



# TACIR

The Tennessee Advisory Commission  
on Intergovernmental Relations



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## **MEMORANDUM**

**TO:** Commission Members

**FROM:** Cliff Lippard  
Executive Director

**DATE:** 15 November 2023

**SUBJECT:** Senate Bill 2262/House Bill 2419 (Liquor-By-The-Drink Tax and Restaurant Regulations)—Final Report for Approval

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The attached Commission report is submitted for your approval. It was prepared in response to Senate Bill 2262 by Senator Briggs and House Bill 2419 by Representative Mannis, in the 112th General Assembly, which directs the Commission to study the liquor-by-the-drink and similar taxes for on-premise consumption of alcohol; licensing, permitting, and other fees under title 57, chapters 4 and 5 for the restaurant industry; staffing challenges with respect to server permits, wages, and applicable training necessary to operate such restaurants; and other barriers to entry for such restaurants that may be minimized or mitigated, as identified by the Commission in conducting the study.

After an internal review and discussion with members and stakeholders, staff were concerned that evidence does not warrant making changes to Tennessee's post-and-hold laws, and this draft recommendation has been removed from the report.

The recommendation to make opening and operating a restaurant easier for businesses, without reducing state and local revenue or compromising public health and safety remains unchanged:

- The Tennessee Alcohol Beverage Commission requires businesses to obtain several documents from federal, state, and local agencies to apply for their liquor license. Clarifying on the application which documents are accepted could reduce the cost and time for businesses to apply. Moreover, automating parts of the liquor licensing applications could further speed up the process for

applicants. For these reasons, the Commission recommends both that the Tennessee Alcohol Beverage Commission inform applicants it accepts temporary occupancy and use permits for liquor license applications and that Strategic Technology Solutions continue to investigate automating parts of the liquor licensing application process.