

Finance & Administration Committee Meeting
October 18, 2022
4:00 p.m.

1. Growth/development/planning discussion – Looney/Ricks/Kiss representative/committee members
2. Bert Johnston Development Discussion – Attorney Witherington/ Director Fisher/Committee Members
3. ARP Administrative Services Resolution – Water/Sewer Repair
4. Frazier Park Fence Bid Discussion – Director Glass
5. Municipal Code – Title 8 Discussion – Director Fisher
6. South Fire Station Addition Discussion – Chief Griggs
7. Sale of Surplus Property – Chief Turner
8. Discussion of Vacant Building @ 401 South College- Alderman Wallace

RESOLUTION

WHEREAS, funds have been authorized and appropriated by the federal American Rescue Plan Act (ARP) to be used for eligible drinking water, wastewater, or stormwater projects. The Tennessee Department of Environment and Conservation (TDEC) has been designated to administer these funds; and

WHEREAS, ARP guidelines stipulate that “Project Owners are those entities that may execute projects. Project owners must operate a drinking water or wastewater system or a permitted stormwater system or execute a project on behalf of a drinking water or wastewater system or a permitted stormwater system”; and

WHEREAS, the City of Covington owns and operates water and wastewater systems that provide water and wastewater services to residents of Covington and Tipton County; and

WHEREAS, TDEC has appropriated \$1,789,511.42 in non-competitive ARP funds to the City of Covington to be used for eligible water, sewer, and stormwater needs.

NOW, THEREFORE, BE IT RESOLVED, by the Covington Mayor and Board of Alderman, THAT

- 1) The City of Covington accepts the appropriation of \$1,789,511.42 from TDEC to be used for eligible water and sewer improvements as allowed by the TDEC ARP grant guidelines.
- 2) The City of Covington will be responsible for the required 15% match and accept the 5% match reduction if deemed eligible.
- 3) The City of Covington will be responsible for application process; administration; reporting; or contractual agreements with engineers, contractors, administrators, and any other parties necessary to carry out the program.
- 4) Justin Hanson, Mayor, and his successor in title, is hereby authorized to execute and submit documents, forms, assurances and agreements, as necessary to carry out the program.

PASSED AND SO ORDERED THIS 25th DAY OF OCTOBER, 2022.

Justin Hanson, Mayor

Attest:

Tina Dunn, City Recorder

City of Covington, Tennessee
Request for Qualifications
American Rescue Plan Act (ARPA)/TDEC Consultant Services

The City of Covington, Tennessee seeks to retain the services of a professional consultant firm to advise the city on complying with all ARPA/TDEC Grant requirements. The city is requesting qualification-based proposals for the following ARPA/TDEC consultant services:

- Project Selection
- Public Notification & Involvement
- Project Eligibility
- Bidding
- Contract/Wages
- Project Management
- Financial/Accounting Management/Reporting

The consultant's role will be to provide strategic recommendations, with eligibility, provide guidance, review, and recommendation of the City's processes with respect to ARPA/TDEC compliance. The City of Covington anticipates utilizing consultant services throughout the life of the ARPA/TDEC process.

To be considered, firms must submit a proposal to the City of Covington Mayor, 200 West Washington Avenue, Covington, TN 38019. All proposals must be received by the City of Covington Mayor's Office on or before 4:00 p.m. CST, Friday, October 14, 2022, and the project name (ARPA/TDEC Consultant Services) should be referenced on the submittal.

The proposal will be evaluated based on the following factors:

1. Consultant's Capabilities/Experience/References for the requested services.
2. Project Team – Personnel who would work with the city and experience of each team member.
3. Method of Approach – Firm's approach to working with similar projects
4. Understanding of Requested Services and Experience with Comparable Municipalities.

City of Covington's evaluation proceedings will be conducted within the established guidelines regarding equal employment opportunity and nondiscriminatory action based upon the grounds of race, color, religion, national origin, sex, creed, age and disability. All firms submitting proposals must be willing and capable to immediately enter into a contract with the City.

Proposals shall be submitted to:

Justin Hanson, Mayor
200 West Washington Ave.
Covington, TN 38019

For additional details regarding the project, please contact David Gray, Public Works Director, at 901-476-9613 x1027 or by email at dgray@covingtontn.com

CITY OF COVINGTON, TENNESSEE
STATEMENT OF QUALIFICATIONS - EVALUATION WORKSHEET
ADMINISTRATIVE SERVICES

In response to solicitations for Statements of Qualifications for Administrative Services for the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program, submittals were received from the following firms on or before the designated deadline of **4:00 p.m. CST, October 14, 2022.**

- A. Community Development Partners, LLC
- B. _____
- C. _____

The following summarizes the evaluation made of these responses with respect to the previously established evaluation criteria:

	SCORING		
	A	B	C
1. Availability of qualified personnel and capacity of the firm to carry-out professional administrative services. Maximum of 40 points	40		
2. Experience and technical expertise of the firm and its personnel Maximum of 30 points	30		
3. Summarize scope and type of services and understanding of program tasks. Maximum of 30 points	30		
Total score out of 100 possible points	100		

Based on the foregoing evaluation,

Community Development Partners, LLC

is determined to be the most qualified firm to carry-out the design services on the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program and is recommended for contract award. In the event that the parties are unable to negotiate and agree upon a contract price the next highest rated firm will begin negotiations.

Approved by:

Name

Title

Signature

Date

Cov Parks and Rec
 200 West Washington St
 Covington Tn 38019

Kidd Fence & Const. LLC
 714 Hope St.
 Covington Tn. 38019
 901-560-KIDD (5433)

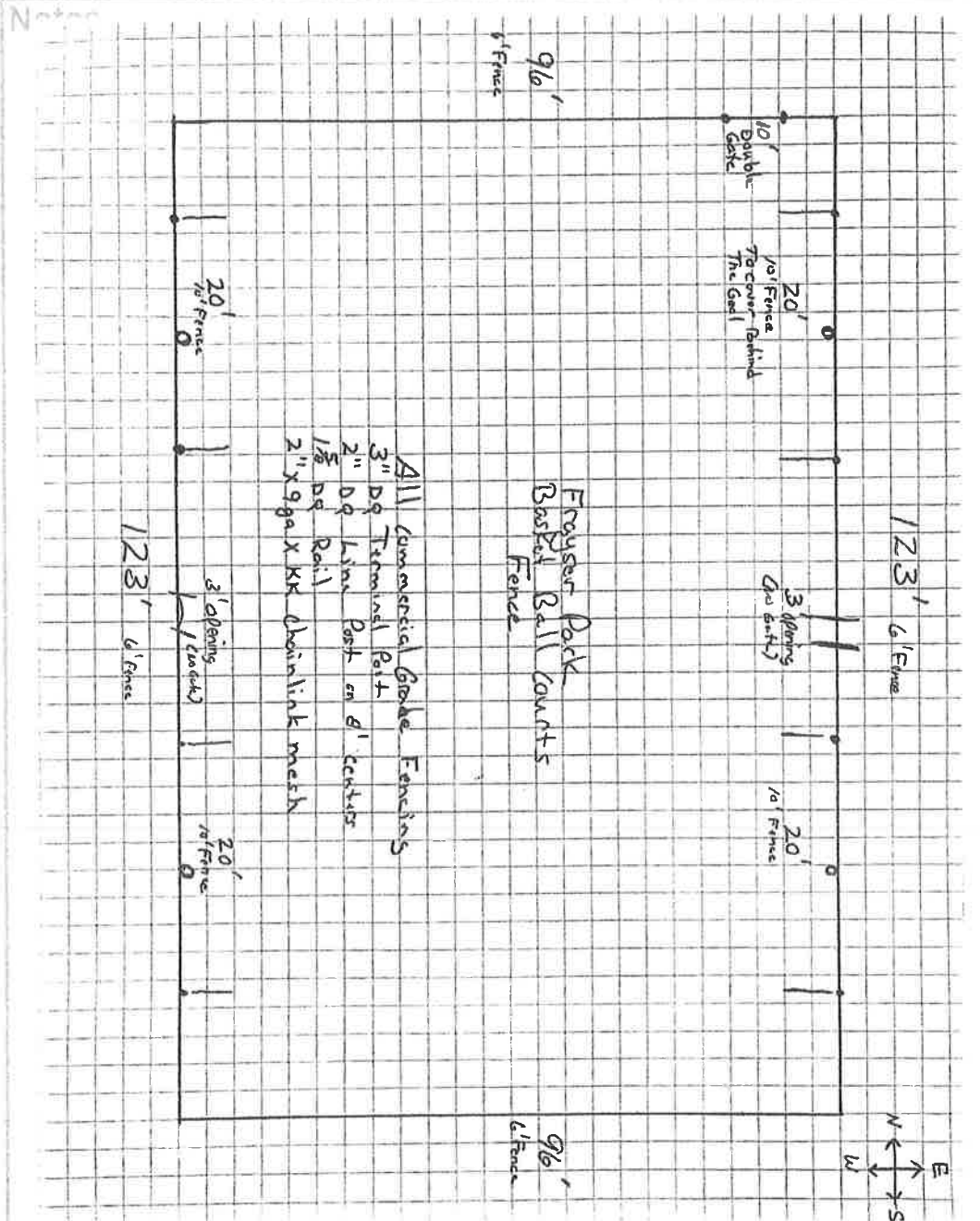
Date: 8/8/22

901-476-1107
 Molly Glass
 901-573-5669

Frayser Park Basketball
 Court Fence

358' 6' chainlink fence
 galv
 80' 10' chainlink fence
 galv
 1 10' double gate

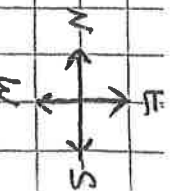
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 \$17,970.00



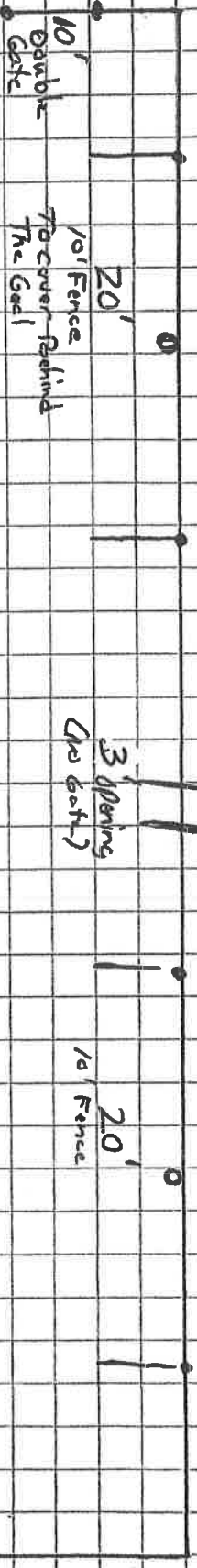
Customer is responsible for the location of all property lines, underground utility locations (call 811 to locate), local code enforcement and building permits. Estimate is good for 10 days from above date. Payment is due at the time of completion unless other arrangements are agreed upon. A 3% charge will be added to all credit card payments. Kidd Fence & Construction. does not warranty against wood warping.

I _____ agree to this contract.

