

1 AN ACT relating to cannabis-infused beverages.

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

3 ➔Section 1. KRS 241.010 is amended to read as follows:

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

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

7 (2) "Alcoholic beverage" means every liquid, solid, powder, or crystal, whether  
8 patented or not, containing alcohol in an amount in excess of more than one percent  
9 (1%) of alcohol by volume, which is fit for beverage purposes. It includes every  
10 spurious or imitation liquor sold as, or under any name commonly used for,  
11 alcoholic beverages, whether containing any alcohol or not. It does not include the  
12 following products:

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

16 (b) Patented, patent, and proprietary medicines;

17 (c) Toilet, medicinal, and antiseptic preparations and solutions;

18 (d) Flavoring extracts and syrups;

19 (e) Denatured alcohol or denatured rum;

20 (f) Vinegar and preserved sweet cider;

21 (g) Wine for sacramental purposes; and

22 (h) Alcohol unfit for beverage purposes that is to be sold for legitimate external  
23 use;

24 (3) (a) "Alcohol vaporizing device" or "AWOL device" means any device, machine,  
25 or process that mixes liquor, spirits, or any other alcohol product with pure  
26 oxygen or by any other means produces a vaporized alcoholic product used  
27 for human consumption;

- 1 (b) "Alcohol vaporizing device" or "AWOL device" does not include an inhaler,  
2 nebulizer, atomizer, or other device that is designed and intended by the  
3 manufacturer to dispense a prescribed or over-the-counter medication or a  
4 device installed and used by a licensee under this chapter to demonstrate the  
5 aroma of an alcoholic beverage;
- 6 (4) "Automobile race track" means a facility primarily used for vehicle racing that has a  
7 seating capacity of at least thirty thousand (30,000) people;
- 8 (5) "Barrel-aged and batched cocktail" means an alcoholic beverage that is:  
9 (a) Composed of:  
10 1. Distilled spirits that have been dispensed from their original sealed  
11 container; and  
12 2. Other ingredients or alcoholic beverages;  
13 (b) Placed into a barrel or container on the premises of a retail licensee; and  
14 (c) Dispensed from the barrel or container as a retail sale by the drink;
- 15 (6) "Bed and breakfast" means a one (1) family dwelling unit that:  
16 (a) Has guest rooms or suites used, rented, or hired out for occupancy or that are  
17 occupied for sleeping purposes by persons not members of the single-family  
18 unit;  
19 (b) Holds a permit under KRS Chapter 219; and  
20 (c) Has an innkeeper who resides on the premises or property adjacent to the  
21 premises during periods of occupancy;
- 22 (7) "Board" means the State Alcoholic Beverage Control Board created by KRS  
23 241.030;
- 24 (8) "Bottle" means any container which is used for holding alcoholic beverages for the  
25 use and sale of alcoholic beverages at retail;
- 26 (9) "Brewer" means any person who manufactures malt beverages or owns, occupies,  
27 carries on, works, or conducts any brewery, either alone or through an agent;

- 1 (10) "Brewery" means any place or premises where malt beverages are manufactured for  
2 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,  
3 and storerooms connected with the premises; or where any part of the process of the  
4 manufacture of malt beverages is carried on; or where any apparatus connected with  
5 manufacture is kept or used; or where any of the products of brewing or  
6 fermentation are stored or kept;
- 7 (11) "Building containing licensed premises" means the licensed premises themselves  
8 and includes the land, tract of land, or parking lot in which the premises are  
9 contained, and any part of any building connected by direct access or by an  
10 entrance which is under the ownership or control of the licensee by lease holdings  
11 or ownership;
- 12 (12) "Cannabinoid" means a compound found in the hemp plant Cannabis sativa L. from  
13 a United States Department of Agriculture-sanctioned domestic hemp production  
14 program and does not include cannabinoids derived from any other substance;
- 15 (13) "Cannabis-infused beverage":
- 16 (a) Means a properly permitted adult-use cannabinoid liquid product intended for  
17 human consumption that has intoxicating properties that change the function  
18 of the nervous system and results in alterations of perception, cognition, or  
19 behavior and shall not contain more than ten (10)~~five (5)~~ milligrams of  
20 intoxicating adult-use cannabinoids per twelve (12) ounce serving; and
- 21 (b) Shall not include:
- 22 1. Medicinal cannabis regulated under KRS Chapter 218B;
- 23 2. Any type of hemp tincture; and
- 24 3. Any product containing solely nonintoxicating cannabinoids;
- 25 (14) "Caterer" means a person operating a food service business that prepares food in a  
26 licensed and inspected commissary, transports the food and alcoholic beverages to  
27 the caterer's designated and inspected banquet hall or to an agreed location, and

