



May 30, 2019

RE: Rule Revisions to 0100-01, 0100-03, and 0100-06

Beginning in August 2016, the Tennessee Alcoholic Beverage Commission (TABC) requested suggestions for changes to the TABC rules and regulations affecting retail package stores, retail food stores, and manufacturers of alcoholic beverages. In March 2017, a rulemaking hearing was held and the Commission adopted a final version of the rules in September 2018. In January 2019, the Attorney General's office approved the rules, which have now been filed with the Secretary of State. The filing and red-line version can be viewed here: https://publications.tnsosfiles.com/rules_filings/01-25-19.pdf. The effective date of these rules is June 24, 2019. The rules include a number of changes to the TABC's prior rules, some of which are summarized below. The rules:

- (1) Eliminate the requirement that retail package stores publish notice of their application in a local newspaper at least three times before any local hearing for the certificate of compliance;
- (2) Provide more latitude for industry members to provide certain routine business entertainment to retailers, including increasing the maximum amount that can be provided for certain activities from \$100 to \$300;
- (3) Increase and clarify the manner in which licensees can advertise, including reducing current restrictions on direct communications to consumers while still providing protection to consumers against unwanted communications;
- (4) Remove advance approval requirements for consumer education seminars, require only two days advance notice to the TABC, and clarify that any TABC permit holder may server alcoholic beverages at a consumer education seminar;
- (5) Specify certain circumstances in which a supplier of alcoholic beverages may also own an establishment selling alcoholic beverages at retail for on-premise consumption while otherwise maintaining the three-tier system in the state;
- (6) Limit and reduce the times in which a manufacturer representative permit would be required. Many businesses use certain persons to promote alcoholic beverages while not soliciting orders and this rule specifies that such persons would not need this permit;
- (7) Ease the manner in which a manufacturer can add a noncontiguous premises for storage of spirits by requiring only notice of such additional storage instead of Commission approval;
- (8) Clarify when a private event not requiring any license can be held;
- (9) Clarify that distilled spirits may be imported in bulk for manufacturing, rectifying, or blending alcoholic beverages and clarify what the term "rectifying" means;



- (10) Allow industry members to participate in trade shows and conventions for retailer or industry associations;
- (11) Increase the ability of industry members to provides free samples of alcoholic beverages to retailers;
- (12) Increase the type of items that an industry member can provide to a retailer for their own use or for further dissemination to consumers and make other beneficial revisions regarding the offering of contests, items, and services by industry members; and
- (13) Otherwise clarify the law through technical corrections and updates consistent with current statute.

Sincerely,

TABC Staff