

# KY General Assembly 2018 Regular Session - Alcoholic Beverages & Alcoholism Bills

This list was updated 4/05/2018. Visit [www.lrc.ky.gov/legislation.htm](http://www.lrc.ky.gov/legislation.htm) for information on legislation in Kentucky.

## Alcohol Outlet Density Limitations

Bill No.	Description – Sponsor(s)	Status
<p><a href="#">HB 450</a> <a href="#">(BR-1281)</a></p>	<p><b>AN ACT relating to quota licenses for alcohol.</b> – Rep. David Hale, Kim King, Rob Rothenburger</p> <ul style="list-style-type: none"> <li>▪ <b>Codify the alcohol quota license system for wet counties &amp; cities</b> (1 quota retail package license available per 2300 residents &amp; 1 quota retail drink license available per 2500 residents in wet county except in a wet county containing a first class city (Jefferson County – Louisville) whereas 1 retail package &amp; 1 drink license is available per 1500 residents; no fewer than 2 quota retail package licenses available for issuance in any wet county to prevent monopolies; &amp; any quota amounts in excess of population limits issued previously shall remain in effect until those licenses issues in excess are surrendered, not renewed or revoked)</li> <li>▪ Specify the KY ABC’s process for verifying quota #s; establish criteria for ABC Board to consider when city petitions for quota increase; &amp; conform to population data</li> </ul>	<p>LOA (H) 02/26/18</p>
<p><a href="#">SB 110</a> <a href="#">(BR-1249)</a></p> <p><a href="#">SCS</a></p> <p><a href="#">SFA9</a></p> <p><a href="#">HFA1</a></p> <p><a href="#">HFA2</a></p>	<p><b>AN ACT relating to quota licenses for alcohol.</b> – Sen. Jimmy Higdon, C.B. Embry Jr.</p> <ul style="list-style-type: none"> <li>▪ <b>Codify the alcohol quota license system for wet counties &amp; cities</b> (1 quota retail package license available per 2300 residents &amp; 1 quota retail drink license available per 2500 residents in wet county except in a wet county containing a first class city (Jefferson County – Louisville) whereas 1 retail package &amp; 1 drink license is available per 1500 residents; no fewer than 2 quota retail package licenses available for issuance in any wet county to prevent monopolies; &amp; any quota amounts in excess of population limits issued previously shall remain in effect until those licenses issues in excess are surrendered, not renewed or revoked)</li> <li>▪ Specify the KY ABC’s process for verifying quota #s; establish criteria for ABC Board to consider when city petitions for quota increase</li> <li>▪ <a href="#">SCS</a> - Delete county ability to petition for quota increase.</li> <li>▪ <a href="#">SFA9</a> (Schroder, Wil) - <b>Delete all references to quota retail drink licenses (Meaning SB110 w/ SFA9 would only codify alcohol quota retail packaged licenses &amp; could permit an unlimited # of quota retail drink licenses).</b></li> <li>▪ <a href="#">HFA1</a> (Gooch Jr., Jim) - Allow a wet city w/ a population &lt;1000 to impose a regulatory license fee on the sale of alcoholic beverages.</li> <li>▪ <a href="#">HFA2</a> (Gooch Jr., Jim) - Make title amendment.</li> <li>▪ <b>RESEARCH: Alcohol Outlet Density refers to the concentration of retail alcohol establishments; including bars, restaurants, liquor stores and package stores, per area or population. An increase in alcohol outlet density is associated with increased levels of alcohol consumption among adolescents, increased levels of assault, and</b></li> </ul>	<p><b>DELIVERED TO GOVERNOR</b> <b>04/02/18</b></p> <p><b>PASSED 79-12 (H)</b> <b>04/02/18</b></p> <p><b>PASSED 32-4 w/ SCS &amp; SFA9 (S)</b> <b>03/01/18</b></p>

**other harm such as homicide, child abuse and neglect, self-inflicted injury, and road traffic injuries.** World Health Organization, 2010; Alcohol Justice, 2014; American Journal of Preventative Medicine, 2009, 37:6: pps. 567-569; JHSPH, CAMY, 2013; CDC, 2017

