

1 AN ACT relating to the direct shipment of wine to consumers.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO
4 READ AS FOLLOWS:

5 *(1) Notwithstanding any law to the contrary, a person licensed in Kentucky or any*
6 *other state as a wine manufacturer, producer, supplier, importer, wholesaler, or*
7 *retailer may obtain a wine direct shipper license from the department. A wine*
8 *direct shipper license shall be subject to the following privileges and duties:*

9 *(a) A licensee may annually ship up to twenty-four (24) nine (9) liter cases of*
10 *wine to each customer. A customer shall be at least twenty-one (21) years*
11 *old, and shall only buy the wine for personal consumption and not for*
12 *resale;*

13 *(b) It shall not be considered unlawful to ship wine to a personal residence in a*
14 *territory identified by the department as dry or moist; and*

15 *(c) An applicant shall apply to the department and provide to the department a*
16 *true copy of its current alcoholic beverage license issued in this or any other*
17 *state. A licensee shall present an updated copy of the license every year*
18 *upon license renewal.*

19 *(2) A wine direct shipper licensee shall:*

20 *(a) Ensure that all containers or packages of wine shipped directly to a resident*
21 *in Kentucky are conspicuously labeled with the words: "CONTAINS*
22 *ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED*
23 *FOR DELIVERY.";*

24 *(b) If located outside of this state, report to the department annually the total*
25 *amount of wine shipped into the state in the preceding calendar year;*

26 *(c) If located outside of this state, pay to the Department of Revenue all sales*
27 *taxes and excise taxes due on sales to residents of Kentucky. The amount of*

- 1 taxes shall be calculated in accordance with KRS 243.720 and 243.884;
- 2 (d) If located within Kentucky, provide the Department of Revenue with any
- 3 additional information the Department of Revenue deems necessary beyond
- 4 that already required for retail package sales of wine to ensure compliance
- 5 with this section;
- 6 (e) Permit the Department of Revenue or the department to perform an audit of
- 7 the wine direct shipper licensee’s records upon request; and
- 8 (f) Be deemed to have consented to the jurisdiction of the department or any
- 9 other state agency and the state courts concerning enforcement of this
- 10 section and any related laws or administrative regulations;
- 11 (3) The department shall promulgate administrative regulations to enforce this
- 12 section. A licensee shall be subject to KRS Chapters 241 to 244 and all
- 13 administrative regulations promulgated under those chapters.
- 14 (4) Shipments of wine direct to consumers in Kentucky from a person who does not
- 15 hold a valid wine direct shipper license is prohibited. Any person who knowingly
- 16 makes, participates in, transports, imports, or receives a wine shipment without a
- 17 wine shipper license commits an unfair trade practice.

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

19 The following licenses that authorize traffic in distilled spirits and wine may be issued by
20 the distilled spirits administrator. Licenses that authorize traffic in all alcoholic beverages
21 may be issued by both the distilled spirits administrator and malt beverages administrator.

22 The licenses and their accompanying fees are as follows:

- 23 (1) Distiller's license:
- 24 (a) Class A, per annum\$3,090.00
- 25 (b) Class B (craft distillery), per annum\$1,000.00
- 26 (2) Rectifier's license:
- 27 (a) Class A, per annum\$2,580.00

1	(b) Class B (craft rectifier), per annum	\$825.00
2	(3) Winery license, per annum	\$1,030.00
3	(4) Small farm winery license, per annum	\$110.00
4	(a) Small farm winery off-premises retail license, per annum	\$30.00
5	(5) Wholesaler's license, per annum	\$2,060.00
6	(6) Quota retail package license, per annum.....	\$570.00
7	(7) Quota retail drink license, per annum	\$620.00
8	(8) Transporter's license, per annum	\$210.00
9	(9) Special nonbeverage alcohol license, per annum	\$60.00
10	(10) Special agent's or solicitor's license, per annum	\$30.00
11	(11) Bottling house or bottling house storage license,	
12	per annum	\$1,030.00
13	(12) Special temporary license, per event	\$100.00
14	(13) Special Sunday retail drink license, per annum	\$520.00
15	(14) Caterer's license, per annum	\$830.00
16	(15) Special temporary alcoholic beverage	
17	auction license, per event	\$100.00
18	(16) Extended hours supplemental license, per annum	\$2,060.00
19	(17) Hotel in-room license, per annum	\$210.00
20	(18) Air transporter license, per annum	\$520.00
21	(19) Sampling license, per annum	\$110.00
22	(20) Replacement or duplicate license	\$25.00
23	(21) Entertainment destination center license, per annum	\$7,730.00
24	(22) Limited restaurant license, per annum	\$780.00
25	(23) Limited golf course license, per annum	\$720.00
26	(24) Small farm winery wholesaler's license, per annum	\$110.00
27	(25) Qualified historic site license, per annum	\$1,030.00

