TITLE 8

ALCOHOLIC BEVERAGES

CHAPTER

- 1. INTOXICATING LIQUORS.
- 2. BEER.
- 3. WINE IN RETAIL FOOD STORES.

CHAPTER 1

INTOXICATING LIQUORS¹

SECTION

- 8-101. Alcoholic beverages subject to regulation.
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- 8-117. Concurrent sales of liquor by the drink and beer.
- 8-118. Advertisement of alcoholic beverages.
- 8-119. Violations and penalty.
- 8.101. Alcoholic beverages subject to regulation. It shall be unlawful to engage in the business of selling, manufacturing, storing,

¹State law reference

Employee and server permits: $\underline{\text{Tennessee Code Annotated}}$, § 57-3-701, $\underline{\text{et seq}}$.

transporting or distributing, or to purchase or possess alcoholic beverages within the corporate limits of the City of Clinton except as provided by <u>Tennessee Code Annotated</u>, title 57.

- **8-102. Application for certificate.** Before any certificate, as required by Tennessee Code Annotated, § 57-3-208, shall be signed by the mayor, a request in writing shall be filed with the recorder, giving the following information:
 - (1) Name, age and address of the applicant.
 - (2) Number of years residence at applicant's address.
- (3) Whether or not the applicant has been convicted of a felony in the past ten (10) years.
- (4) The location of the proposed store for the sale of alcoholic beverages.
 - (5) The name and address of the owner of the store.
- (6) If the applicant is a partnership, the name, age and address of each partner. If the applicant is a corporation, the name, age and address of the executive officers, or those who will be in control of the package store. The information in the application shall be verified by the oath of the applicant. If the applicant is a partnership or a corporation, the application shall be verified by the oath of each partner, or by the president of the corporation.
- **8-103.** Applicant to agree to comply with laws. The applicant for a certificate of good moral character shall agree in writing to comply with the state and federal laws and ordinances of the City of Clinton and rules and regulations of the alcoholic beverage commission of the state for sale of alcoholic beverages.
- 8-104. <u>Applicant to appear before mayor and city council; duty to give information</u>. An applicant for a certificate of good moral character may be required to appear in person before the mayor and city council for such reasonable examination as may be desired by council.
- **8-105.** Action on application. Every application for a certificate of good moral character shall be referred to the chief of police for investigation and who shall submit his findings to the mayor and city council within thirty (30) days of the date each application was filed. The mayor and city council may issue a certificate of good moral character to any applicant, which shall be signed by the mayor or by a majority of the city council. (modified)

¹State law reference

- 8-106. Applicants for certificate who have a criminal record. No certificate of good moral character for the manufacture or sale at wholesale or retail of alcoholic beverages, or for the manufacture or vinting of wine, shall be issued to any person, (or if the applicant is a partnership, any partner, or if the applicant is a corporation, any stockholder), who, within ten (10) years preceding the application for such certificate of good moral character, has been convicted of any felony or of any offense under the laws of the state or of the United States prohibiting the sale, possession, transportation, storage or otherwise handling of intoxicating liquors, or who has during such period been engaged in business, alone or with others, in violation of such laws.
- **8-107.** Number of retail licenses to be held by retailer. No retail licensee shall, directly or indirectly, hold more than two (2) retail licenses. In no event shall a retail licensee, directly or indirectly hold more than fifty percent (50%) of the licenses authorized for issuance in such municipality or county.
- **8-108.** Where establishments may be located. It shall be unlawful for any person to operate or maintain any retail establishment for the sale, storage or distribution of alcoholic beverages in the City of Clinton except at locations zoned B-2 or B-4.
- 8-109. Retail stores to be on ground floor; entrances. No retail store shall be located anywhere on premises in the City of Clinton except on the ground floor thereof. Each such store shall have only one (1) main entrance; provided, that when a store is located on the corner of two (2) streets, such store may maintain a door opening on each such street; and provided further, that any salesroom adjoining the lobby of a hotel may maintain an additional door into such lobby as long as the lobby is open to the public.²
- **8-110.** <u>Limitation on number of retailers</u>.³ No limitation of retail licenses for the sale of alcoholic beverages shall be issued under this chapter.
- **8-111.** <u>Sales for consumption on premises</u>. No alcoholic beverages shall be sold for consumption on the premises of a retail seller.

