

**RULES
OF
TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**CHAPTER 0100-01
RULES FOR THE SALE OF LIQUOR BY THE DRINK**

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0100-01-.01 ADVERTISING.

- (1) Billboards and Outside Signs.
 - (a) Alcoholic Beverages may be advertised on signs and billboards in those cities and counties that have legalized the sale of such beverages under the provisions of T.C.A. § 57-3-106.
 - (b) Advertising may bear trademarks, trade slogans, or other distinctive designations associated with a particular brand while also bearing the name, or advertise the establishment, or refer to the services of any licensee. However, all advertising costs, direct or indirect, must be borne by the on-premise consumption licensee, except as permitted by Rule 0100-06-.03.
- (2) Advertising Outside the Licensed Premises Relating to the Availability of Alcoholic Beverages.
 - (a) Advertising on Radio or Television Stations. The availability of alcoholic beverages may be advertised on radio or television stations in Tennessee subject to the following restrictions:
 1. Restrictions. An advertisement shall not contain:
 - i. Any statement that is materially false or misleading.
 - ii. Any statement that is disparaging of a competitor's products.
 - iii. Any statement, design, device, or representation which is obscene or indecent.
 - iv. Any statement, design, device, or representation of or relating to analysis, standards, or tests, irrespective of falsity, which is likely to mislead the consumer.
 - v. Any statement that the product is produced, blended, made, bottled, packed, or sold under, or in accordance with, any authorization, law, or regulation of any municipality, county, or state, federal or foreign government unless such statement is required or specifically authorized by the laws or regulations of such government; and if a municipal, county, state, or federal permit number is stated, such permit number shall not be accompanied by any additional statement relating thereto.

(Rule 0100-01-.01, continued)

- (b) Statements Inconsistent with Labeling. No advertisement shall contain any statement concerning a brand or lot of alcoholic beverages that is inconsistent with any statement on the labeling thereof.
- (c) Curative and Therapeutic Effects. No advertisement shall contain any statement, design, or device representing that the use of alcoholic beverages has curative or therapeutic effects, if such statement is untrue in any particular, or tends to create a misleading impression.
- (d) Place of Origin. No advertisement shall represent that the alcoholic beverages were manufactured in, or imported from a place or country other than that of their actual origin, or were produced or processed by one who was not in fact the actual producer or processor.
- (e) Flags, Seals, Coats of Arms, Crests, and Other Insignia. No advertisement shall contain any statement, design, devices, or pictorial representation of or relating to, or capable of being construed as relating to the armed forces of the United States, or of the American flag, any state flag, or of any emblem, seal, insignia, or decoration associated with any such flag or the armed forces of the United States; nor shall any advertisement contain any statement, device, design, or pictorial representation of or concerning any flag, seal, coat of arms, crest, or other insignia, likely to falsely lead the consumer to believe that the product has been endorsed, made, used by, produced for, under the supervision of, in accordance with the specifications of the government, organization, family, or individual with whom such flag, seal, coat of arms, crest, or insignia is associated.
- (f) Brand and Establishment Advertisement Prohibited. No advertisement relating to the availability of any alcoholic beverages in any licensed premises shall carry any advertising associated with a particular brand of alcoholic beverages if the cost of such advertising is paid by the industry member, except as permitted by Rule 0100-06-.03.

Authority: T.C.A. §§ 57-1-209, 57-2-209 to implement § 57-3-106 and Chapter 211, Public Acts of 1967, 57-3-104, 57-4-201, and 57-818 to implement § 57-111 and Chapter 211, Public Acts of 1967.

Administrative History: Original rule certified June 7, 1974. Amendment filed July 21, 1981; effective October 29, 1981. Amendment filed December 1, 1982, effective January 3, 1983. Amendment by Public Chapter 261; effective July 1, 1983. Amendment filed May 10, 1983; effective August 15, 1983. Amendment filed July 8, 1983; effective October 14, 1983. Amendment repealing and replacing the rule was filed March 10, 2010; effective June 8, 2010. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.02 SOLICITATION OF BUSINESS, AND SERVICES RESTRICTED.

- (1) Manufacturer and Importer, Limited to Wholesale Solicitation.
 - (a) No manufacturer, importer or representative thereof shall solicit orders of alcoholic beverages or wine in any manner from anyone in this state except from those holding wholesale liquor licenses.
 - (b) No manufacturer, importer, or representative thereof shall perform or provide any service whatsoever for a licensee hereunder, or his employee in this state, whether on or away from the licensed premises. No manufacturer, importer, or representative thereof shall enter the premises of any licensee hereunder, except as a bona fide customer.

