

HOUSE BILL 1378

By Windle

AN ACT to amend Tennessee Code Annotated, Section 57-3-207; Section 57-3-217 and Section 57-4-102, relative to local wine industry associations.

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

SECTION 1. Tennessee Code Annotated, Section 57-3-207, is amended by adding the following subsection:

(y)

(1) A local wine industry association license may be issued to a nonprofit association organized to encourage and support grape growing and winemaking with ten (10) or more wineries licensed under this section as members. A one-time nonrefundable fee in the amount of three hundred dollars (\$300) must be paid to the commission when the application is submitted. The license must not be issued until the applicant has paid to the commission the annual license fee of one hundred fifty dollars (\$150).

(2) An association licensed under this section may advertise and promote wines sold by its members.

(3) An association licensed under this section may purchase and receive donations of wine from its members. The member shall pay the tax imposed by § 57-3-302(a) on the wine transported to the association. The wine may be transported from the winery to the association either by the member or by the association.

(4) An association licensed under this section may participate in wine festivals that the association holds by serving and offering complimentary

samples of members' wines for tasting at the festival and by selling members' wines at the festivals for consumption off-premises. The association may transport wine to the festivals. Except as provided in this subsection (y), an association is subject to the same restrictions as wineries when participating in wine festivals.

(5) To the extent authorized under a special occasion license issued pursuant to § 57-4-102, the holder of the special occasion license may permit an association licensed under this section to offer complimentary samples and to serve members' wines to be consumed on the designated premises, and to sell members' wines in sealed containers for off-premises consumption. The association may transport wine to the designated premises.

SECTION 2. Tennessee Code Annotated, Section 57-3-217, is amended by adding the following subsection and redesignating the subsequent subsections accordingly:

(b) A holder of a local wine industry association license may obtain a winery direct shipper's license. The nonprofit association may make sales and deliveries of any wine that is sold by its members.

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