



## TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

### MINUTES

THURSDAY, JUNE 28, 2018

1:00 p.m.

The meeting was held on Thursday, June 28, 2018, in Nashville, Tennessee. Chairman Skiles, Commissioner Jones, and Commissioner Harb Roberts were present. In attendance on behalf of staff were the following: Director Byrd, Asst. Director Blair, Commission Counsel Stepp, Commission Counsel Hollingshead-Cook, Nancy Townsend, and Christopher Dowell.

#### 1. REVIEW/APPROVAL OF THE MAY 24, 2018, COMMISSION MEETING MINUTES

**Discussion/Action Taken:** Commissioner Jones moved to accept the minutes as presented and the motion was seconded. The motion passed with three ayes.

#### 2. RETAIL MATTERS

##### 1. AIRPORT CHAMPION DISCOUNT LIQUOR AND WINE NASHVILLE, TENNESSEE (DAVIDSON COUNTY)

Applicant: Airport Champion Discount Liquor and Wine, LLC  
Member(s): Ayad Ibrahim, 100%

Current licensee: Airport Champion Discount Liquor & Wine Inc. (Adel Halaka, 100%) d/b/a Airport Champion Discount Liquor & Wine (license no. 3974)

Proposed licensee: Airport Champion Discount Liquor and Wine, LLC d/b/a Airport Champion Discount Liquor and Wine

This matter was heard at the May 24, 2018, Commission meeting and continued one month to allow applicant time to address the concerns discussed at the May meeting.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and applicant's attorney, Danielle Elks, updated the Commission on the actions taken in the previous month to address the concerns discussed at the May meeting. Director Byrd then recommended conditional approval of the application subject to the license fee. Commissioner Harb Roberts moved for approval subject to the license fee and the motion was seconded. It passed with three ayes.

##### 2. CJ'S LIQUOR HIXSON, TENNESSEE (HAMILTON COUNTY)



Applicant: Hixson Liquor Inc.  
Shareholder(s): Rikky S. Patel, 85%  
Kaushalkumar B. Patel, 15%

Application date: 01/10/18

Before the Commission is a request for licensing of a new retail package store to be located at 6401 Hixson Pike #A, Hixson, TN 37343. The applicant will lease the premises from Dr. Michael A. Wolff, Sr. d/b/a Valleybrook Park. The TABC staff recommends conditional approval of the request subject to receipt of the following items:

- ~~a. inspection which includes an acknowledgment of TABC rules & regulations (received prior to meeting)~~
- b. certificate of occupancy
- c. license fee
- d. responsible vendor certification

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and noted that item (a) had been received. Director Byrd recommended conditional approval subject to conditional items (b), (c), and (d). Commissioner Jones moved for approval subject to receipt of the items as stated. The motion was seconded and it passed with three ayes.

### **3. CELLAR PACKAGE STORE MORRISTOWN, TENNESSEE (HAMBLÉN COUNTY)**

Applicant: Ashish Patel  
Current licensee: The Cellar Inc. d/b/a The Cellar (license no. 2096)  
Proposed licensee: Ashish Patel<sup>1</sup> d/b/a Cellar Package Store

Before the Commission is a request for approval of a retail package store licensee to be located at 1405 W. Morris Blvd., Morristown, TN 37813. The applicant is purchasing the business<sup>2</sup> and real property where the store is located. The TABC

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<sup>1</sup> Ashish Patel also owns Cork & Keg LLC, the retail package store (no. 4166) located at 2304 Morningside Dr., Morristown, Tennessee.

<sup>2</sup> In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.



staff recommends conditional approval of the request subject to receipt of the following items:

- a. deed after closing
- b. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval of the request subject to the deed after closing and the license fee. Commissioner Jones moved for approval subject to receipt of those items as stated. The motion was seconded and it passed with three ayes.

**4. ROCKY TOP WINE AND LIQUORS  
ROCKY TOP, TENNESSEE (ANDERSON COUNTY)**

Application date: 4/17/2018

Applicant: Jai Hanumaan Inc.  
Shareholder(s): Bhargavkumar Patel, 90%  
Vasantkumar Patel, 10%

Before the Commission is a request for licensing of a new retail package store to be located at 625 N. Main Street, Rocky Top, TN 37769. Applicant will lease the premises from Jai Ganpati Inc. The TABC staff recommends conditional approval of the request subject to receipt of the following items:

- a. deed after closing
- b. certificate of occupancy
- c. TABC inspection which includes an acknowledgment of rules & regulations
- d. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval subject to the listed conditional items. Commissioner Jones moved for approval subject to receipt of those items as stated. The motion was seconded and it passed with three ayes.

