

## **RULES AND REGULATIONS OF THE SHELBY COUNTY BEER BOARD**

(Last Amended 01/12/2015; Effective 01/21/15)

### **A. PROCEDURE FOR SECURING BEER PERMIT**

1. Secure an application form and copy of these Rules and Regulations from the Shelby County Clerk's Office at 150 Washington Avenue, Suite 200 or 1075 Mullins Station Road, West Wing and pay \$250.00 non-refundable application fee. Applicant must return application to the Shelby County Clerk's Office and provide positive form of identification. An application form and copy of these Rules and Regulations can be downloaded from [www.shelbycountyttn.gov](http://www.shelbycountyttn.gov) by selecting the County Clerk's page.
  - a. Applicant shall submit an application including proof of ownership or leasehold interest, a photograph of himself and separate photographs for other owners. All employees who will sell or handle beer shall apply to the Beer Board in person at the above address.
  - b. Both applicants and employees must have passed a criminal background check before they shall serve, sell or handle beer. This also applies to employees who are being retained by the applicant who were employed by the previous owner or tenant.
  - c. The application shall distinctly state whether or not the applicant is seeking a permit for "ON" or "OFF" premise consumption, or both. If the holder of the beer permit desires to change his method of sale, he shall apply to the Beer Board for a new permit.
  - d. Where a permittee holds both a permit for "ON" and "OFF" premise sales and consumption for the same establishment, then all beer sold for "OFF" premise consumption must be sold, sealed and unopened. Beer sold for "ON" premise consumption must be sold and delivered unsealed and open.
2. Contact the Office of Construction Code Enforcement at 6465 Mullins Station Rd. or by phone at (901) 222-8413 for building inspection and occupancy permit.
3. File application for food permit with the Shelby County Health Department, 814 Jefferson, 5<sup>th</sup> Floor. For more information, call the Environmental Sanitation Department at (901) 222-9203.
4. Return completed application to the Beer Board's office with proof of ownership or leasehold interest.

7. A printed menu must be filed with the Beer Board's office prior to the issuance of the beer permit for all "ON" premise locations.
8. A complete list of employees (name, date of birth, and address) must be filed with the Beer Board prior to the issuance of the beer permit for all locations. An amended list must be filed with the Beer Board's office with any changes noted within five (5) business days of any such changes.
9. A sufficient description of the premise, including street address, shall be listed on the application.
10. Appear before the Beer Board at the scheduled meeting for hearing on the application. The Beer Board shall ensure that any and all applicable permit applications have been submitted by the applicant before approval of beer permit.
11. Within ten (10) days after being issued a beer permit, the applicant must file a valid certificate, obtained from the Commissioner of Revenue pursuant to the Retailers' Sales Tax Act, indicating that the purchases of beer are "for resale" and must maintain at all times a valid resale certificate on file with the County Clerk's Office.
12. Promptly submit an amendment or supplement to the application if a change in circumstances occurs which would affect the responses given in the original application.

#### B. GENERAL RESTRICTIONS ON ISSUANCE OF BEER PERMITS

1. No permit can be issued in violation of any provisions of state law or County zoning ordinance.
2. All applications are subject to the following:
  - a. Sale at the premises will not cause congestion of traffic or interference with schools, churches, licensed daycare centers, or other places of public gathering.
  - b. Sale will not detrimentally affect public health, safety and morals.
3. No permit can be issued to a business that is located less than 500 feet, straight-line method, away from schools, churches, licensed daycare centers, or other places of public gathering.
  - a. Provided, any place of business currently having a beer permit prior to adoption of these distance requirements shall be authorized to continue to sell beer in such a manner, whether by current owner or a subsequent owner, unless and until such business discontinues operation for six (6) months.
  - b. "Straight-line method," as used in these Rules and Regulations, shall mean the method for determining whether an applicant for a beer permit in Shelby County

