

1 AN ACT relating to alcoholic beverages.

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

3 ➔Section 1. KRS 243.036 is amended to read as follows:

4 (1) A special temporary alcoholic beverage auction license may be issued to **an**
5 **auctioneer licensed under KRS Chapter 330 or to** a charitable or nonprofit
6 organization.

7 (2) A special temporary alcoholic beverage auction license **issued to a charitable or**
8 **nonprofit organization** shall authorize the holder to:

9 (a) Purchase, transport, receive, possess, store, sell, and deliver alcoholic
10 beverages to be sold by auction or raffle or consumed at charity or nonprofit
11 events;

12 (b) Purchase, transport, receive, possess, store, sell, and deliver limited specially
13 labeled bottles of alcoholic beverages to be sold at charity or nonprofit events;

14 (c) Obtain alcoholic beverages from distillers, rectifiers, wineries, small farm
15 wineries, brewers, microbreweries, wholesalers, distributors, retailers, or any
16 other person, by gift or donation, for the purpose of charity or nonprofit
17 events; and

18 (d) Receive payment for alcoholic beverages sold at events.

19 (3) **For a charitable or nonprofit auction:**

20 **(a)** Each alcoholic beverage auction or raffle conducted by a charitable
21 organization shall be subject to all restrictions and limitations contained in
22 KRS Chapters 241 to 244 and the administrative regulations issued under
23 those chapters and shall be authorized only on the days and only during the
24 hours that the sale of alcoholic beverages is otherwise authorized in the
25 county or municipality; **and** ~~[-]~~

26 **(b)** ~~[(4)]~~ The location at which the alcoholic beverages are auctioned, raffled, or
27 consumed under this section shall not constitute a public place for the purpose

1 of KRS Chapter 222. Charitable or nonprofit events may be conducted on
2 licensed or unlicensed premises. The charitable organization possessing a
3 special temporary alcoholic beverage auction license shall post a copy of the
4 license at the location of the event.

5 **(4) An auctioneer holding a special temporary alcoholic beverage auction license**

6 **may:**

7 **(a) Transport, receive, possess, store, advertise, auction, sell, deliver, and ship**
8 **alcoholic beverages either sold or intended for sale at auction by the**
9 **licensee;**

10 **(b) Sell only alcoholic beverages at auction that:**

11 **1. Were previously lawfully sold at retail; and**

12 **2. Are in their original manufacturer's unopened container;**

13 **(c) Ship alcoholic beverages from a special temporary alcoholic beverage**
14 **auction directly to the auction purchaser, subject to the same privileges,**
15 **duties, and limitations established for a direct shipper license under KRS**
16 **243.027 to 243.029, except that the quantity of alcoholic beverages shipped**
17 **to the purchaser shall not exceed the quantity actually purchased at auction**
18 **by that purchaser; and**

19 **(d) Conduct the auction on premises licensed by the department, unlicensed**
20 **premises, or online.**

21 **(5) A special temporary alcoholic beverage auction conducted by an auctioneer shall**

22 **be:**

23 **(a) Subject to all restrictions and limitations contained in KRS Chapters 241 to**
24 **244 and the administrative regulations issued under those chapters;**

25 **(b) Separate from any other type of alcoholic beverage auction authorized**
26 **under KRS Chapters 241 to 244, but may be combined with other types of**
27 **auctions authorized under KRS Chapter 330;**

1 (c) Authorized for in-person live auctions and online auction closings only on
2 the days and only during the hours that the sale of alcoholic beverages is
3 otherwise authorized in the county or municipality where the live auction is
4 held or, for an online auction, the physical location of the alcoholic
5 beverages being sold; and

6 (d) Subject to the auction and auctioneer requirements of KRS Chapter 330.

7 (6) An auctioneer conducting a special temporary alcoholic beverage auction shall
8 post a copy of its license at the location of the event for in-person auctions and on
9 the auction website for online auctions.

10 (7) A person shall not purchase alcoholic beverages from an auctioneer at a special
11 temporary alcoholic beverage auction unless that person may lawfully receive or
12 possess the alcoholic beverages.

13 (8) All advertising for an auctioneer special temporary alcoholic beverage auction
14 shall:

15 (a) Show the name and license number of the auctioneer licensee; and

16 (b) Conform to all advertising requirements and restrictions for auctions
17 contained in KRS Chapter 330 and any administrative regulations
18 promulgated under that chapter.

19 (9) If a person ceases to be a licensed auctioneer under KRS Chapter 330, that
20 person's special temporary alcoholic beverage auction license shall be
21 automatically suspended until the person reestablishes licensure as an
22 auctioneer.

23 (10) A special temporary alcoholic beverage auction license shall ~~not~~ be valid for a
24 period of one (1) year~~[issued for any period longer than thirty (30) days].~~

25 (11)~~(6)~~ Notwithstanding any other provision of KRS Chapters 241 to 244, a distiller,
26 rectifier, winery, small farm winery, brewer, microbrewery, wholesaler, distributor,
27 or retailer may donate, give away, or deliver any of its products to a charitable or

1 nonprofit organization possessing a special temporary alcoholic beverage auction
2 license under this section.