## Taxes, Regulatory License Fees

Bill No.	Description – Sponsor(s)	Status
<a href="#">HB 159 (BR-475)</a>	<p><b>AN ACT relating to alcoholic beverages - Rep. Phil Moffett (Jefferson)</b></p> <ul style="list-style-type: none"> <li>▪ Increase the wholesale sales tax rate from 11% to 14%</li> <li>▪ Forbid local governments to impose a regulatory license fee on alcohol sales</li> <li>▪ Permit retail package licensees to transport alcoholic beverages between stores of common ownership</li> <li>▪ *Similar to 2018 HB82 (Rep. Phil Moffett) – withdrawn</li> </ul>	LOA (H) 01/10/2018
<a href="#">HB 267 (BR-1356)</a>	<p><b>AN ACT relating to alcoholic beverages. – Rep. Jim Gooch Jr.</b></p> <ul style="list-style-type: none"> <li>▪ Allow wet cities and counties containing wet cities to impose a regulatory license fee on sale of alcoholic beverages.</li> </ul>	LOA (H) 02/01/18
<a href="#">HB 416 (BR-1762)</a>	<p><b>AN ACT relating to quota licenses for alcohol – Rep. Wesley Morgan</b></p> <ul style="list-style-type: none"> <li>▪ Increase the wholesale tax rate from 11% to 14%</li> <li>▪ Codify the quota license system for wet counties &amp; cities</li> <li>▪ Specify the KY ABC's process for verifying quota #s, &amp; establish criteria for ABC Board to consider when city petitions for quota increase</li> </ul>	LOA (H) 02/23/18

## Impaired Driving

Bill No.	Description – Sponsor(s)	Status
<a href="#">SB 255(BR-299)</a>	<p><b>AN ACT relating to ignition interlock devices. – Sen. Whitney Westerfield</b></p> <ul style="list-style-type: none"> <li>▪ Allow the Transportation Cabinet to address violations related to the issuance &amp; installation of an ignition interlock license, &amp; to promulgate administrative regulations to address out-of-state interlock ignition orders</li> <li>▪ Require persons charged w/ a DUI w/ aggravating circumstances, or who have refused a breath, blood, or urine test, may only receive day-for-day credit for a valid interlock license after conviction</li> <li>▪ Allow any person charged w/ an alcohol-related DUI, or who refused a breath, blood, or urine test to apply to the Transportation Cabinet for an ignition interlock license</li> <li>▪ Require proof of issuance of an ignition interlock license to avoid impoundment of a defendant's license plate</li> <li>▪ State an employer exemption for an ignition interlock device allows the person to operate his or her employer's non-ignition interlock equipped motor vehicle in the course and scope of employment if the business entity that owns the motor vehicle is not owned or controlled by the person</li> </ul>	Reassigned to Judiciary (S) 03/07/18

## Enforcement, Local Regulatory Authority

Bill No.	Description – Sponsor(s)	Status
<a href="#">SB 124</a> <a href="#">(BR-1361)</a>	<b>AN ACT relating to ABC investigators.</b> – <i>Sen. Julie Adams</i> <ul style="list-style-type: none"> <li>Allow local ABC investigators to be certified</li> </ul>	LOA (S) 02/02/18

