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**BOURBON  
STRAIGHT TO  
CONSUMER: THE  
BUZZ ABOUT  
KENTUCKY'S NEW  
ALCOHOL SHIPPING  
BILL**

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In December 2020, approximately 11 months into the COVID-19 global pandemic, HB 415 finally took effect in Kentucky: a new direct-to-consumer alcoholic beverage shipping law.[i] The law substantially impacts Kentucky breweries, wineries, and distilleries by expanding the sale of alcohol to allow for shipping to counties that permit the sale of alcohol as well as to other states with reciprocal laws.[ii] Nine other states and Washington, D.C. have a reciprocal law allowing the delivery of signature Kentucky bourbon and more within their state lines.[iii] Representative Adam Koenig, who sponsored the bill, stated, “It is an extraordinary day for the men and women who work at our distilleries, wineries, and breweries.”[iv] An extraordinary day, is not only for those who produce the alcohol to expand their customer base but for a signature corner of the Kentucky economy, which now reaches a much wider audience.[v]

The passage of HB 415 has uncorked limitless opportunity for Kentucky’s alcohol industry.[vi] With new avenues for the outreach of their products, Kentucky’s bourbon distillers could use the opportunities for distribution to attract new consumers from across the U.S., which furthers the growth of Kentucky’s 8.6-billion-dollar industry of America’s native spirit.[vii] The same spirit that already employs over 20,100 in the state alone.[viii] The inclusion of Kentucky spirits in the national consumer shipping market joins the direct-to-consumer wine industry, which has been shipping for the last 50 years.[ix] In 2019, wineries shipped more than 3.2 billion dollars of wine directly to consumers.[x] For Kentucky distilleries, joining this market, whether through curated bourbon subscriptions or by the bottle, could mean unlimited growth potential.[xi]



The passage of HB 415 not only affects Kentucky's brewing behemoths but smaller distillers as well. [xii] Green River Distilling Company, a small operation, believes that the shipping of alcohol from and within Kentucky will increase business and revenue for themselves and others who can take advantage of the law.[xiii] Casey Jones Distillery launched a website on a Tuesday to reach the new online market, and by Wednesday morning, they were shipping out orders.[xiv] Goodwood Brewing has also vocalized that the bill's passage enables them to serve the customers from out of town, of which a large percentage of their base is, who wish to send a case home.[xv] The examples are endless of Kentucky brewers and distillers who now have the chance to grow their business in a manner that was before entirely impossible.[xvi] It enables business promotion in other parts of the U.S. as well, due to the new ability to send the product directly to potential distributors.[xvii] The bill also represents the state's appreciation of the distilleries that rose to mass-produce hand sanitizer as a public service, which persuaded conservative lawmakers to vote yes.[xviii] HB 415 represents the unique effect that Covid-19 has had on Kentucky's alcohol producers.[xix]

According to lawmakers, the Covid-19 pandemic was part of the push to getting this long-sought legislation passed.[xx] According to Kentucky's Senate Republican majority leader, "Right now, the bourbon tourism industry, closed because of COVID-19... the same goes for tours of small-farm wineries and our craft brew locations around the state.[xxi] This law will create a new revenue stream for those producers on the other side of this COVID-19 crisis." [xxii] The passage of the bill benefits not only purveyors within the alcohol industry but also an additional revenue source for the state of Kentucky itself due to the taxes coming from the heightened purchasing.[xxiii] Since tours and sales in restaurants and bars have declined, HB 415 provides myriad relief for a massive industry in the Commonwealth.[xxiv]

Overwhelmingly, the ability to ship alcohol in and out of the state of Kentucky has had and will continue to have an overwhelmingly positive effect on the businesses that are at home there and the tourism industry that makes the state thrive.[xxv] The passage of HB 415 exemplifies the profound effect COVID-19 has had on Kentucky's economy and recognizes the sacrifices that brewers and distillers made to supply disinfectant and the hardships faced due to the decline in tourism.[xxvi] When a bottle of KY bourbon arrives on a doorstep, it is the result of the collective efforts of the brewers and legislators that call Kentucky home.[xxvii] There are two barrels of bourbon aging currently in Kentucky, amounting to two barrels per resident in the state.[xxviii] Thanks to new shipping laws, that number may just have to increase. [xxix]

[i] *Koenig Places First Order Allowed by Online Alcohol Shipping Law*, River City News (Dec. 12, 2020, 6:53 PM), <https://www.rcnky.com/articles/2020/12/14/koenig-places-states-first-order-allowed-online-alcohol-shipping-law> [<https://perma.cc/XQ34-Q7L4>].

