

1 AN ACT relating to regulatory licensing fees.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 →Section 1. KRS 243.075 is amended to read as follows:

- 4 (1) (a) A city with a population of less than twenty thousand (20,000) based upon the
5 most recent federal decennial census, ~~for~~ a county that does not contain a city
6 with a population equal to or greater than twenty thousand (20,000) based
7 upon the most recent federal decennial census, or a county that contains a
8 city authorized to impose a fee under subsection (9) of this section, that is
9 wet through a local option election held under KRS Chapter 242 is authorized
10 to impose a regulatory license fee not to exceed five percent (5%) upon the
11 gross receipts of the sale of alcoholic beverages of each establishment located
12 in the city or county licensed to sell alcoholic beverages.
- 13 (b) The regulatory license fee may be levied at the beginning of each budget
14 period at a percentage rate that is reasonably estimated to fully reimburse the
15 local government for the estimated costs of any additional policing,
16 regulatory, or administrative expenses related to the sale of alcoholic
17 beverages in the city and county.
- 18 (c) The regulatory license fee shall be in addition to any other taxes, fees, or
19 licenses permitted by law, except:
- 20 1. A credit against a regulatory license fee shall be allowed in an amount
21 equal to any licenses or fees imposed by the city or county pursuant to
22 KRS 243.060 or 243.070; and
- 23 2. In a county in which the city and county both levy a regulatory license
24 fee, the county license fee shall only be applicable outside the
25 jurisdictional boundaries of those cities which levy a license fee.
- 26 (2) (a) A city or county that is moist through a local option election held under KRS
27 242.1244 may by ordinance impose a regulatory license fee upon the gross

- 1 (b) Regulation; and
2 (c) Administration;
3 as a result of the sale of alcoholic beverages within the city or county.
- 4 (5) (a) The Alcoholic Beverage Control Board shall promulgate administrative
5 regulations which set forth the process by which a city or county, in the first
6 year following the discontinuance of prohibition, may estimate any additional
7 policing, regulation, and administrative expenses by a city or county directly
8 and solely related to the discontinuance of prohibition. This subsection shall
9 apply to any discontinuance of prohibition occurring after the promulgation of
10 administrative regulations required by this subsection.
- 11 (b) After the first year, the regulatory license fee for each subsequent year shall
12 conform to the requirements of subsection (4) of this section.
- 13 (6) The revenue received from the imposition of the regulatory license fee authorized
14 under subsections (1) and (2) of this section shall be:
- 15 (a) Deposited into a segregated fund of the city or county;
16 (b) Spent only in accordance with the requirements of subsections (1) and (2) of
17 this section; and
18 (c) Audited under an annual audit performed pursuant to KRS 43.070, 64.810,
19 and 91A.040.
- 20 (7) Any city or county found by a court to have violated the provisions of this section
21 shall:
- 22 (a) Provide a refund as determined by the court to any licensee that has been
23 harmed in an amount equal to its prorated portion of the excess revenues
24 collected by the city or county that are directly attributable to a violation
25 occurring after July 15, 2014;
26 (b) Be responsible for the payment of the reasonable attorney fees directly
27 incurred by a party to a litigation in an amount ordered by the court upon its