

# CORRECTIONS IMPACT STATEMENT

SESSION: 15RS

BILL #: SB 81 GA

BR #: 337

DOC ID#: SB008110.100 - 337 - 3799

BILL SPONSOR(S): Sen. J. Schickel, T. Buford, C. Girdler, J. Higdon, M. McGarvey, D. Thayer

AMENDMENT SPONSOR(S): Sen. J. Schickel

SUBJECT: AN ACT relating to consumer products.

**SUMMARY OF LEGISLATION:** Amend KRS 241.010 to define "bed and breakfast," "discount in the usual course of business," and "marina"; expand the definition of "alcoholic beverage" to include a powder or crystal containing alcohol; amend KRS 241.020, 241.030, 241.080, 241.090, 243.035, 243.037, 243.040, 243.380, 243.430, 243.470, 243.550, and 244.590 to describe the powers, duties, titles, and qualifications of the administrators of the Division of Distilled Spirits and the Division of Malt Beverages; amend KRS 241.060, 242.1292, 243.100, 243.110, 243.160, 243.200, 243.220, 243.250, 243.360, 243.390, 243.440, 243.490, 243.520, 243.530, 243.560, 243.620, 243.640, 243.650, 243.660, 243.670, 244.060, 244.070, 244.085, 244.150, 244.260, 244.340, 244.350, and 244.990 to create consistent and modern terminology throughout the alcohol statutes; amend KRS 241.140, 241.190, and 241.250 to clarify the functions of local alcohol administrators; create a new section of KRS Chapter 242 to allow a local option election on distilled spirit souvenir package sales by distilleries within the precinct; create a new section of KRS Chapter 242 to authorize a local option election on by the drink alcoholic beverage sales at marinas within the precinct; amend KRS 242.123 and 242.124 to permit a golf course or small farm winery local option election in any dry or moist city or county; amend KRS 242.1241 to conduct a small farm winery local option election in the same manner as in KRS 242.020; create a new section of KRS Chapter 243 to establish the terms of a sampling license, to include both free and paid samples; amend KRS 243.030 to permit either the administrator of distilled spirits or malt beverages to issue a license that allows the sale of distilled spirits, wine, and malt beverages; amend KRS 243.0305 to allow a distillery to sell souvenir packages of distilled spirits if the distillery is located in a moist precinct that has authorized that type of sale; establish the limitations of a distiller's sampling license; amend KRS 243.033 to authorize a caterer to cater alcoholic beverages at a private party or special event at a non-federally bonded portion of a distillery premises; forbid a caterer from catering alcoholic beverages at an event hosted by the caterer either alone or as a joint venture; amend KRS 243.036 to apply a distilled spirits and wine auction license to malt beverages; include raffles as a part of the auction license; amend KRS 243.042 to allow a qualified historic site to obtain a supplemental bar license for a riverboat or railroad train; amend KRS 243.045 to clarify that a transitional license entitles the holder to the same rights and privileges of the corresponding permanent license; amend KRS 243.060 and 243.070 to authorize a local qualified historic site license fee up to a maximum that matches the state fee; amend KRS 243.082 to merge state park NQ1 license language with that of the other types of NQ1 licensees; amend KRS 243.084 to authorize a marina NQ2 retail drink license; amend KRS 243.086 to permit a bed and breakfast NQ3 retail drink license; limit bed and breakfast drink sales to paid overnight guests; amend KRS 243.090 to make most local alcohol licenses expire on the same date as the corresponding state license; prorate the cost of a local license in the first year to allow the local license to synchronize with the state license; amend KRS 243.130, 243.155, and 243.157 to allow employees of distillers, rectifiers, wineries, small farm wineries, and microbreweries to sample their employer's products for purposes of education, quality control, and product development; enable small farm wineries to enter into "custom crush" agreements with one another; clarify that a small farm winery may sell and serve its products by virtue of a precinct election; permit a small farm winery to sell its wine products that are unmarketable as wine to a distiller; prohibit the location of a microbrewery in moist territory; amend KRS 243.230 to remove the city population threshold for quota retail drink licenses; amend KRS 243.450 to indicate that a state administrator may deny a license if the applicant is a delinquent taxpayer; amend KRS 243.500 to exempt lawful pari-mutuel betting or charitable gaming from the list of prohibited gambling offenses by a licensee; amend KRS 243.540 to make the license termination provisions apply to a default under a lease or security agreement; describe how a landlord or creditor may dispose of alcoholic beverages in its possession; amend KRS 243.630 to define "transfer" to include the transfer of a business and license to a different premises; create a new section of KRS Chapter 244 to forbid any person to possess, sell, offer for sale, or use any powdered or crystalline alcoholic beverage product; amend KRS 244.080 to specify how a person must be manifestly under the influence of alcoholic beverages or controlled substances before alcohol sales to that person are prohibited; amend KRS 244.110 to limit entrance requirements to only quota retail drink and package licenses; amend KRS 244.130 to allow a distiller to provide free production by-products and non-alcoholic merchandise worth up to \$25 per item for a distillery tour or event conducted by a church or charitable organization; amend KRS 244.240 to permit distillers, rectifiers, wineries, and wholesalers to give discounts in the usual course of business if the same discounts are offered to all licensees of the same license type buying similar quantities; amend KRS 244.290 and 244.480 to make a local ordinance limiting election day alcohol sales effective only if the ordinance was adopted after June 25, 2013; require a retail drink licensee in territory with Sunday distilled spirits and wine sales to acquire the Sunday license before conducting the sales; amend KRS 244.360 to set rules for a licensee to display its license number on its licensed premises; amend KRS 242.1244, 243.034, 243.050, 243.075, 243.260, 243.882, 244.050, and 83A.022 to conform; repeal KRS 241.075, 242.127, 242.129, 243.031, 243.072, 243.460, 243.505, 243.510, 243.892, and 244.295.

