

AN ACT relating to retail food establishment wine licenses.

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) Notwithstanding KRS 243.230(6), the department may issue a retail food establishment wine license, which shall authorize its holder to purchase, receive, possess, and sell wine at retail for consumption off the licensed premises only. The license shall be a nonquota license. The holder of the license shall purchase wine only from wholesalers licensed under KRS 243.030 and shall be subject to the provisions that apply to a quota retail package license under KRS Chapters 241 to 244, except as otherwise provided.

(2) A retail food establishment wine license may be issued to an applicant that is an owner or lessee of a retail food store or combination retail food store and food service establishment that holds a permit pursuant to KRS 217.125(3), upon the following conditions:

(a) The total square footage of the retail food store or combination retail food store and food service establishment shall be at least ten thousand (10,000) square feet; and

(b) The retail food store or combination retail food store and food service establishment shall maintain a minimum inventory of twenty thousand dollars (\$20,000) in fresh meat, fresh produce, frozen food, dairy products, or a combination of those items.

➔Section 2. KRS 243.030 is amended to read as follows:

The following kinds of distilled spirits and wine licenses may be issued by the director of the Division of Distilled Spirits, the fees for which shall be:

- (1) Distiller's license:
 - (a) Class A, per annum\$3,090.00

(b) Class B (craft distillery), per annum	\$1,000.00
(2) Rectifier's license, per annum	\$2,580.00
(3) Winery license, per annum	\$1,030.00
(4) Small farm winery license, per annum	\$110.00
(a) Small farm winery off-premises retail license, per annum	\$30.00
(5) Wholesaler's license, per annum	\$2,060.00
(6) Quota retail package license, per annum.....	\$570.00
(7) Quota retail drink license, per annum	\$620.00
(8) Transporter's license, per annum	\$210.00
(9) Special nonbeverage alcohol license, per annum	\$60.00
(10) Special agent's or solicitor's license, per annum	\$30.00
(11) Bottling house or bottling house storage license, per annum	\$1,030.00
(12) Special temporary license, per event	\$90.00
(13) Special Sunday retail drink license, per annum	\$520.00
(14) Caterer's license, per annum	\$830.00
(15) Special temporary distilled spirits and wine auction license, per event	\$110.00
(16) Extended hours supplemental license, per annum	\$2,060.00
(17) Hotel in-room license, per annum	\$210.00
(18) Air transporter license, per annum	\$520.00
(19) Sampling license, per annum	\$110.00
(20) Replacement or duplicate license	\$25.00
(21) Entertainment destination license, per annum	\$7,730.00
(22) Limited restaurant license, per annum	\$780.00
(23) Limited golf course license, per annum	\$720.00
(24) Small farm winery wholesaler's license, per annum	\$110.00

- (25) Qualified historic site license (includes distilled spirits, wine, and malt beverages by the drink), per annum\$1,030.00
- (26) Nonquota type 1 license, per annum\$4,120.00
- (27) Nonquota type 2 license, per annum\$830.00
- (28) Nonquota type 3 license, per annum\$310.00
- (29) Distilled spirits and wine storage license, per annum\$620.00
- (30) Out-of-state distilled spirits and wine supplier's license, per annum\$1,550.00
- (31) Limited out-of-state distilled spirits and wine supplier's license, per annum\$260.00
- (32) Micro out-of-state distilled spirits and wine supplier's license, per annum\$10.00
- (33) **Retail food establishment wine license, per annum\$500.00**

(34) A nonrefundable fee of sixty dollars (\$60) shall be charged to process each new transitional license pursuant to KRS 243.045.

~~(35)~~~~(34)~~ 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 establishing 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.

~~(36)~~~~(35)~~ The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the primary retail 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.

A nonrefundable application fee of fifty dollars (\$50) shall be charged to process each new application under this section, except for subsections (4), (8), (9), (10), (12), (15), (19), and (20) of this section. The application fee shall be applied to the licensing fee if the license is issued; otherwise it shall be retained by the department.

➔Section 3. 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 are subject to the provisions of subsections (2) to (6) of this section, and shall not exceed the following:

- (a) Quota retail package license, per annum:
 - 1. In counties containing a consolidated local government\$1,200.00
 - 2. In all other counties\$1,000.00
- (b) Quota retail drink license, per annum:
 - 1. In counties containing a consolidated local government\$1,600.00
 - 2. In all other counties\$1,000.00
- (c) Nonquota type 2 retail drink license (includes distilled spirits, wine, and malt beverages), per annum:
 - 1. In counties containing a consolidated local government.....\$1,800.00
 - 2. In all other counties....\$1,000.00
- (d) Nonquota type 3 retail drink license (includes distilled spirits, wine, and malt beverages), per annum.....\$300.00
- (e) Special temporary license, per event:
 - 1. In counties containing a consolidated local government\$266.66
 - 2. In all other counties\$166.66
- (f) Special Sunday retail drink license, per annum\$300.00
- (g) Nonquota retail malt beverage package license, per annum.....\$400.00
- (h) Nonquota type 4 retail malt beverage drink license, per annum.....\$400.00
- (i) Limited restaurant license (includes distilled spirits, wine, and malt beverages), per annum:
 - 1. In counties containing a consolidated local government.....\$2,000.00

