

1 AN ACT relating to tobacco, nicotine, or vapor product licensure.

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

3 ➔Section 1. KRS 438.305 is amended to read as follows:

4 As used in KRS 438.305 to 438.350~~[438.340]~~, unless the context requires otherwise:

- 5 (1) (a) "Alternative nicotine product" means a noncombustible product containing  
6 nicotine that is intended for human consumption, whether chewed, absorbed,  
7 dissolved, or ingested by any other means.
- 8 (b) "Alternative nicotine product" does not include any product regulated as a  
9 drug or device by the United States Food and Drug Administration under  
10 Chapter V of the Food, Drug, and Cosmetic Act;
- 11 (2) "Authorized vapor product" means a vapor product~~[containing nicotine]~~ for which  
12 the manufacturer has obtained:
- 13 (a) Authorization from the FDA; or
- 14 (b) ***Meets the safe harbor certification as defined in this section***~~[A safe harbor  
15 certification];~~
- 16 ***(3) "Commissioner" means the commissioner of the Department of Alcoholic***  
17 ***Beverage Control;***
- 18 ***(4) "Contraband property" means any article, item, or property, except real property,***  
19 ***that is used or intended to be used in violation of KRS 438.305 to 438.350;***
- 20 ~~(5)[(3)]~~ "Department" means the Department of Alcoholic Beverage Control;
- 21 ***(6) "Distributor" means any person who distributes alternative nicotine products,***  
22 ***tobacco products, or authorized vapor products for the purpose of being sold at***  
23 ***retail;***
- 24 ~~(7)[(4)]~~ "FDA" means the United States Food and Drug Administration;
- 25 ***(8) "Investigator" means any employee of the department who is a certified peace***  
26 ***officer;***
- 27 ~~(9)[(5)]~~ "Manufacturer" means any person who manufactures or produces tobacco

1 products within or without this Commonwealth;

2 ~~(10)~~~~(6)~~ "Nonresident wholesaler" means any person who purchases cigarettes or other  
3 tobacco products directly from the manufacturer and maintains a permanent  
4 location or locations outside this state at which Kentucky cigarette tax evidence is  
5 attached or from which Kentucky cigarette tax is reported and paid;

6 **(11) "Premises" means the land and building upon which any business operating**  
7 **under KRS 438.305 to 438.350 is operated;**

8 ~~(12)~~~~(7)~~ "Proof of age" means a driver's license or other documentary or written  
9 evidence of an individual's age;

10 ~~(13)~~~~(8)~~ "Resident wholesaler" means any person who purchases at least seventy-five  
11 percent (75%) of all cigarettes or other tobacco products purchased by that person  
12 directly from the cigarette manufacturer on which the cigarette tax provided for in  
13 KRS 138.130 to 138.205 is unpaid, and who maintains an established place of  
14 business in this state at which the person attaches cigarette tax evidence or receives  
15 untaxed cigarettes;

16 ~~(14)~~~~(9)~~ "Retailer" means any person~~[, online or in person,]~~ who sells tobacco  
17 products, alternative nicotine products, or vapor products to a consumer for any  
18 purpose other than resale;

19 ~~(15)~~~~(10)~~ "Safe harbor certification":

20 (a) Means a certification provided by a manufacturer establishing that a vapor  
21 product:

22 1. Falls within a safe harbor~~[ established by the FDA]~~ by the  
23 manufacturer's timely pursuing the path to market described in  
24 subparagraph 2. of this paragraph; and

25 2. ~~[Is a nicotine product containing tobacco derived nicotine that]~~ Was  
26 commercially marketed in the United States as of August 8, 2016, for  
27 which the manufacturer submitted a premarket tobacco product

- 1 application on or before September 9, 2020, to the FDA that:
- 2 a. Remains under review, but has not received either a marketing  
3 denial order or a marketing granted order;
- 4 b. Has received a marketing denial order, but remains under a stay by  
5 the FDA or continues to be subject to an appeal to or review by a  
6 court of competent jurisdiction; or
- 7 c. Has had a marketing denial order that has been rescinded by the  
8 FDA or vacated by a court of competent jurisdiction;
- 9 (b) Shall contain a copy of the first page of the communication from the FDA  
10 reflecting an acceptance for review or the submission tracking number or, if  
11 on appeal, a copy of the first page of the document filed with the applicable  
12 agency or court; and
- 13 (c) May be provided and maintained in hard copy or in electronic form;
- 14 ~~(16)~~<sup>(11)</sup> "Sample" means a tobacco product, alternative nicotine product, or vapor  
15 product distributed to members of the general public at no cost;
- 16 ~~(17)~~<sup>(12)</sup> "Subjobber" means any person who purchases tobacco products, on which the  
17 Kentucky cigarette tax has been paid, from a wholesaler licensed pursuant to KRS  
18 138.195, and makes them available to a retail establishment for resale;}
- 19 ~~(13) "Tobacco noncompliance database and reporting system" means the database of~~  
20 ~~retailers that have violated KRS 438.312 or 438.316 developed and maintained by~~  
21 ~~the department under KRS 438.307;}~~
- 22 ~~(18)~~<sup>(14)</sup> (a) "Tobacco product" means any cigarette, cigar, snuff, smokeless tobacco  
23 product, smoking tobacco, chewing tobacco, and any kind or form of tobacco  
24 prepared in a manner suitable for chewing or smoking, or both, or any kind or  
25 form of tobacco that is suitable to be placed in a person's mouth. "Tobacco  
26 product" also means any product made or derived from tobacco that is  
27 intended for human consumption, including any component, part, or accessory

1 of a tobacco product, except for raw materials other than tobacco used in  
2 manufacturing any component, part, or accessory of a tobacco product, in  
3 accordance with the federal Tobacco Control Act, Pub. L. No. 111-31.

4 (b) "Tobacco product" does not include any alternative nicotine product, vapor  
5 product, or product regulated as a drug or device by the United States Food  
6 and Drug Administration under Chapter V of the Food, Drug, and Cosmetic  
7 Act;

8 **(19) "Trade show" means an event where businesses gather to exhibit their products**  
9 **and services and may include marketing and sales of those products and services;**

10 **(20)**~~(15)~~ "Unauthorized vapor product":

11 (a) Means any vapor product that has not been authorized by the FDA; and

12 (b) Does not include a vapor product for which the manufacturer has received:

13 1. A marketing granted order or other authorization to market from the  
14 FDA; or

15 2. A safe harbor certification **as defined in this section**; and

16 **(21)**~~(16)~~ (a) "Vapor product" means any noncombustible product that employs a  
17 heating element, battery, power source, electronic circuit, or other electronic,  
18 chemical, or mechanical means, regardless of shape or size and including the  
19 component parts and accessories thereto, that can be used to deliver vaporized  
20 nicotine or other substances to users inhaling from the device. "Vapor  
21 product" includes but is not limited to any device deemed to be an electronic  
22 nicotine delivery system by the United States Food and Drug Administration,  
23 any electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe,  
24 or similar product or device and every variation thereof, regardless of whether  
25 marketed as such, and any vapor cartridge or other container of a liquid  
26 solution or other material that is intended to be used with or in an electronic  
27 cigarette, electronic cigar, electronic cigarillo, electronic pipe, or other similar

1 product or device.

2 (b) "Vapor product" does not include any product regulated as a drug or device  
3 by the United States Food and Drug Administration under Chapter V of the  
4 Food, Drug, and Cosmetic Act.

5 ➔SECTION 2. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
6 TO READ AS FOLLOWS:

7 (1) (a) The Division of Tobacco, Nicotine, and Vapor Product Licensing is hereby  
8 created and established within the Department of Alcoholic Beverage  
9 Control.

10 (b) The Division of Tobacco, Nicotine, and Vapor Product Licensing shall be  
11 managed by a division director, whose appointment shall be subject to KRS  
12 12.050.

13 (2) The Division of Tobacco, Nicotine, and Vapor Licensing shall carry out  
14 enforcement provisions of KRS 438.305 to 438.350 as they relate to the regulation  
15 of alternative nicotine products, tobacco products, or vapor products, including  
16 promulgating administrative regulations that govern the sale and distribution of  
17 alternative nicotine products, tobacco products, and vapor products.