 Ricky Kidd (owner) Contractor



123' 6' Fence



Frayser Park
Basket Ball Courts
Fence

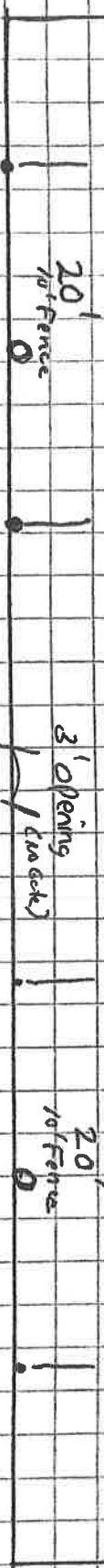
96'

6' Fence

96'

6' Fence

All Commercial Grade Fencings
3" Dq Terminal Post
2" Dq Lines Post on 8' centers
1 1/8" Dq Rail
2" x 9ga x KK chainlink mesh



123' 6' Fence

438'

TITLE 8

ALCOHOLIC BEVERAGES¹

CHAPTER

1. INTOXICATING LIQUORS.
2. BEER.

CHAPTER 1

INTOXICATING LIQUORS

SECTION

- 8-101. Regulations applicable.
- 8-102. Terms defined.
- 8-103. Manufacturing prohibited.
- 8-104. Engaging in wholesale business prohibited.
- 8-105. Application for and issuance of retailer's license; license fee; licensee must be qualified voter.
- 8-106. No license to be issued for premises too close to a church, etc.; licenses not transferable to other premises; zoning restrictions.
- 8-107. No limitation on number of retail licenses.
- 8-108. Bonds of license.
- 8-109. Restrictions on license holders and employees.
- 8-110. Display of license.
- 8-111. Transfer of license restricted.
- 8-112. Expiration of licenses; renewal.
- 8-113. New license after revocation.
- 8-114. Federal license, effect of.
- 8-115. Inspection fee.
- 8-116. Regulations for purchase and sale of intoxicating liquors.
- 8-117. Use of canvassers or solicitors by retailers prohibited.
- 8-118. Regulation of retail sales.
- 8-119. Possession on streets, etc., restricted.
- 8-120. Chapter not applicable to beer.
- 8-121. Definition of "alcoholic beverages."
- 8-122. Consumption of alcoholic beverages on premises.
- 8-123. Privilege tax on retail sale of alcoholic beverages for consumption on the premises.

¹State law reference

Tennessee Code Annotated, title 57.

8-124. Annual privilege tax to be paid to the recorder/treasurer.

8-125. Violations.

8-101. Regulations applicable. (1) Pursuant to Tennessee Code Annotated, title 57, as amended, and a referendum held pursuant thereto in the City of Covington, Tennessee, on the 1st day of August, 1968, this chapter is enacted.

(2) It shall be unlawful to engage in the business of selling, storing, transporting, or distributing, or to purchase or possess alcoholic beverages within the corporate limits of the City of Covington, Tennessee, except in accordance with the provisions of Tennessee Code Annotated, title 57, chapter 1, and the rules and regulations promulgated thereunder and as provided in this chapter. (1971 Code, § 2-101)

8-102. Terms defined. Whenever used herein unless the context requires otherwise:

(1) "Alcoholic beverages" as used in this chapter, unless the context indicates otherwise, means and includes alcohol, spirits, liquor, wine, and every liquid containing alcohol, spirits, liquor, wine and capable of being consumed by a human being, other than patented medicine beer or wine, where the latter contains an alcoholic content of five percent (5%) by weight, or less.

(2) "Gallon or "gallons" wherever used herein, shall be construed to mean a wine gallon or wine gallons of one hundred and twenty-eight (128) ounces. The word "quart," whenever used herein, will be construed to mean one-fourth (1/4) of a wine gallon. The word "pint," whenever used herein, shall be construed to mean one-eighth (1/8) of a wine gallon.

(3) "License" means the license issued as provided herein and "licensee" means any person to whom such license has been issued.

(4) "Manufacturer" means and includes a distiller, vintner and rectifier. "Manufacture" means and includes distilling, rectifying and operating a winery.

(5) "Retailer" means any person who sells at retail any beverage for the sale of which a license is required under the provisions herein.

(6) "Retail sale" or "sale at retail" means a sale to a consumer or to any person for any purpose other than for resale.

(7) "Wholesaler" means any person who sells at wholesale any beverage for the sale of which a license is required under the provisions of Tennessee Code Annotated, §§ 57-3-101 to 57-3-110.

(8) "Wholesale sale" or "sale at wholesale" means a sale to any person for purposes of resale.

(9) "Wine" means the product of the normal alcoholic fermentation of the juice of fresh, sound, ripe grapes, with the usual cellar treatment and necessary additions to correct defects due to climatic, saccharine and seasonal conditions, including champagne, sparkling and fortified wine of an alcoholic

content not to exceed twenty-one percent (21%) by volume. No other product shall be called "wine" unless designated by appropriate prefixes descriptive of the fruit or other product from which the same was predominantly produced, or an artificial or imitation wine.

(10) Words importing the masculine gender shall include the feminine and the neuter, and the singular shall include the plural.

(11) The term "federal license" as used herein shall not mean tax receipt or permit. (1971 Code, § 2-102, as amended by Ord. #1508, April 2003)

8-103. Manufacturing prohibited. The manufacture of alcoholic beverages is prohibited within the corporate limits of the City of Covington. (1971 Code, § 2-103)

8-104. Engaging in wholesale business prohibited. No person, firm, or corporation shall engage in the business of selling alcoholic beverages at wholesale within the corporate limits of the City of Covington. (1971 Code, § 2-104)

8-105. Application for and issuance of retailer's license; license fee; licensee must be qualified voter. A license for the retail sale of alcoholic beverages may be issued as herein provided. Any person or persons desiring to sell alcoholic beverages to patrons or customers, in sealed packages only, and not for consumption on the premises, shall make application to the city recorder for a retailer's license. The application shall be in writing on forms prescribed and furnished by the city recorder. Subject to the issuance of a retail license by the Commissioner of Revenue, State of Tennessee, a majority of the board of mayor and aldermen may issue such retailer's license. Such retailer's license shall not be issued unless and until the applicant therefor shall pay the city recorder a license fee of two hundred and fifty dollars (\$250.00) and no license shall be issued except to individuals who are and have been for at least one (1) year legally qualified voters of the City of Covington. (1971 Code, § 2-105)

8-106. No license to be issued for premises too close to a church, etc.; licenses not transferable to other premises; zoning restrictions. No license shall be granted for the operation of a retail store for the sale of alcoholic beverages when, in the opinion of the board of mayor and aldermen, expressed by a majority thereof, the carrying on of such business at the premises covered by the application for a license would be in too close proximity to a church, school, or public institution, or otherwise inimical to the public interest. A retailer's license issued under this chapter shall not be valid except at the premises recited in the application. No license shall be granted for the operation of a retail store except in areas zoned for B-1, B-2, B-3, and M-1. (1971 Code, § 2-106)

8-107. No limitation on number of retail licenses. No limitation as to number of retail licenses is established by this chapter. (1971 Code, § 2-107)

8-108. Bonds of licensees. Bonds required herein shall be executed by a surety company duly authorized and qualified to do business in the State of Tennessee. Bonds of retailers shall be one thousand dollars (\$1,000.00) and shall be conditioned that the principal thereof shall pay any fine which may be assessed against the principal. (1971 Code, § 2-108)

8-109. Restrictions on license holders and employees. (1) The license fee for every license hereunder shall be payable by the person making application for such license and to whom it is issued and no other person shall pay for any license issued under this chapter.

(2) No retailer's license shall be issued to a person who is a holder of a public office, either appointive or elective, or who is a public employee, either national, state, city, or county. It shall be unlawful for any such person to have an interest in such retail business, directly or indirectly, either proprietary or by means of any loan, mortgage, or lien, or to participate in the profits of any such business.

(3) No retailer shall be a person who has been convicted of a felony involving moral turpitude within ten (10) years prior to the time he or the concern with which he is connected shall receive a license; provided, however, that this provision shall not apply to any person who has been so convicted, but whose rights of citizenship have been restored or judgment of infamy has been removed by a court of competent jurisdiction; and in the case of any such conviction occurring after a license has been issued and received, the said license shall immediately be revoked, if such convicted felon be an individual licensee, and if not, the partnership, corporation, or association with which he is connected shall immediately discharge him.

(4) No license shall under any condition be issued to any person who within ten (10) years preceding application for such license or permit shall have been convicted of any offense under the laws of the State of Tennessee or of any other state or of the United States prohibiting or regulating the selling, possessing, transporting, storing, manufacturing, or otherwise handling intoxicating liquors or who has, during said period, been engaged in business alone or with others, in violation of any of said laws or rules and regulations promulgated pursuant thereto.

(5) No manufacturer, brewer, or wholesaler shall have any interest in the business or building containing licensed premises of any other person having a license hereunder, or in the fixtures of any such person.

(6) It shall be unlawful for any person to have ownership in, or participate, either directly or indirectly, in the profits of any retail business licensed under Tennessee Code Annotated, §§ 57-2-103 to 57-3-105, unless his interest in said business and the nature, extent, and character thereof shall

appear on the application; or if the interest is acquired after the issuance of a license, unless it shall be fully disclosed to the board of mayor and aldermen and approved by it. Where such interest is owned by such person on or before the application for any license, the burden shall be upon such person to see that this section is fully complied with, whether he, himself, signs or prepares the application, or whether the same is prepared by another; or if said interest is acquired after the issuance of the license, the burden of said disclosure of the acquisition of such interest shall be upon both the seller and the purchaser.

(7) No person shall be employed in the sale of alcoholic beverages except a citizen of the United States.

(8) No retailer, or any employee thereof, engaged in the sale of alcoholic beverages shall be a person under the age of twenty-one (21) years, and it shall be unlawful for any retailer to employ any person under twenty-one (21) years of age for the physical storage, sale, or distribution of alcoholic beverages, or to permit any such person under said age on his place of business to engage in the storage, sale, or distribution of alcoholic beverages.

(9) No retailer shall employ in the storage, sale, or distribution of alcoholic beverages, any person who, within ten (10) years prior to the date of his employment, shall have been convicted of a felony involving moral turpitude, and in case an employee should be convicted he shall immediately be discharged; provided, however, that this provision shall not apply to any person who has been so convicted, but whose rights of citizenship have been restored or judgment of infamy has been removed by a court of competent jurisdiction.

(10) The issuance of a license does not vest a property right in the licensee, but is a privilege subject to revocation or suspension under this chapter.

(11) Misrepresentation of a material fact or concealment of a material fact required to be shown in the application for a license shall be a violation of this chapter.