(Rule 0100-01-.02, continued)

- (c) No manufacturer, importer, or representative thereof shall give anything of value whatsoever, including but not limited to alcoholic beverages and money, to any Tennessee retail licensee or his employee whether on or away from the retail premises. Furthermore, no manufacturer, importer, or representative thereof may take into any licensed premises hereunder any alcoholic beverages in any quantity.

Authority: T.C.A. §§ 57-1-209, 57-3-104, 57-3-202, 57-3-405, and 57-818. **Administrative History:** Original rule certified June 7, 1974. Amendment filed September 9, 1983; effective October 11, 1983. Amendment repealing and replacing the rule was filed March 10, 2010; effective June 8, 2010. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.03 CONDUCT OF BUSINESS.

- (1) Business Management Restricted.
 - (a) Every licensed business shall be managed by the holder of the license, if an individual, or by a partner or corporation officer or by a manager designated to the Commission in the event that the business is operated by a partnership or corporation (or by a manager in any case who has been designated to the Commission). The Alcoholic Beverage Commission is to be notified in writing, by certified mail, of any change in management within seven (7) days of the actual change.
 - (b) Each on-premise manager, assistant manager, and/or any individual working in such capacity, whether paid by salary or hourly and/or in training, and having duties which directly or indirectly impacts on the selling and dispensing of alcoholic beverages, must complete and submit to the Tennessee Alcoholic Beverage Commission a questionnaire within seven (7) days of assuming their managerial duties.
 - (c) Each on-premise manager, assistant manager, and/or any individual working in such capacity and having duties which directly or indirectly impacts on the selling and dispensing of alcoholic beverages must have a valid server permit subject to the provisions of T.C.A. § 57-3-707.
- (2) Consumption on Licensed Premises. Except as provided for in 0100-01-.08 below, no licensee shall permit alcoholic or malt beverages to be consumed and/or sold on the licensed premises between the hours of 3:00 a.m. and 8:00 a.m. on Monday through Saturday or between the hours of 3:00 a.m. and 10:00 a.m. on Sunday unless the local jurisdiction has opted out of the expanded hours. If such is the case, then the consumption and/or sale of alcoholic beverages may begin at 12:00 p.m. on Sunday.
- (3) Free Access to Licensed Premises Without Warrant. Immediate access, without a warrant, to all parts of a licensed premise shall at all times be accorded agents of the Tennessee Alcoholic Beverage Commission.
- (4) Refusal of Cooperation. Any licensee, his agent, or employee who refuses to open or disclose his records to, furnish information to, or who furnishes false and/or misleading information to an agent or representative of the Tennessee Alcoholic Beverage Commission upon any matter relating to or arising out of the conduct of the licensed premises shall subject the license to revocation or suspension.
- (5) Licensees Not to Combine. No combination of licensees shall be permitted to purchase merchandise in the name of the licensee and subsequently distribute merchandise which they have purchased in combination with each other to any one of the combination, and no licensee shall be permitted to transfer goods from one to another. If any member of the

(Rule 0100-01-.03, continued)

combination is apprehended violating this regulation, every member shall likewise be guilty of a violation, and it shall also be a violation for the wholesale distributor to furnish merchandise to any combination of licensed dealers.

