

CHAPTER 315**(HB 855)**

AN ACT relating to the grape and wine industry.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

(1) *The Kentucky Grape and Wine Council, created in Section 4 of this Act to promote and facilitate the development of a grape, grape products, and wine industry, may:*

(a) *Conduct and contract with others to conduct research on grapes, grape products, and wine in Kentucky and elsewhere for use in Kentucky, including but not limited to:*

- 1. *Methods of marketing, market development, and distribution;***
- 2. *Methods of storage, refrigeration, processing, and transportation;***
- 3. *Methods of production and product development;***
- 4. *Methods of agronomic, enological, and viticultural practices to improve these practices in Kentucky; and***
- 5. *Economic benefits and impact from the industry;***

(b) *Publish and provide and contract with others to publish and provide wholesalers and retailers in the Kentucky grape, grape products, and wine industry with information on proper methods of handling and selling grapes, grape products, and wine;*

(c) *Publish and provide and contract with others to publish and provide producers of Kentucky grapes, grape products, and wine, as well as the general public, with information relating to Kentucky grapes, grape products, and wine; and*

(d) *Design and implement or contract with others to design and implement activities relating to Kentucky grapes, grape products, and wine including but not limited to:*

- 1. *Market surveys and analyses;***
- 2. *Industry promotion programs;***
- 3. *Market maintenance and expansion plans;***
- 4. *Education programs;***
- 5. *Public relations programs;***
- 6. *Economic impact analyses; and***
- 7. *Other analysis or research relating to the promotion and sale of Kentucky grapes, grape products, and wine.***

(2) *The Kentucky Grape and Wine Council, to the extent that funds are available, shall:*

(a) *Promote the sale of grapes, grape products, and wine for the purpose of maintaining and expanding present markets and creating new markets for Kentucky grapes, grape products, and wine for the maximum economic impact on the agricultural economy of Kentucky;*

- (b) *Inform the public, producers, and vendors about Kentucky grapes, grape products, and wine, including uses and benefits of these products;*
- (c) *Advise the Commissioner to:*
 - 1. *Expend moneys from the Kentucky Grape and Wine Council fund created in Section 3 of this Act to carry out the duties and recommendations of the council; and*
 - 2. *Hire staff to carry out the duties and recommendations of the council; and*
 - 3. *Promulgate administrative regulations to carry out the duties and recommendations of the council;*
- (d) *Coordinate with the Kentucky Department of Agriculture and other state agencies in carrying out these duties; and*
- (e) *Report annually to the Governor and the General Assembly on the activities of the Kentucky Grape and Wine Council.*

SECTION 2. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

The Commissioner shall, to the extent that funds are available and with the advice and recommendation of the council:

- (1) *Receive and disburse funds from the Kentucky Grape and Wine Council fund created in Section 3 of this Act;*
- (2) *Hire staff to carry out the duties and recommendations of the council;*
- (3) *Promulgate administrative regulations to carry out the duties and recommendations of the council;*
- (4) *Assist in the preparation of the annual report of the council; and*
- (5) *Monitor the activities of the council to ensure timely performance of the duties of the council under Section 1 of this Act.*

SECTION 3. A NEW SECTION OF KRS CHAPTER 260 IS CREATED TO READ AS FOLLOWS:

There is established and created in the State Treasury, a fund entitled the "Kentucky Grape and Wine Council fund" to provide funds to offset the costs of the Kentucky Grape and Wine Council. The fund may receive state appropriations, gifts, grants, federal funds, and any other funds both public and private. Money deposited in the fund shall be disbursed by the State Treasurer upon the warrant of the Commissioner of Agriculture or the Commissioner's representative. Any unallocated or unencumbered balances in the fund shall be invested as provided in KRS 42.500(9), and any income earned from the investments along with the unallotted or unencumbered balances in the fund shall not lapse, and shall be deemed a trust and agency account and made available solely for the purposes and benefits of the Kentucky Grape and Wine Council.

Section 4. KRS 260.165 is amended to read as follows:

- (1) The **Kentucky Grape and Wine Council**~~Industry Advisory Committee~~ is hereby created within the Department of Agriculture. The purpose of the **council**~~committee~~ shall be to

promote and facilitate the development of a grape industry in the Commonwealth of Kentucky.

- (2) The ***council***~~{committee}~~ shall be composed of the Commissioner of Agriculture, or his designee, and ***nine (9)***~~{six (6)}~~ members appointed by the Governor. Of the ***nine (9)***~~{six (6)}~~ gubernatorial appointments, the Governor ***shall***~~{is encouraged to}~~ appoint one (1) from ***a*** list of three (3) candidates submitted by the director of the University of Kentucky Agriculture Experiment Station, one (1) from a list of three (3) candidates submitted by the secretary of the Tourism Development Cabinet, ***three (3) winery operators*** and two (2) ***grape producers*** from a list of ***ten (10)***~~{three (3)}~~ candidates submitted by the Kentucky Vineyard Society ***and the Kentucky Grape and Wine Council***.
- (3) The appointed members shall serve for terms of four (4) years and until their successors are appointed and qualify. The ***council***~~{committee}~~ shall select a chairman and shall meet at the times and places that he designates. ***Five (5)***~~{Four (4)}~~ members present at any meeting shall constitute a quorum. Upon the written request of any ***five (5)***~~{three (3)}~~ members, the chairman shall call a meeting of the ***council***~~{committee}~~ at the time and place requested.
- (4) Members shall receive no compensation but shall be reimbursed, payable from the ***Kentucky Grape and Wine Council fund***~~{Division of Markets}~~, for any actual ***travel*** expense incurred ***while attending meetings of the council***~~{in performing their duties}~~.

Approved April 11, 2002