

**CHAPTER 20****(HB 466)**

AN ACT relating to alcoholic beverages.

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

SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO READ AS FOLLOWS:

- (1) *A supplemental bar license shall authorize the licensee to sell or serve distilled spirits or wine by the drink at retail for consumption on the licensed premises from an additional location other than the main bar of an existing retail drink licensed premises. A supplemental bar license is a nonquota license and shall not be transferable to other premises.***
- (2) *A supplemental bar license shall not be issued unless:***
  - (a) *The licensee applies to the state distilled spirits administrator and meets all requirements for obtaining a supplemental bar license; and***
  - (b) *The licensee pays the applicable license fee prescribed in KRS 243.030(8), (17), (23), (29), (35), or (43).***
- (3) *A licensee authorized to sell and serve malt beverages may sell and serve malt beverages at any location on the licensed premises without obtaining a supplemental bar license.***

Section 2. KRS 241.010 is amended to read as follows:

As used in this chapter and in KRS Chapters 242 and 243, unless the context requires otherwise:

- (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from whatever source or by whatever process it is produced.**
- (2) "Alcoholic beverage" means every liquid or solid, whether patented or not, containing alcohol in an amount in excess of more than one percent (1%) of alcohol by volume, which is fit for beverage purposes. It includes every spurious or imitation liquor sold as, or under any name commonly used for, alcoholic beverages, whether containing any alcohol or not. It does not include the following products:**
  - (a) Medicinal preparations manufactured in accordance with formulas prescribed by the United States Pharmacopoeia, National Formulary, or the American Institute of Homeopathy;**
  - (b) Patented, patent, and proprietary medicines;**
  - (c) Toilet, medicinal, and antiseptic preparations and solutions;**
  - (d) Flavoring extracts and syrups;**
  - (e) Denatured alcohol or denatured rum;**
  - (f) Vinegar and preserved sweet cider;**
  - (g) Wine for sacramental purposes;**
  - (h) Alcohol unfit for beverage purposes that is to be sold for legitimate external use; and**
  - (i) Malt beverages, containing not more than three and two-tenths percent (3.2%) of alcohol by weight, in territory that has voted to allow the sale thereof.**

- (3) "Board" means the State Alcoholic Beverage Control Board created by KRS 241.030.
- (4) "Bottle" means any container which is used for holding alcoholic beverages for the use and sale of alcoholic beverages at retail.
- (5) "Brewer" means any person who manufactures malt beverages or owns, occupies, carries on, works, or conducts any brewery, either by himself or by his agent.
- (6) "Brewery" means any place or premises where malt beverages are manufactured for sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards, and storerooms connected with the premises; or where any part of the process of the manufacture of malt beverages is carried on; or where any apparatus connected with manufacture is kept or used; or where any of the products of brewing or fermentation are stored or kept.
- (7) "Building containing licensed premises" means the licensed premises themselves and includes the land, tract of land, or parking lot in which the premises are contained, and any part of any building connected by direct access or by an entrance which is under the ownership or control of the licensee by lease holdings or ownership.
- (8) "Cabinet" means the Revenue Cabinet unless the context requires otherwise.
- (9) ***"Caterer" means a corporation, partnership, or individual that operates the business of a food service professional by preparing food in a licensed and inspected commissary, transporting the food and alcoholic beverages to the caterer's designated and inspected banquet hall or to a location selected by the customer, and serving the food and alcoholic beverages to the customer's guests.***
- (10) "Charitable organization" means a nonprofit entity recognized as exempt from federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec. 501(c)) or any organization having been established and continuously operating within the Commonwealth of Kentucky for charitable purposes for three (3) years and which expends at least sixty percent (60%) of its gross revenue exclusively for religious, educational, literary, civic, fraternal, or patriotic purposes.
- ~~(11)~~~~(10)~~ "Cider" means any fermented fruit-based beverage containing more than one-tenth of one percent (0.1%) alcohol by volume and includes hard cider and perry cider.
- ~~(12)~~~~(11)~~ "City administrator" means city alcoholic beverage control administrator.
- ~~(13)~~~~(12)~~ "Commissioner" means the commissioner of alcoholic beverage control.
- ~~(14)~~~~(13)~~ "Convention center" means any facility which, in its usual and customary business, provides seating for a minimum of one thousand (1,000) people and offers convention facilities and related services for seminars, training and educational purposes, trade association meetings, conventions, or civic and community events or for plays, theatrical productions, or cultural exhibitions.
- ~~(15)~~~~(14)~~ "Convicted" and "conviction" means a finding of guilt resulting from a plea of guilty, the decision of a court, or the finding of a jury, irrespective of a pronouncement of judgment or the suspension of the judgment.
- ~~(16)~~~~(15)~~ "County administrator" means county alcoholic beverage control administrator.
- ~~(17)~~~~(16)~~ "Department" means the Department of Alcoholic Beverage Control.

