

1 AN ACT relating to alcoholic beverages and making an appropriation therefor.

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) Sections 1 to 3 of this Act shall supersede any conflicting statute in KRS Chapters*
6 *241 to 244.*

7 *(2) A direct shipper license shall authorize the holder to ship alcoholic beverages to*
8 *consumers. The department shall issue a direct shipper license to a successful*
9 *applicant that:*

10 *(a) Is a manufacturer located in this state or another state that holds a current*
11 *license, permit, or other authorization to manufacture alcoholic beverages*
12 *in the state where the manufacturer is located;*

13 *(b) Pays an annual license fee of one hundred dollars (\$100); and*

14 *(c) If the manufacturer is located outside this state, proves that it has completed*
15 *the same registration necessary for a manufacturer located in this state with*
16 *respect to payment of any applicable excise tax, state or local sales or use*
17 *tax, or other tax owed under the law of this state in connection with the*
18 *direct shipment of alcoholic beverages to consumers in this state.*

19 *(3) The department shall set the requirements and the form for a direct shipper*
20 *license application through the promulgation of an administrative regulation.*
21 *These requirements shall include:*

22 *(a) The address and a description of the premises from which the manufacturer*
23 *will ship alcoholic beverages to consumers;*

24 *(b) If the applicant is a manufacturer located outside this state, a copy of the*
25 *manufacturer's current license, permit, or other authorization to*
26 *manufacture alcoholic beverages in the state where the manufacturer is*
27 *located; and*

1 (c) Any other information the department determines to be necessary to
2 implement and administer the direct shipper licensing program.

3 (4) In considering an application from an out-of-state manufacturer, the department
4 shall use the same standards as those it uses for similarly situated in-state
5 applications.

6 (5) The department may refuse to accept an application if the applicant is a
7 manufacturer located outside this state, and the applicant holds a direct or
8 indirect interest in a manufacturer, wholesaler, distributor, or retailer of alcohol
9 beverages which, if the applicant were located in this state, would prohibit the
10 applicant from holding a license, permit, or other authorization to manufacture
11 alcoholic beverages in this state.

12 (6) A direct shipper licensee shall:

13 (a) Appoint and continuously maintain an agent for service of process that
14 need not be a resident of this state, and agree that the Secretary of State
15 shall serve as its agent if it fails to maintain a current agent for service of
16 process. The licensee shall agree that legal service on the agent constitutes
17 legal service on the direct shipper licensee;

18 (b) Maintain the records required under Sections 1 to 3 of this Act and provide
19 the department and the Department of Revenue access to or copies of these
20 records;

21 (c) Allow the department or the Department of Revenue to perform an audit of
22 the direct shipper licensee's records or an inspection of the direct shipper
23 licensee's licensed premises upon request. If an audit or inspection reveals a
24 violation, the department or the Department of Revenue may recover
25 reasonable expenses from the licensee for the cost of the audit or
26 inspection;

27 (d) File all reports and pay all taxes required under Sections 1 to 3 of this Act;

- 1 (e) Submit to the jurisdiction of the department and the Department of
2 Revenue, the courts, and all other enforcement authority of this state,
3 including any related laws or administrative regulations, with respect to
4 enforcement against the applicant;
- 5 (f) Hold the license contingent on obeying all laws and administrative
6 regulations of both the origin state and the destination state, including
7 those relating to the times, days, or other circumstances when alcoholic
8 beverages may be sold or shipped;
- 9 (g) Be subject to potential fines, penalties, license suspension, or license
10 revocation for a violation of the duties or obligations to hold a direct
11 shipper license;
- 12 (h) Meet any reciprocal license requirements, if applicable; and
- 13 (i) Comply with all applicable federal and state labeling, licensing, and brand
14 registration requirements.
- 15 (7) (a) The department shall promulgate administrative regulations designed to
16 reduce unlicensed deliveries and shipments of alcoholic beverages in the
17 Commonwealth. Each direct shipper licensee shall submit to the department
18 and the Department of Revenue a quarterly report for that direct shipper
19 license showing:
- 20 1. The total amount of alcoholic beverages shipped into the state per
21 consumer;
- 22 2. The name and address of each consumer;
- 23 3. The purchase price of the alcoholic beverages shipped and the amount
24 of taxes charged to the consumer for the alcoholic beverages shipped;
25 and
- 26 4. The name and address of each common carrier.
- 27 (b) The Department of Revenue shall create a form through the promulgation

1 of an administrative regulation for reporting under paragraph (a) of this
2 subsection.

3 (c) The department shall provide a list of all active direct shipper licensees to
4 licensed common carriers on a quarterly basis to reduce the number of
5 unlicensed shipments in the Commonwealth.

6 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 243 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) A direct shipper licensee may sell or ship to a consumer all types of alcoholic
9 beverages that the licensee is authorized to sell, with the following aggregate
10 limits:

11 (a) Distilled spirits, in quantities not to exceed four and one-half (4 1/2) liters
12 per consumer per day for sales prior to January 1, 2021, and in quantities
13 not to exceed nine (9) liters per consumer per day for sales on and after
14 January 1, 2021;

15 (b) Wine, in quantities not to exceed four (4) cases per consumer per day; and

16 (c) Malt beverages, in quantities not to exceed thirty-one (31) gallons per
17 consumer per day that shall not include more than three (3) cases in case
18 format.

19 (2) The direct shipper licensee shall notify the consumer placing the order that the
20 shipment shall not be left unless the recipient of the shipment provides a valid
21 identification document at the time verifying that the recipient is at least twenty-
22 one (21) years of age. All alcoholic beverage containers shipped to the consumer
23 shall be conspicuously labeled with the words "CONTAINS ALCOHOL:
24 SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR
25 DELIVERY".

26 (3) At the time of delivery, the recipient of the shipment shall present to the
27 individual delivering the package a valid identification document. Prior to

1 transferring possession of the package, the individual delivering the package
2 shall visually inspect the document and verify the identity of the recipient and, by
3 visual examination or by using age verification technology, that the recipient is at
4 least twenty-one (21) years of age.

5 (4) Before transferring possession of the package, the individual delivering the
6 package shall obtain the signature of the recipient of the shipment. The
7 individual who receives and signs for the alcoholic beverages is not required to be
8 the consumer who purchased the alcoholic beverages.

9 (5) A consumer who intentionally causes shipment to an address deemed unlawful
10 shall, for the first offense, be guilty of a violation punishable by a fine of two
11 hundred fifty dollars (\$250), and for each subsequent offense, be guilty of a
12 violation punishable by a fine of five hundred dollars (\$500). In this instance, the
13 direct shipper licensee and the common carrier shall be held harmless.

