S T A T E O F N E W Y O R K

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2011-2012 Regular Sessions

I N S E N A T E

May 3, 2011

Introduced by Sens. YOUNG, MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business

AN ACT to amend the economic development law, in relation to establishing the New York wine council program

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Legislative findings and purposes. The legislature finds that while New York is the second leading state for consumption of wine and the third leading state in production, there is no formal entity charged with promoting New York wines to their fullest potential. Other leading states, such as California, Washington and Virginia, spend millions of dollars promoting wines produced in their states while New York, with its considerable consumer market right in New York city, spends relatively little. The result has been that the wine industry has developed primarily as a tourism-focused industry. In the past 5 years, the number of high quality producers of fine wine has grown dramatically, and they face challenges in bringing a virtually unknown high quality product to market. This is a critical point in the development of the fine wine industry in New York. Expanded market access is needed if the industry is going to continue to grow.

The legislature further finds and recognizes that an important step in strengthening the agricultural and economic potential of New York's fine wine industry is to encourage the long term operation of a wine council, representative of all regions of the fine wine manufacturing industry for the purpose of conducting an extensive and coordinated promotional program intended to stimulate and centralize the New York fine wine manufacturing industry. The focus of the wine council will be to develop markets in major metropolitan areas for the sale of fine New York state wines. This will foster growth in the wine manufacturing sector and bring new money into New York from other states.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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In contrast with many tourism marketing efforts, the New York wine council will be accountable for results and charged with reporting on the effects of its efforts. Key performance indicators and metrics will be developed for annual reporting to the legislature and the governor. The economic impact of the marketing efforts will be measurable and reported annually.

S 2. The economic development law is amended by adding a new article 5-F to read as follows:

ARTICLE 5-F

NEW YORK WINE COUNCIL PROGRAM

SECTION 181-F. SHORT TITLE.

181-G. GENERAL POWERS AND DUTIES OF THE COMMISSIONER.

181-H. NEW YORK WINE COUNCIL.

S 181-F. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "NEW YORK WINE COUNCIL PROGRAM".

S 181-G. GENERAL POWERS AND DUTIES OF THE COMMISSIONER. THE COMMISSIONER SHALL DEVELOP AND IMPLEMENT A NEW YORK WINE PROMOTION PROGRAM. THE NEW YORK WINE COUNCIL SHALL DEVELOP A MARKETING STRATEGY PURSUANT TO THIS PROGRAM THAT SHALL PROMOTE NEW YORK AS A PREMIERE PRODUCER OF HIGH QUALITY WINES.

S 181-H. NEW YORK WINE COUNCIL. 1. THE COMMISSIONER, IN ACCORDANCE WITH THIS PROGRAM, SHALL CAUSE TO BE DEVELOPED A NEW YORK WINE COUNCIL TO BE TASKED WITH BRANDING, MARKETING AND PROMOTING FINE NEW YORK STATE WINES. THE NEW YORK WINE COUNCIL SHALL CONSIST OF AN EXECUTIVE DIRECTOR AND A BOARD OF DIRECTORS TO BE APPOINTED AS FOLLOWS: ONE MEMBER SHALL BE APPOINTED BY THE GOVERNOR, FOR THE PURPOSE OF PROVIDING FEEDBACK TO THE EXECUTIVE AND LEGISLATIVE BRANCHES, ONE MEMBER WILL BE APPOINTED BY THE NEW YORK WINE AND GRAPE FOUNDATION, FOR THE PURPOSE OF COORDINATING WITH THE NEW YORK WINE AND GRAPE FOUNDATION'S TOURISM AND AGRICULTURAL PROGRAMS. EACH OF THESE APPOINTED BOARD MEMBERS WILL BE EX OFFICIO MEMBERS AND WILL HAVE NO VOTING RIGHTS. THE REMAINING VOTING MEMBERS OF THE COUNCIL SHALL INCLUDE ONE REPRESENTATIVE FROM A RESTAURANT ASSOCIATION WITHIN NEW YORK STATE, ONE REPRESENTATIVE FROM A NEW YORK STATE WINE RETAILER ORGANIZATION AND WINERY REPRESENTATIVES. THE WINERIES SHALL BE REPRESENTATIVE OF THE SIX WINE GROWING REGIONS IN NEW YORK STATE: LONG ISLAND, HUDSON VALLEY, THE FINGER LAKES, THOUSAND ISLANDS/ADIRONDACKS/CENTRAL NEW YORK, LAKE ERIE, AND NIAGARA. THE WINERY BOARD MEMBERS WILL BE ELECTED BY NEW YORK WINE COUNCIL MEMBERS IN EACH REGION. EACH REGION WILL HAVE ONE VOTING REPRESENTATIVE FOR UP TO FORTY MEMBER WINERIES. IF A REGION HAS MORE THAN FORTY MEMBERS, THIS WOULD EQUAL TWO REPRESENTATIVES, WHICH WILL BE THE MAXIMUM NUMBER FROM ANY REGION. IF NEW REGIONS ARE DEVELOPED AND RECOGNIZED, THEY SHALL BE ADDED TO THE BOARD. THE REGIONAL MAP WILL BE UPDATED ANNUALLY. THE BOARD MEMBERS REPRESENTING WINE RETAILERS AND RESTAURANTS WILL BE ELECTED BY THE WINERY MEMBER BOARD. THE MEMBERS OF THE COUNCIL SHALL RECEIVE NO COMPENSATION FOR THEIR SERVICES AS MEMBERS OF THE COUNCIL, BUT EACH SHALL BE ALLOWED THE NECESSARY AND ACTUAL EXPENSES WHICH HE OR SHE SHALL INCUR IN THE PERFORMANCE OF HIS OR HER DUTIES.

2. WINERY MEMBERSHIP WILL BE DEFINED AS MEMBERS IN GOOD STANDING PER THE BYLAWS OF THE NEW YORK WINE COUNCIL. EACH MEMBER WILL CONTRIBUTE ANNUAL DUES TO THE COUNCIL TO BE DETERMINED BY THE BOARD OF DIRECTORS.

3. THE EXECUTIVE DIRECTOR OF THE NEW YORK WINE COUNCIL SHALL HAVE PREVIOUS EXPERIENCE IN MARKETING WINE, EVENT PLANNING AND BRAND MANAGEMENT AND WILL BE APPOINTED BY THE BOARD OF DIRECTORS, DECIDED BY MAJORITY VOTE. THE EXECUTIVE DIRECTOR WILL SERVE AS AN "AT WILL" EMPLOYEE AT THE DISCRETION OF THE BOARD OF DIRECTORS.

4. THE NEW YORK WINE COUNCIL IS CHARGED WITH CREATING BRAND RECOGNITION FOR FINE NEW YORK WINES. IN DOING SO THEY SHALL WORK TO MARKET NEW YORK STATE LABELED WINE BOTH WITHIN AND OUTSIDE OF NEW YORK STATE WITH THE GOAL OF PROMOTING FINE NEW YORK STATE WINES.

5. THE NEW YORK WINE COUNCIL SHALL, BY DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN SUBMIT A PRELIMINARY REPORT TO THE GOVERNOR AND LEGISLATURE WITH AN ASSESSMENT OF MARKETING AND PROMOTION STRATEGIES TO IMPLEMENT THIS ARTICLE.

S 3. This act shall take effect immediately.