18 ➔SECTION 3. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
19 TO READ AS FOLLOWS:

20 Department investigators may inspect any premises where alternative nicotine  
21 products, tobacco products, or vapor products are manufactured, sold, stored, or  
22 otherwise trafficked in without first obtaining a search warrant. They may confiscate  
23 any contraband property.

24 ➔SECTION 4. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
25 TO READ AS FOLLOWS:

26 (1) (a) A person, firm, or corporation shall not operate as a retailer selling  
27 alternative nicotine products, tobacco products, or authorized vapor

1 products in or on any premises in the Commonwealth without first  
2 obtaining a tobacco, nicotine, or vapor product license issued by the  
3 department. This subsection shall not apply to online transactions.

4 (b) Any person who, by himself or herself or through another, directly or  
5 indirectly, violates paragraph (a) of this subsection shall, for the first  
6 offense, be guilty of a Class B misdemeanor; for the second offense, he or  
7 she shall be guilty of a Class A misdemeanor; and for the third and each  
8 subsequent offense, he or she shall be guilty of a Class D felony.

9 (2) Persons engaged in the display, exhibition, or sale of alternative nicotine  
10 products, tobacco products, or authorized vapor products at trade shows or  
11 exhibitions shall not be required to obtain a license, provided that:

12 (a) Access to the portion of the trade show's venue where alternative nicotine  
13 products, tobacco products, or authorized vapor products are displayed,  
14 offered for sale, or sold is restricted to persons who are over the age of  
15 twenty-one (21); and

16 (b) A manufacturer, distributor, or retailer whose alternative nicotine products,  
17 tobacco products, or authorized vapor products are displayed, offered for  
18 sale, or sold at the venue shall verify the purchaser is over the age of  
19 twenty-one (21) prior to commencing the retail sale transaction for any  
20 alternative nicotine product, tobacco product, or vapor product.

21 ➔SECTION 5. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
22 TO READ AS FOLLOWS:

23 (1) Each application for a tobacco, nicotine, or vapor product license shall be made  
24 in a form prescribed by the department, accompanied with a nonrefundable  
25 application fee of fifty dollars (\$50) and any supporting documentation required  
26 by the department. The application fee shall be applied to the licensing fee if the  
27 license is issued. If no license is issued, the application fee shall be retained by

1 the department.

2 (2) A tobacco, nicotine, or vapor product license shall:

3 (a) Be renewed annually;

4 (b) Remain in full force and effect for one (1) year from the date of issuance  
5 unless it is surrendered by the licensee, suspended, or revoked; and

6 (c) Posted in a conspicuous place in the premises of the business where  
7 alternative nicotine products, tobacco products, or authorized vapor  
8 products are sold.

9 (3) A retailer with a license issued by the department and operating under KRS  
10 Chapter 243 may initiate the application process to obtain a tobacco, nicotine, or  
11 vapor product license on the date of its next renewal.

12 (4) (a) The fee for a tobacco, nicotine, or vapor product license shall be two  
13 hundred fifty dollars (\$250) per year for each licensed premises and the fee  
14 shall be made payable to State Treasury.

15 (b) All of the fees paid into the State Treasury for state licenses shall be  
16 credited to a revolving trust and agency account as provided in Section 18 of  
17 this Act for the department.

18 (5) The tobacco, nicotine, or vapor product license shall not be transferred from one  
19 (1) person to another or from one (1) premises to another premises.

20 (6) A new tobacco, nicotine, or vapor product license shall be required when a  
21 retailer has a change in ownership.

22 ➔SECTION 6. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
23 TO READ AS FOLLOWS:

24 (1) The commissioner shall approve or deny every application for a tobacco, nicotine,  
25 or vapor products license.

26 (2) If the application is denied, the:

27 (a) License shall not be issued;

1 (b) Applicant shall be notified of the commissioner's denial which shall include  
 2 the reason for the denial; and

3 (c) Applicant may, within thirty (30) days, appeal the denial and request an  
 4 administrative hearing on the matter in accordance with KRS Chapter 13B.

5 (3) (a) If the commissioner revokes a license pursuant to Section 7 of this Act, the  
 6 commissioner shall:

7 1. Notify the applicant within ten (10) days of the decision to revoke the  
 8 license; and

9 2. Upon the request of a denied licensee, commence a hearing on the  
 10 license revocation in accordance with KRS Chapter 13B.

11 (b) Revocation of a license subject to KRS 438.305 to 438.350 for any reason  
 12 shall result in the inability of a retailer to reapply for a license for two (2)  
 13 years.

14 (c) 1. A final order of the commissioner shall be appealable to the Franklin  
 15 Circuit Court.

16 2. The licensee may, within thirty (30) days, appeal the final order and  
 17 request an administrative hearing on the matter in accordance with  
 18 KRS Chapter 13B.

19 ➔SECTION 7. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
 20 TO READ AS FOLLOWS:

21 A license may be revoked or suspended by the commissioner for a violation of any of  
 22 the following:

23 (1) Any of the provisions of KRS 438.305 to 438.350;

24 (2) Any administrative regulation of the department relating to the regulation of the  
 25 manufacture, sale, and transportation of alternative nicotine products, tobacco  
 26 products, or vapor products;

27 (3) Any administrative regulation of the Department of Revenue relating to the

1 taxation of alternative nicotine products, tobacco products, or vapor products;

2 (4) Any act of Congress or any rule or regulation of any federal board, agency, or  
 3 commission;

4 (5) Any of the laws, regulations, or ordinances referred to in this section when an  
 5 agent, servant, or employee of the licensee committed the violation, irrespective of  
 6 whether the licensee knew of or permitted the violation or whether the violation  
 7 was committed in disobedience of the licensee's instructions;

8 (6) Any cause which the department in the exercise of its sound discretion deems  
 9 sufficient; or

10 (7) Any of the reasons for which the commissioner would have been required to deny  
 11 a license if existing material facts had been known.

12 ➔Section 8. KRS 438.308 is amended to read as follows:

13 (1) A manufacturer of vapor products shall only sell authorized vapor products.

14 (2) A manufacturer shall provide an applicable safe harbor certification to a wholesaler  
 15 or retailer when selling a vapor product that has not been authorized by the FDA.

16 (3) If the FDA or a court of competent jurisdiction takes final action that removes a  
 17 vapor product from safe harbor certification or authorized to market status, the  
 18 manufacturer shall provide notice of the final action to any wholesaler or retailer  
 19 that has purchased the vapor product from the manufacturer within thirty (30) days  
 20 of the final action being taken.

21 (4) A manufacturer that provides false or misleading information in a safe harbor  
 22 certification or other notice to retailers or wholesalers violates this section and shall  
 23 be subject to a fine of:

24 (a) Twenty-five thousand dollars (\$25,000) for a first citation issued for a  
 25 violation of this section;

26 (b) Fifty thousand dollars (\$50,000) for a second citation issued for a violation of  
 27 this section; and

- 1 (c) Seventy-five thousand dollars (\$75,000) for a third or subsequent citation  
2 issued for a violation of this section.

3 **(5) This section shall not apply to manufacturers of vapor products that are not**  
4 **intended for resale in this state.**

5 ➔Section 9. KRS 438.309 is amended to read as follows:

- 6 (1) A wholesaler shall not sell:  
7 (a) **Vapor products to an unlicensed premises**~~[Authorized vapor products to a~~  
8 ~~retailer until the wholesaler verifies that the retailer is not in the tobacco~~  
9 ~~noncompliance database and reporting system]; or  
10 (b) Unauthorized vapor products.~~
- 11 (2) Any wholesaler that violates this section shall be subject to a fine of:  
12 (a) Five thousand dollars (\$5,000) for a first citation issued for a violation of this  
13 section; and  
14 (b) Fifteen thousand dollars (\$15,000) for a second or subsequent citation issued  
15 for a violation of this section.

