

PUBLIC PROTECTION CABINET
Department of Alcoholic Beverage Control
(Amended After Comments)

804 KAR 4:221. Alternating proprietorship agreements.

RELATES TO: KRS 243.220

STATUTORY AUTHORITY: KRS 241.060

NECESSITY, FUNCTION, AND CONFORMITY: KRS 241.060 authorizes the board to promulgate reasonable regulations governing procedures relative to the applications for and revocations of licenses, and the supervision and control of the use, manufacture, sale, transportation, storage, advertising, and trafficking of alcoholic beverages. This regulation provides for the sharing of a licensed premises between two or more licensees in accordance with an alternating proprietorship agreement.

Section 1. Definition. "Alternating proprietorship agreement" means a written agreement under which two or more licensees share possession or ownership of a licensed premises and alternate exclusive use of the premises over the term of the agreement.

Section 2. A licensed premises may meet the requirements of KRS 243.220 if it is owned or possessed for a term not less than the license period by two or more eligible licensees under an alternating proprietorship agreement.

Section 3. A licensee shall not enter into an alternating proprietorship agreement with any person who holds a Kentucky alcoholic beverage license that the licensee is prohibited from holding under Kentucky law.

Section 4. Licensees who share a licensed premises in accordance with an alternating proprietorship agreement shall individually meet any requirements of their licenses, including, but not limited to, production and record-retention requirements.

Section 5. This administrative regulation shall not be interpreted to relate to direct shipper licenses.

Section 6. Federal Law. This administrative regulation shall not exempt a person from complying with any applicable federal laws.

ALLYSON C TAYLOR, Commissioner

RAY PERRY, Secretary

APPROVED BY AGENCY: December 15, 2021

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