

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

804 KAR 13:020. Tobacco, nicotine, or vapor product license application forms.

RELATES TO: KRS 438.3063, 438.3065, 438.3067, 438.310

STATUTORY AUTHORITY: KRS 438.3055, 438.3063, 438.340

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 438.340 authorizes the department to promulgate administrative regulations as necessary to implement and carry out the provisions of KRS 438.305 to 438.350. KRS 438.3055 authorizes the Division of Tobacco, Nicotine, and Vapor Product Licensing to promulgate administrative regulations that govern the sale and distribution of alternative nicotine products, tobacco products, and vapor products. KRS 438.3063 mandates that the department prescribe a form to apply for a tobacco, nicotine, or vapor product license. This administrative regulation prescribes the form of the tobacco, nicotine, or vapor product license application forms utilized by the department.

Section 1. Definitions. "Licensee" shall mean the holder of a tobacco, nicotine, or vapor product license.

Section 2. Initial Tobacco, Nicotine, or Vapor Product License Application Requirements.

- (1) An initial applicant for a tobacco, nicotine, or vapor product license shall:
 - (a) Complete and submit the Initial Tobacco, Nicotine, or Vapor Product License Application form, and the associated documents required by that form, to the commissioner via the department's online licensing portal at <https://abcportal.ky.gov/BELLEExternal>;
 - (b) Pay the nonrefundable application fee established by KRS 438.3063(1); and
 - (c) Pay the license fee established in KRS 438.3063(4)(a).
- (2) If the applicant has purchased a tobacco, nicotine, or vapor product licensed business and wishes to continue selling tobacco, nicotine, or vapor products at this business premises, the applicant shall, in addition to the requirements of subsection (1):
 - (a) Indicate on the Initial Tobacco, Nicotine, or Vapor Product License Application form that it has purchased the business from a licensee;
 - (b) Submit documentation of the published advertisement in accordance with KRS 438.3065(1)(b) to the commissioner via the department's online licensing portal at <https://abcportal.ky.gov/BELLEExternal>;
 - (c) Submit written verification of the seller's consent to the sale via the department's online licensing portal at <https://abcportal.ky.gov/BELLEExternal> in the format required by the Initial Tobacco, Nicotine, or Vapor Product License Application; and
 - (d) Pay the nonrefundable transitional license fee established by KRS 438.3065(2).

Section 3. Renewal Schedule.

- (1) Tobacco, nicotine, or vapor product licenses shall expire one year from the date the license is issued unless renewed.
- (2) Notwithstanding subsection (1) of this section, and pursuant to KRS 438.3063(3), initial applicants for a tobacco, nicotine, or vapor product license may elect to schedule the first renewal of their tobacco, nicotine, or vapor product license, if issued, to occur in the calendar year after which an initial license was obtained, in accordance with either:
 - (a) The renewal schedule for alcoholic beverage licenses outlined in 804 KAR 4:390, Section 2, in the county in which their premises is located; or

- (b) If the applicant will be batch renewing their licenses, in accordance with the renewal schedule for batch renewals outlined in 804 KAR 4:390, Section 3.
- (3) Notwithstanding subsection (1) of this section, if an applicant elects for their renewal schedule to occur in accordance with 804 KAR 4:390 pursuant to KRS 438.3063(3) and subsection (2) of this section:
- (a) The applicant shall pay a prorated tobacco, nicotine, or vapor product license fee equal to one-twelfth (1/12) the annual fee for a tobacco, nicotine, or vapor product license, multiplied by the number of months between the issuance of their initial tobacco, nicotine, or vapor product license and either:
1. The month alcoholic beverage licenses expire in the county in which their licensed premises is located, in the calendar year after which an initial license was obtained, in accordance with 804 KAR 4:390 Section 2; or
 2. If batch renewing their license, the month alcoholic beverage licenses expire for batch renewals in the calendar year after which an initial license was obtained, in accordance with 804 KAR 4:390 Section 3. In either case, the number of months to be considered in calculating the amount of the fee shall include the month the tobacco, nicotine, or vapor product license is issued and the month that alcoholic beverage licenses expire under the relevant renewal schedule.
- (b) The applicant's initial tobacco, nicotine, or vapor product license, if issued, shall be deemed surrendered on the date alcoholic beverage licenses expire in accordance with the renewal schedule the applicant elected to follow pursuant to subsection (2) of this section, if such an election was made, and if not renewed in accordance with Section 4 of this regulation.
- (4) If a tobacco, nicotine, or vapor product license is issued and the licensee wishes to renew it, the licensee shall file a Tobacco, Nicotine, or Vapor Product License Renewal Application in accordance with Section 4 of this regulation.

