

State of Tennessee

PUBLIC CHAPTER NO. 1024

SENATE BILL NO. 1844

By Briggs

Substituted for: House Bill No. 1937

By Holsclaw

AN ACT to amend Tennessee Code Annotated, Title 57, relative to alcoholic beverages.

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

SECTION 1. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility whether open to the public or limited to members and guests that:

(i) Is a for-profit social club, organized and existing under the laws of this state that has at least two hundred fifty (250) members paying dues on a monthly, quarterly, annually, or other basis;

(ii) Is located within or adjacent to a residential development consisting of at least two hundred seventy-five (275) residential units, and the club property and such residential development consists of at least two (2) acres, inclusive of the facility;

(iii) Is at least seven thousand five hundred square feet (7,500 sq. ft.), with a maximum occupancy of at least two hundred (200) guests;

(iv) Is organized and operated to offer its members, their guests, and others a live entertainment venue, an artistic environment for networking, a unique culinary experience, and philanthropic opportunities;

(v) Does not discriminate against members, potential members, or guests of such members on the basis of age, gender, race, religion, or national origin; and

(vi) Is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2020 federal census or a subsequent federal census.

SECTION 2. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Offers a versatile, mixed-use event venue to host live performances, small workshops, community events, professional development conferences, continuing education seminars, and oral histories;

(ii) Is located in a historic downtown building in a previous professional office consisting of three thousand nine hundred seventy-seven square feet (3,977 sq. ft.);

(iii) Offers restaurant seating for approximately forty (40) to sixty (60) patrons, with additional patio seating for approximately fifteen (15) patrons;

(iv) Contains a singer-songwriter listening room and a dedicated storytelling venue; and

(v) Is located in a county with a metropolitan government with a population in excess of five hundred thousand (500,000), according to the 2020 or any subsequent federal census;

SECTION 3. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

() A commercially operated bed and breakfast establishment that:

(i) Was established in 2020 on approximately one-half (1/2) acre and contains approximately twelve thousand three hundred twenty-four square feet (12,324 sq. ft.) of building space;

(ii) Includes a former church that was built in 1895 with chapel seating for two hundred (200) persons;

(iii) Has at least six (6) rooms available for overnight accommodations and seating for at least fifty (50) in a restaurant, fifty (50) on a patio, and twenty (20) in a lounge;

(iv) Is a venue for weddings, community events, and musical performances; and

(v) Is located in a county having a population of not less than fifty thousand four hundred (50,400) and not more than fifty thousand five hundred (50,500), according to the 2020 or a subsequent federal census;

SECTION 4. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Was established in 2021 on approximately sixty (60) acres;

(ii) Includes a hotel with at least thirteen (13) rooms, day spa facility, hiking trails, and indoor and outdoor event spaces;

(iii) Is used for weddings, corporate meetings, and other events; and

(iv) Is located less than five (5) miles from the Tennessee-Kentucky border in a county having a population of not less than twenty-one thousand eight hundred (21,800) and not more than twenty-one thousand nine hundred (21,900), according to the 2020 or a subsequent federal census;

SECTION 5. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Was established in 1963 and is situated on approximately fifty-seven one-hundredths (0.57) of an acre;

(ii) Contains approximately four thousand square feet (4,000 sq. ft.);

(iii) Operates a restaurant with seating for approximately seventy-five (75) patrons and patio seating for approximately fifty (50) patrons;

(iv) Contains an outdoor patio and music venue with two (2) stages for live music with stage and sound equipment;

(v) Serves as a venue for private events, concerts, and community events;

(vi) Is situated approximately two thousand feet (2,000') North of Big Spring Creek between Highway 46 and Tidwell Loop; and

(vii) Is located in a county with a population of not less than twenty-four thousand nine hundred (24,900) and not more than twenty-five thousand (25,000), according to the 2020 or a subsequent federal census;

SECTION 6. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Was established in 2019, is situated on approximately twenty-two and one-half (22.5) acres, and contains facilities with approximately three thousand nine hundred fourteen square feet (3,914 sq. ft.);

(ii) Is an outdoor hospitality resort with a community building, a pool, a slide, a barn, and tiny home, RV, and glamping tent rentals;

(iii) Operates a restaurant or food service with seating for at least twelve (12) patrons and patio seating for an additional thirty-two (32) patrons;

(iv) Was formerly operated as a farm and a campground, and that has a facility theme reflecting that history consistent with farm heritage and outdoor recreation;

(v) Serves as a periodic event venue;

(vi) Offers recreational activities, including camping, fishing, kayaking, biking, and hiking;

(vii) Offers approximately seven (7) rooms for lodging;

(viii) Is located within five hundred feet (500') to the East of the Piney River off of Piney River Road North; and

(ix) Is located in a county with a population of not less than twenty-four thousand nine hundred (24,900) and not more than twenty-five thousand (25,000), according to the 2020 or a subsequent federal census;

SECTION 7. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

(i) A commercially or privately operated recreational facility that:

(a) Is located at the confluence of Rutherford and Aeon creeks and is named after an indigenous sparrow;

(b) Operates a golf course having at least eighteen (18) holes for use by its members and their guests and that may also be open to the public;

(c) Has at least two hundred twenty-five (225) dues-paying members who pay dues of at least three hundred dollars (\$300) per year;

(d) Operates a clubhouse with not less than five thousand square feet (5,000 sq. ft.) with a suitable kitchen, dining facilities, and equipment, serving at least one (1) meal daily, at least five (5) days a week;

(e) Does not discriminate against a person on the basis of age, gender, race, religion, or national origin; and

(f) Is located in a county having a population of not less than one hundred thousand nine hundred (100,900) and not more than one hundred one thousand (101,000), according to the 2020 or a subsequent federal census;

