

SENATE BILL 316

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 57, Chapter 1 and Title 57, Chapter 3, relative to wine in retail food stores.

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

SECTION 1. Tennessee Code Annotated, Title 57, Chapter 3, Part 2, is amended by adding the following language as a new, appropriately designated section:

57-3-2__.

(a) Notwithstanding any other law to the contrary, an additional class of licenses allowing the sale of wine at retail food stores is created. These licenses shall be known as “wine at retail food store licenses” and shall be issued by the alcoholic beverage commission; provided that licenses shall only be issued to a retail food store located in a county or municipality that has authorized the sale of alcoholic beverages by local option election. Sections 57-3-204(b)(4) and 57-3-404(f) shall not apply to licenses issued pursuant to this section provided that any individual applicant applying for a license is twenty-one (21) years of age or older and has not been convicted of a felony subject to § 57-3-210(c); and provided further the commission may issue such a license to a corporation, limited liability company, or partnership doing business in this state. The annual license fee paid by a retailer licensed under this part shall apply to the wine at retail food store license.

(b) For purposes of this section “retail food store” means an establishment where food and food products, alone or in combination with grocery items typically found in grocery or convenience stores, are offered to the consumer and intended primarily for off-premises consumption. “Retail food store” does not include:

- (1) Roadside markets that offer only fresh foods and vegetables;
- (2) Food and beverage vending machines; or
- (3) Establishments selling only tobacco, beer or gasoline.

(c) Laws applicable to the issuance, renewal, suspension, and termination of retailer's licenses issued pursuant to this part and the regulation of and operation by such license holders shall apply in the same manner to wine at retail food store licenses and license holders.

(d) A wine at retail food store license holder engaging in the business regulated hereunder or any employee thereof shall not make or permit to be made any sales to minors. Prior to making a sale of wine for off-premises consumption, the adult consumer must present to the license holder, or any employee of the license holder, a valid, government-issued document such as a driver's license, or other form of identification deemed acceptable to the license holder, that includes the photograph and birth date of the adult consumer attempting to make a wine purchase. Persons exempt under state law from the requirement of having photo identification shall present identification that is acceptable to the license holder. The license holder or employee shall make a determination from the information presented whether the purchaser is an adult. In addition to the prohibition of making a sale to a minor, no sale of wine for off-premises consumption shall be made to a person who does not present such a document or other form of identification to the license holder or any employee of the license holder; however, it is an exception to any criminal punishment or adverse administrative action, including license suspension or revocation, as provided for a violation of this section if the sale was made to a person who is or reasonably appears to be over fifty (50) years of age and who failed to present an acceptable form of identification.

SECTION 2. Tennessee Code Annotated, Section 57-3-404(b), is amended by deleting the language “a licensed retailer,” and by substituting instead “a licensed retailer or retail food store licensed to sell wine pursuant to Section 1 of this act.”.

SECTION 3. Tennessee Code Annotated, Section 57-3-404(e), is amended by deleting subdivision (1) in its entirety and is further amended by deleting the language "Nothing in this subsection shall prohibit a licensee from cashing" in subdivision (2) and substituting instead the language "Notwithstanding any other provision of law to the contrary, a licensee may cash".

SECTION 4. Tennessee Code Annotated, Title 57, Chapter 1, Part 1, is amended by adding the following language as a new, appropriately designated section:

57-1-1___. As used in §§ 57-1-110, 57-3-204(c), 57-3-304, 57-3-406 (b)-(h), and 57-4-302, the term “licensed retailer” or “retailer” shall be construed to include and apply to retail food stores which have been issued a wine at retail food store license.

SECTION 5. Tennessee Code Annotated, Section 57-3-204, is amended by deleting subdivisions (b)(2) and (b)(3) in their entirety and renumbering remaining subdivisions accordingly.

SECTION 6. Tennessee Code Annotated, Section 57-3-406, is amended by deleting subsection (a) in its entirety and redesignating remaining subsections accordingly.

SECTION 7. Tennessee Code Annotated, Section 57-3-406, is further amended by adding the following as a new subsection thereto:

() Notwithstanding any other law to the contrary, nothing contained herein shall preclude a licensed retailer from giving or donating alcoholic beverages to a charitable or nonprofit organization which obtains a special occasion license under the provisions of § 57-4-102(32).

SECTION 8. Tennessee Code Annotated, Section 57-3-404, is amended by deleting subsection (h) and substituting instead the following:

(h)

No alcoholic beverages shall be sold for consumption on the premises of the seller except as provided in § 57-4-101 through 57-4-203, and except as may be permitted by the regulations of the commission for the purpose of conducting consumer educational seminars by a licensee under § 57-3-204, conducted on the premises of a business licensed pursuant to §§ 57-4-101 through 57-4-203. A wholesaler licensed pursuant to § 57-3-203 or a person holding a permit as a representative or sales person pursuant to § 57-3-203(d) may conduct a sales demonstration on the premises of a licensed retailer and, for such limited purpose, may provide free samples to the employees of a licensed retailer for consumption on such premises. A retail licensee may conduct tastings for customers not to exceed three (3) servings of two ounces (2 oz.).

SECTION 9. For purposes of licensing, this act shall take effect upon becoming a law, the public welfare requiring it and for all other purposes, including the actual sales of wine at retail food stores, this act shall take effect July 1, 2011.