

ORDINANCE NO. 15-09-01

**AN ORDINANCE REGULATING ALCOHOLIC BEVERAGES  
IN THE  
CITY OF BENTON, KENTUCKY**

WHEREAS, pursuant to an election held on July 28, 2015, a majority of the voters of Marshall County, Kentucky were in favor of permitting alcohol sales in Marshall County; and

WHEREAS, the City Council of the City of Benton, Kentucky is a municipal corporation located in the City of Benton, Marshall County, Kentucky;

WHEREAS, the City Council of the City of Benton, Kentucky deems it desirable to regulate the sales of alcoholic beverages within its corporate limits;

NOW THEREFORE, Be it Ordained by the City Council of the City of Benton, Kentucky as follows:

**10.001 TITLE.**

This chapter shall be a new chapter in the City of Benton's Code of Ordinances numbered as 42 and shall be cited and known as the "Alcoholic Beverage Control Ordinance" of the City of Benton, Kentucky (City).

**10.002 PURPOSE.**

The purpose of this Ordinance is to establish uniform regulations and requirements for the licensing and regulation of alcoholic beverage manufacture and sales pursuant to authorization of KRS 241 through 244.

**10.003 DEFINITIONS.**

The definitions of the words used throughout this Ordinance, unless the context requires otherwise, shall have the same meaning as those set out in the Kentucky Alcoholic Beverage Control law (KRS Chapters 241, 242, 243 and 244) of the Commonwealth of Kentucky and all amendments and supplements thereto.

**10.004 SCOPE.**

This Ordinance shall be construed to apply to the manufacture and traffic in both malt beverages and distilled spirits and wine where the context permits such application. Nothing in this Ordinance shall excuse or relieve the licensee, or the owner, proprietor, employee, agent or person in charge of any licensed premises where alcoholic beverages are sold from the restrictions, requirements and penalties of any other ordinance or ordinances of the City or of any applicable statutes or regulations of the state or county relating to violations pertaining to alcoholic beverages.

**10.005 ADOPTION OF STATE LAW.**

The provisions of the Alcoholic Beverage Control Law of the Commonwealth of Kentucky (KRS Chapters 241, 242, 243 and 244) and all amendments and supplements thereto, are adopted so far as applicable to this Ordinance except as otherwise lawfully provided herein.

**LICENSES; LICENSE FEES; REGULATORY LICENSE FEE;  
EXPIRATION OF LICENSE**

**10.006 LICENSES GENERALLY.**

For the privilege of causing, permitting and engaging in the actions, business, and transactions authorized thereby in regard to traffic in alcoholic beverages in the City and pursuant to the authority of KRS 243.070, there is hereby established a corresponding city license for each of the state licenses described in KRS 243.070. The fee for each city license shall be as set out in the following schedule, and may be amended from time-to-time as authorized by law.

**10.007 LICENSE FEES.**

Only those licenses applicable to the City of Benton pursuant to KRS Chapter 243.030 shall be issued. Those licenses presently are:

1. Distilled spirit license	
Distiller's license, per annum	\$500.00
Rectifier's license, per annum	\$3,000.00
Wholesaler's distilled spirits and wine license, per annum	\$3,000.00
Quota retail package license, per annum	\$1,000.00
2. Special temporary license, per event	\$166.66
3. Non-quota type 1 retail drink license (includes distilled spirits, wine, and malt beverages, per annum	\$2,000.00
4. Non-quota type 2 retail drink license (includes distilled spirits, wine, and malt beverages), per annum	\$1,000.00
5. Non-quota type 3 retail drink license (includes distilled spirits, wine, and malt beverages), per annum	\$300.00
6. Distilled spirits and wine special temporary auction license, per event	\$200.00

7. Special Sunday retail drink license, per annum	\$300.00
8. Extended hours supplemental license, per annum	\$2,000.00
9. Caterer's license, per annum	\$800.00
10. Bottling house or bottling house storage license, per annum	\$1,000.00
11. Malt beverage licenses as follows:	
(a) Brewer's license, per annum	\$500.00
(b) Microbrewery license, per annum	\$500.00
(c) Malt beverage distributor's license, per annum	\$400.00
(d) Non-quota retail malt beverage Package license, per annum	\$200.00
(e) Non-quota type 4 retail malt Beverage drink license per annum	\$200.00
(f) Malt beverage brew-on-premises, Per annum	\$100.00
12. Limited restaurant license (includes distilled spirits, wine, and malt beverages), per annum	\$1,200.00
13. Limited golf course license (includes distilled spirits, wine, and malt beverages), per annum	\$1,200.00
14. The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the primary drink license. There shall be no charge for each supplemental license issue in excess of five (5) to the same licensee at the same premises	
15. The holder of a non-quota retail malt beverage package license may obtain a Non-quota type 4 malt beverage drink license for a fee of fifty dollars (\$50.00). The holder of a Non-quota type 4 malt beverage drink license may obtain a non-quota retail malt beverage package license for a fee of fifty dollars (\$50.00).	

**10.008 EXPIRATION OF LICENSE; PRORATION OF FEES.**

All city licenses shall begin on December 1 of any year and shall expire on November 30 of the following year. Any licenses issued after December 1 of any year shall be assessed a fee which is based on the pro rata portion of the remainder of the license period; however, the cost of any license shall not be less than one-half (1/2) the amount of the full fee for an annual license of that type.

**10.009 PAYMENT OF LICENSE FEES; DELINQUENCY.**

No licensee shall enter into or begin operating any business for which a license is required by this Ordinance until the license fee has been paid in full. The fee for renewal of any license shall be paid with the renewal application. Failure to pay any license fee within ten (10) days after it becomes due shall result in a penalty equal to ten percent (10%) of the license fee. Any licensee failing to pay the fees, including penalties, within ten (10) days after such fees are due may be subject to revocation of the license and to other penalties as provided by law.

**10.010 REFUND OF FEES.**

(A) Should any licensee under this Ordinance be prohibited from conducting the licensed business for the full period covered by the license because of any changes that may hereafter be made in the laws of the Commonwealth with reference to alcoholic beverages or other cause outside licensee's control, then the city shall refund to licensee the proportionate part of the license fee for the period during which licensee is prevented from carrying on said business if the licensee provides sufficient proof to the City ABC Administrator that such period of inactivity was not the fault of the licensee or the result of a revocation, suspension or other wrongdoing by licensee, or an agent or employee of the licensee.

(B) In the event a violation of this Ordinance occurs that results in the suspension or revocation of the license, the city shall not be required to refund any portion of the license fee.

**10.011 REGULATORY LICENSE FEE.**

(A) Pursuant to KRS 243.075, there is hereby imposed a regulatory license fee on the gross receipts of sale of alcoholic beverages of each license issued by the City ABC Administrator. As of the time of adoption of this Ordinance, the regulatory license fee shall be six percent (6%) of gross sales of all alcoholic beverages sold by the drink. In the case of retail sales of package distilled spirits and wine, the regulatory license fee shall be six percent (6%) of gross sales. The regulatory license fee shall be six percent (6%) on gross retail sales of package malt beverages. Thereafter, the City Council shall adopt at the budget adoption for each subsequent fiscal year, such annual rate for the regulatory license fee as shall be reasonably estimated to ensure full reimbursement to the city for the cost of any additional policing, regulatory, or administrative expense related to the sale of alcoholic beverages in the city. Should the City Council fail to address the regulatory license fee in any budget, then the regulatory license fee shall remain at the level at which it was last fixed until such time as the City Council shall adjust the fee.

(B) Payment of such regulatory fee shall be remitted to the city and shall be held in a separate account maintained for the purpose of fully reimbursing the city for the estimated cost of any

additional policing, regulatory or administrative expense related to the sale of alcoholic beverages in the city. The regulatory license fee shall be in addition to any other taxes, fees or licenses permitted by law, except that a credit against a regulatory license fee in the city shall be allowed in an amount equal to any license fee imposed by the city pursuant to KRS 243.070. Payment of the regulatory license fee shall be made quarterly on forms to be provided by the City, with payment in full for the year being due no later than November 30 of each calendar year, or at the surrender or revocation of a license or licenses, whichever occurs sooner. No license renewals shall issue unless and until the regulatory license fee has been paid in full.

