

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM  
2020 REGULAR SESSION  
**Unofficial Document**

Amend printed copy of **HB 415/HCS 1**

On page 1, delete lines 10 to 12 in their entirety, and insert the following in lieu thereof:

**"(a) Is a manufacturer located in this state or any other state or an alcoholic beverage supplier licensed under KRS 243.212 or 243.215. A manufacturer applicant shall:**

**1. Hold a current license, permit, or other authorization to manufacture alcoholic beverages in the state where the manufacturer is located; and**

**2. Only ship alcoholic beverages that are sold under a brand name owned or exclusively licensed to the manufacturer and the alcoholic beverages were:**

**a. Produced by the manufacturer;**

**b. Produced for or by the manufacturer under an existing written contract with another manufacturer; or**

**c. Produced and bottled for the manufacturer;"**; and

On page 1, line 14, delete "the manufacturer" and insert "a manufacturer applicant" in lieu thereof; and

On page 1, line 23, before the word "will" insert "or supplier"; and

On page 1, delete lines 24 to 27 in their entirety, and insert the following in lieu thereof:

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

Amendment No. \_\_\_\_\_

Rep. Rep. Adam Koenig

Committee Amendment \_\_\_\_\_

Signed: \_\_\_\_\_

Floor Amendment \_\_\_\_\_

LRC Drafter: \_\_\_\_\_

Adopted: \_\_\_\_\_

Date: \_\_\_\_\_

Rejected: \_\_\_\_\_

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On page 2, line 3, delete "manufacturer" and insert "applicant" in lieu thereof; and

On page 2, line 4, between "standards" and "as", insert "relating to causes for license denial, suspension, or revocation under KRS 243.100 and 243.500"; and

On page 2, delete lines 6 to 11 in their entirety; and

On page 2, line 12, delete "(6)" and insert "(5)" in lieu thereof; and

On page 3, line 15, delete "(Z)" and insert "(6)" in lieu thereof; and

On page 15, line 7, between "online," and "or", insert "by mail,"; and

On page 32, after line 6, insert the following:

"➔Section 14. KRS 243.020 is amended to read as follows:

- (1) A person shall not do any act authorized by any kind of license with respect to the manufacture, storage, sale, purchase, transporting, or other traffic in alcoholic beverages unless the person holds or is an independent contractor, agent, servant, or employee of a person who holds the kind of license that authorizes the act.
- (2) The holding of any permit from the United States government to traffic in alcoholic beverages without the corresponding requisite state and local licenses shall in all cases raise a rebuttable presumption that the holder of the United States permit is unlawfully trafficking in alcoholic beverages.
- (3) Except as permitted by KRS 243.033, 243.036, 243.155, 243.157, and 243.260, a person, conducting a place of business patronized by the public, who is not a licensee authorized to sell alcoholic beverages, shall not permit any person to sell, barter, loan, give away, or drink alcoholic beverages on the premises of the place of business.
- (4) A licensee shall not permit any consumer to possess, give away, or drink alcoholic beverages on the licensed premises that are not purchased from the licensee.
- (5) Any distilled spirits or wine in excess of three (3) gallons (twelve (12) liters) shall not be stored or kept except upon the licensed premises of a licensee.

## Unofficial Document

(6) In a moist territory, the only types of licenses that may be issued are those that directly correspond with the types of sales approved by the voters through moist elections within the territory, unless otherwise specifically authorized by statute.

➔Section 15. KRS 243.0305 is amended to read as follows:

(1) Any licensed Kentucky distiller that is located in wet territory or in any precinct that has authorized the limited sale of alcoholic beverages at distilleries under KRS 242.1243 and that has a gift shop or other retail outlet on its premises may conduct the activities permitted under this section as a part of its distiller's license.

(2) For purposes of all retail drink and package sales under this section, a wholesaler registered to distribute the brands of any distiller shall permit the distiller to ***transfer***~~[deliver]~~ its products directly from the distillery proper to any portion of the distillery premises. However, for purposes of all retail drink and package sales by distillers under subsections (3), (8), and (9) of this section, all ***of these transfers***~~[direct shipments]~~ shall be invoiced from the distiller to the wholesaler and from the wholesaler to the distiller, and all ***of these transferred*** products ~~[directly shipped]~~ shall be included in the wholesaler's inventory and depletions for purposes of tax collections imposed pursuant to KRS 243.710 to 243.895 and 243.990.

(3) A distiller may sell souvenir packages at retail:

(a) ***To consumers in accordance with Sections 1 to 3 of this Act if it holds a direct shipper license; and***

(b) To distillery visitors of legal drinking age, in quantities not to exceed an aggregate of four and one-half (4-1/2) liters per purchaser per day for sales prior to January 1, 2021, and in quantities not to exceed an aggregate of nine (9) liters per purchaser per day on and after January 1, 2021~~[- At the purchaser's request, an order may be delivered or shipped directly to the purchaser. All deliveries or shipments shall be~~

# Unofficial Document

~~made through a licensed common carrier authorized to deliver or ship distilled spirits in the jurisdiction to which the products will be delivered or shipped; and~~

~~(b) Pursuant to subscription or distillery sponsored club programs, in quantities not to exceed an aggregate of nine (9) liters per calendar year, provided that the enrollment and payment for the subscription or club is arranged in person at the distillery. At the member's request, an order may be delivered or shipped directly to the member. All deliveries or shipments shall be made through a licensed common carrier authorized to deliver or ship distilled spirits in the jurisdiction to which the products will be delivered or shipped}.~~

- (4) Hours of sale for souvenir packages *sold to distillery visitors* at retail shall be in conformity with KRS 244.290(3).
- (5) Except as provided in this section, souvenir package sales *to distillery visitors* shall be governed by all the statutes and administrative regulations governing the retail sale of distilled spirits by the package.
- (6) No wholesaler may restrict the sale of souvenir packages to the distiller of origin exclusively, but shall make souvenir packages available to any Kentucky retail licensee licensed for the sale of distilled spirits by the package.
- (7) Notwithstanding any provision of KRS 244.050 to the contrary, a distillery holding a sampling license may allow visitors to sample distilled spirits under the following conditions:
  - (a) Sampling shall be permitted only on the licensed premises during regular business hours;
  - (b) A distillery shall not charge for the samples; and
  - (c) A distillery shall not provide more than one and three-fourths (1-3/4) ounces of samples per visitor per day.

# Unofficial Document

- (8) Notwithstanding the provisions of KRS 243.110, in accordance with this section, a distillery located in wet territory or in any territory that has authorized the limited sale of alcoholic beverages under an election held pursuant to KRS 242.1243 may:
- (a) Hold an NQ2 retail drink license for the sale of alcoholic beverages on the distillery premises; and
  - (b) Employ persons to engage in the sale or service of alcohol under an NQ2 license, if each employee completes the department's Server Training in Alcohol Regulations program within thirty (30) days of beginning employment.
- (9) A distiller may sell to consumers at fairs, festivals, and other similar types of events located in wet territory alcoholic beverages by the drink, containing spirits distilled or bottled on the premises of the distillery.
- (10) Except as expressly stated in this section, this section does not exempt the holder of a distiller's license from:
- (a) The provisions of KRS Chapters 241 to 244;
  - (b) The administrative regulations of the board; and
  - (c) Regulation by the board at all the distiller's licensed premises.
- (11) Nothing in this section shall be construed to vitiate the policy of this Commonwealth supporting an orderly three (3) tier system for the production and sale of alcoholic beverages.
- ➔Section 16. KRS 243.110 is amended to read as follows:
- (1) Except as provided in subsection (3) of this section, each kind of license listed in KRS 243.030 shall be incompatible with every other kind listed in that section and no person or entity holding a license of any of those kinds shall apply for or hold a license of another kind listed in KRS 243.030.
  - (2) (a) Each kind of license listed in KRS 243.040(1), (3), or (4) shall be incompatible with

# Unofficial Document

every other kind listed in KRS 243.040(1), (3), or (4), and no person holding a license of any of those kinds shall apply for or hold a license of any other kind listed in KRS 243.040(1), (3), or (4).

- (b) A brewery holding a license listed in KRS 243.040(5) or (8) shall not apply for or hold a license listed in KRS 243.040(3) or (4).
  - (3) (a) The holder of a quota retail package license may also hold a quota retail drink license, an NQ1 retail drink license, an NQ2 retail drink license, or a special nonbeverage alcohol license.
  - (b) The holder of a transporter's license may also hold a distilled spirits and wine storage license.
  - (c) The holder of a distiller's license may also hold a rectifier's license, a special nonbeverage alcohol license, a winery license, or a small farm winery license.
  - (d) A commercial airline system or charter flight system retail license, a commercial airline system or charter flight system transporter's license, and a retail drink license if held by a commercial airline or charter flight system may be held by the same licensee.
  - (e) A Sunday retail drink license and supplemental license may be held by the holder of a primary license.
  - (f) **The holder of a distiller's, winery, or small farm winery license may also hold a direct shipper license.**
- (4) Any person may hold two (2) or more licenses of the same kind.
  - (5) A person or entity shall not evade the prohibition against applying for or holding licenses of two (2) kinds by applying for a second license through or under the name of a different person or entity. The state administrator shall examine the ownership, membership, and management of applicants, and shall deny the application for a license if the applicant is

substantially interested in a person or entity that holds an incompatible license.

➔Section 17. KRS 243.130 is amended to read as follows:

- (1) Sales and deliveries of distilled spirits and wine may be made at wholesale, and from the licensed premises only:
  - (a) By distillers to rectifiers, wineries, holders of special nonbeverage alcohol licenses so far as they may make the purchases, or other distillers;
  - (b) By rectifiers to wineries or to distillers if distilled spirits sold to distillers are packaged in retail containers;
  - (c) By wineries to rectifiers or other wineries, or to the holders of special nonbeverage alcohol licenses;
  - (d) By distillers, rectifiers, or wineries to wholesalers; or
  - (e) By distillers, rectifiers, or wineries for export out of the state.
- (2) No distiller, rectifier, or winery shall sell or contract to sell, give away, or deliver any alcoholic beverages to any person who is not authorized by the law of the state of the person's residence, and of the United States government if located in the United States, to receive and possess those alcoholic beverages. Except as provided in **Sections 1 to 3 of this Act and** KRS 243.0305, no distiller, rectifier, or winery shall sell or contract to sell, give away, or deliver any of its products to any retailer or consumer in Kentucky.
- (3) Employees of distillers, rectifiers, and wineries may sample the products produced by that manufacturer for purposes of education, quality control, and product development.
- (4) Distillers may purchase distilled spirits only from other licensed distillers in this state or in another state or province, but distillers may purchase from rectifiers licensed in Kentucky, distilled spirits which are packaged in retail containers.
- (5) Rectifiers may purchase distilled spirits and wine only from licensed distillers or wineries in Kentucky, or from nonresident distillers or wineries authorized by the law of the state of

## Unofficial Document

their residence and by the United States government, if the distillers or wineries are located in the United States, to make the sales.

- (6) Wineries may purchase distilled spirits or wine only from licensed distillers or wineries in Kentucky, or from nonresident distillers or wineries authorized by law of the state of their residence, and by the United States government if located in the United States, to make the sales.
- (7) Nothing shall prohibit the purchase or sale of warehouse receipts by any person, but this subsection does not authorize the owner of a warehouse receipt to accept delivery of any distilled spirits unless the owner is a person who is permitted by law to receive the distilled spirits.
- (8) Nothing in this section shall be construed to:
  - (a) Vitate the policy of this Commonwealth supporting an orderly three (3) tier system for the production and sale of alcoholic beverages; or
  - (b) Allow delivery or shipment of alcohol into dry or moist territory.

➔Section 18. KRS 243.150 is amended to read as follows:

- (1) A brewer's license shall authorize the licensee to engage in the business of a brewer at the premises specifically designated in the license, and to transport for itself only any malt beverage which the licensee is authorized by its license to manufacture or sell, but the licensee shall transport any malt beverages in accordance with the requirements provided by KRS 243.120 for distillers.
- (2) A brewer may sell any malt beverage produced under its license to:
  - (a) A licensed wholesaler from the licensed premises;
  - (b) Any of its employees for home consumption;
  - (c) Charitable or fraternal organizations holding group meetings, picnics, or outings;{  
and}



# Unofficial Document

- (d) A customer, strictly limited to the following types of sales on the premises of a brewery located in wet territory:
1. By the drink sales for consumption on the premises only, to be conducted in a taproom or similar space that is located at the licensed brewery; and
  2. Package sales for off-premises consumption only by using a refillable, resealable growler; **and**

**(e) Consumers, if the brewer holds a direct shipper license under Sections 1 to 3 of this Act.**

- (3) A licensed brewer may buy malt beverages from another licensed brewer in this state or nonresident brewer authorized by the law of the state of its residence, and by the United States government if located in the United States, to make these sales;
- (4) Employees of a licensed brewer may sample the products produced by that manufacturer for purposes of education, quality control, and product development.
- (5) A brewer may serve on the licensed premises of its brewery complimentary samples of malt beverages produced at the brewery in an amount not to exceed sixteen (16) ounces per patron per day, if the brewery is located in wet territory.

➔Section 19. 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 shall promulgate administrative regulations establishing the form the documentation of proof of production shall take.

# Unofficial Document

- (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 243.130. 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;
  - (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 services, the grapes, fruits, or other agricultural products of the other small farm winery for a production year. The resulting wine shall be considered the product 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 KRS 242.124:
    - 1. Serve complimentary samples of wine produced by it in amounts not to exceed six (6) ounces per patron per day; and
    - 2. Sell by the drink for on-premises consumption or by the package wine produced by it or by another licensed small farm winery, at retail to consumers;
  - (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;

# Unofficial Document

- (f) Sell and transport wine produced by it to consumers, 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) A small farm winery may sell wine at retail to consumers in accordance with Sections 1 to 3 of this Act if it holds a direct shipper license~~{Deliver or ship packages of wine at retail:~~
  - 1. ~~To small farm winery visitors of legal drinking age, in quantities not to exceed four (4) cases per purchaser per day. A winery shall deliver or ship the packages to the purchaser through a licensed common carrier that is authorized to deliver or ship wine in the jurisdiction to which the products will be delivered or shipped; and~~
  - 2. ~~Pursuant to subscription or small farm winery sponsored club programs, in quantities not to exceed an aggregate of one (1) case per month per calendar year, provided that the enrollment and payment for the subscription or club is arranged in person at the small farm winery. At the member's request, an order may be delivered or shipped directly to the member. All deliveries or shipments shall be made through a licensed common carrier authorized to deliver or ship wine in the jurisdiction to which the products will be delivered or shipped}.~~
- (3) If the requirements of KRS 242.1241 or 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.

# Unofficial Document

- (4) A small farm winery license holder may also hold an NQ2 retail drink license or 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 KRS 242.124; 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) This section shall not exempt the holder of a small farm winery license from the provisions of KRS Chapters 241 to 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) Nothing contained in this section shall exempt a licensed out-of-state winery from obeying the laws of its resident state.
- (7) 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.

➔Section 20. KRS 243.157 is amended to read as follows:

- (1) A microbrewery license shall authorize the licensee to perform the following functions:
  - (a) Engage in the business of a brewer under the terms and conditions of KRS 243.150, provided that production of malt beverages at the microbrewery shall not exceed fifty thousand (50,000) barrels in one (1) year;
  - (b) Serve on the premises complimentary samples of malt beverages produced by the microbrewery in amounts not to exceed sixteen (16) ounces per patron, provided the

# Unofficial Document

microbrewery is located in wet territory;

- (c) Sell malt beverages produced on the premises of the microbrewery to licensed distributors;
  - (d) Sell malt beverages produced on the premises of the microbrewery for on- and off-premises purposes in accordance with subsection (3)(b) and (c) of this section, pursuant to the following:
    - 1. Without restriction on the amount of malt beverages sold by the drink for on-premises consumption; and
    - 2. With a restriction on the amount of malt beverages sold for off-premises consumption, in an aggregate amount not to exceed thirty-one (31) gallons per person per day that shall not include more than three (3) cases in case format; and
  - (e) Sell:
    - 1. Unlimited amounts of malt beverages by the drink; and
    - 2. Not more than one (1) case of packaged malt beverages;produced on the premises of the microbrewery to consumers at fairs, festivals, and other similar types of events located in wet territory, in accordance with subsection (3)(b)2. and (c)2. of this section.
- (2) A microbrewery license shall not be deemed to be incompatible with any other license except for a distributor's license under the provisions of KRS 243.180.
- (3) In accordance with the provisions of this section, a microbrewery license holder may:
- (a) Hold retail drink and package licenses both on and off the premises of the microbrewery. The holder of a microbrewery license is exempt from the provisions of KRS 244.570 and 244.590 as applied to any retail licenses held by the microbrewery license holder, and from any other sections which would restrict the co-ownership of

# Unofficial Document

- the microbrewery license and any retail licenses described in this section;
- (b) Sell malt beverages produced on the premises of the microbrewery for on-premises purposes without having to transfer physical possession of those malt beverages to a licensed distributor provided:
    - 1. The microbrewery possesses a retail drink license for those premises; and
    - 2. The microbrewery reports and pays all taxes required by subsection (5)(a) and (b) of this section to the Department of Revenue at the time and in the manner required by the Department of Revenue in accordance with its powers under KRS 131.130(3); and
  - (c) Sell malt beverages produced on the premises of the microbrewery for off-premises purposes without having to transfer physical possession of those malt beverages to a licensed distributor provided that:
    - 1. The microbrewery possesses a retail package license for those premises; and
    - 2. The microbrewery reports and pays all taxes required by subsection (5)(a) and (b) of this section to the Department of Revenue at the time and in the manner required by the Department of Revenue in accordance with its powers under KRS 131.130(3).
  - (4) The provisions of subsection (3)(b) and (c) of this section shall apply only to malt beverages that are produced by the microbrewery at its licensed premises and:
    - (a) Offered for sale by the microbrewery at that same premises under the microbrewery's retail drink or package license; or
    - (b) Offered for sale by the microbrewery at a fair, festival, or other similar type of event as authorized under subsection (1)(e) of this section.

All other malt beverages produced by the microbrewery which are offered for retail sale shall be sold and physically transferred to a licensed distributor in compliance with all other

# Unofficial Document

relevant provisions of KRS Chapters 241 to 244, and a licensed microbrewery shall not otherwise affect sales of malt beverages directly to retail customers except as provided in subsection (3)(b) and (c) of this section, **under Sections 1 to 3 of this Act if the microbrewery holds a direct shipper license.**

- (5) (a) A microbrewery selling malt beverages in accordance with subsection (3)(b) and (c) of this section shall pay all wholesale sales taxes due under KRS 243.884. For the purposes of this subsection, "wholesale sales" means a sale of malt beverages made by a microbrewery under subsection (3)(b) and (c) of this section, as applicable.
- (b) A microbrewery shall pay the excise tax on malt beverages in accordance with KRS 243.720(3) and 243.730 and shall be entitled to the credit set forth in KRS 243.720(3)(b).
- (6) A microbrewery shall not be located in dry or moist territory.
- (7) An employee of a microbrewery may sample the products produced by that microbrewery for purposes of education, quality control, and product development.
- (8) This section does not exempt the holder of a microbrewery license from the provisions of KRS Chapters 241 to 244, nor from any rules of the board as established by administrative regulations, nor from regulation by the board, except as expressly stated in this section. The provisions of this section shall not be deemed inconsistent with the provisions of KRS 244.602.
- (9) Nothing in this section shall be construed to vitiate the policy of this Commonwealth, as set forth in KRS 244.167 and 244.602, supporting an orderly three (3) tier system for the production and sale of malt beverages.

➔Section 21. KRS 244.165 is amended to read as follows:

- (1) Except as provided in **Sections 1 to 3 of this Act**~~subsections (2), (3), and (4) of this section~~, it shall be unlawful for any person in the business of selling alcoholic beverages in

# Unofficial Document

another state or country to deliver or ship or cause to be delivered or shipped any alcoholic beverage directly to any Kentucky consumer~~[resident]~~ who does not hold a valid wholesaler or distributor license issued by the Commonwealth~~[of Kentucky]~~.

~~(2) A winery or small farm winery located in another state may deliver or ship wine to a customer in Kentucky if:~~

~~(a) The wine, subscription, or club program membership is purchased by the customer in person at the winery or small farm winery;~~

~~(b) The Kentucky purchaser is of legal age;~~

~~(c) The out-of-state winery or small farm winery is licensed in Kentucky;~~

~~(d) Either:~~

~~1. No more than four (4) cases of wine are purchased per day per visit; or~~

~~2. The wine is purchased pursuant to subscription, or winery sponsored or small farm winery sponsored club programs, in quantities not to exceed an aggregate of one (1) case of wine per month per calendar year; and~~

~~(e) The wine is delivered or shipped through a licensed transporter or licensed common carrier authorized to deliver or ship wine in the jurisdiction in which the delivery or shipment will occur.~~

~~(3) A distillery located in another state may deliver or ship distilled spirits directly to a customer in Kentucky if:~~

~~(a) The distilled spirits, subscription, or club program membership is purchased by the customer in person at the distillery;~~

~~(b) The Kentucky purchaser is of legal age;~~

~~(c) The distillery is licensed in Kentucky;~~

~~(d) Either:~~

~~1. No more than four and one half (4 1/2) liters of distilled spirits are purchased~~



# Unofficial Document

~~per day per visit for sales prior to January 1, 2021, and in quantities not to exceed an aggregate of nine (9) liters per purchaser per day for sales on and after January 1, 2021; or~~

~~2. The distilled spirits are purchased pursuant to subscription or distillery-sponsored club programs, in quantities not to exceed an aggregate of nine (9) liters of distilled spirits per calendar year; and~~

~~(e) The distilled spirits are delivered or shipped through a licensed transporter or licensed common carrier authorized to deliver or ship distilled spirits in the jurisdiction in which the delivery or shipment will occur.~~

~~(4)~~ A licensed transporter or common carrier making deliveries or shipments pursuant to this section shall deliver or ship directly to consumers over twenty-one (21) years of age in packages clearly marked "Alcoholic Beverages, adult signature (21 years of age or over) required," and ~~shall~~~~must~~ request adult-signature-only service from the carrier. **A licensed common carrier shall not knowingly ship unlicensed alcoholic beverage shipments into the Commonwealth.** Deliveries or shipments of alcoholic beverages shall only be made into areas of the state in which alcoholic beverages may be lawfully sold. When the shipper requests adult-signature-only service, it shall be a violation for a common carrier not to inspect government-issued identification for proof of age. **No properly licensed common carrier or any of its employees acting on behalf of a consignor shall be liable for a violation of any provision of KRS 242.250, 242.260, or 242.270 prohibiting the delivery or shipment of** ~~or to knowingly deliver or ship~~ alcoholic beverages into areas of the state in which alcoholic beverages are not ~~lawfully~~~~legally~~ sold.

~~(5) Nothing contained in this section shall exempt a licensed out of state alcoholic beverage producer from obeying the laws of its resident state.]~~

~~(3)~~~~(6)~~ Any person who violates subsection (1) of this section shall, for the first offense, be

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mailed a certified letter by the department ordering that person to cease and desist any deliveries or shipments of alcoholic beverages to Kentucky residents, and **the department shall mail a copy of the certified letter to the licensing authority where the person is located. Any subsequent violations may result in further legal action**~~[for the second and each subsequent offense, be guilty of a Class D felony].~~".