the penal sum of such bond may be had in favor of the people of the state.

Alcoholic Beverage Control Law §113 – Premises for which no license shall be granted:

1. Where a license has been revoked, the liquor authority may refuse to issue a license for a period of 2 years after such revocation for such licensed premises or for any part of the building containing such licensed premises and connected therewith.
2. In determining whether to issue such license during the 2 year period, the liquor authority shall, in the case of a license revoked due to the illegal sale of alcohol to a minor, determine whether the proposed subsequent licensee has obtained such premises through an arm's length transaction, and, if such transaction is not found to be an arm's length transaction, the liquor authority shall deny the issuance of such license.

3. An “arm’s length transaction” means the sale of all or divided interest in real property, or lease of any part thereof, in the open market, between an informed and willing buyer and seller where neither is under any compulsion to participate in the transaction, unaffected by any unusual conditions indicating a reasonable possibility that the sale was made for the purpose of permitting the original licensee to avoid the effect of the revocation. The following sales shall be presumed not to be arm’s length transactions unless adequate documentation is provided demonstrating that the sale or lease was not conducted, in whole or in part, for the purpose of permitting the original licensee to avoid the effect of revocation:
- a. A sale between relatives;
 - b. A sale between related companies or partners in a business; or
 - c. A sale or lease affected by other facts or circumstances that would indicate that the sale or lease is not entered into for the primary purpose of permitting the original licensee to avoid the effect of the revocation.