meets the distance requirement established by these Rules and Regulations. This distance shall be measured in a straight line from the closest point of the applicant's building to the closest point of the building of each school, church, licensed daycare center, and/or other place of public gathering within a 500-foot radius. When the applicant seeks a permit to sell beer for either on-premises or off-premises consumption in a business which is located in a separate, partitioned off space within a larger commercial multi-unit building, the point of measurement shall be the closest point of the boundary of the business within the building, rather than the building as a whole, to the closest point of the building of any schools, churches, licensed daycare centers, or other places of public gathering within a 500-foot radius. Likewise, when the school, church, licensed daycare center, or other place of public gathering is located within a larger commercial multi-unit building, the end point of measurement shall be the closest point of the boundary of the school, church, licensed daycare center, or other place of public gathering within the building, rather than the building as a whole. This measurement must be performed by a licensed surveyor.

- c. This distance requirement and straight-line method of measurement shall be uniformly applied to churches, schools, licensed daycare centers, or other places of public gathering, including those churches, schools, license daycare centers, or other places of public gathering located across municipal and state lines.
4. A beer permit issued by the Beer Board will only be valid for the following:
    - a. Only for the owner of the business, whether a person, firm, corporation, or other entity, to whom the permit is issued. The permit cannot be transferred to another owner. If the owner is a corporation, a change of ownership occurs when at least fifty percent (50%) of the stock is transferred to a new owner, at which time the new owner must apply for and be granted a new beer permit.
    - b. Only for a single location. Applicant will engage in the sale of beer only at the location specified on the beer permit. The permit cannot be transferred to another location. The permit shall be valid for all decks, patios, and other outdoor serving areas that are contiguous to the exterior of the building in which the business is located and that are operated by the same business, under the name identified in the permit application.
      - i. Exception. Where an owner operates two (2) or more restaurants or other businesses within the same building, the owner may in the owner's discretion operate some or all such businesses pursuant to the same permit.
    - c. Only for a business operating under the name identified in the permit application. If a business wishes to change its name, it must apply for and be granted a new beer permit.

- d. Only for the method of sale stated in the application, whether it be “ON” or “OFF” premises consumption, or both. If the permit holder wishes to change the method of sale, the permit holder must apply for and be granted a new beer permit.

NOTE: THERE IS NO GRACE PERIOD UNDER ANY CIRCUMSTANCES.

5. Subject to legal restrictions, any person, whether a naturalized citizen or not, may be employed where beer is sold (i.e.: must be a legal resident).
6. Applicant will engage in the sale of beer only at the location specified on the beer permit.
7. All sales of beer will be made in strict accordance with the permit granted and the rules and regulations of the Beer Board.
8. It shall be unlawful for any person under the age of twenty-one (21) years to purchase, possess, transport or consume alcoholic beverages, wine or beer. Except, any person 18, 19, or 20 years of age may transport, possess, sell or dispense alcoholic beverages, wine or beer in the course of employment. Any person may consume alcohol or wine at a communion service or other similar religious ceremony in accordance with the practices of such denomination or sect.
9. Beer and other malt beverages, as defined in the T.C.A. §§ 57-5-101 *et seq.*, may be sold to be consumed on the premises of establishments as specified in T.C.A. § 57-4-101.
  - a. For such purposes, "Restaurant" means any public place kept, used, maintained, advertised, and held out to the public as a place where meals are actually and regularly served, without sleeping accommodations, such place being provided with adequate and sanitary kitchen and dining room equipment and seating capacity of at least seventy-five (75) people at tables, having employed therein a sufficient number and kind of employees to prepare, cook, and serve suitable food for its guests. At least one (1) meal per day should be served at least five (5) days per week, with exception of holidays, vacations and periods of redecorating, and the serving of such meals shall be the principal business conducted.
  - b. Unless provided otherwise by T.C.A. §§ 57-5-101 *et seq.*, the definitions within T.C.A. § 57-5-101, *et seq.* apply to all applicants, unless otherwise provided therein.
10. No outdoor sign, advertisement or display that advertises beer may be erected or maintained on the property on which a retail beer establishment is located other than one (1) sign, advertisement or display which makes reference to the fact that the establishment sells beer but does not use brand names, pictures, numbers, prices, or diagrams relating to that beer. This section shall not apply to any sign, advertisement or display erected or maintained by or at the request of a temporary beer permittee or to any sports arena, stadium, or entertainment complex.