Section 4. Tobacco, Nicotine, or Vapor Product License Renewal Application. A licensee wishing to renew their license shall:

- (1) Pay all fines incurred under KRS 438.305 to 438.350 prior to renewing their license;
- (2) Pay the nonrefundable application fee established by KRS 438.3063(1);
- (3) Pay the license fee established in KRS 438.3063(4)(a); and
- (4) Complete and submit the Tobacco, Nicotine, or Vapor Product License Renewal Application form to renew their license no more than forty-five (45) days prior to its:
 - (a) Expiration; or
 - (b) Surrender date, if renewing in accordance with an election made pursuant to Section 3(2) of this regulation.

Section 5. Renewal Grace Period. If a licensee fails to renew its license by the expiration date, the department ~~shall~~**may** grant one (1) extension that shall not exceed thirty (30) days from the original expiration date. The licensee shall not conduct any activity related to the sale of tobacco, nicotine, or vapor products during the extension period. A license not renewed during the thirty (30) day extension period shall not be renewed thereafter for any reason, and the licensee shall be required to apply for a new license, should they wish to engage in the sale of tobacco, nicotine, or vapor products.

Section 6. Applications for Tobacco, Nicotine, or Vapor Product Licenses Submitted Online. All tobacco, nicotine, and vapor product license application forms shall be submitted through the department's online licensing management portal located at <https://abcportal.ky.gov/BELLEExternal>.

Section 7. Incorporation by Reference.

- (1) The following material is incorporated by reference:

(a) "Initial Tobacco, Nicotine, or Vapor Product License Application," **March 2026**~~October 2025~~;

(b) "Tobacco, Nicotine, or Vapor Product License Renewal Application," October 2025.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Department of Alcoholic Beverage Control, 500 Mero St., Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. This material is also available on the department's Web site, <http://www.abc.ky.gov/>.

SCOTTY TRACY, Commissioner

RAY PERRY, Secretary

APPROVED BY AGENCY: March 13, 2026

FILED WITH LRC: March 13, 2026 at 11:50 a.m.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Joshua Newton

Subject Headings:

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation prescribes the form of the tobacco, nicotine, or vapor product license application utilized by the department.

(b) The necessity of this administrative regulation:

KRS 438.3063 mandates that the department prescribe a form to apply for a tobacco, nicotine, or vapor product license. This regulation is necessitated by that statute.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 438.340 authorizes the department to promulgate administrative regulations as necessary to implement and carry out the provisions of KRS 438.305 to 438.350. KRS 438.3063 mandates that the department prescribe a form to apply for a tobacco, nicotine, or vapor product license. This administrative regulation prescribes the form of the tobacco, nicotine, or vapor product license application utilized by the department, as required by the statute.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This regulation will assist with the effective administration of the statute by providing the form needed to apply for the required license. Without an application process in place, the ability to sell tobacco, nicotine, or vapor products will be adversely affected.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

(b) The necessity of the amendment to this administrative regulation:

(c) How the amendment conforms to the content of the authorizing statutes:

(d) How the amendment will assist in the effective administration of the statutes:

(3) Does this administrative regulation or amendment implement legislation from the previous five years? Yes, 2025 Ky. Acts Ch. 78 (SB 100)

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

It is estimated that there are approximately 7,000 retailers of tobacco, nicotine or vapor products in the Commonwealth of Kentucky. These businesses include gas stations, grocery stores, and standalone vape/tobacco businesses. All businesses that want to sell tobacco, nicotine, or vapor products, must have a license to sell any of those products as of January 1, 2026.

