

# STATE OF NEW YORK

4772--A

2017-2018 Regular Sessions

## IN SENATE

February 28, 2017

Introduced by Sens. HELMING, AKSHAR, VALESKY -- (at request of the Legislative Commission on Rural Resources) -- read twice and ordered printed, and when printed to be committed to the Committee on Commerce, Economic Development and Small Business -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the economic development law, in relation to establishing the New York craft beverage council

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The economic development law is amended by adding a new  
2 article 5-F to read as follows:

### ARTICLE 5-F

#### NEW YORK CRAFT BEVERAGE COUNCIL PROGRAM

3 Section 181-f. Short title.

4 181-g. Definitions.

5 181-h. General powers and duties of the commissioner.

6 181-i. New York craft beverage council.

7 § 181-f. Short title. This article shall be known and may be cited as  
8 the "New York craft beverage council program".

9 § 181-g. Definitions. The following terms shall have the following  
10 meanings for the purposes of this section:

11 1. "Winery" shall mean a business that produces wine.

12 2. "Distillery" shall mean a business that produces spirits.

13 3. "Microbrewery" shall mean a business that produces craft brews.

14 4. "Cidery" shall mean a business that produces cider.

15 5. "Beer distributor" shall mean a business that sells craft brews to  
16 the public and delivers craft brews to retailers.

17 6. "Brew pub" shall mean a pub or restaurant that brews beer on the  
18 premises.

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

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1 7. "Cider" shall mean the partially or fully fermented juice of fresh,  
2 whole apples or other pome fruits, containing more than three and two-  
3 tenths per centum but not more than eight and one-half per centum alco-  
4 hol by volume.

5 8. "Farm distillery" shall mean a distillery with a Class D license.

6 § 181-h. General powers and duties of the commissioner. The commis-  
7 sioner shall develop and implement a New York craft beverage program.  
8 The New York craft beverage council shall develop a marketing strategy  
9 pursuant to this program that shall promote New York as a premiere  
10 producer of high quality wines, spirits, ciders and craft brews.

11 § 181-i. New York craft beverage council. 1. (a) The commissioner, in  
12 accordance with this program, shall cause to be developed a New York  
13 craft beverage council to be tasked with branding, marketing and promot-  
14 ing fine New York state wines, spirits, ciders and craft beverages. The  
15 New York craft beverage council shall be managed by and its powers,  
16 functions and duties shall be exercised through a board of directors.

17 (b) The initial board of directors shall consist of ten members: six  
18 of which shall be appointed by the governor; two of which shall be  
19 appointed by the temporary president of the senate; and two of which  
20 shall be appointed by the speaker of the assembly. Of the ten members,  
21 one shall be an officer or owner of a winery, one shall be an officer or  
22 owner of a distillery, one shall be an officer or owner of a microbrew-  
23 ery, one shall be an officer or owner of a liquor store, one shall be an  
24 officer or owner of a beer distributor, one shall be an officer or owner  
25 of a cidery, one shall be an officer or owner of a farm distillery, one  
26 shall be an officer or owner of a brew pub, one shall be the owner or  
27 officer of a restaurant licensed to sell fine New York wines, spirits,  
28 ciders and craft brews, and one shall be a person familiar with the  
29 advertising, promotion and marketing of commercial products. The direc-  
30 tors so appointed shall serve a term of three years, except that, of the  
31 directors so appointed by the governor, temporary president of the  
32 senate and speaker of the assembly, the owner or officer of a distil-  
33 lery, the owner or officer of a beer distributor and the owner or offi-  
34 cer of a restaurant shall serve for one year, the owner or officer of a  
35 brewery, the owner or officer of a liquor store and the owner or officer  
36 of a brew pub shall serve for two years, and the owner or officer of a  
37 winery, the owner or officer of a cidery, the owner or officer of a farm  
38 distillery and the person familiar with advertising, promotion and  
39 marketing of commercial products shall serve for three years.

40 (c) The chair of the urban development corporation shall serve as  
41 chair of the council.

42 (d) Membership will be defined as members in good standing per the  
43 bylaws of the New York craft beverage council. Each member will contrib-  
44 ute annual dues to the council to be determined by the board of direc-  
45 tors.

