



Legislation Text

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Res. No. 294

Resolution calling upon the New York State Legislature to pass and the Governor to enact legislation permitting reciprocal, direct-to-consumer wine shipment in and out of New York State.

By Council Members Reed, Brewer, Stewart, Comrie and Weprin

Whereas, New York is the second largest wine market in the nation, home to extremely sophisticated wine consumers; and

Whereas, New York State ranks third nationally in wine production, boasting nearly 1,000 family-owned vineyards and producing roughly 100,000,000 bottles of wine annually; and

Whereas, The grape and wine sector is the fastest growing industry in agriculture and tourism in New York, generating some \$40 million annually; and

Whereas, The current Alcohol Beverage Control Law prohibits the direct shipment of out-of-state wine to consumers in New York; and

Whereas, Because many states have reciprocal wine shipping requirements, this law effectively bars New York vineyards from shipping their wines directly to consumers around the country; and

Whereas, The majority of New York State wineries are too small to partner with wine distributors or wholesalers and are thus unable to sell their wines to out-of-state consumers; and

Whereas, In 1995, both the State Senate and Assembly passed legislation to allow direct wine sales to New York consumers by out-of-state wineries from states that give the reciprocal right to New York wineries; this bill was vetoed by the Governor; and

Whereas, Wine makers and wine connoisseurs alike have continued to call for such legislation in recent

years; and

Whereas, New York is the largest wine producing State in the nation that does not allow direct shipment; and

Whereas, Governor Pataki's 2004-2005 budget proposal includes provisions to allow reciprocal direct-to-consumer wine shipment in and out of New York; and

Whereas, The proposal would allow adults 21 or older to have up to two cases of wine delivered to their homes each month for personal use and would charge a license fee and taxes for out-of-state wineries shipping into New York; and

Whereas, The New York Division of the Budget estimates that such a system would raise about \$2 million in 2004 and 2005 and more money in following years; and

Whereas, New York Senators Schumer and Clinton, along with United States Representatives from around New York State, have called on the State Legislature to pass the proposed legislation; and

Whereas, The Federal Trade Commission recently issued an independent economic analysis of prohibitions against direct shipment of wine and found that such prohibitions are anticompetitive, result in higher prices for consumers, and that permitting the direct shipment of wine to consumers does not yield problems related to underage drinking or tax evasion; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass and the Governor to enact legislation permitting reciprocal, direct-to-consumer wine shipment in and out of New York State.

3.25.2004