16 **(3) This section shall not apply to wholesalers of vapor products that are not intended**  
17 **for resale in this state.**

18 ➔Section 10. KRS 438.310 is amended to read as follows:

- 19 (1) No person shall sell or cause to be sold any tobacco product,~~[or]~~ alternative  
20 nicotine product, **or authorized vapor product** at retail to any person under the age  
21 of twenty-one (21), or solicit any person under the age of twenty-one (21) to  
22 purchase any tobacco product,~~[or]~~ alternative nicotine product, **or authorized**  
23 **vapor product** at retail.
- 24 (2) Any person who sells tobacco products,~~[or]~~ alternative nicotine products, **or**  
25 **authorized vapor products** at retail shall cause to be posted in a conspicuous place  
26 in his or her establishment a notice stating that it is illegal to sell tobacco products,  
27 alternative nicotine products, or vapor products to persons under age twenty-one

1 (21).

2 (3) Any person selling tobacco products, alternative nicotine products, or vapor  
3 products shall require proof of age from a prospective buyer or recipient if the  
4 person has reason to believe that the prospective buyer or recipient is under the age  
5 of twenty-one (21).

6 (4) A person who violates ~~subsection (1) or (2) of~~ this section shall be subject to a:

7 (a) One hundred dollar (\$100) fine to the retail sales clerk for a first citation  
8 and a notice to the owner of a retail establishment which details the  
9 violation;

10 (b) One hundred dollar (\$100) fine to the retail sales clerk and an additional  
11 five hundred dollar (\$500) fine to the owner of a retail establishment for a  
12 second citation;

13 (c) One hundred dollar (\$100) fine to the retail sales clerk and an additional  
14 one thousand dollar (\$1,000) fine to the owner of a retail establishment for  
15 a third citation; and

16 (d) Revocation of the tobacco, nicotine, or vapor products license upon a fourth  
17 citation. Revocation for any fourth and subsequent citation within a two (2)  
18 year period shall result in the inability to reapply for a license for two (2)

19 years ~~fine of not less than one hundred dollars (\$100) nor more than five~~  
20 ~~hundred dollars (\$500) for a first violation and a fine of not less than five~~  
21 ~~hundred dollars (\$500) nor more than one thousand dollars (\$1,000) for any~~  
22 ~~subsequent violation. The fine shall be administered by the Department of~~  
23 ~~Alcoholic Beverage Control using a civil enforcement procedure].~~

24 (5) Each citation shall be specific to the premises of the retail establishment where  
25 the violation occurred.

26 (6) The fine shall be imposed and collected by the department using a civil  
27 enforcement procedure.

1 **(7) A retailer shall be prohibited from renewing its license until all fines incurred**  
 2 **under KRS 438.305 to 438.350 are paid.**

3 ➔Section 11. KRS 438.311 is amended to read as follows:

4 (1) Except for the provisions of KRS 438.330, it shall be unlawful for a person who has  
 5 not attained the age of twenty-one (21) years to purchase or accept receipt of or to  
 6 attempt to purchase or accept receipt of a tobacco product, alternative nicotine  
 7 product, or vapor product, or to present or offer to any person any purported proof  
 8 of age which is false, fraudulent, or not actually his or her own, for the purpose of  
 9 purchasing or receiving any tobacco product, alternative nicotine product, or vapor  
 10 product. It shall not be unlawful for such a person to accept receipt of a tobacco  
 11 product, alternative nicotine product, or vapor product from an employer when  
 12 required in the performance of the person's duties.

13 (2) All peace officers with general law enforcement authority and  
 14 **investigators**~~[employees]~~ of the department~~[of Alcoholic Beverage Control]~~ may  
 15 confiscate the tobacco product, alternative nicotine product, or vapor product of a  
 16 person under the age of twenty-one (21) who has violated this section.  
 17 Notwithstanding any provision of law to the contrary, no other penalty shall apply  
 18 to a person under the age of twenty-one (21) for a violation of this section.

19 ➔Section 12. KRS 438.313 is amended to read as follows:

20 (1) ~~A~~~~[No]~~ wholesaler, retailer, or manufacturer of cigarettes, tobacco products, or  
 21 alternative nicotine products, **shall not**~~[may]~~ distribute cigarettes, tobacco products,  
 22 or alternative nicotine products, including samples thereof, free of charge or  
 23 otherwise, to any person under the age of twenty-one (21).

24 (2) **A distributor shall not distribute alternative nicotine products, tobacco products,**  
 25 **or vapor products to any retailer whose license has been revoked.**

26 (3) Any person who distributes cigarettes, tobacco products, or alternative nicotine  
 27 products, including samples thereof, free of charge or otherwise shall require proof

1 of age from a prospective buyer or recipient if the person has reason to believe that  
2 the prospective purchaser or recipient is under the age of twenty-one (21).

3 ~~(4)~~~~(3)~~ Any person who violates the provisions of this section shall be fined not less  
4 than one thousand dollars (\$1,000) nor more than two thousand five hundred dollars  
5 (\$2,500) for each offense. The fine shall be administered by the department ~~of~~  
6 ~~Alcoholic Beverage Control~~ using a civil enforcement procedure for persons  
7 eighteen (18) years of age or older.

8 ~~(5)~~~~(4)~~ All peace officers with general law enforcement authority and  
9 investigators~~employees~~ of the department ~~of Alcoholic Beverage Control~~ may  
10 issue a uniform citation, but may not make an arrest~~,~~ or take a child into custody,  
11 for a violation of this section.

12 ➔Section 13. KRS 438.312 is amended to read as follows:

13 (1) A retailer shall not sell, give away, or distribute an authorized vapor product or  
14 tobacco product to any person under twenty-one (21) years of age. A retailer who  
15 sells a tobacco product to a person under twenty-one (21) years of age shall be  
16 subject to the penalties listed in KRS 438.310(4).

17 (2) (a) A retailer shall have an affirmative defense to a violation of subsection (1) of  
18 this section if the sale was induced by the use of false, fraudulent, or altered  
19 identification papers or other documents.

20 (b) Evidence to support an affirmative defense under this subsection may be  
21 introduced either in mitigation of the violation or as a defense to the violation  
22 itself.

23 (3) Any retailer that violates subsection (1) of this section regarding authorized vapor  
24 products shall be subject to a:

25 (a) One hundred dollar (\$100) fine to the retail sales clerk for a first citation  
26 and a notice to the owner of a retail establishment which details the  
27 violation;

1 (b) One hundred dollar (\$100) fine to the retail sales clerk and an additional  
2 five hundred dollar (\$500) fine to the owner of a retail establishment for a  
3 second citation;

4 (c) One hundred dollar (\$100) fine to the retail sales clerk and an additional  
5 one thousand dollar (\$1,000) fine to the owner of a retail establishment for  
6 a third citation; and

7 (d) Revocation of the tobacco, nicotine, or vapor products license upon a fourth  
8 citation. Revocation for any fourth and subsequent citation within a two (2)  
9 year period shall result in the inability to reapply for a license for two (2)  
10 years[-

11 ~~(a) Subject to a fine of:~~

12 1. ~~Not less than one hundred dollars (\$100) nor more than five hundred~~  
13 ~~dollars (\$500) for the first citation issued for a violation of this section;~~

14 2. ~~One thousand dollars (\$1,000) for the second citation issued for a~~  
15 ~~violation of this section; and~~

16 3. ~~Five thousand dollars (\$5,000) for a third or subsequent citation issued~~  
17 ~~for a violation of this section that is not subject to paragraph (b) of this~~  
18 ~~subsection; and~~

19 ~~(b) For a fourth or subsequent citation issued for a violation of this section within~~  
20 ~~a two (2) year period, placed in the tobacco noncompliance database and~~  
21 ~~reporting system and lose the ability to lawfully sell vapor products for one~~  
22 ~~(1) year~~].

23 (4) Each citation shall be specific to the premises of the retail establishment where  
24 the violation occurred.

25 ~~(5)~~[(4)] Any retailer with unpaid fines under this section that are more than sixty (60)  
26 days overdue shall lose the ability to lawfully sell vapor products until the fines are  
27 paid.