11. Permits issued by the Beer Board may be suspended or revoked:
  - a. For any violation of T.C.A. §§ 57-5-101 *et seq.*, which are hereby incorporated by reference within the rules and regulations of the Beer Board; or
  - b. Whenever it shall satisfactorily appear that the premises of any person, firm, or corporation holding a permit under T.C.A. §§ 57-5-101 *et seq.*, are being maintained and operated in such a manner as to be detrimental to public health safety or morals.
12. Permittees with "ON" or "OFF" premise beer permit(s) will not allow any consumption of alcoholic beverages on the sidewalks, streets or property within the immediate vicinity (i.e., parking lot). No such beverages will be kept for sale in such premises, except in the original containers or packages.
13. No applicant or employee shall have been convicted, within the past ten (10) years, of any violation of the laws against possession, sale, manufacture or transportation of beer or other alcoholic beverages; or the manufacture, delivery, sale or possession with intent to manufacture, deliver or sell any controlled substance that is listed in state law in Schedules I through V; or any crime involving moral turpitude. A crime involving moral turpitude is one that entails dishonesty and/or fraud.
14. The applicant will conduct the business in person, for himself or if acting as agent, partner, or otherwise, the applicant shall state the person, firm, corporation, syndicate, association or joint stock company for whom applicant intends to act.
15. Each applicant for a beer permit shall pay the Shelby County Clerk's Office for a County business tax license.
16. Each applicant must swear and affirm that the statements of fact contained in his application are true to the best of his knowledge, information and belief. Any false information contained in the application as to a material fact may be the grounds for suspension or revocation of said permit.
17. Pursuant to a hearing, revocation can result for misrepresentation of facts made in obtaining a beer permit.
18. Where a permit is revoked, no new permit shall be issued to permit the sale of alcoholic beverages on the same premises until the expiration of one (1) year from the date the revocation becomes final and effective. However, the Beer Board may, in its discretion, issue a new permit on the same premises before the expiration of the one (1) year period if the individual applying for the permit is not the original holder of the permit or any family member who could inherit from such individual by intestate succession.

19. The Beer Board may also revoke or suspend the permit of any beer retailer who is found to possess beer on which the State beer barrelage tax and the City and County wholesale beer tax has not been paid. The burden of proof shall be upon the retail beer permit holder to show compliance.
20. Where a permit has been refused three (3) times, the applicant shall not be allowed to apply again for a permit on the same premises until the expiration of one (1) year from the date of the third refusal.

### C. REGULATIONS OF THE SHELBY COUNTY BEER BOARD

1. All licenses and permits must be current and prominently displayed at all times.
2. All establishments with beer permits shall maintain at least one working telephone for incoming and outgoing calls at all times.
3. No owner or employee shall drink any alcoholic beverage while on duty. An owner or manager is assumed to be on duty at all times while in his establishment.
4. Only authorized personnel, registered with the Beer Board, shall be left in charge of a beer establishment or to sell or serve beer to customers.
5. No beer shall be sold or served to persons under legal age. A person must be twenty-one (21) years of age to buy, consume, or possess beer. The burden of ascertaining the correct age of all customers shall be upon the owner, operator and employees of the business.
6. Except as provided otherwise, no sale of beer shall be made between the hours of 3:00 a.m. and 6:00 a.m. on Monday through Saturday and 3:00 a.m. and 12 NOON on Sunday.
7. All beer must be off the tables by 3:15 a.m. each day and no beer may remain within any type of container for its consumption.
8. The Shelby County Sheriff's Office shall be called promptly by the manager and/or employees to report a fight or disturbance at the establishment.
9. The owner and his employees shall cooperate fully with the Shelby County Sheriff's Office in their normal and necessary investigation.
10. No alcoholic beverage will be allowed to be consumed in or upon the premises of an "OFF" premise establishment (i.e., convenience store).
11. In all "ON" premise locations, there must be sufficient lighting for customers to adequately read a menu and for employees to properly inspect the age and identification cards of all customers.
12. Permittee shall not permit disorderly and unruly behavior on or about his premises.