- (6) Licensee Responsible For Law and Order on Licensed Premises. Each licensee shall maintain his establishment in a decent, orderly, and respectable manner in full compliance with all laws of Tennessee, Commission rules and regulations, federal statutes, and ordinances and laws of the municipality and/or county where licensed premises are located at all times. The renting or leasing of the licensed premises for an event to a non-licensed entity, person, or corporation is specifically deemed not to be a defense for a violation of this rule and does not diminish the licensee's responsibility to comply with this rule.
- (7) Sanitary and Fire Standards. All licensed premises shall be kept in clean and proper sanitary condition, and in full compliance with the provisions and regulations of all duly authorized health authorities whether state, county, or city.
- (8) On-Premise Sale By Bottle Restricted. On-premise licensees shall not sell or give away distilled spirits by the bottle or package, open or unopened. Licensees shall have the right to sell wines, champagnes, or malt beverages by the bottle or container for consumption on the premises only, and said bottle or container must be opened prior to its being served to the consumer, except as specifically provided in T.C.A. § 57-4-203.
- (9) On-Premise Employees' Activities Restricted ("B-Girl" Activity). It shall be unlawful for any person who is an employee of an on-premise licensee or any other person on behalf of the on-premise licensee to solicit alcoholic beverages for public consumption by the employee or any other person, and it shall be further unlawful to dispense or consume any beverage under the pretense that it is an alcoholic beverage for public consumption but is not. However, nothing in this section shall preclude an industry member and/or its employees or representatives from promoting products as permitted under Rule 0100-03-.11.
- (10) Restriction As To Age Of Dispensing Employees. No person under the age of eighteen (18) years shall be permitted to dispense, serve, or sell alcoholic or malt beverages in any establishment licensed under the provisions of T.C.A. §§ 57-4-101, *et seq.*
- (11) Dual Interests Prohibited. Except as provided in Rule 0100-03-.16:
 - (a) No licensee holding a license issued pursuant to T.C.A. §§ 57-4-101, *et seq.* and no person owning an interest, financial or otherwise, in a partnership or corporation holding such a license, shall have any interest, directly or indirectly, in any business licensed under the provisions of T.C.A. §§ 57-3-202 or 57-3-203.
 - (b) No person having any interest, financial or otherwise, directly or indirectly, in any business licensed under the provisions of T.C.A. §§ 57-3-202 or 57-3-203 shall have any interest in any business licensed under T.C.A. §§ 57-4-101, *et seq.*
- (12) Restrictions on License After Surrender or Revocation.
 - (a) No license will be issued to the spouse, child or children, son-in-law or daughter-in-law, employee, or other person having any interest in the business of a licensee whose license has been revoked, for the privilege of doing business at the same location or in close proximity to the location of the establishment whose license was revoked.
 - (b) The Commission may refuse to reissue a license to the same person, firm, or corporation whose license has been revoked for one (1) year from the date of said revocation.

(Rule 0100-01-.03, continued)

- (c) The Commission may treat a surrender of a license as a revocation under the restrictions contained in this paragraph.
- (13) Licensee Must Surrender License If Business Discontinued. Whenever any licensee discontinues business for any reason, he shall immediately notify the Commission in writing and surrender his license.
- (14) Prohibited Practices. No licensee, employee, or agent of a licensee shall give away any sealed package, or any drink, of wine or alcoholic beverages except as permitted by T.C.A. § 57-3-404 and Rules 0100-03-.11 and 0100-06-.03. "Give" for the purpose of this paragraph, shall include:
- (a) Offering or delivering any free alcoholic beverage or wine to any person or group of persons;
 - (b) Offering or delivering unlimited drinks of wine or alcoholic beverages for a fixed price if the actual cost of all ingredients, including the alcohol and all applicable taxes, of the drinks actually served to a customer exceeds the fixed price charged; or
 - (c) Awarding any wine or alcoholic beverages as a prize or free drink or encouraging or conducting any game or contest which involves drinking or uses wine or alcohol as a prize or free drink.
- (15) Happy Hour Restrictions. No licensee, employee, or agent of a licensee shall engage in any of the following promotional practices during the period beginning at 10:00 p.m., prevailing time, until the time set by law for closing of such licensed establishments:
- (a) Serve two (2) or more drinks or containers of alcoholic beverages to a consumer at one time.
 - (b) Increase the volume of alcohol contained in any such drink during any calendar week without increasing proportionately the price regularly charged for such drink.
- (16) Business Name Change. At least seven (7) calendar days prior to any change in its business name or "d/b/a" name, a licensee must submit the proposed change in writing to the Commission for approval. Upon approval, the Commission will amend the license to reflect the licensee's new business or "d/b/a" name.
- (17) Display of License. Any person, partnership, corporation, or other legal entity holding an on-premise consumption liquor-by-the-drink license issued under Chapter 4 of Title 57 of Tennessee Code Annotated, shall prominently display and post, and keep displayed and posted, in the most conspicuous place in the licensed premises, the license so issued.
- (18) Server Permits. On-premise consumption licensees should maintain and have available for review on the premises documentation of the date of hire for anyone working in a capacity to serve alcoholic beverages. Acceptable documentation shall include a dated application for employment or a dated W-4 form. If the licensee does not have acceptable documentation of the date of hire for the employee, then it will be deemed that the employee has worked at the licensed premises greater than sixty-one (61) days.
- (19) Seating. All on-premise consumption licensees licensed as a restaurant shall maintain a minimum seating for forty (40) people at tables and all on-premise consumption licensees licensed as a hotel shall maintain a minimum seating for seventy-five (75) people at tables during business hours with the exception of wine-only restaurants as defined at T.C.A. § 57-4-101(c), or any other statutory exception. Seasonal seating (i.e. outside patio seating) shall count toward total numbers, but not toward the minimum seating requirements at tables.

