



NEW YORK STATE SENATOR

Liz Krueger

Senator Liz Krueger: Delighted her "Wine Industry and Liquor Store Revitalization Act" legislation has been included in the Governor's Proposed Budget

LIZ KRUEGER January 19, 2010

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(Albany, New York)--Senator Liz Krueger praised the Governor today for including her proposal to give liquor stores the opportunity to fairly compete for business by eliminating antiquated and unnecessary prohibition era regulations. The proposal will increase the opportunities for wine sales in supermarkets, thereby supporting our valuable grape and wine industry, while increasing overall state revenues. Senator Krueger has long been an advocate for this proposal and along with Assemblymember Morelle has carried almost identical legislation to the Governor's budget proposal called the Wine Industry and Liquor Store Revitalization Act (S5787/A8632).

"I applaud the Governor for including this initiative as a part of his budget proposal," said Senator Krueger. "Current law regarding wine and liquor sales reduces consumer choice by imposing limits on access to wine which are found in few other states. It also hurts New York's growing wine industry by making it harder for them to market their products."

During the last year's budget negotiations a more limited proposal was discussed but failed as it did not address the larger inequities in the wine and liquor industry. Under current law

a liquor store can sell a bottle of wine but not a gift basket, soda, or any food products.

Liquor store owners can't own more than one store, nor can they form buying pools like food stores to increase their negotiating power with their distributors. These rules serve to limit opportunities for liquor store owners, making their concern about protecting their exclusive rights to sell wine, one of the few products they were allowed to sell, very understandable.

Stated Senator Krueger, "This proposal addresses the problems for all the players. Like last year's bill it increases state revenue by allowing grocery stores to pay the state for the right to sell wine, but just as importantly, it addresses the anti-competitive business regulations imposed on liquor stores."

The key provisions of the Governor's proposal:

- Allows liquor stores to sell items complementary to their business, gift baskets, mixers and sodas, and food products;
- Allows liquor stores to sell directly to restaurants and other retailers;
- Expands legal operating hours for liquor stores;
- Allows liquor stores to form cooperative for joint purchasing, which will create opportunities to take advantage of volume discounts;
- Allows liquor store owners to operate more than one store;
- Creates a medallion system enabling liquor store owners to auction off their existing licenses to the highest bidder;
- Allows grocery stores and drug stores to sell wine for off premises consumption;
- New funds will be dedicated to promote and brand New York wines.

"If New York is going to have a vibrant economy, it has to find creative solutions to plug the budget gaps while at the same time supporting local businesses," said Senator Krueger.

“Grocery stores and liquor stores provide jobs and contribute to the economic stability of a community. New York wineries are a growing part of the agriculture industry in our state. We must make sure this proposal is included as part of the final budget.”