

HOUSE OF REPRESENTATIVES

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2017 REGULAR SESSION
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Amend printed copy of **HB 183**

On page 17, lines 14 to 15, bracket and strikethrough "of its own or under KRS 70.540, 70.150, 70.160, and 70.170"; and

On page 38, delete lines 22 and 23 in their entirety, and insert the following in lieu thereof:

"(4) Small farm winery license, per annum.....\$110.00

(a) Small farm winery off-premises retail license, per annum \$30.00"; and

On page 46, line 24, between the words "more" and "may", insert "or any city with limited sale precincts created pursuant to Section 27 of this Act"; and

On page 55, between lines 16 and 17, insert the following:

"(l) Qualified historic site license, per annum \$1,030.00"; and

On page 56, delete lines 10 to 13 in their entirety, and insert the following in lieu thereof:

"(5) A county shall not issue county licenses or impose fees under this section to any person who holds a city license issued under Section 44 of this Act~~[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.~~"; and

On page 57, line 14, delete "\$25.00", and insert "\$100.00" in lieu thereof; and

On page 58, between lines 3 and 4, insert the following:

Amendment No. HFA 2

Rep. Rep. Adam Koenig

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: Amburgey, Bryce

Adopted: _____

Date: _____

Rejected: _____

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"(w) Qualified historic site license, per annum \$1,030.00"; and

On page 59, delete lines 1 to 9 in their entirety, and insert the following in lieu thereof:

"(1) (a) **A qualified city or a county containing a**~~[Notwithstanding the provisions of KRS 243.060 and 243.070, in any]~~ qualified city **that is wet through**~~[in which the discontinuance of prohibition is effective by virtue of]~~ a local option election held under KRS Chapter 242~~[, the governing body of the city and the governing body of the county containing a qualified city]~~ is authorized to impose a regulatory license fee upon the gross receipts of the sale of alcoholic beverages of each establishment **located in the city or county**~~[therein]~~ licensed to sell alcoholic beverages."; and

On page 59, delete lines 23 and 24 in their entirety, and insert the following in lieu thereof:

"(2) (a) ~~[Notwithstanding any limitations imposed on the city's or county's taxing or licensing power by KRS 243.060 or 243.070,]~~A city or"; and

On page 71, delete line 26 in its entirety, and insert the following in lieu thereof:

"nonbeverage alcohol license,~~[or]~~ a winery license, **or a small farm winery license.**"; and

On page 74, line 26, to page 78, line 15, delete Section 54 in its entirety, and insert the following in lieu thereof:

"➔Section 54. KRS 243.155 is amended to read as follows:

(1) Any in-state or out-of-state small farm winery may apply for a small farm winery license. In addition to all other licensing requirements, an applicant for a small farm winery license shall submit with its application a copy of the small farm winery's federal basic permit and proof documenting its annual wine production. An out-of-state winery shall submit additional documentation evidencing its resident state. As part of the application process, an out-of-state winery shall publish its notice of intent, as required by KRS 243.360, in the Kentucky newspaper of highest circulation. The **board**~~[department]~~ shall promulgate administrative regulations establishing the form the documentation of proof of production

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shall take.

(2) A small farm winery license shall authorize the licensee to perform the following functions without having to obtain separate licenses, except that each small farm winery off-premises retail site shall be separately licensed:

(a) **Engage in the business of a winery under the terms and conditions of KRS 243.120 and Section 52 of this Act. The manufacture of wine at the small farm winery shall not be less than two hundred fifty (250) gallons, and shall not exceed one hundred thousand (100,000) gallons, in one (1) year**~~[Manufacture wines and bottle wines produced by that small farm winery];~~

(b) Bottle wines produced by that small farm winery and other licensed small farm wineries;

(c) Enter into an agreement with another licensed small farm winery under which it crushes, processes, ferments, bottles, or any combination of ~~these~~^[such] services, the grapes, fruits, or other agricultural products of the other small farm winery for ~~a~~^{one} ~~(1)~~ production year. The resulting wine shall be considered the ~~product~~^[wine] of the small farm winery that provides the fruit. The small farm winery providing the custom crushing services may exclude the wine produced under this paragraph from its annual production gallonage;

(d) **If the licensed small farm winery or off-premises retail site premises is located in wet territory or in a precinct that has authorized alcoholic beverage sales by the small farm winery under Section 22 of this Act:**

