Local Government Mandate Statement Kentucky Legislative Research Commission 2021 Regular Session

Part I: Measure Information

Bill Request #: 88
Bill #: SB 108
Document ID #: 2556
Bill Subject/Title: AN ACT relating to retail package sales.
Sponsor: Senator Paul Hornback
Unit of Government: X City X County X Urban-County Unified Local Unified Local Unified Local Unified Local Unified Local
X Charter County X Consolidated Local X Government Office(s) Impacted:
Requirement: Mandatory X Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 108 expands the sale of alcohol for holders of nonquota type 2 (NQ2) licenses (hotels and restaurants) and nonquota type 3 (NQ3) licenses (private clubs) under the following conditions:

- Package sales are for limited bottles such as barrel picks, souvenir packages, or vintage distilled spirits;
- Package sales do not exceed 2,000 bottles.

SB 108 will also allow licensed microbreweries to sell in its gift shop products that were produced in collaboration with a distillery or craft distillery. These packages shall not be exclusive to the microbrewery's gift shop and shall be purchased from a licensed distilled spirits wholesaler.

SB 108 will promote economic development and tourism. By promoting business activity and increased employment, the proposal will generate additional tax revenue for local

governments. While the amount of this additional tax revenue is indeterminable, **it is expected to range from minimal to moderate** and will depend largely on how the local community supports the hotels, restaurants, and microbreweries as viable economic stimuli. The Kentucky Distillers Association states that in situations where the distillery is allowed to sell product at their gift shop and market the product as being available, the area sees an uptick in restaurant and lodging business resulting in increased tax revenue.

For counties or cities that currently have a regulatory license fee or plan on instituting one, they would see an increase in those fee revenues. The amount of an increase cannot be determined because we don't know if these are new sales or sales that are replacing sales made elsewhere.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II refers to the bill as introduced.

Data Source(s):	LRC Staf, Department of Alcoholic Beverage Controll, Kentucky			
	Distiller's Association			

Preparer:	Wendell F. Butler	Reviewer:	KHC	Date:	1/15/21
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