



This proposal does not allow for selling alcohol in bulk quantities, in dry territories, or delivering into dry territories, to a minor, or intoxicated person.

Alcoholic drinks to go shall be placed in a secured bag or container that makes it visibly apparent if the container has been opened or tampered with and shall be transported in a locked glove compartment or the trunk or other area that is not a passenger area.

The Department of Alcoholic Beverage Control **may** promulgate regulations setting forth the conditions under which a sale may take place; and the days and times that sales may be made, and the requirements for transporting alcoholic drinks to go. Vehicles used for deliveries are exempt from displaying the name and license number of the licensee selling the alcoholic beverage being delivered. Except for the provisions of this legislation, sales of alcoholic beverages shall be subject to all the statutes or administrative regulations relating to the retail sale of alcoholic beverages.

**The fiscal impact of SB 67 SCS 1 on local governments is undetermined.** Whether or not the local government benefits would depend on any governing ordinances in effect or that might be passed related to alcohol sales and restaurants/bars. The trend toward restaurant alcohol delivery was increasing before the coronavirus began, says Hudson Riehle, vice president of research for the National Restaurant Association (NRA). In fact, the Association's 2019 Restaurant Delivery Survey found that 56% of all adults said they would order drinks with their food delivery order from a restaurant, if permitted. Exactly how this would affect net sales in the long term is not known. Would these be new sales that would continue post-pandemic, or are they simply replacing in-house sales in the long term? Will in-house sales return to normal pre-covid levels?

The Kentucky Restaurant Association (KRA) provided the results of a nation-wide survey conducted by the NRA that occurred in May 2020 regarding off-premises alcohol sales. The results showed that 89% of operators who can serve alcohol were selling off-premises alcohol. Those sales represented an average of approximately 10% of their off-premise sales. Based on NRA calculations, they claim that increase in revenue would allow these operators to bring back an additional staff member or two on average. The NRA also found that 78% of operators who were selling alcohol for off-premises sales had brought back laid-off staff versus 62% of operators overall.

Since 2020 sales were drastically down, it's hard for some operators to know how much allowing take home alcohol helped, but the sentiment is definitely that it was helpful. The KRA did not have concrete numbers to share due to this being a relatively new phenomena, but they provided the following anecdotal evidence supporting to-go sales of alcohol by the drink from their member restaurant operators.

- From a fine dining establishment in Lexington: "Minimal impact but love the idea."
- From a casual dining multi-unit entity located throughout Kentucky: "It has been a driver in rebuilding sales with restrictions. Going forward it will be a safer way for

our guest to enjoy alcohol at home. For guest that want more than one or two drinks in the dining room, a drink to go is a safer option.”

- From a fine dining establishment in Louisville: “This has been helpful with our carryout business that we have done during this pandemic, and would sure love for it to be able to remain once things go back to business as usual. I personally don’t think it will ever be business as we knew it previously. Some of the changes that have come about during the pandemic I think will remain in our new way of doing business going forward.”
- From a casual place in Louisville: “To-go alcohol sales have allowed us to **increase our carryout orders by about 15%.**”
- From an upscale casual place in Lexington: “We have sold to-go alcohol and it helps to have the ability to be able to sell when guests want it. Most do not want the to-go alcohol but it helps when they do.”
- From casual establishment with four Lexington locations: “Even though we are maintaining same ratio of sales to liquor, sales are a third of what they were pre (Governor Beshear). What isn’t understood is this is the profit. Some months I’m actually selling almost as much food, but still no profit. If you sell a Bloody Mary to go fine-but until we get our bar seats back the only one making money off sales is the state via sales tax. *(Note: this is the opinion of the responder)*
- From an upscale French restaurant in Louisville: “It was definitely very helpful during full shutdown as long as we were competing in pricing with the liquor stores. In our situation it helps to bring **another 15% of sales.**”

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

SB 67 SCS 1 keeps the major provisions of SB 67 as introduced and makes the following additions:

- Limits the sale of alcoholic beverages to what a reasonable person would purchase with a meal;
- Raises the age for delivering alcoholic beverages to 21;
- Clarifies the requirement that alcoholic drinks to go be placed in a secured bag or container that makes it visibly apparent if the container has been opened or tampered;
- Requires alcoholic drinks be transported in a non-passenger area of the vehicle;
- Provides that the Department of ABC may promulgate regulations for transporting of alcoholic drinks.

**Data Source(s):** LRC Staff; Kentucky Restaurant Association, National Restaurant Association

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