14 (6) A direct shipper licensee may not sell or ship alcoholic beverages to a consumer
15 from its licensed premises if the consumer's address is located in an area in
16 which alcoholic beverages may not be sold or received.

17 (7) A direct shipper licensee shall only conduct the shipment of alcoholic beverages
18 to a consumer through a common carrier.

19 (8) A direct shipper licensee may ship alcoholic beverages to a consumer only from
20 the licensed premises described in its direct shipper license application.

21 (9) If a common carrier is unable to complete delivery, then the alcoholic beverages
22 shall be returned to the consignor.

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

25 (1) For purposes of this section, "taxes" includes any applicable sales tax, use tax,
26 excise tax, regulatory license fees, and other assessments associated with the
27 purchase of alcoholic beverages.

- 1 (2) For purposes of this section and for other tax purposes, each sale and delivery of
2 alcoholic beverages under a direct shipper license is a sale occurring at the
3 address of the consumer. For each tax remittance or collected group of tax
4 remittances, the direct shipper licensee shall include its federal tax identification
5 number.
- 6 (3) A direct shipper licensee that sells alcoholic beverages under its direct shipper
7 license for shipment to a consumer shall charge the consumer all applicable
8 taxes and shall sell the alcoholic beverages with all applicable taxes included in
9 the selling price. The applicable taxes shall be separately identified on the
10 consumer's invoice. The taxes shall be collected by the direct shipper licensee
11 from the consumer.
- 12 (4) The amount of the taxes to be paid by the direct shipper licensee under this
13 section shall be calculated based on the sale of the alcoholic beverages occurring
14 at the location identified as the consumer's address on the shipping label.
- 15 (5) For taxes owed by a direct shipper licensee under this section, the direct shipper
16 licensee shall meet the standards of the destination state, including filing a return
17 that contains its license number and federal tax identification number.

18 ➔Section 4. KRS 241.010 is amended to read as follows:

19 As used in KRS Chapters 241 to 244, unless the context requires otherwise:

- 20 (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from
21 whatever source or by whatever process it is produced;
- 22 (2) "Alcoholic beverage" means every liquid, solid, powder, or crystal, whether
23 patented or not, containing alcohol in an amount in excess of more than one percent
24 (1%) of alcohol by volume, which is fit for beverage purposes. It includes every
25 spurious or imitation liquor sold as, or under any name commonly used for,
26 alcoholic beverages, whether containing any alcohol or not. It does not include the
27 following products:

- 1 (a) Medicinal preparations manufactured in accordance with formulas prescribed
2 by the United States Pharmacopoeia, National Formulary, or the American
3 Institute of Homeopathy;
- 4 (b) Patented, patent, and proprietary medicines;
- 5 (c) Toilet, medicinal, and antiseptic preparations and solutions;
- 6 (d) Flavoring extracts and syrups;
- 7 (e) Denatured alcohol or denatured rum;
- 8 (f) Vinegar and preserved sweet cider;
- 9 (g) Wine for sacramental purposes; and
- 10 (h) Alcohol unfit for beverage purposes that is to be sold for legitimate external
11 use;
- 12 (3) (a) "Alcohol vaporizing device" or "AWOL device" means any device, machine,
13 or process that mixes liquor, spirits, or any other alcohol product with pure
14 oxygen or by any other means produces a vaporized alcoholic product used for
15 human consumption;
- 16 (b) "Alcohol vaporizing device" or "AWOL device" does not include an inhaler,
17 nebulizer, atomizer, or other device that is designed and intended by the
18 manufacturer to dispense a prescribed or over-the-counter medication or a
19 device installed and used by a licensee under this chapter to demonstrate the
20 aroma of an alcoholic beverage;
- 21 (4) "Automobile race track" means a facility primarily used for vehicle racing that has a
22 seating capacity of at least thirty thousand (30,000) people;
- 23 (5) "Bed and breakfast" means a one (1) family dwelling unit that:
- 24 (a) Has guest rooms or suites used, rented, or hired out for occupancy or that are
25 occupied for sleeping purposes by persons not members of the single-family
26 unit;
- 27 (b) Holds a permit under KRS Chapter 219; and

- 1 (c) Has an innkeeper who resides on the premises or property adjacent to the
2 premises during periods of occupancy;
- 3 (6) "Board" means the State Alcoholic Beverage Control Board created by KRS
4 241.030;
- 5 (7) "Bottle" means any container which is used for holding alcoholic beverages for the
6 use and sale of alcoholic beverages at retail;
- 7 (8) "Brewer" means any person who manufactures malt beverages or owns, occupies,
8 carries on, works, or conducts any brewery, either alone or through an agent;
- 9 (9) "Brewery" means any place or premises where malt beverages are manufactured for
10 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,
11 and storerooms connected with the premises; or where any part of the process of the
12 manufacture of malt beverages is carried on; or where any apparatus connected with
13 manufacture is kept or used; or where any of the products of brewing or
14 fermentation are stored or kept;
- 15 (10) "Building containing licensed premises" means the licensed premises themselves
16 and includes the land, tract of land, or parking lot in which the premises are
17 contained, and any part of any building connected by direct access or by an entrance
18 which is under the ownership or control of the licensee by lease holdings or
19 ownership;
- 20 (11) "Caterer" means a person operating a food service business that prepares food in a
21 licensed and inspected commissary, transports the food and alcoholic beverages to
22 the caterer's designated and inspected banquet hall or to an agreed location, and
23 serves the food and alcoholic beverages pursuant to an agreement with another
24 person;
- 25 (12) "Charitable organization" means a nonprofit entity recognized as exempt from
26 federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec.
27 501(c)) or any organization having been established and continuously operating

- 1 within the Commonwealth of Kentucky for charitable purposes for three (3) years
2 and which expends at least sixty percent (60%) of its gross revenue exclusively for
3 religious, educational, literary, civic, fraternal, or patriotic purposes;
- 4 (13) "Cider" means any fermented fruit-based beverage containing seven percent (7%) or
5 more alcohol by volume and includes hard cider and perry cider;
- 6 (14) "City administrator" means city alcoholic beverage control administrator;
- 7 (15) "Commercial airport" means an airport through which more than five hundred
8 thousand (500,000) passengers arrive or depart annually;
- 9 (16) "Commercial quadricycle" means a vehicle equipped with a minimum of ten (10)
10 pairs of fully operative pedals for propulsion by means of human muscular power
11 exclusively and which:
- 12 (a) Has four (4) wheels;
- 13 (b) Is operated in a manner similar to that of a bicycle;
- 14 (c) Is equipped with a minimum of thirteen (13) seats for passengers;
- 15 (d) Has a unibody design;
- 16 (e) Is equipped with a minimum of four (4) hydraulically operated brakes;
- 17 (f) Is used for commercial tour purposes; and
- 18 (g) Is operated by the vehicle owner or an employee of the owner;
- 19 (17) "Commissioner" means the commissioner of the Department of Alcoholic Beverage
20 Control;
- 21 (18) **"Consumer" means a person who purchases alcoholic beverages and who:**
- 22 **(a) Does not hold a license or permit issued by the department;**
- 23 **(b) Purchases the alcoholic beverages for personal consumption only and not**
24 **for resale;**
- 25 **(c) Is of lawful drinking age;**
- 26 **(d) Receives the alcoholic beverages at a location other than a licensed**
27 **premises; and**

