

1 AN ACT relating to the Department of Alcoholic Beverage Control and declaring
2 an emergency.

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

4 ➔Section 1. KRS 243.033 is amended to read as follows:

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

8 (2) The caterer's license may be issued as a primary license to a caterer in any wet
9 territory or in any moist territory under KRS 242.1244 for the premises that serves
10 as the caterer's commissary and designated banquet hall~~[. No primary caterer's
11 license shall authorize alcoholic beverage sales at a premises that operates as a
12 restaurant]~~. The alcoholic beverage stock of the caterer shall be kept under lock and
13 key~~[at the licensed premises]~~ during the time that the alcoholic beverages are not
14 being used~~[in conjunction with a catered function]~~.

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

16 (a) Purchase and store alcoholic beverages in the manner prescribed in KRS
17 243.088, 243.250, and 244.260;

18 (b) Transport, sell, serve, and deliver alcoholic beverages by the drink at locations
19 away from the licensed premises or at the caterer's designated banquet hall in
20 conjunction with the catering of food and alcoholic beverages~~[for a customer
21 and the customer's guests,]~~ in:

22 1. Cities and counties established as moist territory under KRS 242.1244 if
23 the receipts from the catering of food~~[at any catered event]~~ are at least
24 seventy percent (70%) of the gross receipts from the catering of both
25 food and alcoholic beverages;

26 2. Precincts established as moist territory if the receipts from the catering
27 of food~~[at any catered event]~~ are at least ten percent (10%) of the gross

1 receipts from the catering of both food and alcoholic beverages. This
2 subparagraph shall supersede any conflicting provisions of KRS
3 Chapters 241 to 244;

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

8 4. All other wet territory if the receipts from the catering of food~~at any~~
9 ~~catered event~~ are at least thirty-five percent (35%) of the gross receipts
10 from the catering of both food and alcoholic beverages;

11 (c) Receive and fill telephone orders for alcoholic beverages in conjunction with
12 the ordering of food for catering services~~a catered event~~; and

13 (d) Receive payment for alcoholic beverages served~~at a catered event~~ on a by-
14 the-drink, cash bar, or by-the-event basis. The caterer may bill the customer
15 for by-the-function sales of alcoholic beverages in the usual course of the
16 caterer's business.

17 (4) A caterer licensee shall not cater alcoholic beverages at locations for which retail
18 alcoholic beverage licenses or special temporary licenses have been issued. A
19 caterer licensee may cater a charitable or nonprofit fundraising event for which a
20 special temporary alcoholic beverage auction license has been issued under KRS
21 243.036.

22 (5) ~~A caterer licensee shall not cater alcoholic beverages on Sunday except in territory~~
23 ~~in which the Sunday sale of alcoholic beverages is permitted under the provisions~~
24 ~~of KRS 244.290 and 244.480.~~

25 (6) The location at which alcoholic beverages are sold, served, and delivered by a
26 caterer, pursuant to this section, shall not constitute a public place for the purpose of
27 KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at

which the function being catered is held shall be excluded from the public place provisions of KRS Chapter 222.

3 (6)-(7) The caterer licensee shall post a copy of the licensee's caterer's license at the
4 location of the function for which alcoholic beverages are catered.

5 (7)(8) All restrictions and prohibitions applying to a quota retail drink licensee and
6 an NQ4 retail malt beverage drink licensee not inconsistent with this section shall
7 apply to the caterer licensee.

8 (8)(9) The caterer licensee shall maintain records as set forth in KRS 244.150 and in
9 administrative regulations promulgated by the board.

10 ~~(9)(10)~~ Notwithstanding subsection (3)(b) of this section, a caterer may serve
11 alcoholic beverages to guests who are twenty-one (21) years of age or older at a
12 private event in dry territory if:

13 (a) The alcoholic beverages were lawfully purchased in a wet or moist territory;

14 1. By an individual; or

15 2 At the caterer's licensed premises in wet or moist territory; and

16 (b) The alcoholic beverages are not sold in dry territory to guests at the private
17 residence or private event regardless of whether the venue is a public place.

18 (10) Notwithstanding any other provision of state law, the department shall not impose
19 or attempt to enforce against a caterer:

20 (a) Any minimum number of customers, consumers, or other persons required
21 at an event for a caterer to cater that event; or

(b) Any limit on the number of events a caterer may cater in any time period.

23 ➤Section 2 KRS 243.090 is amended to read as follows:

24 (D) (a) All licenses issued by the department except special event licenses

25 temporary licenses, or licenses listed in subsection (5) of this section, shall be
26 valid for a period of no more than a year.

27 **(b)** The board shall promulgate administrative regulations establishing the year-

1 round system for renewal of licenses. The system shall be designed to
2 distribute the workload as uniformly as possible within the offices of the local
3 administrators and the Department of Alcoholic Beverage Control.

4 (c) **Any application for a license issued by the department under this chapter or**
5 **KRS Chapter 438 shall be approved or denied by the department no later**
6 **than forty-five (45) days after the department's receipt of the application.**

7 (2) (a) Except for licenses listed in paragraph (b) of this subsection, all licenses
8 issued after January 1, 2017, by a local administrator shall be valid for a
9 period of no more than a year and shall be renewable upon the date
10 established by the department for the expiration of state licenses issued for
11 premises located in that county or city. During the first year following July
12 15, 2016, if the new date for renewal for the licensee does not occur on the
13 date established by the department for the expiration of the licensee's state
14 license, the local administrator shall either:

15 1. Prorate the cost of the renewed license by proportionally reducing the
16 cost of the renewed license if the new date for the renewal occurs prior
17 to the expiration of a previous license; or
18 2. Provide a prorated provisional local license to cover any period of time
19 between the expiration of the previous license and the new date for
20 renewal if the new date for renewal occurs after the expiration of the
21 licensee's previous license.

22 (b) Paragraph (a) of this subsection shall not apply to licenses issued by a
23 consolidated local government, special event licenses, temporary licenses, or
24 licenses listed in subsection (5) of this section.

25 (3) When any person applies for a new license authorized under KRS Chapters 241 to
26 244, the person shall be charged, if the license is issued, the full fee for the
27 respective license if six (6) months or more remain before the license is due to be

1 renewed and one-half (1/2) the fee if less than six (6) months remain before the
2 license is due to be renewed. No abatement of license fees shall be permitted to any
3 person who held a license of the same kind for the same premises in the preceding
4 license period and who was actually doing business under the license during the last
5 month of the preceding license period.

6 (4) The renewal by the department of any license shall not be construed to waive or
7 condone any violation that occurred prior to the renewal and shall not prevent
8 subsequent proceedings against the licensee.

9 (5) All alcoholic beverage producers, wholesalers, or distributors may obtain or renew
10 their licenses for either a one (1) year term or a two (2) year term.

11 (6) The department may deny license renewal if the licensee is a delinquent taxpayer as
12 defined in KRS 131.1815.

13 ➔Section 3. Whereas the proper regulation and licensing of alcoholic beverages
14 are crucial for public safety and protection, an emergency is declared to exist, and this
15 Act takes effect upon its passage and approval by the Governor or upon its otherwise
16 becoming a law.