



# State of Tennessee

## PUBLIC CHAPTER NO. 330

### HOUSE BILL NO. 674

By Representatives Freeman, Beck, Dixie, Curcio, Lamar, Hodges, Jernigan, Camper

Substituted for: Senate Bill No. 299

By Senators Briggs, Akbari

AN ACT to amend Tennessee Code Annotated, Title 57, relative to food halls.

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

SECTION 1. Tennessee Code Annotated, Section 57-4-101(a), is amended by adding the following new subdivision (22):

(22) Food hall, as defined in Section 2, to those in attendance at the food hall, subject to the provisions of this chapter.

SECTION 2. Tennessee Code Annotated, Section 57-4-102, is amended by adding the following new subdivision:

( )

(A) "Food hall" means a public place:

(i) Kept, used, maintained, advertised, and held out to the public as a place where meals are served and where meals are actually and regularly served;

(ii) With adequate and sanitary kitchens, dining room equipment, and a seating capacity of at least one thousand two hundred (1,200) people at tables, counters, and other places for dining;

(iii) Having a sufficient number and kind of persons to prepare, cook, and serve suitable food for guests; and

(iv) Located in a facility or designated area having the following characteristics upon completion of construction:

(a) The facility has at least ninety thousand square feet (90,000 sq. ft.) in a multi-level mixed-used commercial building which includes restaurants, bars, and a rooftop with a live music venue;

(b) The facility includes at least twenty (20) separate points of sale, contiguous or noncontiguous, that regularly prepare and sell food;

(c) The property that houses the facility is across a public street from a live performance venue that was originally constructed in 1892 as a religious facility;

(d) The property that houses the facility is adjacent to a facility originally constructed in 1925 that houses the Grand Lodge of Free and Accepted Masons of Tennessee; and

(e) The facility is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2010 federal census or any subsequent federal census;

(B) The premises of a food hall means any or all of the property that constitutes the food hall, except any other separately licensed premises that are located in the food hall. The licensee may operate multiple points of sale with different business names within the food hall. The licensee shall designate the premises and each point of sale to be licensed by the commission by filing a drawing of the premises, which may be amended by the licensee filing a new drawing. The points of sale may be noncontiguous within the licensed premises. The entire designated premises is covered under one (1) license issued under this subdivision ( ). The licensee does not have to prepare or sell food as a condition of the license;

(C) A licensee licensed as a food hall may grant a franchise for the provision of alcoholic beverages to a person that regularly prepares and sells food on the food hall premises. The holder of the franchise is deemed to be a food hall under this subdivision ( ), and such franchisee is not required to obtain its own license; provided, that prior notice must be given to the commission, in such manner as may be prescribed by the commission. The licensee shall pay the commission for each franchisee licensed under this subdivision ( ) a six hundred twenty-five dollar (\$625) annual privilege tax, which may be prorated for the first year based on the renewal date of the licensee;

(D) A restaurant may be located within the premises of a food hall; provided, that the defined premises of such restaurant may be open for public ingress and egress within the premises of the food hall. Such restaurant may store its inventory of beer and alcoholic beverages on the licensed premises of the restaurant or food hall pursuant to subdivision ( )(G);

(E) Each separate operating entity under the food hall license, whether the licensee or a franchisee, is independently liable for violations committed by such operating entity, and a separate operating entity must not be held liable for the actions of another; provided, that the food hall license must not be renewed until all citations are resolved by an applicable operating entity. The commission may suspend or revoke the authority of a franchisee to operate under the food hall license without the operation of any other franchisee or the licensee under the license being affected. Each operating entity shall provide sufficient information to the commission to where the commission is able to determine which operating entity may be liable in the event of a violation;

(F) A licensee licensed under this subdivision ( ) may serve wine, high gravity beer, and beer in its original container, and spirit-based beverages in original containers that do not exceed three hundred seventy-five milliliters (375 ml) and an alcohol content that does not exceed fifteen percent (15%) by volume;

(G) The licensee or any of its franchisees licensed under this subdivision ( ) or a restaurant located on the premises of a food hall may store beer and alcoholic beverages in one (1) or more central storage locations in the food hall; provided, that if the restaurant, franchisee, and food hall share the same storage area, the restaurant's inventory of beer and alcoholic beverages must be stored in a separately locked cage or other storage area. Notwithstanding any other provision in this chapter, the licensee, franchisee, or restaurant may transport beer and alcoholic beverages anywhere in the food hall;

(H) Notwithstanding chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision ( ) means for beer permitting purposes any or all of the premises that constitutes the food hall, except any other permitted premises located in the food hall. The permittee may operate multiple points of sale with different business names within the facility, which may be contiguous or noncontiguous. The permittee shall designate the points of sale to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the permittee filing a new drawing. The entire designated premises is covered under one (1) beer permit issued under chapter 5 of this title. The permittee may grant a franchise for the sale of beer on its premises, and the holder of the franchise is not required to obtain its own beer permit; provided, that the franchisee's premises qualify as an additional point of sale

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under this subdivision ( ). For enforcement purposes, the local beer board shall treat each point of sale in the facility separately for violations of chapter 5 of this title and local beer ordinances. The local beer board shall not cite a point of sale for violations committed by another point of sale within a common licensed area. There is a rebuttable presumption of liability for a specific point of sale for an underage sale or other violation based on the specific type of container, brand of beer or wine, unlabeled or labeled cup or glassware, or logo on the cup or glassware provided to the person or minor. In the absence of a container, glass, or cup identifying the point of sale, the local beer board may determine which point of sale to cite for an underage sale or other violation. If the local beer board is unable to determine the violator after conducting a reasonable investigation, the local beer board may issue a citation to one (1) or more points of sale that share the common licensed area where the violation occurred;

(I) A licensee and franchisee licensed under this subdivision ( ) may sell and distribute wine in an unsealed container for consumption on the licensed premises;

(J) The facility, landlord, tenant, or a licensee located in a food hall shall provide periodic security throughout the entire licensed premises; and

(K) A food hall licensee does not have to use labeled cups and glassware, but a franchise authorized under subdivision (C) and a separately licensed restaurant under subdivision (D) must serve alcoholic beverages and beer in compliance with the requirements of § 57-4-101(p); provided, that a sticker identifying the franchisee or licensee, which is reasonably designed to stay affixed to a container, must comply with § 57-4-101(p);

SECTION 3. Tennessee Code Annotated, Section 57-4-301(b)(1), is amended by adding the following new subdivision (x):

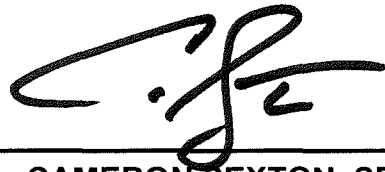
(x) Food Hall \$1,250

SECTION 4. Tennessee Code Annotated, Section 57-4-201(b)(1), is amended by deleting the language "restaurant, club" and substituting instead the language "restaurant, food hall, club".

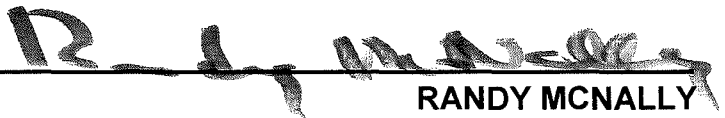
SECTION 5. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: April 22, 2021



CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES



RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 4<sup>th</sup> day of May 2021



BILL LEE, GOVERNOR