13. No sale or consumption of beer will be permitted from or on any location while under suspension by the Beer Board.
14. Permittee shall maintain an orderly establishment that complies with all provisions of T.C.A. § 57-5-101, *et seq.*
15. Permittee shall not be in violation of any health, building or fire regulations.
16. Permittee shall not be in violation of any County ordinances, state statutes or federal laws.
17. Permittee shall not allow gambling on his premises.
18. Permittee shall not permit the noise, sound or vibration generated or transmitted by any jukebox, band, vocalist or sound equipment to be audible to persons on any public street, highway or upon any adjoining residential or commercial premises to the extent that it is detrimental to the life or health of any individual or disturbs the peace and welfare of the community.
19. Permittee will not permit minors or disorderly persons to loiter around or frequent his establishment.
20. Permittee will not permit the storage of whiskey or alcoholic beverages in excess of five percent (5%) alcoholic content without having received the proper permit from the State Alcoholic Beverage Commission.
21. Permittee shall not allow or permit any part of his establishment in which beer is sold, served or consumed to create a public nuisance.
22. Permittee shall not serve, nor permit drunks or persons visibly intoxicated or under the influence of any drug or intoxicant, to loiter in his establishment.
23. Permittee shall not allow any of his employees or customers to engage in any activity which is lewd, obscene or otherwise considered illegal sexual conduct.
24. Permittee will conduct the business in person, for himself, or as agent for or partner with a named person, firm, corporation, syndicate, association or joint stock company.
25. Permittee shall surrender his beer permit to the Beer Board whenever he withdraws from ownership and/or operation of the business.
26. Permittee shall promptly notify the Beer Board of any change in the name or the ownership of the business.

27. Permittee shall maintain on the premises, and make available for review upon request of the Shelby County Sheriff's Office, a file containing a copy of all permits and licenses for the establishment and for all employees.
28. Any person, firm, corporation, joint-stock company, syndicate or association engaged in selling, distributing, storing or manufacturing beer must pay an annual privilege tax of \$100.00. Each permittee must remit the tax on or before January 1, of each year, and no later than January 31, or within thirty (30) days after written notice of the tax was mailed, whichever is later; then the County shall notify the permittee by certified mail that the tax payment is past due. If a permittee does not pay the tax within ten (10) days after receiving notice of its delinquency by certified mail, the permittee shall be cited before the Beer Board for possible suspension, revocation, or fine.
29. A permit holder must return a permit to the County or City that issued it within fifteen (15) days of termination of business, change in ownership, relocation of the business or change of the business's name; provided, however, that notwithstanding the failure to return a beer permit, A PERMIT SHALL EXPIRE ON TERMINATION OF THE BUSINESS, CHANGE IN OWNERSHIP, RELOCATION OF THE BUSINESS OR CHANGE OF THE BUSINESS'S NAME.