- (18)~~(17)~~ "Distilled spirits" or "spirits" means any product capable of being consumed by a human being which contains alcohol in excess of the amount permitted by KRS Chapter 242 obtained by distilling, mixed with water or other substances in solution, except wine, hard cider, and malt beverages.
- (19)~~(18)~~ "Distiller" means any person who is engaged in the business of manufacturing distilled spirits at any distillery in the state and is registered in the Office of the Collector of Internal Revenue for the United States at Louisville, Kentucky.
- (20)~~(19)~~ "Distillery" means any place or premises where distilled spirits are manufactured for sale, and which are registered in the office of any collector of internal revenue for the United States. It includes any United States government bonded warehouse.
- (21)~~(20)~~ "Distributor" means any person who distributes malt beverages for the purpose of being sold at retail.
- (22)~~(21)~~ "Dry territory" means a county, city, district, or precinct in which a majority of voters have voted in favor of prohibition.
- (23)~~(22)~~ "Farm winery" means a winery located on a Kentucky farm with a producing vineyard, orchard, or similar growing area, manufacturing and bottling wines in an amount not to exceed twenty-five thousand (25,000) gallons per year.
- (24)~~(23)~~ "Election" means:
- (a) An election held for the purpose of taking the sense of the people as to the application or discontinuance of alcoholic beverage sales under KRS Chapter 242; or
  - (b) Any other election not pertaining to alcohol.
- (25)~~(24)~~ "Field representative" means any employee or agent of the department who is regularly employed and whose primary function is to travel from place to place for the purpose of visiting taxpayers, and any employee or agent of the department who is assigned, temporarily or permanently, by the commissioner to duty outside the main office of the department at Frankfort, in connection with the administration of alcoholic beverage statutes.
- (26)~~(25)~~ "License" means any license issued pursuant to KRS 243.020 to 243.670.
- (27)~~(26)~~ "Licensee" means any person to whom a license has been issued, pursuant to KRS 243.020 to 243.670.
- (28) ***"Limited restaurant" means a facility where the usual and customary business is the serving of meals to consumers, which has a bona fide kitchen facility, which receives at least seventy percent (70%) of its gross income from the sale of food, which maintains a minimum seating capacity of one hundred (100) persons for dining, and which is located in a territory where prohibition is no longer in effect under KRS 242.185(6).***
- (29)~~(27)~~ "Malt beverage" means any fermented undistilled alcoholic beverage of any name or description, manufactured from malt wholly or in part, or from any substitute for malt, and having an alcoholic content greater than that permitted under subsection (2)(i) of this section.
- (30)~~(28)~~ "Manufacture" means distill, rectify, brew, bottle, and operate a winery.
- (31)~~(29)~~ "Manufacturer" means a vintner, distiller, rectifier, or brewer, and any other person engaged in the production or bottling of alcoholic beverages.

- (32) ***"Minor" means any person who is not twenty-one (21) years of age or older.***
- (33)~~(30)~~ "Premises" means the land and building in and upon which any business regulated by alcoholic beverage statutes is operated or carried on. "Premises" shall not include as a single unit two (2) or more separate businesses of one (1) owner on the same lot or tract of land, in the same or in different buildings if physical and permanent separation of the premises is maintained, excluding employee access by keyed entry and emergency exits equipped with crash bars, and each has a separate public entrance accessible directly from the sidewalk or parking lot. Any licensee holding an alcoholic beverage license on July 15, 1998 shall not, by reason of this subsection, be ineligible to continue to hold his or her license or obtain a renewal, of the license.
- (34)~~(31)~~ "Prohibition" means the application of KRS 242.190 to 242.430 to a territory.
- (35)~~(32)~~ "Rectifier" means any person who rectifies, purifies, or refines distilled spirits or wine by any process other than as provided for on distillery premises, and every person who, without rectifying, purifying, or refining distilled spirits by mixing alcoholic beverages with any materials, manufactures any imitations of or compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine, spirits, cordials, bitters, or any other name.
- (36)~~(33)~~ "Repackaging" means the placing of alcoholic beverages in any retail container irrespective of the material from which the container is made.
- (37)~~(34)~~ "Restaurant" means a facility where the usual and customary business is the serving of meals to consumers, ~~and~~ that has a bona fide kitchen facility, ***and that receives at least fifty percent (50%) of its gross receipts from the sale of food.***
- (38)~~(35)~~ "Retail container" means any bottle, can, barrel, or other container which, without a separable intermediate container, holds alcoholic beverages and is suitable and destined for sale to a retail outlet, whether it is suitable for delivery to the consumer or not.
- (39)~~(36)~~ "Retail outlet" means retailer, hotel, motel, restaurant, railroad dining car, club, and any facility where alcoholic beverages are sold directly to the consumers.
- (40)~~(37)~~ "Retail sale" means any sale where delivery is made in Kentucky to any consumers.
- (41)~~(38)~~ "Retailer" means any person who sells at retail any alcoholic beverage for the sale of which a license is required.
- (42)~~(39)~~ "Sale" means any transfer, exchange, or barter for consideration, and includes all sales made by any person, whether principal, proprietor, agent, servant, or employee, of any alcoholic beverage.
- (43)~~(40)~~ "Secretary" means the secretary of the Kentucky Revenue Cabinet.
- (44) ***"Service bar" means a bar, counter, shelving, or similar structure used for storing or stocking supplies of alcoholic beverages that is a workstation where employees prepare alcoholic beverage drinks to be delivered to customers away from the service bar. A service bar shall be located in an area where the general public, guests, or patrons are prohibited.***
- (45)~~(41)~~ "Sell" includes solicit or receive an order for, keep or expose for sale, keep with intent to sell, and the delivery of any alcoholic beverage.
- (46)~~(42)~~ "Small winery" means a winery producing wines from grapes, other fruit, or honey produced in Kentucky, unless exempt under KRS 243.155(2), in an amount not to exceed fifty thousand (50,000) gallons in one (1) year.