¹State law reference Tennessee Code Annotated, § 57-3-406

²State law reference Tennessee Code Annotated, § 57-3-404(f)

³State law reference Tennessee Code Annotated, § 57-3-208(c)

- 8-112. Radios, amusement devices and seating facilities prohibited in retail establishments. No radios, pinball machines, slot machines or other devices which tend to cause person to congregate in such place shall be permitted in any retail establishment. No seating facilities shall be provided for persons other than employees.
- **8-113.** <u>Inspection fee</u>. The City of Clinton hereby imposes an inspection fee in the maximum amount allowed by <u>Tennessee Code Annotated</u>, § 57-3-501 on all licensed retailers of alcoholic beverages located within the corporate limits of the city.
- 8-114. Consumption of alcoholic beverages on-premises. Tennessee Code Annotated, title 57, chapter 4, inclusive, is hereby adopted so as to be applicable to all sales of alcoholic beverages for on-premises consumption which are regulated by the said code when such sales are conducted within the corporate limits of the City of Clinton. It is the intent of the city council that the said Tennessee Code Annotated, title 57, chapter 4, inclusive, shall be effective in the City of Clinton, the same as if said code sections were copied herein verbatim.
- 8-115. Privilege tax on retail sale of alcoholic beverages for consumption on the premises. Pursuant to the authority contained in Tennessee Code Annotated, § 57-4-301, there is hereby levied a privilege tax (in the same amounts levied by Tennessee Code Annotated, title 57, chapter 4, § 301,) for the City of Clinton to be paid annually as provided in the chapter, upon any person, firm, corporation, joint stock company, syndicate, or association engaging in the business of selling at retail in the City of Clinton of alcoholic beverages for consumption on the premises where sold.
- 8-116. Annual privilege tax to be paid to the recorder. Any person, firm, corporation, joint stock company, syndicate or association exercising the privilege of selling alcoholic beverages for consumption on the premises in the City of Clinton shall remit annually to the recorder the appropriate tax described in § 8-115. Such payments shall be remitted not less than thirty (30) days following the end of such twelve (12) month period from the original date of the license. Upon the transfer of ownership of such business or the discontinuance of such business, said tax shall be filed within thirty (30) days following such event. Any person, firm, corporation, joint stock company, syndicate, or association failing to make payment of the appropriate tax when due shall be subject to the penalty provided by law.
- 8-117. <u>Concurrent sales of liquor by the drink and beer</u>. Any person, firm, corporation, joint stock company, syndicate, or association which has received a license to sell alcoholic beverages in the City of Clinton, pursuant

to <u>Tennessee Code Annotated</u>, title 57, chapter 4, shall, notwithstanding § 8-218 of the ordinances of the City of Clinton, qualify to receive a beer permit from the city upon compliance of all City of Clinton beer permit requirements.

- 8-118. <u>Advertisement of alcoholic beverages</u>. All advertisement of the availability of liquor for sale by those licensed pursuant to <u>Tennessee Code Annotated</u>, title 57, chapter 4, shall be in accordance with the rules and regulations of the Tennessee Alcoholic Beverage Commission.
- **8-119.** <u>Violations and penalty</u>. Any violation of this chapter shall constitute a civil offense and shall, upon conviction, be punishable by a penalty under the general penalty provision of this code. Upon conviction of any person under this chapter, it shall be mandatory for the city judge to immediately certify the conviction, whether on appeal or not, to the Tennessee Alcoholic Beverage Commission.