#### D. GENERAL

1. The Beer Board consists of no fewer than five (5) voting members and no more than seven (7) voting members in addition to one (1) member who shall be a member of the Shelby County Board of Commissioners and shall serve as an ex-officio, non-voting member. The Beer Board has the exclusive power and authority to issue, suspend and revoke beer permits, and impose monetary penalties for establishments located within the unincorporated areas, subject to review by the courts.
2. All owners and employees of establishments selling or serving alcoholic beverages must have read, and be familiar with, all rules and regulations of the Beer Board.
3. Proof of legal age is required of ALL customers before any alcoholic beverages are served or sold to such persons.
4. The Beer Board has full power and authority to call upon any members of the Shelby County Sheriff's Office and the Memphis and Shelby County Health Department for assistance in the enforcement of the state laws, County ordinances and the rules and regulations of the Beer Board pertaining to the sale of alcoholic beverages.
5. *Beer* is defined as any beverage with less than five percent (5%) alcoholic content by weight.
6. The Beer Board issues two (2) general permits for the sale and consumption of beer, "ON" PREMISE and "OFF" PREMISE. A third permit, a SPECIAL PERMIT, is issued pursuant to special requirements and is temporary in nature.

7. All managers, supervisors, and persons left in charge of establishments selling or serving alcoholic beverages, whether in a full time or part time capacity, must be registered with the Beer Board and be at least eighteen (18) years of age, except as provided in Section 10 below.

8. EMPLOYMENT OF MINORS - Any minor under the age of 14 years may not be employed where alcoholic beverages are served or sold.

Any minor age 14, 15, 16 or 17 may not be employed in a place where the average monthly gross receipts from the sale of alcoholic beverages exceeds twenty-five percent (25%) of the total gross receipts or in any place where the minor will be permitted to take orders for or serve alcoholic beverages, regardless of the amount of alcoholic beverages sold.

9. "ON" PREMISE and "OFF" PREMISE - Beer permits are issued and effective for so long as the applicant continues to operate and own the business at the designated location or until said permit is either suspended or revoked by the Beer Board.

10. SPECIAL PERMITS - Beer permits that are temporary in nature and cannot exceed a thirty (30) day effective period.

11. In considering the issuance of a beer permit, the Beer Board may consider the past record of the applicant in the operation of an establishment that served or sold alcoholic beverages.

#### E. HEARINGS BEFORE THE SHELBY COUNTY BEER BOARD

1. The regular meeting of the Beer Board will be held on the third Thursday of each month at 2:00 p.m. in the Shelby County Board of Commissioners' Conference Room located at the Shelby County Administration Building, 160 North Main Street, 6th Floor.

2. A quorum of the Beer Board shall consist of three (3) or more members present and a majority vote is necessary to constitute action by the Beer Board.

3. A special meeting may be called at any time by the Chairman of the Beer Board or on the request of a majority of the members.

4. The members of the Beer Board shall review all applications, citation reports, and related documents.

5. Representatives of the County Attorney's Office, Sheriff's Office, County Clerk's Office, and Board of Commissioners shall be present at all Beer Board meetings. In hearings involving citation cases, the citing officer shall also be present.

6. Matters brought before the Beer Board will be heard in the following order as listed on the agenda:
  - a. Requests for continuances.
  - b. New permit applications.
  - c. Special permits.
  - d. Violations.
  - e. All other matters.
7. Those permittees charged with violations will be given written notice by certified mail, not less than seven (7) days in advance, to appear before the Beer Board and answer the charges.
8. All alleged permit violators at the hearing have the right to plead "not guilty" to any or all of the charges, to have the assistance of counsel, to cross-examine witnesses testifying against him and to testify and present witnesses and evidence on his behalf.
9. All witnesses in a contested manner before the Beer Board shall first be sworn by the Chairman, or any member acting as Chairman, prior to any testimony or evidence given.
10. Hearsay evidence is admissible in the hearing before the Beer Board.
11. The Beer Board has no present power to subpoena or require the presence of any witness, except permittees and employees approved to sell beer.
12. A transcript or recording shall be made of all Beer Board hearings.
13. After hearing all of the testimony in an application case, if all statutory requirements are met, the Beer Board shall:
  - a. Approve the application; or
  - b. Approve the application with conditions related to the fulfillment of the application requirements.
14. With the exception of off-premise sales to minors, after hearing all of the testimony in a citation case, the Beer Board shall:
  - a. Dismiss any or all charges;
  - b. Assess a civil penalty up to \$2500;

