

SENATE BILL 421

By Lundberg

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, Title 57, Chapter 3, Part 4, is amended by adding the following language as a new section:

(a) No manufacturer, or representative of the same, shall have any kind of financial interest in the fixtures or furnishings of, receive gifts from, secure loans for, guarantee payment of any loan for, participate in the profits of, or otherwise hold a direct or indirect interest in any wholesaler or any establishment holding a license for consumption of alcoholic beverages on the premises under § 57-4-101.

(b) As used in this section, "indirect interest" means any kind of interest by way of stock ownership, loan, partner's interest, or control, including an interest in the use of a brand name, trademark, or sponsorship. "Indirect interest" does not include:

(1) An interest held by a spouse as separate and distinct property by marital contract; provided, that there is no commingling of spousal assets in such arrangement;

(2) An interest of a person, firm, or corporation that is less than a five percent (5%) ownership interest in the establishment holding a license for consumption of alcoholic beverages on the premises under § 57-4-101; and

(3) An interest held in an irrevocable trust by an independent trustee; provided, that the person, firm, or corporation with the dual interest exercises no control over the trustee or trust property.

SECTION 2. Tennessee Code Annotated, Title 57, Chapter 3, Part 6, is amended by adding the following as a new section:

(a) No nonresident seller, or representative of the same, shall have any kind of financial interest in the fixtures or furnishings of, receive gifts from, secure loans for, guarantee payment of any loan for, participate in the profits of, or otherwise hold a direct or indirect interest in any wholesaler.

(b) As used in this section, "indirect interest" means any kind of interest by way of stock ownership, loan, partner's interest, or control, including an interest in the use of a brand name, trademark, or sponsorship. "Indirect interest" does not include:

(1) An interest held by a spouse as separate and distinct property by marital contract; provided, that there is no commingling of spousal assets in such arrangement; and

(2) An interest held in an irrevocable trust by an independent trustee; provided, that the person, firm, or corporation with the dual interest exercises no control over the trustee or trust property.

SECTION 3. This act shall take effect July 1, 2017, the public welfare requiring it.