- (47)~~((43))~~ "Souvenir package" means a special package of Kentucky straight bourbon whiskey available for retail sale at a licensed Kentucky distillery where the whiskey was produced or bottled that is available from a licensed retailer.
- (48)~~((44))~~ "State administrator" means the administrator of the Distilled Spirits Unit or the administrator of the Malt Beverage Unit, or both, as the context requires.
- (49) ***"Supplemental bar" means a bar, counter, shelving, or similar structure used for serving and selling distilled spirits or wine by the drink for consumption on the licensed premises to guests and patrons from additional locations other than the main bar. A supplemental bar shall be continuously constructed and accessible to patrons for distilled spirits or wine sales or service without physical separation by walls, doors, or similar structures.***
- (50)~~((45))~~ "Vehicle" means any device or animal used to carry, convey, transport, or otherwise move alcoholic beverages or any products, equipment, or appurtenances used to manufacture, bottle, or sell these beverages.
- (51)~~((46))~~ "Vintner" means any person who owns, occupies, carries on, works, conducts, or operates any winery, either by himself or by his agent, except persons who manufacture wine for sacramental purposes exclusively.
- (52)~~((47))~~ "Warehouse" means any place in which alcoholic beverages are housed or stored.
- (53)~~((48))~~ "Wholesale sale" means a sale to any person for the purpose of resale.
- (54)~~((49))~~ "Wholesaler" means any person who distributes alcoholic beverages for the purpose of being sold at retail, but it shall not include a subsidiary of a manufacturer or cooperative of a retail outlet.
- (55)~~((50))~~ "Wine" means the product of the normal alcoholic fermentation of the juices of fruits, with the usual processes of manufacture and normal additions, and includes champagne and sparkling and fortified wine of an alcoholic content not to exceed twenty-four percent (24%) by volume. It includes cider, hard cider, and perry cider and also includes preparations or mixtures vended in retail containers if these preparations or mixtures contain not more than fifteen percent (15%) of alcohol by volume. It includes ciders, perry, or sake having an alcohol content greater than that permitted under subsection (2)(i) of this section.
- (56)~~((51))~~ "Winery" means any place or premises in which wine is manufactured from any fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials are compounded. It includes a winery for the manufacture of wine in any state or county other than Kentucky, if the out-of-state winery has and maintains a branch factory, office, or storeroom within this state and receives wine within this state consigned to a United States government bonded winery, warehouse, or storeroom located within this state.

Section 3. KRS 243.025 is amended to read as follows:

- (1) All of the fees paid into the State Treasury for licenses issued under KRS 243.030 and 243.040 shall be credited to a revolving trust and agency account, as provided in KRS 45.253, for the Department of Alcoholic Beverage Control.
- (2) ***All fees associated with the agency's server training program, except for board-ordered fees, shall be collected on a cost recovery basis and shall be credited to the revolving trust and agency account established under subsection (1) of this section.***

- (3) These moneys shall be used solely for the administration and enforcement of KRS Chapters 241, 242, 243, and 244. The moneys in the account shall not lapse at the close of the fiscal year.