CHAPTER 2

BEER¹

SECTION

- 8-201. Beer board established.
- 8-202. Meetings of the beer board.
- 8-203. Record of beer board proceedings to be kept.
- 8-204. Requirements for beer board quorum and action.
- 8-205. Powers and duties of the beer board.
- 8-206. "Beer" defined.
- 8-207. Permit required for engaging in beer business.
- 8-208. Privilege tax
- 8-209. Beer permits shall be restrictive.
- 8-210. Classes of permits.
- 8-211. Sale of beer permitted only in specified zones.
- 8-212. Revocation or suspension of beer permits.
- 8-213. Temporary permit; application issued by city recorder.
- 8-214. Civil penalties in lieu of revocation or suspension.
- 8-215. Loss of clerk's certification for sale to minor.
- 8-216. Violations and penalty.

8-201. Beer board established. There is hereby established a beer board to be composed of mayor and council. The mayor shall act as chairman of the beer board. All members of the beer board shall serve without compensation. (1991 Code, § 8-201)

8-202. Meetings of the beer board. All meetings of the beer board shall be open to the public. The board shall hold regular meetings in the city hall at such times as it shall prescribe. When there is business to come before the beer board, a special meeting may be called by the chairman provided he gives a reasonable notice thereof to each member. The board may adjourn a meeting at any time to another time and place. (1991 Code, § 8-202)

¹Municipal code references

Public drunkenness, minors in beer places, etc.: title 11, chapter 2. Tax provisions: title 5.

State law reference

For a leading case on a municipality's authority to regulate beer, see the Tennessee Supreme Court decision in <u>Watkins v. Naifeh</u>, 635 S.W.2d 104 (1982).

- 8-203. Record of beer board proceedings to be kept. The recorder shall make a record of the proceedings of all meetings of the beer board. The record shall be a public record and shall contain at least the following. The date of each meeting; the names of the board members present and absent; the names of the members introducing and seconding motions and resolutions, etc., before the board; a copy of each such motion or resolution presented; the vote of each members thereon; and the provisions of beer permit issued by the board. (1991 Code, § 8-203)
- **8-204.** Requirements for beer board quorum and action. The attendance of at least a majority of the members of the beer board shall be required to constitute a quorum for the purpose of transacting business. Matters before the board shall be decided by a majority of the members present if a quorum is constituted. Any member present but not voting shall be deemed to have cast a "nay" vote. (1991 Code, § 8-204)
- **8-205.** Powers and duties of the beer board. The beer board shall have the power and it is hereby directed to regulate the selling, storing for sale, distributing for sale, and manufacturing of beer within this municipality in accordance with the provisions of this chapter. (1991 Code, § 8-205)
- **8-206.** "Beer" defined. The term "beer" as used in this chapter shall be the same definition appearing in Tennessee Code Annotated, § 57-5-101. (1991 Code, § 8-206, modified)
- **8-207.** Permit required for engaging in beer business. It shall be unlawful for any person to sell, store for sale, distribute for sale, or manufacture beer without first making application to and obtaining a permit from the beer board. The application shall be made on such form as the board shall prescribe and/or furnish, and pursuant to Tennessee Code Annotated, § 57-5-104(a), shall be accompanied by a non-refundable application fee of two hundred fifty dollars (\$250.00). Each applicant must be a person of good moral character and he must certify that he has read and is familiar with the provisions of this chapter. (1991 Code, § 8-207, modified)

¹State law reference <u>Tennessee Code Annotated</u>, 57-5-103.

²State law reference <u>Tennessee Code Annotated</u>, 57-5-103.

8-208. Privilege tax. There is hereby imposed on the business of selling, distributing, storing or manufacturing beer a privilege tax of one hundred dollars (\$100.00). Any person, firm, corporation, joint stock company, syndicate or association engaged in the sale, distribution, storage or manufacture of beer shall remit the tax each successive January 1 to the City of Clinton, Tennessee. At the time a new permit is issued to any business subject to this tax, the permit holder shall be required to pay the privilege tax on a prorated basis for each month or portion thereof remaining until the next tax payment date.

