



# State of Tennessee

## PUBLIC CHAPTER NO. 861

### SENATE BILL NO. 289

By Ketron, Green, Kelsey, Dickerson, Tate

Substituted for: House Bill No. 47

By Haynes, Lundberg, Sexton, Durham

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 57-3-101(a)(8), is amended by deleting the language "more than five percent (5%) by weight" and substituting instead the language "more than eight percent (8%) by weight".

SECTION 2. Tennessee Code Annotated, Section 57-5-101(b), is amended by deleting the language "five percent (5%)" and substituting instead the language "eight percent (8%)".

SECTION 3. Tennessee Code Annotated, Section 57-2-101(a), is amended by deleting the language "any beverage with alcohol content of five percent (5%) by weight or less" and substituting instead the language "beer as defined in § 57-5-101(b)".

SECTION 4. Tennessee Code Annotated, Section 57-3-103(a)(1), is amended by deleting the language "any beverage of an alcoholic content of five percent (5%) by weight, or less," and substituting instead the language "beer as defined in § 57-5-101(b)".

SECTION 5. Tennessee Code Annotated, Section 57-3-303(k), is amended by deleting the first sentence of the subsection and substituting instead the following:

(k) The state tax set forth in this title on intoxicating liquor or alcoholic beverages, as defined in § 57-3-101, shall not be applicable to such intoxicating liquors or alcoholic beverages sold for consumption within the geographical boundaries of a fort, base, camp or post of the armed forces of the United States, or to post exchanges, ship service stores, commissaries and messes operated by the United States armed forces.

SECTION 6. Tennessee Code Annotated, Section 57-3-411(d), is amended by deleting the language "or other beverage of alcoholic content of not more than five percent (5%)" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 7. Tennessee Code Annotated, Section 57-4-102(1), is amended by deleting the language "where the latter contains an alcoholic content of five percent (5%) by weight, or less" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 8. Tennessee Code Annotated, Section 57-4-106, is amended by deleting the section in its entirety and substituting instead the following:

57-4-106.

If a premises is authorized pursuant to this chapter to sell wine only, the premises shall also be authorized to sell high alcohol content beer, as defined in § 57-3-101.

SECTION 9. Tennessee Code Annotated, Section 57-5-201(c), is amended by deleting the subsection in its entirety and substituting instead the following:

(c) No retail dealer of beer as defined in § 57-5-101(b) shall purchase such beverages from anyone other than a wholesaler located in Tennessee, licensed hereunder. No wholesale distributor of such beer shall purchase such beverages from anyone other than a manufacturer, importer or other Tennessee wholesaler licensed hereunder. Anyone importing or causing to be imported any beer as defined in § 57-5-101(b) shall be liable as other wholesale distributors or dealers hereunder.

SECTION 10. Tennessee Code Annotated, Section 57-5-201(d), is amended by deleting the language "beverages containing not more than five percent (5%) alcohol by weight" and substituting instead the language "beer as defined in § 57-5-101(b)".

SECTION 11. Tennessee Code Annotated, Section 57-5-401(b), is amended by deleting the language "or other beverage of alcoholic content of not more than five percent (5%) by weight" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 12. Tennessee Code Annotated, Section 57-5-409(a), is amended by deleting the language "or other beverage of alcoholic content of not more than five percent (5%) by weight" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 13. Tennessee Code Annotated, Section 57-5-410(d)(1)(B), is amended by deleting the language "or any other beverage of alcoholic content of not more than five percent (5%) by weight" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 14. Tennessee Code Annotated, Section 57-5-410(d)(1)(C), is amended by deleting the language "or any other beverage of alcoholic content of not more than five percent (5%) by weight" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 15. Tennessee Code Annotated, Section 57-5-410(f), is amended by deleting the language "and/or any other beverage of alcoholic content of not more than five percent (5%) by weight" and substituting instead the language "as defined in § 57-5-101(b)".

SECTION 16. Tennessee Code Annotated, Section 57-3-406(f), is amended by deleting the language "No retailer" and substituting instead the language "Except as provided in § 57-3-404(e)(4)(E), no retailer,".

SECTION 17. Tennessee Code Annotated, Section 57-5-101(c)(1)(A), is amended by adding the language "or high alcohol content beer or both" after the language "barrels of beer".

SECTION 18. Tennessee Code Annotated, Section 57-5-502(11), is amended by inserting the language "with an alcoholic content of five percent (5%) by weight or less" after the language "person who sells beer" where it appears in that subdivision.

SECTION 19. Tennessee Code Annotated, Section 57-5-502(1), is amended by inserting the language "with an alcoholic content of five percent (5%) by weight or less" after the language "purchase and sell a brand or brands of beer" where it appears in that subdivision.

SECTION 20. Tennessee Code Annotated, Section 57-3-301(a), is amended by deleting subdivision (1) and substituting instead the following:

(1) Each and every distilled spirits, wine product, beer with an alcoholic content of five percent (5%) by weight or greater high alcohol content beer product bearing a distinct brand name or trade name as defined or used by the United States department of the treasury, alcohol and tobacco tax and trade bureau, shall be considered a separate "brand" for purposes of this section.

SECTION 21. Tennessee Code Annotated, Section 57-3-301(b), is amended by adding the following new subdivision thereto:

(4) There is imposed a tax of one hundred dollars (\$100) per annum upon each brand of beer with an alcoholic content greater than five percent (5%) by weight or each brand of high alcohol content beer sold in this state.

SECTION 22. Tennessee Code Annotated, Section 57-3-301(e)(1), is amended by inserting a comma (,) and the word "brewer" after the word "manufacturer" where it appears in the first sentence of that subdivision.

SECTION 23. Tennessee Code Annotated, Section 57-5-512, is amended by adding the following new subsection thereto:

(e) This part 5 shall only be applicable to agreements between wholesalers and suppliers related to the sale or distribution of beer with an alcoholic content of five percent (5%) by weight or less. All agreements between wholesalers and suppliers related to the sale or distribution of beer with an alcoholic content greater than five percent (5%) by weight shall be governed by § 47-25-1501 et seq.

SECTION 24. Tennessee Code Annotated, Section 57-4-201, is amended by deleting subsection (f) and substituting instead the following:

(f)(1) Notwithstanding any provision of this title to the contrary, an entity that holds a license to manufacture high alcohol content beer issued by the commission shall be authorized to sell on its premises beer or high alcohol content beer which has been brewed on such premises, for consumption on its premises without the requirement of an additional license under this part. Any sale of high alcohol content beer by such manufacturer or brewery shall be subject to the tax imposed by § 57-4-301(c).

(2) Any manufacturer or brewery electing to effect sales of beer or high alcohol content beer for consumption on its premises must advise the commission as to the designated area where such sales will occur and shall be subject to the conditions of § 57-4-203 for such sales, except such manufacturer or brewery may effect sales for off premise consumption pursuant to § 57-3-202(h).

SECTION 25. Section 1 and Section 2 of this act shall take effect January 1, 2017, the public welfare requiring it. Section 17 of this act shall take effect July 1, 2014, the public welfare requiring it. All other sections shall take effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 289

PASSED: April 14, 2014

  
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RON RAMSEY  
SPEAKER OF THE SENATE

  
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BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 1<sup>st</sup> day of May 2014

  
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BILL HASLAM, GOVERNOR