46 (e) The executive director of the New York craft beverage council  
47 shall have previous experience in marketing craft beverages, event plan-  
48 ning and brand management and will be appointed by the board of direc-  
49 tors, decided by a majority vote. The executive director will serve as  
50 an "at will" employee at the discretion of the board of directors.

51 (f) If any vacancy other than by expiration of term occurs on the  
52 board amongst those first appointed such vacancy shall be filled by  
53 appointment for the unexpired term by the appointing authority initially  
54 appointing such member. Upon expiration of the initial terms, successors  
55 shall be elected by the remaining members of the board for a three year

1 term; such directors shall have the qualifications required of the  
2 original directors.

3 Members shall continue as such until their successors have been duly  
4 elected.

5 (g) Members of the board of directors shall serve without compen-  
6 sation, but shall be reimbursed for actual expenses reasonably incurred  
7 in the performance of their duties.

8 (h) The board shall meet four times annually at the call of the chair-  
9 man or in his or her absence the vice chairman or on petition of any  
10 three members. A majority of the members of the board then in office  
11 shall constitute a quorum for the transaction of any business. The board  
12 is encouraged to conduct its meetings in a manner which will ensure the  
13 active participation of any person having an interest in the craft  
14 beverage industry.

15 (i) The New York craft beverage council is charged with creating brand  
16 recognition for fine New York wines, spirits, ciders and craft brews. In  
17 doing so they shall work to market New York state labeled craft beverag-  
18 es both within and outside of New York state with the goal of promoting  
19 New York craft beverages.

20 (j) The New York craft beverage council shall, by one year following  
21 the effective date of this article, submit a preliminary report to the  
22 governor and the legislature with an assessment of marketing and  
23 promotion strategies to implement this article.

24 2. (a) (i) Regional advisory boards shall be established, whose  
25 members shall work with the New York craft beverage council. There shall  
26 be five regional members of the advisory board for each region estab-  
27 lished pursuant to this section. For each region, one regional member  
28 shall be appointed by the governor, two regional members shall be  
29 appointed by the temporary president of the senate, and two regional  
30 members shall be appointed by the speaker of the assembly. Regional  
31 advisory board members shall have the qualifications required of the  
32 board of directors.

33 (ii) Regional members shall not be considered to be members of the  
34 council for purposes of participation in council meetings, except where  
35 items relating specifically to that member's region are on the agenda of  
36 a council meeting.

37 (b) For the purposes of this article, there shall be ten regions:

38 (i) Western New York, consisting of Allegany, Cattaraugus, Chautauqua,  
39 Erie and Niagara counties;

40 (ii) Finger Lakes, consisting of Genesee, Livingston, Monroe, Ontario,  
41 Orleans, Seneca, Wayne, Wyoming and Yates counties;

42 (iii) Southern Tier, consisting of Broome, Chemung, Chenango, Dela-  
43 ware, Schuyler, Steuben, Tioga and Tompkins counties;

44 (iv) Central New York, consisting of Cayuga, Cortland, Madison, Onon-  
45 daga and Oswego counties;

46 (v) Mohawk Valley, consisting of Fulton, Herkimer, Montgomery, Oneida,  
47 Otsego and Schoharie counties;

48 (vi) North Country, consisting of Clinton, Essex, Franklin, Hamilton,  
49 Jefferson, Lewis and St. Lawrence counties;

50 (vii) Capital Region, consisting of Albany, Columbia, Greene, Sarato-  
51 ga, Schenectady, Rensselaer, Warren and Washington counties;

52 (viii) Mid-Hudson, consisting of Dutchess, Orange, Putnam, Rockland,  
53 Sullivan, Ulster and Westchester counties;

54 (ix) New York City, consisting of Bronx, Kings, New York, Richmond and  
55 Queens counties;

56 (x) Long Island, consisting of Nassau and Suffolk counties.

1 (c) Regional advisory board members shall serve without compensation,  
2 and shall have their principal residence within the region for which  
3 they are appointed. Such regional advisory board members may solicit  
4 input from stakeholder interests within their region, including but not  
5 limited to local governments, community organizations, chambers of  
6 commerce, beverage distributors, wineries, distilleries, cideries,  
7 microbreweries, restaurants, and consumers and shall transmit to the  
8 council a report containing any recommendations specific to their region  
9 one hundred eighty days following the effective date of this section.

10 § 2. This act shall take effect immediately.