(C) Failure to pay such quarterly remittance within ten (10) days of the due date constitutes a violation and subjects licensee to suspension or revocation.

(D) Penalty for failure to file a return and pay quarterly remittance by the due date is five percent (5%) of the tax for each ninety (90) days or fraction thereof. The total late filing penalty shall not exceed twenty-five percent (25%) of the tax; provided, however, that in no case shall the penalty be less than ten dollars (\$10.00).

(E) Interest at the rate of eight percent (8%) per annum will apply to any late payments.

#### **10.012 DISPOSITION OF FEES.**

The City shall transmit any fees received upon collection into the appropriate designated account.

### **OFFICE OF THE CITY ALCOHOLIC BEVERAGE CONTROL ADMINISTRATOR**

#### **10.013 ESTABLISHED; DUTIES.**

(A) Pursuant to KRS 241.160, there is hereby created the office of City Alcoholic Beverage Administrator.

(B) The Mayor shall serve as the City Alcoholic Beverage Control Administrator (hereinafter referred to as City ABC Administrator), unless the Mayor shall appoint someone else to fill the position pursuant to KRS 241.170.

(C) The Mayor may from time to time appoint such additional personnel as is necessary to assist the City ABC Administrator in the administration of this Ordinance.

(D) The salary for the office of City ABC Administrator, if any, together with the salaries of any other personnel assisting the City ABC Administrator, shall be fixed from time to time by the City Council.

(E) The functions of the City ABC Administrator shall be the same with respect to the city licenses and regulations as the functions of the Alcoholic Beverage Control Board of the Commonwealth of Kentucky (hereinafter referred to as ABC Board) with respect to state licenses and regulations, except that no amendment to these regulations proposed by the City ABC Administrator may be less stringent than the statutes relating to Alcoholic Beverage Control, or than regulations of the ABC Board. No regulation of the City ABC Administrator shall become effective until the City Council has first appropriately approved it.

(F) No person shall be a City ABC Administrator, an investigator or an employee of the city under the supervision of the City ABC Administrator, who would be disqualified to be a member of the ABC Board under KRS 241.100.

(G) The City ABC Administrator shall have all authority as authorized under KRS 241 through 244. The City ABC Administrator and the City ABC Administrator's investigators may inspect any premises where alcoholic beverages are manufactured, sold, stored or otherwise trafficked in, without first obtaining a search warrant.

(H) Should the City ABC Administrator at any time have reasonable grounds to believe that any applicant, licensee, employee of a licensee, or any stockholder, agent or employee of a licensed corporation, LLC or other business organization, has a criminal record, he or she shall have the authority to require such person to appear in person at the Benton Police Department for the purpose of having his or her fingerprints taken.

(I) The City ABC Administrator before entering upon his or her duties as such, shall take the oath as prescribed in Section 228 of the Constitution and shall execute a bond with a good corporate surety in the penal sum of not less than one thousand dollars (\$1,000.00). The City ABC Administrator may require any employee under the City ABC Administrator's supervision to execute a similar bond in such penal sum as the Administrator deems necessary. The costs of any such bonds shall be borne by the City.

(J) Unless other appeal procedures are set forth herein, appeals from the orders of the City ABC Administrator may be taken to the State ABC Board by filing with the Board within thirty (30) days a certified copy of the orders of the City ABC Administrator. The Board shall hear matters at issue as upon an original proceeding. Appeals from orders of the City ABC Administrator shall be governed by KRS Chapter 13B.

(K) When any decision of the City ABC Administrator shall have been appealed, or when a protest has been lodged against an application for any license within the City, and the ABC Board shall have made a decision regarding such appeal or protested application, the City ABC Administrator, upon receipt of notice of finality of the decision, shall enter such orders and take such action as required by the final order of the ABC Board. As provided by law, and as used herein, no order of the ABC Board is final until all appeals or appeal times shall have been exhausted. A "final order" of the ABC Board is the order entered by said Board, unless an appeal is taken from the Board's order, in which case the "final order" is the order entered by the Board upon direction from the reviewing court of last resort in the final order of said reviewing court.

## **APPLICATION FOR LICENSE; MAINTENANCE OF LICENSE**

### **10.014 ADVERTISEMENT.**

(A) Before an application for a license shall be considered, the applicant must publish a notice of its intent to apply for an alcoholic beverage license in a newspaper meeting the requirements of KRS Chapter 424 and Chapter 243.

(B) The advertisement shall state the name and address of the applicant. It shall state the members of the partnership if the applicant is a partnership and membership of the LLC if the applicant is an LLC, as well as the name of the business and its address. If the applicant is a

corporation, the advertisement shall state the names and addresses of the principal officers and directors of the corporation, as well as the name and address of the corporation itself. All advertisements shall state the location of the premises for which the license is sought, and the type of license for which application is made. The notice shall state the date the application will be filed and shall contain the following statement: "Any person, association, corporation, or body politic may protest the granting of the license by writing to City of Benton ABC Administrator, City Hall, 1009 Main Street, Benton, KY 42025, within thirty (30) days of the date of legal publication." Any protest received after the thirty (30) day period has expired shall not be considered a valid legal protest by the City.

(C) The applicant shall attach to the application a newspaper clipping of the advertisement and proof of the publication as provided in KRS 424.170.

#### **10.015 APPLICATION FEE.**

A nonrefundable application fee of \$50.00 shall be paid with the filing of the application for a city license. If the license is granted, the application fee shall be credited against the initial license fee.

#### **10.016 FORM OF APPLICATION.**

(A) All licenses granted under this Ordinance shall be approved by the City ABC Administrator. Applications for the issuance of new licenses and for renewals of existing licenses shall be in writing and upon the forms provided by the ABC Board and the City Council, as amended and supplemented from time to time.

(B) The application shall be verified and shall set forth in detail such information concerning the applicant and the premises for which the license is sought as required by the Kentucky Revised Statutes, the ABC Board and the City, including as follows:

- (1) Name and address;
- (2) Nature of interest;
- (3) Whether or not a citizen of the United States;
- (4) Date of birth and Social Security Number;
- (5) Date residence was established in Kentucky, if a resident of Kentucky. If Marshall County or Benton resident, indicate when residence was established;
- (6) Whether or not he or she has any interest in any other license or LLC, corporation, partnership or other business organization holding a license under this ordinance;
- (7) Extent of stock or company ownership;
- (8) Whether or not he or she has any interest in any license or LLC, corporation, partnership or other business organization holding a license in any other state or province.
- (9) If the applicant is a partnership, corporation, limited partnership company, or limited liability company, the name, age, Social Security number, address, and residence of each officer, director, member, partner, and managerial employee and the citizenship of each, and the state

under the laws of which the corporate applicant is incorporated or organized. The City may require the names of all the stockholders and the percentage of stock held by each;

(10) The premises to be licensed, stating the street and number, if the premises has a street number, and otherwise such a description that will reasonably indicate the location of the premises;

(11) A statement that neither the applicant nor any other person referred to in this section has been convicted of; any misdemeanor directly or indirectly attributable to alcoholic beverages; any violation of KRS 218A.050, 218A.060, 218A.070, 218A.080, 218A.090, 218A.100, 218A.110, 218A.120, or 218A.130 within the two (2) years immediately preceding the application; any felony, within five (5) years from the later of the date of parole or the date of conviction; or providing false information to the department preceding the application; and that the applicant or any other person referred to in this section has not had any license that has been issued to him under any alcoholic beverage statute revoked for cause within two (2) years prior to the date of the application; and

(12) A statement that the applicant will in good faith abide by every state and local statute, regulation, and ordinance relating to the manufacture, sale, use of, and trafficking in alcoholic beverages.

(13) If, after a license has been issued, there is a change in any of the facts required to be set forth in the application, a verified supplemental statement in writing giving notice of the change shall be filed with the City ABC Administrator within ten (10) days after the change.

(14) In giving any notice or taking any action in reference to a license, the City ABC Administrator may rely upon the information furnished in the application or in the supplemental statement connected with the application. This information, as against the licensee or applicant, shall be conclusively presumed to be correct. The information required to be furnished in the application or supplemental statement shall be deemed material in any prosecution for perjury.

(C) Each application shall be accompanied by a certified check, bank check or a postal or other money order for the amount of the license fee, less the \$50.00 application fee.