(Rule 0100-01-.03, continued)

Seats at bars will be counted toward the minimum number of seats at tables if the bar is at least twenty (20) inches in depth and meals may be served and are regularly served at the bar. Those bars containing less than twenty (20) inches in depth will be looked at on a case by case basis with such factors as the type of menu served, placement of the bar, and whether food is regularly served at that bar.

- (20) Minors in Possession of Alcohol. All on-premise consumption licensees are required to insure that minors are not in possession of and/or are not allowed to consume any alcoholic beverage – including malt beverages or beer – on the licensed premises.
- (21) Employer Responsible for Employee's Action.
- (a) Licensees are at all times responsible for the conduct of their businesses and are at all times directly responsible for any act or conduct of any employee which is in violation of the state statutes, the rules and regulations of the Commission, and/or any local ordinance or federal statute whether the licensee be present at any such time or not. This section is defined to mean that any unlawful, unauthorized, or prohibited act on the part of a licensee's agent or employee shall be construed as the act of the employer, and disciplinary actions will proceed as though he were present and had an active part in such unlawful, unauthorized, or prohibited act, and as if having been at the employer's direction and with his knowledge.
- (b) In any disciplinary proceeding, it shall be no defense that an employee or agent of a licensee acted contrary to order, or that a licensee did not personally participate in the violating action or actions. However, disciplinary actions related to sales of alcoholic beverages to minors, intra-industry violations, and trade violations are subject to the provisions of Rule 0100-05-.07, the Responsible Licensee Program.
- (22) Application Process for On-premise Consumption Licenses.
- (a) Applications, in duplicate, shall be submitted to the nearest office of the ABC. In addition, the following documents must be submitted in support of an application for license to sell alcoholic beverages for consumption on premises:
1. Completed application;
 2. Questionnaire for anyone having at least five percent (5%) ownership in the business, for any officers of a corporate applicant, and for any manager, assistant manager, and/or any individual working in such capacity and having duties which directly or indirectly impacts on the selling and dispensing of alcoholic beverages;
 3. Lease agreements, assignments, subleases, and/or deed to property;
 4. Current Certificate of Occupancy;
 5. Inspection by the Tennessee Alcoholic Beverage Commission;
 6. Acknowledgment of the rules and regulations;
 7. Menu;
 8. Price Schedule of Drinks;
 9. Proof that applicant entity, if a corporation, LLC, LP, etc., is registered with the Tennessee Secretary of State's office, and the submission by said applicant

(Rule 0100-01-.03, continued)

entity of a Certificate of Existence/Good Standing issued by the Tennessee Secretary of State's Office within thirty (30) days of applicant's application for a new license or renewal of an existing license. If the applicant entity was formed in another state or foreign jurisdiction, the applicant must submit a Certificate of Authorization issued by the Tennessee Secretary of State's Office within thirty (30) days of the applicant's application for a new license or renewal of an existing license.

10. Corporate charter/Articles of Organization;
11. List of Officers/Owners/Members/Partners;
12. Sales & Use Tax Certificate of Registration;
13. Bond Posted with the Department of Revenue;
14. Application fee;
15. Completed declaration of citizenship form to be submitted by owner(s), officer(s), and/or principal(s) of the applicant or others as required by T.C.A. §§ 4-58-101, *et seq.*
16. Any other information that the Tennessee Alcoholic Beverage Commission may request.

(b) In addition, any of the following documents which exist must also be submitted:

1. Management agreements;
2. Bill of sale.

Authority: T.C.A. §§ 4-58-103; 57-1-207; 57-1-209; 57-3-104; 57-3-104(c); 57-3-406; 57-3-406(b); 57-3-704; 57-3-710; 57-4-101; 57-4-102; 57-4-102(29); 57-4-104(c); 57-4-201; 57-4-201(a)(2); 57-4-203; 57-7-223; Chapter 649, Public Acts 2008; and Chapter 371, Public Acts of 2017. **Administrative History:** Original rule certified June 7, 1974. Amendment by Public Chapter 261 effective July 1, 1983. Amendment filed May 10, 1983; effective August 15, 1983. Amendment filed July 8, 1983; effective October 11, 1983. Amendment filed November 14, 1983; effective February 13, 1984. Amendment filed January 14, 1986; effective February 13, 1986. Amendment filed June 12 1988; effective August 5, 1988. Amendment filed December 4, 1996; effective April 30, 1997. Amendment filed December 29, 2000; effective March 14, 2001. Amendment repealing and replacing the rule was filed March 10, 2010; effective June 8, 2010. Amendment filed May 22, 2014; effective August 20, 2014. Amendments filed January 11, 2018; effective April 11, 2018. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.04 TRANSFER OF LOCATIONS.

