

**260.175 Kentucky small farm wineries support fund.**

- (1) The Kentucky small farm wineries support fund is created as a separate revolving fund. The support fund shall consist of amounts transferred to the fund pursuant to the provisions of subsection (2) of this section and any other proceeds from grants, contributions, appropriations, or other moneys made available for the purposes of the fund. Fund amounts not expended at the close of the fiscal year shall not lapse but shall be carried forward into the next fiscal year. Any interest earnings of the fund shall become a part of the fund and shall not lapse.
- (2) A total of four hundred thousand dollars (\$400,000) shall be deposited in the Kentucky small farm wineries support fund each fiscal year from the general fund. The funds shall be used by the Kentucky Grape and Wine Council as follows:
  - (a) Two hundred thousand dollars (\$200,000) of these funds shall be used for the promotion, advertising, and marketing in Kentucky of wine produced by small farm wineries located in Kentucky. The Grape and Wine Council shall collaborate with the Kentucky Department of Agriculture and the Kentucky Department of Travel and Tourism to develop a marketing plan that shall include brand development, direct mail and e-marketing, Web site development, collateral brochures and maps, advertising, familiarization trips, a retail program, and any other topics that the marketing plan developers deem appropriate or that may be established through the promulgation of administrative regulations;
  - (b) One hundred thousand dollars (\$100,000) of these funds shall be used by the Grape and Wine Council, in collaboration with the Kentucky Department of Agriculture and the Kentucky Department of Travel and Tourism, to establish a local marketing cost-share program. For the purposes of this section, "local marketing cost-share program" means a mechanism to provide Kentucky small farm wineries with access to matching funds reimbursements for projects that promote and market their products. Standards for the application for, and receipt of, matching funds reimbursements authorized in this section shall be established through the promulgation of administrative regulations;
  - (c) Twenty-five thousand dollars (\$25,000) of these funds shall be used for funding the administrative costs of the Kentucky Grape and Wine Council. The costs shall include but not be limited to reimbursement for the council's appointed members' travel expenses while attending meetings of the council;
  - (d) Seventy-five thousand dollars (\$75,000) shall be used for the payment of fees to licensed wholesalers who apply to the Kentucky Grape and Wine Council to participate in a wine distribution program established by the Kentucky Grape and Wine Council. A licensed wholesaler shall apply and shall be eligible for consideration for the program. The licensed wholesaler shall agree to distribute the wine produced by small farm wineries licensed under KRS 243.155 and shall agree to sell the wine to retailers for the same price the wholesaler paid for the wine; and
  - (e) The funds allocated to each purpose under paragraphs (a) to (d) of this subsection shall be used exclusively for the purpose designated. Use of the

funds designated for each purpose shall be strictly adhered to, and the funds shall not be used to support any other purpose. If at the end of any fiscal year funds designated for one (1) of the purposes are unused, the unused funds shall not lapse and shall be carried forth to the succeeding year for the original purpose designated.

- (3) The Kentucky Grape and Wine Council shall advise the Commissioner of the Department of Agriculture regarding promulgation of administrative regulations necessary to carry out the provisions and purposes of subsection (2) of this section. The Department of Agriculture shall collaborate with the Kentucky Department of Travel and Tourism and the Kentucky Grape and Wine Council in developing any administrative regulations promulgated under the authority of this section.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 65, sec. 6, effective July 15, 2010. -- Amended 2009 Ky. Acts ch. 16, sec. 68, effective June 25, 2009. -- Created 2006 Ky. Acts ch. 179, sec. 4, effective January 1, 2007.