(D) In addition to the above specified information, the applicant shall file with the application responses to any additional questions as may be posed or prescribed by the City ABC Administrator. The City Council has adopted a statement of guidelines and priorities for the issuance of licenses and, in order to determine the extent to which applications may further or impede the objectives of those guidelines, the City Council may, by municipal order, adopt a questionnaire to be submitted to applicants for licenses. Upon adoption of the questionnaire, it shall become a part of the application process. The initial questionnaire adopted by the City Council is a part of this Ordinance and is incorporated in the ordinance codified herein as Exhibit A. The questionnaire may be altered, expanded, supplemented or replaced by order of the City Council hereafter. In addition to the information contained in the application and any city ordered questionnaire, the City ABC Administrator may require such other information as the City ABC Administrator may in his/her discretion deem desirable, reasonable or appropriate to the consideration of the application.



### **10.017 OTHER CONDITIONS.**

In addition to any other inquiries, conditions or considerations required or permitted by law:

(A) The City ABC Administrator shall not grant any alcoholic beverage license or approve a renewal of a license until the applicant and his place of business shall have been approved by the City Building Inspector and any and all other inspections as may required by the Kentucky Building Code or the State fire code.

(B) All applicants shall voluntarily submit to a criminal background check and shall sign a waiver allowing the release of this information to the City ABC Administrator; and

(C) No license to sell alcoholic or malt beverages shall be granted or renewed to any person who is delinquent in the payment of any taxes, utility bills, or fees due the City at the time of issuing the license, nor shall any license be granted or renewed to sell upon any premises or property, owned and occupied by the licensee upon which there are any delinquent taxes, bills, or fees due the City. Further, if a licensee becomes delinquent in the payment of any taxes, bills, or any fees due the City at any time during the license period, the license to sell alcoholic or malt beverages shall be subject to revocation or suspension.

(D) No person, whether an applicant for license, or a licensee, shall in any manner attempt to bribe, threaten, unduly influence or intimidate the City ABC Administrator, or any member of his or her staff, or any State ABC administrator or staff, in any matter in which an application or proposed application for license, or procedure for revocation or suspension is pending before such officer. This section is not intended to stifle expressions of opinion; however, it is intended to make clear that the City and State ABC Administrators are public officials charged with the administration and enforcement of the law, both local and state. Any person applying for a license, or contesting the revocation or suspension of a license, who engages in attempted bribes, threats, attempted undue influence or intimidation of a City or State ABC Administrator or staff shall be disqualified from receiving or retaining a license, in addition to other penalties as provided by law. The procedures for appeals shall apply to disqualifications, revocations or suspensions under this section. This section shall not be interpreted to prohibit monetary settlements in lieu of revocation or suspension of license after a final order or revocation or suspension, where the ordinance and applicable statutes allow for such payments in settlement.

### **10.018 FORM OF LICENSE.**

All city licenses shall be in such form as may be prescribed by the City Council and shall contain:

(A) The name and address of the licensee;

(B) The number of the license;

(C) The type of license;

(D) A description by street and number, or otherwise, of the licensed premises;

(E) The name and address of the owner of the building in which the licensed premises are located;

(F) The expiration date of the license;

(G) A statement in substance that the license is not transferable and shall not be a property or vested right and that it may be revoked at any time pursuant to law.

(H) Each kind of license shall be printed so as to be readily distinguishable from any other kinds of license.

#### **10.019 CHANGE OF INFORMATION.**

(A) If after a license to individuals or to a sole proprietor has been issued, there is a change in any fact required to be set forth in the application, a verified amendment in writing giving notice of the change shall be filed with the City ABC Administrator within ten (10) days of the change.

(B) Since licenses issued by the city may be in the name of corporations or other business organizations, it is necessary that ownership changes in such organizations be reported to the City ABC Administrator. The City ABC Administrator can, therefore, investigate the person to whom the ownership or management is transferred in order to ascertain whether that person is precluded by statute from holding an interest in an alcoholic beverage license.

(1) As used with regard to a partnership, corporation, LLC or other business organization herein, the word "change" is construed to include any change in managers, partners or LLC members, directors or officers of the corporation, or change in ownership or stock whereby any person secures ten percent (10%) of the outstanding ownership or stock. Transfer of more than ten percent (10%) of the total ownership or stock shall require a new license.

(2) The following information will be required concerning any new manager, partner or LLC member, new director, officer, or person securing any interest in alcoholic beverage license:

(a) Name and address;

(b) Nature of interest;

(c) Whether or not a citizen of the United States;

(d) Date of birth and Social Security Number;

(e) Date residence was established in Kentucky, if a resident of Kentucky. If a Marshall County or City resident, indicate when residence was established;

(f) Whether or not he or she has any interest in any other license or in any LLC, corporation, partnership or other business organization holding a license under this act;

(g) Extent of stock or company ownership;

(h) Whether or not he or she has any interest in any license or in any LLC, corporation, partnership or other business organization holding a license in any other state or province.

(3) This information shall be filed with the City ABC Administrator as a verified amendment of the application pursuant to which the license was granted. Filing shall be made within ten (10) days of any change of required information.

#### **10.020 RENEWAL OF LICENSE.**

(A) Every year each licensee shall renew its license. All renewal licenses must be on file with the City ABC Administrator no less than thirty (30) days prior to the expiration of the license for the preceding license period or the same shall be canceled, except where the licensee is unable to continue in business at the same premises licensed during the preceding license period as a result of construction, act of God, casualty, death, the acquisition or threatened acquisition of the premises by any federal, state, city or other governmental agency or private organization possessing power of eminent domain, whether such acquisition is voluntary or involuntary, or loss of lease through failure of landlord to renew existing lease; provided that said licensee shall file a written verified statement no less than twenty (20) days from the expiration date of the license, setting forth these facts, and the City ABC Administrator is hereby authorized to extend the time for filing of a renewal of such license for a reasonable length of time within the sound discretion of the City ABC Administrator; provided, however, such licensee shall pay a license fee from the expiration date of the former license or licenses. Said license fee shall not be payable until application is made for the transfer of said license to a new location.

(B) The renewal by the City ABC Administrator of the license shall not be construed to be a waiver or acceptance of any violation which occurred prior to such renewal and shall not prevent subsequent proceedings against the licensee.

#### **10.021 LOST OR DESTROYED LICENSE.**

When a license shall be lost or destroyed without fault on the part of the licensee or his agent or employee, a duplicate in lieu of the original license shall be issued by the City ABC Administrator after the City ABC Administrator shall have been satisfied as to the facts; provided, however, that the applicant for said duplicate license shall pay a fee of ten dollars (\$10.00) for the duplicate license.

#### **10.022 REVOCATION OR SUSPENSION.**

(A) Any license may be revoked or suspended by the City ABC Administrator if the licensee shall have violated any of the provisions of KRS Chapters 241, 242, 243 or 244, or any rule or regulation of the ABC Board or of the Department of Revenue relating to the regulation of the manufacture, sale and transportation or taxation of alcoholic beverages or if such licensee shall have violated or shall violate any act of Congress or any rule or regulation of any federal board, agency or commission, or this Ordinance now, heretofore, or hereafter in effect relating to the regulation of the manufacture, sale and transportation or taxation of intoxicating liquors or any rules or regulations of the city heretofore in existence or authorized by the terms of Kentucky Revised Statutes Chapters 241, 242, 243 and 244 to be created, irrespective of whether the licensee knew of or permitted the violation or whether the violation was committed in disobedience of his instructions, or any such license may be revoked or suspended for any cause which the City ABC Administrator in the exercise of his or her sound discretion deems sufficient, including, but not limited to, acts of moral turpitude.

(B) A license may be revoked for any of the reasons for which the City ABC Administrator would have been required to refuse a license if the facts had been known.

(C) In addition to the foregoing stated causes, any license may be revoked or suspended for the following causes:

(1) Conviction of the licensee or his agent or employee for selling any illegal beverages on the premises licensed.

(2) Making any false, material statements in an application for a license.