- c. Suspend the beer permit; or
  - d. Revoke the beer permit.
15. In the case of off-premise sales to minors, the Beer Board shall take action pursuant to paragraph 14 above, except where the permittee is found to be a responsible vendor pursuant to the Tennessee Responsible Vendor Act of 2006, effective July 1, 2007, an Act intended to restrict or reduce the sanctions imposed by the Beer Board against vendors who voluntarily comply with responsible practices.
- a. The permittee has the burden of proof as to his responsible vendor certification.
    - i. Upon notification of an off-premise sale to a minor, the Beer Board has discretionary authority to confirm responsible vendor status of the permittee with the Alcoholic Beverage Commission prior to the hearing on said violation.
    - ii. The Beer Board cannot suspend or revoke a beer permit, if the clerk charged with an off-premise sale to a minor is properly certified and has attended annual meetings since the original certification, or if the clerk is within sixty-one (61) days of the date of hire at the time of the violation.
  - b. If a certified responsible vendor, the Beer Board shall proceed to make a determination as to whether an off-premise sale to a minor has occurred.
    - i. If not, the citation for off-premise sale to a minor shall be dismissed.
    - ii. If so, the Beer Board shall notify the Alcoholic Beverage Commission of the name of the clerk making the off-premise sale to a minor within fifteen (15) days of such finding by providing a copy of the hearing transcript.
      - 1. The Beer Board cannot revoke or suspend the permit of a responsible vendor, but may impose a civil penalty not to exceed \$1,000 for each offense of making, or permitting to be made, any sales to minors or for any other offense.
  - c. The Beer Board will receive a copy of the Alcoholic Beverage Commission's notification to the permittee if any certified clerk has lost their certification or if the permittee's responsible vendor certification has been revoked.
    - i. The Alcoholic Beverage Commission shall declare a clerk's certification invalid and the clerk may not reapply for a new certificate for a period of one (1) year from the date of the Beer Board's finding that an off-premise sale to a minor has occurred.

- ii. If a permittee has two (2) violations within a twelve-month period, the Alcoholic Beverage Commission must revoke the permittee's certification for a period of three (3) years.
    - iii. If a permittee had knowledge of the violation or should have known about the violation, or participated in or committed the violation, the Alcoholic Beverage Commission must revoke the permittee's responsible vendor certification.
  - d. If the permittee's responsible vendor certification has been revoked, the Beer Board shall give notice of a hearing to the permittee and shall penalize the permittee for the violation as if the permittee were not certified as a responsible vendor at the time of the violation.
- 16. In assessing a penalty, the Beer Board may consider the past record of the permittee and location.
- 17. Upon receiving an adverse ruling by the Beer Board, a permittee may:
  - a. Accept the decision and/or monetary penalty.
  - b. File a writ of certiorari in the Shelby County Circuit or Chancery Court.
- 18. All decisions by the Beer Board become effective as of 11:59 p.m. on the date of the hearing, unless, for good cause shown, the Beer Board delays the effective date and time of its decision.
- 19. Upon the grant of a writ of certiorari, the Beer Board is required to immediately cause to be made, certified, and forwarded to the court, a complete transcript of the relevant proceedings of the Beer Board.

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- 1. Adopted 03/26/07, Item No. 38.
  - 2. Amended 07/09/07, Item No. 12 (effective 07/01/07).
  - 3. Amended 12/20/10, Item No. 8 (effective 12/23/10).
  - 4. Amended 12/16/13, Item No. 12 (effective 12/23/13).
  - 5. Amended 02/10/14, Item No. 7 (effective 02/14/14).
  - 6. Amended 01/12/15, Item No. 15 (effective 01/21/15).
  - 7. Amended 09/21/15, Item No. 11 (effective 09/21/15).