1        ➔ Section 14. KRS 438.316 is amended to read as follows:

2        (1) A retailer shall not sell an unauthorized vapor product to any person.

3        (2) Except as provided in subsection (3) of this section, any retailer selling vapor  
4        products shall obtain from the manufacturer an applicable safe harbor certification  
5        and shall maintain a copy of the certification at the physical location where the  
6        vapor product is being sold.

7        (3) ~~{A retailer is not required to obtain a safe harbor certification for vapor products if  
8        those products were purchased from a Kentucky licensed resident wholesaler.~~

9        (4) ~~{~~Any retailer that violates this section shall be subject to a:

10        (a) Five hundred dollar (\$500) fine to the owner of a retail establishment for a  
11        first citation issued for a violation of this section;

12        (b) One thousand dollar (\$1,000) fine to the owner of a retail establishment for  
13        a second or subsequent citation issued for a violation of this section; and

14        (c) Revocation of the tobacco, nicotine, or vapor product license upon a fourth  
15        citation, which shall result in the inability to reapply for a tobacco, nicotine,  
16        or vapor product license for two (2) years~~}~~

17        (a) ~~Subject to a fine of:~~

18        1. ~~One thousand dollars (\$1,000) for the first citation issued for a violation~~  
19        ~~of this section; and~~

20        2. ~~Five thousand dollars (\$5,000) for a second or subsequent citation~~  
21        ~~issued for a violation of this section; and~~

22        (b) ~~Placed in the tobacco noncompliance database and reporting system and lose~~  
23        ~~the ability to lawfully sell vapor products for one (1) year for any third or~~  
24        ~~subsequent citation issued for a violation within a two (2) year period}.~~

25        (4) Each citation shall be specific to the premises of the retail establishment where  
26        the violation occurred.

27        (5) ~~{A retailer in the tobacco noncompliance database and reporting system that sells~~

1 ~~vapor products that are unauthorized vapor products shall be subject to a fine of ten~~  
 2 ~~thousand dollars (\$10,000) per unlawful transaction.~~

3 ~~(6)~~ Any retailer with unpaid fines under this section that are more than sixty (60) days  
 4 overdue shall lose the ability to lawfully sell vapor products until the fines are paid.

5 ~~(6)~~~~(7)~~ A retailer shall have an affirmative defense to a violation of selling an  
 6 unauthorized vapor product if the retailer can establish:

7 (a) Proof of an official material change in the status of a vapor product under  
 8 review by the FDA within forty-five (45) days of the issuance of the citation;

9 or

10 (b) A safe harbor certification for the vapor product exists onsite at the retail  
 11 location at the time the citation was issued.

12 **(7) This section shall not apply to retailers of vapor products that are not intended**  
 13 **for resale in this state.**

14 ➔SECTION 15. A NEW SECTION OF KRS 438.305 TO 438.350 IS CREATED  
 15 TO READ AS FOLLOWS:

16 **(1) As used in this section, "nitrous oxide" means any of the following substances:**

17 **(a) N2O;**

18 **(b) Dinitrogen monoxide;**

19 **(c) Dinitrogen oxide;**

20 **(d) Nitrogen oxide;**

21 **(e) Butyl nitrite;**

22 **(f) Isobutyl nitrite;**

23 **(g) Secondary butyl nitrite;**

24 **(h) Tertiary butyl nitrite; or**

25 **(i) Laughing gas.**

26 **(2) A retail establishment shall not sell nitrous oxide to any person under the age of**  
 27 **twenty-one (21).**

1 (3) Any retail establishment that possesses a tobacco, nicotine, or vapor product  
2 license shall not sell, distribute, give away, or cause to be sold any device,  
3 canister, tank, or receptacle that either exclusively contains nitrous oxide or  
4 exclusively contains a chemical compound mixed with nitrous oxide.

5 (4) This section shall not apply to:

6 (a) The sale or distribution of medical gases that contain nitrous oxide by a  
7 wholesaler licensed by the Kentucky Board of Pharmacy;

8 (b) Any person who administers nitrous oxide for the purpose of providing  
9 medical or dental care, if administered by a dentist or dental hygienist in  
10 accordance with KRS 313.060;

11 (c) The possession or use of nitrous oxide substances by a manufacturer as part  
12 of a manufacturing process or industrial operation;

13 (d) The possession, use, or sale of nitrous oxide as a propellant in food  
14 preparation for restaurant, food service, or houseware products; or

15 (e) The possession, use, or sale of nitrous oxide for automotive purposes.

16 (5) Any retail establishment licensed by the department that violates this section shall  
17 be subject to:

18 (a) A two thousand five hundred dollar (\$2,500) fine to the owner of a retail  
19 establishment for a first citation issued for a violation of this section;

20 (b) A five thousand dollar (\$5,000) fine to the owner of a retail establishment  
21 for a second citation issued for a violation of this section; and

22 (c) Up to thirty (30) days in jail for a third citation issued for a violation of this  
23 section.

24 (6) Each citation shall be specific to the premises of the retail establishment where  
25 the violation occurred.

26 ➔Section 16. KRS 438.330 is amended to read as follows:

27 (1) Except as provided in Section 18 of this Act, the Department of Alcoholic

1 Beverage Control and the Department of Agriculture shall carry out annually  
2 conducted random, unannounced inspections of retail establishments where tobacco  
3 products, alternative nicotine products, or vapor products are sold or distributed for  
4 the purpose of enforcing the provisions of KRS 438.305 to ~~438.340~~ 438.350. The  
5 inspections shall be conducted to the extent necessary to assure that the  
6 Commonwealth remains in compliance with Pub. L. No. ~~[Public Law]~~ 102-321 and  
7 applicable federal regulations. The department ~~[of Alcoholic Beverage Control]~~ and  
8 the Department of Agriculture shall also ensure that targeted inspections are  
9 conducted at those retail establishments where, and at those times when, persons  
10 under the age of twenty-one (21) years are most likely to purchase tobacco  
11 products, alternative nicotine products, or vapor products. Persons under the age of  
12 twenty-one (21) years may be used to test compliance with the provisions of KRS  
13 438.305 to ~~438.340~~ 438.350 only if the testing is conducted under the direct  
14 supervision of the department ~~[of Alcoholic Beverage Control]~~, sheriff, or chief of  
15 police, or their employees, and written parental consent has been obtained. The  
16 department ~~[of Alcoholic Beverage Control]~~ shall prepare annually, for submission  
17 by the Governor to the Secretary of the United States Department of Health and  
18 Human Services, the report required by Section 1926 of Subpart 1 of Part B of Title  
19 XIX of the Federal Public Health Service Act.

20 (2) The department ~~[of Alcoholic Beverage Control]~~ shall develop and implement the  
21 survey sampling methodologies to carry out the inspections as described in this  
22 section.

23 ➔Section 17. KRS 438.331 is amended to read as follows:

24 (1) All certified peace officers with general law enforcement authority and  
25 investigators of the department may issue a citation for a violation of Section 10 or  
26 15 of this Act or KRS 438.308, 438.309, 438.312, or 438.316.

27 (2) A citation shall not be issued to a minor, and a minor shall not be arrested, in

1 connection with a retailer's violation of KRS 438.312 or 438.316.

2 (3) (a) All citations issued pursuant to KRS 438.308, 438.309, 438.312, or 438.316  
3 shall be reported to and enforced by the department.

4 (b) Multiple violations found during one (1) visit shall be reported on a single  
5 citation and shall be considered to be one (1) violation for purposes of the  
6 penalties set forth in KRS 438.312 and 438.316.

7 (c) Each violation shall be specific to the physical location in which the violation  
8 occurred.

9 ➔Section 18. KRS 438.337 is amended to read as follows:

10 (1) The department~~[of Alcoholic Beverage Control]~~ shall carry out the enforcement  
11 provisions of KRS 438.305 to 438.350~~[438.340]~~.