8-209. Beer permits shall be restrictive. All beer permits shall be restrictive as to the type of beer business authorized under them. Separate permits shall be required for selling at retail, storing, distributing, and manufacturing. Beer permits for retail sale of beer may be further restricted so as to authorize sales only for off premises consumption. A single permit may be issued for on premise and off premise consumption. It shall be unlawful for any beer permit holder to engage in any type or phase of the beer business not expressly authorized by his permit. It shall likewise be unlawful for him not to comply with any and all express restrictions or conditions in his permit.²

8-210. <u>Classes of permits</u>. There shall be five (5) classes of permits issued by the beer board, as follows:

(1) Class "A" a manufacturer's permit to a manufacturer of beer for the manufacture, possession, storage, sale, distribution and transportation of the product of such manufacturer, not to be consumed by the purchaser upon or near the premises of such manufacturer. A manufacturer may also operate as

Tennessee Code Annotated, § 57-5-104(b).

Tennessee Code Annotated, § 57-5-301(a) provides that neither beer permit holders not persons employed by them may have been "convicted of any violation of the laws against possession, sale, manufacture and transportation of intoxicating liquor or any crime involving moral turpitude" within the previous ten (10) years. Under Tennessee Code Annotated, § 5-5-301(b), violations are punishable under state law as a Class A misdemeanor. Under Tennessee Code Annotated, § 16-18-302, city courts may only enforce local ordinances that mirror, substantially duplicate or incorporate by reference Class C misdemeanors. City courts are thus prohibited from enforcing ordinances making violations of Tennessee Code Annotated, § 57-5-301(a) a local offense.

¹State law reference

²State law reference

a retailer at the manufacturer's location or a site contiguous thereto for sales of not more than twenty-five thousand (25,000) barrels of beer or high alcohol content beer or both annually for consumption on or off the premises under this chapter as long as the requirements of this chapter concerning the licensing of such retail establishments are met.

- (2) Class "B" An "off-site" permit to any person or legal organization engaged in the sale of such beverages where they are not to be consumed by the purchaser or other persons upon or near the premises of such seller.
- (3) Class "C" An "on-site" permit to any person or legal organization engaged in the operation of a restaurant or food truck park wherein the sale of beer is for consumption on the premises. A restaurant shall be defined as a business establishment whose primary business is the sale of prepared food to be consumed on the premises. A food truck park shall be defined as one or more permitted mobile food trucks parked on the premises selling prepared food for consumption on the premises.
- (4) Class "D" An "on-site" permit to any person or legal organization engaged in the operation of any hotel/motel that does not sell food or beverages and that receives ninety percent (90%) of its revenue from the sale of room rentals may serve beer to patrons of such hotel/motel without a charge.
- (5) Class "E" A special event permit to any bona fide charitable, nonprofit, political or governmental organization engaged in a city-sanctioned and/or sponsored festival, celebration, or event. Special event beer permits must comply with all other regulations found in title 8, chapter 2, with the exception of §§ 8-203 and 8-208. For the purposes of this section, bona fide charitable or nonprofit organization means any corporation or legal entity which has been recognized as exempt from federal taxes under section 501(c) of the Internal Revenue Code. Bona fide political organization means any political campaign committee as defined in Tennessee Code Annotated, § 2-13-101. Special event beer permits are permissible in the City of Clinton with the following requirements:
 - (a) Permits are valid for seventy-two (72) hours during city sanctioned and/or sponsored festivals, celebrations and events.
 - (b) The legal hours of sale or consumption at authorized events shall be the following:

Monday through Saturday 8:00 A.M. to 10:00 P.M.

Sunday 12:00 noon to 10:00 P.M.

