

SENATE BILL 2264

By Yager

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

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

SECTION 1. Tennessee Code Annotated, Section 57-3-101(a)(1)(A), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1) (A) "Alcoholic beverage" or "beverage" means and includes alcohol, spirits, liquor, wine, high alcohol content beer, and every liquid containing alcohol, spirits, wine, and high alcohol content beer and capable of being consumed by a human being, other than patent medicine or beer, as defined in § 57-5-101(b). Notwithstanding any provision to the contrary in this title, "alcoholic beverage" or "beverage" also includes any product containing distilled alcohol capable of being consumed by a human being, manufactured or made with distilled alcohol, regardless of alcohol content, including any infused product. Liquid products intended for beverage purposes containing alcohol that do not meet the definition of beer under § 57-5-101(b) shall also be alcoholic beverages.

Notwithstanding this subdivision (a)(1)(A), products or beverages containing less than one half of one percent (.5%) alcohol by volume, other than wine as defined in this section, shall not be considered to be alcoholic beverages, and shall not be subject to regulation or taxation pursuant to chapters 1-6 and 9 of this title.

SECTION 2. Tennessee Code Annotated, Section 57-3-101(a), is amended by adding the following as a new subdivision (9) and by redesignating each subsequent subdivision accordingly:

(9) "Infusion" or "infused product" means any product created from the combining or mixing of an alcoholic beverage with nonalcoholic products or material over a sustained period of time and at the time of the combination or mixing, the combination or mixture is not intended for immediate consumption;

SECTION 3. Tennessee Code Annotated, Section 57-3-202, is amended by adding the following as a new subsection (g) and by redesignating the current subsection (g) and all subsequent subsections accordingly:

(g) Notwithstanding subsection (f), an establishment licensed to sell alcoholic beverages for on-premises consumption pursuant to chapter 4, part 1 of this title, may, without a manufacturer's license, produce, store and sell infused products pursuant to Section 5 of this act.

SECTION 4. Tennessee Code Annotated, Section 57-4-102(1), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(1) "Alcoholic beverage" or "beverage" means and includes alcohol, spirits, liquor, wine, and every liquid containing alcohol, spirits, wine and capable of being consumed by a human being, other than patented medicine or beer where the latter contains an alcoholic content of five percent (5%) by weight, or less. Notwithstanding any provision to the contrary in this title, "alcoholic beverage" or "beverage" also includes any product containing distilled alcohol capable of being consumed by a human being manufactured or made with distilled alcohol irrespective of alcoholic content, including any infused product.

SECTION 5. Tennessee Code Annotated, Title 57, Chapter 4, Part 1, is amended by adding the following as a new section.

(a) Notwithstanding any law to the contrary, an establishment licensed to sell alcoholic beverages for on-premises consumption pursuant to this part may produce, store and sell infusions pursuant to this section. The commission may promulgate rules and regulations regarding the production, storage, and sale of infusions by any licensee

in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) Any retail licensee intending to produce, store or sell infusions shall provide written notification to the commission of the licensee's intent to do so at least ten (10) days prior to performing any such activity.

(c) All alcoholic beverages used in the production of an infusion must have been purchased from a licensed wholesaler.

(d) A batch of infused product must be:

(1) Infused, stored, and consumed on the licensed premises;

(2) Disposed of within ninety-six (96) hours after the infusion had been produced; and

(3) Stored in a labeled container that is less than or equal to three gallons (3 gal.) in size and that is compliant with state and federal food safety statutes, federal alcohol regulations, the Tennessee Consumer Protection Act of 1977, compiled in title 47, chapter 18, part 1 and Rule 100-11-.03; provided that a solid infusion is only required to be stored in a labeled container that is less than or equal to three gallons (3 gal.) in size.

(e) A batch of infused product may not:

(1)

(A) Contain any added stimulant, drug, or illegal substance;

(B) For purposes of this subdivision (e)(1), "added stimulant" means any stimulant used in the production of the infusion that is not naturally contained in any food product or beverage used in the production of the infusion;

(C) For purposes of this subdivision (e)(1), “stimulant” includes, but is not limited to, caffeine, guarana, ginseng, and taurine and any product or beverage which includes stimulants that are not naturally included in the product or beverage, including, but not limited to, energy drinks;

(2) Be removed or transported from the licensed premises;

(3) Be infused, stored, or dispensed from an original package of liquor or wine, or a container bearing an alcoholic beverage name brand; or

(4) Be added to a relabeled empty container or another batch if the batch is expired.

(f)

(1) A label is required to be on each container that holds a batch of infused product, including any container, device or machine used to dispense an infusion. The label must adhere to the container, in a noticeable place, until the entire contents are dispensed or destroyed. The label must legibly identify:

(A) The date and time of infusion of the alcoholic beverages with nonalcoholic ingredients in the container;

(B) The date and time the batch expire;

(C) The recipe title and a description of the name and amount of each ingredient used in the infusion;

(D) The size of the batch; and

(E) The person who prepared the batch.

(2) Each label must be marked clearly with the words “CONTAINS ALCOHOL.”

(g) Records must be maintained for three (3) years on each prepared batch of infused product. The records must identify:

- (1) The date and time of the production of the batch;
- (2) Each alcoholic beverage, including the brand and amount, used in the batch;
- (3) Each nonalcoholic ingredient used in the batch;
- (4) The recipe title and directions;
- (5) The size of the batch;
- (6) The person who produced the batch;
- (7) The date and time the contents were destroyed or entirely consumed;
- (8) If not consumed, the method of destruction of the expired batch; and
- (9) If destroyed, the amount of the batch that was destroyed and the person who destroyed the batch.

SECTION 6. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.