Section 4. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the administrator of the distilled spirits unit, the fees for which shall be:

- (1) Distiller's license, per annum ..... \$2,500.00
- (2) Rectifier's license, per annum ..... \$2,500.00
- (3) Blender's license, per annum ..... \$2,500.00
- (4) Vintner's license, per annum ..... \$1,000.00
- (5) Small winery license, per annum ..... \$100.00
  - (a) Small winery off-premises retail license, per annum ..... \$25.00
- (6) Wholesaler's license, per annum ..... \$2,000.00
- (7) Retail package license, per annum:
  - (a) In counties containing cities of the first class or a consolidated local government \$800.00
  - (b) In counties containing cities of the second class ..... \$700.00
  - (c) In counties containing cities of the third class ..... \$600.00
  - (d) In counties containing cities of the fourth class ..... \$500.00
  - (e) In all other counties ..... \$400.00
- (8) Retail drink license, motel drink license, restaurant drink license, or supplemental bar license, per annum:
  - (a) In counties containing cities of the first class or a consolidated local government \$1,000.00
  - (b) In counties containing cities of the second class ..... \$700.00
  - (c) In counties containing cities of the third class ..... \$600.00
  - (d) In counties containing cities of the fourth class ..... \$500.00
  - (e) The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the drink license. There shall be no charge for each supplemental license issued in excess of five (5) to the same licensee at the same premises.
- (9) Transporter's license, per annum ..... \$100.00
- (10) Dining car license, per annum ..... \$100.00
- (11) Special nonbeverage alcohol vendor's license, per annum ..... \$50.00
- (12) Special industrial alcohol license, per annum ..... \$50.00
- (13) Special nonindustrial alcohol license, per annum ..... \$50.00
- (14) Special agent's or solicitor's license, per annum ..... \$25.00
- (15) Special storage or warehouse license and bottling house storage license,

per annum .....	\$500.00
(16) Special temporary liquor license, per event .....	\$100.00
(17) Special private club license, per annum .....	\$300.00

The fee for each special private club license shall be the fee set out in this subsection; however, there shall be no charge for each special private club license issued in excess of six (6) that is issued to the same licensee at the same premises.

(18) Special Sunday retail drink license, per annum .....	\$500.00
(19) Nonresident special agent or solicitor's license, per annum .....	\$100.00
(20) Transport permit, nonresident license, per annum .....	\$100.00
(21) Through transporter's license, per annum .....	\$100.00
(22) Freight forwarder's license, per annum .....	\$100.00
(23) Restaurant wine license, per annum .....	\$500.00
(24) Farm winery license, per annum .....	\$100.00
(a) Farm winery, off-premises retail outlet license, per annum .....	\$25.00
(25) Special temporary wine license, per event .....	\$50.00
(26) Caterer's license, per annum .....	\$800.00
(27) Souvenir retail liquor license, per annum .....	\$500.00
(28) Special temporary distilled spirits and wine auction license, per event .....	\$100.00
(29) Airport drink license, per annum .....	\$1,000.00
(30) Convention center or convention hotel complex license, per annum .....	\$5,000.00
(31) Extended hours supplemental license, per annum .....	\$2,000.00
(32) Horse race track license, per annum .....	\$2,000.00
(33) Automobile race track license, per annum .....	\$2,000.00
(34) Air or rail system license, per annum .....	\$2,000.00
(35) Riverboat license, per annum .....	\$1,000.00
(36) Bottling house license, per annum .....	\$1,000.00
(37) Hotel in-room license, per annum .....	\$200.00
(38) Bonded warehouse license, per annum .....	\$1,000.00
(39) Air transporter liquor license, per annum .....	\$500.00
(40) Sampling license, per annum.....	\$100.00
(41) Replacement or duplicate license .....	\$25.00
(42) <b><i>Entertainment destination license, per annum .....</i></b>	<b><i>\$7,500.00</i></b>
(43) (a) <b><i>Limited restaurant license or limited golf course license, per annum</i></b>	

*(includes distilled spirits, wine and malt beverages), new applicants:*

1. *In counties containing cities of the first class or a consolidated local government ..... \$1,200.00*
2. *In counties containing cities of the second class ..... \$900.00*
3. *In counties containing cities of the third class ..... \$800.00*
4. *In counties containing cities of the fourth, fifth, or sixth classes .....\$700.00*

*(b) Renewals for limited restaurant licenses or limited golf course licenses shall be \$50.00 less than the applicable licensing fee for new applicants.*

**(44)** Other special licenses the board finds necessary for the proper regulation and control of the traffic in distilled spirits and wine and provides for by administrative regulation. In fixing the amount of license taxes that are required to be fixed by the board, it shall have regard for the value of the privilege granted.

A nonrefundable application fee of fifty dollars (\$50) shall be charged to process each new application under this section, except for subsections (5), (9), (11), (12), (13), (14), (16), (19), (20), (21), (22), (24), (25), (28), **(40)**, and (41). The application fee shall be applied to the licensing fee if the license is issued; otherwise it shall be retained by the department.

