

1 AN ACT relating to the sale of alcoholic beverages.

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

3 ➔Section 1. KRS 243.240 is amended to read as follows:

4 **(1)** A quota retail package license shall authorize the licensee to purchase, receive,
5 possess, and sell distilled spirits and wine at retail in unbroken packages only, and
6 only for consumption off the licensed premises.

7 **(2)** ***A quota retail package***~~[Such a]~~ licensee shall purchase distilled spirits and wine in
8 retail packages only and only from licensed wholesalers.

9 **(3)** ***A quota retail package***~~[The]~~ licensee may sell only to consumers and may make
10 deliveries only at the premises designated in his or her license.

11 **(4)** The holder of a quota retail package license may also hold a nonquota retail malt
12 beverage package license.

13 **(5)** ***A quota retail package licensee shall not sell distilled spirits and wine for less***
14 ***than purchase cost. For the purpose of this section, "purchase cost" means the***
15 ***sum of:***

16 **(a)** ***The wholesale cost paid by the retailer for the product; and***

17 **(b)** ***Any regulatory license fee imposed by local governments by KRS 243.075.***

18 ➔Section 2. KRS 243.280 is amended to read as follows:

19 (1) A nonquota retail malt beverage package license shall authorize the licensee to:

20 (a) Sell malt beverages at retail by the package from the licensed premises only
21 for consumption off the licensed premises only; and

22 (b) Purchase malt beverages only from a distributor.

23 (2) The holder of a quota retail package license under KRS 243.240 may also obtain a
24 license under this section.

25 (3) The holder of a nonquota retail malt beverage package license may also hold a NQ4
26 retail malt beverage drink license.

27 (4) A nonquota retail malt beverage package license shall not be issued to sell malt

1 beverages at retail for any premises from which gasoline and lubricating oil are sold
2 or from which the servicing and repair of motor vehicles is conducted, unless there
3 is maintained in inventory on the premises for sale at retail not less than five
4 thousand dollars (\$5,000) of food, groceries, and related products valued at cost.

5 (5) The term "food and groceries" means:

6 (a) Any food or food product intended for human consumption except alcoholic
7 beverages, tobacco, hot foods, and hot food products prepared for immediate
8 consumption;

9 (b) Seeds and plants to grow food for personal consumption.

10 (6) The provisions of this section shall not apply to any licensed premises which sells
11 no fuel other than marine fuel.

12 **(7) A nonquota retail malt beverage package licensee shall not sell malt beverages**
13 **for less than purchase cost. For the purpose of this section, "purchase cost"**
14 **means the sum of:**

15 **(a) The wholesale cost paid by the retailer for the product; and**

16 **(b) Any regulatory license fee imposed by local governments by KRS 243.075.**

17 ➔Section 3. KRS 244.050 is amended to read as follows:

18 (1) No retail licensee shall give away any alcoholic beverage in any quantity or deliver
19 it in any quantity for less than a full monetary consideration, except as provided by
20 KRS 243.0305, 243.155, 243.157, and subsection (2) of this section.

21 (2) The holder of a quota retail drink license, a quota retail package license, an NQ2
22 license, or a distillery license may, after acquiring a sampling license, allow
23 customers to sample, free of charge, distilled spirits and wine under the following
24 conditions:

25 (a) Free sampling shall be permitted only on licensed premises and by licensees
26 holding a sampling license, during regular business hours; and

27 (b) Except as authorized by KRS 243.0305, a licensee shall limit a customer to:

- 1 1. One (1) ounce of free distilled spirits samples per day; and
- 2 2. Six (6) ounces of free wine samples per day.
- 3 (3) Retailers holding a sampling license shall:
- 4 (a) Notify the Department of Alcoholic Beverage Control at least seven (7) days
- 5 in advance of conducting a free sampling event; and
- 6 (b) Limit a free sampling event to a period not to exceed four (4) consecutive
- 7 hours between 12 noon and 8 p.m.
- 8 (4) In addition to free sampling, a quota retail package licensee holding a sampling
- 9 license may also sell sample distilled spirits and wine under the following
- 10 conditions:
- 11 (a) Paid samples may be sold only on licensed premises and by licensees holding
- 12 a sampling license, during regular business hours; and
- 13 (b) A licensee shall limit a customer to purchased samples totaling no more than:
- 14 1. Two (2) ounces of distilled spirits per day; and
- 15 2. Nine (9) ounces of wine per day.
- 16 (5) A quota retail package licensee holding both a sampling license and a nonquota
- 17 retail malt beverage package license may also sell samples of malt beverages under
- 18 the following conditions:
- 19 (a) Paid samples may be sold only on licensed premises and by licensees holding
- 20 a sampling license, during regular business hours;
- 21 (b) A licensee shall limit a customer to no more than sixteen (16) ounces of malt
- 22 beverages per day;
- 23 (c) Nothing in this subsection shall allow a quota retail package licensee to
- 24 provide a customer samples of malt beverages free of charge;
- 25 (d) The retail price of a sample shall not be less than a licensee's purchase cost of
- 26 the sample. *For the purpose of this section, "purchase cost" means the sum*
- 27 *of:*

- 1 1. The wholesale cost paid by the retailer for the product; and
- 2 2. Any regulatory license fee imposed by local governments by KRS
- 3 243.075; and
- 4 (e) A licensee, supplier, or individual shall not request, require, or allow a
- 5 distributor to provide malt beverages free of charge or participate in any
- 6 activity allowed under this subsection.
- 7 (6) No customer shall be allowed to receive a combination of free and purchased
- 8 samples totaling more than:
- 9 (a) Two (2) ounces of distilled spirits per day; and
- 10 (b) Nine (9) ounces of wine per day.
- 11 (7) Samples sold under subsections (4) and (5) of this section shall not constitute drink
- 12 sales.