

AN ACT relating to distilleries.

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

➔Section 1. KRS 243.120 is amended to read as follows:

- (1) A distiller's, rectifier's, or winery license shall authorize the licensee to engage in the business of distiller, rectifier, or winery at the premises specifically designated in the license, to maintain aging warehouses, and to transport for himself or herself only any alcoholic beverage which he or she is authorized under the license to manufacture or sell. The licensee shall transport alcoholic beverages only by a vehicle operated by himself or herself, which has affixed to its sides at all times a sign of form and size prescribed by the state board, containing among other things the name and license number of the licensee. No distilled spirits or wine shall be transported on the same truck or vehicle with malt beverages, except by a common carrier, unless the owner of the truck or vehicle holds a distributor's license.
- (2)
 - (a) Distillers that produce more than fifty thousand (50,000) gallons of distilled spirits per calendar year at the premises shall obtain a distiller's license, Class A.
 - (b) Distillers that produce fifty thousand (50,000) gallons or less of distilled spirits per calendar year at the premises shall obtain a distiller's license, Class B (craft distillery).
- (3)
 - (a) *A distiller that is located in wet territory may sell distilled spirits by the drink at retail to consumers, on the nonfederally bonded distillery premises only, if the distilled spirits were produced and bottled at the distillery premises.*
 - (b) *Any distilled spirits sold under this subsection shall be taxed and distributed in the same manner as souvenir package sales under KRS 243.0305(2).*
 - (c) *Except as provided in this subsection, sales under this subsection shall be governed by all the statutes and administrative regulations governing the*

retail sale of distilled spirits by the drink.