(12) No retailer shall hold, have any interest in, or be the owner of a beer permit of any type issued under the ordinances of the City of Covington. (1971 Code, § 2-109)

8-110. Display of license. Persons granted a license to carry on any business or undertaking contemplated herein shall, before being qualified to do business, display and post, and keep displayed and posted, in the most conspicuous place in their premises, such license. (1971 Code, § 2-110)

8-111. Transfer of licenses restricted. The holder of a license may not sell, assign, or transfer such license to any other person, and said license shall be good and valid only for the calendar year in which the same was issued. Provided, however, that licensees who are serving in the military forces of the United States in time of war may appoint an agent to operate under the license of the licensee during the absence of the licensee. In such instances, the license

shall continue to be carried and renewed in the name of the owner. The agent of the licensee shall conform to all the requirements of a licensee. No person who is ineligible to obtain a license shall be eligible to serve as the agent of a licensee under this section. (1971 Code, § 2-111)

8-112. Expiration of licenses; renewal. Licenses issued under this chapter shall expire at the end of each calendar year but, subject to the provisions of this chapter, may be renewed each calendar year by payment of the above-mentioned license fee, and the proportionate part of the license fee prescribed therefor shall be paid in advance at the time application for renewal shall be made. (1971 Code, § 2-112)

8-113. New license after revocation. Where a license is revoked, no new license shall be issued to permit the sale of alcoholic beverages on the same premises until after the expiration of one (1) year from the date said revocation becomes final and effective. (1971 Code, § 2-113)

8-114. Federal license, effect of. The possession of a federal license to sell alcoholic beverages, without the corresponding requisite state license, shall in all cases be prima facie evidence that the holder of such federal license is selling alcoholic beverages in violation of the terms of this chapter. (1971 Code, § 2-114)

8-115. Inspection fee. There is hereby imposed an inspection fee of five percent (5%) of all gross sales of alcoholic beverages sold by wholesalers to the retailers selling alcoholic beverages in the City of Covington. The inspection fee shall be collected by the wholesaler from the retailer following notice given the wholesaler by the City of Covington that an inspection fee has been imposed by ordinance upon the retailers located within the City of Covington. The inspection fee shall be collected by the wholesaler at the time of the sale or at the time the retailer makes payment for the delivery of the alcoholic beverages. Each wholesaler making sales to retailers located within the City of Covington shall furnish the city a report monthly, which report shall contain a list of the alcoholic beverages sold to each retailer located within the city, the wholesale price of the alcoholic sold to each retailer, the amount of fees due, and such other information as may be required by the city. The monthly report shall be furnished the city not later than the twentieth (20th) of the month following which the sales were made. The inspection fees collected by the wholesaler from the retailers located within the city shall be paid to the said city at the time the monthly report is made. Wholesalers collecting and remitting the above inspection fee to the city shall be entitled to reimbursement for this collection service, a sum equal to five percent (5%) of the total amount of inspection fees collected and remitted, such reimbursement to be deducted and shown on the monthly report to said city. Failure to collect or timely report and/or pay the

inspection fee collected shall result in a penalty of ten percent (10%) of the fee due which shall be payable to the city. Said inspection fee shall be used by the city for only educational, community, and recreational purposes. (1971 Code, § 2-115, as amended by Ord. #1203, March 1987, and Ord. #1651, Sept. 2013)

8-116. Regulations for purchase and sale of intoxicating liquors.

(1) It shall be unlawful for any person in the City of Covington to buy any alcoholic beverages herein defined from any person who does not hold the appropriate license under this chapter authorizing the sale of said beverages to him.

(2) No retailer shall purchase any alcoholic beverages from anyone other than a licensed wholesaler, nor shall any wholesaler sell any alcoholic beverages to anyone other than a licensed retailer.

(3) No licensee shall sell intoxicating liquors at retail in connection with any other business or in the same store where any other business is carried on.

(4) No retail store shall be located except on the ground floor and it shall have only one (1) main entrance opening on a public street and such place of business shall have no other entrance for use by the public except as hereinafter provided. When a retail store is located on the corner of two (2) public streets, such retail store may maintain a door opening on each of the public streets. Provided, however, that any sales room adjoining the lobby of a hotel or other public building may maintain an additional door into such lobby so long as same shall be open to the public, and provided further, that every retail store shall be provided with whatever entrances and exits may be required by existing or future municipal ordinances. If the retail store has a rear entrance or an entrance onto an alleyway, such entrance may be used to receive shipments of intoxicating beverages from the wholesaler, but such entrance may not be used by the public for any purpose whatsoever.

(5) No holder of a license for the sale of alcoholic beverages for retail shall sell, deliver, or cause, permit, or procure to be sold or delivered, any alcoholic beverages on credit.

(6) No alcoholic beverages shall be sold for consumption on the premises of the retailer or seller.

(7) The sales of all alcoholic beverages by a retailer shall be made within the licensed premises; provided, that deliveries of alcoholic beverages sold within the premises may be made by the retailer to a vehicle of the purchaser parked on the lot or lots upon which said licensed premises are situated or at the curb immediately adjacent to the lot or lots upon which said licensed premises are situated, and not elsewhere.

(8) To the fullest extent, consistent with the nature of the establishment, full, free, and unobstructed vision shall be afforded from the street and public highway to the interior of the place of sale or dispensing of alcoholic beverages where sold or dispensed.

(9) No form of entertainment, including pin ball machines, music machines, or similar devices, shall be permitted to operate upon any premises from which alcoholic beverages are sold.

(10) No advertising by licensee, signs, displays, posters, banners, or designs intended to advertise any alcoholic beverages is permitted within the corporate limits except those that are in compliance with the general sign regulations of the City of Covington, Tennessee or any regulations mandated by the State of Tennessee or its regulatory agencies. (1971 Code, § 2-116, as amended by Ord. #1567, March 2007)

8-117. Use of canvassers or solicitors by retailers prohibited. No holder of a license issued shall employ any canvasser or solicitor for the purpose of receiving an order from a consumer for any alcoholic beverages at the residence or place of business of such consumer nor shall any such licensee receive or accept any such order which shall have been solicited or received at the residence or place of business of such consumer. This section shall not be construed so as to prohibit the solicitation by a state licensed wholesaler of an order from any licensed retailer at the licensed premises. (1971 Code, § 2-117)

8-118. Regulation of retail sales. (1) No retailer shall directly or indirectly operate more than one (1) place of business for the sale of alcoholic beverages, and the word "indirectly" shall include and mean any kind of interest in another place of business by way of stock ownership, loan, partner's interest, or otherwise.

(2) No retailer shall sell, lend, or give away any alcoholic beverages to any person who is drunk nor to any person accompanied by a person who is drunk.

(3) No retailer shall sell, lend, or give away any alcoholic beverages to a person under twenty-one (21) years of age.

(4) No retailer shall sell, lend, or give away any alcoholic beverages between 11:00 P.M. on Saturday and 8:00 A.M. on Monday of each week, and between 11:00 P.M. and 8:00 A.M. Monday through Saturday.

(5) No retailer of alcoholic beverages shall keep or permit to be kept upon the licensed premises any alcoholic beverages in any unsealed bottles or other unsealed containers. (1971 Code, § 2-118, modified)

8-119. Possession on streets, etc., restricted. Visible possession of alcoholic beverages in an unsealed container upon any public street, or upon any public parking lot, or within any governmental building shall be a violation of this chapter. (1971 Code, § 2-119)

8-120. Chapter not applicable to beer. No provision of this chapter shall be considered or construed as in any way modifying, changing, or restricting the rules and regulations governing the sale, storage, transportation,

etc., or tax upon beer or other liquids with an alcoholic content of five percent (5%) or less. (1971 Code, § 2-120)

8-121. 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 premise consumption which are regulated by said code when such sales are conducted within the corporate limits of Covington, Tennessee. It's the intent of the board of mayor and aldermen that the said Tennessee Code Annotated, title 57, chapter 4, inclusive, shall be effective in Covington, Tennessee, the same as if said code sections were copied herein verbatim. (Ord. #1508, April 2003, modified)

8-122. 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, § 57-4-301, for the City of Covington, Tennessee General Fund to be paid annually as provided in this chapter) upon any person, firm, corporation, joint stock company, syndicate, or association engaging in the business of selling at retail in the City of Covington, Tennessee, alcoholic beverages for consumption on the premises where sold. (Ord. #1508, April 2003)

8-123. Annual privilege tax to be paid to the recorder/treasurer. 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 Covington, Tennessee, shall remit annually to the recorder/treasurer the appropriate tax described in § 8-122. Such payments shall be remitted not less than thirty (30) days following the end of each 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. (Ord. #1508, April 2003)

8-124. Violations. Any violation of the term of this chapter shall be punishable under the general penalty clause for this code of ordinances. (1971 Code, § 2-121)



Published on MTAS (<https://www.mtas.tennessee.edu>)

Intoxicating Liquors

Dear Reader

The following document was created from the Municipal Technical Advisory Services website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website shares information relative to Tennessee municipal government. We hope this information will be useful to you and that it will assist you with questions that arise in your tenure in municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

The Municipal Technical Advisory Service (MTAS) was created in 1949 to provide technical assistance to elected and appointed municipal officials in Tennessee. We are a resource for Tennessee municipal officials in areas of municipal government, human resources, finance, fire, legal, police, public works, water, and wastewater. We provide personal and professional knowledge growth opportunities on current issues within municipal government.

The University of Tennessee
Municipal Technical Advisory Service
1610 University Avenue
Knoxville, TN 37921-6741
www.mtas.tennessee.edu

Intoxicating Liquors

Intoxicating Liquors

Reference Number: MTAS-1405

Reviewed Date: 06/01/2022

Regulating the liquor industry is primarily a state function, but counties and cities may adopt regulations that do not conflict with those of the state. Package stores and the sale of liquor-by-the-drink must be approved by referendum, an option open to cities that have a population of 700 or more people (except in four excluded counties). Some smaller cities are permitted to hold referenda if they fall within specific population brackets. Banning such stores can likewise be accomplished by referendum. T.C.A. § 57-3-101, T.C.A. § 57-3-106, T.C.A. § 57-4-103.

T.C.A. § 57-4-101(a) lists several entities in which liquor-by-the-drink may be sold without a referendum. Among these are cities and counties that have elected to be a Tennessee River Resort District under T.C.A. § 67-6-103(a)(3)(F).

Tennessee law grants authority for the sale of alcohol on Sundays between the hours of 10:00 a.m. and 11:00 p.m. by retail package stores. An applicant for retail package store license must first

obtain a certificate signed by the mayor or a majority of the city governing body stating that:

- the applicant(s) to be in actual charge or the corporation officers (or those in control) have not been convicted of a felony within 10 years preceding the application date;
- the applicant has a business site that meets all local requirements; and
- the applicant is in compliance with any ordinance regulating the number of retail licenses to be issued in the municipality.

Failure to act within 60 days on an application for such a certificate shall constitute approval. Cities and counties are authorized to control the location and number of licenses as long as they do not "unreasonably restrict the availability of alcoholic beverages" to their residents. An appeal of a certificate denial may be taken to a chancery court within 60 days. T.C.A. § 57-3-208.

State law regulates hours during which sales may be made for consumption of alcohol on the premises, but the ABC may expand those hours. Cities that have approved liquor by the drink sales may opt out of or into the hour expansion adopted by the Alcoholic Beverage Commission. T.C.A. § 57-4-203(d)(5).

An elected or appointed public officer may not hold a liquor license or have any interest in any wholesale or retail liquor business. T.C.A. § 57-3-210.

T.C.A. § 57-3-707 allows servers in liquor-by-the-drink establishments to work 61 days after being hired without a server permit.

The law permits a city to impose the following annual privilege taxes on places serving drinks for consumption on the premises:

- \$300 for a private club;
- \$60 to \$1,000 for restaurants, according to seating capacity;
- \$1,000 for a hotel or motel;
- \$1,500 for a premiere-type tourist resort; and
- Other amounts for several other classifications. T.C.A. § 57-4-301.

