

**243.0305 Souvenir package sales by licensed distillers -- Sampling and sale of alcoholic beverages on premises of distillery.**

- (1) Any licensed Kentucky distiller that is located in wet territory or in any precinct that has authorized the limited sale of alcoholic beverages at distilleries under KRS 242.1243 and that has a gift shop or other retail outlet on its premises may conduct the activities permitted under this section as a part of its distiller's license.
- (2) A wholesaler registered to distribute the brands of any distiller may permit the distiller to deliver a souvenir package directly from the distillery proper to any portion of the distillery premises. However, all direct shipments shall be invoiced from the distiller to the wholesaler and from the wholesaler to the distiller, and all products directly shipped shall be included in the wholesaler's inventory and depletions for purposes of tax collections imposed pursuant to KRS 243.710 to 243.895 and 243.990.
- (3) A distiller may sell souvenir packages at retail to distillery visitors of legal drinking age, in quantities not to exceed an aggregate of four and one-half (4-1/2) liters per visitor per day.
- (4) Hours of sale for souvenir packages at retail shall be in conformity with KRS 244.290(3).
- (5) Except as provided in this section, souvenir package sales shall be governed by all the statutes and administrative regulations governing the retail sale of distilled spirits by the package.
- (6) No wholesaler may restrict the sale of souvenir packages to the distiller of origin exclusively, but shall make souvenir packages available to any Kentucky retail licensee licensed for the sale of distilled spirits by the package.
- (7) Notwithstanding any provision of KRS 244.050 to the contrary, a distillery holding a sampling license may allow visitors to sample distilled spirits under the following conditions:
  - (a) Sampling shall be permitted only on the licensed premises during regular business hours;
  - (b) A distillery shall not charge for the samples; and
  - (c) A distillery shall not provide more than one and three-fourths (1-3/4) ounces of samples per visitor per day.
- (8) In accordance with this section, a distillery located in wet territory or in any territory that has authorized the limited sale of alcoholic beverages under an election held pursuant to KRS 242.1243 may:
  - (a) Hold an NQ3 retail drink license for the sale of alcoholic beverages on the distillery premises. Notwithstanding KRS 243.110, a licensed distiller may also hold any of the retail licenses available to it under this section;
  - (b) Sell alcoholic beverages produced or bottled on the premises of its Kentucky licensed distillery for on-premises purposes without having to transfer physical possession of those alcoholic beverages to a licensed wholesaler if:
    1. All direct shipments are invoiced from the distiller to its wholesaler and

from the wholesaler to the distiller; and

2. All products directly shipped are included in the wholesaler's inventory and depletions for purposes of tax collections imposed pursuant to KRS 243.710 to 243.890 and 243.990; and
  - (c) Employ persons to engage in the sale or service of alcohol under an NQ3 license, if each employee completes the department's Server Training in Alcohol Regulations program within thirty (30) days of the beginning of his or her employment.
- (9) Except as expressly stated in this section, this section does not exempt the holder of a distiller's license from:
- (a) The provisions of KRS Chapters 241 to 244;
  - (b) The administrative regulations of the board; and
  - (c) Regulation by the board at all the distiller's licensed premises.
- (10) Nothing in this section shall be construed to vitiate the policy of this Commonwealth supporting an orderly three (3) tier system for the production and sale of alcoholic beverages.

**Effective:** July 15, 2016

**History:** Amended 2016 Ky. Acts ch. 80, sec. 5, effective July 15, 2016. -- Amended 2013 Ky. Acts ch. 121, sec. 46, effective June 25, 2013. -- Amended 2003 Ky. Acts ch. 102, sec. 1, effective June 24, 2003. -- Amended 1998 Ky. Acts ch. 53, sec. 1, effective July 15, 1998. -- Created 1996 Ky. Acts ch. 95, sec. 2, effective July 15, 1996.

**Legislative Research Commission Note (7/15/2016).** A reference to "KRS 243.895" in this statute has been changed in codification to read "KRS 243.890." In 2016 Ky. Acts ch. 80, sec. 5, subsection (8)(b)2. refers to "tax collections imposed pursuant to KRS 243.710 to 243.895." It is obvious from the context that the citation of this range should not include the final section, KRS 243.895, which is a statute on an unrelated topic. Under the authority of KRS 7.136(1), the Reviser of Statutes has inserted the correct reference.