- (1) The transfer of an on-premise consumption liquor license from one location to another shall be subject to the following provisions:
 - (a) The licensee must submit to the Commission prior to the actual move the following documents for approval:
 1. Completed application;
 2. Lease agreements, assignments, subleases, and/or deed to property;

(Rule 0100-01-.04, continued)

3. Use and Occupancy permit;
 4. Inspection by the Tennessee Alcoholic Beverage Commission;
 5. Letter of explanation for the request; and
 6. Any other information that the Tennessee Alcoholic Beverage Commission may request.
- (b) Selling, consuming, and/or otherwise dispensing alcoholic beverages at the new location prior to the approval by the Commission is in violation of T.C.A. § 57-4-203(i).

Authority: T.C.A. §§ 57-1-201, 57-1-207, 57-1-209, 57-3-104, 57-3-205, 57-3-212, 57-4-201, 57-4-201(a)(2), and 57-4-203. **Administrative History:** Original rule certified June 7, 1974. Repeal filed September 8, 1983; effective October 11, 1983. Amendment repealing and replacing the rule was filed March 10, 2010; effective June 8, 2010. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.05 APPLICATIONS BY PRIVATE CLUBS.

- (1) Public Notice. Each club, as defined by T.C.A. § 57-4-102, applying for a license to sell alcoholic beverages for consumption on its premises shall place a notice in a newspaper of general circulation in the county or municipality to be served indicating the club’s intention to apply for a license from the Alcoholic Beverage Commission. The notice shall contain the information prescribed in subsection (2) below and shall appear in at least three (3) consecutive issues preceding the date that the application is filed with the Commission. The application shall be accompanied by a copy of the published notice and the sworn statement of the applicant that the notice was published in accordance with this section.

- (2) Format of Notice. Each private club applicant shall place the following notice in the newspaper as described above:

PRIVATE CLUB LIQUOR LICENSE NOTICE

Take notice that _____
 (Name of Club)

intends to seek a license from the Tennessee Alcoholic Beverage Commission, 500 James Robertson Parkway; 3rd Floor; Nashville, Tennessee 37243, to sell alcoholic beverages to its members and guests for consumption on the club’s premises at _____.
 (Address of club’s premises) The officers of

_____ are: _____
 (Name of Club)

_____ (Name and address of officers)
 The club currently has approximately _____ regular dues paying members.

_____ (Name/Address of Person Actually in Charge of Sale of Alcoholic Beverages)
 will be in actual charge of the sale of alcoholic beverages at the club’s premises and has applied to _____
 (City or County)
 for a certificate of good moral character.

(Rule 0100-01-.05, continued)

- (3) Size of Notice. The title of the notice shall be all capital letters and at least ten (10) point type size. The text of the notice shall be at least eight (8) point type size and the size of the entire notice shall not be less than two (2) columns by two (2) inches of newspaper space.
- (4) Change of Manager. Whenever there is a change in person or persons who are in actual charge of the sale of alcoholic beverages by a private club licensee, the licensee must submit to the Alcoholic Beverage Commission a certificate of good moral character for the new person or persons who will be in actual charge of the sale of alcoholic beverages within thirty (30) days of the change. Nothing in this rule should be interpreted to relieve a private club licensee from the obligation to inform the Commission of a change in management as set out in Rule 0100-01-.03(1).
- (5) Application Process for New Private Club Licenses.
 - (a) Applications, in duplicate, shall be submitted to the nearest office of the ABC. In addition, the following documents must be submitted in support of an application by a private club for a license to sell alcoholic beverages for consumption on premises:
 1. Application (in duplicate) (Form ABC-OPP);
 2. Questionnaires - officers of club and managers in control of actual sale of alcoholic beverages;
 3. List of club officers (names, addresses, date assumed office);
 4. Charter, constitution, and any amendments thereto, if club is incorporated;
 5. Lease, sublease, deed or other instrument indicating ownership and/or possession of physical premises;
 6. Certificate of good moral character for person(s) in actual charge of sale of alcoholic beverages;
 7. Newspaper notice accompanied by sworn statement as required by subsections (2) through (3) above;
 8. Menu;
 9. Department of Revenue Drink Price Schedule;
 10. Employees work permit applications;
 11. Answers to questions on ABC form - Questions For Private Club Applicants.
 - (b) In addition, any of the following documents which exist must be submitted:
 1. Bylaws;
 2. Minutes of membership or board meetings;
 3. Management contract;
 4. Loan or financing agreements;
 5. Past tax returns (2 years);