(3) If within a period of two (2) consecutive years, any licensee or any clerk, servant, agent or employee of the licensee shall have been convicted of two (2) violations of the terms and provisions of KRS Chapter 241, 242, 243 or 244 or any act heretofore or hereafter in effect relating to the regulation of the manufacture, sale and transportation of alcoholic beverages or if within such period, any licensee or any clerk, servant, agent or employee of the licensee shall have twice been convicted of any misdemeanor directly or indirectly attributable to the use of alcoholic beverages, or of any felony of any type.

(4) Willful and deliberate failure or default of a licensee to pay an excise tax or any part thereof, or any penalties imposed by or under the provisions of any statutes, this Ordinance or acts of Congress relative to taxation, or for a violation of any rules or regulations of the Department of Revenue made in pursuance thereof.

(5) Setting up, conducting, operating or keeping, on the licensed premises, any gambling game, device, machine or contrivance, or lottery or gift enterprise, or handbook or facility for betting or transmitting bets on horse races; or permitting to be set up, conducted, operated, kept, or engaged in, on the licensed premises, any such game, device, machine, contrivance, lottery, gift enterprise, handbook or facility.

**10.023 PROCEEDINGS FOR REVOCATION OR SUSPENSION OF LICENSE; NOTICE AND OPPORTUNITY TO CONTEST; APPEAL; EFFECT OF REVOCATION OR SUSPENSION.**

(A) Upon the verified complaint of any person, or on the initiative of any certified peace officer or of the City ABC Administrator, the City ABC Administrator may institute proceedings to revoke or suspend any license granted under this Ordinance. A license may be revoked or suspended only after the licensee shall have been given written notice, by certified or registered mail, of the proposed revocation, including notice of the reasons for such proposed action. The licensee shall be given opportunity to be heard in opposition to the proposed revocation or suspension. The notice of proposed action shall advise the licensee of the date, time and place of the hearing. Notice shall be sufficient if mailed to the licensee at the address shown in the last application for a license or in the last statement supplemental to or in amendment of the application, whether or not the mailing is receipted for or claimed. Failure of the licensee to attend the date of the hearing, unless good cause is shown or a continuance is granted, shall conclude the matter.

(B) The hearing shall be conducted before the City Code Enforcement Board and shall be informal. The licensee may present evidence and the Mayor is authorized to swear witnesses. Counsel for the licensee is permitted to attend. In conducting the hearing, the Code Enforcement Board shall be limited to determining whether or not the City ABC Administrator abused his or her discretion in deciding upon the action to be taken. The Code Enforcement Board may affirm,

modify, or reverse the action taken by the City ABC Administrator, at which time the licensee may seek further appeal under KRS 243.550.

(C) Within three (3) days after any order of revocation or suspension of a license becomes final, notice of revocation shall be given to the licensee and to the owner of the licensed premises. A notice mailed to the licensee and to the owner of the licensed premises at the address shown in the last application for a license or in the last statement supplemental to the application shall be deemed sufficient compliance with this section. The licensee shall at once surrender his license to the City ABC Administrator. If the revoked or suspended license is not forthwith surrendered by the licensee, the Chief of Police or a Benton Police Officer, at the request of the City ABC Administrator shall immediately take physical possession of the license and return it to the City ABC Administrator.

(D) When a license has been revoked or suspended, the former licensee may, with prior approval of the City ABC Administrator, dispose of and transfer his stock of alcoholic beverages to an appropriate entity.

(E) Appeal from the decision of the Code Enforcement Board affirming the City ABC Administrator revoking or suspending a license shall be to the State ABC Board. The timely filing of an appeal shall stay further proceedings for revocation.

(F) If a license is revoked or suspended by an order of the City ABC Administrator, and the decision is not appealed, the licensee shall at once suspend all operations authorized under his or her license. Upon the entry of a final order of the State ABC Board sustaining or ordering revocation or suspension on appeal, the licensee shall at once suspend all operations authorized under this license.

#### **10.024 TRANSFER OR ASSIGNMENT.**

No license issued under this Ordinance shall be transferred or assigned either as to licensee or location except with prior approval of the City ABC Administrator and not then until a payment of one hundred dollars (\$100.00) shall be made to the city.

(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 City ABC Administrator in the exercise of his sound discretion. For the purposes of this section where applicable, 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 City ABC Administrator. The City ABC Administrator 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 City ABC Administrator.

(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 from the transferee as is required for a new applicant for license.

(7) The notice and publication requirements for a proposed transfer shall be the same as those set forth in Section 10.024 of this ordinance.

(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 City ABC Administrator.

(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 City for any unpaid license fees or license regulatory fees under this Ordinance.

#### **10.025 REFUSAL OF LICENSE; GUIDELINES FOR APPROVAL OF QUOTA LICENSES.**

(A) The City ABC Administrator may refuse to issue or renew a license for any of the following reasons:

(1) Causes for refusal to issue or renew a license and for suspension or revocation of a city license shall be the same as provided for state licenses according to KRS 243.450, 243.490 and 243.500, as well as violation of any city ordinance regarding alcohol beverage licensing, sales or the administration thereof;

(2) If the applicant has done any act for which a revocation of license would be authorized;  
or

(3) If the applicant has made any false material statement in his or her application.

(B) In the case of quota licenses, before approving an application, the City ABC Administrator is hereby directed to consider, in addition to the factors set out in KRS 243.450, 243.490 and 243.500, and any other factors the City ABC Administrator determines in his or her discretion to be reasonable and pertinent to the license application, the following criteria:

(1) Ownership: The City Council places great value on business owners who are invested in the community.

(2) Economic impact: The City Council desires businesses which make the most positive impact on the community, in number of jobs, payroll, property investment and revenues to the city.

(3) Site of business: The City Council is interested in serving all geographic areas of the city. Therefore, the city does not wish to cluster all licensed ABC outlets in one area.

(4) Aesthetics: The City Council is committed to protecting the character and beauty of our community.

(5) Capital: The City Council values businesses that demonstrate their ability to financially support and sustain their viability. Financial capability of the proposed proprietor is important.

(6) Public support of licensed business in the area: The City Council intends that public sentiment and safety be considered in deciding upon the approval of retail liquor sales licenses in any area of the city.

(C) An applicant who has been refused a license by the City ABC Administrator may appeal the refusal to the ABC Board pursuant to KR 241.200.

#### **10.026 REVIEW OF LICENSE; BOOKS, RECORDS AND REPORTS.**

(A) Applicants to whom a license is issued pursuant to this Ordinance shall provide periodic information demonstrating compliance with the conditions of any license, such as, but not limited to, the continuing requirement that a minimum percentage of the applicant's business income is earned from the sale of food. This documentation shall be provided on a schedule to be coordinated with the applicant's quarterly regulatory fee filings. The City shall provide the form schedule to the licensee. The licensee's acceptance of a license to manufacture or traffic in alcoholic beverages shall constitute consent to the filing of the quarterly report. In the case of caterer filing, the quarterly report shall identify each catered event by type of event, date and address of the event, and shall provide a per event breakdown of sales and the ratio of food sales to alcohol sales during the reporting period. This requirement for filing of reports notwithstanding, the City may at any time come upon the premises of any licensee and examine the books, audio and visual recordings and records to determine whether the licensee is in compliance with all parts of this Ordinance. Licensee shall be required to maintain all available video/audio recordings for a minimum of thirty (30) days. In the event the conditions of any license requirement are not met during any particular quarter, the City ABC Administrator shall have discretion in determining whether revocation is appropriate or whether the licensee may be allowed a reasonable period of time to reach compliance, If a good faith effort is demonstrated by the licensee, the City ABC Administrator may apply an accounting period of at least one (1) year in determining whether or not the food sale percentage requirement has been met.

(B) (1) Every licensee under this Ordinance shall keep and maintain upon the licensed premises adequate books and records, including audio and video recordings, of all transactions involved in the sale of alcoholic beverages in the same manner required by the rules and regulations of the ABC Board. Licensee shall be required to maintain all video/audio recordings for a minimum of thirty (30) days. Such books and records shall be available at all reasonable

times for inspection by the City ABC Administrator and such city employees who may assist the City ABC Administrator in his or her review.

(2) For the purpose of assisting the City ABC Administrator in enforcement of this Ordinance, every licensee required to report to the ABC Board under KRS 243.850 shall provide a copy of such report to the City ABC Administrator. Copies of any and all reports and correspondences to the ABC Board required by statute shall be furnished to the City ABC Administrator.