Section 5. KRS 243.033 is amended to read as follows:

~~(1) As used in this section, unless the context requires otherwise, "caterer" means a corporation, partnership, or individual that operates the business of a food service professional by preparing food and beverages in a licensed and inspected commissary, transporting the food and beverages to a location selected by the customer away from the commissary premises, and serving the food and beverages to the customer's guests.~~

~~(2)~~ A caterer's license may be issued as a supplementary license to a caterer that holds a retail package liquor license or a distilled spirits and wine by the drink retail license, **or a limited restaurant license.**

~~(2)~~~~(3)~~ The caterer's license may be issued **as a primary license** to a caterer **in any wet territory**~~[that does not meet the requirements of subsection (2) of this section,]~~ for the premises that serves as the caterer's commissary **and designated banquet hall. No primary caterer's license shall be issued to a premises that operates as a restaurant.** The alcoholic beverage stock of the caterer shall be kept under lock and key at the licensed premises during the time that the alcoholic beverages are not being used in conjunction with a catered function.

~~(3)~~~~(4)~~ The caterer's license shall authorize the caterer to:

- (a) Purchase and store alcoholic beverages in the manner prescribed in KRS 243.250, 243.280, and 244.310;
- (b) **Transport, sell, serve, and deliver malt beverages by the drink at locations away from the licensed premises or at the caterer's designated banquet hall in conjunction with the catering of food and malt beverages for a customer and his or her guests, in:**
  1. **Cities and counties in which prohibition is not in effect under KRS 242.185(6) if the receipts from the catering of food at any catered event are at least**

*seventy percent (70%) of the gross receipts from the catering of both food and malt beverages; or*

2. *All other wet territory if the receipts from the catering of food at any catered event are at least thirty-five percent (35%) of the gross receipts from the catering of both food and malt beverages;*

(c) Transport, sell, serve, and deliver *distilled spirits and wine*~~[alcoholic beverages]~~ by the drink at locations~~[in wet territory]~~ away from the licensed premises *or at the caterer's designated banquet hall* in conjunction with the catering of food and *alcoholic* beverages for a customer and his guests, *in:*

1. *Cities and counties in which prohibition is not in effect under KRS 242.185(6) if the receipts from the catering of food at any catered event are at least seventy percent (70%) of the gross receipts from the catering of both food and alcoholic beverages;*
2. *Cities of the fourth class and counties containing cities of the fourth class in which prohibition is not in effect under KRS 242.185(1) to (5) if the receipts from the catering of food at any catered event are at least fifty percent (50%) of the gross receipts from the catering of both food and alcoholic beverages; or*
3. *All other wet territory in which the sale of distilled spirits and wine by the drink is authorized if the receipts from the catering of food at any catered event are at least thirty-five percent (35%) of the gross receipts from the catering of both food and alcoholic beverages*~~[Distilled spirits and wine may only be transported, sold, served, or delivered in cities of the first, second, or third classes, counties containing cities of the first, second, or third classes, and cities of the fourth class in which the sale of distilled spirits and wine has been adopted pursuant to KRS 242.127];~~

~~(d)~~~~(e)~~ Receive and fill telephone orders for alcoholic beverages in conjunction with the ordering of food for a *catered event*~~[function catered by the licensee]~~; and

~~(e)~~~~(d)~~ Receive payment for alcoholic beverages served at a *catered event*~~[function]~~ on a by-the-drink or *by-the-event*~~[by the function]~~ basis. The caterer may bill the host for by-the-function sales of alcoholic beverages in the usual course of the caterer's business.

~~(4)~~~~(5)~~ A caterer licensee shall not cater alcoholic beverages at locations for which retail alcoholic beverage licenses or special temporary licenses have been issued.

~~(5)~~~~(6)~~ A caterer licensee shall not cater distilled spirits and wine on Sunday except in territory in which the Sunday sale of distilled spirits and wine is permitted under the provisions of KRS 244.290 *and* 244.295. A caterer licensee shall not cater malt beverages on Sunday except in territory in which the Sunday sale of malt beverages is permitted under the provisions of KRS 244.480.

~~(6)~~~~(7)~~ The location at which alcoholic beverages are sold, served, and delivered by a caterer, pursuant to this section, shall not constitute a public place for the purpose of KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at which the function being catered is held shall be excluded from the public place provisions of KRS Chapter 222.

- ~~(7)~~~~(8)~~ The caterer licensee shall post a copy of his caterer's license at the location of the function for which alcoholic beverages are catered.
- ~~(8)~~~~(9)~~ The name and license numbers of the caterer shall be painted *or securely attached*, in a contrasting color, in a form prescribed by the board by promulgation of an administrative regulation, upon all vehicles used by the caterer to transport alcoholic beverages.
- ~~(9)~~~~(10)~~ All restrictions and prohibitions applying to a distilled spirits and wine retail drink licensee not inconsistent with this section, shall apply to the caterer licensee.
- ~~(10)~~~~(11)~~ The caterer licensee shall *maintain records as set forth in KRS 244.150 and in administrative regulations promulgated by*~~submit a list of functions catered or to be catered including location, host, date, and time upon request of~~ the board.

