



State of Tennessee

PUBLIC CHAPTER NO. 1015

SENATE BILL NO. 2415

By Bowling, Dickerson, Crowe, Niceley, Ketron

Substituted for: House Bill No. 2027

By Haynes, Sanderson, Casada, McManus, Matheny, Todd, Shaw, Weaver, Mike Turner,
Curtis Johnson, Kent Williams, Sargent

AN ACT to amend Tennessee Code Annotated, Title 57, relative to alcoholic beverages.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-3-207, is amended by adding the following language:

(q)(1) For purposes of this subsection (q), "satellite facility" means any facility or location other than the primary business location of a winery or farm wine producer.

(2) Any winery or any farm wine producer licensed by this section may conduct business at any two (2) satellite facilities in any jurisdiction where it is lawful to manufacture intoxicating liquors or intoxicating drinks pursuant to § 57-2-103(c) and (d). At its satellite facilities, the winery may conduct any business that is authorized at the licensed winery, except for the manufacturing and bottling of wine. At its satellite facilities, a farm wine producer may conduct any business that is authorized at the premises of the farm wine producer.

(3) Any winery licensed by this section or any farm wine producer shall obtain a satellite permit for each satellite facility utilized by the winery or farm wine producer from the commission in order to:

(A) Serve samples with or without charge;

(B) Sell wine for consumption on or off the permitted premises; and

(C) Sell any other products under subsections (h) and (o).

(4) A satellite permit issued to a winery or farm wine producer pursuant to this subsection (q) shall only be available upon the payment of a one-time application fee to the commission of three hundred dollars (\$300) per satellite location and upon the payment of an annual license fee of one hundred fifty dollars (\$150).

(5)(A) Any winery or farm wine producer licensed under this section that has obtained a satellite permit and elects to charge consumers for samples may only sell such samples that are manufactured by the winery or farm wine producer. Any wine provided at the satellite facility for sales, whether for tastings, for consumption on the premises, and for consumption off the premises, shall be obtained from a wholesaler licensed pursuant to § 57-3-203.

(B) A wholesaler of the winery or farm wine producer's products may permit a winery or farm wine producer to deliver for sale products which are sold on the premises of the winery, the farm wine producer, or the satellite facility; provided, that the wholesaler permitting such direct shipment shall include the amounts delivered in its inventory, report depletions for purposes of tax collection, and be responsible for the payment of taxes of such depletions.

(r)(1) Any winery or farm wine producer licensed pursuant to this section may qualify for and hold a license under chapter 4 of this title as a restaurant or limited service restaurant; provided, that notwithstanding chapter 4 of this title related to restrictions

or prohibitions on licensees under chapter 4, a restaurant or limited service restaurant may sell for off-premises consumption, wine manufactured pursuant to this section at such location or at any other restaurant or limited service restaurant licensed under chapter 4 that is owned by the same person.

(2) Notwithstanding any law, rule, or regulation to the contrary, any winery or farm wine producer licensed under this section may serve wine manufactured by the winery or the farm wine producer for consumption on the premises of the winery or farm wine producer.

(s) Any sale of wine authorized by this section for consumption on the premises at the winery or on the premises of the farm wine producer shall be subject to taxation pursuant to § 57-4-301(c) in addition to any sales tax which is due. Such taxes shall be paid and collected in the manner prescribed by § 57-4-301 and the regulations of the department of revenue promulgated under the authority of such section.

SECTION 2. Tennessee Code Annotated, Section 57-3-207, is amended by deleting subsection (f) in its entirety and by substituting instead the following language:

(f)(1) A winery licensed under this section may serve wine, with or without charge, as samples for tasting on the premises at the winery, and may sell wine at retail in sealed containers at the winery, but not for consumption in the bonded areas.

(2) A winery licensed under this section may donate wine without charge to nonprofit religious, educational or charitable institutions or associations.

(3) For purposes of this section, "premises" means any and all of the real property owned or leased by the winery, except for the bonded areas.

SECTION 3. Tennessee Code Annotated, Section 57-3-207(o)(4)(C), is amended by deleting the subdivision in its entirety and by substituting instead the following language:

(C) Offer on the premises of the farm single servings of its wine, with or without charge, as tastings for each wine sample; and

SECTION 4. Tennessee Code Annotated, Section 57-3-207(o), is amended by deleting subdivision (o)(5) in its entirety.

SECTION 5. Tennessee Code Annotated, Section 57-3-207(o)(4)(D), is amended by deleting the language "where no wine is consumed".

SECTION 6. Tennessee Code Annotated, Section 57-3-104(c), is amended by adding the following language as a new, appropriately designated subdivision:

() Refuse to issue or renew a license or permit if, upon investigation, the commission finds that the applicant for a license or permit has not demonstrated the financial capacity to operate the business in a manner consistent with the regulations of the commission or is not generally paying its debts as they come due except for debts as to which there is a bona fide dispute;

SECTION 7. Tennessee Code Annotated, Section 57-3-813, is amended by adding the following language at the end of the section:

In order to facilitate the implementation of this section, all payments to wholesalers by such licensees shall be made by electronic funds transfer, credit card, debit card, or such other method as approved by the commission that will facilitate full payment at or near the time of delivery.

