



NEW YORK STATE SENATOR

Thomas F. O'Mara

Should New York State allow the sale of wine in grocery stores?
O'Mara, others say yes (Update: see June 2nd Corning Leader
editorial in support)

THOMAS F. O'MARA June 2, 2011

| ISSUE: **ECONOMIC DEVELOPMENT**



Albany, N.Y.—State Senator Tom O’Mara (R-C, Big Flats) and Assemblyman Joseph D. Morelle (D-Irondequoit) have introduced new legislation to rekindle a decades-old debate in the Legislature: should New York State allow the sale of wine in grocery stores?

With the state facing ongoing economic and fiscal challenges, and stressing the role that agriculture and tourism will play in any hoped-for revival of the upstate economy, the legislators said that New York has to finally stop turning its back on the move. It’s a proposal that they and other supporters believe would create thousands of new jobs statewide; stand as a source of long-term economic strength for two of New York’s leading industries, agriculture and tourism; offer consumers choice, convenience, and lower prices for a popular product; and generate hundreds of millions of dollars in new revenue for state and local governments at a time when its most needed.

The lawmakers sponsored a May 23rd roundtable discussion in Albany on their legislation (A.7659/S.5358), the “Wine Industry and Liquor Store Development Act.” At today’s roundtable legislators, winemakers, consumer advocates, members of the food industry, representatives of the agricultural and tourism industries, and other statewide business leaders highlighted the economic, fiscal, and consumer benefits of authorizing wine sales in New York’s grocery stores, convenience stores, and other outlets currently licensed to sell beer.

[\[watch Senator O'Mara's opening statement at the May 23rd roundtable\]](#)

[\[view the May 23rd roundtable in its entirety\]](#)

"For the sake of consumers, growers, our economy and our fiscal stability, this is the right thing to do," Morelle said. "What we're proposing has been successful in many other states, and it will create new market opportunities for all involved. This is a chance to expand New York's job base and realize hundreds of millions of dollars in additional state revenue, and we should take it."

"I look forward to an open and frank discussion on this issue which would have such a positive economic impact, especially across upstate New York. This is an opportunity to create thousands of jobs, strengthen key upstate industries, and generate significant new revenue without raising taxes or borrowing," said O'Mara, noting a February 2011 economic analysis by Archstone Consulting that expanding wine sales would create more than 7,500 new jobs statewide in wine production, sales and distribution.

That same analysis estimated that the move would generate \$346.7 million in new revenue in the first year after its enactment through franchise and license fees, excise taxes, and sales taxes. It's expected to generate up to \$71 million in annual revenues in following years.

Acknowledging the strong and organized opposition by the state's liquor store owners that has consistently kept the proposal bottled up in the Legislature, O'Mara and Morelle noted that a cornerstone of their new legislation would lift Prohibition-era restrictions on New York's liquor store owners and open up new avenues of economic opportunity for them. Among other provisions, it would allow liquor store owners to own more than one store, sell products directly to restaurants and bars, expand the number of products they're allowed to sell, and join cooperatives.

At one time behind only California in terms of wine production, New York is now the nation's third-largest wine producer. The top two producers, California and Washington respectively, are among the 35 states that allow the sale of wine in grocery stores.

According to the New York Wine and Grape Foundation, New York's 255 wineries annually produce 40 million gallons of wine and generate over \$420 million in sales. Approximately 950 grape growers produce 160,000 tons of grapes annually. Overall the grape and wine industries account for more than 15,000 livelihoods in nearly every region of the state.

"The bill is good for the industry, good for business, good for government and good for wine drinkers," the *Corning Leader* wrote in a June 2nd editorial [see the full *Leader* editorial attached below]

"Like a good wine, sometimes a piece of legislation improves with age. So it is with a proposal to sell wine in groceries stores and some other establishments in New York," [the Albany Times Union wrote in an editorial in support of the legislation's enactment on May 25th.](#)