



State of Tennessee

PUBLIC CHAPTER NO. 369

SENATE BILL NO. 710

By Green, Overbey, Harris

Substituted for: House Bill No. 826

By Jernigan, Farmer, Carr, Lundberg, Powell, McDaniel, Lamberth, Lynn

AN ACT to amend Tennessee Code Annotated, Section 57-4-203, relative to payment to wholesalers for alcoholic beverages.

WHEREAS, it is the intent of the General Assembly that payments between wholesalers and retailers of alcoholic beverages for on-premises consumption be negotiated between the parties; now, therefore,

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

SECTION 1. Tennessee Code Annotated, Section 57-4-203, is amended by deleting subsection (o) and substituting instead the following:

(o)(1) No wholesaler licensed under § 57-3-203 shall be permitted to extend credit of any retailer licensed under § 57-4-101 unless pursuant to this subsection (o). All amounts due to any wholesaler from all sales to such retailers shall be due upon delivery of the product.

(2) Notwithstanding the limitations of subdivision (o)(1), wholesalers licensed under § 57-3-203 may extend credit to a retailer licensed under § 57-4-101 for a period not to exceed ten (10) days from the date of the delivery of the product; provided, the payment is effected by electronic funds transfer or escrow prepayment.

(3) It shall create a rebuttable presumption that a retailer licensed under § 57-4-101 is not financially responsible under § 57-3-104(c)(10) if the retailer fails to satisfy its obligations to any wholesaler in accordance with each wholesaler's credit terms twice within a twelve-month period. Upon being advised by any wholesaler licensed under § 57-3-203 twice within a twelve-month period that a retailer has failed to comply with the applicable credit terms, the commission shall set a hearing as soon as practicable at its next available meeting to determine whether the retailer can rebut the presumption created by this subdivision (o)(3). Upon a finding that the retailer is not financially responsible under § 57-3-104(c)(10), the commission may issue a fine, suspend or revoke the license, or make any other order it deems appropriate.

SECTION 2. This act shall take effect July 1, 2015, the public welfare requiring it.

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PASSED: April 20, 2015

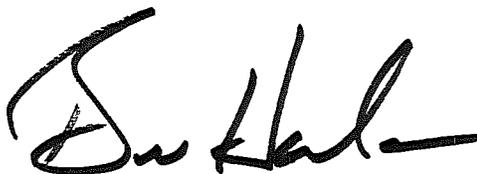


RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 4th day of May 2015



BILL HASLAM, GOVERNOR