

SENATE BILL 217

By Lundberg

AN ACT to amend Tennessee Code Annotated, Title 57,
Chapter 5, relative to distribution of beer.

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

SECTION 1. Tennessee Code Annotated, Section 57-5-101, is amended by adding the following as a new subsection:

(1) Notwithstanding subdivision (a)(2) or subdivision (c)(2), a manufacturer that has a total annual beer production of fifty thousand gallons (50,000 gals.) or less may obtain an additional self-distribution permit from the county or city where the manufacturer is located.

(2) A county or city shall not issue a self-distribution permit to a manufacturer that has entered into a distribution contract with a beer wholesaler if the terms of that contract include distribution rights for a county that is located, in whole or in part, within one hundred (100) miles of the licensed manufacturer where the beer being distributed, has been manufactured, produced, or bottled. Any manufacturer holding a self-distribution permit that enters into such a distribution contract with a wholesaler or whose total output in a calendar year exceeds fifty thousand gallons (50,000 gals.) shall cease self-distributing its beer under this subsection () and shall promptly surrender the manufacturer's self-distribution permit.

(3) A manufacturer holding a self-distribution permit under this subsection () may not distribute more than seven thousand gallons (7,000 gals.) of beer manufactured, produced, or bottled on the manufacturer's premises to any individual retail permittee holding a permit issued pursuant to § 57-5-103, located within one

hundred (100) miles of the manufacturer's premises where such beer has been manufactured, produced, or bottled.

(4) A manufacturer engaged in self-distribution under this subsection () shall pay all taxes imposed upon a wholesaler under § 57-6-103 that result from any direct sales from self-distribution under this subsection ().

(5) The county or city shall not impose an additional fee or charge for the issuance of a self-distribution permit under this subsection (), but may impose a separate privilege tax pursuant to § 57-5-104.

(6) A manufacturer engaged in self-distribution under this subsection () shall register separately with the commissioner of revenue under § 57-5-102 as a wholesaler.

SECTION 2. This act shall take effect July 1, 2019, the public welfare requiring it.