#### **10.027 DORMANCY.**

(A) It is necessary that a licensee actually conduct the business authorized by such a license or else the license will be declared dormant and become null and void after ninety (90) days. Such is the intent of this section. Realizing that a licensee, like other business, may have his business interrupted by situations not under his control, various exceptions to the dormancy rule have been included in this section.

(B) Any license under which no or substantially no business is transacted during a period of ninety (90) days shall be deemed inactive and, unless the conditions set forth in division (D) below are proved to the satisfaction of the City ABC Administrator, the license shall be surrendered to the City ABC Administrator. If the license is not voluntarily surrendered, it shall be revoked by the City ABC Administrator.

(C) For purposes of the preceding section, "no or substantially no business" means that there were either no alcohol transactions during the ninety (90) day period in question, or by using comparable data, the City ABC Administrator determines in his or her discretion that the license is being underutilized to a significant degree. Comparable data available to the City ABC Administrator may include, but not be limited to, sales data from comparable businesses and past sales data of the licensee in question.

(D) The provisions of division (B) of this section shall not apply to any licensee who is unable to continue in business at the premises for which a license is issued due to construction, an act of God, casualty, death, the acquisition of the premises by any federal, state, city or other governmental agency under power of eminent domain, whether acquisition is voluntary or involuntary, or loss of lease through failure of landlord to renew existing lease. Prior to the expiration of ninety (90) days of inactivity, such licensee shall furnish to the City ABC Administrator a verified statement setting forth the fact that the licensee is unable to continue in business, for any of the specific reasons set forth herein, and the City ABC Administrator may grant an extension of the dormancy with the license continuing to remain in effect during the license period or until same is transferred to another premises, notwithstanding the fact that no business is transacted during said period; provided, however, no such license shall be considered valid unless business is conducted there within twelve (12) months from the date of notice to the City ABC Administrator. Such extension may not extend beyond the renewal date but may be for such times as the City ABC Administrator deems appropriate in exercise of his or her sound discretion.



## MISCELLANEOUS PROVISIONS

### 10.028 HOURS FOR SALE AND DELIVERY.

(A) Unless otherwise set forth specifically herein, a licensee for distilled spirits, wine or malt beverages by the drink shall be permitted to sell or dispense distilled spirits, wine and/or malt beverages by the drink between the hours of 6:00 a.m. on each day of the week and until 12:00 (midnight) and on Sundays between the hours of 12:00 (noon) until 12:00 (midnight).

(B) Retail package distilled spirits and wine sales and package malt beverage sales shall be permitted from 6:00 a.m. until 12:00 (midnight), each day of the week, except there shall be absolutely no Sunday sales. If any establishment remains open after midnight and/or Sunday, all coolers containing alcoholic beverages must be locked. All distilled spirits and wines not kept in coolers must be locked up. Any displays of malt beverages must have a sign with lettering not less than two inches in heights reading "NO SALES AFTER MIDNIGHT AND NO SUNDAY SALES". This sign must be atop every display and in cases where establishments have aisles of malt beverages, a larger sign, with letters not less than four inches in height, must be placed at the entrance and exit of each aisle.

(C) A licensee shall not sell, give away, or deliver any alcoholic beverage or permit any alcoholic beverage to be sold, given away, or delivered on the licensed premises during non-permitted hours for sale and delivery. A licensee shall not permit the consumption of alcoholic beverages on the licenses premises past 12:00 (midnight).

(D) A licensee may sell and dispense alcoholic beverages on New Year's Eve until 2:00 a.m. on January 1, regardless of the day of the week on which New Year's Eve may occur, provided the appropriate license has been obtained from the City and the State ABC Board. Alcoholic beverages may be sold and dispensed until 2:00 a.m. on January 1.

### 10.029 CONDITIONS, PROHIBITIONS AND RESTRICTIONS.

(A) No gambling or game of chance unless otherwise authorized by the Commonwealth of Kentucky shall be permitted in any form on such licensed premises. Dice, slot machines, or any device of chance is prohibited and shall not be kept on such premises.

(B) It shall be unlawful for any licensee licensed under this Ordinance to have or maintain any radio receiving apparatus on such premises which is intentionally adjusted so as to receive police messages broadcast from any law enforcement agency. In addition to other penalties provided for the violation of this section, any City Police Officer or the City ABC Administrator, or his or her designated investigator, shall have the authority to confiscate any and all such radio receiving apparatus.

(C) The licensee shall be responsible for maintaining security on his premises including providing adequate outside lighting to permit customers to utilize the parking area and to promote the safety, health and welfare of the general public utilizing the licensed premise. Security standards are further necessary to discourage unlawful activity in and around the licensed premises.

(D) It shall be unlawful for the licensee under this Ordinance who sells alcoholic beverages of any kind to give away or offer to give away anything tangible of value as a premium or prize, or for any other purpose in direct connection with the sale of alcoholic beverages nor shall any licensee give away any alcoholic beverage in any quantity for less than a full monetary consideration.

(E) No licensee or agent or employee of the licensee shall permit any person to become drunk or intoxicated on the premises, nor shall any licensee sell alcoholic beverages to any person who is actually or apparently under the influence of alcoholic beverages, or known to the seller or server to be an habitual drunkard or any person known to the seller or server to have been convicted of drunkenness as many as three (3) times within the most recent twelve (12) month period. No licensee shall permit any person who is actually or apparently under the influence of alcoholic beverages to remain on the licensed premises. As used herein, whether a person is actually or apparently under the influence of alcoholic beverages shall be determined by the licensee or server with specific reference to the principles and guidelines established in mandatory alcohol server training as to the signs of alcohol intoxication.

(F) The licensee shall not sell or dispense alcoholic beverages to any person who is under 21 years of age. The licensee shall check all identifications to ascertain that every person attempting to purchase or consume alcoholic beverages is at least 21 years of age.

(G) The licensee shall display at all times in a prominent place a sign at least 8" x 11" in 30 point or larger type which states as follows:

Persons under the age of twenty-one (21) are subject to criminal prosecution if they:

1. Enter licensed premises to buy, or have served to them, alcoholic beverages.
2. Possess, purchase or attempt to purchase, or get another to purchase alcoholic beverages.
3. Misrepresent their age for the purpose of purchasing or obtaining alcoholic beverages.

(H) The licensee, before commencing any business for which a license has been issued, shall post and display at all times in a conspicuous place in the room or principal room where the business is carried on so that all persons visiting the place may readily see the license. The licensee shall not at any time post the license on premises other than the licensed premises or upon premises where traffic in alcoholic beverages is being carried on by any person other than the licensee, or knowingly deface, destroy or alter the license in any respect.

(I) The licensee shall post in a prominent place easily seen by patrons a printed sign at least eleven (11) inches by fourteen (14) inches in size, with letters at least one (1) inch high, supplied by the Alcoholic Beverage Control Commission, and with gender-neutral language supplied by the Cabinet for Health Services, which shall warn that drinking alcoholic beverages prior to conception or during pregnancy can cause birth defects. A person who violates this subsection shall be subject to a fine of not less than ten dollars (\$10.00) nor more than fifty dollars (\$50.00). KRS 243.895.

(J) No wholesaler or distributor shall sell any alcoholic beverages to any person in the city for any consideration except under the usual credit or cash terms of the wholesaler or distributor at

or before the time of delivery. No retail licensee shall sell to a purchaser for any consideration except for cash at time of purchase.

(K) No licensee shall knowingly employ in connection with his or her business any person who:

- (1) Has been convicted of any felony within the last two (2) years;
- (2) Has been twice convicted of any misdemeanor or offense directly or indirectly attributable to the use of intoxicating liquors within the last two (2) years;
- (3) Is under the age of twenty (20) years who will be serving alcoholic beverages or who will be having any contact whatsoever with the sale of alcohol as defined under state statute;
- (4) Within two (2) years prior to the date of his or her employment, has had any City license under This Ordinance revoked for cause.

(L) Licensees shall be prohibited from offering reduced price drink specials (e.g discounts, two-for-one, happy hours) from 6:00 p.m. to closing.