3 ~~(12)~~~~(7)~~ All restrictions and prohibitions applying to an alcoholic beverage retail
4 package and alcoholic beverage by the drink license, not inconsistent with this
5 section, shall apply to a special temporary alcoholic beverage auction license.

6 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 330 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) An auctioneer licensed under this chapter may obtain a special temporary
9 alcoholic beverage auction license from the Department of Alcoholic Beverage
10 Control. A special temporary alcoholic beverage auction license shall allow the
11 auctioneer to auction alcoholic beverages as authorized under Section 1 of this
12 Act.

13 (2) An auctioneer who receives a suspension or revocation from the Department of
14 Alcoholic Beverage Control for a violation relating to a special temporary
15 alcoholic beverage auction license may be subject to additional discipline by the
16 board under this chapter.

17 (3) The Department of Alcoholic Beverage Control shall have no authority to take
18 any action relating to an auctioneer's license issued under this chapter.

19 (4) An auctioneer may auction alcoholic beverages as a separate auction or in the
20 same auction with other types of real property, personal property, or any
21 combination thereof.

22 ➔Section 3. KRS 243.033 is amended to read as follows:

23 (1) A caterer's license may be issued as a supplementary license to a caterer that holds a
24 quota retail package license, a quota retail drink license, an NQ1 license, an NQ2
25 license, or a limited restaurant license.

26 (2) The caterer's license may be issued as a primary license to a caterer in any wet
27 territory or in any moist territory under KRS 242.1244 for the premises that serves

1 as the caterer's commissary and designated banquet hall. No primary caterer's
2 license shall authorize alcoholic beverage sales at a premises that operates as a
3 restaurant. The alcoholic beverage stock of the caterer shall be kept under lock and
4 key at the licensed premises during the time that the alcoholic beverages are not
5 being used in conjunction with a catered function.

6 (3) The caterer's license shall authorize the caterer to:

7 (a) Purchase and store alcoholic beverages in the manner prescribed in KRS
8 243.088, 243.250, and 244.260;

9 (b) Transport, sell, serve, and deliver alcoholic beverages by the drink at locations
10 away from the licensed premises or at the caterer's designated banquet hall in
11 conjunction with the catering of food and alcoholic beverages for a customer
12 and the customer's guests, in:

13 1. Cities and counties established as moist territory under KRS 242.1244 if
14 the receipts from the catering of food at any catered event are at least
15 seventy percent (70%) of the gross receipts from the catering of both
16 food and alcoholic beverages;

17 2. Precincts established as moist territory if the receipts from the catering
18 of food at any catered event are at least ten percent (10%) of the gross
19 receipts from the catering of both food and alcoholic beverages. This
20 subparagraph shall supersede any conflicting provisions of KRS
21 Chapters 241 to 244;

22 3. Wet cities and counties in which quota retail drink licenses are not
23 available if the receipts from the catering of food at any catered event
24 are at least fifty percent (50%) of the gross receipts from the catering of
25 both food and alcoholic beverages; or

26 4. All other wet territory if the receipts from the catering of food at any
27 catered event are at least thirty-five percent (35%) of the gross receipts

- 1 from the catering of both food and alcoholic beverages;
- 2 (c) Receive and fill telephone orders for alcoholic beverages in conjunction with
3 the ordering of food for a catered event; and
- 4 (d) Receive payment for alcoholic beverages served at a catered event on a by-
5 the-drink, cash bar, or by-the-event basis. The caterer may bill the customer
6 for by-the-function sales of alcoholic beverages in the usual course of the
7 caterer's business.
- 8 (4) A caterer licensee shall not cater alcoholic beverages at locations for which retail
9 alcoholic beverage licenses or special temporary licenses have been issued. A
10 caterer licensee may cater a *charitable or nonprofit* fundraising event for which a
11 special temporary alcoholic beverage auction license has been issued under KRS
12 243.036.
- 13 (5) A caterer licensee shall not cater alcoholic beverages on Sunday except in territory
14 in which the Sunday sale of alcoholic beverages is permitted under the provisions
15 of KRS 244.290 and 244.480.
- 16 (6) The location at which alcoholic beverages are sold, served, and delivered by a
17 caterer, pursuant to this section, shall not constitute a public place for the purpose of
18 KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at
19 which the function being catered is held shall be excluded from the public place
20 provisions of KRS Chapter 222.
- 21 (7) The caterer licensee shall post a copy of the licensee's caterer's license at the
22 location of the function for which alcoholic beverages are catered.
- 23 (8) All restrictions and prohibitions applying to a quota retail drink licensee and an
24 NQ4 retail malt beverage drink licensee not inconsistent with this section shall
25 apply to the caterer licensee.
- 26 (9) The caterer licensee shall maintain records as set forth in KRS 244.150 and in
27 administrative regulations promulgated by the board.

- 1 (10) Notwithstanding subsection (3)(b) of this section, a caterer may serve alcoholic
2 beverages to guests who are twenty-one (21) years of age or older at a private event
3 in dry territory if:
- 4 (a) The alcoholic beverages were lawfully purchased in a wet or moist territory:
 - 5 1. By an individual; or
 - 6 2. At the caterer's licensed premises in wet or moist territory; and
 - 7 (b) The alcoholic beverages are not sold in dry territory to guests at the private
8 residence or private event regardless of whether the venue is a public place.