(ii) The premises of a facility licensed under this subdivision (28)() means any or all of the property that constitutes the facility. The 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;

(iii) Notwithstanding chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision (28)() means, for beer permitting purposes, any or all of the property that constitutes the facility as designated in this subdivision (28)(). The licensee shall designate the premises to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the licensee filing a new drawing; and

(iv) A facility licensed under this subdivision (28)() may grant a franchise for the provision of food or beverages, including alcoholic beverages, on its premises, and the holder of such franchise is deemed to be a licensee under this subdivision (28)();

SECTION 8. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Is situated on approximately one hundred forty-eight (148) acres between Interstate 40 and Rocky Branch surrounding Genesis Lake;

(ii) Operates an eighteen-hole golf course with a clubhouse, pro shop, and driving range;

(iii) Includes a restaurant with approximately six thousand square feet (6,000 sq. ft.) with seating for one hundred twelve (112) patrons, patio seating for approximately forty (40) patrons, and bar seating for thirty-five (35) patrons;

(iv) Serves as an event venue for parties, reunions, engagements, weddings, and similar events; and

(v) Is located in a county with a population of not less than sixty-one thousand one hundred (61,100) and not more than sixty-one thousand two hundred (61,200), according to the 2020 or a subsequent federal census;

SECTION 9. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

(i) A commercially operated facility that:

(a) Operates as a hotel and is located in a historic building constructed in 1898 that originally served as a shoe store and became a jewelry store in 1908, for which the building is named;

(b) Offers sleeping accommodations for adequate pay to travelers and guests, whether transient, permanent, or residential, totaling twelve (12) or more rooms;

(c) Has a restaurant where meals are regularly served with one (1) or more public dining rooms, adequate and sanitary kitchen facilities, and seating at not less than forty (40) tables;

(d) Is located less than five hundred feet (500') from a historic theater that first opened in 1928 as a movie theater and is operated by a nonprofit organization as a performing arts center;

(e) Is located less than four hundred feet (400') from a historic market square founded prior to 1860; and

(f) Is located in a county having a population of not less than four hundred seventy-eight thousand nine hundred (478,900) and not more than four hundred seventy-nine thousand (479,000), according to the 2020 or a subsequent federal census;

(ii) A facility licensed under this subdivision (28)() shall comply with all the requirements of this chapter and is subject to the restrictions imposed upon licenses other than § 57-4-103; and

(iii) A facility licensed under this subdivision (28)() may grant a franchise for the provision of food or beverages, including alcoholic beverages, on its premises, and the holder of such franchise is deemed to be a licensee under this subdivision (28)();

SECTION 10. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Operates a recreation and event center situated on approximately thirty-three (33) acres within approximately one (1) mile of the Merchant's Greene Shopping Center;

- (ii) Was established in 2023;
- (iii) Has approximately one hundred fifteen thousand square feet (115,000 sq. ft.) of facility space;
- (iv) Has a patio of approximately four thousand five hundred sixteen square feet (4,516 sq. ft.);
- (v) Serves as a community event center, an athletics venue, and meeting and conference venue;
- (vi) Hosts parties, weddings, board meetings, lunch and learn events, expositions, fitness classes and training, tournaments, athletic activities, and job fairs;
- (vii) Is newly constructed with modern amenities designed to recognize the importance of local aviation history; and
- (viii) Is located in a county with a population of not less than sixty-four thousand four hundred (64,400) and not more than sixty-four thousand five hundred (64,500), according to the 2020 or a subsequent federal census;

SECTION 11. Tennessee Code Annotated, Section 57-4-102(40), is amended by adding the following new subdivision:

- () (i) "Urban park center" also means a facility or designated area that:
 - (a) Is located at the former site of a one-million-five-hundred-thousand-square-foot (1,500,000 sq. ft.) warehouse that was part of a chain of retail department stores that was once the nation's largest retailer and was the municipality's largest employer;
 - (b) Is located on approximately one (1) acre of real property adjacent to a nineteen-acre mixed-use development that offers multi-family housing, commercial offices, restaurants, and retail stores;
 - (c) Is an entertainment complex with at least one (1) facility having a capacity for at least five hundred (500) patrons that is used for live music performances; and
 - (d) Is located in a county having a population of not less than nine hundred thousand (900,000), according to the 2020 or a subsequent federal census;
- (ii) An urban park center licensed under this subdivision (40)() may grant a franchise for the provision of food or beverages, including alcoholic beverages, on its premises, and the holder of such franchise is deemed to be an urban park center under this subdivision (40)();
- (iii) The premises of a facility licensed under this subdivision (40)() means any or all of the property that constitutes the facility. The 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. The entire designated premises is covered under one (1) license issued under this subdivision (40)(); and
- (iv) Notwithstanding any provision of chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision (40)() means, for beer permitting purposes, any or all of the property that constitutes the facility. The beer permittee shall designate the premises to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the beer permittee filing a new drawing. The entire designated premises is covered under one (1) beer permit issued under chapter 5 of this title;

SECTION 12. Tennessee Code Annotated, Section 57-4-301(b)(3), is amended by deleting the subdivision and substituting:

(3) Notwithstanding subdivision (b)(1)(E) to the contrary, "urban park centers" under § 57-4-102(40)(G)-(K) and () shall pay an annual privilege tax of four thousand dollars (\$4,000) to be earmarked for and allocated to the commission for the purpose of administration and enforcement of the duties, powers, and functions of the commission.

