

438.337 Responsibilities of Department of Alcoholic Beverage Control in enforcement of KRS 438.305 to 438.350 -- Disposition of revenue and fines collected under KRS 138.140 and 438.305 to 438.350 -- Statistics -- Enforcement plan -- Publication of list of licensees.

- (1) The department shall carry out the enforcement provisions of KRS 438.305 to 438.350.
- (2)
 - (a)
 1. The department shall be entitled to the revenue produced by one-twentieth of one cent (\$0.0005) of the three-cent (\$0.03) per pack revenue collected by the Finance and Administration Cabinet from the state excise tax on the sale of cigarettes as imposed by KRS 138.140.
 2. One hundred percent (100%) of the license and application fees imposed by KRS 438.3063 unless the license is denied shall be deposited in a trust and agency account created in the State Treasury. If no license is issued, the application fee shall be retained by the department in accordance with KRS 438.3063.
 - (b) One hundred percent (100%) of the fines collected under KRS 438.305 to 438.350 shall be retained by the department.
 - (c) The department shall keep fifty percent (50%) of any fines collected under KRS 438.305 to 438.350 to offset the costs of enforcement. The remaining fifty percent (50%) of funds shall go to a youth program administered by the Department for Public Health directed at targeting and educating youth on the dangers of tobacco products, alternative nicotine products, and vapor products.
- (3) The department shall be responsible for maintaining statistics for compilation of required reports to be submitted to the United States Department of Health and Human Services.
- (4) The department shall devise a plan and timeframe for enforcement to determine by random inspection if the percentage of retailers, wholesalers, or distributors making illegal sales to persons under the age of twenty-one (21) does or does not exceed federal guidelines preventing tobacco sales to persons under the age of twenty-one (21).
- (5)
 - (a) The department shall investigate the information provided in each application for a tobacco, nicotine, or vapor product license.
 - (b) Notwithstanding KRS 438.330 and 438.331, if the tobacco, nicotine, or vapor product license is approved, random inspections or compliance checks of the licensee shall be conducted not less than once annually during normal business hours or as deemed appropriate by the commissioner.
- (6) On or after July 1, 2026, the department shall, on the first day of each month, create, update, and publish on its website a list of retail establishments that possess a tobacco, nicotine, or vapor product license.

Effective: March 13, 2026

History: Amended 2026 Ky. Acts ch. 3, sec. 11, effective March 13, 2026. -- Amended 2025 Ky. Acts ch. 78, sec. 19, effective January 1, 2026. -- Amended 2020 Ky. Acts ch. 35, sec. 8, effective March 26, 2020. -- Amended 2010 Ky. Acts ch. 24, sec.

1933, effective July 15, 2010. -- Created 2000 Ky. Acts ch. 423, sec. 9, effective July 14, 2000.

Legislative Research Commission Note (3/13/2026). 2026 Ky. Acts ch. 3, sec. 13, reads as follows:

"The amendments to KRS 438.3061, 438.3063, 438.3065, 438.3067, 438.3069, 438.310, 438.312, 438.316, and 438.337 contained in Sections 3 to 11 of this Act shall be retroactive to January 1, 2026."