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Bulletin #338  
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STATE OF NEW YORK  
LIQUOR AUTHORITY

TO: ALL MANUFACTURERS AND WHOLESALERS OF BEER, LIQUOR AND WINE;  
RETAILERS OF LIQUOR AND WINE, AND BEER

SUBJECT: CASH PAYMENT UNDER PROVISIONS OF SECTION 101-a, SUBD. 11 AND  
101-aa, SUBD. 1-g.

Section 101-a subdivision 11 of the Alcoholic Beverage Control law reads as follows, and Section 101-aa subdivision 1-g is substantially the same:

"Whenever used in this section, "cash" means and includes currency and coin of the United States of America, certified check, money order, bank officer's check or draft, or a check drawn on the account of the retail licensee payable to the manufacturer or wholesaler and dated no later than the date of delivery of the alcoholic beverages and which is honored upon presentment for payment, provided however, if any check or other instrument described herein tendered by a retail licensee on the delinquent list is not honored upon presentment for payment, the license of such retail licensee may be suspended for not more than fifteen days for the first offense and not more than sixty days for a subsequent offense which penalty shall be in addition to the penalty provided for by the provisions of subdivision six of this section; and provided further, that nothing herein contained shall require a manufacturer or wholesaler to accept a check tendered by or drawn on the account of a retail licensee on the delinquent list unless the same has been certified."

The foregoing amendment permits a manufacturer or wholesaler to accept a check drawn on the account of a retail licensee payable to said manufacturer or wholesaler in payment for deliveries of alcoholic beverages made on a C.O.D. basis to a retailer whose name appears on the Delinquent List provided, that the check is dated no later than the date of the delivery of the alcoholic beverages.

Manufacturers, wholesalers and retailers are cautioned that such checks may be accepted as "cash payment" only where the check is drawn on the account of the retail licensee and the second party checks may not be accepted as "cash payment" even though such checks may be the personal check of an officer of a licensee corporation.

Where a check drawn in conformance with the above is tendered to a manufacturer or wholesaler as "cash payment" and such check is not honored upon presentment to the bank for payment, said manufacturer or wholesaler shall be required to submit a report in writing concerning the same to the appropriate Zone Office of the Authority. Such report shall be submitted within three business days after the manufacturer or wholesaler has received notice that the check was not honored when presented to the bank for payment and should be accompanied by a photostat of both sides of the check. This report shall be in addition to the usual notification of nonpayment for purchase of alcoholic beverages required by Section 101-a.

The amendment also provides that where such a check tendered in payment of alcoholic beverages by a licensee on the Delinquent List is not honored upon presentment for payment, the license of such retail licensee may be suspended for not more than fifteen days for the first offense and not more than sixty days for a subsequent offense. This penalty is in addition to any other penalty that may be imposed in accordance with the provisions of subdivision six of Section 101-a which prescribes that for any other violation of this section of the Law, a license may be suspended for a period not more than five days for the first offense and not more than thirty days for a subsequent offense.

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