SECTION 13. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

- () A commercially operated facility that:
 - (i) Was established in 2023 and is situated on one hundred twenty-five (125) acres;
 - (ii) Operates a golf course, clubhouse, pro shop, pool, and maintenance barn;
 - (iii) Operates a restaurant with seating for eighty (80) patrons and additional patio seating for twenty (20) patrons, situated in a building with approximately four thousand five hundred square feet (4,500 sq. ft.);
 - (iv) Serves as a sports, entertainment, and mixed-use venue that hosts golf tournaments, weddings, birthdays, anniversaries, and similar events;
 - (v) Is located within twenty (20) miles of the Great Smoky Mountains National Park and the Cherokee National Forest, and approximately four thousand feet (4,000') west of the Pigeon River; and
 - (vi) Is located in a county with a population of not less than thirty-five thousand nine hundred (35,900) and not more than thirty-six thousand (36,000), according to the 2020 or a subsequent federal census;

SECTION 14. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

- () (i) A commercially operated facility that:
 - (a) Was established in 2023 on forty-six (46) acres on the shores of Watts Bar Lake;
 - (b) Contains a marina with at least one hundred (100) boat slips, sites for at least one hundred forty-five (145) recreational vehicles, a gas dock, a pool, laundry and bathing facilities, a store, and a restaurant with indoor seating for at least eighteen (18) patrons and outdoor seating for at least thirty (30) patrons; and
 - (c) Is located in a county having a population of not less than fifty-three thousand four hundred (53,400) and not more than fifty-three thousand five hundred (53,500), according to the 2020 or a subsequent federal census;
- (ii) The premises of a facility licensed under this subdivision (28)() means any or all of the property that constitutes the facility. The 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. The designated premises may include property owned or leased by the facility and property that is contiguous to the property of the facility that is defined in this subdivision (28)(). The entire designated premises is covered under one (1) license issued under this subdivision (28)();
- (iii) Notwithstanding any provision of chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision (28)() means, for beer permitting purposes, any or all of the property that constitutes the facility as described in subdivision (28)()(ii). The beer permittee shall designate the premises to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the beer permittee filing a new drawing. The entire designated premises is covered under one (1) beer permit issued under chapter 5 of this title;
- (iv) A facility licensed under this subdivision (28)() may obtain a license as a caterer under subdivision (6);
- (v) A facility licensed under this subdivision (28)() may grant a franchise right to one (1) or more entities that can hold a caterer's license pursuant to this subdivision (28)();
- (vi) A facility licensed under this subdivision (28)() may deliver alcoholic beverages to any area within the licensed premises of the facility; and

(vii) A facility licensed under this subdivision (28)() is not required to meet a gross revenue percentage requirement for food service as a prerequisite to the issuance of a license to serve liquor by the drink; provided, however, that a facility applying for the renewal of its license under this subdivision (28)() must pay the appropriate license fee due under § 57-4-301(b)(1)(W) when the gross revenue from the previous year derived from food sales is fifty percent (50%) or less than the gross revenue from the sale of alcoholic beverages;

SECTION 15. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following language as a new subdivision thereto:

() (i) A commercially operated facility that:

(a) Operates a restaurant that is open to the public in the clubhouse of a golf course;

(b) Contains a commercial-grade kitchen and seating for at least eighty-five (85) persons inside of the clubhouse at tables;

(c) Overlooks a golf course which is bordered by State Highway 55 between Harvest Farm Lake Road and Lakeland Drive;

(d) Does not discriminate against any patron on the basis of gender, race, religion, or national origin; and

(e) Is located within a county having a population of not less than forty thousand nine hundred (40,900) nor more than forty thousand nine hundred seventy-five (40,975), according to the 2020 or a subsequent federal census; and

(ii) A licensee under this subdivision (28)() may grant a franchise for the provision of food or beverages, including alcoholic beverages, on its premises, and the holder of the franchise is deemed to be a licensee under this subdivision (28)();

SECTION 16. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() (i) A commercially operated facility that is located within a downtown art district that meets all of the requirements under this section for a restaurant or limited service restaurant other than the applicable seating requirements; provided, that such facility has seating for at least five (5) patrons at tables;

(ii) The company that owns the property within the downtown art district shall designate the premises of the downtown art district by filing a drawing of the premises with the commission, which may be amended to expand or contract from time to time by the company filing a new drawing with the commission;

(iii) The downtown art district as used in this subdivision (28)() may also include art studios. An art studio that does not sell food or beverages and ninety percent (90%) of its revenue is from the sale of art created within the art studio may serve beer and wine to visitors to such art studio without a charge. Such art studio shall not serve beer or wine to a patron who is intoxicated or believed to be intoxicated. Such art studio does not need to offer the retail sale of art at the art studio. Notwithstanding another law to the contrary, an art studio permitted to serve beer and wine under this subdivision (28)() is not required to pay any fees or taxes related to the privilege of serving beer and wine;

(iv) Each facility licensed under this subdivision (28)() shall designate an exclusive licensed premises and any non-exclusive common areas in the downtown art district by filing a drawing of the exclusive licensed premises and the non-exclusive common areas in the downtown art district with the commission, which may be amended by filing a new drawing. The non-exclusive common areas may include contiguous and non-contiguous seating areas with or without table service, bars to serve alcoholic beverages, and may deliver alcoholic beverages to any area within its licensed premises, subject to limitations imposed by the lease, which may specify the times, the locations, and other restrictions on the service of alcoholic beverages and beer. The non-exclusive common areas may include art studios, public sidewalks, and the alley identified in subdivision (28)()(viii)(b)(3). Barriers controlling the ingress and egress of the downtown art district are not required as long as adequate security,

signage, or other measures sufficient to deter customers from leaving the facility and premises with alcoholic beverages are used and maintained;

(v) A facility licensed under this subdivision (28)() does not have to use labeled cups and glassware inside the exclusive licensed premises. The service of alcoholic beverages and beer outside the exclusive licensed premises, or consumed by guests outside the exclusive licensed premises, must otherwise be in compliance with the requirements of § 57-4-101(p); provided, that a sticker identifying the facility selling such beverage, which is reasonably designed to stay affixed to an original container, is deemed to comply with § 57-4-101(p);

