

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2025 Regular Session**

Part I: Measure Information

Bill Request #:	492	Bill #:	HB 211 GA
Document ID #:	4885	Sponsor:	Representative Chris Lewis
Bill Title:	AN ACT relating to cigar bars		

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

Office(s) Impacted: Legal, code enforcement

Requirement: Mandatory Optional

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

Other Fiscal Statement(s) that may exist: Actuarial Analysis Corrections Impact
 Health Benefit Mandate State Employee Health Plan

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

HB 211 GA Section 1 (1) (a) would create a new section of KRS Chapter 65 to define “cigar bar” as an establishment that:

1. Holds a quota retail drink license for on-site consumption of alcoholic beverages, **unless** a local government by ordinance authorizes a cigar bar to operate without requiring a quota retail drink license, though such cigar bar must meet the other criteria of subsection (1)(a), set out at 2-4, below;
2. Generates 15% or more of annual gross income from on-site sale of cigars, pipe tobacco, and related paraphernalia and rental of humidors, or a combination thereof;
3. Does not sell to or permit entrance to anyone under age 21; and
4. Prohibits use of e-cigarettes or vapor products or smoking other than cigars and pipe tobacco inside the cigar bar.

Section 1 would establish that a local government may not prohibit or restrict smoking cigars or pipe tobacco inside a cigar bar. A local ordinance, rule or policy forbidding such activity would be unenforceable. A cigar bar may only be located in an area where

other businesses are located that hold a valid quota retail drink license allowing on-premises alcohol consumption, unless the local government has passed an ordinance allowing cigar bars that do not hold such a quota retail drink license that otherwise meet the requirements at Section 1(a)(1)-(4). Cigar bars would be subject to other state and local laws not in conflict with HB 211 GA. The bill would impose requirements on a cigar bar which shares a wall or common enclosed air space with other structures to prevent smoke from the bar passing into interior or other spaces of those structures.

Local governments would be allowed to require a cigar bar obtain an annual permit to operate, and may require inspection of facilities and documentation of compliance. Local governments may establish a permit fee so long as the fee:

1. Is reasonable and consistent with permit fees for similar businesses; and
2. Does not exceed costs of policing, regulating, and administering the cigar bar pursuant to law.

The fiscal impact of HB 211 GA on local governments would be minimally positive or minimally negative depending on whether the local government must amend their ordinances to exempt cigar bars from a non- smoking ordinance, and whether they decide to impose a licensing and fee requirement on cigar bars. Cities and counties that have ordinances forbidding or restricting smoking would incur costs to amend their local ordinances to except cigar bars from the prohibition. Local governments that choose to impose a licensing requirement or who choose to authorize cigar bars that do not hold a license for the onsite consumption of alcohol would also need to amend ordinances to require and administer such licensing. The costs to amend a local ordinance include attorney fees to draft new language and costs of publishing the proposed new ordinance in the local newspaper. According to Kentucky League of Cities, most cities, especially smaller ones, retain a city attorney on contract and pay on an hourly basis. In FY 2020, the average hourly rate was \$107.

The Kentucky Press Association reported by telephone recently the following as a sample of publication costs in newspapers of record: in Knox County the Barbourville Mountain Advocate charges \$15.20 per column inch; the Richmond Register in Madison County charges \$13.29 per column inch; the Owensboro Messenger for Boone, Kenton and Campbell counties through link-nky charges \$28 per column inch.

Enforcement of such an ordinance would require minimal additional local government resources.

If a local government decides to impose a license requirement, they may also be able to impose and collect a license fee, or tax. Such fee could defray some of the costs of amending ordinances and inspection of cigar bars.

Data Source(s): Kentucky Association of Counties; Kentucky League of Cities; LRC staff;
Kentucky Press Association

Preparer: MS **Reviewer:** HT **Date:** 2/20/25