(M) No licensee shall offer or permit nudity, adult entertainment activities, including nude or nearly nude dancing, adult motion picture, television, slide or stage shows, cabarets or sexual entertainment centers on any licensed premise. No licensee shall permit explicit sexual activity, whether actual or simulated, upon any licensed premises. No licensee shall sponsor or permit wet t-shirt or wet clothing contests, lingerie fashion shows, mud wrestling or similar activities, nor shall a licensee allow dancing with touching for compensation (including but not limited to wages, tips or gratuities), or any other service, display or contest requiring physical contact between patrons and/or patrons and employees on any licensed premises. No licensee shall sponsor, offer or permit drinking contests, all-you-can-drink specials or free drinks on any licensed premise in the city.

(N) No license shall be issued for any premises to operate a vehicle "drive-through" outlet for the sale of alcoholic beverages, nor shall any person or licensee operate or permit such a vehicle drive-through outlet. This prohibition shall not apply to a drive-up window at any premises licensed for retail package liquor, wine or malt beverage, including retail beer, where the primary sales area is arranged for and utilized by persons entering the premises on foot and manually carrying out the products purchased therein.

(O) Retail premises shall not be disorderly.

(1) A retail licensee, a patron, or the, licensee's agents, servants, or employees shall not cause, suffer, or permit the licensed premises to be disorderly.

(2) Acts which constitute disorderly premises consist of causing, suffering, or permitting patrons, the, licensee, or the licensee's servants, agents, or employees to cause public inconvenience, annoyance or alarm or create a risk through:

- (a) Engaging in fighting or in violent, tumultuous, or threatening behavior;
- (b) Making unreasonable noise;

(c) Refusing to obey an official order to disperse issued to maintain public safety in dangerous proximity to a fire hazard or other emergency;

(d) Creating a hazardous or physically offensive condition by any act that serves no legitimate purpose;

(e) Creating a public nuisance which is further defined by KRS 241.010(39);

(f) Engaging in criminal activity that would constitute a capital offense, felony, or misdemeanor; or

(g) Failing to maintain the minimum health, fire, safety, or sanitary standards established by the state or local government, or by state administrative regulations, for the licensed premises.

(Q) No license for quota retail package cells shall be issued for any proposed business situs other than in a C-1 or C-2 zone within the City. All locations within each of these zones shall be subject to the provisions of the City's Planning and Zoning Ordinance.

(R) Violation of this section shall subject the licensee to penalties provided in this Ordinance and shall be cause for revocation of license.

**10.030 POSSESSION BY MINORS PROHIBITED; NO PERSON SHALL AID POSSESSION BY MINORS.**

(A) Except as specifically authorized under KRS 241 through 244, no person under the age of 21 may possess alcoholic beverages or enter onto any licensed premises for the purpose of acquiring alcoholic beverages.

(B) As provided in KRS 244.085, no person under the age of 21, except in the company of a parent or guardian, may enter any premises licensed for the package sale of alcoholic beverages. For purposes of this prohibition, "premises" specifically encompasses the entire lot upon which a licensed establishment is situated, including any drive-up window. The prohibition contained in this section (B) shall not apply to premises where the usual and customary business of the establishment is a gas station, convenience store, grocery store, drugstore, or similar establishment.

(C) No person shall knowingly allow, aid, assist, induce, cause or otherwise encourage any minor to be in possession of or use or consume alcoholic beverages. All licensees shall require proof of age of all persons attempting to purchase or consume alcoholic beverages on the licensee's premises.

(D) No person being the owner or occupant or otherwise in possession or control of any property located within the city shall knowingly allow any minor to remain on such property while in possession of, using or consuming alcoholic beverages.

(E) It shall be a defense to any prosecution under this section if the person charged, upon discovery of said minor individuals, manifests a proper effort to enlist the aid of and cooperate with law enforcement personnel in stopping the minor individuals' possession, consumption or use of alcoholic beverages, or that the minor individuals' possession of alcoholic beverages was exempted by KRS 244.087.

**10.031 CONSUMPTION ON LICENSED PACKAGE PREMISES PROHIBITED; CONGREGATING ON CERTAIN ABC LICENSED PREMISES AND VACANT PREMISES PROHIBITED.**

(A) (1) No licensee of a package store, whether trafficking in distilled spirits, wine or malt beverages, shall permit consumption of alcoholic beverages on the premises. A licensee shall post a prominent notice on the premises stating that consumption of alcoholic beverages on premises is prohibited.

(2) This restriction regarding on premises consumption shall not prohibit sampling as allowed for microbreweries and wineries under the provisions of KRS Chapter 243, or where sampling is permitted for a retail distilled spirits and wine licensee under the provisions of KRS 244.050, or beer tastings as permitted in 804 KAR 11:030.

(B) No person or entity operating a package liquor store, whether trafficking in distilled spirits, wine or malt beverages, including retail package beer licensees, shall knowingly allow or permit habitual congregating of persons on the unenclosed portion of the licensed premises so as to constitute a public nuisance.

(C) No person or entity being the owner or otherwise in possession or control of any vacant property shall knowingly allow or permit habitual congregating of persons on the unenclosed portion of such property so as to constitute a public nuisance.

(1) No persons shall congregate for the purposes, under the circumstances, or in the places proscribed in divisions (A) and (B) of this section.

(2) It shall be a defense to any prosecution under division (A) or (B) of this section if such licensed vendor or property owner shall post or permit law enforcement to post and maintain a legible, painted or printed sign in at least two (2) separate prominent places in such area, in letters of not less than three (3) inches in height, stating that congregating of persons is prohibited and that violators shall be prosecuted for trespass pursuant to KRS 511.080.

(3) As used in this section, the term:

(a) "HABITUAL" shall mean consistent, that is, by frequent practice or use, but not necessarily constant or exclusive;

(b) "PACKAGE LIQUOR STORE" shall mean a retail establishment selling distilled spirits, wine and malt beverages in package containers pursuant to licenses issued for those purposes;

(c) "PUBLIC NUISANCE" shall mean any activity that endangers or interferes with the general use and enjoyment of neighboring property, passers-by or the health, safety and welfare of the public; and

(d) "VACANT PROPERTY" shall mean a vacant lot on which no building or other structure exists or property on which any structure is unoccupied or unused, or which otherwise reflects abandonment by the owner or person with the right of occupancy.

### **10.032 MALT BEVERAGE KEG REGISTRATION.**

(A) As used in this section, “KEG” is defined as a container designed and capable of holding six (6) or more gallons of malt beverage.

(B) All retail licensees (herein after referred to as “licensee”) operating within the City of Benton who sell malt beverages in kegs for consumption off the premises of the licensee shall attach a control label. The label must have a control number, and the name of the business. Each label must be affixed to each keg at the time of sale and shall require the purchaser to complete and sign a keg registration form for the keg stating the following:

- (1) The purchaser is of legal age to purchase, possess and use the malt beverage;
- (2) The purchaser is not purchasing the keg for resale and will not allow any person under the age of twenty-one (21) to consume the malt beverage;
- (3) The purchaser will not remove, obliterate or allow to be removed or obliterated the identification label;
- (4) The purchaser will state the property address where the keg will be consumed and physically located; and
- (5) The purchaser is aware of his/her duty to maintain a copy of the keg registration form visible and readily accessible from the location of the keg.

(C) The licensee shall obtain the name, address and telephone number of the purchaser and shall require the purchaser to produce a valid driver’s license number and, if that is not available, to produce at least one other valid form of identification.

(D) The licensee shall retain copies of the keg registration forms for a period of one year and shall make the keg registration form available for inspection by state and local alcoholic beverage control officers and other enforcement officers.

(E) The keg registration form shall be forwarded to the City ABC administrator within five (5) working days in all situations when the keg is not returned or is returned with the identification label removed or obliterated.

(F) The City ABC administrator is authorized to develop appropriate rules and regulations and to develop and make available keg registration forms.

(G) All licensees that sell or offer for sale kegs shall post on the licensed premises a notice provided by the City concerning the provisions of this section.

(H) It shall be unlawful for any licensee to sell or offer for sale kegs without the identification labels attached and the keg registration form completed. It shall also be unlawful for any person to remove or to obliterate the identification label or to fail to have the declaration form visible and readily accessible from the location of the keg.

### **10.033 ENFORCEMENT.**

All certified peace officers and the City ABC Administrator are authorized to enforce this Ordinance for alleged violations.