(Rule 0100-01-.05, continued)

6. Resolutions relative to changes in name, purpose, or location of club;
 7. Financial statements;
 8. Written approval of use and occupancy by appropriate local authorities, where applicable.
- (c) Applicants should submit any other documents which indicate the club's compliance with licensing requirements. Such documentation may include items such as announcements of past activities, newsletters sent to members, ledgers reflecting payment of dues in past years and disbursement of funds, IRS recognition as tax-exempt nonprofit organization, sworn statements regarding the club's history and activities, etc. The applicant for a license has the burden of proving that it meets the requirement of the law and is, therefore, eligible to hold a license to sell alcoholic beverages. The fact that the applicant submits all the documents listed above does not automatically entitle the applicant to a license. Further, the applicant may be required to submit additional information or documentation if questions arise.
- (d) A license for a private club to sell alcoholic beverages on its premises may only be granted by action of the Alcoholic Beverage Commission itself.
- (6) License Renewal and Transfer of Location by Private Clubs.
- (a) License Renewal. Each license issued is valid for one (1) year from the date of issuance and expires at midnight on the expiration date. Both the issuance date and the expiration date shall be clearly printed on the face of the license. Failure to timely and properly file the material required by this rule shall result in the expiration of the license.
1. On or before the expiration date of the license, the licensee shall submit an application for license renewal and the appropriate license fee to the nearest office of the Alcoholic Beverage Commission.
 2. Applications for license renewal need not submit that material required by rule 0100-01-.05(5) of new applicants.
 3. All financial records shall be maintained and available for inspection for a minimum of three (3) years.
- (b) Transfer of Location. Licenses issued to private clubs may be transferred from one location to another only upon the following conditions:
1. Written request for approval of such a transfer with adequate explanation for the need of such a transfer.
 2. Submittal of a satisfactory lease or deed to the proposed new location.
 3. Written approval of the use and occupancy of the proposed new space by the appropriate local officials.
 4. Inspection by the Tennessee Alcoholic Beverage Commission.
 5. Submittal of a petition or resolution in favor of such a transfer which reflects that it was adopted by a quorum of the club's members at a membership meeting held pursuant to the club's charter and by-laws.

(Rule 0100-01-.05, continued)

6. When the proposed transfer is into a new jurisdiction, the club shall publish a new notice in compliance with paragraphs (1) through (3) of this rule and supply copies of that notice along with required sworn statement to the ABC as well as a certificate of good moral character upon the person pursuant to T.C.A. § 57-4-201(c)(2).
 7. No such transfer shall be approved unless the Commission, in its sole discretion, determines that the licensee continues to meet the requirements of these rules and Chapter 4 of Title 57, T.C.A.
- (7) Definitions. For the purpose of this chapter, the following definitions shall be used:
- (a) “Non-profit association” shall mean a legal entity which is not-for-profit and has at least the following characteristics:
 1. Financial statements covering the immediately preceding years of the club’s operations. Financial statements shall clearly indicate the amount and source of all club receipts and the amount and purpose of all club disbursements in specific categories consistent with standard accounting practices. In addition, the financial statements must show a balance sheet of the club’s assets and liabilities at the end of the immediately preceding year. Copies of IRS Form W-2 for each employee shall be maintained and made available upon request.
 2. Bylaws or rules of the association which provide membership application procedures. Those bylaws or rules shall provide for (a) at least one (1) week waiting period between application for membership and election to membership and (b) a committee composed of three (3) or more members of the club vested with the authority by charter, bylaws or regulations, to approve, reject, or make recommendations on membership applications.
 3. An association shall have a written guest policy which reasonably limits access to club facilities by guests.
 - (b) “In existence and operating” shall mean for at least two (2) years prior to the application for a club license, the association shall have had at least an annual meeting of the membership with a quorum present, shall have taken actions toward the performance of their non-profit purposes, and shall have elected a governing body which meets periodically.
 - (c) “Regularly paying dues” shall mean that the members have paid dues on a regular schedule at least annually.
 - (d) “Salary” shall mean a fixed periodical compensation paid for services rendered. No salary may be paid which is based on the amount of liquor or malt beverages sold or on the profits made from such sales.
 - (e) “Suitable kitchen” shall mean that the kitchen is adequate to prepare regular meals. Said kitchen shall have sufficient cookware, tableware, and food preparation and storage equipment to actually store, prepare, and serve meals. These facilities shall be inspected and approved by appropriate local zoning and codes inspectors.
- (8) Additional Rules for Private Clubs.
- (a) Each club shall maintain a complete membership roster. The membership roster shall contain the names of all members, their addresses, and the date on which their dues are to be paid. Private club licensees shall maintain their membership records at the

(Rule 0100-01-.05, continued)

club premises and make them available to representatives of the Alcoholic Beverage Commission during hours when the club is open to its members. Since minimum membership is one hundred (100), failure to have ten (10) members at any annual meeting shall be prima-facie evidence of the non-existence of the association.