**5. MUDDY WATERS WINE & SPIRITS LLC (LICENSE NO. 3953)  
ETOWAH, TENNESSEE (MCMINN COUNTY)**

Applicant: Muddy Waters Wine & Spirits LLC



Member(s):	<u>Before (%)</u>	<u>After (%)</u>
	Austin Beck, 50	Austin Beck, 100
	Candice Beck, 50	

The retail package store licensee (no. 3953) located at 623 North Tennessee Ave., Etowah, TN 37331 is requesting approval for a change of LLC members and member interest. If approved, Austin Beck will become the 100% owner of the LLC. The TABC staff recommends approval of this request.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended approval of the request. Commissioner Harb Roberts moved for approval of the request and the motion was seconded; the motion passed with three ayes.

**6. BEER WINE LIQUOR SUPERSTORE  
GATLINBURG, TENNESSEE (SEVIER COUNTY)**

Applicant:	AMCH Inc. (Mariah L. Farmer, 100%)
Current location:	1359 East Parkway, Gatlinburg, TN 37738
Proposed location:	1349 East Parkway, Gatlinburg, TN 37738
Current d/b/a name:	Epi's Fine Wine & Spirits
Proposed d/b/a name:	Beer Wine Liquor Superstore

Retail package store licensee no. 3847 is requesting approval to transfer its location to 1349 East Parkway, Gatlinburg, TN 37738, and to change its d/b/a name. The TABC staff recommends approval of the d/b/a name change and staff recommends conditional approval of the location change subject to a certificate of occupancy and an inspection of the premises.

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended approval of the d/b/a name change. Commissioner Jones moved for approval and the motion was seconded; the motion passed with three ayes. Director Byrd then recommended conditional approval of the location change subject to the certificate of occupancy and an inspection. Commissioner Jones moved for approval subject to receipt of any missing items. The motion was seconded and it passed with three ayes.

**7. WESTSIDE WINE AND SPIRITS  
FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)**



Applicant: Westside Wine & Spirits LLC  
Member(s): Rick English, 100%

Current: West Side Wines LLC (Wesley Alexander<sup>3</sup> and Colin Ward) dba West Side Wines & Spirits (license no. 3731)  
Proposed: Westside Wine & Spirits LLC d/b/a Westside Wine and Spirits

Before the Commission is a request for approval of a retail package store licensee to be located at 188 Front St., Franklin, TN 37064. The applicant is purchasing the existing business from the current licensee<sup>4</sup> and the current licensee's lease has been assigned to the applicant. The TABC staff recommends conditional approval of the request subject to receipt of the following item:

a. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter and recommended conditional approval of the request subject to the license fee. Commissioner Harb Roberts moved for conditional approval subject to outstanding items. The motion was seconded and it passed with three ayes.

## 8. SPIRITS OF NISSAN DRIVE SMYRNA, TENNESSEE (RUTHERFORD COUNTY)

Applicant: K & W Inc.  
Shareholder(s): Kong Yuan, 100%

Current licensee: Jerry Onks & Thomas Telleson d/b/a Spirits of Nissan Drive (RTLRRS-RUT-1802707)  
Proposed licensee: K & W Inc. d/b/a Spirits of Nissan Drive

Before the Commission is a request for approval of a retail package store licensee to be located at 830 Nissan Drive, Unit 150-170, Smyrna, TN 37167. The applicant is purchasing the business from the existing licensee<sup>5</sup> and will lease the premises from Smyrna Commons HAP Partnership. The TABC staff recommends conditional approval of the request subject to receipt of the following items:

<sup>3</sup> Mr. Alexander passed away in March of 2017. The appointed administrator of Mr. Alexander's estate has signed off on the purchase agreement.

<sup>4</sup> In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

<sup>5</sup> In accordance with Tennessee law, sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.



- a. signed lease assignment after closing
- b. license fee

**Discussion/Action Taken:** Director Byrd reviewed the request to the Commission and recommended conditional approval subject to the signed lease assignment after closing and the license fee. Commissioner Jones moved for approval subject to receipt of the items as stated. The motion was seconded and it passed with three ayes.