#### **10.034 MANDATORY RESPONSIBLE BEVERAGE SERVICE TRAINING.**

(A) All persons employed in the selling and serving of alcoholic beverages by the drink are to participate in and complete a city-approved responsible beverage service training program. For a responsible beverage service training program to be approved by the city, it must effectively train its participants in the identification of false age documents and recognition of characteristics of intoxication. The city will not require enrollment in particular classes, but only that the training be obtained from a recognized program meeting the goals expressed in this Ordinance.

(B) All persons required to complete training under division (A) of this section shall complete that training within thirty (30) days of the date on which the person first becomes subject to the training requirement. When a new business is licensed to serve alcoholic beverages all employees must be trained prior to the opening of the business.

(C) Each licensee shall be responsible for compliance with the training requirements and shall maintain, for inspection by the City ABC Administrator, a record or file on each employee that shall contain the pertinent training information. Each premise licensed hereunder must at all times when alcoholic beverages are being served have at least one person currently certified in responsible beverage service training on duty.

(D) All persons completing the training required by this section shall be re-certified in responsible beverage service training from a program approved by the city not less than once every three years thereafter.

#### **10.035 SIGNS AND ADVERTISING.**

(A) No sign, banner, poster or other type of display advertising which refers, either directly or indirectly, to alcoholic beverages, shall be displayed on, nor shall it be visible from, the exterior of any premises licensed for the sale of alcoholic beverages, except that reference to such may be included in the name of the business. This restriction shall not prevent any licensee from placing in the window of the licensed premises business price cards not larger than 2 ½ inches in size, setting forth the price at which he offers alcoholic beverages for sale.

(B) No flashing, oscillating, rotating, shimmering, or other lights demonstrating movement, or the illusion of movement, shall be used to illuminate, or be visible from, the exterior of any premises licensed under this chapter.

(C) It shall be unlawful for any person holding any license under this chapter to give away or offer to give away anything tangible of value as a premium or prize, or for any other purpose in connection with the sale of alcoholic beverages.

(D) Any advertising by any licensee under this chapter shall be in compliance with this chapter, KRS 244.130, and any regulation promulgated pursuant to KRS 244.130.

(E) Any off premises signage advertising the sale of alcoholic beverages is prohibited.



## 10.036 PATIO AND OUTDOOR SALES

(A) Patio and outdoor sales of alcoholic beverages shall be permitted only on premises licensed for sales of alcoholic beverages by the drink.

(B) Procedure. Anyone wishing to obtain an outdoor alcoholic beverage license must first have obtained a liquor by the drink license.

(1) Application for an outdoor alcoholic beverage license shall be made to the City ABC Administrator.

(2) If a restaurant has obtained an outdoor alcoholic beverage license, but moves to a new location or if the outdoor alcoholic beverage area is altered or relocated at the existing premises, the permit shall be automatically terminated and a new application will be required.

(C) Required conditions. The City may only grant an outdoor alcoholic beverage license if the following conditions are met:

(1) The only entrance and exit to the outdoor alcoholic beverage area shall be through the principal structure. The perimeter of the outdoor alcoholic beverage area shall be clearly defined with decorative walls or fencing at a minimum height of three (3) feet so as to provide control over the operation of the outdoor alcoholic beverage area in conjunction with the landscaping requirements as prescribed in section two (2); otherwise, a solid enclosure at a minimum height of four (4) feet is required. The outdoor alcoholic beverage area is intended to provide separation from pedestrians. One (1) emergency exit is required for the outdoor area done in accordance with any applicable fire codes.

(2) Some combination of evergreen vegetation or landscaping will be required, around the perimeter of the outdoor alcoholic beverage area, to provide partial screening at a minimum height of four (4) feet with plantings spaced on a maximum of a four (4) foot center. These requirements will not be used to reduce or minimize any other screening ordinance in place.

(3) A seating plan must be submitted along with the proposed surface area. The seating plan will be reviewed to provide recommendations. The surface area of the outdoor alcoholic beverage area should generally be a hard surface.

(4) Lighting is required. The lighting shall be of a subdued nature and not imposing to any adjacent property.

(5) All plans are to be reviewed and approved by the City prior to issuance of an outdoor alcohol beverage license.

(6) Any restaurant not in compliance with this section on the day of its adoption shall have one hundred and twenty (120) days to come in compliance.

(7) The licensee shall at all times ensure that the operation of an outdoor seating area does not unreasonably interfere with the quiet enjoyment of neighboring properties.

(D) Notwithstanding the foregoing requirements which contemplate a completely enclosed outdoor seating area, an application for an outdoor alcoholic beverage license may be approved



if the applicant can demonstrate that one or more natural or artificial barriers will provide an adequate means of:

(1) Preventing persons who are under the age of 21 from purchasing or consuming alcoholic beverages;

(2) Preventing persons who did not enter the premises from one of the main entrances from entering the outdoor seating area;

(3) Preventing persons from leaving the premises, unless it is an emergency, without exiting through one of the main entrances;

(4) Permitting, at any given time, the licensee to quickly and readily provide a reasonably accurate head count of the number of patrons in the outdoor seating area.

#### **10.037 MISCELLANEOUS**

(A) If any of the provisions of this Ordinance are found to be in conflict with applicable statutes or regulations, the applicable statutes and/or regulations shall control.

(B) The invalidity of one or more provisions of this Ordinance shall not affect the applicability or enforceability of the remaining provisions.

(C) This ordinance shall be in full force and effect on and after its passage and publication as required by law.

#### **10.038 PENALTIES.**

(A) In addition to any criminal prosecution instituted in Marshall District Court against an alleged violator pursuant to subsection (B) of this provision or under other state law, the City ABC Administrator may assess the fines and penalties authorized in KRS 243.480, including the per diem assessments for ongoing violations. Should the fines or penalties assessed by the state change under KRS 243.480, then the fines or penalties under this Ordinance shall be adjusted accordingly to mirror the fines or penalties imposed by state law. Payment of all fines shall be made to the city to be deposited in the appropriate designated account. For any violation of this Ordinance for which civil fines under KRS 243.480 are not applicable or appropriate, the City ABC Administrator may impose a fine of between fifty (\$50.00) dollars to five hundred (\$500.00) dollars, per violation, per day. Civil fines issued under this subsection may be appealed to the Code Enforcement Board in the same manner as set out in Section 10.033 of this Ordinance. If the offending licensee is a partnership, LLC, corporation, or any other business entity, the fines may be levied against the organization or against the principal officers or agents responsible for the violation.

(B) Any person, firm or corporation who violates any of the provisions of this Ordinance, for which no other penalty is hereby provided, shall, for the first offense, be fined not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) or imprisoned in the county jail for not more than six (6) months, or both, and for the second and each subsequent violation, he or she shall be fined not less than two hundred dollars (\$200.00) nor more than five hundred dollars (\$500.00) or imprisoned in the county jail for not more than six months, or both. The penalties provided for in this subsection shall be in addition to the revocation or suspension

of the offender's license. Each day that an offending condition is present shall constitute a separate offense. If the offender is a corporation, LLC, joint stock company, association or other business organization, or a fiduciary, the principal officer or officers responsible for the violation may be fined, imprisoned, or both.

Passed this the 14 day of September, 2015.

  
RITA DOTSON, MAYOR

ATTEST:

  
MICHELE EDWARDS, CITY CLERK

FIRST READING: 8-24-2015  
SECOND READING: 9-14-2015  
PUBLICATION: 9-23-2015

COUNCIL MEMBERS VOTING:

	<u>AYE</u>	<u>NAY</u>
CHARLES EDMONDS	<u>✓</u>	<u>✓</u>
STANLEY HOLLAND	<u>✓</u>	<u>_____</u>
TIM KING	<u>Absent</u>	<u>_____</u>
CHRIS FREELAND	<u>✓</u>	<u>_____</u>
RITA MURRAY	<u>✓</u>	<u>_____</u>
SHERRA RILEY	<u>_____</u>	<u>✓</u>

**“AN ORDINANCE REGULATING ALCOHOLIC BEVERAGES IN THE CITY OF BENTON.”** This Ordinance is summarized as follows:

Pursuant to the provisions of KRS 241 through 244 the City Council of the City of Benton, Kentucky (City) has enacted an Ordinance to establish uniform regulations and requirements for the licensing, the manufacturing and sale of alcoholic beverages in the City and to establish those fees and penalties applicable thereto.