(vi) Notwithstanding a provision of chapter 5 of this title to the contrary:

(a) The premises licensed under this subdivision (28)() means, for beer permitting purposes, any or all of the property that constitutes the premises. The licensee shall designate the premises to be permitted by the local beer board by filing a drawing of the premises with such board, which may be amended by the licensee filing a new drawing. The entire designated premises are covered under one (1) beer permit issued under chapter 5 of this title;

(b) The licensee and any other entity licensed under this subdivision (28)() that holds a beer permit issued by the local beer board may, upon filing notice with the beer board, share a common permitted area;

(c) Any and all terms of this subdivision (28)() that apply to licensees also apply to the beer permits of such licensees; and

(d) A facility licensed under this subdivision (28)() is not required to meet the seating or restroom requirements imposed by the local municipality or beer board;

(vii) Each licensee under this subdivision (28)() is independently liable for violations committed by such licensee or art studio, and a separate licensee must not be held liable for the actions of another licensee or art studio. This subdivision (28)(vii) applies to actions brought by the commission and the local beer board;

(viii) As used in this subdivision (28)():

(a) "Art studio" means a work space for artists that is located in the downtown art district; and

(b) "Downtown art district" means an area with specific boundaries that possesses the following characteristics:

(1) One (1) square block bounded by Fourth Avenue North, Church Street, Representative John Lewis Way, and Union Street, excluding the following properties known as:

(A) Lots 2, 3, 6, 7, and 8 from the plan of Nichol Heirs subdivision of part of Lot 76 of the urban services district;

(B) Lot 1, known as the Third National Bank Tower;

(C) Part of Lot 65 of the urban services district at the corner of Fourth Avenue North and Church Street; and

(D) Part of Lot 64 of the urban services district at the corner of Fourth Avenue North and Union Street;

(2) Includes an interior plaza with entrances located at Fourth Avenue and Representative John Lewis Way that is marked by identical Palladian facades and was once known as Overton Alley;

(3) Includes the section of the alley named for the interior plaza marked by identical Palladian facades parallel to Fourth Avenue and Representative John Lewis Way that extends from Union Street to the southern end of the property known by the municipal tax assessor tax map and parcel number as 09306105500. The alley may be used for the purpose of guests carrying properly labeled open containers of

beer or alcoholic beverages, or for such other purposes as may be allowed by the municipality, including tables, chairs, table service, and bars serving beer and alcoholic beverages in the alley;

(4) Includes sidewalks connecting the structures in the downtown arts district for the limited purpose of guests carrying properly labeled open containers of beer or alcoholic beverages between licensed establishments;

(5) Does not discriminate against any guest on the basis of age, gender, race, religion, or national origin; and

(6) Is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2020 or a subsequent federal census; and

(ix) A facility licensed under this subdivision (28)() that has seating for between five (5) and twenty (20) patrons at tables shall pay an annual license fee of six hundred fifty dollars (\$650) and a one-time application fee of three hundred dollars (\$300);

SECTION 17. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

(i) A commercially operated facility that:

(a) Upon completion of construction, which may occur in phases:

(1) Is located on approximately four and eighteen one-hundredths (4.18) acres of real property that is less than two hundred fifty feet (250') from a navigable waterway and connected to a municipal greenway;

(2) Offers between two hundred thousand square feet (200,000 sq. ft.) and three hundred thousand square feet (300,000 sq. ft.) of office space in two (2) buildings and between three hundred twenty-five (325) and three hundred seventy-five (375) residences in a single building;

(3) Is located less than one hundred feet (100') from a municipal garage constructed beginning in 1939 and partially funded from a federal works progress administration appropriation;

(4) Is located less than one hundred feet (100') from a municipal district energy system originally constructed in 1974 to convert solid waste to steam for heating and cooling buildings; and

(5) Is located less than two hundred fifty feet (250') from a bridge constructed beginning in 2001 that crosses a navigable waterway;

(b) Does not discriminate against any guest on the basis of age, gender, race, religion, or national origin; and

(c) Is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2020 or a subsequent federal census;

(ii) An agent may hold a license under this subdivision (28)() for the plaza, and may offer food items for sale and seating for its customers, but is not required to do so. The agent may grant a franchise for such privileges. The agent is not required to hold a license under this subdivision (28)() in order for licenses to be issued to plaza restaurants;

(iii) Each plaza restaurant must be granted an exclusive licensed premises, and must also have such rights to serve alcoholic beverages and beer on the plaza as designated by the agent, which is collectively the licensed premises of each plaza restaurant. Barriers controlling the ingress and egress to the exclusive licensed premises are not required as long as the plaza restaurant has adequate security, signage, or other measures to reasonably deter customers from leaving the exclusive licensed premises with alcoholic beverages or beer. Each plaza restaurant is responsible for alcoholic beverages and beer leaving the exclusive licensed premises. Each plaza restaurant shall submit a diagram to the commission which identifies the exclusive licensed premises and all portions of the plaza on

which the plaza restaurant intends to have the right to sell alcoholic beverages and beer, which is collectively the licensed premises, and which may be amended by the plaza restaurant filing a new drawing. A plaza restaurant may have exclusive or non-exclusive use of contiguous and non-contiguous seating, including table service, may set up bars to serve alcoholic beverages and beer, and may deliver alcoholic beverages and beer to any area within its licensed premises, subject to limitations imposed by the agent. The agent may specify the times, locations, alcoholic content, and container size for purposes of alcoholic beverages and beer sold on the premises, and may impose any other restrictions on the service of alcoholic beverages and beer by plaza restaurants on the plaza;

