

SENATE BILL 321

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 57,  
Chapter 4, relative to sale of alcoholic beverages  
for on premises consumption.

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 as a new section thereto:

57-4-1\_\_.

(a) "ISO comprehensive general liability codes" means the method by which the insurance industry categorizes an establishment which sells alcoholic beverages based on the amount or estimated amount of total annual receipts from food and alcoholic beverages along with other factors.

(b) By January 1, 2012, the commission shall develop a license structure for all restaurants and limited service restaurants using the ISO comprehensive general liability codes to be implemented by July 1, 2012. The commission shall inform any establishment applying or renewing a license as a restaurant or limited service restaurant that such establishment's license and taxes will be based on the code assigned to such establishment by the establishment's liability insurer.

(c) The commission shall not grant or renew any license to an establishment that has less than fifteen percent (15%) gross sales of food.

(d) The commission shall report to the state and local government committees of the senate and house of representatives by January 15, 2012 of the new license structure and shall recommend at that time any legislative changes in the privilege tax

structure in § 57-4-301 and other statutory changes that need to be made in order to implement the new licensing structure.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.