SCA (1/Title, J. Schickel) - Make title amendment from "AN ACT relating to state regulation." to "AN ACT relating to consumer products."

SFA (1, J. Schickel) - Delete amendments to KRS 244.080, which dealt with alcohol service to intoxicated persons.

This  bill  amendment  committee substitute is expected to:

Have the following Corrections impact  Have no Corrections impact

- |  |  |
|--|--|
| <input type="checkbox"/> Creates new crime(s)                              | <input type="checkbox"/> Repeals existing crime(s)               |
| <input type="checkbox"/> Increases penalty for existing crime(s)           | <input type="checkbox"/> Decreases penalty for existing crime(s) |
| <input type="checkbox"/> Increases incarceration                           | <input type="checkbox"/> Decreases incarceration                 |
| <input type="checkbox"/> Reduces inmate/offender services                  | <input type="checkbox"/> Increases inmate/offender services      |
| <input type="checkbox"/> Increases staff time or positions                 | <input type="checkbox"/> Reduces staff time or positions         |
| <input type="checkbox"/> Changes elements of offense for existing crime(s) |  |
| <input type="checkbox"/> Otherwise impacts incarceration (Explain)_____    |  |

**STATE IMPACT:** Class A, B & C felonies are based on an average daily prison rate of \$60.38. Most Class D felons are housed in one of 79 full service jails for up to 5 years. DOC's cost to incarcerate a felony inmate in a jail is \$32.92 per day (includes jail per diem, medical & central office costs), not including substance abuse treatment. Projections are based on the daily rate x 365 x number of years.

**Projected Impact:**  NONE       MINIMAL       MODERATE       SIGNIFICANT

Creates no new felonies.

**LOCAL IMPACT:** Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until disposition of the case. While the expense varies by jail, this estimated impact will be based on \$32.25 per day, which equals the per diem and medical that DOC pays jails to house felony offenders.

Creates no new misdemeanor offenses.

**The following offices contributed to this Corrections Impact Statement:**

Dept. of Corrections     Dept. of Kentucky State Police     Administrative Office of the Courts     Parole Board     Other

**NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population or that impose new obligations on state or local governments.**

**APPROVED BY:**

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Commissioner, Kentucky Department of Corrections

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Date