(iv) Notwithstanding chapter 5 of this title to the contrary, the premises licensed under this subdivision (28)() by the agent and each plaza restaurant means, for beer permitting purposes, any or all of the property that constitutes the premises. The licensee shall designate the premises to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the licensee filing a new drawing. The entire designated premises are covered under one (1) beer permit issued under chapter 5 of this title. The licensee and any other entity in the plaza that holds a beer permit issued by the local beer board may, upon filing notice with the beer board, share a common permitted area on the premises of the plaza. The terms of this subdivision (28)() that apply to alcoholic beverage licensees also apply to beer permittees;

(v) Except for alcoholic beverages and beer sold or served directly to consumers by the agent through the agent's employees, the agent does not have any liability for an injury, damage, loss, or claim based, in whole or in part, on the action or inaction of a plaza restaurant or franchisee, or agents, contractors, or employees of such plaza restaurant or franchisee, including those arising under § 57-10-102, under theories of negligent hiring, negligent retention, or vicarious liability for alcoholic beverages or beer served or otherwise provided under any license issued under this subdivision (28)();

(vi) The agent and a plaza restaurant licensed under this subdivision (28)() may serve wine, high gravity beer, and alcoholic beverages in original containers that do not exceed three hundred seventy-five milliliters (375 ml) and an alcohol content that does not exceed fifteen percent (15%) by volume, for on-premises consumption. The agent and a plaza restaurant licensed under this subdivision (28)() may serve beer in original containers not to exceed seven hundred fifty milliliters (750 ml);

(vii) The agent does not have to use labeled cups and glassware. A plaza restaurant does not have to use labeled cups and glassware inside the exclusive licensed premises. Alcoholic beverages and beer served by a plaza restaurant outside the exclusive licensed premises, or consumed by guests outside the exclusive licensed premises, are subject to the requirements of § 57-4-101(p); provided, that a sticker identifying the plaza restaurant, which is reasonably designed to stay affixed to an original container, is deemed to comply with § 57-4-101(p). A plaza restaurant may prohibit from the exclusive licensed premises food, beer, or alcoholic beverages that were not purchased from the licensee;

(viii) Each separate operating entity under this subdivision (28)(), whether the agent, a plaza restaurant, or a franchisee, is independently liable for violations committed by a respective licensee, and another licensee must not be held liable for the actions of another licensee. This subdivision (28)()(viii) applies to actions brought by the commission and the beer board;

(ix) A plaza restaurant or agent licensed under this subdivision (28)() that also holds a catering license may file a notice for a catered event at an adjacent premises, including upon the municipal greenway with the consent of the parks and recreation board, and alcoholic beverages and beer may be carried between the plaza, greenway, or other adjacent premises. The plaza, greenway, and adjacent premises must be deemed as one (1) licensed premises for the duration of the catered event;

(x) A plaza restaurant licensed under this subdivision (28)() is not required to meet any gross revenue percentage requirements for food service as a prerequisite to the issuance of a plaza restaurant license to serve liquor by the drink, and the license fee for a plaza restaurant must be based upon seating pursuant to § 57-4-301(b)(1)(R); provided, that a plaza restaurant applying for renewal of its license under this subsection (28)() shall pay the appropriate license fee due under § 57-4-301(b)(1)(W) when the gross revenue from the previous year derived from food sales is fifty percent (50%) or less than the gross revenue from the sale of alcoholic beverages. The license fee for an agent or its franchisee is that amount prescribed by § 57-4-301(b)(1)(C); and

(xi) As used in this subdivision (28)():

(a) "Agent" means the property owner of the facility or its designee, as may be designated from time to time by filing notice with the commission;

(b) "Plaza" means all areas of the facility designated by the agent by the filing of a drawing of the plaza with the commission, which may be amended by the agent filing a new drawing. A plaza may contain areas that are separated by sidewalks or other public or private rights-of-way; and

(c) "Plaza restaurant" means the holder of a franchise granted by the agent that offers prepared food items for sale, seating for its customers, and is licensed under this subdivision (28)();

SECTION 18. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated restaurant that:

(i) Was established in 2021 and is situated on approximately one and one-half (1.5) acres;

(ii) Has approximately one thousand five hundred square feet (1,500 sq. ft.);

(iii) Has seating for approximately fifty-seven (57) patrons and additional patio seating for approximately fifty-four (54) patrons;

(iv) Is located approximately ten (10) miles from the Piney River and Canoe Camp, and approximately two (2) miles from Storytellers Museum; and

(v) Is located in a county with not less than fifty-four thousand three hundred (54,300) and not more than fifty-four thousand four hundred (54,400), according to the 2020 or a subsequent federal census;

SECTION 19. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

(i) A commercially operated facility that:

(a) Is a restaurant and private club;

(b) Is located on real property on the southern corner of Fourth Avenue South and Molloy Street;

(c) Includes a building that is no less than three (3) stories tall;

(d) Contains a restaurant with at least fifteen (15) seats combined, both indoors and outdoors, that serves meals on a weekly basis, except during closures for private groups or events and during general maintenance and remodeling by the owners or managers; provided, that, food services are available during times that alcoholic beverages are being served; and

(e) Is located in a county with a metropolitan government and a population of not less than five hundred thousand (500,000), according to the 2020 or a subsequent federal census;

(ii) A facility licensed under this subdivision (28)() may obtain a private club license from the commission and a beer permit, and may sell alcoholic beverages and beer to members and guests on an exclusive basis, and allow access to the private club to be on a limited basis, and not accessible to the general public;

(iii) A facility licensed under this subdivision (28)() may provide alcoholic beverage services to patrons or allow private locker services to members as permitted by the commission, and may provide bottle service to members, subject to complying with age requirements and preventing overconsumption by patrons;

