

HOUSE OF REPRESENTATIVES

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2021 REGULAR SESSION
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Amend printed copy of **HB 415**

On page 3, line 13, before "Appoint" insert the following:

"Agree that the Secretary of State shall serve as its registered agent for service of process", and place brackets around and strike through "Appoint and continuously maintain an agent for service of process that need not be a resident of this state, and agree that the Secretary of State shall serve as its agent if it fails to maintain a current agent for service of process"; and

On page 5, line 6, before "**Notwithstanding**", insert the following:

"A direct shipper licensee shall submit a current copy of its alcoholic beverage license from its home state along with the one hundred dollar (\$100) license fee every year upon renewal of its direct shipper license.

(9)"; and

On page 7, line 12, after "**is**", insert the following:

"to establish"; and

On page 7, line 13, after "**Act.**", insert the following:

"To the extent any administrative regulation previously promulgated is contrary to the provisions of KRS 13A.120(2), the board shall repeal or amend the administrative regulation as necessary by January 1, 2022."; and

On page 15, line 27, after "**occur**", insert the following:

"without having to transfer physical possession of or otherwise report those distilled

Amendment No. _____

Rep. Rep. Adam Koenig

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

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spirits to a licensed wholesaler"; and

On page 16, after line 3, insert the following:

"(b) 1. A distiller selling distilled spirits in accordance with this subsection shall pay all wholesale sales taxes due under Section 13 of this Act. For the purposes of this subsection, "wholesale sales" means a sale of distilled spirits made by a distiller under subsections (3)(b), (8), and (9) of this section, if required by Section 13 of this Act.

2. A distiller shall pay the excise tax on distilled spirits in accordance with KRS 243.720 and 243.730."; and

On page 16, line 4, delete "(b)" and insert "(c)" in lieu thereof; and

On page 16, lines 4-5, delete the following:

"which are offered for retail sale"; and

On page 16, lines 5-6, delete the following:

"to a licensed wholesaler"; and

On page 17, line 1, after "(6)", place brackets around and strike through all existing text on lines 1-3, and insert the following after "(6)":

"Souvenir packages sold to distillery visitors under section (3)(b) of this section shall be registered with the department pursuant to KRS 244.440 and made available to a Kentucky licensed wholesaler."; and

On page 18, line 14, after "*address,*", insert the following:

"all distillers making sales pursuant to subsections (3)(b), (8), and (9) of Section 12 of this Act,"; and

On page 19, line 22, after "microbreweries," insert the following:

"distillers,"; and

On page 19, line 26, after "microbreweries", insert the following:

" distillers,"; and

On page 20, delete Section 16, and insert the following in lieu thereof:

➔Section 16. KRS 243.886 is amended to read as follows:

"To reimburse himself for the cost of collecting and reporting the tax, each person required to pay and report the tax levied by KRS 243.884, other than a microbrewery **or a distiller**, shall deduct on each report one percent (1%) of the tax due, provided the amount due is not delinquent at the time of payment. A microbrewery **or distiller** that reports and pays the wholesale sales tax levied by KRS 243.884, in accordance with KRS 243.157 **or Section 12 of this Act as applicable**, shall not be entitled to deduct one percent (1%) of the tax due."; and

On page 20, after Section 16, insert the following:

➔Section 17. KRS 243.100 is amended to read as follows:

An individual shall not become a licensee if the individual:

- (1) (a) Has been convicted of any felony until five (5) years have passed from the date of conviction, release from custody or incarceration, parole, or termination of probation, whichever is later;
- (b) Has been convicted of any misdemeanor involving a controlled substance that is described in or classified pursuant to KRS Chapter 218A in the two (2) years immediately preceding the application;
- (c) Has been convicted of any misdemeanor directly or indirectly attributable to the use of alcoholic beverages in the two (2) years immediately preceding the application;
- (d) Is under the age of twenty-one (21) years; or
- (e) Has had any license relating to the regulation of the manufacture, sale, and transportation of alcoholic beverages revoked for cause or has been convicted of a violation of any statute within KRS Chapters 241 to 244, until the expiration of two (2) years from the date of the revocation or conviction.

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- (2) A partnership, limited partnership, limited liability company, corporation, governmental agency, or other business entity recognized by law shall not be licensed if:
 - (a) Each principal owner, partner, member, officer, and director does not qualify under subsection (1)(a), (b), (c), (d), and (e) of this section;
 - (b) It has had any license relating to the regulation of the manufacture, sale, and transportation of alcoholic beverages revoked for cause or has been convicted of a violation of any statute within KRS Chapters 241 to 244, until the expiration of two (2) years from the date of the revocation or conviction; or
 - (c) Any principal owner, partner, member, officer, or director, or any business entity in which they were directly or indirectly interested, has had any license revoked for cause or has been convicted of a violation of any statute within KRS Chapters 241 to 244, until the expiration of the later of two (2) years from the date of the revocation or two (2) years from the date of conviction.
- (3) The provisions of subsection (1)(a) and (b) shall apply to anyone applying for a new license under this chapter after July 15, 1998, but shall not apply to those who renew a license that was originally issued prior to July 15, 1998, or an application for a supplemental license where the original license was issued prior to July 15, 1998.
- (4) A person shall not evade license disqualification by applying for a license through or under the name of a different person. The state administrators shall examine the ownership, membership, and management of all license applicants, and shall deny the application if a disqualified person has a direct or indirect interest in the applicant's business. The department may issue administrative subpoenas and summonses to determine ownership of an applicant or to investigate alleged violations by a licensee.
- (5) A direct shipper license applicant shall be exempt from the requirements of this section, and shall instead follow the requirements set forth in Section 1 of this Act.**

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➔Section 18. KRS 243.240 is amended to read as follows:

- (1) A quota retail package license shall authorize the licensee to:
 - (a) Purchase, receive, possess, and sell distilled spirits and wine at retail in unbroken packages only, and only for consumption off the licensed premises; and
 - (b) Deliver to the consumer, at the consumer's request, alcoholic beverages that are purchased from the licensed premises, in quantities not to exceed four and one-half (4 1/2) liters of distilled spirits and four (4) cases of wine per consumer per day for sales prior to January 1, 2021, and in quantities not to exceed an aggregate of nine (9) liters of distilled spirits and four (4) cases of wine per consumer per day on and after January 1, 2021.
- (2) The licensee shall purchase distilled spirits and wine in retail packages only and only from:
 - (a) Licensed wholesalers; ~~for~~
 - (b) Those licensees authorized to sell distilled spirits and wine by the package at retail, but only if the distilled spirits and wine have first gone through the three (3) tier system; or
 - (c) *From a distillery souvenir gift shop.*"; andRenumber remaining section accordingly.