12 (2) (a) 1. The department~~[of Alcoholic Beverage Control]~~ shall be entitled to the  
13 revenue produced by one-twentieth of one cent (\$0.0005) of the three-  
14 cent (\$0.03) per pack revenue collected by the Finance and  
15 Administration Cabinet from the state excise tax on the sale of cigarettes  
16 as imposed by KRS 138.140.

17 2. One hundred percent (100%) of the license and application fees  
18 imposed by Section 5 of this Act unless the license is denied shall~~[to]~~  
19 be deposited in a trust and agency account created in the State Treasury.  
20 If no license is issued, the application fee shall be retained by the  
21 department in accordance with Section 5 of this Act~~[, and]~~

22 (b) One hundred percent (100%) of the fines collected under KRS 438.305 to  
23 438.350 shall be retained by the department.

24 (c) The department shall~~[to]~~ keep fifty percent (50%) of any fines collected  
25 under KRS 438.305 to 438.350~~[438.340]~~ to offset the costs of enforcement.  
26 The remaining fifty percent (50%) of funds shall go to a youth program  
27 administered by the Department for Public Health directed at targeting and

1 *educating youth on the dangers of tobacco products, alternative nicotine*  
 2 *products, and vapor products*~~[of KRS 438.305 to 438.340].~~

3 (3) The department~~[of Alcoholic Beverage Control]~~ shall be responsible for  
 4 maintaining statistics for compilation of required reports to be submitted to the  
 5 United States Department of Health and Human Services.

6 (4) The department~~[of Alcoholic Beverage Control]~~ shall devise a plan and  
 7 *timeframe*~~[time frame]~~ for enforcement to determine by random inspection if the  
 8 percentage of retailers or distributors making illegal sales to persons under the age  
 9 of twenty-one (21) does or does not exceed federal guidelines preventing tobacco  
 10 sales to persons under the age of twenty-one (21).

11 *(5) (a) The department shall investigate the information provided in each*  
 12 *application for a tobacco, nicotine, or vapor product license.*

13 *(b) Notwithstanding Sections 16 and 17 of this Act, if the tobacco, nicotine, or*  
 14 *vapor product license is approved, random inspections or compliance*  
 15 *checks of the licensee shall be conducted not less than once annually*  
 16 *during normal business hours or as deemed appropriate by the*  
 17 *commissioner.*

18 *(6) The department shall, on the first day of each month, create, update, and publish*  
 19 *on its website a list of retail establishments that possess a tobacco, nicotine, or*  
 20 *vapor products license.*

21 ➔Section 19. KRS 438.340 is amended to read as follows:

22 The department~~[of Alcoholic Beverage Control]~~ and the Department of Agriculture are  
 23 authorized to promulgate administrative regulations pursuant to KRS Chapter 13A as  
 24 necessary to implement and carry out the provisions of KRS 438.305 to  
 25 *438.350*~~[438.340]~~, *including establishing a procedure for administering citations,*  
 26 *issuing orders, adjusting fees, and filing appeals under this section and Section 6 of*  
 27 *this Act for any violation of the provisions of KRS 438.305 to 438.350, order of the*

1 **commissioner, or administrative regulations promulgated by the department.**

2 ➔Section 20. KRS 438.350 is amended to read as follows:

3 (1) No person under the age of twenty-one (21) shall possess or use tobacco products,  
4 alternative nicotine products, or vapor products.

5 (2) Any tobacco product, alternative nicotine product, or vapor product found in the  
6 possession of a person under the age of twenty-one (21) and in plain view of the  
7 law enforcement officer shall be confiscated by the law enforcement officer making  
8 the charge.

9 **(3) Any person under the age of twenty-one (21) years found possessing or**  
10 **consuming an alternative nicotine product, tobacco product, or vapor product**  
11 **may be required to participate in a community service program or attend a**  
12 **tobacco cessation program.**

13 ~~(4)~~<sup>(3)</sup> This section shall not apply to persons exempted as provided by KRS 438.311  
14 and 438.330.

15 ~~[(4) The terms "alternative nicotine product," "tobacco product," and "vapor product,"~~  
16 ~~shall have the same meanings as in KRS 438.305.]~~

17 ➔Section 21. KRS 241.020 is amended to read as follows:

18 (1) The department shall administer statutes relating to, and regulate traffic in,  
19 alcoholic beverages, except that the collection of taxes shall be administered by the  
20 Department of Revenue. The department may issue advisory opinions and  
21 declaratory rulings related to KRS Chapters 241 to 244 and the administrative  
22 regulations promulgated under those chapters.

23 (2) A Division of Distilled Spirits, under the supervision of the board, shall administer  
24 the laws in relation to traffic in distilled spirits and wine.

25 (3) A Division of Malt Beverages, under the supervision of the board, shall administer  
26 the laws in relation to traffic in malt beverages.

27 **(4) A Division of Tobacco, Nicotine, and Vapor Product Licensing, under the**

1 supervision of the division director, shall administer the laws in relation to traffic  
2 in alternative nicotine products, tobacco products, or authorized vapor products  
3 under KRS 438.305 to 438.350.

4 ➔Section 22. KRS 438.300 is amended to read as follows:

5 It is the intent of the Legislature that KRS 438.305 to ~~438.350~~~~[438.340]~~ shall be enforced  
6 in an equitable and uniform manner throughout the Commonwealth. For the purpose of  
7 equitable and uniform enforcement, the provisions of KRS 438.305 to ~~438.350~~~~[438.340]~~  
8 shall supersede any subsequently enacted local law, ordinance, or regulation which  
9 relates to the use, display, sale, or distribution of tobacco products. It is the intent of the  
10 Legislature that KRS 438.305 to ~~438.350~~~~[438.340]~~ be enforced so as to ensure the  
11 eligibility for and receipt of any federal funds or grants that the Commonwealth of  
12 Kentucky now receives or may receive relating to the provisions of KRS 438.305 to  
13 ~~438.350~~~~[438.340]~~.

14 ➔Section 23. KRS 438.325 is amended to read as follows:

- 15 (1) Each owner of a retail establishment selling or distributing tobacco products,  
16 alternative nicotine products, or vapor products shall notify each individual  
17 employed in the retail establishment as a retail sales clerk that the sale of tobacco  
18 products, alternative nicotine products, or vapor products to any person under the  
19 age of twenty-one (21) years and the purchase of tobacco products, alternative  
20 nicotine products, or vapor products by any person under the age of twenty-one (21)  
21 years are prohibited.
- 22 (2) Each owner of a retail establishment selling or distributing tobacco products,  
23 alternative nicotine products, or vapor products shall notify each individual  
24 employed in the retail establishment as a retail sales clerk that proof of age is  
25 required from a prospective buyer or recipient if the person has reason to believe  
26 that the prospective purchaser or recipient is under the age of twenty-one (21).
- 27 (3) The notice to employees that is required in subsection (1) of this section shall be

1 provided before the person commences work as a retail sales clerk, or, in the case of  
2 a person employed as a retail sales clerk on March 26, 2020, within thirty (30) days  
3 of that date. The employee shall signify receipt of the notice required by this section  
4 by signing a form that states as follows:

5 "I understand that under the law of the Commonwealth of Kentucky it is illegal to  
6 sell or distribute tobacco products, alternative nicotine products, or vapor products  
7 to persons under the age of twenty-one (21) years and that it is illegal for persons  
8 under the age of twenty-one (21) years to purchase tobacco products, alternative  
9 nicotine products, or vapor products."

10 (4) The owner of the retail establishment shall maintain the signed notice that is  
11 required pursuant to subsection (3) of this section in a place and in a manner so as  
12 to be easily accessible to any employee of the Department of Alcoholic Beverage  
13 Control or the Department of Agriculture conducting an inspection of the retail  
14 establishment for the purpose of monitoring compliance in limiting the sale or  
15 distribution of tobacco products, alternative nicotine products, or vapor products to  
16 persons under the age of twenty-one (21) as provided in KRS 438.305 to  
17 438.350~~[438.340]~~.