1 (e) *Receives the alcoholic beverages in territory where the alcoholic beverages*
2 *may be lawfully sold or received;*

3 (19) "Convention center" means any facility which, in its usual and customary business,
4 provides seating for a minimum of one thousand (1,000) people and offers
5 convention facilities and related services for seminars, training and educational
6 purposes, trade association meetings, conventions, or civic and community events
7 or for plays, theatrical productions, or cultural exhibitions;

8 (20)~~[(19)]~~ "Convicted" and "conviction" means a finding of guilt resulting from a plea of
9 guilty, the decision of a court, or the finding of a jury, irrespective of a
10 pronouncement of judgment or the suspension of the judgment;

11 (21)~~[(20)]~~ "County administrator" means county alcoholic beverage control
12 administrator;

13 (22)~~[(21)]~~ "Department" means the Department of Alcoholic Beverage Control;

14 (23)~~[(22)]~~ "Dining car" means a railroad passenger car that serves meals to consumers on
15 any railroad or Pullman car company;

16 (24)~~[(23)]~~ "Discount in the usual course of business" means price reductions, rebates,
17 refunds, and discounts given by wholesalers to distilled spirits and wine retailers
18 pursuant to an agreement made at the time of the sale of the merchandise involved
19 and are considered a part of the sales transaction, constituting reductions in price
20 pursuant to the terms of the sale, irrespective of whether the quantity discount was:

21 (a) Prorated and allowed on each delivery;

22 (b) Given in a lump sum after the entire quantity of merchandise purchased had
23 been delivered; or

24 (c) Based on dollar volume or on the quantity of merchandise purchased;

25 (25)~~[(24)]~~ "Distilled spirits" or "spirits" means any product capable of being consumed
26 by a human being which contains alcohol in excess of the amount permitted by
27 KRS Chapter 242 obtained by distilling, mixed with water or other substances in

1 solution, except wine, hard cider, and malt beverages;

2 ~~(26)~~~~(25)~~ "Distiller" means any person who is engaged in the business of manufacturing
3 distilled spirits at any distillery in the state and is registered in the Office of the
4 Collector of Internal Revenue for the United States at Louisville, Kentucky;

5 ~~(27)~~~~(26)~~ "Distillery" means any place or premises where distilled spirits are
6 manufactured for sale, and which are registered in the office of any collector of
7 internal revenue for the United States. It includes any United States government
8 bonded warehouse;

9 ~~(28)~~~~(27)~~ "Distributor" means any person who distributes malt beverages for the
10 purpose of being sold at retail;

11 ~~(29)~~~~(28)~~ "Dry" means a territory in which a majority of the electorate voted to prohibit
12 all forms of retail alcohol sales through a local option election held under KRS
13 Chapter 242;

14 ~~(30)~~~~(29)~~ "Election" means:

15 (a) An election held for the purpose of taking the sense of the people as to the
16 application or discontinuance of alcoholic beverage sales under KRS Chapter
17 242; or

18 (b) Any other election not pertaining to alcohol;

19 ~~(31)~~~~(30)~~ "Horse racetrack" means a facility licensed to conduct a horse race meeting
20 under KRS Chapter 230;

21 ~~(32)~~~~(31)~~ "Hotel" means a hotel, motel, or inn for accommodation of the traveling
22 public, designed primarily to serve transient patrons;

23 ~~(33)~~~~(32)~~ "Investigator" means any employee or agent of the department who is
24 regularly employed and whose primary function is to travel from place to place for
25 the purpose of visiting licensees, and any employee or agent of the department who
26 is assigned, temporarily or permanently, by the commissioner to duty outside the
27 main office of the department at Frankfort, in connection with the administration of

1 alcoholic beverage statutes;

2 ~~(34)~~~~(33)~~ "License" means any license issued pursuant to KRS Chapters 241 to 244;

3 ~~(35)~~~~(34)~~ "Licensee" means any person to whom a license has been issued, pursuant to
4 KRS Chapters 241 to 244;

5 ~~(36)~~~~(35)~~ "Limited restaurant" means:

6 (a) A facility where the usual and customary business is the preparation and
7 serving of meals to consumers, which has a bona fide kitchen facility, which
8 receives at least seventy percent (70%) of its food and alcoholic beverage
9 receipts from the sale of food, which maintains a minimum seating capacity of
10 fifty (50) persons for dining, which has no open bar, which requires that
11 alcoholic beverages be sold in conjunction with the sale of a meal, and which
12 is located in a wet or moist territory under KRS 242.1244; or

13 (b) A facility where the usual and customary business is the preparation and
14 serving of meals to consumers, which has a bona fide kitchen facility, which
15 receives at least seventy percent (70%) of its food and alcoholic beverage
16 receipts from the sale of food, which maintains a minimum seating capacity of
17 one hundred (100) persons of dining, and which is located in a wet or moist
18 territory under KRS 242.1244;

19 ~~(37)~~~~(36)~~ "Local administrator" means a city alcoholic beverage administrator, county
20 alcoholic beverage administrator, or urban-county alcoholic beverage control
21 administrator;

22 ~~(38)~~~~(37)~~ "Malt beverage" means any fermented undistilled alcoholic beverage of any
23 name or description, manufactured from malt wholly or in part, or from any
24 substitute for malt, and includes weak cider;

25 ~~(39)~~~~(38)~~ "Manufacture" means distill, rectify, brew, bottle, and operate a winery;

26 ~~(40)~~~~(39)~~ "Manufacturer" means a winery, distiller, rectifier, or brewer, and any other
27 person engaged in the production or bottling of alcoholic beverages;

1 ~~(41)~~~~((40))~~ "Minor" means any person who is not twenty-one (21) years of age or older;

2 ~~(42)~~~~((41))~~ "Moist" means a territory in which a majority of the electorate voted to permit
3 limited alcohol sales by any one (1) or a combination of special limited local option
4 elections authorized by KRS 242.022, 242.123, 242.1238, 242.124, 242.1242,
5 242.1243, 242.1244, or 242.1292;

