

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

Part I: Measure Information

Bill Request #:	1516	Bill #:	HB 437/SCS 1
Document ID #:	6817	Sponsor:	Representative Tony Hampton
Bill Title:	AN ACT relating to alcoholic beverage control administrators and investigators.		

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

Office(s) Impacted: Local governments that allow alcohol sales

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 437/SCS 1, Sections 1 through 4, would amend various statutes relating to state and local government Alcoholic Beverage Control administrators and investigators to specify that they would not have the power to make arrests unless certified in accordance with KRS 15.380 to 15.404.

Section 5 would amend KRS 243.075 to require cities and counties that become "moist" through a local option election and wish to impose a regulatory license fee—up to 5% of the gross receipts from alcoholic beverage sales in licensed establishments—to enact the fee no later than July 1, 2027, if the territory:

1. Became "moist" before the effective date of this Act; and
2. Was not previously eligible to levy a regulatory license fee.

Sections 6 and 7 would allow licensees authorized to sell malt beverages, distilled spirits, and wine by the drink at retail to also sell these beverages on Sundays, subject to local ordinances. Local ordinances of an urban-county government, consolidated local government, charter county government, unified local government, city, or county would be allowed to regulate the hours of sale, but they may not prohibit the sale or gift of malt beverages, distilled spirits, and wine by the drink between 6 a.m. and midnight on any day except Sunday.

The fiscal impact of HB 437/SCS 1 is indeterminate, but likely to be positive.

Under current law, if a jurisdiction became "moist" after July 15, 2014, it has a two-year deadline to enact a regulatory license fee following a local option election.

HB 437/SCS 1 would allow any jurisdiction that became "moist" and did not enact a fee within the two-year limit, or was otherwise prevented from doing so, an opportunity to enact a fee. This would result in increased revenues for jurisdictions that did not previously have this option.

Additionally, HB 437/SCS 1 would allow alcohol sales on Sundays, subject to local government ordinances. This could result in increased tax revenue from alcohol sales and restaurants, as well as additional license fees if businesses apply for permits. For local governments that wish to limit Sunday sales, there could be some costs incurred due to enacting or modifying local ordinances and ensuring compliance.

Data Source(s): LRC Staff

Preparer: AS **Reviewer:** JB (MDA) **Date:** 3/11/25