Cities may adopt ordinances levying inspection fees on retail liquor licensees (package liquor stores) based on wholesale liquor prices. Inspection fees may not exceed 8 percent in counties with a population of less than 60,000, and in counties in which a premier tourist resort city is located, and not more than 5 percent in other counties. Population is to be taken from the most recent federal census. T.C.A. § 57-3-501.

State highway patrol and Alcoholic Beverage Commission officers and agents are empowered to help local law enforcement personnel enforce liquor statutes in cities that have not authorized liquor sales by local option elections. T.C.A. § 57-3-412(b).

Source URL: <https://www.mtas.tennessee.edu/reference/intoxicating-liquors>

October 14, 2022

For consideration at F & A Committee meeting on 10-18-2022

Retail Package License

Wording in other jurisdictions regarding the number of licenses to be issued and outstanding as found on the MTAS website:

Town of Arlington –

Shall be restricted to one for each fifteen thousand (15,000) resident citizens according to the last official census. Preference shall be given to bona fide residents of Shelby County.

Town of Atoka –

Shall be no more than one (1) issued for every five thousand (5,000) persons according to the last federal or official supplementary census.

City of Bolivar –

Shall be no limit on the number of

Collierville –

No more than three (3)

Lakeland –

Shall be a limit of one (1) issued and outstanding for every five thousand (5,000) residents. Regardless of population, there shall be no more than three (3) total licenses.

Spring Hill –

No more than one for each five thousand (5,000) in population that has been determined by a certified census count.

This is in the Manford Code thought you may
want to consider this.

X. Fisher

CHAPTER 3

BROWN BAGGING

SECTION

8-301. Brown bagging prohibited.

8-302. Alcoholic beverages defined.

8-301. Brown bagging prohibited. No owner, operator or employee of any restaurant, club, or any other business of every kind and description, shall permit or allow any person to open, or to have open, or to consume inside or on the premises a bottle, can, flask or container of any kind or description, of alcoholic beverages without first obtaining a permit, from the State of Tennessee Alcoholic Beverage Commission, allowing liquor by the drink. (as added by Ord. #2002-09-05, Sept. 2002, and replaced by Ord. #2008-04-01, April 2010)

8-302. Alcoholic beverages defined. The term alcoholic beverage shall be the same definition appearing in Tennessee Code Annotated, § 57-3-101(1)(A). (as added by Ord. #2002-09-05, Sept. 2002, and replaced by Ord. #2008-04-01, April 2010, and Ord. #2017-07-01, Aug. 2017)

[CLICK HERE TO PAY FOR A CITATION](#)

[RECENT CHANGES TO ALCOHOL CARRYOUT SALES](#)

RLPS WILL BE SHUT DOWN ON FRIDAY JULY 30TH STARTING AT 4:00 PM UNTIL MONDAY AUGUST 2ND AT 6:00 AM FOR SCHEDULED MAINTENANCE.

Frequently Asked Questions

Managers and Certified Clerks for Retail Package Stores and Retail Food Stores FAQs

This section is intended to serve as guidance to TABC staff and industry members regarding permits for employees and managers of retail package stores, retail food stores, and wineries. This section is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

✓ Overview

Q1: What is a manager's permit and who is required to obtain a manager's permit?

A: A TABC-issued manager's permit allows an individual to operate, supervise, or manage the retail sales of alcoholic beverages or wine at a retail package store or serve as a designated manager at a retail food store. Retail package store managers and retail food store designated managers must obtain a manager's permit from the TABC.

Q2: What is a certified clerk and who is required to become a certified clerk?

A: A certified clerk is an employee of a retail package store or retail food store who sells alcoholic beverages or wine, who has completed responsible vendor training, and is included on a retail package store's or retail food store's list of certified clerks submitted to the TABC. Employees who sell alcoholic beverages or wine at these businesses must be certified clerks.



Q3: How much time does an employee have to become a certified clerk?

A: An employee who is required to become a certified clerk must do so within sixty-one days of being hired or otherwise assuming the duties of selling alcoholic beverages.

Q4: If I currently have an unexpired TABC retail package store employee permit (blue card), do I have to obtain a manager's permit or become a certified clerk?

A: Individuals holding an unexpired TABC employee permit (blue card) may perform the duties of a clerk until the expiration of their current TABC employee permit. The employee should take the steps necessary to become a certified clerk before the expiration of their TABC employee permit. An individual who holds an unexpired TABC employee permit (blue card) and who is performing the duties of a manager (operating, supervising, or managing the retail sales of alcoholic beverages or wine) must obtain a manager's permit from the TABC.

Q5: What training is required for a manager's permit?

A: To obtain, maintain, or renew a manager's permit, an individual is required to annually complete the following required training:

1. Either a responsible beer vendor or a responsible wine vendor training course approved by the TABC; and
2. A one (1) hour course covering a review of recent changes in the law, applicable statutes, rules, and regulations approved by the TABC.

Q6: What training is required to become a certified clerk?

A: To become a certified clerk, an individual must annually attend either a responsible beer vendor or a responsible wine vendor training course approved by the TABC.

Q7: What is required to obtain new manager's permit or to renew a manager's permit?

A: To obtain a manager's permit from the TABC, an individual must do the following:

1. Attend either a responsible beer vendor or a responsible wine vendor training course approved



2. Attend a one (1) hour course covering a review of recent changes in the law, applicable statutes, rules, and regulations approved by the TABC.

3. Create an RLPS account;

4. Create a certified Manager application;

5. Upload the required document (Government issued photo ID, Prove of Responsible Vendor training and prove of Legal Training); and

6. Pay the \$50.00 application fee

Q8: How do I know where I can take the required manager permit or certified clerk training and what is the cost?

A: The TABC does not set the cost for training programs and trainers are not employed by the TABC. Required training for manager permits and certified clerks is outlined in questions four (4) and five (5). For more information, contact Tabatha.Blackwell@tn.gov.

Q9: Must an individual licensed as a sole proprietor pursuant to § 57-3-204 or § 57-3-801 seq., obtain a manager's permit?

A: No. An individual licensed as a sole proprietor is not required to obtain a manager's permit. For this purpose, a sole proprietorship does not include any member, owner, or shareholder of an LLC, corporation, LLP, general partnership or any entity that is required to be registered with the Secretary of State. While the sole proprietor is not required to obtain a permit, other managers, who are not the sole proprietor owner, of the sole proprietorship must obtain a TABC manager's permit and employees who sell alcoholic beverages or wine must become certified clerks.

Q10: What if I have a criminal history?

A: The TABC reviews applications for licenses and permits to determine whether the applicant has a criminal history that directly relates to the occupations under the regulation of the Commission, pursuant to the Fresh Start Act. The TABC will not consider any convictions that have been expunged from an applicant's criminal history. For further information please follow the below link to a Director's Memo on this topic:

- <https://www.tn.gov/abc/public-information-and-forms/director-s-memos.html>



Q11: Can a manager's permit be suspended or revoked?

A: Yes. A manager's permit may be suspended or revoked by the Commission for any violation of Title 57 of Tennessee Code Annotated, and/or the rules and regulations of the TABC, including not attending required annual training, or other violations committed by the holder of the manager's permit or by any person operating under the supervision of the holder of the manager's permit.

Q12: Can I hold a server permit card to sell alcohol for on-premise consumption, and also hold a manager's permit card for off-premise consumption?

A: Yes. An individual who holds a manager's permit may also seek to obtain a server's permit from the TABC.

Q13: What is a designated manager at a retail food store?

A: A designated manager is an individual associated with a specific retail food store who must conduct all orders and purchases of wine for that particular retail food store location. Wholesalers are specifically prohibited from taking wine orders from anyone other than the retail food store's designated manager. The designated manager is tied to the location of the retail food store licensee. In other words, ordering or purchasing wine at the corporate level is specifically prohibited under the WIGS law for retail food store licensees. All orders and purchases must be made by a designated manager associated with a specific retail food store licensee, not the corporate retail food store generally. Please note that a preorder of wine may be made by a person with a pending application for a retail food store license.

Wine In Grocery Stores and Unfair Wine Sales Law FAQs

This section is intended to serve as guidance to TABC staff, retail package stores, retail food stores, and wholesalers on the Wine in Grocery Stores and Unfair Wine Sales laws (Tenn. Code Ann. §§ 57-3-801 et seq. and 57-3-901 et seq.). This section is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.



▼ Overview

Retail Package Store FAQs

This section is intended to serve as guidance to TABC staff and industry members on common violations associated with **retail package stores**. This document is the official opinion of the TABC until superseded by a later determination of the Commission, an opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

✓ Overview

Q1: Am I required by state law to check the identification of a person purchasing alcoholic beverages?

A: Yes. A retail package store must check identification for any person who does not reasonably appear to be an age of fifty (50) years or older in a face-to-face transaction prior to the sale of alcoholic beverages. The identification checked must be a valid (unexpired), government-issued (state, local, national, federally recognized tribe, or foreign) document that includes the photograph and birth date of the customer. Any identification that meets such requirements may be accepted by the retail package store. The sale of alcoholic beverages or beer to a minor or a failure to check for identification is a Class A misdemeanor under state law.

Q2: Is my retail package store required to post a pregnancy warning or any other documents?

A: Yes. If a licensee sells alcoholic beverages, then the pregnancy warning sign must be posted in a prominent place, easily seen by customers. Failure to post this sign could lead to a warning from TABC staff. After the warning, the establishment can be assessed a twenty-five dollar (\$25) fine per day. The required sign may be obtained from a TABC office. A retail package store must also post its TABC license and certificate of occupancy issued by the local jurisdiction.

Q3: How long must a retail package store maintain records?

A: Retail package stores must maintain records for three (3) years. The records must be made available for inspection to the TABC and the Tennessee Department of Revenue. Failure to do so could lead to revocation of the license. For purposes of this requirement, records in electronic format are acceptable if they are readily available and easily accessible.



Q4: How soon must wholesaler invoices be paid and what are the potential consequences for failing to timely pay wholesaler invoices?

A: A wholesaler may set their own terms for the payment of invoices (such as cash on delivery), but a wholesaler may not extend credit to a retail package store for more than ten (10) days on which the wholesaler is open for business. If a wholesaler has not received payment within ten (10) days, the wholesaler is required to report such delinquent payment to the TABC. Potential consequences for failure to timely pay debts include fine, non-renewal, or revocation of the package store's license.

Q5: May tastings occur at a retail package store?

A: Yes. Complimentary samples are allowed. A retail package store may conduct tastings for free on the premises of the retail package store during the hours the store is open for business. In order to do so, the retail package store must first give the TABC notice of its intent to conduct tastings at the time of license application, renewal, or thereafter, if the store later decides it would like to conduct tastings. Samples may not exceed two ounces (2 oz.) for each wine or high gravity beer sample and may not exceed one half ounce (½ oz.) for each liquor sample. A retail licensee or employee of the licensee may participate in the tasting. Employees of a retail package store do not need a server permit to pour such samples. The Commission will not consider a fully refundable reservation fee to be charging a fee for samples.

Q6. When must an employee of a retail package store possess a manager's permit?

A: A TABC-issued manager's permit allows an individual to operate, supervise, or manage a retail package store. Employees who perform these functions for a retail package store must obtain a manager's permit.

