

HOUSE BILL 935

By Camper

AN ACT to amend Tennessee Code Annotated, Title 6;
Title 29; Title 57 and Title 67, relative to alcoholic
beverages.

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

SECTION 1. Tennessee Code Annotated, Section 57-4-301, is amended by adding the following language as new subsections:

(c) The commission shall verify compliance with subdivision (b)(1)(W)(iii) in consultation with the department of revenue and in compliance with § 67-1-1702 provided that the tax records of limited service restaurants remain confidential. The commission shall have access to the tax revenue records of limited service restaurants for the limited purpose of verifying compliance with subdivision (b)(1)(W)(iii). The commission is authorized to promulgate rules and regulations to effectuate the purposes of this subsection. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

(d) The commission shall verify compliance with § 57-4-102 (21)(A)(iii) in consultation with the department of revenue and in compliance with § 67-1-1702 provided that the tax records of limited service restaurants remain confidential. The commission shall have access to the tax revenue records of restaurants for the limited purpose of verifying compliance with subdivision (b)(1)(W)(iii). The commission is authorized to promulgate rules and regulations to effectuate the purposes of this subsection. All such rules and regulations shall be promulgated in accordance with Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 2. Tennessee Code Annotated, Title 57, Chapter 4, Part 3, is amended by adding the following language as a new, appropriately designated section:

57-4-3__.

(a) If the commission has reason to believe that a restaurant or a limited service restaurant fails to meet the licensing requirements provided in §§ 57-4-102 or 57-4-301, then the commission shall hold a hearing as provided by the Uniform Administrative Procedures Act, compiled in title 4, chapter 5 and shall notify the establishment and the municipality where the establishment is located.

(1) If the commission finds that the revenue from the monthly average sales of prepared food for three (3) consecutive months is less than fifteen percent (15%) of gross sales at a limited service restaurant or if it finds that the monthly average sales of prepared food in the last fiscal year is less than fifteen percent (15%) of gross sales, then the commission shall have the authority to suspend or revoke the license or take action pursuant to § 57-1-201(b) and shall notify the establishment and the municipality where the establishment is located.

(2) If the commission finds that the revenue from the monthly average sales of prepared food for three (3) consecutive months is less than fifty percent (50%) of gross sales at a restaurant or if it finds that the monthly average sales of prepared food in the last fiscal year is less than fifty percent (50%) of gross sales, then the commission shall have the authority to suspend or revoke the license or take action pursuant to § 57-1-201(b) and shall notify the establishment and the municipality where the establishment is located.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.