1. ~~Serve~~^[on the premises or at small farm winery off premises retail sites] complimentary samples of wine produced by it in amounts not to exceed six (6) ounces per patron per day~~[, if the small farm winery or its off premises retail site is located in wet territory];~~ **and**

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- ~~2.[(e)]~~ Sell by the drink ***for on-premises consumption*** or by the package ~~on premises, at small farm winery off-premises retail sites, and at fairs, festivals, and other similar types of events,]~~ wine produced ***by it or by another*** ~~[on the premises of the small farm winery or produced by a]~~ licensed small farm winery, at retail to consumers ~~[if all sales sites are located in wet territory];~~
- (e) Sell by the drink or by the package, at fairs, festivals, and other similar types of events, wine produced by it or by another licensed small farm winery, at retail to consumers if all sales occur in a wet territory;***
- (f) Sell and transport wine produced ***by it*** ~~[on the premises of the small farm winery]~~ to ***licensed small farm winery off-premises retail sites,*** wholesale license holders, and small farm winery license holders;
- (g) Consume on the premises wine produced by the small farm winery or a licensed small farm winery and purchased by the drink or by the package at the licensed premises, if the small farm winery is located in wet territory; and
- (h) Ship to a customer wine produced by a small farm winery if:
1. The wine is shipped by licensed common carrier; and
 2. The amount of wine shipped is limited to two (2) cases per customer per order.
- ~~(3) If a licensed small farm winery is located in a dry or moist territory, KRS 242.230 to 242.430 shall apply, unless a limited local option election is held in accordance with KRS 242.124. If the proposition under KRS 242.124 is approved, a licensed small farm winery within the precinct may sell wine in accordance with subsection (2) of this section.~~
- ~~(4)~~ If the requirements of ***Section 23 of this Act or*** KRS 244.290(5) relating to Sunday sales on the licensed premises of a small farm winery are met, a small farm winery within that territory may sell alcoholic beverages on Sunday only in accordance with this section between the hours of 1 p.m. until the prevailing time for that locality.

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~~(4)~~~~(5)~~ ~~{Other provisions of this chapter and KRS Chapter 244 notwithstanding, }~~A small farm winery license holder may also hold an NQ2 retail drink license or~~and~~ an NQ4 retail malt beverage drink license if:

(a) The small farm winery is located in wet territory or in a precinct that has authorized alcoholic beverage sales by the small farm winery under Section 22 of this Act; and

(b) The issuance of these licenses is in connection with the establishment and operation of a restaurant, hotel, inn, bed and breakfast, conference center, or any similar business enterprise designed to promote viticulture, enology, and tourism.

~~(5)~~~~(6)~~ This section shall not exempt the holder of a small farm winery license from the provisions of KRS Chapters 241 ~~to~~~~, 242, 243, and~~ 244, nor from the administrative regulations of the board, nor from regulation by the board at all premises licensed by the small farm winery, except as expressly stated in this section.

~~(6)~~~~(7)~~ Nothing contained in this section shall exempt a licensed out-of-state winery from obeying the laws of its resident state.

~~(7)~~~~(8)~~ Upon the approval of the department, a small farm winery license may be renewed after the licensee submits to the department the winery's federal basic permit and proof of its annual wine production.

(8) An employee of a small farm winery may sample the products produced by that small farm winery for purposes of education, quality control, and product development."; and

On page 88, delete lines 9 to 17 in their entirety, and insert the following in lieu thereof:

"counties maintain an adequate police force ~~under KRS 70.540 and 70.150 to 70.170.~~

~~(b) If one (1) or more quota retail drink licenses or NQ2 retail drink licenses have been issued to establishments in a city that does not meet the population requirements of paragraph (a) of this subsection or in a county that does not contain a city meeting the~~

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~~population requirements of paragraph (a) of this subsection prior to January 1, 2015, then that county or city shall continue to be treated in a manner as if the city or county meets the requirements of paragraph (a) of this subsection]."; and~~

On page 89, lines 7 to 8, bracket and strikethrough "under KRS 70.540 and 70.150 to 70.170"; and

On page 128, lines 2 to 3, delete "two hundred (200)", and insert "fifty (50)" in lieu thereof.