1 serves the food and alcoholic beverages pursuant to an agreement with another  
2 person;

3 (15) "Charitable organization" means a nonprofit entity recognized as exempt from  
4 federal taxation under Section 501(c) of the Internal Revenue Code, 26 U.S.C. sec.  
5 501(c), or any organization having been established and continuously operating  
6 within the Commonwealth of Kentucky for charitable purposes for three (3) years  
7 and which expends at least sixty percent (60%) of its gross revenue exclusively for  
8 religious, educational, literary, civic, fraternal, or patriotic purposes;

9 (16) "Cider" means any fermented fruit-based beverage containing seven percent (7%)  
10 or more alcohol by volume and includes hard cider and perry cider;

11 (17) "City administrator" means city alcoholic beverage control administrator;

12 (18) "Commercial airport" means an airport through which more than five hundred  
13 thousand (500,000) passengers arrive or depart annually;

14 (19) (a) "Commercial quadricycle" means a vehicle equipped with a minimum of ten  
15 (10) pairs of fully operative pedals for propulsion by means of human  
16 muscular power and which:

- 17 1. Has four (4) wheels;
- 18 2. Is operated in a manner similar to that of a bicycle;
- 19 3. Is equipped with a minimum of thirteen (13) seats for passengers;
- 20 4. Has a unibody design;
- 21 5. Is equipped with a minimum of four (4) hydraulically operated brakes;
- 22 6. Is used for commercial tour purposes;
- 23 7. Is operated by the vehicle owner or an employee of the owner; and
- 24 8. Has an electrical assist system that shall only be used when traveling to  
25 or from its storage location while not carrying passengers.

26 (b) A "commercial quadricycle" is not a motor vehicle as defined in KRS 186.010  
27 or 189.010;

- 1 (20) "Commissioner" means the commissioner of the Department of Alcoholic Beverage  
2 Control;
- 3 (21) "Consumer" means a person, persons, or business organization who purchases  
4 alcoholic beverages and who:
- 5 (a) Does not hold a license or permit issued by the department;
  - 6 (b) Purchases the alcoholic beverages for personal consumption only and not for  
7 resale;
  - 8 (c) Is of lawful drinking age; and
  - 9 (d) Receives the alcoholic beverages in territory where the alcoholic beverages  
10 may be lawfully sold or received;
- 11 (22) "Convention center" means any facility which, in its usual and customary business,  
12 provides seating for a minimum of one thousand (1,000) people and offers  
13 convention facilities and related services for seminars, training and educational  
14 purposes, trade association meetings, conventions, or civic and community events  
15 or for plays, theatrical productions, or cultural exhibitions;
- 16 (23) "Convicted" and "conviction" means a finding of guilt resulting from a plea of  
17 guilty, the decision of a court, or the finding of a jury, irrespective of a  
18 pronouncement of judgment or the suspension of the judgment;
- 19 (24) "County administrator" means county alcoholic beverage control administrator;
- 20 (25) "Department" means the Department of Alcoholic Beverage Control;
- 21 (26) "Dining car" means a railroad passenger car that serves meals to consumers on any  
22 railroad or Pullman car company;
- 23 (27) "Discount in the usual course of business" means price reductions, rebates, refunds,  
24 and discounts given by wholesalers to distilled spirits and wine retailers pursuant to  
25 an agreement made at the time of the sale of the merchandise involved and are  
26 considered a part of the sales transaction, constituting reductions in price pursuant  
27 to the terms of the sale, irrespective of whether the quantity discount was:

- 1 (a) Prorated and allowed on each delivery;
- 2 (b) Given in a lump sum after the entire quantity of merchandise purchased had  
3 been delivered; or
- 4 (c) Based on dollar volume or on the quantity of merchandise purchased;
- 5 (28) "Distilled spirits" or "spirits" means any product capable of being consumed by a  
6 human being which contains alcohol obtained by distilling, mixed with water or  
7 other substances in solution, except wine, hard cider, and malt beverages;
- 8 (29) "Distiller" means any person who is engaged in the business of manufacturing  
9 distilled spirits at any distillery in the state and is registered in the Office of the  
10 Collector of Internal Revenue for the United States at Louisville, Kentucky;
- 11 (30) "Distillery" means any place or premises where distilled spirits are manufactured  
12 for sale, and which are registered in the office of any collector of internal revenue  
13 for the United States. It includes any United States government bonded warehouse;
- 14 (31) "Distributor" means any person who distributes malt beverages for the purpose of  
15 being sold at retail;
- 16 (32) "Dry" means a territory in which a majority of the electorate voted to prohibit all  
17 forms of retail alcoholic beverage sales through a local option election held under  
18 KRS Chapter 242;
- 19 (33) "Election" means:
- 20 (a) An election held for the purpose of taking the sense of the people as to the  
21 application or discontinuance of alcoholic beverage sales under KRS Chapter  
22 242; or
- 23 (b) Any other election not pertaining to alcoholic beverages;
- 24 (34) "Horse racetrack" means a facility licensed to conduct a horse race meeting under  
25 KRS Chapter 230;
- 26 (35) "Hotel" means a hotel, motel, or inn for accommodation of the traveling public,  
27 designed primarily to serve transient patrons;

- 1 (36) "Investigator" means any employee or agent of the department who is regularly  
2 employed and whose primary function is to travel from place to place for the  
3 purpose of visiting licensees, and any employee or agent of the department who is  
4 assigned, temporarily or permanently, by the commissioner to duty outside the main  
5 office of the department at Frankfort, in connection with the administration of  
6 alcoholic beverage statutes;
- 7 (37) "License" means any license issued pursuant to KRS Chapters 241 to 244;
- 8 (38) "Licensee" means any person to whom a license has been issued, pursuant to KRS  
9 Chapters 241 to 244;
- 10 (39) "Limited restaurant" means:
- 11 (a) A facility where the usual and customary business is the preparation and  
12 serving of meals to consumers, which has a bona fide kitchen facility, which  
13 receives at least seventy percent (70%) of its food and alcoholic beverage  
14 receipts from the sale of food, which maintains a minimum seating capacity of  
15 fifty (50) persons for dining, which has no open bar, which requires that  
16 alcoholic beverages be sold in conjunction with the sale of a meal, and which  
17 is located in a wet or moist territory under KRS 242.1244; or
- 18 (b) A facility where the usual and customary business is the preparation and  
19 serving of meals to consumers, which has a bona fide kitchen facility, which  
20 receives at least seventy percent (70%) of its food and alcoholic beverage  
21 receipts from the sale of food, which maintains a minimum seating capacity of  
22 one hundred (100) persons of dining, and which is located in a wet or moist  
23 territory under KRS 242.1244;
- 24 (40) "Local administrator" means a city alcoholic beverage control administrator, county  
25 alcoholic beverage control administrator, or urban-county alcoholic beverage  
26 control administrator;
- 27 (41) "Malt beverage" means any fermented undistilled alcoholic beverage of any name

- 1 or description, manufactured from malt wholly or in part, or from any substitute for  
2 malt, and includes weak cider;
- 3 (42) "Manufacture" means distill, rectify, brew, bottle, and operate a winery;
- 4 (43) "Manufacturer" means a winery, distiller, rectifier, or brewer, and any other person  
5 engaged in the production or bottling of alcoholic beverages;
- 6 (44) "Marina" means a dock or basin providing moorings for boats and offering supply,  
7 repair, or other services for remuneration;
- 8 (45) "Minor" means any person who is not twenty-one (21) years of age or older;
- 9 (46) "Moist" means a territory in which a majority of the electorate voted to permit  
10 limited alcoholic beverage sales by any one (1) or a combination of special limited  
11 local option elections authorized by KRS Chapter 242;
- 12 (47) "Population" means the population figures established by the federal decennial  
13 census for a census year or the current yearly population estimates prepared by the  
14 Kentucky State Data Center, Urban Studies Center of the University of Louisville,  
15 Louisville, Kentucky, for all other years;
- 16 (48) "Premises" means the land and building in and upon which any business regulated  
17 by alcoholic beverage statutes is operated or carried on. "Premises" shall not  
18 include as a single unit two (2) or more separate businesses of one (1) owner on the  
19 same lot or tract of land, in the same or in different buildings if physical and  
20 permanent separation of the premises is maintained, excluding employee access by  
21 keyed entry and emergency exits equipped with crash bars, and each has a separate  
22 public entrance accessible directly from the sidewalk or parking lot. Any licensee  
23 holding an alcoholic beverage license on July 15, 1998, shall not, by reason of this  
24 subsection, be ineligible to continue to hold his or her license or obtain a renewal,  
25 of the license;
- 26 (49) "Primary source of supply" or "supplier" means the distiller, winery, brewer,  
27 producer, owner of the commodity at the time it becomes a marketable product,