## Alcohol Home Delivery, Direct Shipping

Bill No.	Description – Sponsor(s)	Status
<a href="#">HB 379</a> <a href="#">(BR-1763)</a>	<b>AN ACT relating to microbreweries.</b> – <i>Rep. C. Wesley Morgan</i> <ul style="list-style-type: none"> <li>Prohibit the shipment of malt beverages by a microbrewery to a customer's residence or place of business.</li> </ul>	LOA (H) 02/20/18
<a href="#">HB 400</a> <a href="#">(BR-1376)</a>  <a href="#">HCS</a>	<b>AN ACT relating to direct shipment of alcoholic beverages.</b> – <i>Rep. Chap McCoy, Sal Santoro, Susan Westrom, Mart Hart, Linda Belcher, Addia Wuchner, David Osborne</i> <ul style="list-style-type: none"> <li>Allow distilleries and small farm wineries to ship product &amp; monthly club membership orders directly to consumers</li> <li>Allow quota retail package license holders (<i>liquor stores &amp; pharmacies</i>) and transporters to ship directly to consumers</li> <li>Set requirements for delivery of alcoholic beverages purchased out-of-state to consumers in Kentucky</li> <li>Limit common carrier delivery liability &amp; add defense to ship to dry territory</li> <li><a href="#">HCS</a> – Add packaged sales for distilleries. Allow quota retail package licensees w/ 80% gross sales to KY residents to ship directly to customers.</li> <li><b>RESEARCH:</b> <a href="#">2015-12 SAMHSA Report to Congress on the Prevention and Reduction of Underage Drinking: Policy Summary – Home Delivery</a> found alcohol home delivery increases the potential access of alcohol to minors. <a href="#">“Minors Can Easily Avoid Age Requirements When Buying Alcohol Online, Study Suggest”</a> article by Join Together Staff, based on University of North Carolina at Chapel Hill research. This study appears in the <a href="#">Archives of Pediatrics and Adolescent Medicine</a>.</li> </ul>	<b>DELIVERED TO GOVERNOR</b> <b>04/02/18</b>  <b>PASSED 33-5 (S)</b>  <b>PASSED w/ HCS</b> <b>84-11 (H)</b>
<a href="#">HB 580</a> <a href="#">(BR-856)/</a> <a href="#">LM/FN/CI</a>	<b>AN ACT relating to alcoholic beverages.</b> – <i>Rep. Diane St. Onge, Sal Santoro</i> <ul style="list-style-type: none"> <li>Establish a \$450 annual alcohol direct shipping license to permit to sell/ship &lt;1 case wine, 3 32-pk cases beer, 1 9L case distilled spirits per day per person</li> <li>Prohibit licensees from shipping to addresses in dry territories</li> <li>Allow retailers, breweries, wineries &amp; distilleries from another state to ship and sell alcoholic beverages to a KY resident</li> <li>Allow distillers to receive purchases over the phone or online, &amp; ship using a common carrier excluded from liability for shipping in a dry territory but holds carriers responsible for delivery of alcohol to minor</li> <li>Licensed common carriers shall require recipient to demonstrate upon delivery they at least 21 years of age (<i>method not specified</i>), refuse delivery when recipient appears under 21 and refuses to present ID, &amp; require recipient to sign for delivery</li> </ul>	LOA (H) 03/01/18

	<ul style="list-style-type: none"> <li>▪ <b>The fiscal impact of this bill cannot be determined due to the current lack of carriers willing to deliver alcohol in KY.</b> Current law allows wineries in other states to ship wine purchased on-site to KY consumers. While KY statutes allow for these shipments, the 3 largest domestic carriers (USPS, FedEx, and UPS) do not deliver wine to KY. USPS does not ship any alcohol in any state. UPS &amp; FedEx deliver wine and other alcohol in other states where it is lawful to do so, but they choose not to deliver wine to Kentucky consumers, even though it is lawful. New emerging alcohol delivery smartphone app companies would likely be a faster &amp; cheaper alternative for delivery of local direct to consumer alcohol sales, but not be an alternative for long-distance out-of-state deliveries.</li> <li>▪ <b>**SAMHSA documents numerous scientific studies indicating alcohol direct consumer delivery increases access of alcohol to youth &amp; potential risk for alcohol abuse including binge drinking especially by minors.</b></li> </ul>	
<a href="#">SB 199 (BR-1721)</a>	<b>AN ACT relating to alcoholic beverages.</b> – <i>Sen. John Schinkel, Damon Thayer</i> <ul style="list-style-type: none"> <li>▪ Allow a distiller to deliver/ship its products</li> <li>▪ Permit each distillery visitor to buy ≤9L of souvenir package products/ day</li> </ul>	LOA (S) 02/26/18
<a href="#">SB 244 (BR-1418)</a>	<b>AN ACT relating to the direct shipment of wine to consumers.</b> – <i>Sen. Stephen West, Max Wise, Julie Adams</i> <ul style="list-style-type: none"> <li>▪ Establish a \$100 initial wine direct shipper license (\$50 renewal) for wine manufacturers, producers, suppliers, importers, wholesalers, &amp; retailers</li> <li>▪ Permit licensees to annually ship up to 24 9L cases of wine per age 21 or older customer located outside of or in KY including at addresses in dry and moist territories (delivery signature required)</li> </ul>	Judiciary (S) 03/07/18

