

Amendment No. 2 to SB1224

Yager
Signature of Sponsor

AMEND Senate Bill No. 1224

House Bill No. 986*

by adding the following new sections immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION __. Tennessee Code Annotated, Section 57-3-101(a)(1)(A), is amended by inserting the language “high alcohol content beer,” after the language “wine,” where such word appears in the first sentence of that subdivision.

SECTION __. Tennessee Code Annotated, Section 57-3-101(a)(10), is amended by inserting the language “brewing high alcohol content beer, subject to subdivision (11),” between the language “includes” and the language “distilling.”

SECTION __. Tennessee Code Annotated, Section 57-3-101(a)(11), is amended by inserting the language “brewer of high alcohol content beer to the extent authorized pursuant to § 57-2-103(f),” between the language “includes a” and the words “distiller”.

SECTION __. Tennessee Code Annotated, Section 57-3-101(a), is amended by adding the following language as a new, appropriately designated subdivision:

() "High alcohol content beer" means an alcoholic beverage which is beer, ale or other malt beverage having an alcoholic content of more than five percent (5%) by weight and not more than twenty percent (20%) by weight, except wine as defined in § 57-3-101, that is brewed, regulated, distributed or sold pursuant to title 57, chapter 3; provided that no more than forty-nine percent (49%) of the overall alcoholic content of such beverage may be derived from the addition of flavors and other nonbeverage ingredients containing alcohol.

SECTION __. Tennessee Code Annotated, Section 57-2-103, is amended by adding the following language as a new subsection:

(f)

(1)

(A) As a pilot project, it shall be lawful to manufacture high alcohol content beer as defined in § 57-3-101(a) at one (1) facility within a municipality located in each of the three (3) grand divisions designated pursuant to this subsection and such manufacturing shall be authorized in such municipalities notwithstanding subsections (a)-(c). Only one (1) license shall be issued in each grand division under such pilot project.

(B) In the East Tennessee Grand Division, such manufacturer shall be located within a municipality having a population of not less than seventy-seven hundred (7,700) nor more than seventy-eight hundred (7,800) located in a county having a population of not less than one hundred five thousand eight hundred (105,800) nor more than one hundred five thousand nine hundred (105,900), according to the 2000 federal census or any subsequent federal census, if both retail package stores and consumption of alcoholic beverages on the premises have been approved through voter referendum within such municipality, and if the manufacturer also holds a Brewer's Notice approved by the U.S. Department of the Treasury, Alcohol and Tobacco Tax and Trade Bureau, or any successor federal beer manufacturing permit granted by a federal bureau having jurisdiction over the manufacture of beer.

(C)

(i) In the Middle Tennessee Grand Division the qualifying jurisdiction shall be the municipality having the

largest population within the county having the largest population in the division and the manufacturer selected for such pilot project shall be a manufacturer who has applied for a license to manufacture high alcohol content beer prior to the effective date of this act.

(ii) In the West Tennessee Grand Division the qualifying jurisdiction shall be the municipality having the largest population within the county having the largest population in the division and the manufacturer selected for such pilot project shall be a manufacturer who has annual capacity to manufacture, at a facility located within such qualifying jurisdiction, a combination of at least two million (2,000,000) barrels of beer and high alcohol content beer, provided that such manufacturer applies for a license no later than July 1, 2011.

(D) The alcoholic beverage commission shall file an annual report with the house and senate state and local government committee concerning the progress of each pilot project authorized pursuant to this subsection (f).

(2) Notwithstanding any other provision of law to the contrary, pursuant to subdivision (f)(1), it shall be lawful for any manufacturer of high alcohol content beer to also brew beer as this term is defined in § 57-5-101(b) on the same premises of the manufacturer of high alcohol content beer, upon meeting necessary federal, state and local license requirements.

(3) The general assembly hereby ratifies any action which may have been taken by the alcoholic beverage commission in issuing a

license to a manufacturer of high alcohol content beer located within such jurisdictions prior to the effective date of this act.

SECTION __. Tennessee Code Annotated, Section 57-3-204(f), is amended by adding the following language as a new subdivision as follows:

(7) If the retail license under this subsection (f) is held by a manufacturer of high alcohol content beer authorized to manufacture such beverages in accordance with a pilot project created pursuant to § 57-2-103(f) that is located within a qualifying jurisdiction under such subsection, then:

(A) The retailer may sell its products at such retail location which are manufactured on the manufacturer's premises in accordance with subdivisions (B) and (C) in sizes and containers that are made available through the general wholesale/retail distribution system; provided that, the provisions of subsection (g) related to the delivery of alcoholic beverages by wholesalers shall be applicable;

(B)

(1) Such retailer may also offer and sell beer, as beer is defined in § 57-5-101(b), for consumption on or off-premises, at the same physical location at which it offers samples of and sells its high alcohol content beer; provided such beer and high alcohol content beer is brewed on the manufacturer's premises located at the retail location, and further provided that such beer be included in a licensed beer wholesaler's inventory and depletions for purposes of tax collections;

(2) Notwithstanding any other provision of law to the contrary, the hours and days on which such beer or high alcohol content beer may be sold by a manufacturer authorized to manufacture such beverages pursuant to § 57-2-103(f) shall be as set by the governing body of the municipality within a qualifying

jurisdiction under § 57-2-103(f), and the governing body of such municipality shall further have the authority to authorize the sale of high alcohol content beer and beer within the same store notwithstanding § 57-3-404(e)(1).

(C) Such retailer may sell no more than five (5) gallons of beer or high alcohol content beer or any combination of such beverages to any one (1) individual per visit to the premises.

SECTION __. Tennessee Code Annotated Section 57-4-201, is amended by adding the following language as a new, appropriately designated subsection:

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(1) Notwithstanding any provision of this title to the contrary, an entity holding a license to manufacture high alcohol content beer issued by the commission pursuant to a pilot project created pursuant to § 57-2-103(f) shall be authorized to also obtain a license as a restaurant or a limited service restaurant located on or adjacent to the premises of the manufacturer. The premises of any restaurant or limited service restaurant licensed under this subsection shall mean any or all of the property on which the restaurant is located, including exterior areas. A licensee shall designate the premises to be licensed by the commission by filing a drawing of the premises, which may be amended by the licensee filing a new drawing.

(2) Notwithstanding any provision of law to the contrary, any manufacturer to whom a restaurant or limited service restaurant license is issued pursuant to subdivision (1), shall also be authorized to sell beer as this term is defined in § 57-5-101(b) at such restaurant or limited service restaurant upon meeting necessary federal, state and local license requirements.

SECTION __. Tennessee Code Annotated, Section 57-3-204(f), is amended by deleting subdivision (4) in its entirety and by substituting instead the following language:

(4) A manufacturer licensed to sell at retail at its retail location under this subsection (f) may sell only such products as are manufactured or distilled on the manufacturer's premises; provided that at such retail location no more than five (5) gallons of its products may be sold to any one (1) individual per visit to the premises.