6 ~~(43)~~~~((42))~~ "Population" means the population figures established by the federal decennial
7 census for a census year or the current yearly population estimates prepared by the
8 Kentucky State Data Center, Urban Studies Center of the University of Louisville,
9 Louisville, Kentucky, for all other years;

10 ~~(44)~~~~((43))~~ "Premises" means the land and building in and upon which any business
11 regulated by alcoholic beverage statutes is operated or carried on. "Premises" shall
12 not include as a single unit two (2) or more separate businesses of one (1) owner on
13 the same lot or tract of land, in the same or in different buildings if physical and
14 permanent separation of the premises is maintained, excluding employee access by
15 keyed entry and emergency exits equipped with crash bars, and each has a separate
16 public entrance accessible directly from the sidewalk or parking lot. Any licensee
17 holding an alcoholic beverage license on July 15, 1998, shall not, by reason of this
18 subsection, be ineligible to continue to hold his or her license or obtain a renewal,
19 of the license;

20 ~~(45)~~~~((44))~~ "Primary source of supply" or "supplier" means the distiller, winery, brewer,
21 producer, owner of the commodity at the time it becomes a marketable product,
22 bottler, or authorized agent of the brand owner. In the case of imported products, the
23 primary source of supply means either the foreign producer, owner, bottler, or agent
24 of the prime importer from, or the exclusive agent in, the United States of the
25 foreign distiller, producer, bottler, or owner;

26 ~~(46)~~~~((45))~~ "Private club" means a nonprofit social, fraternal, military, or political
27 organization, club, or entity maintaining or operating a club room, club rooms, or

1 premises from which the general public is excluded;

2 ~~(47)~~~~((46))~~ "Public nuisance" means a condition that endangers safety or health, is
3 offensive to the senses, or obstructs the free use of property so as to interfere with
4 the comfortable enjoyment of life or property by a community or neighborhood or
5 by any considerable number of persons;

6 ~~(48)~~~~((47))~~ "Qualified historic site" means:

- 7 (a) A contributing property with dining facilities for at least fifty (50) persons at
8 tables, booths, or bars where food may be served within a commercial district
9 listed in the National Register of Historic Places;
- 10 (b) A site that is listed as a National Historic Landmark or in the National
11 Register of Historic Places with dining facilities for at least fifty (50) persons
12 at tables, booths, or bars where food may be served;
- 13 (c) A distillery which is listed as a National Historic Landmark and which
14 conducts souvenir retail package sales under KRS 243.0305; or
- 15 (d) A not-for-profit or nonprofit facility listed on the National Register of Historic
16 Places;

17 ~~(49)~~~~((48))~~ "Rectifier" means any person who rectifies, purifies, or refines distilled spirits
18 or wine by any process other than as provided for on distillery premises, and every
19 person who, without rectifying, purifying, or refining distilled spirits by mixing
20 alcoholic beverages with any materials, manufactures any imitations of or
21 compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,
22 spirits, cordials, bitters, or any other name;

23 ~~(50)~~~~((49))~~ "Repackaging" means the placing of alcoholic beverages in any retail
24 container irrespective of the material from which the container is made;

25 ~~(51)~~~~((50))~~ "Restaurant" means a facility where the usual and customary business is the
26 preparation and serving of meals to consumers, that has a bona fide kitchen facility,
27 and that receives at least fifty percent (50%) of its food and alcoholic beverage

1 receipts from the sale of food at the premises;

2 ~~(52)~~~~(51)~~ "Retail container" means any bottle, can, barrel, or other container which,
3 without a separable intermediate container, holds alcoholic beverages and is
4 suitable and destined for sale to a retail outlet, whether it is suitable for delivery or
5 shipment to the consumer or not;

6 ~~(53)~~~~(52)~~ "Retail sale" means any sale of alcoholic beverages to a consumer, including
7 those transactions taking place in person, electronically, online, or by
8 telephone~~[where delivery is made in Kentucky to any consumers];~~

9 ~~(54)~~~~(53)~~ "Retailer" means any licensee who sells and delivers any alcoholic beverage to
10 consumers, except for manufacturers~~[producers]~~ with limited retail sale privileges
11 and direct shipper licensees;

12 ~~(55)~~~~(54)~~ "Riverboat" means any boat or vessel with a regular place of mooring in this
13 state that is licensed by the United States Coast Guard to carry one hundred (100) or
14 more passengers for hire on navigable waters in or adjacent to this state;

15 ~~(56)~~~~(55)~~ "Sale" means any transfer, exchange, or barter for consideration, and includes
16 all sales made by any person, whether principal, proprietor, agent, servant, or
17 employee, of any alcoholic beverage;

18 ~~(57)~~~~(56)~~ "Service bar" means a bar, counter, shelving, or similar structure used for
19 storing or stocking supplies of alcoholic beverages that is a workstation where
20 employees prepare alcoholic beverage drinks to be delivered to customers away
21 from the service bar;

22 ~~(58)~~~~(57)~~ "Sell" includes solicit or receive an order for, keep or expose for sale, keep
23 with intent to sell, and the delivery of any alcoholic beverage;

24 ~~(59)~~~~(58)~~ "Small farm winery" means a winery whose wine production is not less than
25 two hundred fifty (250) gallons and not greater than one hundred thousand
26 (100,000) gallons in a calendar year;

27 ~~(60)~~~~(59)~~ "Souvenir package" means a special package of distilled spirits available from

1 a licensed retailer that is:

2 (a) Available for retail sale at a licensed Kentucky distillery where the distilled
3 spirits were produced or bottled; or

4 (b) Available for retail sale at a licensed Kentucky distillery but produced or
5 bottled at another of that distiller's licensed distilleries in Kentucky;

6 ~~(61)~~ "State administrator" or "administrator" means the distilled spirits
7 administrator or the malt beverages administrator, or both, as the context requires;

8 ~~(62)~~ "State park" means a state park that has a:

9 (a) Nine (9) or eighteen (18) hole golf course; or

10 (b) Full-service lodge and dining room;

11 ~~(63)~~ "Supplemental bar" means a bar, counter, shelving, or similar structure used
12 for serving and selling distilled spirits or wine by the drink for consumption on the
13 licensed premises to guests and patrons from additional locations other than the
14 main bar;

15 ~~(64)~~ "Territory" means a county, city, district, or precinct;

16 ~~(65)~~ "Urban-county administrator" means an urban-county alcoholic beverage
17 control administrator;

18 **(66) "Valid identification document" means an unexpired, government-issued form of**
19 **identification that contains the photograph and date of birth of the individual to**
20 **whom it is issued;**

21 ~~(67)~~ "Vehicle" means any device or animal used to carry, convey, transport, or
22 otherwise move alcoholic beverages or any products, equipment, or appurtenances
23 used to manufacture, bottle, or sell these beverages;