1           bottler, or authorized agent of the brand owner. In the case of imported products,  
2           the primary source of supply means either the foreign producer, owner, bottler, or  
3           agent of the prime importer from, or the exclusive agent in, the United States of the  
4           foreign distiller, producer, bottler, or owner;

5       (50) "Private club" means a nonprofit social, fraternal, military, or political organization,  
6           club, or nonprofit or for-profit entity maintaining or operating a club room, club  
7           rooms, or premises from which the general public is excluded;

8       (51) "Private selection event" means a private event with a licensed distiller during  
9           which participating consumers, retail licensees, wholesalers, distributors, or a  
10          distillery's own representatives select a single barrel or a blend of barrels of the  
11          distiller's products to be specially packaged for the participants;

12       (52) "Private selection package" means a bottle of distilled spirits sourced from the  
13          barrel or barrels selected by participating consumers, retail licensees, wholesalers,  
14          distributors, microbreweries that hold a quota retail drink or quota retail package  
15          license, or a distillery's own representatives during a private selection event;

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

20       (54) "Qualified historic site" means:

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

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

27           (c) A distillery which is listed as a National Historic Landmark and which

- 1           conducts souvenir retail package sales under KRS 243.0305; or
- 2           (d) A not-for-profit or nonprofit facility listed on the National Register of Historic
- 3           Places;
- 4 (55) "Rectifier" means any person who rectifies, purifies, or refines distilled spirits,
- 5           malt, or wine by any process other than as provided for on distillery premises, and
- 6           every person who, without rectifying, purifying, or refining distilled spirits by
- 7           mixing alcoholic beverages with any materials, manufactures any imitations of or
- 8           compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,
- 9           spirits, cordials, bitters, or any other name;
- 10 (56) "Repackaging" means the placing of alcoholic beverages in any retail container
- 11           irrespective of the material from which the container is made;
- 12 (57) "Restaurant" means a facility where the usual and customary business is the
- 13           preparation and serving of meals to consumers, that has a bona fide kitchen facility,
- 14           and that receives at least fifty percent (50%) of its food and alcoholic beverage
- 15           receipts from the sale of food at the premises;
- 16 (58) "Retail container" means any bottle, can, barrel, or other container which, without a
- 17           separable intermediate container, holds alcoholic beverages and is suitable and
- 18           destined for sale to a retail outlet, whether it is suitable for delivery or shipment to
- 19           the consumer or not;
- 20 (59) "Retail sale" means any sale of alcoholic beverages to a consumer, including those
- 21           transactions taking place in person, electronically, online, by mail, or by telephone;
- 22 (60) "Retailer" means any licensee who sells and delivers any alcoholic beverage to
- 23           consumers, except for manufacturers with limited retail sale privileges and direct
- 24           shipper licensees;
- 25 (61) "Riverboat" means any boat or vessel with a regular place of mooring in this state
- 26           that is licensed by the United States Coast Guard to carry forty (40) or more
- 27           passengers for hire on navigable waters in or adjacent to this state;