- (b) All salaries, rents, or management fees paid by a private club to any person or legal entity must be reasonable and proper compensation under the circumstances.
- (c) No private club shall dispense alcoholic beverage on the premises of the club to any person other than a bona fide member of the club or a bona fide guest of a member of the club. Alcoholic beverages should not be served in an area to which the general public is admitted. If the club's bar area is in a separate room from that to which the general public is admitted and admission to the bar is limited to members of the club and their guests, the bar may remain open. If, however, the bar is in the room to which the general public is admitted, no alcoholic beverages are to be served in that room during the time the general public is present.
- (d) The Alcoholic Beverage Commission shall determine whether a club exists exclusively for non-profit purposes. No such license shall be issued where the ABC determines that the purpose is to make a profit.
- (e) Violation of any of the rules set out herein may, in the judgment of the ABC, result in the suspension or revocation of the club's license or the imposition of a fine under the rules of the Commission. These rules are in addition to the other rules of the ABC and shall apply to club licensees only.
- (f) Whenever membership in the club drops below one hundred (100), the club ceases to have facilities in which to serve its members or guests, or the club discontinues its operations, it shall surrender its license immediately.
- (g) No private club licensed by the Commission shall utilize any name other than the name approved by the Commission and appearing on the club's license. Use of a d/b/a name is prohibited.

Authority: T.C.A. §§ 57-1-209, 57-3-104, 57-4-102, 57-4-201, and Chapter 895, Public Acts of 1980.
Administrative History: Original rule filed July 29, 1980; effective October 29, 1980. Amendment filed April 26, 1984; effective May 26, 1984. Amendment filed August 20, 1985; effective November 14, 1985. Amendment repealing and replacing the rule was filed March 10, 2010; effective June 8, 2010. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.06 ADDITIONAL RULES APPLICABLE TO CATERERS.

- (1) Commission licensed caterers shall have available for inspection at catered events involving the sale or dispersion of alcoholic beverages by that caterer, its catering license or a copy as issued by the Commission.
- (2) Only employees of a licensed caterer who are in possession of a valid server's permit may serve alcoholic beverages at any event, whether at the caterer's designated premises or a remote venue.
- (3) Commission licensed caterers may only sell alcoholic beverages on a by-the-drink basis, collecting appropriate taxes, and only in cities, municipalities, and/or counties where such sales are authorized.

(Rule 0100-01-.06, continued)

- (4) No Commission licensed caterer may provide only alcohol without food items present and available for consumption at any catered event.
- (5) Commission licensed caterers must provide and the Commission must receive at its Nashville office, a written and/or electronic notice of any catered event involving the sale or distribution of alcohol. Such notice must be provided by the caterer and received by the Commission at least two (2) full business days prior to the event during state working hours, prevailing time. Such notice shall include the date of the event, the address of the event, the host of the event, and the time of the event.
- (6) If a Commission licensed caterer is providing and selling the alcohol at a catered event, then all proceeds generated from the sale of alcoholic beverages at the catered event shall be deposited into the caterer's monetary account(s). No third party shall receive any proceeds from the sale of alcoholic beverages at a catered event.
- (7) Alcohol may be transported by the caterer to the premises of the catered event no earlier than 8:00 am. At the conclusion of the catered event, all alcohol must be removed from the premises no later than 12:00 p.m. of the following day. No one other than the licensed caterer or its employees may serve, sell, or otherwise dispense, and/or have access to any alcohol on the premises of the catered event.
- (8) During the duration of the catered event, the licensed caterer is responsible and liable for full compliance with all laws of Tennessee, Commission rules and regulations, federal statutes, and ordinances and laws of the municipality and/or county where licensed premises are located at all times.

Authority: T.C.A. §§ 57-1-209, 57-4-102, and 57-4-201. **Administrative History:** Original rule filed March 10, 2010; effective June 8, 2010. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.07 APPLICATIONS FOR SPECIAL OCCASION PERMITS.

