

Is Paterson Hiding Numbers on Wine In Grocery Stores?

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by Samuel Newhouse
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Is Gov. David Paterson hiding damaging statistics about a bill that would let Brooklyn grocery stores start selling wine? One group of local businesses says he is - and is demanding that the truth be revealed.

The Last Store on Main Street coalition's claim that Paterson is hiding the budget reality of his proposal to legalize wine sales in grocery stores stems from the cancellation of an economic impact study. This study was to be conducted by the chairman of the New York State Law Review Commission on the State Liquor Authority, respected Brooklyn Law School professor Robert Pitler.

The state Department of Budgets (DOB) ordered the commission to cease and desist with the independent economic study, Prof. Pitler confirmed to the Eagle.

The Last Store coalition has argued since the proposal first appeared last year that it will have an extremely damaging effect on wine stores statewide. The group adds that according to an industry study, the proposal would lose 4,500 jobs and put 40 percent of stores out of business.

The coalition also claims that state projections of a \$300 million tax revenue increase from expanding wine sales to grocery stores are inaccurate and unsupported - and that Paterson killed this study so the truth wouldn't come out.

"It's clear the DOB killed the study because they feared it would undercut any argument in favor of the job-killing plan to legalize wine sales in 19,000 new outlets," stated Jeff Saunders, founder of the Last Store coalition and president of the Retailers Alliance.

The Last Store on Main Street coalition formed in opposition to proposals, supported by Gov. Paterson last year, to change New York state's to allow grocery stores to sell wine. Currently, wine can only be sold in wine and liquor stores in New York state.

The coalition says the Senate Democratic majority and Assembly Democratic majority have rejected the plan, "recognizing that the revenues are phony, that it would crush mom-and-pop stores and increase underage drinking."

"Governor Paterson likes to criticize the legislature, but the record shows he has relied on phantom revenue projection over and over again," said Stefan Kalogridis, a coalition leader and president of the New York State Liquor Association. "There is simply no way the state would raise \$300 million from this bad idea, and clearly no justification to back up that number."

However, Prof. Pitler told the Eagle he believed the Department of Budget canceled the study he was supposed to lead purely for financial reasons, as part of across-the-board slashes in state spending. "I don't think it had anything to do with the substance of what we were trying to do," Prof. Pitler said. "It wasn't, 'Whoops, they're stopping the study because we're going to find something we don't want.'"

Pitler said that at the hearing, state Sen. Craig Johnson asked him directly if the study had been canceled to conceal the potential economic effects of the bill.

"I paused and said, 'No, I'm not prepared to say that,'" Pitler said. "It was just money."