Section 6. KRS 243.040 is amended to read as follows:

The following kinds of malt beverage licenses may be issued by the administrator of the malt beverages unit, the fees for which shall be:

- (1) Brewer's license, per annum ..... \$2,500.00
- (2) Microbrewery license, per annum ..... \$500.00
- (3) Distributor's license, per annum ..... \$500.00
- (4) Malt beverage retail license, per annum:
  - (a) New applicants ..... \$200.00
  - (b) Renewals ..... \$150.00
- (5) Dining car license, per annum ..... \$200.00
- (6) Transporter's license, per annum ..... \$100.00
- (7) Special temporary license, per event ..... \$50.00
- (8) Special off-premises retail storage license, per annum ..... \$100.00
- (9) Distributor's storage, per annum ..... \$250.00
- (10) Special beer transporter's license, per annum ..... \$100.00
- (11) Brew-on-premises license, per annum ..... \$500.00
- (12) Out-of-state brewer license, per annum ..... \$1,500.00
- (13) Malt beverage warehouse license, per annum ..... \$1,000.00
- (14) Replacement or duplicate license, per annum ..... \$25.00
- (15) **Limited out-of-state brewer license, per annum ..... \$250.00**
- ~~(16)~~ Other special licenses as the state board finds to be necessary for the administration of KRS Chapters 241, 243, and 244 and for the proper regulation and control of the trafficking in malt beverages, as provided for by administrative regulations promulgated by the state board.

Applicants for special licenses provided for under the authority granted in subsection (15) may be exempt from so much of the provisions of subsection (1)(f) of KRS 243.100 set out in administrative regulations promulgated by the board. A nonrefundable application fee of fifty dollars (\$50) shall be charged to process each new application for a license under this section

except for subsections (6), (7), (10), and (14). The application fee shall be applied to the licensing fee if the license is issued, or otherwise the fee shall be retained by the department.

Section 7. KRS 243.060 is amended to read as follows:

- (1) The fiscal court of each county or a consolidated local government in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of trafficking in alcoholic beverages. These licenses may be issued by the county or consolidated local government administrator. The license fees shall not exceed the following:
  - (a) Retail package licenses, per annum:
    1. In counties containing cities of the first class or a consolidated local government \$1,200.00
    2. In counties containing cities of the second class ..... \$1,000.00
    3. In counties containing cities of the third class ..... \$800.00
    4. In counties containing cities of the fourth class ..... \$600.00
    5. In all other counties ..... \$400.00
  - (b) Retail drink license, motel drink license, restaurant drink license, or supplemental bar license, per annum:
    1. In counties containing cities of the first class or a consolidated local government \$1,600.00
    2. In counties containing cities of the second class ..... \$1,000.00
    3. In counties containing cities of the third class ..... \$800.00
    4. In counties containing cities of the fourth class ..... \$600.00
  - (c) Special temporary liquor license, per event:
    1. In counties containing cities of the first class or a consolidated local government \$266.66
    2. In counties containing cities of the second class ..... \$166.66
    3. In counties containing cities of the third class ..... \$133.34
    4. In counties containing cities of the fourth class ..... \$100.00
  - (d) Restaurant wine license, per annum:
    1. New applicants ..... \$600.00
    2. Applicants for renewal ..... \$400.00
  - (e) Special temporary wine license, per event ..... \$50.00
  - (f) Special private club license, per annum ..... \$300.00
  - (g) Special Sunday retail drink license, per annum ..... \$300.00
  - (h) Retail malt beverage license, per annum:
    1. New applicants ..... \$400.00
    2. Applicants for renewal ..... \$150.00

- (i) Special temporary malt beverage license, per event ..... \$25.00
- (j) **1. Limited restaurant license or limited golf course license, per annum (includes distilled spirits, wine, and malt beverages), new applicants:**
  - a. *In counties containing cities of the first class or a consolidated local government.....\$2,000.00*
  - b. *In counties containing cities of the second class.....\$1,400.00*
  - c. *In counties containing cities of the third class.....\$1,200.00*
  - d. *In counties containing cities of the fourth, fifth, or sixth class.....\$1,000.00*
- 2. Renewals for limited restaurant licenses or limited golf course licenses are \$250.00 less than the applicable licensing fee for new applicants.**
- (2) Any amount paid to any city within the county as a license fee for the same privilege for the same year may be credited against the county license fee.
- (3) If any part of this section is held invalid, all of this section and of KRS 243.600 shall also be considered invalid.