Please note an individual licensed as a sole proprietor is not required to obtain a manager's permit. For this purpose, a sole proprietorship does not include any member, owner, or shareholder of an LLC, corporation, LLP, general partnership, or any entity that is required to be registered with the Secretary of State. While the sole proprietor is not required to obtain a permit, other managers who are not the sole proprietor owner of the sole proprietorship must obtain a TABC manager's permit.

For more information on manager permits, training requirements, and certified clerks, please see our FAQ page on this issue.



Q7: If I currently have an unexpired TABC retail package store employee permit (blue card), do I have to obtain a manager's permit or become a certified clerk?

A: Individuals holding an unexpired TABC employee permit (blue card) may perform the duties of a clerk until the expiration of their current TABC employee permit. The employee should take the steps necessary to become a certified clerk before the expiration of their TABC employee permit. An individual who holds an unexpired TABC employee permit (blue card) and who is performing the duties of a manager (operating, supervising, or managing the retail sales of alcoholic beverages or wine) must obtain a manager's permit from the TABC.

Q8: What items may be sold at a retail package store?

A: A retail package store may sell intoxicating liquors, wine, high gravity beer, and beer. A retail package store is also permitted to advertise or sell items related to or incidental to the use, consumption, dispensing, or storage of alcoholic beverages, together with merchandise and supplies related to special events or parties. The list of items a retail licensee may sell, contained in T.C.A. § 57-3-404(e)(4), is illustrative in nature and non-exclusive. If you have questions on whether an item is allowed, please contact our staff. Such authorized items include, but are not limited to:

- Newspapers, magazines, publications, videos, and other media related to alcoholic beverages or food;
- Utensils and supplies related or incidental to the use, consumption, dispensing or storage of alcoholic beverages, including, without limitation, corkscrews, beverage strainers, pourers, flasks, jiggers, stirrers, wine racks, wine refrigerators, wine cellars, decanters, carafes, glassware, ice crushers, bottle openers, can openers, and devices to maximize oxidation in uncorked wine bottles and other items used in connection with the consumption, storage or dispensing of alcoholic beverages;
- Gift cards, packages and baskets that include alcoholic beverages, and nonalcoholic items;
- Nonalcoholic beverages;
- Kegs and growlers, whether empty or filled with beer, wine, or alcoholic beverages, on the licensed premises;
- Concentrates and ingredients used in the preparation of mixed alcoholic beverages;
- Beer and wine-making kits;



- Lemons, limes, cherries, olives, and other food items used in the preparation or garnishment of alcoholic beverages or mixed alcoholic beverages;
- Peanuts, pretzels, chips, cheese, crackers, appetizers, and other snack foods;
- Beverage coolers, ice chests, and ice in any form;
- Party supplies, party decorations, gift bags, greeting cards, and other items for parties and special events;
- Articles of clothing and accessories imprinted with advertising, logos, slogans, trademarks, or messages related to alcoholic beverages;
- Combined packages containing multiple alcoholic beverages;
- Cigarettes, cigars, and lighters and other smoking or tobacco related products; and
- Lottery tickets, if the retailer's application is approved by the Tennessee education lottery corporation as provided in § 4-51-115(e).

In interpreting this list, the TABC has determined that e-cigarettes and most food items are permitted to be sold. The TABC has also authorized the sale of propane, as it is reasonably related to special events or parties. A retail package store may have an ATM in their store, provided that the store does not permit EBT cards and similar welfare payment cards to be accepted within the store via ATM or otherwise.

Q9: How many retail package stores may I own?

A: A person may only have interest in **two (2)** retail package stores. Generally, a new license may not be issued to someone whose spouse would be ineligible to receive a license. If a municipality does not allow more than three (3) package stores within the municipality, a person may only have interest in one (1) retail package store within that municipality. For the purposes of this restriction, any amount of interest must be taken into account. For example, a person could neither have a one-percent (1%) interest in three (3) stores nor be the sole owner of three (3) stores.

Q10: If I own more than one retail package store, may I order alcohol in bulk for both locations or swap inventory between the two locations?



A: No. Each retail package store must be operated in a completely independent manner from all other retail package stores, and stores cannot combine purchasing power or swap inventory. Doing so could expose the store to regulatory fines, revocation of the store's license, or criminal prosecution.

Q11: What are the authorized days and hours of sale for my retail package store?

A: A retail package store may only be open between the hours of 8:00 A.M. and 11:00 P.M. on Monday through Saturday and between 10:00 A.M. and 11:00 P.M. on Sunday. Additionally, retail package stores must be closed for business on Christmas, Thanksgiving, and Easter. Businesses that have a package store license with the TABC may also sell beer on Sundays starting at 10:00 A.M.

Q12: May a retail package store deliver alcoholic beverages to residents of Tennessee?

A: Yes, a retail package store may deliver alcoholic beverages. No additional permit, license, or approval is needed from the TABC in order for a package store to deliver alcoholic beverages, but such delivery is subject to the following restrictions:

- Before making such deliveries, a package store must inform the TABC of the store's intent to deliver and must post a \$1,000 bond with the TABC. Please send the bond, and any questions about the bond, to Meenu Sinha at Meenu.Sinha@tn.gov or 615-741-7624;
- The delivery must be made to only the physical address indicated by the individual placing the order and delivery must be documented by a verification of delivery, signed by the order recipient;
- The order and delivery of alcoholic beverages must occur only during authorized hours of sale;
- A retail package store may not deliver to licensed liquor-by-the-drink establishments, with the exception of hotels;
- Only the actual employees of a retail package store may deliver on behalf of the package store, and the package store may not contract with any other business or person to make such deliveries on the store's behalf, except a TABC-licensed delivery service;
- The retail package store must check the ID of the purchaser at the time of the delivery of the alcoholic beverages in a face-to-face transaction, unless the purchaser reasonably appears to be over fifty (50) years of age;



- The identification checked must be a valid (unexpired), government-issued (state, local, national, or foreign), document that includes the photograph and birth date of the customer;
- A record of all deliveries must be maintained in writing and must contain all information concerning the deliverer, recipient, products delivered, the time of delivery, and the place of delivery; and
- No license is required for technology service companies and application based platforms for connecting customers or retailers to a delivery driver for the delivery of alcoholic beverages or beer from the retailer.

Q13: Is there a minimum markup on alcoholic beverages sold in a retail package store?

A: Yes. Wine must be marked up at least twenty percent (20%). Please review the Wine in Grocery Stores and Unfair Wine Sales Law FAQ for more information. Other alcoholic beverages, including liquor, spirits, and high gravity beer, must be marked up at least ten percent (10%). These minimum markups do not apply to low gravity beer. Please review the following questions for more information.

Q14: How is the ten percent (10%) markup calculated?

A: The ten percent (10%) markup is calculated by multiplying the per bottle price of a particular bottle of liquor, spirits, or high gravity beer by one and one tenth (1.1). The per bottle price is located on the latest wholesaler invoice. This is the minimum price that a store may advertise or sell a bottle of liquor, spirits, or high gravity beer. Calculation Example: If the per bottle price of a spirit on the wholesaler invoice is \$10.00, the minimum price the retail package store may advertise or sell the bottle of that spirit is \$11.00 ($\$10.00 \times 1.1 = \11.00).

Q15: What must be included on a wholesaler's invoice?

A: The invoice must show the per bottle cost for each alcoholic beverage sold to the retailer and must detail any taxes, fees, or charges applied to an order of alcoholic beverages. The per bottle cost must include all taxes, fees, and charges passed on from the wholesaler to the retailer. These charges include, but are not limited to:

- The gallonage tax;
- The enforcement tax;



- Any transportation costs or surcharge;
- Split case fee;
- Restocking charge; and
- Other costs.

Q16: Are there exceptions to the ten percent (10%) markup requirement?

A: Yes the following exceptions are permitted:

1. During the final liquidation of a business;
2. Under the direction of the court;
3. Closeouts; and
4. Case discounts.

Q17: What is a closeout?

A: A closeout is a discount offered on a brand of liquor, spirits, or high gravity beer which will no longer be sold by a particular retailer. The brand being offered at closeout must have been sold by the retailer at least one hundred twenty (120) days prior to the beginning date of a closeout sale. A closeout sale must not last longer than ninety (90) days. The brand of liquor, spirits or high gravity beer being offered for sale in a closeout cannot be sold by the retailer for at least one (1) year after the closeout sale is concluded.

Q18: What is a case discount?

A: A case discount is a discount offered on a case of liquor, spirits, or high gravity beer. A case of liquor or spirits is any of the following groups:

1. At least six (6) bottles of 1.75 liter liquor or spirits;
2. At least twelve (12) bottles of 1 liter liquor or spirits;
3. At least twelve (12) bottles of 750 ml liquor or spirits; or
4. At least twenty four (24) bottles of 375 ml liquor or spirits.



A case may consist of various brands chosen by the consumer as long as it meets the above requirements of a case. The per bottle price in an advertisement cannot represent or assume a case discount, unless the requirement of a case purchase is conspicuously shown in the advertisement.

Q19: Can a retail package store sell alcoholic beverages below cost?

A: No, a retail package store generally may not sell alcoholic beverages below cost. The only exception is during the final liquidation of a business. A retail package store is allowed to sell alcoholic beverages below cost in the event the licensee is not in debt with any wholesaler and provides a thirty day, irrevocable notice of surrender of its license to the Commission. Even during the final liquidation of a business when a retail package store may sell alcoholic beverages below cost, it may not reduce the price lower than ten percent (10%) of the purchase price from the wholesaler. During the 30 day liquidation period, a package store may not make any additional orders from wholesalers of any alcoholic beverage product that is sold below cost pursuant to these provisions. Calculation Example: If the per bottle price of a spirit on the wholesaler invoice is \$10.00, the minimum price the retail package store may advertise or sell the bottle of that spirit during a final liquidation sale is \$1.00 ($\$10.00 \times 0.1 = \1.00).

Q20: Can discount cards or customer loyalty programs be used to discount liquor, spirits, or high gravity beer?

A: No, discount cards or customer loyalty programs cannot be used for discounts on liquor, spirits, or high gravity beer. For example, a loyalty program that provides discounts based upon the customer's purchasing frequency may not apply to the purchase of liquor, spirits, or high gravity beer. This prohibition does not affect the ability of manufacturers to offer otherwise allowable rebate type programs to consumers, in which the retailer is not actively involved.

Manufacturer FAQs

This section is intended to serve as guidance to TABC staff and industry members on common violations associated with manufacturers. This section is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.



Wholesaler FAQs

This section is intended to serve as guidance to TABC staff and industry members on common violations associated with **wholesalers**. This section is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

∨ Overview

Restaurants and Limited Service Restaurants FAQs

This section is intended to serve as guidance to TABC staff and industry members on common violations found at **restaurants and limited service restaurants**. This section is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

∨ Overview

Wineries FAQs

This section is intended to serve as guidance to TABC staff and industry members on common violations associated with **wineries**. This section is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

∨ Overview



Special Occasion FAQs

This section is intended to serve as guidance to TABC staff, industry members, and the public on common questions related to **special occasion** licenses. This document is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

▼ Overview

Collectors and Collectors License FAQs

This section is intended to serve as guidance to TABC staff and industry members on common issues related to collectors and collector licenses. This document is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly.

