

AN ACT relating to the serving of alcoholic beverages.

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

➔ Section 14. KRS 244.090 is amended to read as follows:

- (1) A person holding any license shall not knowingly employ in connection with the licensed business any person who:
 - (a) Has been convicted of any felony within the last two (2) years;
 - (b) Has been twice convicted of any misdemeanor or offense directly or indirectly attributable to the use of alcoholic beverages within the last two (2) years;
 - (c) Is under the age of twenty (20) years, unless the person is employed:
 1. By~~[In a bottling house or room of]~~ a licensed distiller, winery, brewer,~~[or]~~ rectifier, **manufacturer, wholesaler, or distributor and the employment duties do not involve the retail sale to a consumer or serving of alcoholic beverages;**
 2. ~~[In an office of a wholesaler or manufacturer that is maintained in a building separate from the warehouses or factory;~~
 3. ~~]~~ **By a business holding**~~[At premises licensed]~~ only~~[with]~~ a nonquota retail malt beverage package license, and the person employed to sell malt beverages is at least eighteen (18) years of age and under the supervision of a person twenty (20) years of age or older; or
 - 3.~~[4.]~~ **By any**~~[In any of the following establishments, if the employment is in a capacity that does not involve the sale or serving of alcoholic beverages:~~
 - a. ~~A]~~ restaurant **or**~~[that derives at least fifty percent (50%) of its food and alcoholic beverage sales from the sale of food for consumption on the licensed premises; or~~
 - b. ~~Any]~~ other **business whose**~~[establishment with]~~ alcoholic beverage sales **do** not **exceed**~~[exceeding]~~ fifty percent (50%) of its gross sales; **and**
 - a. **The person employed to sell or serve alcoholic beverages is at least eighteen (18) years of age and under the supervision of a person twenty**

(20) years of age or older; or

b. The employment duties do not involve the retail sale or serving of alcoholic beverages; or

- (d) Within two (2) years prior to the date of the person's employment, has had any license issued under KRS Chapters 241 to 244 or under any other act or ordinance relating to the regulation of the manufacture, sale, or transportation of alcoholic beverages revoked for cause.
- (2) The provisions of paragraphs (a) and (b) of subsection (1) of this section shall not apply if the employee's duties do not involve the sale, service, delivery, or traffic in alcoholic beverages at the licensed premises.
- (3) Violation of this section shall subject both employer and employee to penalties provided in this chapter and shall be cause for revocation of license.

➔ Section 2. KRS 211.285 is amended to read as follows:

- 1) There is hereby created the malt beverage educational fund which shall provide moneys on a matching basis for scholarships for qualifying Kentucky residents to the extent funds are available, as well as providing moneys for educational information and material that deter or eliminate underage drinking.
- 2) The corporation's board of directors shall create a scholarship committee consisting of members of the alcohol industry who contribute to the fund. The scholarship committee shall establish criteria for receipt of the scholarship, and receive applications for, consider, and award scholarships supported by the fund subject to approval by the corporation's board of directors.

3) Upon enrollment in any Kentucky post-secondary university, college, trade, technical, or vocational school or program, recipients of scholarships from the fund shall be eligible for an internship with a member of the alcohol industry contributing to the fund while enrolled in such school or program.

~~4) The fund shall consist of moneys generated from one percent (1%) of the excise tax collected from the sale and distribution of malt beverages under KRS 243.720 and one percent (1%) of the whole sale tax collected from distributors of malt beverages and microbreweries under KRS 243.884.~~

4)

5) The malt beverage educational fund shall be established in the State Treasury as a trust and revolving account under KRS 45.253. Moneys in the account shall be distributed by the State Treasurer to the Malt Beverage Educational Corporation, a nonprofit organization that is organized under the laws of this state, upon the authorization of the secretary of the Cabinet for Health and Family Services. The moneys shall be awarded to the corporation solely to fund educational programs to deter or eliminate underage drinking for the purposes set forth in subsections (1) and (8) of this section.

~~2)~~

4)6) The secretary of the Cabinet for Health and Family Services shall authorize that moneys from the fund be disbursed to the corporation upon the secretary's receipt of a certification from the corporation showing the moneys the corporation has received from malt beverage distributors, microbreweries, and other private sources during that period. The moneys in the fund shall be disbursed in accordance with a schedule established by the secretary and shall be disbursed until the moneys in the fund are exhausted or until the moneys in the fund lapse in accordance with subsection (4) of this section, whichever comes first.

5)7) Moneys that are credited to the fund and not issued to the corporation shall lapse at the end of the fiscal year and shall be returned to the general fund.

7)8) As a condition of receiving the governmental funds, the corporation's board of directors shall include the following among its directors:

- b)a) The Governor or his or her designee;
- e)b) The Attorney General or his or her designee;
- d)c) The President of the Senate or his or her designee;
- e)d) The Speaker of the House or his or her designee;
- f)e) The secretary of the Cabinet for Health and Family Services or his or her designee; and
- g)f) The commissioner of the Department of Alcoholic Beverage Control or his or her designee.

8)9) All expenditures of moneys from the fund shall be approved by most of those persons set out in subsection (5)(a) to (f) of this section. If the moneys from the fund are not expended in their entirety, any moneys that remain unused by the corporation at the end of the fiscal year shall be returned to the general fund.

10) Any moneys from the fund that are not expended shall be returned to the general fund upon the dissolution of the corporation.

11) Any high school in the Commonwealth of Kentucky that was registered with the Department of Education as of July 1, 1997, may make an application to the Malt Beverage Education Corporation by February 28 of each year and shall be granted ~~a minimum of~~ *a maximum of* five hundred dollars (\$500) annually from the funds contributed by the malt beverage educations fund for the single purpose of supporting “Project Graduation” events.

Effective: July 14, 2018

History: Amended 2018 Ky. Acts ch. 16, sec. 5, effective July 14, 2018. – Amended 2010 Ky. Acts ch. 24, sec. 308, effective July 15, 2010. – Amended 2005 Ky. Acts ch. 99, sec. 352, effective June 20, 2005. – Created 1998 Ky. Acts ch. 225, sec. 1, effective July 15, 1998.