(5) Provide an analysis of how the entities identified in question (4) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (4) will have to take to comply with this administrative regulation or amendment:

Kentucky businesses must obtain a license to sell tobacco, nicotine, or vapor products by January 1, 2026. This regulation provides the form for those businesses to apply for the required license.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (4):

This regulation does not impose costs on any entity identified in question (3). However, the license fee is set out in statute.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):

Entities wishing to sell tobacco, nicotine, or vapor products will benefit from this regulation as it provides the form they will need to obtain the required license.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

To implement and enforce the licensing and retail sales requirements contemplated by 2025 Ky. Acts Ch. 78 (SB 100), the department will be required to employ 20 additional staff members, resulting in an initial cost of \$2,750,000.00 and an annual increased cost of \$2,250,000.00 to the department. A portion of those additional staff members will be dedicated to—and the costs associated with their hiring will be attributed to—the processing of applications and the issuance of licenses contemplated by this administrative regulation.

(b) On a continuing basis:

See increased annual cost referenced above.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation or this amendment:

The implementation and enforcement of the licensing and retail sales requirements contemplated by 2025 Ky. Acts Ch. 78 (SB 100) will be funded through the collection of licensure fees and civil penalty fines.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

SB 100 established license fees and fines that will be necessary to implement this regulation.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This regulation does not establish any fees directly or indirectly.

(10) TIERING: Is tiering applied?

Tiering is not applied. This regulation provides the form for applicants wishing to obtain a tobacco, nicotine or vapor product license.

FISCAL IMPACT STATEMENT

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:

KRS 438.3063, 438.3065, 438.3067, 438.310, 438.3055, 438.340

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:

Senate Bill 100 of the 2025 Kentucky General Assembly.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

Kentucky Department of Alcoholic Beverage Control is the promulgating agency. No other state units, parts or divisions are affected by this regulation.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year:None

For subsequent years:None

2. Revenues:

For the first year:None

For subsequent years:None

3. Cost Savings:

For the first year:None

For subsequent years:None

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):

This regulation will have no effect on any local entities.

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year:None

For subsequent years:None

2. Revenues:

For the first year:None

For subsequent years:None

3. Cost Savings:

For the first year:None

For subsequent years:None

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):

No other entities will be affected by this regulation. This regulation will have no effect on any other regulated entities.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year:None

For subsequent years:None

2. Revenues:

For the first year:None

For subsequent years:None

3. Cost Savings:

For the first year:None

For subsequent years:None

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a)

(a) Fiscal impact of this administrative regulation:

This regulation has no fiscal impact as it only provides the application form for retailers that want to sell tobacco, nicotine, or vapor products to obtain the required license.

(b) Methodology and resources used to reach this conclusion:

The only methodology used to reach this conclusion is that the regulation imposes no new action on any regulated body.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a "major economic impact", as defined by KRS 13A.010(14):

This regulation is anticipated to have a major economic impact. To implement and enforce the licensing and retail sales requirements contemplated by 2025 Ky. Acts Ch. 78 (SB 100), the department will be required to employ 20 additional staff members, resulting in an initial cost of \$2,750,000.00 and an annual increased cost of \$2,250,000.00 to the department. A portion of those additional staff members will be dedicated to—and the costs associated with their hiring will be attributed to—the processing of applications and the issuance of licenses contemplated by this administrative regulation

(b) The methodology and resources used to reach this conclusion:

The only methodology used to reach this conclusion is that the regulation imposes no new action on any regulated body.

FEDERAL MANDATE ANALYSIS COMPARISON

(1) Federal statute or regulation constituting the federal mandate.

N/A

(2) State compliance standards.

N/A

(3) Minimum or uniform standards contained in the federal mandate.

N/A

(4) Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?

N/A

(5) Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements.

N/A.