

243.630 Transfer of license or acquisition of interest without authorization prohibited.

- (1) For purpose of this section, "transfer" means:
 - (a) The transfer to a new person or entity of ten percent (10%) or more ownership interest in any license issued under KRS 243.020 to 243.670; or
 - (b) The transfer in bulk, and not in the ordinary course of business, of a major part of the fixtures, materials, supplies, merchandise, or other inventory of a licensee's business.
- (2) Any license issued under KRS 243.020 to 243.670 to any person for any licensed premises shall not be transferable or assignable to any other person or to any other premises or to any other part of the building containing the licensed premises, unless a transfer or assignment is authorized by the state director in the exercise of his sound discretion under KRS 243.640 or 243.650. For the purposes of this section, each railroad dining car shall be deemed premises to be separately licensed.
- (3) A licensee shall not acquire or otherwise dispose of any interest in a licensed premises or any license issued by the department, by sale of assets, stock, inventory, control or right of control, or activities on the licensed premises without prior approval of the state director. The state director shall grant approval if the person acquiring the interest meets the qualifications for a new applicant.
- (4) Any acquisition of interest in a license without prior authorization shall be void.
- (5) All applications for approval of a transfer shall be made in writing to the state director having jurisdiction over the license.
- (6) Applications for approval of a transfer shall be made under oath or affirmation, shall be signed by both the transferor and the transferee, and shall contain such other information as the department may prescribe.
- (7) The appropriate state director shall grant or deny the application within sixty (60) days of the date the application is substantially complete or on a later date that is mutually acceptable to the director and the transferee, but it shall not be acted upon before the end of the public protest period outlined in KRS 243.360.
- (8) No licensee or other person seeking to acquire an interest in an existing license shall transfer control or assume control of any licensed premises by agreement or otherwise without the written consent of the state director of malt beverages or the state director of distilled spirits or both.
- (9) A licensee shall not transfer his or her license or any interest in the license while any proceedings against the license or the licensee for a violation of any statute or regulation which may result in the suspension or revocation of the license are pending.
- (10) A licensee shall not transfer his or her license or any interest he or she has in the license if the licensee owes a debt on the inventory to a wholesaler responsible for the collection and payment of the tax imposed under KRS 243.884.
- (11) A licensee shall not transfer his or her license or any interest in the license if the licensee owes the Commonwealth of Kentucky for taxes as defined in KRS

243.500(5). A transfer shall not take place until the department is notified by the Kentucky Department of Revenue that the licensee's indebtedness has been paid or resolved to the satisfaction of the Department of Revenue. This section shall not prohibit a transfer of a license or an interest in a license by a trustee in bankruptcy if all other requirements of this section are met.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 582, effective July 15, 2010. -- Amended 2005 Ky. Acts ch. 85, sec. 655, effective June 20, 2005. -- Amended 2004 Ky. Acts ch. 20, sec. 10, effective July 13, 2004. -- Amended 1998 Ky. Acts ch. 522, sec. 15, effective July 15, 1998. -- Amended 1980 Ky. Acts ch. 188, sec. 198, effective July 15, 1980. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 2554b-160.