- 1 (62) "Sale" means any transfer, exchange, or barter for consideration, and includes all  
2 sales made by any person, whether principal, proprietor, agent, servant, or  
3 employee, of any alcoholic beverage;
- 4 (63) "Service bar" means a bar, counter, shelving, or similar structure used for storing or  
5 stocking supplies of alcoholic beverages that is a workstation where employees  
6 prepare alcoholic beverage drinks to be delivered to customers away from the  
7 service bar;
- 8 (64) "Sell" includes solicit or receive an order for, keep or expose for sale, keep with  
9 intent to sell, and the delivery of any alcoholic beverage;
- 10 (65) "Small farm winery" means a winery whose wine production is not less than two  
11 hundred fifty (250) gallons and not greater than five hundred thousand (500,000)  
12 gallons in a calendar year;
- 13 (66) "Souvenir package" means a special package of distilled spirits available from a  
14 licensed retailer that is:
- 15 (a) Available for retail sale at a licensed Kentucky distillery where the distilled  
16 spirits were produced or bottled; or
- 17 (b) Available for retail sale at a licensed Kentucky distillery but produced or  
18 bottled at another of that distiller's licensed distilleries in Kentucky;
- 19 (67) "State administrator" or "administrator" means the distilled spirits administrator or  
20 the malt beverages administrator, or both, as the context requires;
- 21 (68) "State park" means a state park that has a:
- 22 (a) Nine (9) or eighteen (18) hole golf course; or
- 23 (b) Full-service lodge and dining room;
- 24 (69) "Supplemental bar" means a bar, counter, shelving, or similar structure used for  
25 serving and selling distilled spirits or wine by the drink for consumption on the  
26 licensed premises to guests and patrons from additional locations other than the  
27 main bar;

- 1 (70) "Territory" means a county, city, district, or precinct;
- 2 (71) "Urban-county administrator" means an urban-county alcoholic beverage control  
3 administrator;
- 4 (72) "Valid identification document" means an unexpired, government-issued form of  
5 identification that contains the photograph and date of birth of the individual to  
6 whom it is issued;
- 7 (73) "Vehicle" means any device or animal used to carry, convey, transport, or otherwise  
8 move alcoholic beverages or any products, equipment, or appurtenances used to  
9 manufacture, bottle, or sell these beverages;
- 10 (74) "Vintage distilled spirit" means:
- 11 (a) A private selection package; or
- 12 (b) A package or packages of distilled spirits that:
- 13 1. Are in their original manufacturer's unopened container;
- 14 2. Are not owned by a distillery; and
- 15 3. Are not otherwise available for purchase from a licensed wholesaler  
16 within the Commonwealth;
- 17 (75) (a) "Vintage distilled spirits seller" means a nonlicensed person at least twenty-  
18 one (21) years of age who is:
- 19 1. An administrator, executor, receiver, or other fiduciary who receives and  
20 sells vintage distilled spirits in execution of the person's fiduciary  
21 capacity;
- 22 2. A creditor who receives or takes possession of vintage distilled spirits as  
23 security for, or in payment of, debt, in whole or in part;
- 24 3. A public officer or court official who levies on vintage distilled spirits  
25 under order or process of any court or magistrate to sell the vintage  
26 distilled spirits in satisfaction of the order or process; or
- 27 4. Any other person not engaged in the business of selling alcoholic

1 beverages.

2 (b) "Vintage distilled spirits seller" does not mean:

3 1. A person selling alcoholic beverages as part of an approved KRS  
4 243.630 transfer; or

5 2. A person selling alcoholic beverages as authorized by KRS 243.540;

6 (76) "Warehouse" means any place in which alcoholic beverages are housed or stored;

7 (77) "Weak cider" means any fermented fruit-based beverage containing more than one  
8 percent (1%) but less than seven percent (7%) alcohol by volume;

9 (78) "Wet" means a territory in which a majority of the electorate voted to permit all  
10 forms of retail alcoholic beverage sales by a local option election under KRS  
11 242.050 or 242.125 on the following question: "Are you in favor of the sale of  
12 alcoholic beverages in (name of territory)?";

13 (79) "Wholesale sale" means a sale to any person for the purpose of resale;

14 (80) "Wholesaler" means any person who distributes alcoholic beverages for the purpose  
15 of being sold at retail, but it shall not include a subsidiary of a manufacturer or  
16 cooperative of a retail outlet;

17 (81) "Wine" means the product of the normal alcoholic fermentation of the juices of  
18 fruits, with the usual processes of manufacture and normal additions, and includes  
19 champagne and sparkling and fortified wine of an alcoholic content not to exceed  
20 twenty-four percent (24%) by volume. It includes sake, cider, hard cider, and perry  
21 cider and also includes preparations or mixtures vended in retail containers if these  
22 preparations or mixtures contain not more than fifteen percent (15%) of alcohol by  
23 volume. It does not include weak cider; and

24 (82) "Winery" means any place or premises in which wine is manufactured from any  
25 fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials are  
26 compounded, except a place or premises that manufactures wine for sacramental  
27 purposes exclusively.