- (c) No organization may be granted more than two (2) Class E special event permits within a calendar year.
- (d) Permit applications must be submitted sixty (60) days prior to the start of the event for which a permit is requested.
- (e) In addition to the permit application requirement described in § 8-207 the following information must be submitted with an application for a Class E special event permit:

- (i) The organization applying for the special event permit, contact person, address and phone number.
 - (ii) Date(s) and time(s) of event.
- (iii) The event manager's name, address and phone number. For the purposes of this section, event manager means the individual(s) responsible for the oversight and/or dispensing of such alcoholic beverages.
 - (iv) The specific location where beer is sold or served.
- (v) Plans for security and policing the area(s) where beer is to be sold.
- (vi) If the event covered by the permit will be held on land not owned by the applicant, a written statement of approval from the landowner must accompany the special event application.
- (6) Permit applications are valid only for on premise consumption inside an enclosed and/or fenced area with restricted ingress/egress points.
- (7) Any signs or other displays promoting the sale of beer in general, or of a specific beer or beers must be within the enclosed and/or fenced area restricted for consumption.
- (8) The applicant shall send a representative(s) to such City of Clinton Beer Board meeting to address any questions or issues arising out of the proposed special event.
- (9) If approved the Class E special event permit shall have affixed on its face the name of the proposed vendor(s) of beer, the specified location(s) and date(s) where such vendor is permitted to sell beer under the permit. (1991 Code, § 8-210, modified)
- **8-211.** Sale of beer permitted only in specified zones. It shall hereafter be lawful to sell, store for resale, distribute or manufacture beer in the City of Clinton, Tennessee, provided that permits authorized by this chapter shall be issued for locations that are now zoned or may be in the future zoned as follows:
 - (1) Class "A" Permits: Zoning Districts B-1, B-2, B-4, M-1 and M-2.
 - (2) Class "B" Permits: Zoning Districts B-1, B-2, and B-4.
 - (3) Class "C" Permits: Zoning Districts B-1, B-2, B-4 and P-1.
 - (4) Class "D" Permits: Zoning Districts B-1, B-2, B-4 and P-1.
- (5) Class "E" Permits: All Zoning Districts. (1991 Code, § 8-211, modified)
- 8-212. Revocation or suspension of beer permits. The beer board shall have the power to revoke or suspend any beer permit issued under the provisions of this chapter when the holder thereof is guilty of making a false statement or misrepresentation in his application or of violating any of the provisions of this chapter. However, no beer permit shall be revoked or suspended until a public hearing is held by the board after reasonable notice to

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all the known parties in interest. Revocation or suspension proceedings may be initiated by the police chief or by any member of the beer board.

Pursuant to <u>Tennessee Code Annotated</u>, § 57-5-608, the beer board shall not revoke or suspend the permit of a "responsible vendor" qualified under the requirements of <u>Tennessee Code Annotated</u>, § 57-5-606 for a clerk's illegal sale of beer to a minor if the clerk is properly certified and has attended annual meetings since the clerk's original certification, unless the vendor's status as a certified responsible vendor has been revoked by the alcoholic beverage commission. If the responsible vendor's certification has been revoked, the vendor shall be punished by the beer board as if the vendor were not certified as a responsible vendor. "Clerk" means any person working in a capacity to sell beer directly to consumers for off-premises consumption. Under <u>Tennessee Code Annotated</u>, § 57-5-608, the alcoholic beverage commission shall revoke a vendor's status as a responsible vendor upon notification by the beer board that the board has made a final determination that the vendor has sold beer to a minor for the second time in a consecutive twelve (12) month period. The revocation shall be for three (3) years. (1991 Code, § 8-217)

8-213. Temporary permit; application issued by city recorder. In the event a proposed buyer or transferee acquires the business operated under this permit, and such transfer is to become final upon condition that the buyer or transferee obtains a regular beer permit, the buyer or transferee may obtain a temporary permit from the city recorder upon the determination of the city recorder that the buyer or transferee is about to comply with this chapter. Such temporary permit shall be valid for twenty-one (21) days from the date of issuance or until the next beer board meeting. The holder of a temporary permit shall be subject to all restrictions and penalties provided for regular permit holders by this chapter. Temporary permits shall not be issued, except for premises for which the beer permit has been issued to another owner or operator at the time application is made for such temporary permit. (1991 Code, § 8-219, modified)

8-214. Civil penalties in lieu of revocation or suspension.