[ii] *Id.*

[iii] *Rep. Koenig places first historic order under new direct-to-consumer alcoholic beverage shipping law*, Northern Kentucky Tribune (Dec. 19, 2020), <https://www.nkytribune.com/2020/12/rep-koenig-places-first-historic-order-under-new-direct-to-consumer-alcoholic-beverage-shipping-law/> [<https://perma.cc/W7NU-42KZ>

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[iv] *Id.*

[v] *Id.*; *Supra* note i.

[vi] *Rep. Koenig places first historic order under new direct-to-consumer alcoholic beverage shipping law*, Northern Kentucky Tribune (Dec. 19, 2020), <https://www.nkytribune.com/2020/12/rep-koenig-places-first-historic-order-under-new-direct-to-consumer-alcoholic-beverage-shipping-law/> [<https://perma.cc/W7NU-42KZ>

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[vii] Kentucky Distillers Association, *Understanding HB 415: The Producer Only Shipping Legislation*, KyBourbon.com (last visited Feb. 12, 2021), <https://kybourbon.com/wp-content/uploads/2020/04/HB-415-Summary.pdf> [<https://perma.cc/VJD3-APT2>].

[viii] *Id.*

[ix] *Id.*

[x] Wine Industry Network Advisor, *Wine Shipments to Consumers Reach Record \$3.2 Billion in 2019*, Wine Industry Network Advisor (Jan. 22, 2020), <https://wineindustryadvisor.com/2020/01/22/wine-shipments-to-consumers-reach-record-3-2-billion-in-2019> [<https://perma.cc/2NDJ-E4ZP>].

[xi] *See Supra* note vii

[xii] See Katie Pickens, *Green River Distilling to Take Advantage of New Alcohol Shipping Law*, Owensboro Times (Jan. 13, 2021), <https://www.owensborotimes.com/features/business/2021/01/green-river-distilling-to-take-advantage-of-new-alcohol-shipping-law/> [https://perma.cc/K7Q3-WBBC].

[xiii] *Id.*

[xiv] New Era Staff, *Casey Jones Distillery Ships First Batch of Online Sales*, Kentucky New Era (Dec. 16, 2020), [https://www.kentuckynewera.com/news/article\\_54beb3c3-fd81-52ed-98a2-1aabd4b94aa4.html](https://www.kentuckynewera.com/news/article_54beb3c3-fd81-52ed-98a2-1aabd4b94aa4.html) [ https://perma.cc/S4W2-HA78].

[xv] Deborah Yetter, *Long Sought Bill That Will Allow Alcohol Shipment Passes Kentucky General Assembly*, Courier Journal (Mar. 30, 2020) <https://www.courier-journal.com/story/news/politics/ky-legislature/2020/03/30/kentucky-general-assembly-bill-allow-alcohol-shipped-passes/2924558001/> [ https://perma.cc/NEY4-C4N5 (https://perma.cc/NEY4-C4N5)].

[xvi] *See Id.*

[xvii] *Id.*

[xviii] *Id.*

[xix] *Id.*

[xx] *Id.*

[xxi] *Id.*

[xxii] *Id.*

[xxiii] *Id.*

[xxiv] *Id.*

[xxv] *See Id.*

[xxvi] *Id.*

[xxvii] *See Id.*

[xxviii] *About the Kentucky Bourbon Trail*, ky bourbon trail, <https://kybourbontrail.com/about/> (last visited Feb. 12, 2021).

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