**9. RED SPIRITS & WINE (LICENSE NO. 3795)  
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: Bellevue Wine & Spirits LLC

The retail package store licensee doing business at 7066 Hwy. 705, Nashville, TN 37221 is requesting approval to expand its premises to include space within an adjacent suite that will be sub-leased to the package store. The TABC staff recommends conditional approval of this request subject to receipt of the following items:

- a. lease amendment creating contiguity
- b. TABC inspection of premises

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval of the request. After a brief discussion, Commissioner Harb Roberts moved for approval subject to lease amendment creating the connecting premises and the inspection. The motion was seconded and it passed with three ayes.

**3. WHOLESALE MATTERS**

**GABRIELLA WINE FL  
LAWRENCEBURG, TENNESSEE (LAWRENCE COUNTY)**

Applicant: Grapevine Partners of America  
Member(s): Thomas Sullivan, 100%

Before the Commission is request for approval of a new wholesaler to be located at 99 Motivation Dr., Lawrenceburg, TN 38464. The applicant will lease the premises



from F9 Partners LLC. The TABC staff recommends conditional approval of the request subject to receipt of the following items:

- a. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and spoke on the the analysis of staff regarding the owner's out of state residency and recommended conditional approval of the request. Ginna Winfree, attorney, was present on behalf of the applicant and addressed the Commission. Commissioner Harb Roberts moved for conditional approval subject to the license fee. The motion was seconded and it passed with three ayes.

#### 4. WINERY MATTERS

##### **BIG CREEK WINERY TASTING ROOM 1 CHRISTIANA, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Big Creek Winery LLC  
Member(s): William Brymer, 100%

Winery location: 1880 Campbellsville Rd., Pulaski, TN 38478

Winery licensee no. 107 is requesting approval for the issuance of a satellite facility permit to do business at 7027 Main St., Christiana, Tennessee 37037. The applicant will lease the premises from The Miller's Grocery Partnership. The TABC staff recommends conditional approval of the request subject to receipt of the following items:

- a. license fee

**Discussion/Action Taken:** Director Byrd reviewed the matter to the Commission and recommended conditional approval of the request subject to the license fee. Commissioner Jones moved for approval and the motion was seconded. The motion passed with three ayes.

#### 5. MISCELLANEOUS

##### - **RLPS UPDATE**



**Discussion/Action Taken:** Director Byrd updated the Commission on licenses issued in RLPS and updated the Commission on RLPS retail food store renewals. A discussion was held.

#### **CONSIDERATION OF DELEGATION OF AUTHORITY TO DENY PACKAGE STORE APPLICATIONS SUBMITTED AFTER APRIL 19, 2018<sup>6</sup>**

**Discussion/Action Taken:** Director Byrd addressed the Commission and read a proposed delegation of authority into the record. A discussion was held which included potential additional steps to ensure applicants are aware of the package store moratorium when applying for a package store license.

A discussion was held regarding clarification of the proposed order and Commissioner Harb Roberts moved to amend the proposed order by adding a section three to read: "Such authority does not apply to retail package store that will be located in a jurisdiction that has approved a referendum on or after April 1, 2018." The motion was seconded and it passed with three ayes.

After additional discussion, Commissioner Harb Roberts moved to amend the order a second time by adding to the preamble paragraph the following language after "Public Chapter 783:" ", sections 7-12," The motion was seconded and the motion passed with three ayes.

Commissioner Harb Roberts moved to accept the amended order of delegation of authority to Executive Director pursuant to Public Chapter 783. The motion was seconded and it passed with three ayes.

The amended order reads as follows:

The Tennessee Alcoholic Beverage Commission hereby delegates to the Executive Director of the Tennessee Alcoholic Beverage Commission the authority to deny retail package store applications submitted after April 19, 2018, pursuant to Public Chapter 783, sections 7-12, of the Public Acts of 2018 (attached). This authority is subject to the following conditions:

1. Such authority shall be valid through July 1, 2021. After such date, such authority shall be solely the authority of the Tennessee Alcoholic Beverage Commission, and not of the Executive Director, unless otherwise ordered by the Tennessee Alcoholic Beverage Commission.

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<sup>6</sup> <https://publications.tnsosfiles.com/acts/110/pub/pc0783.pdf>





2. Such authority does not include the authority to deny a retail package store license on any basis other than the submission of an application for a new retail package store license after April 19, 2018.
3. Such authority does not apply to retail package store that will be located in a jurisdiction that has approved a referendum on or after April 1, 2018.

