

1 AN ACT relating to the sale of malt beverages.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 244.040 is amended to read as follows:

4 (1) **Except as provided in subsection (6) of this section,** a brewer or distributor shall
5 not sell alcoholic beverages to any person in this state for any consideration except
6 for cash paid at or before the time of delivery.

7 For purposes of this section, "cash" includes the sale of malt beverages by electronic
8 transfers if the following conditions are met:

- 9 (a) The use of electronic transfers shall be voluntary and shall be agreed to by the
10 affected brewer, distributor, and retailer;
- 11 (b) The brewer shall not pay or credit back in any way to the distributor any share
12 of the cost that is attributable to the electronic transfer;
- 13 (c) The distributor shall not pay or credit back in any way to the retailer any share
14 of the cost that is attributable to the electronic fund transfer;
- 15 (d) The transfer of funds shall be initiated by the brewer or the distributor;
- 16 (e) The distributor may debit the retailer's bank account for the exact amount due
17 based on the amount of alcoholic beverages delivered;
- 18 (f) Electronic fund transfers that are rejected or denied at the time of sale for any
19 reason shall be treated in the same manner as checks drawn on insufficient
20 funds; and
- 21 (g) Each participating retail licensee and each distributor maintain accurate
22 records of all electronic fund transfers in accordance with department statutes
23 and administrative regulations.

24 (2) A brewer or distributor shall not furnish or deliver any returnable bottled malt
25 beverage without collecting a minimum container charge or deposit of sixty cents
26 (\$0.60) per case of twenty-four (24) twelve-ounce bottles or its equivalent in the
27 same manner that the price of the malt beverage is collected.

1 (3) This section shall not prohibit a licensee from crediting to a purchaser the actual
2 prices charged for packages or containers returned by the original purchaser as a
3 credit on any sale, or from refunding to any purchaser the amount paid by the
4 purchaser for containers or as a deposit on containers when the title is retained by
5 the vendor, if the containers or packages have been returned to the brewer or
6 distributor.

7 (4) No right of action shall exist to collect any claim for credit extended contrary to this
8 section.

9 (5) This section shall not apply to sales by wholesalers or distributors to licensees that
10 are private clubs or voluntary associations.

11 **(6) A brewer or distributor may extend credit on malt beverages sold to retail**
12 **licensees for a period not to exceed thirty (30) days from the date of the invoice,**
13 **with the date of the invoice included in the total number of days.**