(iv) A facility licensed under this subdivision (28)() 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;

(v) A facility licensed under this subdivision (28)() may obtain a license as a caterer under subdivision (6);

(vi) A facility licensed under this subdivision (28)() may designate the third floor of the facility as a cigar lounge for the use of private club patrons who are twenty-one (21) years of age or older; and

(vii) The facility shall provide adequate security during the regular hours of operation;

SECTION 20. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

(i) A commercially operated facility that:

(a) Is located within a designated area inside of a historic brick building, originally constructed prior to 1910, in the Victorian eclectic commercial style of architecture;

(b) Is located west of the Cumberland River;

(c) Is included or has been included in an area designated by the United States department of the interior as the Broadway Historic District;

(d) Upon the completion of construction, which may occur in phases, offers an indoor dining and hospitality experience and any outdoor rooftop dining and hospitality experience overlooking Broadway; and

(e) Is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2020 or a subsequent federal census;

(ii) Facilities and individual licensees located within such designated area and licensed under this subdivision (28)():

(a) May offer prepared food items for sale and seating for its customers but are not required to do so;

(b) May, notwithstanding § 57-4-101(p), include in its licensed premises, solely for purposes of on-premises consumption of alcoholic beverages, unless otherwise provided for in this subdivision (28)(), any or all of the property that constitutes the facility, and the building in which the facility is located, which may include other separately licensed premises located within the boundaries of the facility, its restaurants, or other food service establishments that are not licensed;

(c) Are not required to be contiguous;

(d) Are not required to contain barriers controlling the ingress and egress of the facility or such separate premises located in the same building as the facility if adequate security or other measures sufficient to prevent customers from leaving such facility and premises with alcoholic beverages are used and maintained;

(e) Do not have to use labeled cups and glassware, but must serve alcoholic beverages and beer in compliance with the requirements of § 57-4-101(p), which shall include affixing a sticker to the alcoholic beverage or beer container in lieu of serving the beverage in a labeled cup or glassware; provided, that a sticker identifying the franchisee or licensee, which is reasonably designed to stay affixed to a container, is deemed to comply with § 57-4-101(p);

(f) Shall submit a diagram to the commission that details any portion of the facility where the licensee intends to serve alcoholic beverages;

(g) May serve wine, high gravity beer, and beer in its original container, and spirit-based beverages in original containers that do not exceed three hundred seventy-five milliliters (375 ml) with an alcohol content that does not exceed fifteen percent (15%) by volume, for on-premises consumption;

(h) May be open to the public or to only members and authorized guests of members; and

(i) May offer to members secure alcoholic beverage lockers for the storage of bottles of alcoholic beverages; provided, that the design and plan for the lockers is approved by the commission;

(iii) A facility located within a designated area, irrespective of whether or not the facility is licensed under this subdivision (28)(), may apply for and obtain a catering license pursuant to subdivision (6) and is exempt from the requirement to have a complete and adequate commercial kitchen facility pursuant to subdivision (6). A licensee located in such a facility is not required to obtain a catering license in order to sell or serve alcoholic beverages or beer in any portion of the building in which the facility is located. If a licensee wishes to serve alcoholic beverages in the facility and outside of the licensee's licensed premises, the licensee shall provide notice to the commission of the dates of service and the location of any areas of service;

(iv) This subdivision (28)() must not be construed to prohibit a person or entity located within the facility from obtaining any other license under this title that the person or entity is eligible to obtain pursuant to law;

(v) Each individual licensee on the facility premises or in the building in which the facility is located is independently liable for violations committed by such licensee, and a separate licensee or unlicensed business must not be held liable for the actions of another licensee;

(vi) Notwithstanding chapter 5 of this title to the contrary, and subject to this subdivision (28)(), the premises of a licensee licensed under this subdivision (28)() means for beer permitting purposes any or all of the premises that constitutes the facility. The provisions of this subdivision (28)() that apply to alcoholic beverage licensees also apply to beer permittees; and

(vii) A licensee licensed under this subdivision (28)() may hold any of the licenses authorized under this subdivision (28)() and a beer permit, or may grant a franchise to one (1) or more entities for any or all such licenses or beer permits. The facility may also contract with a third party for the management of all of the facility's food and beverage operations and service, or for a portion of the facility's food and beverage operations and service, which contracting does not require the licensure of the third-party management company;

SECTION 21. Tennessee Code Annotated, Section 57-4-102, is amended by deleting subdivision (8)(N).

SECTION 22. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Is a for-profit membership-based social club, organized and existing under the laws of this state, that is located in a county with a metropolitan form of government having a population of not less than five hundred thousand (500,000), according to the 2020 or a subsequent federal census;

(ii) Is located within a building containing three (3) floors and a rooftop area, totaling approximately six thousand square feet (6,000 sq. ft.) per floor that houses a bar, lockers, meeting and relaxation space, and conference rooms;

(iii) Is within a central business improvement district as of 2024;

(iv) Is organized and operated exclusively for offering an upscale business club environment for learning and networking, where members receive exclusive access to amenities and opportunities in the city;

(v) Has at least ten (10) members paying monthly or annual dues, as of January 1, 2024, with a copy of membership applications on file on the premises, and that issues to its members a proximity reader security access card which authorizes admittance of the member and bona fide guests of such member;

(vi) Offers its members the ability to purchase all club-related services and experiences through cash or credit card;

(vii) Offers its members access to multiple locations across the United States, each tailored to its city and located in prime business districts;

(viii) Does not discriminate against members or potential members or bona fide guests of such members on the basis of gender, race, creed, color, sex, age, religion, or national origin;

(ix) May be open to the public or may limit access to areas within the premises to members only; and