▼ Overview

Server Permit FAQs

▼ Overview

Festival FAQs



This section is intended to serve as guidance to TABC staff, industry members, and the public on common questions related to festival licenses. This document is the official opinion of the TABC until superseded by a later determination of the Commission, opinion of the Attorney General of Tennessee, a decision by a court of competent jurisdiction, or an act of the General Assembly

▼ Overview





Published on MTAS (<https://www.mtas.tennessee.edu>)

Beer

Dear Reader

The following document was created from the Municipal Technical Advisory Services website ([mtas.tennessee.edu](https://www.mtas.tennessee.edu)). This website shares information relative to Tennessee municipal government. We hope this information will be useful to you and that it will assist you with questions that arise in your tenure in municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

The Municipal Technical Advisory Service (MTAS) was created in 1949 to provide technical assistance to elected and appointed municipal officials in Tennessee. We are a resource for Tennessee municipal officials in areas of municipal government, human resources, finance, fire, legal, police, public works, water, and wastewater. We provide personal and professional knowledge growth opportunities on current issues within municipal government.

The University of Tennessee
Municipal Technical Advisory Service
1610 University Avenue
Knoxville, TN 37921-6741
www.mtas.tennessee.edu

Beer

Beer

Reference Number: MTAS-1404

Reviewed Date: 09/02/2021

A city may, by ordinance, prohibit beer sales within the city, or it may, by ordinance, prescribe regulatory measures not conflicting with state laws. These measures may include:

- fixing a maximum number of permits;
- restricting beer permittees to certain zones;
- establishing distance regulations from residences, schools, churches, and other public gathering places;
- establishing opening and closing hours; and
- setting other rules to protect the "public health, morals, and safety."

One exception is found in T.C.A. § 57-5-109, which prohibits cities from denying a beer permit to a business based on proximity to a school, residence, church, or other place of public gathering if a

permit had been issued to a business on that same location. The statute defines "on that same location" as being within the same parcel or tract.

To enforce these regulations, a city must establish a board to issue beer permits. The governing body may constitute itself as a beer board for this purpose. A beer board must file annual reports with the Alcoholic Beverages Commission. The report must contain various statistical data and is due February 1 of each year. T.C.A. § 57-5-605 (e)(2).

Although state law provides that municipalities are prohibited from issuing a beer permit to any applicant who has not been a citizen or a lawful resident of the United States for at least one year immediately preceding the date of application, the Tennessee Attorney General has opined that to deny a permit on that basis would be a violation of the United States Constitution, in Opinion 16-09. Accordingly, cities should not deny a beer permit based on failure of the applicant to meet such a citizenship or residency requirement. Applicants who meet all other conditions prescribed by state law and city ordinances must be issued a permit. If they are refused, they may seek a trial de novo in a circuit or chancery court.

Municipalities may have different permit classes. For example, cities may allow on-premise consumption or restrict permits to package sales.

A city may prohibit sales at places where it would cause traffic congestion. Municipalities must prohibit sales to minors. A purchaser for off-premises consumption must provide satisfactory identification before being allowed to purchase. It is an exception to any criminal punishment or adverse administrative action, however, if a sale is made to a person who reasonably appears to be over 50 years old who failed to present acceptable identification. T.C.A. § 57-5-301 (a)(1). No applicant or any person employed by an applicant shall have been convicted of any liquor law violation or a crime involving moral turpitude within the previous 10 years.

The permit of a retailer not in the responsible vendor program may be revoked or suspended by a beer board for failure to comply with any state law or city regulation, including the failure to pay the privilege tax and provide information required by the city. Appeal of such a decision may be taken to a circuit or chancery court. In lieu of revocation or suspension, a beer board may impose a civil penalty not exceeding \$2,500 for each offense involving sales to minors, or it may levy a penalty not exceeding \$1,000 for any other offense. Acceptance of a civil penalty by a city prevents the city from imposing any other punishment or penalty for that offense. T.C.A. §§ 57-5-101–109.

Beer boards are required to consider repeated violations of any local ordinance or state law related to prohibited sexual contact on the premises of adult-oriented establishments when considering suspending or revoking a permit. T.C.A. § 57-5-108(c).

A city may not impose training or certification requirements on employees of a permittee if the employees have server permits issued by the Alcoholic Beverage Commission (ABC). T.C.A. § 57-5-106(a).

Beer retailers must post signs no smaller than 8.5" by 5.5" saying "IF YOU AREN'T 21 AND ARE IN POSSESSION OF BEER, YOU COULD LOSE YOUR DRIVER'S LICENSE."

Responsible Vendor Program

A beer retailer may become a "responsible vendor" by paying nominal fees to the state Alcoholic Beverage Commission and providing certification training to clerks on the sale of beer to minors. A beer board may not suspend or revoke the permit of a responsible vendor based upon a clerk's illegal sale to a minor if the clerk is certified or within 61 days of initial hiring. The beer board must report the name of the clerk to the ABC within 15 days of finding a sale to a minor occurred. The beer board may not revoke the permit of a responsible vendor unless the vendor has at least two violations of selling beer to a minor in a 12 month period, unless the vendor knew or should have

known about the illegal sale. Civil penalties for a responsible vendor are limited to \$1,000 for an illegal sale by a clerk to a minor and other offenses. T.C.A. §§ 57-5-108 and 57-5-601, *et seq.*

A responsible vendor must post a sign on its premises warning customers STATE LAW REQUIRES IDENTIFICATION FOR THE SALE OF BEER. T.C.A. § 57-5-301(a)(1).

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Chapter 2

BEER¹

SECTION

- 8-201. Beer board established.
- 8-202. Meetings of the beer board.
- 8-203. Record of beer board proceeding to be kept.
- 8-204. Requirements for beer board quorum and action.
- 8-205. Powers and duties of the beer board.
- 8-206. Definitions
- 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. Limitation upon issuance of beer permits.
- 8-212. Conditions.
- 8-213. Minimum mandatory training requirements.
- 8-214. Legal hours of sale.
- 8-215. Suspension and revocation of beer permits.
- 8-216. Civil penalty on lieu of suspension.
- 8-217. Effect of board action.
- 8-218. Brown Bagging and /or BYOB.

8-201. **Beer Board established.** There is hereby established a Beer Board to be composed of the Board of Mayor and Aldermen. The Mayor shall be the chairman of the Beer Board and shall be entitled to vote on all matters coming before the Beer Board. (Ord. #1514, May 2003)

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 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. (Ord. #1514, May 2003)

¹Municipal code references

Alcohol: title 11, chapter 1.

Tax provisions: title 5.

8-203. **Record of Beer Board proceedings to be kept.** The Recorder/Treasurer 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 member thereon; and the provisions of each beer permit issued by the Beer Board. (Ord. #1514, May 2003)

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. (Ord. #1514, May 2003)

8-205. **Powers and duties of the Beer Board.**¹ 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 the City of Covington in accordance with the provisions of this chapter. (Ord. #1514, May 2003)

8-206. **Definitions.** For purposes of this chapter, the following words and phrases shall have the meanings respectively ascribed by this section:

(1) “Agent” means any person who is a partner, member or otherwise involved in the permittee’s business, any employee of the permittee, or the spouse, parent(s), step-parent(s), grandparent(s), sibling(s), step-sibling(s), child(ren), step-child(ren), or grandchild(ren) of the permittee.

(2) “Beer” means and includes all beers, ales, and other malt liquors or any other beverages having an alcohol content of not more than eight percent (8%) by weight, except wine as defined in T.C.A. § 57-3-101

(3) “Business” shall be defined as it is in Tennessee Code Annotated § 67-4-704 in the term “business” means any activity engaged in by a person, individual, firm, partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number or caused to be engaged in by a person, individual, firm, partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number with the object of gain, benefit or advantage, whether direct or indirect. For purposes of this section the term “business” shall also be defined as any person, individual, firm, partnership, joint venture, association, corporation, estate, trust, business trust, receiver, syndicate, or other group or combination acting as a unit, and the plural as well as the singular number that holds a valid business license.

(4) “BYOB” means “bring your own bottle” but also mean a person bringing their own beer or other alcoholic beverage into a business or any place for consumption.

(5) "Caterer" means a business engaged in offering food and beverage service for a fee at various locations, which (a) operates a permanent catering hall on an exclusive basis; (b) has a complete and adequate commercial kitchen facility; and (c) is licensed as a caterer by the Tennessee Department of Health.

(6) "Church" means a building or property where a congregation regularly meets at least one day per week for religious worship.

(7) "Clerk" means any person working in a capacity to sell beer directly to consumers for off-premises consumption.

(8) "Beer Board" means that administrative body organized and empowered under the authority of Tennessee Code Annotated, Title 57, Chapter 5.

(9) "Minor" with respect to purchasing, consuming or possessing beer means any person who has not attained the age of twenty-one (21) years.

(10) "Moral Turpitude" includes but is not limited to the crimes of premeditated homicide, all sex related crimes, selling of any schedule and/or controlled substances illegally, fraud, and theft. For purposes of this definition, identification of Schedule substances are as defined by Tennessee Code Annotated sections 39-17-406, 39-17-410, 39-17-412, 39-17-414, 39-17-416 respectively.

(11) "Park" means a piece of property either owned or maintained by the City of Covington where persons regularly gather for recreational purposes or as spectators.

(12) "Permit" means any permit issued pursuant to this Title.

(13) "Permittee" means any person to whom any permit has been issued pursuant to this title.

(14) "Premises" means any building, portion of a building, or property that is utilized for a particular enterprise.

(15) "Resident" means any person who at present is living with the City of Covington corporate limits with the intent that his permanent home shall be within such city.

(16) "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 Responsibly Vendor Act of 2006," Tennessee Code Annotated § 57-5-606, et seq.

(17) "Retailer" means any person licensed by the Beer Board who sells beer for consumption and not for resale.

(18) "Off-Premises permit" means a permit issued by the Beer Board to a retailer engaged in the sale of beer which is not to be consumed by the purchaser upon the premises of such permittee.

(19) "On-Premises permit" means a permit issued by the Beer Board to a retailer engaged in the sale of beer which is to be consumed by the purchaser only upon the premises of such permittee.

(20) "School" means any institution, including kindergarten, where regular classes are conducted under the supervision of a teacher, or instructor, including schools or colleges where specialized subjects are taught to students of all ages. Such term shall include vocational, medical, law, art, cosmetology, and other institutions where similar subjects are taught; provided however, mortuary colleges shall not be included in such term.

(21) "Sell" means and includes taking or receiving an order for, keeping or exposing for sale, delivering for value, keeping for intent to sell and trafficking in beer.

(22) "Valid Identification" means (a) a valid driver's license issued by the State of Tennessee or any other state of the United States, (b) United States Active Military identification, (c) a valid passport, (d) valid identification card showing a recent photograph issued by any agency of the state or country for the purpose of identification. (Ord. #1514, May 2003 and Ord. #1165, April 2015)

8-207. **Permit required for engaging in beer business.**² 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 Beer 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 and 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. (Ord. #1514, May 2003)

8-208. **Privilege tax.** There is hereby imposed on the business of selling, distributing, storing or manufacturing beer an annual privilege tax of one hundred dollars (\$100), pursuant to Tennessee Code Annotated § 57-5-104(b)(1).

(1) Any person, firm, corporation, joint stock company, syndicate or association engage in the sale, distribution, storage or manufacture of beer shall remit to tax each successive January 1 to the City of Covington, Tennessee.