2. In all other counties.....\$1,400.00
- (j) Limited golf course license (includes distilled spirits, wine, and malt beverages), per annum:
1. In counties containing a consolidated local government.....\$2,000.00
2. In all other counties.....\$1,400.00
- (k) Retail food establishment wine license, per annum\$500.00**
- (2) The fee for the following license types may not be increased by more than five percent (5%) above the January 1, 2013, fee for the current license or the former license type listed beside it, during any five (5) year period. The fees for the licenses described in this subsection are still subject to the maximum amounts listed for those licenses in subsection (1) of this section:
- (a) Quota retail package license: retail package liquor license;
- (b) Quota retail drink license: retail drink license;
- (c) Nonquota type 2 retail drink license: restaurant drink license;
- (d) Nonquota retail malt beverage package license: retail malt beverage license;
- (e) Nonquota type 4 retail malt beverage drink license: retail malt beverage license;
- (f) Limited restaurant license; and
- (g) Limited golf course license.
- (3) The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the primary 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.
- (4) The holder of a nonquota retail malt beverage package license may obtain a Nonquota type 4 malt beverage drink license for a fee of fifty dollars (\$50). The holder of a Nonquota type 4 malt beverage drink license may obtain a nonquota retail malt beverage package license for a fee of fifty dollars (\$50).
- (5) 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.

- (6) If any part of this section is held invalid, all of this section and of KRS 243.600 shall also be considered invalid.

➔Section 4. KRS 243.070 is amended to read as follows:

- (1) 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. The license fees are subject to the provisions of subsections ~~[(16),]~~ (17), ~~and~~ (18), **and (19)** of this section, and shall not exceed the amounts specified in subsections (2) to ~~(16)~~~~[(15)]~~ of this section.

- (2) 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) Wholesaler's distilled spirits and wine license, per annum\$3,000.00
- (d) Quota retail package license, per annum:
 - 1. In counties containing a consolidated local government\$1,200.00
 - 2. In all other counties\$1,000.00

- (3) Quota retail drink license, per annum:

- (a) In counties containing a consolidated local government\$1,600.00
- (b) In all other counties.....\$1,000.00

- (4) Special temporary license, per event:

- (a) In counties containing a consolidated local government\$266.66
- (b) In all other counties.....\$166.66

- (5) Nonquota type 1 retail drink license (includes distilled spirits, wine, and malt beverages), per annum\$2,000.00

- (6) Nonquota type 2 retail drink license (includes distilled spirits, wine, and malt

- beverages), per annum:
- (a) In counties containing a consolidated local government\$1,800.00
 - (b) In all other counties\$1,000.00
- (7) Nonquota type 3 retail drink license (includes distilled spirits, wine, and malt beverages), per annum\$300.00
- (8) Distilled spirits and wine special temporary auction license, per event\$200.00
- (9) Special Sunday retail drink license, per annum\$300.00
- (10) Extended hours supplemental license, per annum\$2,000.00
- (11) Caterer's license, per annum\$800.00
- (12) Bottling house or bottling house storage license, per annum\$1,000.00
- (13) 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) Nonquota retail malt beverage package license, per annum\$200.00
 - (e) Nonquota type 4 retail malt beverage drink license, per annum.....\$200.00
 - (f) Malt beverage brew-on-premises license, per annum\$100.00
- (14) Limited restaurant license (includes distilled spirits, wine, and malt beverages), per annum:
- (a) In counties containing a consolidated local government\$1,800.00
 - (b) In all other counties.....\$1,200.00
- (15) Limited golf course license (includes distilled spirits, wine, and malt beverages), per annum:
- (a) In counties containing a consolidated local government\$1,800.00
 - (b) In all other counties\$1,200.00
- (16) **Retail food establishment wine license, per annum\$500.00**

(17) The fee for the following license types may not be increased by more than five percent (5%) above the January 1, 2013, fee for the current license or the former license type listed beside it, during any five (5) year period. The fees for the licenses described in this subsection are still subject to the maximum amounts listed for those licenses in subsections (2) to (16)~~[(15)]~~ of this section:

- (a) Quota retail package license: retail package liquor license;
- (b) Quota retail drink license: retail drink license;
- (c) Nonquota type 1 retail drink license: convention center or convention hotel complex license;
- (d) Nonquota type 2 retail drink license: restaurant drink license;
- (e) Nonquota retail malt beverage package license: retail malt beverage license;
- (f) Nonquota type 4 retail malt beverage drink license: retail malt beverage license;
- (g) Limited restaurant license; and
- (h) Limited golf course license.

(18)~~[(17)]~~ The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the primary 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.

(19)~~[(18)]~~ The holder of a nonquota retail malt beverage package license may obtain a Nonquota type 4 malt beverage drink license for a fee of fifty dollars (\$50). The holder of a Nonquota type 4 malt beverage drink license may obtain a nonquota retail malt beverage package license for a fee of fifty dollars (\$50).

➔Section 5. 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, 243.157, and subsection (2) of this section.

- (2) The holder of a quota retail drink license, a quota retail package license, an NQ2 license, *a retail food establishment wine license*, or a distillery license may, after acquiring a sampling license, allow customers to sample distilled spirits and wine, *except that the holder of a retail food establishment wine license may only allow customers to sample wine*, under the following conditions:
- (a) Sampling shall be permitted only on licensed premises and by licensees holding a sampling license, 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 holding a sampling license 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.