(x) The premises of which include all floors of the singular building constituting the club, whether contiguous or not, and connected through stairwells and elevators; the rooftop area; and any area within the building designated by the club in its application for licensure for consumption of alcoholic beverages on the premises;

SECTION 23. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Operates a motor speedway with an asphalt racetrack that is four-tenths (0.4) of a mile long, and an event center on approximately thirty-two (32) acres;

(ii) Was established in 1977;

(iii) Has renovated concession stands and restrooms, and building space of approximately three thousand square feet (3,000 sq. ft.);

(iv) Offers patio seating for two hundred (200) patrons and concrete seating for an additional two thousand two hundred (2,200) patrons;

(v) Serves as an event venue for outdoor concerts, car shows, festivals, and community events; and

(vi) Is located in a county with a population of not less than thirty-five thousand nine hundred (35,900) and not more than thirty-six thousand (36,000), according to the 2020 or a subsequent federal census;

SECTION 24. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

() A commercially operated facility that:

(i) Was established in 2023 on approximately thirty-three (33) acres that contains a lodge, a bunkhouse, a café, and bar with seating for at least forty (40) patrons, a bath house, a twenty-stall horse barn, and a sand riding arena;

(ii) Provides accommodations for guests, musical entertainment, space for private events, hiking trail access to the Cherokee National Forest, and pastures for horses; and

(iii) Is located in a county having a population of not less than thirty-five thousand nine hundred (35,900) and not more than thirty-six thousand (36,000), according to the 2020 or a subsequent federal census;

SECTION 25. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

() A commercially operated facility that:

(i) Was established in 2022 on one and one-half (1.5) acres in a building containing at least twenty thousand square feet (20,000 sq. ft.) that dates to the 1940s and was originally a grocery store;

(ii) Has seating for at least one hundred twenty (120) patrons in the restaurant and seating for an additional twenty-five (25) patrons outside the restaurant and contains a stage, bar, brewery, kitchen, and taproom; and

(iii) Is located less than seven hundred feet (700 ft.) from U.S. Highway 27 in a city having a population of not less than five thousand eight hundred ninety (5,890) and not more than five thousand eight hundred ninety-nine (5,899), according to the 2020 or a subsequent federal census;

SECTION 26. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

() (i) A commercially operated facility that:

- (a) Operates a bed and breakfast establishment;
 - (b) Is located within one (1) mile of the Great Smoky Mountains National Park and situated on a tract or combination of contiguous tracts totaling not less than one (1) acre;
 - (c) Is adjacent to a trolley stop and a cemetery, and is situated between Winfield Heights Drive and Ski Mountain Road;
 - (d) Offers lodging for at least twelve (12) patrons in unique overnight rooms;
 - (e) Does not discriminate against patrons based on age, gender, race, religion, or national origin; and
 - (f) Is located within a county with a population of not less than ninety-eight thousand three hundred (98,300) and not more than ninety-eight thousand four hundred (98,400), according to the 2020 or a subsequent federal census;
- (ii) The premises of a facility licensed under this subdivision (28)() means any or all of the property that constitutes the facility. 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; and
 - (iii) Notwithstanding chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision (28)() means, for the purpose of obtaining a beer permit, any and all of the property that constitutes the facility. The licensee shall designate the premises to be licensed by the local beer board by filing a drawing of the premises, which may be amended by the beer permittee filing a new drawing;

SECTION 27. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

- () A commercially operated facility that:
 - (i) Was established in 2012 on four (4) acres that contains a coffee shop and a restaurant with indoor seating for at least ninety (90) patrons and outdoor seating for at least twenty (20) patrons;
 - (ii) Contains an event space used for private parties, wedding showers, and other similar events; and
 - (iii) Is located approximately one thousand feet (1,000 ft.) from Douglas Lake in a county having a population of not less than fifty-four thousand six hundred (54,600) and not more than fifty-four thousand seven hundred (54,700), according to the 2020 or a subsequent federal census;

SECTION 28. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

- () (i) A commercially or privately operated recreational facility that:
 - (a) Is situated on one (1) or more parcels of land that totals at least three hundred sixty (360) acres;
 - (b) Has some or all of the facility located within two (2) miles of Interstate 24 and within two (2) miles of Briley Parkway;
 - (c) Operates a golf course having at least eighteen (18) holes for use by its members and their guests;
 - (d) Has at least one hundred (100) dues-paying members who pay dues of at least three thousand dollars (\$3,000) per year;
 - (e) Operates a building with not less than five thousand square feet (5,000 sq. ft.) with suitable kitchen, dining facilities, and equipment, serving at least one (1) meal daily, at least five (5) days a week except for during seasonal closures;

(f) Does not discriminate against any person on the basis of age, gender, race, religion, or national origin; and

(g) Is located in a county with a metropolitan form of government having a population of more than five hundred thousand (500,000), according to the 2020 or a subsequent federal census;

(ii) The premises of a facility licensed under this subdivision (28)() means any or all of the property that constitutes the facility. The 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;

(iii) Notwithstanding chapter 5 of this title to the contrary, the premises of a facility licensed under this subdivision (28)() means, for beer permitting purposes, any or all of the property that constitutes the facility as designated in this subdivision (28)(). The licensee shall designate the premises to be permitted by the local beer board by filing a drawing of the premises, which may be amended by the licensee filing a new drawing;

(iv) A facility licensed under this subdivision (28)() may serve alcoholic beverages and beer anywhere on the premises, including to occupants of cottages and other overnight accommodations located on the premises;

(v) A facility licensed under this subdivision (28)() may include as part of the overnight accommodations the provision of up to four (4) seven hundred fifty milliliter (750 ml) or smaller complimentary sealed packages of wine or alcoholic beverages for which all applicable taxes have been paid;