**6. NEXT MEETING** - Thursday, July 26, 2018, at 1:00 p.m. (audit committee meeting to follow)

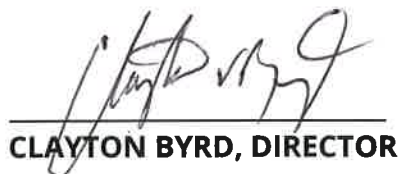
**7. UPCOMING MEETINGS**

- Thursday, July 26, 2018, at 1:00 p.m.
- The August meeting was scheduled for Thursday, August, 23, 2018, at 1:00 p.m.

The meeting adjourned.

**APPROVED FOR ENTRY UPON THE MINUTE BOOKS OF THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION THIS THE 26th DAY OF JULY 2018.**

  
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**COMMISSIONER**

  
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**CLAYTON BYRD, DIRECTOR**



State of Tennessee

**PUBLIC CHAPTER NO. 783**

**HOUSE BILL NO. 1540**

**By Representatives McCormick, Ramsey, Staples, Powell, Casada**

**Substituted for: Senate Bill No. 2518**

**By Senator Ketron**

AN ACT to amend Tennessee Code Annotated, Title 57, Chapter 3; Title 57, Chapter 4 and Title 57, Chapter 5, relative to alcoholic beverages.

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

SECTION 1. Tennessee Code Annotated, Section 57-3-406, is amended by deleting subsection (e) and substituting instead the following:

(e) No retail store shall sell, give away, or otherwise dispense alcoholic beverages except 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 ten o'clock a.m. (10:00 a.m.) and eleven o'clock p.m. (11:00 p.m.) on Sunday.

SECTION 2. Tennessee Code Annotated, Section 57-3-406, is amended by deleting subsection (h) and substituting instead the following:

(h) Notwithstanding subsection (e), a retailer shall not sell or give away any alcoholic beverages on Christmas, Thanksgiving, or Easter.

SECTION 3. Tennessee Code Annotated, Section 57-3-811, is amended by deleting the section in its entirety and substituting instead the following:

No retail food store shall sell, give away, or otherwise dispense wine except 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.

SECTION 4. Tennessee Code Annotated, Section 57-3-811, is amended by deleting the section in its entirety and substituting instead the following:

No retail food store shall sell, give away, or otherwise dispense wine except 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 ten o'clock a.m. (10:00 a.m.) and eleven o'clock p.m. (11:00 p.m.) on Sunday.

SECTION 5. Tennessee Code Annotated, Section 57-3-204(d), is amended by adding the following as a new subdivision:

(4)

(A) Notwithstanding § 57-3-406(b), if a retail licensee is not in debt to a wholesaler for any credit law violations or refused check and provides a thirty-day irrevocable notice of surrender to the commission prior to the termination of the license, the licensee shall be able to sell any unopened bottle inventory to any customer below the cost paid by the retailer to purchase the alcoholic beverages from the wholesaler so long as the price is not lower than ten percent (10%) of such purchase price.

(B) A retail licensee selling a product in accordance with this section shall not subsequently purchase that product from the wholesaler prior to termination of the license.

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(C) A retail licensee unable to sell product in accordance with this subdivision (d)(4) shall be able to keep the remaining product for personal use.

SECTION 6. Tennessee Code Annotated, Title 57, Chapter 3, is amended by adding the following as a new part:

**57-3-1001.**

This part shall be known and may be cited as the "Intoxicating Liquor Sales Law."

**57-3-1002.**

As used in this part, unless the context otherwise requires:

(1) "Basic cost of intoxicating liquor" means the invoice cost of intoxicating liquor to the retailer in the quantity last purchased from the wholesaler at prices generally available in the marketplace, absent any cash or other discounts, incentives and/or concessions of any kind, whether such discounts, incentives, or concessions are offered within or outside of this state, to which shall be added the full face value of any taxes, freight, or delivery fees which may be required by any tax law of this state imposed upon intoxicating liquor supplied to retailers now in effect or hereafter enacted, and any other taxes or fees imposed by this title, if not already included by the wholesaler in this price;

(2) "Commission" means the alcoholic beverage commission;

(3) "Cost of doing business by the retailer" is ten percent (10%) of the basic cost of intoxicating liquor to the retailer;

(4) "Cost to the retailer" means the "basic cost of intoxicating liquor" to the retailer plus the "cost of doing business by the retailer";

