

## VETO MESSAGE:

VETO MESSAGE - No. 73

TO THE SENATE:

I am returning herewith, without my approval, the following bill:

Senate Bill Number 6213, entitled:

"AN ACT to amend the alcoholic beverage control law, in relation to exemption of certain parcels of land"

NOT APPROVED

New York State maintains a three-tier system regulating the manufacture, distribution and retail sale of alcoholic beverages, and it has been the State's longstanding policy to separate alcohol manufacturers, distributors and retailers to prevent coercive market behaviors that have occurred in the past. There have been exceptions to this policy when it has been shown that allowing manufacturers or wholesalers to have an interest in a retail entity promotes economic development and/or tourism purposes, but those exceptions have been rare.

This bill would amend the Alcoholic Beverage Control Law ("ABC Law") to exempt the owner of two premises from the requirement that manufacturers and wholesalers of alcoholic beverages remain disinterested in retail establishments. In particular, this bill would allow the Hyde Park Brewing Company, which is a microbrewery in the Town of Hyde Park, to engage in manufacturing and wholesale beer operations, while the Skytop Steakhouse and Brewing Company in the Town of Ulster, which is owned by the same party, would continue operating as a retail licensee, (including the sale of products manufactured in Hyde Park). However, apparently there have been brewing operations at the Town of Ulster location, despite a deed restricting prohibiting the manufacturing of

alcohol at that site. Brewing operations in contravention of the deed restriction could be a violation of ABC Law Section 64-c(6).

I certainly recognize the desire of the sponsors of this bill to help small businesses expand their operations, which is a goal that I support. However, as noted above, exemptions from the statutory prohibitions are granted only rarely, and it would not appear that an exemption is warranted in these circumstances, particularly given the significant questions relating to the owner's current operations at the Town of Ulster location.

The bill is disapproved.

(signed) ELIOT SPITZER

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