

CORRECTIONS IMPACT STATEMENT

SESSION: 24RS BILL #: HB 439 HCS 1 BR #: 919

BILL SPONSOR(S): Rep. M. Koch

AMENDMENT SPONSOR(S):

TITLE: AN ACT relating to alcoholic beverages.

SUMMARY OF LEGISLATION: Amend KRS 241.010 to make a technical correction; amend KRS 241.060 and 243.540 to allow the Alcoholic Beverage Control board to dispose of alcoholic beverages through public auction; promulgate administrative regulations to establish auction procedures; donate all auction proceeds to the alcohol wellness and responsibility education fund; amend KRS 243.030 to create a \$300 annual vintage distilled spirits license fee; amend KRS 243.110 to authorize the holder of a primary license to also hold a vintage distilled spirits license; amend KRS 243.232 to restructure vintage distilled spirits licenses and sales; allow a licensee who may sell distilled spirits by the drink or package to receive a vintage distilled spirits license as a supplementary license; require vintage distilled spirits licensees to file a monthly report with the department giving details about sellers and purchase types, dates, and quantities; require all purchases to be in-person at the licensed premises; direct the licensee to conspicuously label the purchase as vintage distilled spirits; limit a licensee to 24 vintage distilled spirits packages purchased from each seller every 12 months; limit the seller to 24 packages total every 12 months; amend KRS 243.360 to give an applicant the option to advertise intent to apply for a license on the department's website or in another manner to be determined by the department and to exempt a vintage distilled spirits license applicant from the public notice advertising requirement; amend KRS 243.990 to establish penalties for vintage distilled spirits sellers who exceed the maximum package limit; amend KRS 211.285 to rename the "malt beverage education fund" as the "alcohol wellness and responsibility education fund"; add proceeds from Alcoholic Beverage Control Board distilled spirit auctions to the fund; issue moneys from the fund to the Alcohol Wellness and Responsibility Education Corporation; require the corporation's board of directors to include as voting members all duly elected statewide constitutional officers, the secretary of the Public Protection Cabinet, the ABC commissioner, and representatives of the malt beverage and distilled spirits industries; add the President of the Senate and the Speaker of the House as nonvoting members; authorize the corporation to accept grant applications from Kentucky high schools, colleges and universities, and other entities that promote alcohol responsibility; increase Project Graduation grants to \$1,000 annually.

AMENDMENT:

HCS 1: Retain original provisions, except allow an alcohol license applicant to publish its intention to apply for a license either online or in print; make a seller who exceeds the annual package limit for vintage distilled spirits guilty of a Class D felony for the second or a subsequent offense; add a representative of the Kentucky Malt Beverage Council to the board of directors for the Alcohol Wellness and Responsibility Education Corporation; remove LRC appointment of industry members of the board.

This bill amendment committee substitute is expected to:

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| <input checked="" type="checkbox"/> Have the following Corrections impact | <input type="checkbox"/> Have no Corrections impact. |
| <input checked="" type="checkbox"/> Creates new crime(s) | <input type="checkbox"/> Repeals existing crime(s) |
| <input type="checkbox"/> Increases penalty for existing crime(s) | <input type="checkbox"/> Decreases penalty for existing crime(s) |
| <input type="checkbox"/> Increases incarceration | <input type="checkbox"/> Decreases incarceration. |
| <input type="checkbox"/> Reduces inmate/offender services | <input type="checkbox"/> Increases inmate/offender services. |
| <input type="checkbox"/> Increases staff time or positions | <input type="checkbox"/> Reduces staff time or positions. |
| <input type="checkbox"/> Changes elements of the offense for existing crime(s) | |
| <input type="checkbox"/> Otherwise impacts incarceration (Explain): | |

STATE IMPACT: Class A, B, & C felonies are based on an average daily prison rate of \$116.93. Community Custody Class C and most Class D felons are housed in one of seventy-four (74) full-service or regional jails for up to five (5) years. Department of Corrections cost to incarcerate a felony inmate in jail is \$44.97 per day, which includes \$35.34 per diem, medical costs, and central office administrative costs (substance abuse treatment not included).*

Projected Impact: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

The legislation would likely have a minimal impact on operational costs by establishing a new Class D felony.

Class D felons are housed in a county jail and DOC pays counties a per diem for housing those inmates. A Class D Felony sentence is 1 to 5 years. One (1) Class D Felon costs KY \$16,414.05 to \$82,070.25.

LOCAL IMPACT: Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until the disposition of the case. The estimated impact will be based on the \$44.97 cost to incarcerate for the Department of Corrections, including \$35.34 per diem and medical that DOC pays jails to house felony offenders. This cost to incarcerate may not be the actual housing cost for the jail.*

Projected Impact: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

The legislation would likely have a minimal impact on operational costs at the local level by establishing new misdemeanors.

Misdemeanor offenders are subject to the jurisdiction and cost of the county. A Class B misdemeanor is up to 90 days in jail. One (1) Class B misdemeanor costs up to \$4,047.30. A Class A misdemeanor is 90 days to 1 year in jail. One (1) Class A misdemeanor costs \$4,047.30 to \$16,414.05

PROJECTED IMPACT FROM AMENDMENTS: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

HCS 1 – The Committee Substitute would have an additional impact by establishing that the first offense would be a Class A misdemeanor and that the second and subsequent offenses would be a Class D felony.

**All projections are based on the daily rate x 365 days x number of years. The cost to incarcerate as calculated by the Department is shown here as rounded to the hundredths. Offenders may have multiple offenses or be incarcerated on other charges unless otherwise noted. Unless otherwise noted, numbers will include inchoate offenses at the underlying offense level.*

The following offices contributed to this Corrections Impact Statement:

Dept. of Corrections Dept. of Kentucky State Police Administrative Office of the Courts Parole Board Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population, lengthen the term of incarceration, or impose new obligations on state or local governments.

APPROVED BY:



Chief of Staff, Kentucky Department of Corrections

2/27/2024

Date