(2) The Beer Board shall mail written notice to each permit holder of the payment date of the annual privilege tax at least thirty (30) days prior to January 1st of each year. Notice shall be mailed to the address specified by the permit holder on its permit application. If a permit holder does not pay the tax by January 31st or within thirty days after written notice of the tax was mailed, whichever is later, then the Beer Board shall notify the permit holder by certified mail that the tax payment is past due. If the permit holder does not pay the tax within ten (10) days after receiving notice of its delinquency by certified mail, then the permit may be suspended, revoked or the permit holder may be given a civil penalty subject to the procedures set forth in Tennessee Code Annotated § 57-5-108 and sections 8-214, 8-215, and 8-216 of this title.

(3) The City of Covington may use the tax funds for any public purpose.

(4) 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 payment date. (Ord. #1514, May 2003 and Ord. #1665, April 2015)

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. It shall be unlawful for any beer permit holder to engage in any type of 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 which may be written into his permit by the Beer Board. (Ord. #1514, May 2003)

8-210. **Classes of permits.** Permit issues by the beer board shall consist of five (5) types:

(1) **Manufacturing.** A manufacturer's permit to a manufacturer of beer for the manufacture, possession, storage, sale, giveaway, distribution, and transportation of the product of each manufacturer, not to be consumed by the producer upon or near the premises of such manufacturer.

(2) **Class 1 on premises permit.** A Class 1 on premises permit shall be issued for the consumption of beer only on the premises. To qualify for a Class 1 on premise permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter.

(a) Must obtain and maintain a valid Food Establishment Permit from the State of Tennessee;

(b) Be able to seat a minimum of thirty (30), including children, in booths and at tables, in addition to any other seating it may have;

(c) Keep and maintain the premises in a clean and sanitary condition, and obtain the Tennessee Department of Health and Environment, Division of Food and General Sanitation, or its designee, or other proper state and local authority, all necessary permits as required for restaurants in the State of Tennessee;

(d) File with the City of Covington on a monthly basis a copy of the sales tax return due to the State of Tennessee; and

(e) Provide a state sales tax number and federal employee's identification number to the City of Covington.

(f) Provide to the Covington Police Department prior to commencement of employment, the name, address, date of birth, and copy of valid identification of each and every employee for the purposes of ascertaining whether said employee has a criminal record.

In addition, the monthly beer sales of any establishment that holds a Class 1 on premises permit shall not exceed forty (40%) of the gross sales of the establishment. Any such establishment that for two (2) consecutive months has beer sales exceeding forty percent (40%) of its gross sales, shall have its beer permit revoked. It shall be the responsibility of each applicant to provide the City of Covington appropriate distinctions of the amount of beer and food sold. Said information shall be provided to the City of Covington on a monthly basis on such forms and according to such procedures as the City of Covington may dictate. The city may, in its discretion, require each applicant to provide such additional information as the City of Covington deems necessary in order to make appropriate distinctions of the amount of beer and food sold. Failure to provide such information shall constitute a violation of this chapter and may result in a revocation or suspension of the permit.

(3) **Class 2 on premises permit.** Other establishments making application for a permit to sell or give away beer for consumption on the premises, which did not qualify, or do not wish to apply for a Class 1 on premises permit, but which otherwise meet all other regulations and restrictions in this chapter, shall apply for a Class 2 on premises permit. To qualify for a Class 2 on premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter:

(a) Allow no one under the age of twenty-one (21) years to be in or about the premises where beer is being sold or given away;

(b) Require all customers to have valid identification on their person;

(c) Provide to the Covington Police Department prior to commencement of employment, the name, address, date of birth, and copy of valid identification of each and every employee for the purpose of ascertaining whether said employee has a criminal record;

(d) Provide and maintain separate sanitary toilet facilities for men and women, and keep and maintain the premises in a clean and sanitary condition;

(e) Allow no assaults, fighting, damaging of property and breaches of peace occurring on or in the premises where beer is sold or given away;

(f) Provide a state sales tax number and federal employee's identification number to the City of Covington;

(g) In the event food is served, shall obtain from the Tennessee Department of Health and Environment, Division of Food and General Sanitation, or its designee, or other state or local authority, all necessary permits as required for sale of food; and

(h) Have all seating in the interior of the building under a permanent roof. No beer shall be allowed outside the building for sale, giveaway, or consumption.

(4) **Off premises permit.** An Off Premises permit shall be issued for the consumption of beer only off the premises. To qualify for an Off Premises permit, an establishment must, in addition to meeting the other regulations and restrictions in this chapter:

(a) Be a grocery store or a convenience type market;

(b) In either case, be primarily engaged in the sale of grocery and personal, home care and cleaning articles, but may also sell gasoline; and

(c) Provide a state sales tax number and federal employee's identification number to the City of Covington.

(d) An establishment that holds an Off Premises permit shall not allow the sale or giveaway of beer through any type of drive-through window.

(e) No beer shall be allowed outside the building of an Off Premises permit holder for sale, giveaway, or consumption. The permittee with an Off Premises beer permit shall not allow the consumption of beer anywhere on the premises of the permittee.

(5) **Temporary permits.** In addition to the permanent permits provided for in this section, the Beer Board shall have the authority to issue temporary permits to bona fide charitable, nonprofit or political organizations upon the same terms and conditions governing permanent permits, including limitations on the hours of sale. Temporary permits shall be issued as one (1) of two (2) types:

(a) **A Single Event Permit.** A single event permit shall be valid for a maximum period of 3 days, with the actual number of days to be determined by the Beer Board.

(b) **A Multiple Event Permit.** A multiple event permit may be issued for a fixed number of events during a calendar year, not to exceed six events per calendar year. The exact dates, time and location of

each individual event must be approved by the Beer Board at the time of the issuance of the permit. If exact dates are not known at the time of permit issuance, subsequent approval at a future Beer Board meeting must be obtained prior to the event.

(i) For purposes of this section only, an event occurring on one day and up to three (3) consecutive days shall be considered one (1) "event."

(c) Temporary permits do not permit the seller to sell beer anywhere within the city limits of their choosing, but are specific to the location wherein the event is being held. If the seller is found to be selling beer anywhere other than the location where the event is being held that is specified on the permit it will be considered a violation of their permit.

(d) No organization possessing a temporary permit shall purchase, for sale or distribution, beer from any source not properly licensed provided by State law.

(e) Failure of a temporary permittee to abide by the conditions of the permit and all laws of the State of Tennessee and the City of Covington will result in a denial of a temporary permit for the sale of beer for a period of one year

(f) For purposes of this section:

(ii) Bona fide charitable or nonprofit organization means any entity which has been recognized as exempt from federal taxes under §501 (c) of the Internal Revenue Code (26 U.S.C. §501(c)) or any organization having been existence for at least two (2) consecutive years which expends at least sixty (60%) of its gross revenue exclusively for religious, education or charitable purposes;

(ii) Bona fide political organization means any political campaign committee as defined in Tennessee Code Annotated §2-10-102 or any political party as defined in Tennessee Code Annotated §2-13-101.

(g) The application for a temporary permit shall set forth the following information:

(i) The name, address, and telephone number of the chairperson of the charitable, nonprofit, or political organization seeking a temporary permit;

(ii) The name, address and telephone number of the person responsible for beer sales under the permit;

(iii) The date, time, and location when the event will be held;

(iv) If the event requested to be covered by the temporary permit will be held on land not owned by the applicant, a written statement of approval from the landowner must accompany the application; and

(v) The hours which beer sales will be conducted during the event.

(vi) The anticipated number of persons attending the event(s).

(vii) If beer is to be sold outside of a structure, the specific parameters of the special event area.

(viii) Plans for security and policing the event, including how the permittee will check identification and ensure beer is not sold to minors.

(h) A temporary beer permit shall state on its face the name of the permit holder, the specific location, times and dates where they are permitted to sell beer under the permit. A copy of the temporary beer permit must be displayed at the location where the beer is being sold. Further, the permit holder must be on the premises at all times beer is being sold.

(i) All beer must be removed from the premises where it is to be sold between events, as defined in this section, if there is any intervening event, assembly, or public gathering of any type.

(j) Temporary permit holders shall be liable for the acts of all persons serving beer under any temporary permit issued to them.

(k) The number of temporary permits issued to any specific bonafide charitable nonprofit or political organization shall be limited to two (2) per calendar year.

(l) The Beer Board may impose additional requirements, conditions and/or restrictions on temporary beer permits or permittees a the Board finds to be necessary for the health, safety, welfare and security of the citizens of the City of Covington.

(6) **Events not subject to permit; notice required.** Any event which is catered and the caterer has a valid Tennessee Alcoholic Beverage Commission (TABC) license to serve alcohol is not required to obtain a temporary permit. For the safety and welfare of the citizens of the City of Covington, the Beer Board requires prior notice of each event which is catered and not required to obtain a permit. Event coordinators shall furnish to the City of Covington Code Compliance Officer and the City of Covington Police Chief a copy of the form submitted to the TABC no later than five (5) business days prior to the event. (Ord. #1514, May 2003 and Ord. #1665, April 2015)

8-211. **Limitation upon issuance of beer permits.** No Class 2 on premises permit shall be issued to an applicant whose location:

(1) Is within two hundred fifty feet (250') from any hospital, church, school, public park or public playground or other place of public gathering and would cause congestion of traffic or interfere with hospitals, schools, churches, or other places of public gathering, or would otherwise interfere with the public health, safety, and morals of the citizens; and

(2) The distances shall be measured in a straight line from the nearest point of the building of the Class 2 beer permit applicant to the nearest point of the property line of the hospital, church, school, public park or public playground or other place of public gathering. In the event the Class 2 applicant's business location is located in a building which is partitioned into separate business facilities, such as in a strip center or mall, the distances shall be measured in a straight line from the nearest point of the portion of the partitioned building occupied by the Class 2 beer permit applicant to the nearest point of the property line of the hospital, church, school or other place of public gathering. (Ord, #1566, Jan. 2007)

8-212. **Conditions.** The following are conditions for issuance of a permit under this chapter:

(1) In case of a partnership, a partner shall be the applicant, and, in case of a corporation, any officer or the local manager of the proposed location shall be the applicant. The license shall be issued in the name of the partnership or the corporation, as the case may be. In the case of a corporation, where the local manager is the applicant, the corporation shall report any change in that position.

(2) The applicant shall designate the location of the premises where beer shall be sold or given away and shall name the owner of the premises as well as the lessee thereof.

(3) The applicant shall not sell or give away beer at any place except the premises designated in the petition, except that an applicant may have a permit for more than one (1) location within the City of Covington, so long as a separate permit is issued for each location by the beer board.

(4) The applicant shall make no sales or give away of beer except upon the terms and conditions of the permit issued.

(5) The applicant shall designate in the application whether his application is for beer to be sold or given away for consumption on the premises or consumption off the premises. The application shall not be made for both consumption on and off the premises designated in the application.

(6) No sale or give away of beer shall be made to persons under the age of twenty-one (21) years and no such person shall be allowed to loiter about the area where beer is bring sold or given away; however, any person eighteen (18) years of age or older may transport, possess, sell or dispense beer in the course of such person's employment in Class 1 on premises establishments and off premises establishments.

(7) The applicant shall allow no gambling upon the premises, not allow any devices defined as gambling devices by state statute upon the premises designated for sale or giveaway of beer.

