



State of Tennessee

PUBLIC CHAPTER NO. 765

HOUSE BILL NO. 1717

By Representatives Lamberth, Powell, Jernigan

Substituted for: Senate Bill No. 1597

By Senator Yager

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

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

SECTION 1. Tennessee Code Annotated, Section 57-3-224, is amended by deleting subsection (a) and substituting instead the following:

(a)

(1) There is created a delivery service license to be issued by the commission to any delivery service that delivers or facilitates delivery of prepared food from restaurants or items from a retail store to customers as part of the delivery service's business and seeks to deliver sealed packages of alcoholic beverages or beer or both sold by any retailer licensed under title 57, chapter 3, or an off-premises retail permittee licensed under § 57-5-103 as part of such delivery service. If a delivery service licensed under this section is delivering alcoholic beverages or beer purchased from a retailer in accordance with this subsection (a), the delivery service shall not deliver the alcoholic beverages or beer to a customer who resides or is located at the time of the delivery:

(A) More than fifty (50) miles from the licensed premises of the retailer at which the alcoholic beverages or beer were purchased; or

(B) In any county other than the county in which such retailer is located or a county contiguous to such county.

(2) A delivery service includes, for purposes of this title 57, a technology services company that provides software or an application for connecting customers, retailers, or restaurants to a delivery driver. A delivery service does not include, and no license is required under this title to operate, a technology services company that does not employ or contract with delivery drivers but rather provides software or an application that connects retail licensees with consumers for the delivery of alcoholic beverages or beer from the retailer pursuant to § 57-3-406(j) or a company that ships wine pursuant to § 57-3-217. This section does not apply to a "motor carrier" or "freight forwarder" as those terms are defined in 49 U.S.C. § 13102, or to an "air carrier" as that term is defined in 49 U.S.C. § 40102.

SECTION 2. Tennessee Code Annotated, Section 57-3-224, is amended by adding the following language as a new subsection:

(f) A delivery service may use either employees or independent contractors as part of such delivery service. Any person delivering products for a delivery service shall comply with the provisions contained in § 57-3-225 related to delivery drivers in order to deliver alcoholic beverages or beer or both as provided in this section.

SECTION 3. Tennessee Code Annotated, Section 57-3-224(d), is amended by adding the language "or independent contractor" immediately following the language "any potential employee".

SECTION 4. Tennessee Code Annotated, Section 57-3-224(e), is amended by adding the language "or independent contractor" immediately following the language "employee".

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SECTION 5. Tennessee Code Annotated, Section 57-3-406(k), is amended by adding the language "or food from a retailer" immediately following the language "prepared food from restaurants".

SECTION 6. Tennessee Code annotated, Section 57-3-225, is amended by deleting the section in its entirety and substituting instead the following:

57-3-225.

(a) Beginning July 1, 2018, each delivery service licensed under § 57-3-224 shall be required to annually file a report stating the number of delivery drivers used by the delivery service to deliver alcoholic beverages, beer, or both, in the twelve (12) months preceding the date of the report. Each delivery service licensee shall maintain for each delivery driver covered by the licensee's delivery service license, records sufficient to verify the identity of each delivery driver, a copy of each delivery driver's license, and a copy of the background check conducted for that delivery driver pursuant to § 57-3-224(d).

(b) Each delivery service licensee may employ or contract with any person meeting the following requirements:

(1) Is at least twenty-one (21) years of age;

(2) Has had a background check conducted pursuant to § 57-3-224(d) to ensure the individual has not been convicted of any crime involving the sale and distribution of alcohol within the previous seven (7) years or has not been convicted of any felony within the previous five (5) years; and

(3) Has a valid driver license.

(c) In addition to the annual license fee in § 57-3-224(c), a delivery service licensee shall pay a fee based on the total number of delivery service employees or independent contractors used by the delivery service licensee in the prior year. The fee shall be as follows:

(1) 0-15 delivery drivers -- \$50

(2) 16-30 delivery drivers -- \$100

(3) 31-45 delivery drivers -- \$150

(4) 46-60 delivery drivers -- \$200

(5) 61-100 delivery drivers -- \$250

(6) 101-150 delivery drivers -- \$300

(7) 151-200 delivery drivers -- \$350

(8) Fifty dollars (\$50.00) for each additional fifty (50) delivery drivers over two hundred (200) until a maximum of one thousand dollars (\$1,000).

(d) With respect to the delivery of alcoholic beverages, beer, or both pursuant to this chapter, a delivery service company may be subject to fines or the suspension or revocation of its license from the commission based on the conduct of a delivery driver. A retailer is not subject to a fine or the suspension or revocation of its license based on conduct of a delivery service driver after the driver picks up alcoholic beverages or beer from the retailer.

SECTION 7. Tennessee Code Annotated, Section 57-3-217(a), is amended by adding the following language to the end of the subsection:

Applicants for a direct shipper's license shall submit to the commission a copy of the federal basic permit and a permit for the manufacturing, bottling, or rectification of wine from the state where such wine is produced.

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SECTION 8. This act shall take effect on July 1, 2018, the public welfare requiring it.

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PASSED: April 5, 2018



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 19th day of April 2018



BILL HASLAM, GOVERNOR