24 ~~(68)~~ "Vintage distilled spirit" means a package or packages of distilled spirits that:

25 (a) Are in their original manufacturer's unopened container;

26 (b) Are not owned by a distillery; and

27 (c) Are not otherwise available for purchase from a licensed wholesaler within

1 the Commonwealth;

2 ~~(69)~~~~((67))~~ "Warehouse" means any place in which alcoholic beverages are housed or
3 stored;

4 ~~(70)~~~~((68))~~ "Weak cider" means any fermented fruit-based beverage containing more than
5 one percent (1%) but less than seven percent (7%) alcohol by volume;

6 ~~(71)~~~~((69))~~ "Wet" means a territory in which a majority of the electorate voted to permit
7 all forms of retail alcohol sales by a local option election under KRS 242.050 or
8 242.125 on the following question: "Are you in favor of the sale of alcoholic
9 beverages in (name of territory)?";

10 ~~(72)~~~~((70))~~ "Wholesale sale" means a sale to any person for the purpose of resale;

11 ~~(73)~~~~((71))~~ "Wholesaler" means any person who distributes alcoholic beverages for the
12 purpose of being sold at retail, but it shall not include a subsidiary of a manufacturer
13 or cooperative of a retail outlet;

14 ~~(74)~~~~((72))~~ "Wine" means the product of the normal alcoholic fermentation of the juices
15 of fruits, with the usual processes of manufacture and normal additions, and
16 includes champagne and sparkling and fortified wine of an alcoholic content not to
17 exceed twenty-four percent (24%) by volume. It includes sake, cider, hard cider, and
18 perry cider and also includes preparations or mixtures vended in retail containers if
19 these preparations or mixtures contain not more than fifteen percent (15%) of
20 alcohol by volume. It does not include weak cider; and

21 ~~(75)~~~~((73))~~ "Winery" means any place or premises in which wine is manufactured from
22 any fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials
23 are compounded, except a place or premises that manufactures wine for sacramental
24 purposes exclusively.

25 ➔Section 5. KRS 243.030 is amended to read as follows:

26 The following licenses that authorize traffic in distilled spirits and wine may be issued by
27 the distilled spirits administrator. Licenses that authorize traffic in all alcoholic beverages

1 may be issued by both the distilled spirits administrator and malt beverages administrator.

2 The licenses and their accompanying fees are as follows:

- 3 (1) Distiller's license:
- 4 (a) Class A, per annum\$3,090.00
- 5 (b) Class B (craft distillery), per annum\$1,000.00
- 6 (2) Rectifier's license:
- 7 (a) Class A, per annum\$2,580.00
- 8 (b) Class B (craft rectifier), per annum\$825.00
- 9 (3) Winery license, per annum\$1,030.00
- 10 (4) Small farm winery license, per annum\$110.00
- 11 (a) Small farm winery off-premises retail license, per annum\$30.00
- 12 (5) Wholesaler's license, per annum\$2,060.00
- 13 (6) Quota retail package license, per annum.....\$570.00
- 14 (7) Quota retail drink license, per annum\$620.00
- 15 (8) Transporter's license, per annum\$210.00
- 16 (9) Special nonbeverage alcohol license, per annum\$60.00
- 17 (10) Special agent's or solicitor's license, per annum\$30.00
- 18 (11) Bottling house or bottling house storage license,
- 19 per annum\$1,030.00
- 20 (12) Special temporary license, per event\$100.00
- 21 (13) Special Sunday retail drink license, per annum \$520.00
- 22 (14) Caterer's license, per annum \$830.00
- 23 (15) Special temporary alcoholic beverage
- 24 auction license, per event\$100.00
- 25 (16) Extended hours supplemental license, per annum\$2,060.00
- 26 (17) Hotel in-room license, per annum\$210.00
- 27 (18) Air transporter license, per annum\$520.00

1	(19) Sampling license, per annum	\$110.00
2	(20) Replacement or duplicate license	\$25.00
3	(21) Entertainment destination center license:	
4	(a) When the licensee is a city, county, urban-county government, consolidated	
5	local government, charter county government, or unified	
6	local government, per annum	\$2,577.00
7	(b) All other licensees, per annum	\$7,730.00
8	(22) Limited restaurant license, per annum	\$780.00
9	(23) Limited golf course license, per annum	\$720.00
10	(24) Small farm winery wholesaler's license, per annum	\$110.00
11	(25) Qualified historic site license, per annum	\$1,030.00
12	(26) Nonquota type 1 license, per annum	\$4,120.00
13	(27) Nonquota type 2 license, per annum	\$830.00
14	(28) Nonquota type 3 license, per annum	\$310.00
15	(29) Distilled spirits and wine storage license, per annum	\$620.00
16	(30) Out-of-state distilled spirits and wine supplier's license,	
17	per annum	\$1, 550.00
18	(31) Limited out-of-state distilled spirits and	
19	wine supplier's license, per annum	\$260.00
20	(32) Authorized public consumption license, per annum.....	\$250.00
21	<u>(33) Direct shipper license, per annum.....</u>	<u>\$100.00</u>

22 ~~(34)~~[(33)] A nonrefundable fee of sixty dollars (\$60) shall be charged to process each
 23 new transitional license pursuant to KRS 243.045.

24 ~~(35)~~[(34)] Other special licenses the board finds necessary for the proper regulation and
 25 control of the traffic in distilled spirits and wine and provides for by administrative
 26 regulation. In establishing the amount of license taxes that are required to be fixed
 27 by the board, it shall have regard for the value of the privilege granted.

1 ~~(36)~~~~(35)~~ The fee for each of the first five (5) supplemental bar licenses shall be the
2 same as the fee for the primary retail drink license. There shall be no charge for
3 each supplemental license issued in excess of five (5) to the same licensee at the
4 same premises.

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

9 →Section 6. KRS 243.034 is amended to read as follows:

10 (1) A limited restaurant license may be issued to an establishment meeting the
11 definition criteria established in KRS 241.010~~(36)~~~~(35)~~ as long as the
12 establishment is within:

13 (a) Any wet territory; or

14 (b) Any moist precinct that has authorized the sale of alcoholic beverages under
15 KRS 242.1244.

16 (2) A limited restaurant license shall authorize the licensee to purchase, receive,
17 possess, and sell alcoholic beverages at retail by the drink for consumption on the
18 licensed premises. The licensee shall purchase alcoholic beverages only from
19 licensed wholesalers or distributors. The license shall not authorize the licensee to
20 sell alcoholic beverages by the package.

21 (3) The holder of a limited restaurant license shall maintain at least seventy percent
22 (70%) of its gross receipts from the sale of food and maintain the minimum
23 applicable seating requirement required for the type of limited restaurant license.