## Alcoholic Beverages in Higher Ed: Sampling Education Program

Bill No.	Description – Sponsor(s)	Status
<a href="#">HB 567 (BR-1979)</a>	<b>AN ACT relating to educational programs.</b> – <i>Rep. James Kay</i> <ul style="list-style-type: none"> <li>▪ <b>ALLOW COLLEGES &amp; UNIVERSITIES to conduct an alcoholic beverage sampling as part of an “educational program” to PERMIT STUDENTS/ persons who are 21 or older by the first day of a class to SAMPLE ALCOHOLIC BEVERAGES &amp; require class instructors attend STAR.</b></li> <li>▪ <i>*Similar to 2017 HB466 &amp; 2016 HB605 (Rep. James Kay)</i></li> </ul>	LOA (H) 02/27/18

## Expanded Sales, New License Types

Bill No.	Description – Sponsor(s)	Status
<a href="#">HB 119 (BR-29)</a> <a href="#">HCS/FN</a>	<b>AN ACT relating to the KY Grape and Wine Council</b> – <i>Rep. Chad McCoy, John Sims Jr., Jody Richards, Mark Hart</i> <ul style="list-style-type: none"> <li>▪ Replace KY Grape &amp; Wine Council w/ KY small farm wineries support fund</li> <li>▪ Create KY Grape &amp; Wine Council Vineyard Expansion Reimbursement Grant</li> </ul>	A&R (H) 02/15/18

<p><a href="#">HB 136 (BR-480)</a></p> <p><a href="#">HFA1</a></p> <p><a href="#">HCS</a></p> <p><a href="#">HFA5</a></p>	<p><b>AN ACT relating to microbreweries</b> – Rep. Adam Koenig, Susan Westrom, Ruth Ann Palumbo, Rob Rothenburger, Diane St. Onge, Mark Hart, Mary Lou Marzian, Thomas Walker, Jason Nemes, Chad McCoy, Morgan C. Wesley, Phil Moffett, Addia Wuchner</p> <ul style="list-style-type: none"> <li>▪ Require microbreweries to report and pay taxes on wholesale sales made directly to consumers to the Department of Revenue</li> <li>▪ Define "microbrewery" and to include retail sales made by a microbrewery directly to a consumer in the definition of "wholesale sale"</li> <li>▪ Exempt microbreweries from the authorization to deduct 1% of the tax due</li> <li>▪ <a href="#">HFA1</a> (Koenig, Adam) - allow an unlimited sales by the drink, &amp; limit package sales to one case by microbreweries at fairs, festivals, &amp; similar events.</li> <li>▪ <a href="#">HCS</a> - delete new language restricting sales to being direct to consumer; calculate the gross receipts of a microbrewery making "wholesale sales."</li> <li>▪ <a href="#">HFA5</a> (Koenig, Adam) - limit malt beverages sold on premises for off-premises consumption &lt;31 gallons per person per day (limit to 3 cases of malt bevs.).</li> </ul>	<p><b>SIGNED BY GOVERNOR 03/16/18</b></p> <p><b>PASSED 33-3 (S) 03/01/18</b></p> <p><b>PASSED 68-15 w/ HCS, HFA1, &amp; HFA5 (H) 02/09/18</b></p>
<p><a href="#">SB 98 (BR-1244)</a></p>	<p><b>AN ACT relating to entertainment destination center licenses.</b> – Sen. Stephan West, Wil Schroder, Damon Thayer</p> <ul style="list-style-type: none"> <li>▪ Create a new entertainment destination center license for counties not containing a consolidated local government or an urban-county government.</li> </ul>	<p><b>SIGNED BY GOVERNOR 03/23/18</b></p> <p><b>PASSED 82-2 (H) 03/09/18</b></p> <p><b>PASSED 33-3 (S) 02/08/18</b></p>
<p><a href="#">SB 253(BR-1951)</a></p>	<p><b>AN ACT relating to micro out-of-state distilled spirits and wine supplier's licenses.</b> – Sen. Tom Buford</p> <ul style="list-style-type: none"> <li>▪ Authorize micro out-of-state distilled spirits &amp; wine supplier's licenses with exemption from advertising intent to apply</li> </ul>	<p>LOA (S) 03/05/18</p>

*\*Reference to similar alcohol-related bills previously proposed in Kentucky*

*\*\*Notes on existing law or historic reference provided by the Alcohol PES for informational purposes*

**Red Text – Changes since last update on 03/29/17**