SECTION 8. Tennessee Code Annotated, Section 57-3-202, is amended by adding the following language as a new subsection (i):

(i)(1) Any nonprofit association organized to encourage and support the manufacture of alcoholic beverages with three (3) or more manufacturers licensed under this section or non-manufacturer non-resident sellers licensed under § 57-3-602(c) as members shall be allowed to hold not more than fifteen (15) alcoholic beverage festivals per calendar year. Each festival shall not exceed a period of seventy-two (72) hours.

(2) Any manufacturer licensed under this section or non-manufacturer non-resident seller licensed under § 57-3-602(c) participating in a festival authorized by

this subsection (i) shall be allowed to transport, serve and offer complimentary samples of any alcoholic beverage lawfully manufactured by the manufacturer or on behalf of the non-manufacturer non-resident seller pursuant to § 57-3-602(c) for tasting at the festival.

(3) Any manufacturer licensed under this section or non-manufacturer non-resident seller licensed under § 57-3-602(c) participating in a festival authorized by this subsection (i) shall be allowed to transport alcoholic beverages produced by that manufacturer or on behalf of that non-manufacturer non-resident seller to sell at the festival for consumption off-premises.

(4)(A) Any nonprofit association authorized by this subsection (i) to hold an alcoholic beverage festival shall apply for a special occasion license as defined in § 57-4-102, in order for participating manufacturers licensed under this section or non-manufacturer non-resident sellers licensed under § 57-3-602(c) to serve complimentary samples as described in subdivision (i)(2) and to sell alcoholic beverages produced by the manufacturers or on behalf of the non-manufacturer non-resident sellers for consumption off-premises.

(B) Notwithstanding § 57-4-102(32)(A), a special occasion license issued for an alcoholic beverage festival authorized by this subsection (i) shall be for the duration of the festival for which application is made for a period not to exceed seventy-two (72) hours. A special occasion license issued pursuant to this subsection (i) shall only be available upon the payment of the fee as required by law for each separate day of the festival.

(C) A nonprofit association authorized to conduct an alcoholic beverage festival pursuant to this subsection (i) shall be permitted to hold the festival in any municipality or county of the state in the manner provided in subdivision (i)(5).

(5) A nonprofit association, as defined in subdivision (i)(1), is authorized to conduct an alcoholic beverage festival pursuant to this subsection (i) in a municipality or county of this state that has approved the sale of alcoholic beverages or has a licensed manufacturer located in that municipality or county, subject to complying with all permit requirements of the municipality or county, and in all other municipalities or counties upon receiving approval of the legislative body of the municipality or county to hold such festival at a location and in such manner authorized by such legislative body.

SECTION 9. Tennessee Code Annotated, Section 57-3-202(h)(1), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1) A manufacturer's license issued or renewed under this section to a manufacturer shall also allow such manufacturer to sell at retail on the licensed premises of the manufacturer products that are manufactured on the manufacturer's premises; provided, that no more than five gallons (5 gal.) or one-sixth (1/6) of a barrel of its products may be sold to any one (1) individual per visit to the premises. The manufacturer may serve samples of the product manufactured or distilled at the premises to any person of legal drinking age with or without cost or may include such samples as part of a tour of the manufacturer's or distiller's premises available to the public with or without cost. Such samples may be made available at any location on the manufacturing premises permitted by federal law. The manufacturer shall disclose to the commission the location where samples are available. The hours of sale for the manufacturer to sell products at retail shall be between the hours of eight o'clock a.m. (8:00 a.m.) and eleven o'clock p.m. (11:00 p.m.) on Monday through Saturday and between the hours of twelve o'clock (12:00) noon and seven o'clock p.m. (7:00 p.m.) on Sunday.

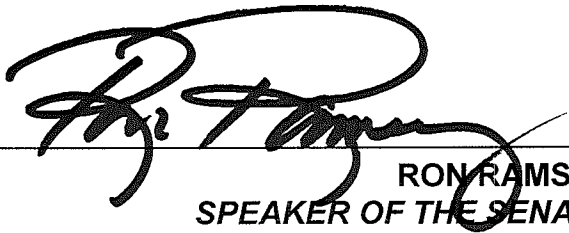
SECTION 10. Tennessee Code Annotated, Section 57-4-203, is amended by adding the following language as a new subsection:

(n) In order to facilitate the prompt payment of state taxes imposed upon wholesalers, payment for all sales to any licensee holding a license under this chapter by a wholesaler shall be made upon delivery of the product and shall be made by electronic funds transfer, credit card, debit card, or such other method as approved by the commission that will facilitate full payment at or near the time of delivery.

SECTION 11. This act shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 2415

PASSED: April 16, 2014



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this _____ day of _____ 2014

BILL HASLAM, GOVERNOR