

Commonwealth of Kentucky

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Compromise Offered on Distiller's Bill ***Compromise Rejected, House Votes Down H.B. 6***

In a move to continue discussions and fully understand the consequences of a bourbon bill (H.B. 6) pushed by the distiller's association in Kentucky, House members offered a compromise proposal that was flatly rejected by the parties involved.

Our primary goal during this week's special session was to keep this state operating and to pass a budget to avert a government shutdown in July. There is much confusion surrounding the consequences of H.B. 6 which is why the legislation did not move forward during the regular session of the General Assembly. As a result of intense lobbying, an unnecessary amount of time and energy was spent on the sampling issue this week.

The decisions the General Assembly makes in the budget about the level of funding for state programs all have a direct impact on the daily lives of Kentuckians. It is on that issue that we should have spent our time and energy. Instead, in my view we focused entirely too much on how to address alcohol sampling. We did not feel that this issue should have been placed on the call for the session when it was obvious that there was not an agreement between the House and Senate about the bill.

Passage of the sampling bill would allow Kentucky distillers to promote their products at September's World Equestrian Games at the Kentucky Horse Park. Although the Kentucky Distillers Association consistently stated that the Games were the main reason for the bill, in fact, the bill would have been the most significant expansion of alcohol sampling in the history of Kentucky. **The House offered a compromise to allow for sampling at the Equestrian Games, but that wasn't enough.** It became clear that the goals of the industry were broader, and therefore, it would require more time be spent to fully understand this issue and the possible consequences upon the industry in general.

Existing law already allows retail package liquor stores to provide promotional samples of distilled spirits and wine on their premises, and distillers and small farm wineries can also have sampling events at their premises. The legislation as introduced in both the House and Senate would have allowed distillers and small farm wineries to provide samples of their products at locations away from their licensed locations, and their employees could pour the samples. This was a very broad sampling bill that I think could have had unintended consequences. It may have hindered efficient regulation of alcoholic beverages. It could have resulted in the excessive proliferation of alcohol and diminished public safety due to potential increases in the number of impaired drivers. It may have had a negative economic impact to small restaurants and stores in districts like mine and in others around the state. This issue is worthy of intense scrutiny and cannot and should not be rushed.

If there had been a meaningful pre-session discussion about the bill, maybe an agreement could have been reached. But none of that took place. In fact, some of the bill's supporters resorted to heavy-handed, divisive tactics that had the result of creating controversy surrounding the bill during a short special session, exactly the wrong time for that to happen on any issue.

Working in good faith, The House Committee on Licensing and Occupations offered a compromise on the legislation that the Distillers Association would not accept. This compromise would have allowed sampling events to take place in a controlled environment, in limited locations around Kentucky where alcohol is already available. These provisions would have received more votes in the House because members would have been comfortable with greater control over the number and location of sampling events held. But the Distillers Association rejected the compromise, and the original bill ultimately failed on its own merits.

Historically I have always supported the alcohol industry in its role as an ambassador for Kentucky products, Kentucky companies and Kentucky workers. That will not change. I believe there is opportunity going forward to resolve this issue, but it will be important that the alcohol industry speak with a unified voice in its advocacy. Its advocates must re-establish trust and credibility and it must offer honest, fact-based arguments. Under those circumstances, I think in the future a reasonable compromise can be reached on this important issue.