1 (26) Nonquota type 1 license, per annum\$4,120.00
2 (27) Nonquota type 2 license, per annum\$830.00
3 (28) Nonquota type 3 license, per annum\$310.00
4 (29) Distilled spirits and wine storage license, per annum\$620.00
5 (30) Out-of-state distilled spirits and wine supplier's license, per annum\$1,550.00
6 (31) Limited out-of-state distilled spirits and
7 wine supplier's license, per annum\$260.00
8 (32) Authorized public consumption license, per annum.....\$250.00
9 (33) **Wine direct shipper license, per annum:**
10 **(a) Initial registration.....\$100.00**
11 **(b) Renewal registration.....\$50.00**

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

14 **(35)**~~(34)~~ Other special licenses the board finds necessary for the proper regulation and
15 control of the traffic in distilled spirits and wine and provides for by administrative
16 regulation. In establishing the amount of license taxes that are required to be fixed
17 by the board, it shall have regard for the value of the privilege granted.

18 **(36)**~~(35)~~ The fee for each of the first five (5) supplemental bar licenses shall be the
19 same as the fee for the primary retail drink license. There shall be no charge for
20 each supplemental license issued in excess of five (5) to the same licensee at the
21 same premises.

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

26 ➔Section 3. KRS 243.990 is amended to read as follows:

27 (1) Any person who, by himself or herself or acting through another, directly or

1 indirectly, violates any of the provisions of KRS 243.020 to 243.670, for which no
2 other penalty is provided, shall, for the first offense, be guilty of a Class B
3 misdemeanor; and for the second and each subsequent violation, he or she shall be
4 guilty of a Class A misdemeanor. The penalties provided for in this subsection shall
5 be in addition to the revocation of the offender's license.

6 (2) Any person who, by himself or herself or through another, directly or indirectly,
7 violates subsection (1) of KRS 243.020 shall, for the first offense, be guilty of a
8 Class B misdemeanor; for the second offense, he or she shall be guilty of a Class A
9 misdemeanor; and for the third and each subsequent offense, he or she shall be
10 guilty of a Class D felony.

11 (3) Any person who violates subsection (3) of KRS 243.020 shall be guilty of a
12 violation.

13 (4) Any person who violates KRS 243.620 with respect to a license issued under KRS
14 243.050 or 243.082 shall be guilty of a violation.

15 (5) Any person who violates any of the provisions of KRS 243.720 or 243.730 or any
16 regulation issued thereunder shall be guilty of a Class A misdemeanor.

17 (6) Any person who violates any provision of KRS 243.710 to 243.850 shall be subject
18 to the uniform civil penalties imposed pursuant to KRS 131.180.

19 (7) In every case, any tax imposed by KRS 243.710 to 243.720 which is not paid on or
20 before the due date shall bear interest at the tax interest rate as defined in KRS
21 131.010(6) from the due date until the date of payment.

22 (8) Any person who, by himself or herself or acting through another, directly or
23 indirectly, violates KRS 243.502(1) shall, for the first offense, be guilty of a Class B
24 misdemeanor, and for the second and each subsequent violation, he or she shall be
25 guilty of a Class A misdemeanor. The penalties provided for in this subsection shall
26 be in addition to the suspension or revocation of the offender's license.

27 (9) Any person who violates the provisions of KRS 243.897 shall be subject to a fine

1 not to exceed one thousand dollars (\$1,000).

2 *(10) Any person who violates Section 1 of this Act shall be guilty of a Class B*
3 *misdemeanor for the first offense and a Class A misdemeanor for the second and*
4 *each subsequent offense, and shall be subject to a fine of up to one thousand*
5 *dollars (\$1,000) for each offense.*