18 (5) Any owner of the retail establishment violating subsections (1) to (4) of this section  
19 shall be subject to a fine of not less than one hundred dollars (\$100) nor more than  
20 five hundred dollars (\$500) for each violation. The fine shall be administered by the  
21 Department of Alcoholic Beverage Control in a civil enforcement procedure.

22 ➔Section 24. KRS 438.335 is amended to read as follows:

23 The Department of Agriculture shall carry out the provisions of KRS 438.305 to  
24 438.350~~[438.340]~~ as they relate to educating the public and sellers of tobacco products,  
25 alternative nicotine products, or vapor products about provisions and penalties of KRS  
26 438.305 to 438.350~~[438.340]~~. The Department of Agriculture shall be entitled to the  
27 revenue produced by one-twentieth of one cent (\$0.0005) of the three-cent (\$0.03) per

1 pack revenue collected by the Department of Revenue from the state excise tax on the  
2 sale of cigarettes as imposed by KRS 138.140 and to keep fifty percent (50%) of any  
3 fines collected under KRS 438.305 to 438.350~~[438.340]~~ to offset the costs of these  
4 education efforts.

5 ➔Section 25. KRS 630.120 is amended to read as follows:

6 (1) All dispositional hearings conducted under this chapter shall be conducted in  
7 accordance with the provisions of KRS 610.060 and 610.070. In addition, the court  
8 shall, at the time the dispositional order is issued:

9 (a) Give the child adequate and fair written warning of the consequences of the  
10 violation of the order; and

11 (b) Provide the child and the child's attorney, and parent, or legal guardian a  
12 written statement setting forth the conditions of the order and the  
13 consequences for violating the order.

14 An order issued pursuant to this section is a valid court order and any child  
15 violating that order may be subject to the provisions of KRS 630.080(4).

16 (2) The court shall consider all appropriate local remedies to aid the child and the  
17 child's family subject to the following conditions:

18 (a) Residential and nonresidential treatment programs for status offenders shall  
19 be community-based and nonsecure; and

20 (b) With the approval of the education agency, the court may place the child in a  
21 nonsecure public or private education agency accredited by the Department of  
22 Education.

23 (3) At the disposition of a child adjudicated on a petition brought pursuant to this  
24 chapter, all information helpful in making a proper disposition, including oral and  
25 written reports, shall be received by the court provided that the child, the child's  
26 parents, their counsel, the prosecuting attorney, the child's counsel, or other  
27 interested parties as determined by the judge shall be afforded an opportunity to

1 examine and controvert the reports. For good cause, the court may allow the  
2 admission of hearsay evidence.

3 (4) The court shall affirmatively determine that all appropriate remedies have been  
4 considered and exhausted to assure that the least restrictive alternative method of  
5 treatment is utilized.

6 (5) The court may order the child and the child's family to participate in any programs  
7 which are necessary to effectuate a change in the child and the family.

8 (6) When all appropriate resources have been reviewed and considered insufficient to  
9 adequately address the needs of the child and the child's family, the court may,  
10 except as provided in subsection (7) of this section, commit the child to the cabinet  
11 for such services as may be necessary. The cabinet shall consider all appropriate  
12 local remedies to aid the child and the child's family subject to the following  
13 conditions:

14 (a) Treatment programs for status offenders shall be, unless excepted by federal  
15 law, community-based and nonsecure;

16 (b) The cabinet may place the child in a nonsecure public or private education  
17 agency accredited by the department of education;

18 (c) The cabinet may initiate proceedings pursuant to KRS 610.160 when the  
19 parents fail to participate in the cabinet's treatment programs; and

20 (d) The cabinet may discharge the child from commitment after providing ten  
21 (10) days' prior written notice to the committing court which may object to  
22 such discharge by holding court review of the commitment under KRS  
23 610.120.

24 (7) No child adjudicated guilty of an alcohol offense under KRS 244.085 or a tobacco  
25 offense under KRS 438.305 to ~~438.350~~~~[438.340]~~ shall be committed as a result of  
26 that adjudication.

27 ➔Section 26. KRS 12.020 (Effective July 1, 2025) is amended to read as follows:

1 Departments, program cabinets and their departments, and the respective major  
2 administrative bodies that they include are enumerated in this section. It is not intended  
3 that this enumeration of administrative bodies be all-inclusive. Every authority, board,  
4 bureau, interstate compact, commission, committee, conference, council, office, or any  
5 other form of organization shall be included in or attached to the department or program  
6 cabinet in which they are included or to which they are attached by statute or statutorily  
7 authorized executive order; except in the case of the Personnel Board and where the  
8 attached department or administrative body is headed by a constitutionally elected  
9 officer, the attachment shall be solely for the purpose of dissemination of information and  
10 coordination of activities and shall not include any authority over the functions,  
11 personnel, funds, equipment, facilities, or records of the department or administrative  
12 body.

13 I. Cabinet for General Government - Departments headed by elected officers:

- 14 (1) The Governor.
- 15 (2) Lieutenant Governor.
- 16 (3) Department of State.
- 17 (a) Secretary of State.
- 18 (b) Board of Elections.
- 19 (c) Registry of Election Finance.
- 20 (4) Department of Law.
- 21 (a) Attorney General.
- 22 (5) Department of the Treasury.
- 23 (a) Treasurer.
- 24 (6) Department of Agriculture.
- 25 (a) Commissioner of Agriculture.
- 26 (b) Agricultural Development Board.
- 27 (c) Kentucky Agricultural Finance Corporation.

- 1           (7) Auditor of Public Accounts.
- 2           (a) Commonwealth Office of the Ombudsman.
- 3 II. Program cabinets headed by appointed officers:
- 4           (1) Justice and Public Safety Cabinet:
- 5           (a) Department of Kentucky State Police.
- 6                 1. Office of Administrative Services.
- 7                     a. Division of Operational Support.
- 8                     b. Division of Management Services.
- 9                 2. Office of Operations.
- 10                    a. Division of West Troops.
- 11                    b. Division of East Troops.
- 12                    c. Division of Special Enforcement.
- 13                    d. Division of Commercial Vehicle Enforcement.
- 14                 3. Office of Technical Services.
- 15                    a. Division of Forensic Sciences.
- 16                    b. Division of Electronic Services.
- 17                    c. Division of Records Management.
- 18           (b) Department of Criminal Justice Training.
- 19           (c) Department of Corrections.
- 20           (d) Department of Juvenile Justice.
- 21           (e) Office of the Secretary.
- 22           (f) Office of Drug Control Policy.
- 23           (g) Office of Legal Services.
- 24           (h) Office of the Kentucky State Medical Examiner.
- 25           (i) Parole Board.
- 26           (j) Kentucky State Corrections Commission.
- 27           (k) Office of Legislative and Intergovernmental Services.

- 1 (l) Office of Human Resource Management.
  - 2 1. Division of Human Resource Administration.
  - 3 2. Division of Employee Management.
- 4 (m) Department of Public Advocacy.
- 5 (n) Office of Communications.
  - 6 1. Information Technology Services Division.
- 7 (o) Office of Financial Management Services.
  - 8 1. Division of Financial Management.
- 9 (p) Grants Management Division.
- 10 (2) Energy and Environment Cabinet:
  - 11 (a) Office of the Secretary.
    - 12 1. Office of Legislative and Intergovernmental Affairs.
    - 13 2. Office of Legal Services.
      - 14 a. Legal Division I.
      - 15 b. Legal Division II.
    - 16 3. Office of Administrative Hearings.
    - 17 4. Office of Communication.
    - 18 5. Mine Safety Review Commission.
    - 19 6. Office of Kentucky Nature Preserves.
    - 20 7. Kentucky Public Service Commission.
  - 21 (b) Department for Environmental Protection.
    - 22 1. Office of the Commissioner.
    - 23 2. Division for Air Quality.
    - 24 3. Division of Water.
    - 25 4. Division of Environmental Program Support.
    - 26 5. Division of Waste Management.
    - 27 6. Division of Enforcement.

