243.155 Small farm winery license -- Eligibility and application process -- Business authorized by license -- Off-premise retail sales outlet in wet territory -- Other permitted licenses -- Renewal of license.

(1) Any in-state or out-of-state small farm winery may apply for a small farm winery license. In addition to all other licensing requirements, an applicant for a small farm winery license shall submit with its application a copy of the small farm winery's federal basic permit and proof documenting its annual wine production. An out-of-state winery shall submit additional documentation evidencing its resident state. As part of the application process, an out-of-state winery shall publish its notice of intent, as required by KRS 243.360, in the Kentucky newspaper of highest circulation. The department shall promulgate administrative regulations establishing the form the documentation of proof of production shall take.

(2) A small farm winery license shall authorize the licensee to perform the following functions without having to obtain separate licenses, except that each small farm winery off-premises retail site shall be separately licensed:

(a) Manufacture wines and bottle wines produced by that small farm winery;

(b) Bottle wines produced by another small farm winery;

(c) Serve on the premises or at small farm winery off-premise retail sites complimentary samples of wine produced by it in amounts not to exceed six (6) ounces per patron per day, if the small farm winery or its off-premise retail site is located in wet territory;

(d) Sell by the drink or by the package on premises, at small farm winery off-premise retail sites, and at fairs, festivals, and other similar types of events, wine produced on the premises of the small farm winery or produced by a licensed small farm winery, at retail to consumers if all sales sites are located in wet territory;

(e) Sell and transport wine produced on the premises of the small farm winery to wholesale license holders and small farm winery license holders;

(f) Consume on the premises wine produced by the small farm winery or a licensed small farm winery and purchased by the drink or by the package at the licensed premises, if the small farm winery is located in wet territory; and

(g) Ship to a customer wine produced by a small farm winery if:

1. The wine is shipped by licensed common carrier; and

2. The amount of wine shipped is limited to two (2) cases per customer per order.

(3) If a licensed small farm winery is located in a dry or moist territory, KRS 242.230 to 242.430 shall apply, unless a limited local option election is held in accordance with KRS 242.124. If the proposition under KRS 242.124 is approved, a licensed small farm winery within the precinct may sell wine in accordance with subsection (2) of this section.

(4) Other provisions of this chapter and KRS Chapter 244 notwithstanding, a small farm winery license holder may also hold an NQ2 retail drink license and an

NQ4 retail malt beverage drink license if the issuance of these licenses is in connection with the establishment and operation of a restaurant, hotel, inn, bed and breakfast, conference center, or any similar business enterprise designed to promote viticulture, enology, and tourism.

(5) This section shall not exempt the holder of a small farm winery license from the provisions of KRS Chapters 241, 242, 243, and 244, nor from the administrative regulations of the board, nor from regulation by the board at all premises licensed by the small farm winery, except as expressly stated in this section.

(6) Nothing contained in this section shall exempt a licensed out-of-state winery from obeying the laws of its resident state.

(7) Upon the approval of the department, a small farm winery license may be renewed after the licensee submits to the department the winery's federal basic permit and proof of its annual wine production.

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History: Amended 2013 Ky. Acts ch. 121, sec. 62, effective June 25, 2013. -- Amended 2010 Ky. Acts ch. 24, sec. 569, effective July 15, 2010. -- Amended 2006 Ky. Acts ch. 179, sec. 1, effective January 1, 2007. -- Amended 2005 Ky. Acts ch. 142, sec. 1, effective June 20, 2005. -- Amended 2000 Ky. Acts ch. 167, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 357, sec. 1, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 148, sec. 1, effective July 15, 1996. -- Amended 1994 Ky. Acts ch. 451, sec. 1, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 54, sec. 5, effective July 13, 1990. -- Amended 1988 Ky. Acts ch. 433, sec. 2, effective July 15, 1988. -- Amended 1982 Ky. Acts ch. 244, sec. 2, effective July 15, 1982. -- Created 1976 Ky. Acts ch. 381, sec. 2.