

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2024 Regular Session**

Part I: Measure Information

Bill Request #: 919

Bill #: HB 439 HCS 2

Document ID #: 6107

Bill Title: AN ACT relating to alcoholic beverages.

Sponsor: Representative Matthew R. Koch

Unit of Government: City County Urban-County
Unified Local
 Charter County Consolidated Local Government

Office(s) Impacted: All local governments

Requirement: Mandatory Optional

Effect on
Powers & Duties: Modifies Existing Adds New Eliminates Existing

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

Section 3 of HB 439 HCS 2 allows one quota retail package license for every 2,000 residents in any wet county or urban-county government with more than 100,000 residents.

Section 4 of HB 439 HCS 2 permits a city, county, or urban-county government to petition for an increase in the number of quota retail package licenses.

Section 5 of HB 439 HCS 2 prohibits a city, county, or urban-county government from seeking a quota retail package license increase until at least one year after the certification of the local option election.

Sections 6 and 7 of HB 439 HCS 2 authorize a precinct local option election to allow the sale of alcoholic beverages at marinas. It also sets petition and ballot language; establishes marina definition and qualifications for a local option election and licensure; makes marinas eligible for retail package and drink licenses; and exempts marina licenses from quota totals for the territory.

Section 12 of HB 439 HCS 2 allows a vintage distilled spirits license to be issued as a supplementary license to a licensee that holds a primary license that permits the sale of distilled spirits by the package or by the drink. Vintage distilled spirits licensees shall purchase all vintage distilled spirits in person at its licensed premises. A licensee may sell the vintage spirits by the drink or by the package. A vintage distilled spirits licensee shall not purchase more than 24 vintage distilled spirits packages from any single seller in any given 12-month period. A vintage distilled spirits seller shall not sell more than 24 vintage distilled spirit packages to any single or combination of vintage distilled spirits licensees in any given 12-month period

Section 16 of HB 439 HCS 2 enables an owner that has had alcoholic beverages seized, to appeal the board's final order in the Circuit Court of the county where the seizure occurred.

Persons who violate Section 12 of HB 439 HCS 2 shall be guilty of a Class A misdemeanor for a first offense and guilty of a Class D felony for a second and each subsequent offense.

HB 439 HCS 2 would have a presently indeterminable but minimal negative fiscal impact on local jails, law enforcement, and circuit courts. HB 439 HCS 2 would create a new Class A misdemeanor and Class D felony for a violation of Section 12. As such, there would be some increase in convictions and incarcerations. Since there is no conviction or incarceration history for either these new felonies or existing offenses as revised, it is not possible to estimate law enforcement or incarceration expenses to local governments as a result of HB 439 HCS 2. However, each person arrested, convicted, and incarcerated for violation of HB 439 HCS 2 would represent an additional expense to local law enforcement and jails.

Section 16 of HB 439 HCS 2 would possibly create more appeals of alcohol beverage seizures in Circuit Courts. **The amount of additional cases and costs are indeterminable.**

A person convicted of a Class A misdemeanor may be incarcerated for up to twelve months. Misdemeanants are housed in one of Kentucky's 74 full-service jails or three life safety jails. While the expense of housing inmates varies by jail, this estimated impact will be based on an average cost to incarcerate of \$44.97 per day. While the majority of misdemeanor defendants are granted bail, those who do not will also cost local jails an average cost to incarcerate of \$44.97 per day.

When a court denies bail to a Class D felony defendant, the local government is responsible for incarcerating the defendant until disposition of the case in one of Kentucky's 74 full service jails or three life safety jails. While the expense of housing inmates varies by jail, each additional inmate increases facility costs by an average cost to incarcerate of \$44.97, which includes the \$35.34 per diem and medical expenses that the Department of Corrections pays jails to house felony offenders. Upon sentencing, a Class D felon is housed in one of Kentucky's full service jails for the duration of his or her sentence. The Department of Corrections pays a jail \$35.34 per day to house a Class D felon. The per diem may be less than, equal to, or greater than the actual housing cost.

Data Source(s): LRC Staff and Department of Corrections

Preparer: Brandon White (BL) **Reviewer:** KHC **Date:** 2/22/24