

January 9, 2020

**SENATE BILL NO. 3509**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I herewith return Senate Bill No. 3509 without my approval.

This bill would increase the annual dedication of revenues to the "New Jersey Wine Promotion Account" in the Department of Agriculture. New Jersey's Wine Promotion Account promotes New Jersey wine and supports the research and development of wine-making in the State. Presently, the Wine Promotion Account receives 53.7% of the total tax revenue collected on the sale of wines, vermouth, and sparkling wines. The remaining revenue is deposited into the General Fund. This bill would increase the allocation by 46.3%, dedicating the entirety of the tax revenue generated by the sale of wines, vermouth, and sparkling wine to the Wine Promotion Account.

Since assuming office, my Administration has been a proud advocate for New Jersey's burgeoning wine industry. In collaboration with my colleagues in the Legislature, I have signed into law two important measures to support and grow New Jersey viticulture. The first, P.L.2019 c.241, established a marketing and advertising campaign in the Department of Transportation to raise awareness of New Jersey's diverse viticulture attractions. The "Viticulture Trail Sign Program" guides residents and visitors to wineries located throughout our great State. The second, P.L.2019 c.34, established a loan program to assist wineries and vineyards with capital expenses that is critical to the growth and success of the industry. Beyond these legislative actions, the First Lady and I have demonstrated our strong personal commitment to - and, enjoyment of - New Jersey's high quality wines by

exclusively serving New Jersey wines at Drumthwacket receptions and events.

While I fully support New Jersey's wineries and vineyards and am committed to this vital component of New Jersey's agricultural industry and its undeniable contributions to our dynamic tourism economy, I cannot endorse this legislation. The more appropriate approach to dealing with funding choices such as those contemplated in this bill is through the annual budget process. Funding decisions should not be made in a vacuum or through an ad hoc approach that segregates certain tax revenue and dedicates it to a particular purpose without consideration of the broader process of allocating resources to the competing programs, services, interests, and obligations of the State that our taxpayers ultimately fund. I am confident, however, that the actions my partners in the Legislature and I have already taken to support and promote New Jersey's wineries and vineyards will help ensure the growth and well-being of the industry without the additional funding provided by this bill.

Accordingly, I herewith return Senate Bill No. 3509 without my approval.

[seal]

Respectfully,

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor