

1 AN ACT relating to distilleries.

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

3 ➔Section 1. KRS 242.1243 is amended to read as follows:

- 4 (1) To promote economic development and tourism in any dry or moist county or city
5 in which a distillery is located, a local option election for the sale of alcoholic
6 beverages may be held in a city or county precinct where the distillery is located,
7 notwithstanding any other provision of the Kentucky Revised Statutes.
- 8 (2) A petition seeking a local option election under this section shall state "We the
9 undersigned registered voters hereby petition for an election on the following
10 question: 'Are you in favor of the sale of alcoholic beverages at distilleries located
11 in (name of precinct)?'".
- 12 (3) When a majority of the votes cast in an election held under subsections (1) and (2)
13 of this section are in favor of establishing moist territory, the premises of the
14 distilleries located in that precinct shall become moist in the manner specified in
15 KRS 242.200.

16 ~~[(4) The provisions of this section shall expire three (3) years after July 15, 2016.]~~

17 ➔Section 2. KRS 243.0305 is amended to read as follows:

- 18 (1) Any licensed Kentucky distiller that is located in wet territory or in any precinct that
19 has authorized the limited sale of alcoholic beverages at distilleries under KRS
20 242.1243 and that has a gift shop or other retail outlet on its premises may conduct
21 the activities permitted under this section as a part of its distiller's license.
- 22 (2) For purposes of all retail drink and package sales under this section, a wholesaler
23 registered to distribute the brands of any distiller shall permit the distiller to deliver
24 its products directly from the distillery proper to any portion of the distillery
25 premises. However, for purposes of all retail drink and package sales by distillers
26 under subsections (3), (8), and (9) of this section, all direct shipments shall be
27 invoiced from the distiller to the wholesaler and from the wholesaler to the distiller,

1 and all products directly shipped shall be included in the wholesaler's inventory and
2 depletions for purposes of tax collections imposed pursuant to KRS 243.710 to
3 243.895 and 243.990.

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

5 (a) To distillery visitors of legal drinking age, in quantities not to exceed an
6 aggregate of four and one-half (4-1/2) liters per purchaser per day for sales
7 prior to January 1, 2021, and in quantities not to exceed an aggregate of nine
8 (9) liters per purchaser per day on and after January 1, 2021. At the
9 purchaser's request, an order may be delivered or shipped directly to the
10 purchaser. All deliveries or shipments shall be made through a licensed
11 common carrier authorized to deliver or ship distilled spirits in the jurisdiction
12 to which the products will be delivered or shipped; and

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

20 (4) Hours of sale for souvenir packages at retail shall be in conformity with KRS
21 244.290(3).

22 (5) Except as provided in this section, souvenir package sales shall be governed by all
23 the statutes and administrative regulations governing the retail sale of distilled
24 spirits by the package.

25 (6) No wholesaler may restrict the sale of souvenir packages to the distiller of origin
26 exclusively, but shall make souvenir packages available to any Kentucky retail
27 licensee licensed for the sale of distilled spirits by the package.

- 1 (7) Notwithstanding any provision of KRS 244.050 to the contrary, a distillery holding
2 a sampling license may allow visitors to sample distilled spirits under the following
3 conditions:
- 4 (a) Sampling shall be permitted only on the licensed premises during regular
5 business hours;
 - 6 (b) A distillery shall not charge for the samples; and
 - 7 (c) A distillery shall not provide more than one and three-fourths (1-3/4) ounces
8 of samples per visitor per day.
- 9 (8) Notwithstanding the provisions of KRS 243.110, in accordance with this section, a
10 distillery located in wet territory or in any territory that has authorized the limited
11 sale of alcoholic beverages under an election held pursuant to KRS 242.1243 may:
- 12 (a) Hold an NQ2 retail drink license for the sale of alcoholic beverages on the
13 distillery premises; and
 - 14 (b) Employ persons to engage in the sale or service of alcohol under an NQ2
15 license, if each employee completes the department's Server Training in
16 Alcohol Regulations program within thirty (30) days of beginning
17 employment.
- 18 (9) A distiller may sell to consumers at fairs, festivals, and other similar types of events
19 located in wet territory alcoholic beverages by the drink, containing spirits distilled
20 or bottled on the premises of the distillery.
- 21 (10) *A distiller may offer for sale in its gift shop, products that were produced in*
22 *collaboration with a brewer or microbrewer. These packages shall not be*
23 *exclusive to the gift shop.*
- 24 **(11)** Except as expressly stated in this section, this section does not exempt the holder of
25 a distiller's license from:
- 26 (a) The provisions of KRS Chapters 241 to 244;
 - 27 (b) The administrative regulations of the board; and

1 (c) Regulation by the board at all the distiller's licensed premises.

2 ~~(12)~~~~[(11)]~~ Nothing in this section shall be construed to vitiate the policy of this
3 Commonwealth supporting an orderly three (3) tier system for the production and
4 sale of alcoholic beverages.

5 ➔Section 3. KRS 243.120 is amended to read as follows:

6 (1) A distiller's, rectifier's, or winery license shall authorize the licensee to engage in
7 the business of distiller, rectifier, or winery at the premises specifically designated
8 in the license, to maintain aging warehouses, and to transport for himself or herself
9 only any alcoholic beverage which he or she is authorized under the license to
10 manufacture or sell. The licensee shall transport alcoholic beverages only by a
11 vehicle operated by himself or herself, which has affixed to its sides at all times a
12 sign of form and size prescribed by the state board, containing among other things
13 the name and license number of the licensee. No distilled spirits or wine shall be
14 transported on the same truck or vehicle with malt beverages, except by a common
15 carrier, unless the owner of the truck or vehicle holds a distributor's license.

16 (2) (a) *The manufacture of distilled spirits at the distillery shall not be less than six*
17 *hundred (600) gallons in one (1) year.*

18 ~~(b)~~~~[(a)]~~ Distillers that produce more than fifty thousand (50,000) gallons of
19 distilled spirits per calendar year at the premises shall obtain a distiller's
20 license, Class A.

21 ~~(c)~~~~[(b)]~~ Distillers that produce fifty thousand (50,000) gallons or less of distilled
22 spirits per calendar year at the premises shall obtain a distiller's license, Class
23 B (craft distillery).

24 (3) (a) Rectifiers that rectify more than fifty thousand (50,000) gallons of distilled
25 spirits per calendar year at the premises shall obtain a rectifier's license, Class
26 A.

27 (b) Rectifiers that rectify fifty thousand (50,000) gallons or less of distilled spirits

1 per calendar year at the premises shall obtain a rectifier's license, Class B
2 (craft rectifier).

3 (4) (a) A distiller that is located in wet territory, or in any precinct that has authorized
4 the limited sale of alcoholic beverages at distilleries under KRS 242.1243,
5 may sell distilled spirits by the drink or by the package at retail to consumers
6 in accordance with KRS 243.0305.

7 (b) Any distilled spirits sold under this subsection shall be taxed and distributed
8 in the same manner as sales under KRS 243.0305(2).

9 (c) Except as provided in this subsection, sales under this subsection shall be
10 governed by all of the statutes and administrative regulations governing the
11 retail sale of distilled spirits by the drink.

12 (5) Nothing in this section shall be construed to:

13 (a) Vitate the policy of this Commonwealth supporting an orderly three (3) tier
14 system for the production and sale of alcoholic beverages; or

15 (b) Allow delivery or shipment of alcohol into dry or moist territory.

16 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 242 IS CREATED TO
17 READ AS FOLLOWS:

18 **(1) (a) In order to promote economic development and tourism, a dry or moist city,**
19 **county, urban-county government, charter county, consolidated local**
20 **government, or unified local government may hold a local option election**
21 **on the sale of alcoholic beverages by a microbrewery in the territory where**
22 **the microbrewery is located or proposed.**

23 **(b) A petition seeking a local option election under this subsection shall state**
24 **"We the undersigned registered voters hereby petition for an election on the**
25 **following question: 'Are you in favor of the sale of alcoholic beverages at a**
26 **microbrewery located in (name of precinct)?"**

27 **(c) The local option election shall be held in accordance with KRS 242.020 to**

1 242.040, and 242.060 to 242.120. The form of the proposition to be voted
2 upon shall be: "Are you in favor of the sale of alcoholic beverages at a
3 microbrewery located in (name of precinct)?". If the majority of the votes in
4 an election held pursuant to this subsection are "Yes," the precinct shall
5 become moist in the manner specified in KRS 242.200, and a nonquota type
6 4 retail malt beverage drink license and a nonquota retail malt beverage
7 package license may be issued to a microbrewer located within the precinct.

8 ➔Section 5. KRS 243.157 is amended to read as follows:

- 9 (1) A microbrewery license shall authorize the licensee to perform the following
10 functions:
- 11 (a) Engage in the business of a brewer under the terms and conditions of KRS
12 243.150, provided that production of malt beverages at the microbrewery shall
13 not exceed fifty thousand (50,000) barrels in one (1) year;
- 14 (b) Serve on the premises complimentary samples of malt beverages produced by
15 the microbrewery in amounts not to exceed sixteen (16) ounces per patron,
16 provided the microbrewery is located in wet territory or a precinct that has
17 authorized the sale of alcoholic beverages at microbreweries under Section
18 4 of this Act;
- 19 (c) Sell malt beverages produced on the premises of the microbrewery to licensed
20 distributors;
- 21 (d) Sell malt beverages produced on the premises of the microbrewery for on- and
22 off-premises purposes in accordance with subsection (3)(b) and (c) of this
23 section, pursuant to the following:
- 24 1. Without restriction on the amount of malt beverages sold by the drink
25 for on-premises consumption provided the microbrewery is located in
26 wet territory or a precinct that has authorized the sale of alcoholic
27 beverages at microbreweries under Section 4 of this Act; and

- 1 2. With a restriction on the amount of malt beverages sold for off-premises
2 consumption, in an aggregate amount not to exceed thirty-one (31)
3 gallons per person per day that shall not include more than three (3)
4 cases in case format; and
- 5 (e) Sell:
- 6 1. Unlimited amounts of malt beverages by the drink; and
7 2. Not more than one (1) case of packaged malt beverages;
8 produced on the premises of the microbrewery to consumers at fairs, festivals,
9 and other similar types of events located in wet territory, in accordance with
10 subsection (3)(b)2. and (c)2. of this section.
- 11 (2) A microbrewery license shall not be deemed to be incompatible with any other
12 license except for a distributor's license under the provisions of KRS 243.180.
- 13 (3) In accordance with the provisions of this section, a microbrewery license holder
14 may:
- 15 (a) Hold retail drink and package licenses both on and off the premises of the
16 microbrewery. The holder of a microbrewery license is exempt from the
17 provisions of KRS 244.570 and 244.590 as applied to any retail licenses held
18 by the microbrewery license holder, and from any other sections which would
19 restrict the co-ownership of the microbrewery license and any retail licenses
20 described in this section;
- 21 (b) Sell malt beverages produced on the premises of the microbrewery for on-
22 premises purposes without having to transfer physical possession of those
23 malt beverages to a licensed distributor provided:
- 24 1. The microbrewery possesses a retail drink license for those premises;
25 and
- 26 2. The microbrewery reports and pays all taxes required by subsection
27 (5)(a) and (b) of this section to the Department of Revenue at the time

1 and in the manner required by the Department of Revenue in accordance
2 with its powers under KRS 131.130(3); and

3 (c) Sell malt beverages produced on the premises of the microbrewery for off-
4 premises purposes without having to transfer physical possession of those
5 malt beverages to a licensed distributor provided that:

6 1. The microbrewery possesses a retail package license for those premises;
7 and

8 2. The microbrewery reports and pays all taxes required by subsection
9 (5)(a) and (b) of this section to the Department of Revenue at the time
10 and in the manner required by the Department of Revenue in accordance
11 with its powers under KRS 131.130(3).

12 (4) The provisions of subsection (3)(b) and (c) of this section shall apply only to malt
13 beverages that are produced by the microbrewery at its licensed premises and:

14 (a) Offered for sale by the microbrewery at that same premises under the
15 microbrewery's retail drink or package license; or

16 (b) Offered for sale by the microbrewery at a fair, festival, or other similar type of
17 event as authorized under subsection (1)(e) of this section.

18 All other malt beverages produced by the microbrewery which are offered for retail
19 sale shall be sold and physically transferred to a licensed distributor in compliance
20 with all other relevant provisions of KRS Chapters 241 to 244, and a licensed
21 microbrewery shall not otherwise affect sales of malt beverages directly to retail
22 customers except as provided in subsection (3)(b) and (c) of this section.

23 (5) (a) A microbrewery selling malt beverages in accordance with subsection (3)(b)
24 and (c) of this section shall pay all wholesale sales taxes due under KRS
25 243.884. For the purposes of this subsection, "wholesale sales" means a sale
26 of malt beverages made by a microbrewery under subsection (3)(b) and (c) of
27 this section, as applicable.

1 (b) A microbrewery shall pay the excise tax on malt beverages in accordance with
2 KRS 243.720(3) and 243.730 and shall be entitled to the credit set forth in
3 KRS 243.720(3)(b).

4 (6) A microbrewery shall not be located in dry ~~for moist~~ territory.

5 (7) An employee of a microbrewery may sample the products produced by that
6 microbrewery for purposes of education, quality control, and product development.

7 (8) This section does not exempt the holder of a microbrewery license from the
8 provisions of KRS Chapters 241 to 244, nor from any rules of the board as
9 established by administrative regulations, nor from regulation by the board, except
10 as expressly stated in this section. The provisions of this section shall not be
11 deemed inconsistent with the provisions of KRS 244.602.

12 (9) Nothing in this section shall be construed to vitiate the policy of this
13 Commonwealth, as set forth in KRS 244.167 and 244.602, supporting an orderly
14 three (3) tier system for the production and sale of malt beverages.

15 ➔Section 6. KRS 241.010 is amended to read as follows:

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

17 (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from
18 whatever source or by whatever process it is produced;

19 (2) "Alcoholic beverage" means every liquid, solid, powder, or crystal, whether
20 patented or not, containing alcohol in an amount in excess of more than one percent
21 (1%) of alcohol by volume, which is fit for beverage purposes. It includes every
22 spurious or imitation liquor sold as, or under any name commonly used for,
23 alcoholic beverages, whether containing any alcohol or not. It does not include the
24 following products:

25 (a) Medicinal preparations manufactured in accordance with formulas prescribed
26 by the United States Pharmacopoeia, National Formulary, or the American
27 Institute of Homeopathy;

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

- 1 241.030;
- 2 (7) "Bottle" means any container which is used for holding alcoholic beverages for the
3 use and sale of alcoholic beverages at retail;
- 4 (8) "Brewer" means any person who manufactures malt beverages or owns, occupies,
5 carries on, works, or conducts any brewery, either alone or through an agent;
- 6 (9) "Brewery" means any place or premises where malt beverages are manufactured for
7 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,
8 and storerooms connected with the premises; or where any part of the process of the
9 manufacture of malt beverages is carried on; or where any apparatus connected with
10 manufacture is kept or used; or where any of the products of brewing or
11 fermentation are stored or kept;
- 12 (10) "Building containing licensed premises" means the licensed premises themselves
13 and includes the land, tract of land, or parking lot in which the premises are
14 contained, and any part of any building connected by direct access or by an entrance
15 which is under the ownership or control of the licensee by lease holdings or
16 ownership;
- 17 (11) "Caterer" means a person operating a food service business that prepares food in a
18 licensed and inspected commissary, transports the food and alcoholic beverages to
19 the caterer's designated and inspected banquet hall or to an agreed location, and
20 serves the food and alcoholic beverages pursuant to an agreement with another
21 person;
- 22 (12) "Charitable organization" means a nonprofit entity recognized as exempt from
23 federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec.
24 501(c)) or any organization having been established and continuously operating
25 within the Commonwealth of Kentucky for charitable purposes for three (3) years
26 and which expends at least sixty percent (60%) of its gross revenue exclusively for
27 religious, educational, literary, civic, fraternal, or patriotic purposes;

- 1 (13) "Cider" means any fermented fruit-based beverage containing seven percent (7%) or
2 more alcohol by volume and includes hard cider and perry cider;
- 3 (14) "City administrator" means city alcoholic beverage control administrator;
- 4 (15) "Commercial airport" means an airport through which more than five hundred
5 thousand (500,000) passengers arrive or depart annually;
- 6 (16) "Commercial quadricycle" means a vehicle equipped with a minimum of ten (10)
7 pairs of fully operative pedals for propulsion by means of human muscular power
8 exclusively and which:
- 9 (a) Has four (4) wheels;
- 10 (b) Is operated in a manner similar to that of a bicycle;
- 11 (c) Is equipped with a minimum of thirteen (13) seats for passengers;
- 12 (d) Has a unibody design;
- 13 (e) Is equipped with a minimum of four (4) hydraulically operated brakes;
- 14 (f) Is used for commercial tour purposes; and
- 15 (g) Is operated by the vehicle owner or an employee of the owner;
- 16 (17) "Commissioner" means the commissioner of the Department of Alcoholic Beverage
17 Control;
- 18 (18) "Convention center" means any facility which, in its usual and customary business,
19 provides seating for a minimum of one thousand (1,000) people and offers
20 convention facilities and related services for seminars, training and educational
21 purposes, trade association meetings, conventions, or civic and community events
22 or for plays, theatrical productions, or cultural exhibitions;
- 23 (19) "Convicted" and "conviction" means a finding of guilt resulting from a plea of
24 guilty, the decision of a court, or the finding of a jury, irrespective of a
25 pronouncement of judgment or the suspension of the judgment;
- 26 (20) "County administrator" means county alcoholic beverage control administrator;
- 27 (21) "Department" means the Department of Alcoholic Beverage Control;

- 1 (22) "Dining car" means a railroad passenger car that serves meals to consumers on any
2 railroad or Pullman car company;
- 3 (23) "Discount in the usual course of business" means price reductions, rebates, refunds,
4 and discounts given by wholesalers to distilled spirits and wine retailers pursuant to
5 an agreement made at the time of the sale of the merchandise involved and are
6 considered a part of the sales transaction, constituting reductions in price pursuant
7 to the terms of the sale, irrespective of whether the quantity discount was:
- 8 (a) Prorated and allowed on each delivery;
- 9 (b) Given in a lump sum after the entire quantity of merchandise purchased had
10 been delivered; or
- 11 (c) Based on dollar volume or on the quantity of merchandise purchased;
- 12 (24) "Distilled spirits" or "spirits" means any product capable of being consumed by a
13 human being which contains alcohol in excess of the amount permitted by KRS
14 Chapter 242 obtained by distilling, mixed with water or other substances in
15 solution, except wine, hard cider, and malt beverages;
- 16 (25) "Distiller" means any person who is engaged in the business of manufacturing
17 distilled spirits at any distillery in the state and is registered in the Office of the
18 Collector of Internal Revenue for the United States at Louisville, Kentucky;
- 19 (26) "Distillery" means any place or premises where distilled spirits are manufactured for
20 sale, and which are registered in the office of any collector of internal revenue for
21 the United States. It includes any United States government bonded warehouse;
- 22 (27) "Distributor" means any person who distributes malt beverages for the purpose of
23 being sold at retail;
- 24 (28) "Dry" means a territory in which a majority of the electorate voted to prohibit all
25 forms of retail alcohol sales through a local option election held under KRS Chapter
26 242;
- 27 (29) "Election" means:

- 1 (a) An election held for the purpose of taking the sense of the people as to the
2 application or discontinuance of alcoholic beverage sales under KRS Chapter
3 242; or
- 4 (b) Any other election not pertaining to alcohol;
- 5 (30) "Horse racetrack" means a facility licensed to conduct a horse race meeting under
6 KRS Chapter 230;
- 7 (31) "Hotel" means a hotel, motel, or inn for accommodation of the traveling public,
8 designed primarily to serve transient patrons;
- 9 (32) "Investigator" means any employee or agent of the department who is regularly
10 employed and whose primary function is to travel from place to place for the
11 purpose of visiting licensees, and any employee or agent of the department who is
12 assigned, temporarily or permanently, by the commissioner to duty outside the main
13 office of the department at Frankfort, in connection with the administration of
14 alcoholic beverage statutes;
- 15 (33) "License" means any license issued pursuant to KRS Chapters 241 to 244;
- 16 (34) "Licensee" means any person to whom a license has been issued, pursuant to KRS
17 Chapters 241 to 244;
- 18 (35) "Limited restaurant" means:
- 19 (a) A facility where the usual and customary business is the preparation and
20 serving of meals to consumers, which has a bona fide kitchen facility, which
21 receives at least seventy percent (70%) of its food and alcoholic beverage
22 receipts from the sale of food, which maintains a minimum seating capacity of
23 fifty (50) persons for dining, which has no open bar, which requires that
24 alcoholic beverages be sold in conjunction with the sale of a meal, and which
25 is located in a wet or moist territory under KRS 242.1244; or
- 26 (b) A facility where the usual and customary business is the preparation and
27 serving of meals to consumers, which has a bona fide kitchen facility, which

1 receives at least seventy percent (70%) of its food and alcoholic beverage
2 receipts from the sale of food, which maintains a minimum seating capacity of
3 one hundred (100) persons of dining, and which is located in a wet or moist
4 territory under KRS 242.1244;

5 (36) "Local administrator" means a city alcoholic beverage administrator, county
6 alcoholic beverage administrator, or urban-county alcoholic beverage control
7 administrator;

8 (37) "Malt beverage" means any fermented undistilled alcoholic beverage of any name or
9 description, manufactured from malt wholly or in part, or from any substitute for
10 malt, and includes weak cider;

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

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

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

15 (41) "Moist" means a territory in which a majority of the electorate voted to permit
16 limited alcohol sales by any one (1) or a combination of special limited local option
17 elections authorized by KRS Chapter 242~~[242.022, 242.123, 242.1238, 242.124,~~
18 ~~242.1242, 242.1243, 242.1244, or 242.1292]~~;

19 (42) "Population" means the population figures established by the federal decennial
20 census for a census year or the current yearly population estimates prepared by the
21 Kentucky State Data Center, Urban Studies Center of the University of Louisville,
22 Louisville, Kentucky, for all other years;

23 (43) "Premises" means the land and building in and upon which any business regulated
24 by alcoholic beverage statutes is operated or carried on. "Premises" shall not include
25 as a single unit two (2) or more separate businesses of one (1) owner on the same
26 lot or tract of land, in the same or in different buildings if physical and permanent
27 separation of the premises is maintained, excluding employee access by keyed entry

1 and emergency exits equipped with crash bars, and each has a separate public
2 entrance accessible directly from the sidewalk or parking lot. Any licensee holding
3 an alcoholic beverage license on July 15, 1998, shall not, by reason of this
4 subsection, be ineligible to continue to hold his or her license or obtain a renewal,
5 of the license;

6 (44) "Primary source of supply" or "supplier" means the distiller, winery, brewer,
7 producer, owner of the commodity at the time it becomes a marketable product,
8 bottler, or authorized agent of the brand owner. In the case of imported products, the
9 primary source of supply means either the foreign producer, owner, bottler, or agent
10 of the prime importer from, or the exclusive agent in, the United States of the
11 foreign distiller, producer, bottler, or owner;

12 (45) "Private club" means a nonprofit social, fraternal, military, or political organization,
13 club, or entity maintaining or operating a club room, club rooms, or premises from
14 which the general public is excluded;

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

19 (47) "Qualified historic site" means:

20 (a) A contributing property with dining facilities for at least fifty (50) persons at
21 tables, booths, or bars where food may be served within a commercial district
22 listed in the National Register of Historic Places;

23 (b) A site that is listed as a National Historic Landmark or in the National
24 Register of Historic Places with dining facilities for at least fifty (50) persons
25 at tables, booths, or bars where food may be served;

26 (c) A distillery which is listed as a National Historic Landmark and which
27 conducts souvenir retail package sales under KRS 243.0305; or

- 1 (d) A not-for-profit or nonprofit facility listed on the National Register of Historic
2 Places;
- 3 (48) "Rectifier" means any person who rectifies, purifies, or refines distilled spirits or
4 wine by any process other than as provided for on distillery premises, and every
5 person who, without rectifying, purifying, or refining distilled spirits by mixing
6 alcoholic beverages with any materials, manufactures any imitations of or
7 compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,
8 spirits, cordials, bitters, or any other name;
- 9 (49) "Repackaging" means the placing of alcoholic beverages in any retail container
10 irrespective of the material from which the container is made;
- 11 (50) "Restaurant" means a facility where the usual and customary business is the
12 preparation and serving of meals to consumers, that has a bona fide kitchen facility,
13 and that receives at least fifty percent (50%) of its food and alcoholic beverage
14 receipts from the sale of food at the premises;
- 15 (51) "Retail container" means any bottle, can, barrel, or other container which, without a
16 separable intermediate container, holds alcoholic beverages and is suitable and
17 destined for sale to a retail outlet, whether it is suitable for delivery to the consumer
18 or not;
- 19 (52) "Retail sale" means any sale where delivery is made in Kentucky to any consumers;
- 20 (53) "Retailer" means any licensee who sells and delivers any alcoholic beverage to
21 consumers, except for producers with limited retail sale privileges;
- 22 (54) "Riverboat" means any boat or vessel with a regular place of mooring in this state
23 that is licensed by the United States Coast Guard to carry one hundred (100) or
24 more passengers for hire on navigable waters in or adjacent to this state;
- 25 (55) "Sale" means any transfer, exchange, or barter for consideration, and includes all
26 sales made by any person, whether principal, proprietor, agent, servant, or
27 employee, of any alcoholic beverage;

- 1 (56) "Service bar" means a bar, counter, shelving, or similar structure used for storing or
2 stocking supplies of alcoholic beverages that is a workstation where employees
3 prepare alcoholic beverage drinks to be delivered to customers away from the
4 service bar;
- 5 (57) "Sell" includes solicit or receive an order for, keep or expose for sale, keep with
6 intent to sell, and the delivery of any alcoholic beverage;
- 7 (58) "Small farm winery" means a winery whose wine production is not less than two
8 hundred fifty (250) gallons and not greater than one hundred thousand (100,000)
9 gallons in a calendar year;
- 10 (59) "Souvenir package" means a special package of distilled spirits available from a
11 licensed retailer that is:
- 12 (a) Available for retail sale at a licensed Kentucky distillery where the distilled
13 spirits were produced or bottled; or
- 14 (b) Available for retail sale at a licensed Kentucky distillery but produced or
15 bottled at another of that distiller's licensed distilleries in Kentucky;
- 16 (60) "State administrator" or "administrator" means the distilled spirits administrator or
17 the malt beverages administrator, or both, as the context requires;
- 18 (61) "State park" means a state park that has a:
- 19 (a) Nine (9) or eighteen (18) hole golf course; or
- 20 (b) Full-service lodge and dining room;
- 21 (62) "Supplemental bar" means a bar, counter, shelving, or similar structure used for
22 serving and selling distilled spirits or wine by the drink for consumption on the
23 licensed premises to guests and patrons from additional locations other than the
24 main bar;
- 25 (63) "Territory" means a county, city, district, or precinct;
- 26 (64) "Urban-county administrator" means an urban-county alcoholic beverage control
27 administrator;

- 1 (65) "Vehicle" means any device or animal used to carry, convey, transport, or otherwise
2 move alcoholic beverages or any products, equipment, or appurtenances used to
3 manufacture, bottle, or sell these beverages;
- 4 (66) "Vintage distilled spirit" means a package or packages of distilled spirits that:
5 (a) Are in their original manufacturer's unopened container;
6 (b) Are not owned by a distillery; and
7 (c) Are not otherwise available for purchase from a licensed wholesaler within
8 the Commonwealth;
- 9 (67) "Warehouse" means any place in which alcoholic beverages are housed or stored;
- 10 (68) "Weak cider" means any fermented fruit-based beverage containing more than one
11 percent (1%) but less than seven percent (7%) alcohol by volume;
- 12 (69) "Wet" means a territory in which a majority of the electorate voted to permit all
13 forms of retail alcohol sales by a local option election under KRS 242.050 or
14 242.125 on the following question: "Are you in favor of the sale of alcoholic
15 beverages in (name of territory)?";
- 16 (70) "Wholesale sale" means a sale to any person for the purpose of resale;
- 17 (71) "Wholesaler" means any person who distributes alcoholic beverages for the purpose
18 of being sold at retail, but it shall not include a subsidiary of a manufacturer or
19 cooperative of a retail outlet;
- 20 (72) "Wine" means the product of the normal alcoholic fermentation of the juices of
21 fruits, with the usual processes of manufacture and normal additions, and includes
22 champagne and sparkling and fortified wine of an alcoholic content not to exceed
23 twenty-four percent (24%) by volume. It includes sake, cider, hard cider, and perry
24 cider and also includes preparations or mixtures vended in retail containers if these
25 preparations or mixtures contain not more than fifteen percent (15%) of alcohol by
26 volume. It does not include weak cider; and
- 27 (73) "Winery" means any place or premises in which wine is manufactured from any

1 fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials are
2 compounded, except a place or premises that manufactures wine for sacramental
3 purposes exclusively.