(5) "Intoxicating liquor" means and includes alcohol, spirits, liquors, and every liquid or solid, patented or not, containing alcohol, spirits, liquor, or wine and capable of being consumed by human beings, but nothing in this part shall be construed or defined as including or relating to the sale of any beverage having an alcoholic content of eight percent (8%) by weight or less;

(6) "Prices generally available in the marketplace" means the price of intoxicating liquor based upon a purchase from a wholesaler on terms and conditions:

(A) Typically available to retailers in the trade area in which the retailer is located; and

(B) In accordance with the requirements set forth in § 57-3-404;

(7) "Retailer" means the holder of a retailer license under § 57-3-204;

(8) "Sell at retail", "sales at retail", or "retail sales" means and includes any transfer of title to tangible personal property for a valuable consideration made in the ordinary course of trade or usual prosecution of the seller's business, to the purchaser for consumption or use; and

(9) "Wholesaler" has the same meaning as provided in § 57-3-101(a).

**57-3-1003.**

(a) It is a Class C misdemeanor for any retailer to advertise, offer to sell, or sell at retail, intoxicating liquor at less than cost to the retailer.

(b) The advertising, sale, or offer to sell of intoxicating liquor by any retailer at less than cost to the retailer shall be prima facie evidence of both a violation of this part, and of intent to injure competitors or destroy substantially or lessen competition.

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**57-3-1004.**

Any individual who, as a director, officer, partner, member, or agent of any person violating this part, assists or aids, directly or indirectly, in such violation, equally with the person for whom such individual acts, commits a Class C misdemeanor.

**57-3-1005.**

Any contract, express or implied, made by any person, firm, or corporation in violation of this part is declared to be an illegal and void contract and no recovery thereon shall be had.

**57-3-1006.**

(a)

(1) Any person or entity injured by any violation of this part, or any trade association which is representative of such a person or entity, may maintain an action in any court of equitable jurisdiction to prevent, restrain, or enjoin such violation.

(2) If, in such action, a violation of this part shall be established, the court shall enjoin and restrain or otherwise prohibit such violation and, in addition thereto, shall assess in favor of the plaintiff and against the defendant the costs of the suit.

(3) In such action, it shall not be necessary that actual damages to the plaintiff be alleged or proved, but where alleged and proved, the plaintiff in the action, in addition to such injunctive relief and costs of suit, shall be entitled to recover from the defendant the amount of actual damages sustained by the plaintiff.

(b) In the event no injunctive relief is sought or required, any person injured by a violation of this part may maintain an action for damages alone in any court of general jurisdiction, and the measure of damages in such action shall be the same as prescribed in subsection (a).

**57-3-1007.**

(a) The commission shall administer and enforce this part.

(b)

(1) For an initial violation of or noncompliance with any provision of this part by a retailer, a penalty shall be imposed not to exceed one thousand dollars (\$1,000).

(2) For any second violation of or noncompliance with any provision of this part by any retailer who has previously been found in violation pursuant to subdivision (b)(1), a penalty shall be imposed not to exceed two thousand five hundred dollars (\$2,500).

(3) For any subsequent violation or violations of or noncompliance with any provision of this part, by any retailer who has previously been found in violation pursuant to subdivision (b)(2), a penalty shall be imposed not to exceed five thousand dollars (\$5,000).

(c) Any retailer who is assessed a civil penalty pursuant to this section, and who continues to engage in the unauthorized sale, distribution, or handling of intoxicating liquor in this state, either directly or through any agent or third party acting on behalf of such retailer, shall be charged with an additional violation of this part.

(d) Any retailer who is adversely affected by a decision of the commission may petition the commission for a hearing which will be held in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

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(e) In enforcing this part, the commission shall consider the cost and effectiveness of administration and endeavor to administer this part in the most cost-efficient manner.

**57-3-1008.**

This part shall not apply to sales at retail made where intoxicating liquors are:

- (1) Sold upon the complete final liquidation of a business;
- (2) Advertised, offered for sale, or sold by any fiduciary or other officer acting under the order or direction of any court;
- (3) Closeouts and case discounts; or
- (4) Such other occasional discounts as defined by the commission.

