

Amendment No. 1 to SB0274

Ketron
Signature of Sponsor

AMEND Senate Bill No. 274*

House Bill No. 499

by deleting all language after the enacting clause and by substituting instead the following:

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

() Limited service restaurant as defined in § 57-4-102, wherein such is authorized under § 57-4-103;

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

() "Limited service restaurant" means a facility possessing each of the following characteristics:

(A) Is a public place which has a seating capacity for at least forty (40) patrons and that is kept, used, maintained, advertised and held out to the public as a place where during regular hours of operation:

(i) Alcoholic beverages, beer or wine are served to patrons;

(ii) A menu of prepared food is made available to patrons;

(iii) The gross revenue from the sale of prepared food is fifty percent (50%) or less. For purposes of determining the gross revenue from the sale of prepared food, chips, popcorn, pretzels, peanuts and similar snack items shall not be included in gross revenue from the sale of prepared food sold;

(iv) The facility affirmatively establishes, to the satisfaction of the commission, that it has complied and will comply with the requirements of § 57-4-204;

(v) The facility provides adequate security during the regular hours of operation; and

(vi) Sleeping accommodations are not provided;

(B) Is located within the jurisdictional boundaries of a political subdivision which has authorized the sale of alcoholic beverages for consumption on the premises as provided in § 57-4-103; and

(C) Is located in an area which is properly zoned for facilities authorized to sell alcoholic beverages for consumption on the premises.

SECTION 3. Tennessee Code Annotated, Section 57-4-102(27)(A), is amended by deleting the language “and if the serving of meals is the principal business conducted each day the restaurant is open;” and by substituting instead the language “and more than fifty percent (50%) of the gross revenue of the restaurant is generated from the serving of meals;”.

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

(V) Limited service restaurant, based on the gross sales of prepared food:

(i) at least 30% but not more than 50% of gross sales
\$2,000.00

(ii) at least 20% but not more than 30% of gross sales
\$3,000.00

(iii) at least 15% but not more than 20% of gross sales
\$4,000.00

SECTION 5. Tennessee Code Annotated, Section 57-4-201(b), is amended by adding the following language as a new, appropriately designated subdivision:

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(A) If a license has been issued to an establishment as a restaurant pursuant to § 57-4-102, and such licensee desires to exchange its license as a restaurant for a license as a limited service restaurant, the commission may issue the establishment a license as a limited service restaurant in accordance with the provisions of this act upon filing a complete application, submitting to an inspection by the alcoholic beverage commission that demonstrates that the applicant meets the requirements of a limited service restaurant, paying the application fee required pursuant to § 57-4-301(b)(1) and, if approved, paying the license fee in accordance with § 57-4-301(b)(1)(V). It is the intent that on-premises licenses permitting the sale of alcoholic beverages as restaurants shall not be required to fulfill any other requirements in order to be issued a license to serve alcoholic beverages as a limited service restaurant.

(B) Should the commission find that any restaurant fails to satisfy the requirements of § 57-4-102(27)(A) but would otherwise qualify as a limited service restaurant, such establishment shall be permitted thirty (30) days following such finding to elect to exchange its license for a limited service restaurant license upon paying to the commission a new application fee and the prorated difference between its restaurant license fee and the license fee required pursuant to § 57-4-301(b)(1)(V).

(C) For purposes of exchanging a restaurant license as a limited service restaurant license, if the licensee had been issued a license by the alcoholic beverage commission as a restaurant, the initial license fee shall be based on the percentage of gross sales the establishment generated from the service of meals during the year previous to the year the license as a limited service restaurant is requested.

(D) If a license is requested by an applicant who does not hold an existing license as a restaurant, it shall be a rebuttable presumption that the amount of gross sales from prepared food will be at least fifteen percent (15%) but not more than twenty percent (20%).

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.