24 (4) A limited restaurant as defined by KRS 241.010~~(36)~~~~(a)~~~~(35)~~~~(a)~~ shall:

25 (a) Only sell alcoholic beverages incidental to the sale of a meal; and

26 (b) Not have an open bar and shall not sell alcoholic beverages to any person who
27 has not purchased or does not purchase a meal.

1 ➔Section 7. KRS 243.0341 is amended to read as follows:

- 2 (1) Notwithstanding any other provision of law, any city or county that conducted an
3 election under KRS 242.1244(2) prior to January 1, 2016, for by the drink sales of
4 alcoholic beverages in restaurants and dining facilities seating one hundred (100)
5 persons or more or any city with limited sale precincts created pursuant to KRS
6 242.1292 may elect to act under this section.
- 7 (2) Upon a determination by the legislative body of a city or county that:
- 8 (a) An economic hardship exists within the city or county; and
- 9 (b) Expanded sales of alcoholic beverages by the drink could aid in economic
10 growth;
- 11 the city or county may, after conducting a public hearing that is noticed to the public
12 in accordance with the KRS Chapter 424, adopt an ordinance authorizing by the
13 drink sales of alcoholic beverages in restaurants and dining facilities containing
14 seating for at least fifty (50) persons and meeting the requirements of subsection (3)
15 of this section.
- 16 (3) The ordinance enacted by a city or county pursuant to subsection (2) of this section
17 shall authorize the sale of alcoholic beverages under the following limitations:
- 18 (a) Sales shall only be conducted in restaurants and other dining facilities meeting
19 the requirements of KRS 241.010(36)(a)~~[(35)(a)]~~; and
- 20 (b) The provisions of KRS 243.034 shall apply to any restaurant or dining facility
21 operating under a license issued pursuant to this section.
- 22 (4) A city or county acting under this section may allow limited restaurant sales as
23 defined in KRS 241.010(36)~~[(35)]~~.
- 24 (5) The enactment of an ordinance under this section shall not:
- 25 (a) Modify the city's or county's ability to issue a limited restaurant license to
26 restaurants or other dining facilities meeting the requirements of KRS
27 241.010(36)(b)~~[(35)(b)]~~; or

1 (b) Affect, alter, or otherwise impair any license previously issued to a restaurant
2 or dining facility meeting the requirements of KRS 241.010~~(36)(b)~~~~[(35)(b)]~~.

3 ➔Section 8. KRS 243.040 is amended to read as follows:

4 The following kinds of malt beverage licenses may be issued by the malt beverages
5 administrator, the fees for which shall be:

- 6 (1) Brewer's license, per annum\$2,580.00
- 7 (2) Microbrewery license, per annum\$520.00
- 8 (3) Distributor's license, per annum\$520.00
- 9 (4) Nonquota retail malt beverage package license, per annum\$210.00
- 10 (5) Out-of-state malt beverage supplier's license,
- 11 per annum\$1,550.00
- 12 (6) Malt beverage storage license, per annum\$260.00
- 13 (7) Replacement or duplicate license, per annum\$25.00
- 14 (8) Limited out-of-state malt beverage supplier's license,
- 15 per annum\$260.00
- 16 (9) Nonquota type 4 malt beverage drink license,
- 17 per annum\$210.00
- 18 **(10) Direct shipper license, per annum.....\$100.00**

19 ~~(11)~~~~[(10)]~~ The holder of a nonquota retail malt beverage package license may obtain a
20 Nonquota type 4 malt beverage drink license for a fee of fifty dollars (\$50). The
21 holder of a Nonquota type 4 malt beverage drink license may obtain a nonquota
22 retail malt beverage package license for a fee of fifty dollars (\$50).

23 ~~(12)~~~~[(11)]~~ A nonrefundable fee of sixty dollars (\$60) shall be charged to process each
24 new transitional license pursuant to KRS 243.045.

25 ~~(13)~~~~[(12)]~~ Other special licenses as the state board finds to be necessary for the
26 administration of KRS Chapters 241 to 244 and for the proper regulation and
27 control of the trafficking in malt beverages, as provided for by administrative

1 regulations promulgated by the state board.

2 Applicants for special licenses provided for under the authority granted in subsection (8)
3 of this section may be exempt from so much of the provisions of subsection (1)(f) of KRS
4 243.100 set out in administrative regulations promulgated by the board. A nonrefundable
5 application fee of fifty dollars (\$50) shall be charged to process each new application for
6 a license under this section. The application fee shall be applied to the licensing fee if the
7 license is issued, or otherwise the fee shall be retained by the department.

8 →Section 9. KRS 243.075 is amended to read as follows:

9 (1) (a) A city with a population of less than twenty thousand (20,000) based upon the
10 most recent federal decennial census, or a county that does not contain a city
11 with a population equal to or greater than twenty thousand (20,000) based
12 upon the most recent federal decennial census, that is wet through a local
13 option election held under KRS Chapter 242 is authorized to impose a
14 regulatory license fee not to exceed five percent (5%) upon the gross receipts
15 of the sale of alcoholic beverages of each establishment located in the city or
16 county licensed to sell alcoholic beverages.

17 (b) The regulatory license fee may be levied at the beginning of each budget
18 period at a percentage rate that is reasonably estimated to fully reimburse the
19 local government for the estimated costs of any additional policing,
20 regulatory, or administrative expenses related to the sale of alcoholic
21 beverages in the city and county.

22 (c) The regulatory license fee shall be in addition to any other taxes, fees, or
23 licenses permitted by law, except:

24 1. A credit against a regulatory license fee shall be allowed in an amount
25 equal to any licenses or fees imposed by the city or county pursuant to
26 KRS 243.060 or 243.070; and

27 2. In a county in which the city and county both levy a regulatory license

1 fee, the county license fee shall only be applicable outside the
2 jurisdictional boundaries of those cities which levy a license fee.

3 (2) (a) A city or county that is moist through a local option election held under KRS
4 242.1244 may by ordinance impose a regulatory license fee upon the gross
5 receipts of the sale of alcoholic beverages of each establishment located in the
6 city or county and licensed to sell alcoholic beverages by the drink for
7 consumption on the premises.

8 (b) The regulatory license fee may be levied annually at a rate that is reasonably
9 estimated to fully reimburse the city or county for the estimated costs for any
10 additional policing, regulatory, or administrative related expenses.

11 (c) The regulatory license fee shall be in addition to any other taxes, fees, or
12 licenses permitted by law, but a credit against the fee shall be allowed in an
13 amount equal to any licenses or fees imposed by the city or county pursuant to
14 KRS 243.060 or 243.070.