(vi) A facility licensed under this subdivision (28)() may dispense sealed alcoholic beverages and beer to adult guests staying in overnight accommodations at the facility through locked, in-room units. Distilled spirits so dispensed must be in bottles not exceeding fifty milliliters (50 ml). A person under twenty-one (21) years of age must not be issued or supplied with a key for such units;

(vii) A facility licensed under this subdivision (28)() may offer self-service of beer at one (1) or more locations on the premises with an honor system for use only by members and who are twenty-one (21) years of age and older and limited to cans and bottles up to sixteen ounces (16 oz.); and

(viii) A facility licensed under this subdivision (28)() may grant a franchise for the provision of food or beverage, including alcoholic beverages, on its premises, and the holder of such franchise is deemed a licensee under this subdivision (28)();

SECTION 29. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

(i) Is a historic movie theatre purchased in 2014 for renovations and that received its occupancy permit in 2023;

(ii) Is situated on fourteen one-hundredths (0.14) of an acre;

(iii) Is comprised of five thousand five hundred thirty-three square feet (5,533 sq. ft.);

(iv) Has seating for eighty (80) patrons and additional balcony seating for forty-five (45) patrons;

(v) Serves as an event venue for public and private events, including concerts, plays, movies, comedy routines, weddings, retirement and birthday parties, and similar events; and

(vi) Is located in a municipality with a population of not less than fifty-three thousand sixty-five (53,065) and not more than fifty-three thousand seventy-five (53,075), according to the 2020 or a subsequent federal census;

SECTION 30. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following new subdivision:

() A commercially operated facility that:

- (i) Was established in 2006 on approximately fifty (50) acres;
 - (ii) Operates a marina, campground, restaurant, bar, store, and fuel station;
 - (iii) Has restaurant seating for fifty (50) patrons;
 - (iv) Offers live music events, camping, boat rentals, and transient boat slips;
- and
- (v) Is located adjacent to Norris Lake in a county with a population of not less than seventy-seven thousand one hundred (77,100) and not more than seventy-seven thousand two hundred (77,200), according to the 2020 or a subsequent federal census;

SECTION 31. Tennessee Code Annotated, Section 57-4-102(28), is amended by deleting subdivision (EEEEEEE) and substituting:

(i) A commercially operated facility that:

- (a) Was established on June 11, 2021;
- (b) Is situated on at least eighteen (18) acres along the western edge of a bluff that rises more than one thousand feet (1,000') above the valley to the east of the bluff;
- (c) Has occupancy for at least twenty-eight (28) guests in the form of at least eight (8) dome units and at least two (2) treehouse units;
- (d) Has a stream traversing the property with at least two (2) waterfalls and bluff views;
- (e) Is situated less than two (2) miles from the Sequatchie River, between eight (8) and nine (9) miles from a bend in Nickajack Lake, and less than three (3) miles from the Chimneys State Natural Area; and
- (f) Is located in a county with a population of not less than twenty-eight thousand eight hundred (28,800) and not more than twenty-eight thousand nine hundred (28,900), according to the 2020 federal census or a subsequent federal census;

(ii) The premises of a facility licensed under this subdivision (28)(EEEEEEE) means any and all of the property that constitutes the facility. 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; and

(iii) A facility licensed under this subdivision (28)(EEEEEEE) may engage in any activity related to the sale, dispensing, or giving away of alcoholic beverages and beer authorized under the authority granted to a hotel licensed under §§ 57-4-102, 57-4-101(h), and 57-4-203(e)(2)(A), notwithstanding that the facility is not located in a jurisdiction that has approved the consumption of alcoholic beverages on the premises by referendum. A facility licensed under this subdivision (28)(EEEEEEE) may deliver sealed bottles and cans of alcoholic beverages and beer to any area within the licensed premises of the facility;

SECTION 32. Tennessee Code Annotated, Section 57-4-102(28), is amended by adding the following as a new subdivision:

() (i) A commercially operated facility that:

- (a) Is a restaurant and private club;
- (b) Located in a Queen Ann-style building constructed by Marcus Cartwright in 1895-1896 that is on the National Register of Historic Places;
- (c) Is located on real property within two hundred seventy five feet (275') south of the intersection of Fourth Avenue North and Union Street;
- (d) Includes a building that is no less than three (3) stories tall;

(e) Contains a restaurant with at least fifteen (15) seats, both indoors and outdoors, that serves meals on a weekly basis, except during closures for private groups or events, general maintenance and remodeling by the owners and/or managers; provided, however, that food services are available at any time that alcoholic beverages are being served; and

(f) Is located in a county with a metropolitan government having a population of not less than five hundred thousand (500,000), according to the 2020 or a subsequent federal census;

(ii) A facility licensed under this subdivision (28)() may obtain a private club license from the commission and a beer permit, and may sell alcoholic beverages and beer to members and guests on an exclusive basis, and allow access to the private club to be on a limited basis, not accessible to the general public.

(iii) A facility licensed under this subdivision (28)() may provide alcoholic beverage services to patrons or allow private locker services to members as permitted by the commission, and may provide bottle service to members, subject to complying with age requirements and preventing overconsumption by patrons;

(iv) A facility licensed under this subdivision (28)() 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;

(v) A facility licensed under this subdivision (28)() may obtain a license as a caterer under subdivision (6);

(vi) A facility licensed under this subdivision (28)() may designate a specific area within the licensed premises as a cigar lounge for the use of private club patrons who are twenty-one (21) years of age or older; and

(vii) The facility shall provide adequate security during regular business hours of operation;

SECTION 33. This act takes effect upon becoming a law, the public welfare requiring it.

SENATE BILL NO. 1844

PASSED: April 25, 2024




RANDY McNALLY
SPEAKER OF THE SENATE



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 28th day of May 2024



BILL LEE, GOVERNOR