

HOUSE BILL 241

By Ramsey

AN ACT to amend Tennessee Code Annotated, Title 57,  
relative to off-premises consumption of alcoholic  
beverages.

WHEREAS, the recent pandemic has substantially damaged Tennessee's food and beverage industry due to its effects on employees in those industries and orders of governments which substantially restricted their activities and abilities to sell food and beverage; and

WHEREAS, these reductions in certain commercial activities in this State have resulted in dramatic reductions in employment, sales, and taxes paid; and

WHEREAS, these reductions in a major portion of this State's largest retail commercial segment, tourism, have cost many Tennesseans all or part of their income during the recent pandemic; and

WHEREAS, this reduction in activity in the tourism industry has cost Tennessee's cities, counties, and this State a tremendous loss in receipts from sales, hotel, and liquor taxes; and

WHEREAS, this State has paid an enormous amount of unemployment benefits to laid-off employees in the tourism industry; and

WHEREAS, thirty-one other states now permit the sale of alcoholic beverages and beer to go in order to support the food service industry; and

WHEREAS, some other states are now considering proposals to allow the delivery of alcoholic beverages and beer along with food to customers; now, therefore,

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

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

(a) Notwithstanding any law to the contrary, a licensee under this chapter may offer drive-through, pickup, carryout, and delivery orders of alcoholic beverages and beer at the licensee's place of business if the sale of alcoholic beverages and beer for consumption off the licensee's premises:

(1) Is accompanied by the sale of food in the same order;

(2) Is packaged in a container or bottle with a secure lid or cap and in a manner designed to prevent consumption without removal of the lid or cap; and

(3) Consists of single servings of alcoholic beverages or beer, or multi-serving bottles or containers of beer or wine that are lawfully sold by the licensee.

(b) A licensee selling alcoholic beverages and beer under this section shall post a conspicuous sign containing the following language:

**A driver shall not consume alcoholic beverages or beer while operating a motor vehicle in this state.**

(c) This section does not authorize a licensee to sell bottles of distilled spirits.

(d) An employee of a licensee or delivery service licensee licensed under § 57-3-224 shall not provide or deliver alcoholic beverages or beer to a person under twenty-one (21) years of age or who is visibly intoxicated. An employee of a licensee or delivery service licensee who is providing or delivering alcoholic beverages or beer shall inspect a valid, government-issued photo identification card that is acceptable to the licensee and that contains the photograph and birthdate of the purchaser confirming that the purchaser is at least twenty-one (21) years of age. An employee of a licensee making a delivery of alcoholic beverages or beer pursuant to this section must be at least twenty-one (21) years of age and possess a valid server permit issued by the commission under § 57-3-704.

(e) Sales of alcoholic beverages and beer made under this section must be in accordance with the hours for sale of alcoholic beverages under § 57-4-203(d) or beer under § 57-5-301(b), as applicable.

(f) A licensee shall collect the liquor by the drink tax imposed on alcoholic beverages under § 57-4-301(c)(1) for all sales of alcoholic beverages made under this section in accordance with § 57-4-301(c)(2). A licensee shall not collect such tax on the sale of beer.

(g) As used in this section, "licensee" means a person or entity licensed under this chapter to sell alcoholic beverages and beer by the drink for consumption on the person's or entity's premises.

SECTION 2. Tennessee Code Annotated, Section 57-4-203(e)(1), is amended by deleting the first two sentences of the subdivision and substituting instead the following:

A restaurant licensed under this chapter may permit a customer who purchases an unsealed package of wine in conjunction with a food purchase and who consumes a portion of the wine on the premises to remove the partially filled package from the premises.

SECTION 3. Tennessee Code Annotated, Section 57-4-203(e), is amended by deleting subdivision (4).

SECTION 4. Tennessee Code Annotated, Section 57-4-203(f), is amended by deleting the language "clubs, except that no curb service of such beverages is lawful." and substituting instead the language "clubs in accordance with SECTION 1 of this act."

SECTION 5. Tennessee Code Annotated, Section 57-3-224(a)(1), is amended by deleting the language ", or an off-premises retail permittee licensed under § 57-5-103" and substituting instead "or an off-premises retail permittee licensed under § 57-5-103, or a licensee

authorized to deliver single servings of alcoholic beverages and beer in sealed packages under SECTION 1 of this act,".

SECTION 6. Tennessee Code Annotated, Section 57-3-224(b)(1), is amended by deleting the language "off-premise retail permittee licensed under § 57-5-103" and substituting instead "off-premise retail permittee licensed under § 57-5-103, or a licensee authorized to deliver single servings of alcoholic beverages and beer in sealed packages under SECTION 1 of this act,".

SECTION 7. Tennessee Code Annotated, Section 57-3-225(d), is amended by deleting the last sentence and substituting instead the following language:

A retailer or licensee under SECTION 1 of this act 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 or licensee.

SECTION 8. This act takes effect July 1, 2021, the public welfare requiring it. The provisions contained in this act terminate on July 1, 2024, and the law in effect prior to this act's effective date must be restored.