15 (d) In a county in which the city and county both levy a regulatory license fee, the
16 county license fee shall only be applicable outside the jurisdictional
17 boundaries of those cities which levy a license fee.

18 (3) For any election held after July 15, 2014, any new fee authorized under subsection
19 (1) or (2) of this section shall be enacted by the city or county no later than two (2)
20 years from the date of the local option election held under KRS Chapter 242.

21 (4) After July 15, 2014, any fee authorized under subsections (1) and (2) of this section
22 shall be established at a rate that will generate revenue that does not exceed the total
23 of the reasonable expenses actually incurred by the city or county in the
24 immediately previous fiscal year for the additional cost, as demonstrated by
25 reasonable evidence, of:

26 (a) Policing;

27 (b) Regulation; and

- 1 (c) Administration;
2 as a result of the sale of alcoholic beverages within the city or county.
- 3 (5) (a) The Alcoholic Beverage Control Board shall promulgate administrative
4 regulations which set forth the process by which a city or county, in the first
5 year following the discontinuance of prohibition, may estimate any additional
6 policing, regulation, and administrative expenses by a city or county directly
7 and solely related to the discontinuance of prohibition. This subsection shall
8 apply to any discontinuance of prohibition occurring after the promulgation of
9 administrative regulations required by this subsection.
- 10 (b) After the first year, the regulatory license fee for each subsequent year shall
11 conform to the requirements of subsection (4) of this section.
- 12 (6) The revenue received from the imposition of the regulatory license fee authorized
13 under subsections (1) and (2) of this section shall be:
- 14 (a) Deposited into a segregated fund of the city or county;
15 (b) Spent only in accordance with the requirements of subsections (1) and (2) of
16 this section; and
17 (c) Audited under an annual audit performed pursuant to KRS 43.070, 64.810,
18 and 91A.040.
- 19 (7) Any city or county found by a court to have violated the provisions of this section
20 shall:
- 21 (a) Provide a refund as determined by the court to any licensee that has been
22 harmed in an amount equal to its prorated portion of the excess revenues
23 collected by the city or county that are directly attributable to a violation
24 occurring after July 15, 2014;
25 (b) Be responsible for the payment of the reasonable attorney fees directly
26 incurred by a party to a litigation in an amount ordered by the court upon its
27 finding of an intentional and willful violation of this section by a city or

1 county occurring after July 15, 2014; and

2 (c) Upon the finding by a court of a second intentional and willful violation of the
3 provisions of this section, lose the ability to impose the regulatory fee
4 provided by this section for a period of five (5) years and, upon the finding by
5 a court of a third intentional and willful violation, forfeit the right to impose
6 the regulatory license fee authorized by this section.

7 (8) Any party bringing suit against a city or county for an alleged violation of this
8 section occurring after July 15, 2014, shall be responsible for the payment of the
9 reasonable attorney fees of the city or county in an amount determined by the court
10 upon a finding by the court that the city or county did not violate this section.

11 (9) (a) Any city that does not meet the population requirements of subsection (1) of
12 this section, and any county that has a city exceeding the population
13 requirements of subsection (1) of this section, that imposed a regulatory
14 license fee pursuant to this section as of January 1, 2019, shall be deemed to
15 meet the requirements for doing so set out in this section and may continue to
16 impose the regulatory license fee previously established pursuant to this
17 section.

18 (b) Any city or county that is authorized to impose the regulatory license fee
19 under subsection (1) of this section, or under paragraph (a) of this subsection,
20 that imposed the regulatory license fee at a rate higher than five percent (5%)
21 prior to June 27, 2019, may continue to impose the regulatory license fee at a
22 rate that exceeds five percent (5%). The rate shall continue to be calculated
23 annually pursuant to the requirements of this section and shall not exceed the
24 rate that was imposed by the city or county on January 1, 2019.

25 **(10) A direct shipper licensee shall collect and remit the regulatory license fee**
26 **imposed by this section as though it were an establishment located in a city or**
27 **county licensed to sell alcoholic beverages. This fee shall be considered a tax as**

1 defined in Section 3 of this Act.

2 (11) Any city or county imposing a regulatory license fee under this section shall file
 3 with the department a report showing the applicable fee amount and remittance
 4 address for each affected license type in its jurisdiction on or before August 1,
 5 2020. Any adoption of this fee after the effective date of this Act or modification
 6 of the applicable fee amount or remittance address for each affected licensee
 7 shall be reported to the department within thirty (30) days of adoption by the city
 8 or county imposing the fee. Within twenty (20) days after receipt of the
 9 information, the department shall compile and publish the information so that it
 10 is readily available to the public.

11 ➔Section 10. KRS 243.200 is amended to read as follows:

12 (1) A transporter's license may be issued as a primary license to a motor carrier
 13 authorized to transact business in the Commonwealth by the Transportation Cabinet
 14 or the Federal Motor Carrier Safety Administration or to another person engaged in
 15 business as a common carrier. A person holding a transporter's license may
 16 transport alcoholic beverages to or from the licensed premises of any licensee under
 17 this chapter to an individual consumer if both the consignor and consignee in each
 18 case are authorized by the law of the states of their residence to sell, purchase,
 19 deliver, ship, or receive the alcoholic beverages.

20 (2) A transporter may deliver or ship~~directly~~ to consumers over twenty-one (21) years
 21 of age in packages clearly marked "Alcoholic Beverages, adult signature (21 years
 22 of age or over) required," and ~~shall~~~~must~~ request adult-signature-only service from
 23 the carrier. Deliveries or shipments of alcoholic beverages shall only be made into
 24 areas of the state in which alcoholic beverages may be lawfully sold. When the
 25 shipper requests adult-signature-only service, it shall be a violation for a common
 26 carrier not to inspect government-issued identification for proof of age. No properly
 27 licensed common carrier or any of its employees acting on behalf of a consignor

1 *in the course and scope of a delivery or shipment of alcoholic beverages to a*
2 *consumer shall be liable for a violation of this subsection or any provision of*
3 *KRS 242.250, 242.260, or 242.270 prohibiting the delivery or shipment of* ~~or to~~
4 ~~knowingly deliver or ship~~ alcoholic beverages into areas of the state in which
5 alcoholic beverages are not lawfully~~legally~~ sold.

6 (3) Except for a common carrier that has been assigned a USDOT number issued by the
7 Federal Motor Carrier Safety Administration, the holder of a transporter's license
8 shall cause each truck or vehicle to display the name of the licensee and the state
9 license numbers in a manner prescribed by an administrative regulation
10 promulgated by the board.