(8) Neither the applicant nor any person employed by him shall have been convicted of any violation of any liquor laws, any crime involving moral turpitude, or any felony within the last ten (10) years prior to filing the application.

(9) Neither the owner or any employee of the applicant shall drink intoxicating beverages during hours of operation.

(10) Only the person receiving the beer permit shall act as manager of any establishment granted the right to sell or give away beer within the City of Covington, however, the manager shall designate, in writing with a copy to the City of Covington, an alternative person who shall be in charge of the establishment when he is absent from the premises.

(11) No beer shall be sold or given away to drunk or disorderly persons.

(12) In all On Premises locations, there must be sufficient lighting for customers to adequately read a menu, if applicable, and for employees to properly inspect the age and identification card of customers without aid of additional illumination.

(13) The permittee shall maintain an orderly establishment and not be in violation of any health, building or fire department regulations or ordinances of the City of Covington.

(14) The Beer Board, Police Department, Fire Department, and City of Covington Code Compliance Department has the full power and authority to enter, inspect, and investigate any business operated pursuant to any permits issued by the Beer Board, and has fill authority to call upon any member of the police and health departments for assistance in the enforcement of the State laws, City ordinances, and rules and regulations of the Beer Board pertaining to the sale or giveaway of beer.

(15) No beer may be sold or given away except at places where such sale or giveaway will not cause congestion of traffic or interference with hospitals, schools, churches or other places of public gathering,

or otherwise interfere with public health, safety and morals. (Ord #1514, May 2003, modified and Ord. #1665, April 2015)

(16) Beer permit holders must, at all times, have a valid business license issued by the City of Covington and Tipton County and provide proof of the same before a beer permit will be issued initially or renewed annually. (Ord #1752, July 2022)

8-213. Minimum mandatory training requirements.

(1) Unless a beer permit holder is a certified Responsible Vendor pursuant to T.C.A. § 57-5-601 *et seq.*, all persons, businesses or organizations holding a beer permit issued by the Beer Board of the City of Covington shall not allow any employee to sell or serve beer unless that employee has attended and completed a server training program approved by the Tennessee Alcoholic Beverage Commission.

(2) All employees of beer permit holders must keep and maintain their server permit training in accordance with state law.

(3) New employees of beer permit holders will have thirty (30) days from the date of hire to complete a certified server training program.

(4) Documentation proving compliance with these training requirements shall be maintained on the premises of the beer permit holder and shall be available for inspection by proper authorities at all times.

(5) The City of Covington shall cause a copy of this Ordinance with a list of certified and approved training programs from the Tennessee Alcoholic Beverage Commission to be provided to all beer permit holders within thirty (30) days of passage, and all new applicants shall be provided a copy at the time of application.

(6) Beer permittees who also hold a valid Tennessee Alcoholic Beverage Commission license shall be exempt from the training requirements of this ordinance as they are bound by state training requirements.

(7) The City of Covington shall cause a copy of this Ordinance to be mailed to all beer permit holders within thirty (30) days of passage and all new applicants shall be provided a copy of the Ordinance at the time of application.

(8) If any provision of this Ordinance shall be invalidated by a court of law the remaining sections shall remain valid, effective and enforceable.

(9) This Ordinance shall take effect ninety (90) days from the date of passage of this Ordinance.

8-214. Legal hours of sale. Except as otherwise provided by state law:

(1) It shall be unlawful for any off-premises permit holder to make or allow any sale or giveaway of beer between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday.

(2) It shall be unlawful for any Class 1 permit holder to make or allow any sale or giveaway of beer between the hours of 2:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 2:00 A.M. on Sunday and 11:00 A.M. on Sunday.

(3) It shall be unlawful for any Class 2 permit holder to make or allow any sale or giveaway of beer between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 6:00 A.M. the following Monday.

(4) All Class 1 permit holders must have their place of business cleared of all customers by 2:00 A.M. and Class 2 permit holders must have their place of business cleared of all customers by 1:30 A.M.

(5) It shall be unlawful for any temporary permit holder to make or allow any sale or giveaway of beer between the hours of 12:00 A.M. and 12:00 P.M. (Ord. #1638, Nov. 2012 and Ord. #1665, April 2015)

8-215. **Suspension and revocation of beer permits.** "The Beer Board shall have the power to suspend or revoke any beer permit issued under the provisions of this chapter when the holder thereof is guilty of making a false statement(s) or misrepresentation(s) on his application. The Beer Board shall also have the power to suspend or revoke any beer permit issued in accordance with the provisions of Tennessee Code Annotated § 57-5-108. No beer permit shall be suspended or revoked until a public hearing is held by the board after reasonable notice to all the known parties in interest. Suspension or revocation proceedings may be initiated by the Police Chief, Fire Chief, Building Official, or by any member of the Beer Board." (Ord. 1165, April 2015)

8-216. **Penalties.** The Beer Board shall impose the following penalties if, after a public hearing, it finds that a beer permit holder has violated any conditions of said permit.

(1) If the permit holder and the clerk that commits any offense, including making or permitting to be made any sales or giveaway of beer to a minor, have both complied with Tennessee Code Annotated § 57-5-606 then the Beer Board shall impose a civil penalty in lieu of suspension of one thousand dollars (\$1,000) for each offense.

(2) If the permit holder and/or the clerk that commits any offense is not a "Responsible Vendor" or has failed to comply with Tennessee Code Annotated § 57-5-606, then the penalties shall be as follows:

- a. For a 1st offense, a \$2,500 civil penalty in lieu of a 30-day suspension for each offense.
- b. For a 2nd offense, a 60-day suspension of the beer permit.
- c. For a 3rd offense, revocation of the beer permit.

(3) To determine the number of violations in order to assess a penalty under this part, the Beer Board shall look back 24-months from the date of the current violation for any previous violations.

(4) Nothing in this part prohibits the Beer Board from considering especially mitigating or aggravating factors of any offense or violation and assessing a different penalty. However, if the Beer Board assesses a different penalty due to especially mitigating or aggravating factors, said factors shall be specifically stated.

(5) If a civil penalty is offered in lieu of suspension, the permit holder shall have seven (7) business days within which to pay the civil penalty before the suspension shall be deemed withdrawn.

8-217. **Effect of board action.** The action of the Beer Board in all such hearings shall be final, subject only to review by the court. When a permit is revoked, no new permit shall be issued hereunder for the sale or giveaway of beer to the same permit holder or any agents of the permit holder at the same location as the Beer Board may determine until the expiration of one (1) year from the date said revocation becomes final. When a permit is suspended, no new permit shall be issued hereunder for the sale or giveaway of beer at the same location or to the same permit holder until the period of suspension is over. (Ord. #1514, May 2003 and Ord. 1665, April 2015)

8-218. **Brown Bagging and /or BYOB.** This section shall make the unregulated and unlicensed possession and consumption of beer and alcoholic beverages in a business in the City of Covington between the hours of 1:00 A.M. and 6:00 A.M. unlawful.

(1) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday it is unlawful for any person to consume beer or an alcoholic beverage not lawfully sold by the business on the premises of any business open for business during these hours in the City.

(2) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday it is unlawful for any person to possess an open container of beer or an alcoholic beverage not lawfully sold by the business on the premises of any business open for business during these hours in the City.

(3) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday it is unlawful for any owner of a business open for business during these hours in the city to knowingly or intentionally permit any person to possess an open container of beer or an alcoholic beverage not lawfully sold by the business or to consume beer or an alcoholic beverage not lawfully sold by the business on the premises of said business. For the purposes of this section, notice to an agent or employee of a business shall constitute notice to the owner of the business.

(4) Between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday the open display by any person on the premises of a business open for business during these hours of any open container of beer or an alcoholic beverage marked as if for resale and lawfully sold by the business, shall be evidence of a violation of subsection (3) above.

(5) Any owner of a business open between the hours of 1:00 A.M. and 6:00 A.M. during any night of the week and between the hours of 1:00 A.M. on Sunday and 12:00 noon on Sunday, having notice, either actual or constructive, prior to 1:00 A.M. that beer and/or alcoholic beverages not lawfully sold by the business are being consumed on the premises shall at 1:00 A.M. or within a reasonable time thereafter give notice reasonably calculated to inform all persons on the premises that the consumption of beer or alcoholic beverages or the possession of an open container of beer or an alcoholic beverage on the premises is prohibited by this section. Failure of the owner of a business to give notice pursuant to this section, personally or through an agent or employee, shall be unlawful and shall constitute a separate violation of this section. However, such failure shall not provide a defense to prosecution of any person under any other subsections herein.

(6) This section does not prohibit the sale of beer or alcoholic beverages by any business that possesses a valid beer permit or alcoholic beverage license during such hours authorized by the laws of

the State and the Ordinances of the City, nor does this section prohibit any other conduct permitted under the laws of the State or the Ordinances of the City. This section does not prohibit the owner of a business who resides on the premises of the business from consuming beer or alcoholic beverages at any time on the premises or from possession of an open container of beer or alcoholic beverages at any time on the premises. This section does not prohibit the consumption of beer or alcoholic beverages by any person within the confines of the person's individual room in any hotel within the City.

(7) The provisions of this section are severable. If any provision of this section or its application to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provisions or application. (Ord. #1665, April 2015)

Need to consider adding this Chapter

Z Fisher

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. Inspection fee on retail food store wine licensees. Pursuant to the authority contained in *Tennessee Code Annotated*, § 57-3-501 *et seq.*, 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 *Tennessee Code Annotated*, § 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 *Tennessee Code Annotated*, § 57-3-806, shall be signed by the mayor, or by any aldermen, 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.

SURPLUS PROPERTY NOMINATION FORM
CITY OF COVINGTON, TENNESSEE

DEPARTMENT: Police Department

The following items are hereby nominated for designation as surplus city property pursuant to City of Covington Resolution No. _____.

Item: 2007 Chrysler 300

Description: 4 Door Maroon vehicle

Serial Number: VIN# 23CKA43R17H862371

Age: _____ Estimated remaining useful life (years) _____

Purchase price: seized

Estimated Current Value: 1700.⁰⁰ KBB

Reasons for making the nomination: seized property
no longer used by Police Department

LT. [Signature]
Signature

10-10-22
Date

**SURPLUS PROPERTY NOMINATION FORM
CITY OF COVINGTON, TENNESSEE**

DEPARTMENT: Police Dept.

The following items are hereby nominated for designation as surplus city property pursuant to City of Covington Resolution No. _____.

Item: 2014 Dodge Avenger

Description: 4 Door Red vehicle

Serial Number: Vin # 1C3CDZABOEN193612

Age: _____ Estimated remaining useful life (years) _____

Purchase price: seized

Estimated Current Value: 5000⁰⁰ KBB

Reasons for making the nomination: seized property no longer used by police dept.

[Signature]
Signature

10-10-22
Date

**SURPLUS PROPERTY NOMINATION FORM
CITY OF COVINGTON, TENNESSEE**

DEPARTMENT: Police Department

The following items are hereby nominated for designation as surplus city property pursuant to City of Covington Resolution No. _____.

Item: 2010 Ford Focus

Description: 4 Door white vehicle

Serial Number: Vin # 1FAHP3ENXAW286514

Age: _____ Estimated remaining useful life (years) _____

Purchase price: seized

Estimated Current Value: 3100.⁰⁰ KBB

Reasons for making the nomination: seized property no longer used by Police Dept.

LT. Jm
Signature

10-10-22
Date