(a) The City shall impose the following license fees:

1. Distilled spirit license	
Distiller’s license, per annum	\$500.00
Rectifier’s license, per annum	\$3,000.00
Wholesaler’s distilled spirits and wine license, per annum	\$3,000.00
Quota retail package license, per annum	\$1,000.00
2. Special temporary license, per event	\$166.66
3. Non-quota type 1 retail drink license (includes distilled spirits, wine, and malt beverages, per annum	\$2,000.00
4. Non-quota type 2 retail drink license (includes distilled spirits, wine, and malt beverages), per annum	\$1,000.00
5. Non-quota type 3 retail drink license (includes distilled spirits, wine, and malt beverages), per annum	\$300.00
6. Distilled spirits and wine special temporary auction license, per event	\$200.00
7. Special Sunday retail drink license, per annum	\$300.00
8. Extended hours supplemental license, per annum	\$2,000.00
9. Caterer’s license, per annum	\$800.00
10. Bottling house or bottling house storage license, per annum	\$1,000.00
11. Malt beverage licenses as follows:	
(a) Brewer’s license, per annum	\$500.00
(b) Microbrewery license, per annum	\$500.00

(c) Malt beverage distributor's license, per annum	\$400.00
(d) Non-quota retail malt beverage Package license, per annum	\$200.00
(e) Non-quota type 4 retail malt Beverage drink license per annum	\$200.00
(f) Malt beverage brew-on-premises, Per annum	\$100.00
12. Limited restaurant license (includes distilled spirits, wine, and malt beverages), per annum	\$1,200.00
13. Limited golf course license (includes distilled spirits, wine, and malt beverages), per annum	\$1,200.00
14. The fee for each of the first five (5) supplemental bar licenses shall be the same as the fee for the primary drink license. There shall be no charge for each supplemental license issue in excess of five (5) to the same licensee at the same premises	
15. The holder of a non-quota retail malt beverage package license may obtain a Non-quota type 4 malt beverage drink license for a fee of fifty dollars (\$50.00). The holder of a Non-quota type 4 malt beverage drink license may obtain a non-quota retail malt beverage package license for a fee of fifty dollars (\$50.00).	

(b) The City shall impose a regulating license fee as follows:

(A) Pursuant to KRS 243.075, there is hereby imposed a regulatory license fee on the gross receipts of sale of alcoholic beverages of each license issued by the City ABC Administrator. As of the time of adoption of this Ordinance, the regulatory license fee shall be six percent (6%) of gross sales of all alcoholic beverages sold by the drink. In the case of retail sales of package distilled spirits and wine, the regulatory license fee shall be six percent (6%) of gross sales. The regulatory license fee shall be six percent (6%) on gross retail sales of package malt beverages. Thereafter, the City Council shall adopt at the budget adoption for each subsequent fiscal year, such annual rate for the regulatory license fee as shall be reasonably estimated to ensure full reimbursement to the city for the cost of any additional policing, regulatory, or administrative expense related to the sale of alcoholic beverages in the city. Should the City Council fail to

address the regulatory license fee in any budget, then the regulatory license fee shall remain at the level at which it was last fixed until such time as the City Council shall adjust the fee.

(B) Payment of such regulatory fee shall be remitted to the city and shall be held in a separate account maintained for the purpose of fully reimbursing the city for the estimated cost of any additional policing, regulatory or administrative expense related to the sale of alcoholic beverages in the city. The regulatory license fee shall be in addition to any other taxes, fees or licenses permitted by law, except that a credit against a regulatory license fee in the city shall be allowed in an amount equal to any license fee imposed by the city pursuant to KRS 243.070. Payment of the regulatory license fee shall be made quarterly on forms to be provided by the City, with payment in full for the year being due no later than November 30 of each calendar year, or at the surrender or revocation of a license or licenses, whichever occurs sooner. No license renewals shall issue unless and until the regulatory license fee has been paid in full.

(C) Failure to pay such quarterly remittance within ten (10) days of the due date constitutes a violation and subjects licensee to suspension or revocation.

(D) Penalty for failure to file a return and pay quarterly remittance by the due date is five percent (5%) of the tax for each ninety (90) days or fraction thereof. The total late filing penalty shall not exceed twenty-five percent (25%) of the tax; provided, however, that in no case shall the penalty be less than ten dollars (\$10.00).

(E) Interest at the rate of eight percent (8%) per annum will apply to any late payments.

(c) The hours of sale and delivery shall be:

(A) Unless otherwise set forth specifically herein, a licensee for distilled spirits, wine or malt beverages by the drink shall be permitted to sell or dispense distilled spirits, wine and/or malt beverages by the drink between the hours of 6:00 a.m. on each day of the week and until 12:00 (midnight). There shall be absolutely no sales under this section on Sundays.

(B) Retail package distilled spirits and wine sales and package malt beverage sales shall be permitted from 6:00 a.m. until 12:00 (midnight), each day of the week, except there shall be absolutely no Sunday sales. If any establishment remains open after midnight and/or Sunday, all coolers containing alcoholic beverages must be locked. All distilled spirits and wines not kept in coolers must be locked up. Any displays of malt beverages must have a sign with lettering not less than two inches in heights reading "NO SALES AFTER MIDNIGHT AND NO SUNDAY SALES". This sign must be atop every display and in cases where establishments have aisles of malt beverages, a larger sign, with letters not less than four inches in height, must be placed at the entrance and exit of each aisle.

(C) A licensee shall not sell, give away, or deliver any alcoholic beverage or permit any alcoholic beverage to be sold, given away, or delivered on the licensed premises during non-permitted hours for sale and delivery. A licensee shall not permit the consumption of alcoholic beverages on the licenses premises past 12:00 (midnight).

(D) A licensee may sell and dispense alcoholic beverages on New Year's Eve until 2:00 a.m. on January 1, regardless of the day of the week on which New Year's Eve may occur, provided the

appropriate license has been obtained from the City and the State ABC Board. Alcoholic beverages may be sold and dispensed until 2:00 a.m. on January 1.

(d) The penalties imposed for violations of this Ordinance are:

(A) In addition to any criminal prosecution instituted in Marshall District Court against an alleged violator pursuant to subsection (B) of this provision or under other state law, the City ABC Administrator may assess the fines and penalties authorized in KRS 243.480, including the per diem assessments for ongoing violations. Should the fines or penalties assessed by the state change under KRS 243.480, then the fines or penalties under this Ordinance shall be adjusted accordingly to mirror the fines or penalties imposed by state law. Payment of all fines shall be made to the city to be deposited in the appropriate designated account. For any violation of this Ordinance for which civil fines under KRS 243.480 are not applicable or appropriate, the City ABC Administrator may impose a fine of between fifty (\$50.00) dollars to five hundred (\$500.00) dollars, per violation, per day. Civil fines issued under this subsection may be appealed to the Code Enforcement Board in the same manner as set out in Section 10.033 of this Ordinance. If the offending licensee is a partnership, LLC, corporation, or any other business entity, the fines may be levied against the organization or against the principal officers or agents responsible for the violation.

(B) Any person, firm or corporation who violates any of the provisions of this Ordinance, for which no other penalty is hereby provided, shall, for the first offense, be fined not less than one hundred dollars (\$100.00) nor more than five hundred dollars (\$500.00) or imprisoned in the county jail for not more than six (6) months, or both, and for the second and each subsequent violation, he or she shall be fined not less than two hundred dollars (\$200.00) nor more than five hundred dollars (\$500.00) or imprisoned in the county jail for not more than six months, or both. The penalties provided for in this subsection shall be in addition to the revocation or suspension of the offender's license. Each day that an offending condition is present shall constitute a separate offense. If the offender is a corporation, LLC, joint stock company, association or other business organization, or a fiduciary, the principal officer or officers responsible for the violation may be fined, imprisoned, or both.

A complete copy of this Ordinance is available for viewing at the City Hall during regular business hours.

I hereby certify that the above is a true and correct summary of an Ordinance adopted by the City of Benton on the 14<sup>th</sup> day of September, 2015.



MARTIN W. JOHNSON

City Attorney

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