11 (4) Except for an application by a common carrier that has been assigned a USDOT
12 number issued by the Federal Motor Carrier Safety Administration, an application
13 for a transporter's license shall include a statement that the applicant, if issued a
14 license, shall allow any authorized investigators of the department to stop and
15 examine the cargo of any truck or vehicle in which alcoholic beverages are being
16 transported within the boundaries of the Commonwealth of Kentucky.

17 (5) Applicants for the transporter's license under this section, and their employees, shall
18 be exempt from the residency requirements of KRS 243.100.

19 (6) A licensee may move, within the same county, alcoholic beverages from one (1) of
20 the licensee's licensed premises to another without a transporter's license. A licensee
21 may move alcoholic beverages from one (1) of the licensee's licensed premises
22 located in one (1) county to a licensed premises located in another county, without a
23 transporter's license, with prior written approval of the administrator for good cause
24 shown. The licensee shall keep and maintain, in one (1) of its licensed premises,
25 adequate books and records of the transactions involved in transporting alcoholic
26 beverages from one (1) licensed premises to another in accordance with standards
27 established in administrative regulations promulgated by the board. The records

1 shall be available to the department and the Department of Revenue upon request.

2 (7) Distilled spirits and wine may be transported by any licensed retailer selling
 3 distilled spirits or wine, by the package or by the drink, from the premises of a
 4 licensed wholesaler to the licensed premises of the retail licensee. Any retailer
 5 transporting alcoholic beverages under this subsection shall do so in a vehicle
 6 marked in conformity with administrative regulations of the board. Both the
 7 wholesaler and the retailer engaging in activity under this subsection shall be
 8 responsible for maintaining records documenting the transactions.

9 ➔Section 11. KRS 243.240 is amended to read as follows:

10 (1) A quota retail package license shall authorize the licensee to:

11 (a) Purchase, receive, possess, and sell distilled spirits and wine at retail in
 12 unbroken packages only, and only for consumption off the licensed premises;
 13 and

14 (b) Deliver~~[or ship]~~ to the consumer~~[customer]~~, at the consumer's~~[customer's]~~
 15 request, alcoholic beverages that are purchased ~~[-~~

16 ~~1.—]~~from the licensed premises~~[where eighty percent (80%) of the monthly~~
 17 ~~gross sales receipts are sales to Kentucky residents]~~, in quantities not to
 18 exceed four and one-half (4 1/2) liters of distilled spirits and four (4)
 19 cases of wine per consumer~~[purchaser]~~ per day for sales prior to January
 20 1, 2021, and in quantities not to exceed an aggregate of nine (9) liters of
 21 distilled spirits and four (4) cases of wine per consumer~~[purchaser]~~ per
 22 day on and after January 1, 2021~~[-; and~~

23 ~~2.—~~By subscription members or club program members, in quantities not to
 24 exceed an aggregate of nine (9) liters per calendar year for distilled
 25 spirits, and an aggregate of one (1) case of wine per month per calendar
 26 year, provided that the enrollment and payment for the subscription or
 27 club is arranged in person at the premises].

1 (2) The licensee shall purchase distilled spirits and wine in retail packages only and
2 only from:

3 (a) Licensed wholesalers; or

4 (b) *Those licensees authorized to sell distilled spirits and wine by the package at*
5 *retail, but only if the distilled spirits and wine have first gone through the*
6 *three (3) tier system.*

7 ~~[(3) All deliveries or shipments made pursuant to this section shall be made through a~~
8 ~~licensed transporter or licensed common carrier authorized to deliver or ship~~
9 ~~distilled spirits in the jurisdiction to which the products will be delivered or~~
10 ~~shipped.]~~

11 ➔Section 12. KRS 243.360 is amended to read as follows:

12 (1) All persons *shall, before applying for a license, advertise by publication their*
13 *intention to apply for a license in the newspaper for legal notices under KRS*
14 *424.120 for the county or city whose local administrator has local jurisdiction*
15 *over the proposed premises. This requirement shall not apply to*~~[, except]~~ an
16 applicant for the same license for the same premises, or an applicant for *any of the*
17 *following licenses:*~~[an]~~

18 (a) Out-of-state malt beverage supplier's license;~~[,]~~

19 (b) Limited out-of-state malt beverage supplier's license;~~[,]~~

20 (c) Out-of-state distilled spirits and wine supplier's license;~~[,]~~

21 (d) Limited out-of-state distilled spirits and wine supplier's license;~~[,]~~

22 (e) Supplemental bar license;~~[,]~~

23 (f) Extended hours supplemental license;~~[, a]~~

24 (g) Special agent or solicitor's license;~~[, a]~~

25 (h) Special nonbeverage alcohol license;~~[, a]~~

26 (i) Transporter's license;~~[, a]~~

27 (j) Special Sunday drink license;~~[, a]~~

1 (k) Hotel in-room license;~~[-, a]~~

2 (l) Sampling license;~~[-,]~~

3 (m) **Direct shipper license;** or~~[- a]~~

4 (n) Special temporary drink license~~[shall, before applying for a license, advertise~~
5 ~~by publication their intention to apply for a license in the newspaper for legal~~
6 ~~notices under KRS 424.120 for the county or city whose local administrator~~
7 ~~has local jurisdiction over the proposed premises].~~

8 (2) The notice shall contain the following information:

9 (a) The notice shall state: the name and address of the applicant and the name and
10 address of each principal owner, partner, member, officer, and director if the
11 applicant is a partnership, limited partnership, limited liability company,
12 corporation, governmental agency, or other business entity recognized by law;

13 (b) The notice shall specifically state the location of the premises for which the
14 license is sought, the type of business, and the type of license being requested;
15 and

16 (c) The notice shall state the date the application will be filed and shall contain
17 the following statement: "Any person~~[-, association, corporation, or body~~
18 ~~politic]~~ may protest the approval of the license by writing the Department of
19 Alcoholic Beverage Control~~[-, 1003 Twilight Trail, Frankfort, Kentucky~~
20 ~~40601,]~~ within thirty (30) days of the date of legal publication."

21 (3) Any protest received after the thirty (30) day period has expired shall not be
22 considered a valid legal protest by the board.

23 (4) Substantial compliance with the information listed in subsection (2) of this section
24 shall be sufficient to comply with this section.

25 ➔Section 13. KRS 244.150 is amended to read as follows:

26 ~~{(1)}~~ Each licensee shall keep and maintain upon the licensed premises, or make readily
27 available upon request of the department or the Department of Revenue, adequate books

1 and records of all transactions involved in the manufacture, *distribution*, or sale of
2 alcoholic beverages, in the manner required by administrative regulations of the
3 department and the Department of Revenue.

4 ~~[(2) The department may require common carriers to provide information in an~~
5 ~~approved form respecting all shipments of alcoholic beverages to, from, or between~~
6 ~~persons in Kentucky.]~~