- 1                   7.    Division of Compliance Assistance.
- 2                   (c)  Department for Natural Resources.
- 3                   1.    Office of the Commissioner.
- 4                   2.    Division of Mine Permits.
- 5                   3.    Division of Mine Reclamation and Enforcement.
- 6                   4.    Division of Abandoned Mine Lands.
- 7                   5.    Division of Oil and Gas.
- 8                   6.    Division of Mine Safety.
- 9                   7.    Division of Forestry.
- 10                  8.    Division of Conservation.
- 11                  9.    Office of the Reclamation Guaranty Fund.
- 12                  (d)  Office of Energy Policy.
- 13                  1.    Division of Energy Assistance.
- 14                  (e)  Office of Administrative Services.
- 15                  1.    Division of Human Resources Management.
- 16                  2.    Division of Financial Management.
- 17                  3.    Division of Information Services.
- 18                  (3)  Public Protection Cabinet.
- 19                  (a)  Office of the Secretary.
- 20                  1.    Office of Communications and Public Outreach.
- 21                  2.    Office of Legal Services.
- 22                      a.    Insurance Legal Division.
- 23                      b.    Alcoholic Beverage Control Legal Division.
- 24                      c.    Housing, Buildings and Construction Legal Division.
- 25                      d.    Financial Institutions Legal Division.
- 26                      e.    Professional Licensing Legal Division.
- 27                  3.    Office of Administrative Hearings.

- 1                   4.   Office of Administrative Services.
- 2                   a.   Division of Human Resources.
- 3                   b.   Division of Fiscal Responsibility.
- 4           (b)  Office of Claims and Appeals.
- 5                   1.   Board of Tax Appeals.
- 6                   2.   Board of Claims.
- 7                   3.   Crime Victims Compensation Board.
- 8           (c)  Kentucky Boxing and Wrestling Commission.
- 9           (d)  Department of Alcoholic Beverage Control.
- 10                  1.   Division of Distilled Spirits.
- 11                  2.   Division of Malt Beverages.
- 12                  3.   Division of Enforcement.
- 13                  **4.   Division of Tobacco, Nicotine, and Vapor Product Licensing.**
- 14           (e)  Department of Financial Institutions.
- 15                  1.   Division of Depository Institutions.
- 16                  2.   Division of Non-Depository Institutions.
- 17                  3.   Division of Securities.
- 18           (f)  Department of Housing, Buildings and Construction.
- 19                  1.   Division of Fire Prevention.
- 20                  2.   Division of Plumbing.
- 21                  3.   Division of Heating, Ventilation, and Air Conditioning.
- 22                  4.   Division of Building Code Enforcement.
- 23           (g)  Department of Insurance.
- 24                  1.   Division of Health and Life Insurance and Managed Care.
- 25                  2.   Division of Property and Casualty Insurance.
- 26                  3.   Division of Administrative Services.
- 27                  4.   Division of Financial Standards and Examination.

- 1                   5.    Division of Licensing.
- 2                   6.    Division of Insurance Fraud Investigation.
- 3                   7.    Division of Consumer Protection.
- 4           (h)    Department of Professional Licensing.
  - 5                   1.    Real Estate Authority.
  - 6                   2.    Division of Real Property Boards.
- 7           (4)    Transportation Cabinet:
  - 8                   (a)   Department of Highways.
    - 9                   1.    Office of Project Development.
    - 10                  2.    Office of Project Delivery and Preservation.
    - 11                  3.    Office of Highway Safety.
    - 12                  4.    Highway District Offices One through Twelve.
  - 13                  (b)   Department of Vehicle Regulation.
  - 14                  (c)   Department of Aviation.
  - 15                  (d)   Department of Rural and Municipal Aid.
    - 16                   1.    Office of Local Programs.
    - 17                   2.    Office of Rural and Secondary Roads.
  - 18                  (e)   Office of the Secretary.
    - 19                   1.    Office of Public Affairs.
    - 20                   2.    Office for Civil Rights and Small Business Development.
    - 21                   3.    Office of Budget and Fiscal Management.
    - 22                   4.    Office of Inspector General.
    - 23                   5.    Secretary's Office of Safety.
  - 24                  (f)   Office of Support Services.
  - 25                  (g)   Office of Transportation Delivery.
  - 26                  (h)   Office of Audits.
  - 27                  (i)   Office of Human Resource Management.

- 1 (j) Office of Information Technology.
- 2 (k) Office of Legal Services.
- 3 (5) Cabinet for Economic Development:
- 4 (a) Office of the Secretary.
- 5 1. Office of Legal Services.
- 6 2. Department for Business and Community Development.
- 7 a. Development and Retention Division – West Kentucky.
- 8 b. Development, Retention, and Administrative Division –
- 9 Central and East Kentucky.
- 10 c. Community and Workforce Development Division.
- 11 3. Department for Financial Services.
- 12 a. Kentucky Economic Development Finance Authority.
- 13 b. Finance and Personnel Division.
- 14 c. IT and Resource Management Division.
- 15 d. Compliance Division.
- 16 e. Program Administration Division.
- 17 f. Bluegrass State Skills Corporation.
- 18 g. The GRANT Commission.
- 19 4. Office of Strategy and Public Affairs.
- 20 a. Marketing and Communications Division.
- 21 b. Research and Strategy Division.
- 22 5. Office of Entrepreneurship and Innovation.
- 23 a. Commission on Small Business Innovation and Advocacy.
- 24 (6) Cabinet for Health and Family Services:
- 25 (a) Office of the Secretary.
- 26 1. Office of Public Affairs.
- 27 2. Office of Legal Services.

- 1                   3.    Office of Inspector General.
- 2                   4.    Office of Human Resource Management.
- 3                   5.    Office of Finance and Budget.
- 4                   6.    Office of Legislative and Regulatory Affairs.
- 5                   7.    Office of Administrative Services.
- 6                   8.    Office of Application Technology Services.
- 7                   9.    Office of Data Analytics.
- 8                   10.   Office of Medical Cannabis.
  - 9                    a.    Division of Enforcement and Compliance.
  - 10                   b.    Division of Licensure and Access.
- 11                 (b)   Department for Public Health.
- 12                 (c)   Department for Medicaid Services.
- 13                 (d)   Department for Behavioral Health, Developmental and Intellectual
- 14                    Disabilities.
- 15                 (e)   Department for Aging and Independent Living.
- 16                 (f)   Department for Community Based Services.
- 17                 (g)   Department for Family Resource Centers and Volunteer Services.
- 18                 (7)   Finance and Administration Cabinet:
  - 19                   (a)   Office of the Secretary.
  - 20                   (b)   Office of the Inspector General.
  - 21                   (c)   Office of Legislative and Intergovernmental Affairs.
  - 22                   (d)   Office of General Counsel.
  - 23                   (e)   Office of the Controller.
  - 24                   (f)   Office of Administrative Services.
  - 25                   (g)   Office of Policy and Audit.
  - 26                   (h)   Department for Facilities and Support Services.
  - 27                   (i)   Department of Revenue.

- 1 (j) Commonwealth Office of Technology.
- 2 (k) State Property and Buildings Commission.
- 3 (l) Office of Equal Employment Opportunity and Contract Compliance.
- 4 (m) Kentucky Employees Retirement Systems.
- 5 (n) Commonwealth Credit Union.
- 6 (o) State Investment Commission.
- 7 (p) Kentucky Housing Corporation.
- 8 (q) Kentucky Local Correctional Facilities Construction Authority.
- 9 (r) Kentucky Turnpike Authority.
- 10 (s) Historic Properties Advisory Commission.
- 11 (t) Kentucky Higher Education Assistance Authority.
- 12 (u) Kentucky River Authority.
- 13 (v) Kentucky Teachers' Retirement System Board of Trustees.
- 14 (w) Executive Branch Ethics Commission.
- 15 (x) Office of Fleet Management.
- 16 (8) Tourism, Arts and Heritage Cabinet:
- 17 (a) Kentucky Department of Tourism.
- 18 1. Division of Tourism Services.
- 19 2. Division of Marketing and Administration.
- 20 3. Division of Communications and Promotions.
- 21 (b) Kentucky Department of Parks.
- 22 1. Division of Information Technology.
- 23 2. Division of Human Resources.
- 24 3. Division of Financial Operations.
- 25 4. Division of Purchasing.
- 26 5. Division of Facilities.
- 27 6. Division of Park Operations.