Section 8. KRS 243.070 is amended to read as follows:

The legislative body of any city or a consolidated local government in which traffic in alcoholic beverages is not prohibited under KRS Chapter 242 may impose license fees for the privilege of manufacturing and trafficking in alcoholic beverages. Only those licenses set out in this section shall be issued, and the fee for each shall not exceed the specified amount:

- (1) Distilled spirit licenses as set forth in KRS 243.030:
  - (a) Distiller's license, per annum ..... \$500.00
  - (b) Rectifier's license, per annum ..... \$3,000.00
  - (c) Blender's license, per annum ..... \$3,000.00
  - (d) Wholesaler's distilled spirits and wine license, per annum ..... \$3,000.00
  - (e) Distilled spirits and wine retail package license, per annum:
    - 1. In counties containing cities of the first class or a consolidated local government \$1,200.00
    - 2. In counties containing cities of the second class ..... \$1,000.00
    - 3. In counties containing cities of the third class ..... \$800.00
    - 4. In counties containing cities of the fourth class ..... \$600.00
    - 5. In all other counties ..... \$400.00
- (2) Distilled spirits and wine retail drink license, motel drink license, airport drink license, restaurant drink license, or supplemental bar license, per annum:
  - (a) In counties containing cities of the first class or a consolidated local government \$1,600.00
  - (b) In counties containing cities of the second class ..... \$1,000.00
  - (c) In counties containing cities of the third class ..... \$800.00

- (d) In counties containing cities of the fourth class ..... \$600.00
- (3) Distilled spirits and wine special temporary liquor license, per event:
  - (a) In counties containing cities of the first class or a consolidated local government  
\$266.66
  - (b) In counties containing cities of the second class ..... \$166.66
  - (c) In counties containing cities of the third class ..... \$133.33
  - (d) In counties containing cities of the fourth class ..... \$100.00
- (4) Special temporary wine license, per event ..... \$50.00
- (5) Distilled spirits and wine special temporary auction  
license, per event ..... \$200.00
- (6) Special private club license, per annum ..... \$300.00
- (7) Distilled spirits and wine special Sunday retail drink  
license, per annum ..... \$300.00
- (8) Extended hours supplemental license, per annum ..... \$2,000.00
- (9) Nonresident special agent or solicitor's license, per annum ..... \$40.00
- (10) Restaurant wine license, per annum:
  - (a) New applicants ..... \$600.00
  - (b) Applicants for renewal ..... \$400.00
- (11) Caterer's license, per annum ..... \$800.00
- (12) Riverboat license, per annum ..... \$1,200.00
- (13) Horse race track license, per annum ..... \$2,000.00
- (14) Convention center or convention hotel complex  
license, per annum ..... \$2,000.00
- (15) Bottling house distilled spirits license or wine  
storage license, per annum ..... \$1,000.00
- (16) Automobile race track license, per annum ..... \$2,000.00
- (17) Souvenir retail liquor license, per annum ..... \$1,000.00
- (18) Malt beverage licenses as follows:
  - (a) Brewer's license, per annum ..... \$500.00
  - (b) Microbrewery license, per annum ..... \$500.00
  - (c) Malt beverage distributor's license, per annum ..... \$400.00
  - (d) Retail malt beverage license, per annum ..... \$200.00
  - (e) Special temporary retail malt beverage license, per event ..... \$25.00
  - (f) Malt beverage brew-on-premises license, per annum ..... \$100.00

- (19) **Limited restaurant license or limited golf course license, per annum (includes distilled spirits, wine, and malt beverages), new applicants:**
- (a) **In counties containing cities of the first class or a consolidated local government.....\$1,800.00**
  - (b) **In counties containing cities of the second class.....\$1,200.00**
  - (c) **In counties containing cities of the third class.....\$1,000.00**
  - (d) **In counties containing cities of the fourth, fifth, or sixth class.....\$800.00**

Section 9. KRS 243.480 is amended to read as follows:

- (1) Upon proceedings for the revocation of any license under KRS 243.520, the Alcoholic Beverage Control Board, or the local alcoholic beverage administrator, may in its or his or her discretion order a suspension of the license for any cause for which it may, but is not required to, revoke the license under the provisions of KRS 243.490 and 243.500. However, the licensee may have the alternative, subject to the approval of the Alcoholic Beverage Control Board or the local alcoholic beverage administrator, to pay in lieu of part or all of the days of any suspension period, a sum as follows: Distillers, rectifiers, vintners, brewers, and blenders, one thousand dollars (\$1,000) per day; wholesale liquor licensees, four hundred dollars (\$400) per day; wholesale beer licensees, four hundred dollars (\$400) per day; retail licensees authorized to sell distilled spirits, wine, or beer by the package or drink, fifty dollars (\$50) per day; and all remaining licensees, fifty dollars (\$50) per day.
- (2) Payments in lieu of suspension **or for board-ordered agency server training, collected on a cost recovery basis**, collected by the Alcoholic Beverage Control Board shall be deposited in the State Treasury and credited to the general expenditure fund. Payments in lieu of suspension collected by local alcoholic beverage administrators shall be deposited and used as local alcoholic beverage license tax receipts are deposited and used.
- (3) **In addition to or in lieu of a suspension of a license, the board may order a licensee to pay for and require attendance and completion by some or all of the licensee's alcoholic beverage servers in the agency's server training program.**
- (4) Appeals from orders of suspension and the procedure thereon shall be the same as are provided for orders of revocation in KRS Chapter 13B.