SECTION 7. Tennessee Code Annotated, Section 57-3-204(a) is amended by deleting the subsection and substituting instead the following:

(a) For the retail sale of alcoholic spirituous beverages, including beer and malt beverages, as in this chapter defined, a license may be approved for transfer and reissued as herein provided. New licenses shall only be issued for jurisdictions that first approve the retail sale of alcoholic spirituous beverages by local option election conducted under § 57-3-106 after April 1, 2018, or to applicants who have filed applications prior to the effective date of this act. Except as provided in the preceding sentence, in all instances, any person, firm, or corporation desiring to sell alcoholic spirituous beverages, including beer and malt beverages, to patrons or customers, in sealed packages only, and not for consumption on the premises except for conducting tastings pursuant to § 57-3-404(h)(2), shall first acquire the right to purchase an existing license, from an existing licensee and then make application to the commission for the transfer of such existing retailer's license, which application shall be in writing and verified, on forms herein authorized to be prescribed and furnished, and disclosing the name of the proposed transferor of the license; and the commission may, subject to the restrictions of this chapter, approve the transfer of such retailer's license as set forth in § 57-3-212. If the premises with respect to which the license transfer is sought is owned by a person, firm, or corporation not the applicant, the application shall include the name and address of the owner. If the ownership of the premises should change after a license is granted, the licensee shall, within ten (10) days after becoming aware of such change in ownership, notify the commission in writing of the name and address of the new owner.

SECTION 8. Tennessee Code Annotated, Section 57-3-204(b)(1), is amended by deleting the subdivision and substituting instead the following:

(1) Each applicant for a retail license or retail license transfer shall pay to the commission a one-time, nonrefundable fee in the amount of three hundred dollars (\$300) when the application or application for transfer is submitted for review. A retailer's license under this section shall not be issued or transferred until the applicant has paid to the commission the annual license fee of eight hundred fifty dollars (\$850).

SECTION 9. Tennessee Code Annotated, Section 57-3-204(b)(2) is amended by deleting the following language:

(2) No retail license under this section may be issued to any individual

and substituting instead the following:

(2) No retail license under this section may be issued or transferred to or held by, to any individual

SECTION 10. Tennessee Code Annotated Section 57-3-204(b)(3), is amended by deleting the following language:

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(3) The commission may, in its discretion, issue such a retail license to a corporation; provided, that no such license shall be issued to any corporation unless such corporation meets the following requirements:

(A) No retail license shall be issued to any corporation if any officer, director or stockholder owning any capital stock in the corporation, would be ineligible to receive a retailer's license for any reason specified in subdivision (b)(2), if application for such retail license had been made by the officer, director or stockholder in their individual capacity;

and substituting instead the following:

(3) The commission may, in its discretion, issue such a retail license to a corporation; provided, that no such license shall be issued to, transferred to, or maintained by any corporation unless such corporation meets the following requirements:

(A) No retail license shall be issued to, transferred to, or maintained by any corporation if any officer, director, or stockholder owning any capital stock in the corporation, would be ineligible to receive a retailer's license for any reason specified in subdivision (b)(2), if application for such retail license had been made by the officer, director, or stockholder in their individual capacity;

SECTION 11. Tennessee Code Annotated, Section 57-3-212(a), is amended by deleting the subsection and substituting instead the following:

(a) The holder of a license may not sell, assign, or transfer such license to any other person other than to a person that the commission has approved pursuant to § 57-3-204. Any license issued or approved for transfer shall be good and valid only for the twelve (12) months after the same was issued or approved for transfer by the commission. The license proposed to be transferred may be for the same location or, with commission approval, transferred from one (1) location to another location.

SECTION 12. Tennessee Code Annotated, Section 57-3-208(b)(1), is amended by adding the following as a new subdivision:

(D) For any applicant or applicants acquiring the right to purchase from an existing licensee and transferring the license to another location, that the new location is not within one thousand five hundred feet (1,500') of another location engaged in the retail sale of alcoholic spirituous beverages and is located within the same jurisdiction wherein the transferor premises was located.

SECTION 13. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 14. Section 4 of this act shall take effect January 1, 2019, the public welfare requiring it, and all other sections of this act shall take effect upon becoming a law, the public welfare requiring it. Section 3 of this act shall be repealed on January 1, 2019, the public welfare requiring it. Sections 7 through 12 of this act shall be repealed on July 1, 2021, and the provisions of §§ 57-3-204, 57-3-208, and 57-3-212 as they existed prior to being amended by Sections 7 through 12 of this act shall be reinstated, the public welfare requiring it.

HOUSE BILL NO. 1540

PASSED: April 11, 2018

  
BETH HARWELL, SPEAKER  
HOUSE OF REPRESENTATIVES

  
RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 20<sup>th</sup> day of April 2018

  
BILL HASLAM, GOVERNOR