- (1) Special Occasion Permits are a one-day (1) permit allowing the sale, service, and/or otherwise dispensing of alcoholic beverages at specifically designated areas by certain qualified entities and are subject to the laws governing the consumption of alcoholic beverages. Special Occasion Permits are required if an entity does not otherwise hold an on-premise consumption liquor license, and/or if the entity is selling, serving, or otherwise dispensing alcoholic beverages to the general public. A special occasion permit is also required if the entity is selling alcoholic beverages to invited guests only.
- (2) To obtain a special occasion permit, the following documents must be submitted to the Commission at least two (2) calendar weeks prior to the date of the event:
 - (a) A completed and notarized application;
 - (b) Certification of recognition of 501(c) status from the IRS, and/or financial records for two (2) years preceding the date of the application indicating that at least sixty percent (60%) of the gross revenues have been used exclusively for religious, educational, or charitable purposes;
 - (c) If the applicant is a bona fide political organization, then the applicant will submit documentation that it is either a political campaign committee as defined at T.C.A. § 2-10-102(a) or that it is a political party as defined at T.C.A. § 2-13-101;

(Rule 0100-01-.07, continued)

- (d) Proof that the applicant is registered with the Secretary of State's Office as a charitable, non-profit organization;
 - (e) Application fee;
 - (f) Letter of permission from the owner of the property where the event will be held granting permission to the applicant to sell or serve alcoholic beverages on its premises; and
 - (g) Any other documentation that the Commission may request.
- (3) All proceeds generated from the sale of alcoholic beverages pursuant to the special occasion permit must be deposited into the special occasion permittee's monetary account(s).
- (4) Special occasion permittees shall be responsible for complying with state statutes, rules and regulations related to the sale of alcoholic beverages to minors, the sale of alcoholic beverages to visibly intoxicated persons, and/or the sale of alcoholic beverages by the bottle.

Authority: T.C.A. §§ 57-1-209, 57-3-104, 57-4-101, 57-4-102 and 57-4-201. **Administrative History:** Original rule filed March 10, 2010; effective June 8, 2010. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.

0100-01-.08 TERMINAL BUILDING OF A COMMERCIAL AIR CARRIER.

- (1) Hours of Sale. Notwithstanding subsection 0100-01-.03(2), any establishment that holds a license as a terminal building of a commercial air carrier airport under Tenn. Code Ann. § 57-4-102(36), any establishment that holds a license as a commercial airline travel club under Tenn. Code Ann. § 57-4-102(10), or a concessionaire that holds a liquor-by-the-drink license and is located in a terminal building of a commercial air carrier airport, shall be permitted to allow alcoholic or malt beverages to be consumed and/or sold on the licensed premises during the hours that the terminal building of the commercial carrier airport is open to the public, unless the local jurisdiction has opted out of these expanded hours.
- (2) Privilege Tax. Establishment, as the term is used in Tenn. Code Ann. § 57-4-301(b)(1)(L), shall mean the license holder. Only one license fee or privilege tax shall be due from each holder of a license for a terminal building of a commercial air carrier airport, regardless of the number of points of sale the entity may operate under the license.
- (3) Establishment.
- (a) A terminal building of a commercial air carrier airport license may be issued either to the entity having contractual, jurisdictional or other such authority to operate the airport, or, in the entity's discretion, to another entity or entities as are contractually authorized to operate within the airport. All such entities shall be considered an establishment for purposes of Tenn. Code Ann. § 57-4-301(b)(1)(L) and shall file an addendum with each renewal application identifying each point of sale within the airport.
 - (b) The holder of a license for a terminal building of a commercial air carrier airport may contractually authorize a separate entity to operate under the terminal building of a commercial air carrier airport license, and such contractually authorized entity shall not be required to obtain its own license; provided that prior notice and disclosures shall be given to the commission, on such forms or in such manner as may be prescribed by the commission. The license holder shall ultimately be responsible for any violation or sanction issued by the commission.

(Rule 0100-01-.08, continued)

- (4) Enforcement. The commission may, in its discretion, treat each point of sale at the terminal building of a commercial air carrier separately for enforcement purposes.

Authority: T.C.A. §§ 57-3-204(i), 57-4-101, 57-4-102, 57-4-201, 57-4-203, and 57-4-301. **Administrative History:** Original rule filed January 11, 2018; effective April 11, 2018. Repeal and new rules filed January 25, 2019; to have become effective April 25, 2019. However, the Government Operations Committee filed a 60-day stay of the effective date of the rules; new effective date June 24, 2019.