Section 10. KRS 243.630 is amended to read as follows:

- (1) For purpose of this section, "transfer" means:
  - (a) The transfer to a new person or entity of ten percent (10%) or more ownership interest in any license issued under KRS 243.020 to 243.670; or
  - (b) The transfer in bulk, and not in the ordinary course of business, of a major part of the fixtures, materials, supplies, merchandise, or other inventory of a licensee's business.
- (2) Any license issued under KRS 243.020 to 243.670 to any person for any licensed premises shall not be transferable or assignable to any other person or to any other premises or to any other part of the building containing the licensed premises, unless a transfer or assignment is authorized by the state administrator in the exercise of his sound discretion under KRS 243.640 or 243.650. For the purposes of this section, each railroad dining car shall be deemed premises to be separately licensed.

- (3) A licensee shall not acquire or otherwise dispose of any interest in a licensed premises or any license issued by the department, by sale of assets, stock, inventory, control or right of control, or activities on the licensed premises without prior approval of the state administrator. The state administrator shall grant approval if the person acquiring the interest meets the qualifications for a new applicant.
- (4) Any acquisition of interest in a license without prior authorization shall be void.
- (5) All applications for approval of a transfer shall be made in writing to the state administrator having jurisdiction over the license.
- (6) Applications for approval of a transfer shall be made under oath or affirmation, shall be signed by both the transferor and the transferee, and shall contain such other information as the department may prescribe.
- (7) The appropriate state administrator shall grant or deny the application within sixty (60) days of the date the application is substantially complete or on a later date that is mutually acceptable to the administrator and the transferee, but it shall not be acted upon before the end of the public protest period outlined in KRS 243.360.
- (8) No licensee or other person seeking to acquire an interest in an existing license shall transfer control or assume control of any licensed premises by agreement or otherwise ***without the written consent of the state malt beverage administrator or the state distilled spirits administrator or both.***
- (9) A licensee shall not transfer his or her license or any interest in the license while any proceedings against the license or the licensee for a violation of any statute or regulation which may result in the suspension or revocation of the license are pending.
- (10) A licensee shall not transfer his or her license or any interest he or she has in the license if the licensee owes a debt on the inventory to a wholesaler responsible for the collection and payment of the tax imposed under KRS 243.884.
- (11) A licensee shall not transfer his or her license or any interest in the license if the licensee owes the Commonwealth of Kentucky for taxes as defined in KRS 243.500(5). A transfer shall not take place until the department is notified by the Kentucky Revenue Cabinet that the licensee's indebtedness has been paid or resolved to the cabinet's satisfaction. This section shall not prohibit a transfer of a license or an interest in a license by a trustee in bankruptcy if all other requirements of this section are met.

Section 11. KRS 244.050 is amended to read as follows:

- (1) No retail licensee shall give away any alcoholic beverage in any quantity, or deliver it in any quantity for less than a full monetary consideration, except as provided by KRS 243.155, 243.156, 243.157, and subsection (2) of this section.
- (2) A retailer licensed to sell distilled spirits and wine under KRS 243.030(7), (8), or (27) may, after acquiring a license under KRS 243.030(40), allow customers to sample distilled spirits and wine under the following conditions:
  - (a) Sampling shall be permitted only on licensed premises and, for ***licensees***~~retailers~~ licensed under KRS 243.030(7), (8), or (27), during regular business hours;
  - (b) A licensee shall not charge for the samples provided to customers;
  - (c) Sample sizes shall not exceed:

1. One (1) ounce for wine; and
  2. One-half (1/2) ounce for distilled spirits; and
- (d) A licensee shall limit a customer to:
1. Two (2) distilled spirits samples per day; and
  2. Six (6) wine samples per day.
- (3) Retailers licensed under KRS 243.030(7) or (8) shall:
- (a) Notify the Department of Alcoholic Beverage Control at least seven (7) days in advance of conducting a sampling event; and
  - (b) Limit a sampling event to a period not to exceed four (4) consecutive hours between 12 noon and 8 p.m.

**Approved March 30, 2004**