- 1                   7.    Division of Sales, Marketing, and Customer Service.
- 2                   8.    Division of Engagement.
- 3                   9.    Division of Food Services.
- 4                   10.   Division of Rangers.
- 5           (c)    Department of Fish and Wildlife Resources.
- 6                   1.    Division of Law Enforcement.
- 7                   2.    Division of Administrative Services.
- 8                   3.    Division of Engineering, Infrastructure, and Technology.
- 9                   4.    Division of Fisheries.
- 10                  5.    Division of Information and Education.
- 11                  6.    Division of Wildlife.
- 12                  7.    Division of Marketing.
- 13           (d)    Kentucky Horse Park.
- 14                   1.    Division of Support Services.
- 15                   2.    Division of Buildings and Grounds.
- 16                   3.    Division of Operational Services.
- 17           (e)    Kentucky State Fair Board.
- 18                   1.    Office of Administrative and Information Technology Services.
- 19                   2.    Office of Human Resources and Access Control.
- 20                   3.    Division of Expositions.
- 21                   4.    Division of Kentucky Exposition Center Operations.
- 22                   5.    Division of Kentucky International Convention Center.
- 23                   6.    Division of Public Relations and Media.
- 24                   7.    Division of Venue Services.
- 25                   8.    Division of Personnel Management and Staff Development.
- 26                   9.    Division of Sales.
- 27                   10.   Division of Security and Traffic Control.

- 1                   11. Division of Information Technology.
- 2                   12. Division of the Louisville Arena.
- 3                   13. Division of Fiscal and Contract Management.
- 4                   14. Division of Access Control.
- 5           (f) Office of the Secretary.
  - 6                   1. Office of Finance.
  - 7                   2. Office of Government Relations and Administration.
- 8           (g) Office of Legal Affairs.
- 9           (h) Office of Human Resources.
- 10           (i) Office of Public Affairs and Constituent Services.
- 11           (j) Office of Arts and Cultural Heritage.
- 12           (k) Kentucky African-American Heritage Commission.
- 13           (l) Kentucky Foundation for the Arts.
- 14           (m) Kentucky Humanities Council.
- 15           (n) Kentucky Heritage Council.
- 16           (o) Kentucky Arts Council.
- 17           (p) Kentucky Historical Society.
  - 18                   1. Division of Museums.
  - 19                   2. Division of Oral History and Educational Outreach.
  - 20                   3. Division of Research and Publications.
  - 21                   4. Division of Administration.
- 22           (q) Kentucky Center for the Arts.
  - 23                   1. Division of Governor's School for the Arts.
- 24           (r) Kentucky Artisans Center at Berea.
- 25           (s) Northern Kentucky Convention Center.
- 26           (t) Eastern Kentucky Exposition Center.
- 27           (9) Personnel Cabinet:

- 1 (a) Office of the Secretary.
- 2 (b) Department of Human Resources Administration.
- 3 (c) Office of Employee Relations.
- 4 (d) Kentucky Public Employees Deferred Compensation Authority.
- 5 (e) Office of Administrative Services.
- 6 (f) Office of Legal Services.
- 7 (g) Governmental Services Center.
- 8 (h) Department of Employee Insurance.
- 9 (i) Office of Diversity, Equality, and Training.
- 10 (j) Office of Public Affairs.
- 11 (10) Education and Labor Cabinet:
- 12 (a) Office of the Secretary.
- 13 1. Office of Legal Services.
- 14 a. Workplace Standards Legal Division.
- 15 b. Workers' Claims Legal Division.
- 16 c. Workforce Development Legal Division.
- 17 2. Office of Administrative Services.
- 18 a. Division of Human Resources Management.
- 19 b. Division of Fiscal Management.
- 20 c. Division of Operations and Support Services.
- 21 3. Office of Technology Services.
- 22 a. Division of Information Technology Services.
- 23 4. Office of Policy and Audit.
- 24 5. Office of Legislative Services.
- 25 6. Office of Communications.
- 26 7. Office of the Kentucky Center for Statistics.
- 27 8. Board of the Kentucky Center for Statistics.

- 1                   9.    Early Childhood Advisory Council.
- 2                   10.   Governors' Scholars Program.
- 3                   11.   Governor's School for Entrepreneurs Program.
- 4                   12.   Foundation for Adult Education.
- 5           (b)   Department of Education.
- 6                   1.    Kentucky Board of Education.
- 7                   2.    Kentucky Technical Education Personnel Board.
- 8                   3.    Education Professional Standards Board.
- 9           (c)   Board of Directors for the Center for School Safety.
- 10           (d)   Department for Libraries and Archives.
- 11           (e)   Kentucky Environmental Education Council.
- 12           (f)   Kentucky Educational Television.
- 13           (g)   Kentucky Commission on the Deaf and Hard of Hearing.
- 14           (h)   Department of Workforce Development.
- 15                   1.    Career Development Office.
- 16                   2.    Office of Vocational Rehabilitation.
- 17                        a.    Division of Kentucky Business Enterprise.
- 18                        b.    Division of the Carl D. Perkins Vocational Training Center.
- 19                        c.    Division of Blind Services.
- 20                        d.    Division of Field Services.
- 21                        e.    Statewide Council for Vocational Rehabilitation.
- 22                        f.    Employment First Council.
- 23                   3.    Office of Employer and Apprenticeship Services.
- 24                        a.    Division of Apprenticeship.
- 25                   4.    Kentucky Apprenticeship Council.
- 26                   5.    Division of Technical Assistance.
- 27                   6.    Office of Adult Education.

- 1                   7.    Office of the Kentucky Workforce Innovation Board.
- 2                   (i)   Department of Workplace Standards.
- 3                   1.    Division of Occupational Safety and Health Compliance.
- 4                   2.    Division of Occupational Safety and Health Education and
- 5                   Training.
- 6                   3.    Division of Wages and Hours.
- 7                   (j)   Office of Unemployment Insurance.
- 8                   (k)   Kentucky Unemployment Insurance Commission.
- 9                   (l)   Department of Workers' Claims.
- 10                  1.    Division of Workers' Compensation Funds.
- 11                  2.    Office of Administrative Law Judges.
- 12                  3.    Division of Claims Processing.
- 13                  4.    Division of Security and Compliance.
- 14                  5.    Division of Specialist and Medical Services.
- 15                  6.    Workers' Compensation Board.
- 16                  (m)  Workers' Compensation Funding Commission.
- 17                  (n)  Kentucky Occupational Safety and Health Standards Board.
- 18                  (o)  State Labor Relations Board.
- 19                  (p)  Employers' Mutual Insurance Authority.
- 20                  (q)  Kentucky Occupational Safety and Health Review Commission.
- 21                  (r)  Workers' Compensation Nominating Committee.
- 22                  (s)  Office of Educational Programs.
- 23                  (t)  Kentucky Workforce Innovation Board.
- 24                  (u)  Kentucky Commission on Proprietary Education.
- 25                  (v)  Kentucky Work Ready Skills Advisory Committee.
- 26                  (w)  Kentucky Geographic Education Board.
- 27                  (x)  Disability Determination Services Program.

1 III. Other departments headed by appointed officers:

2 (1) Council on Postsecondary Education.

3 (2) Department of Military Affairs.

4 (3) Department for Local Government.

5 (4) Kentucky Commission on Human Rights.

6 (5) Kentucky Commission on Women.

7 (6) Department of Veterans' Affairs.

8 (7) Kentucky Commission on Military Affairs.

9 (8) Office of Minority Empowerment.

10 (9) Governor's Council on Wellness and Physical Activity.

11 (10) Kentucky Communications Network Authority.

12 ➔Section 27. The following KRS section is repealed:

13 438.307 Enforcement by Department of Alcoholic Beverage Control -- Online  
14 publication of list of retailers of authorized vapor products.

15 ➔Section 28. This Act takes effect January 1, 2026.