- (1) <u>Definition</u>. "Responsible vendor" means a person, corporation or other entity that has been issued a permit to sell beer for off-premises consumption and has received certification by the Tennessee Alcoholic Beverage Commission under the "Tennessee Responsible Vendor Act of 2006," <u>Tennessee Code Annotated</u>, § 57-5-601, et seq.
- (2) <u>Penalty, revocation or suspension</u>. The beer board may, at the time it imposes a revocation or suspension, offer a permit holder that is not a responsible vendor the alternative of paying a civil penalty not to exceed two thousand five hundred dollars (\$2,500.00) for each offense of making or permitting to be made any sales to minors, or a civil penalty not to exceed one thousand dollars (\$1,000.00) for any other offense. The beer board may impose

on a responsible vendor a civil penalty not to exceed one thousand dollars (\$1,000.00) for each offense of making or permitting to be made any sales to minors or for any other offense. If a civil penalty is offered as an alternative to revocation or suspension, the holder shall have seven (7) days within which to pay the civil penalty before the revocation or suspension shall be imposed. If the civil penalty is paid within that time, the revocation or suspension shall be deemed withdrawn. Payment of the civil penalty in lieu of revocation or suspension by a permit holder shall be an admission by the holder of the violation so charged and shall be paid to the exclusion of any other penalty that the city may impose. (1991 Code, § 8-221, modified)

8-215. Loss of clerk's certification for sale to minor. If the beer board determines that a clerk of an off-premises beer permit holder certified under Tennessee Code Annotated, § 57-5-606, sold beer to a minor, the beer board shall report the name of the clerk to the alcoholic beverage commission within fifteen (15) days of determination of the sale. The certification of the clerk shall be invalid and the clerk may not reapply for a new certificate for a period of one (1) year from the date of the beer board's determination. (1991 Code, § 8-222)

8-216. <u>Violations and penalty</u>. Except as provided in § 8-215, any violation of this chapter shall constitute a civil offense and shall, upon conviction, be punishable by a penalty under the general penalty provision of this code. Each day a violation shall be allowed to continue shall constitute a separate offense. (1991 Code, § 8-223, modified)

Tennessee Code Annotated, § 57-5-607.

¹State law reference

CHAPTER 3

WINE IN RETAIL FOOD STORES

SECTION

- 8-301. Inspection fee on retail food store wine licensees.
- 8-302. Application for certificate.
- **8-301.** <u>Inspection fee on retail food store wine licensees.</u> Pursuant to the authority contained in <u>Tennessee Code Annotated</u>, § 57-3-501 <u>et seq.</u>, there is hereby imposed an inspection fee on retail food store wine licensees. The inspection fee shall be five percent (5%) of the wholesale price of alcoholic beverages as defined in <u>Tennessee Code Annotated</u>, § 57-3-101(a)(1)(A) supplied by a wholesaler to a retail food store wine licensee.
- **8-302. Application for certificate.** Before any certificate, as required by <u>Tennessee Code Annotated</u>, § 57-3-806, shall be signed by the mayor, or by any councilmember, a request in writing shall be filed with the recorder giving the following information:
 - (1) Name, age and address of the applicant.
 - (2) Number of years residence at applicant's address.
- (3) Whether or not the applicant has been convicted of a felony in the past ten (10) years.
- (4) The location of the proposed store for the sale of alcoholic beverages.
 - (5) The name and address of the owner of the store.
- (6) If the applicant is a partnership, the name, age and address of each partner. If the applicant is a corporation, the name, age and address of the executive officers, or those who will be in control of the package store.

The information in the application shall be verified by the oath of the applicant. If the applicant is a partnership or a corporation, the application shall be verified by the oath of each partner, or by the president of the corporation. (modified)