

ORDINANCE NO. 1139

**AN ORDINANCE TO AMEND TITLE 8 OF THE
EAST RIDGE MUNICIPAL CODE TO
ESTABLISH REGULATIONS FOR PACKAGE
LIQUOR STORES AND FOR WINE SOLD AT
RETAIL FOOD STORES**

WHEREAS, the sale of retail package liquor was approved by the voters of the City of East Ridge, Tennessee, at the November 2020 referendum election; and

WHEREAS, currently the ordinances of the City of East Ridge do not permit or regulate retail package liquor sales; and

WHEREAS, the City Council of the City of East Ridge desires to be in compliance with state statutes regarding such liquor sales.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of East Ridge, Tennessee, that:

SECTION 1. A new Chapter 3 of Title 8 of the East Ridge Municipal Code is hereby adopted as follows:

**CHAPTER 3
PACKAGE LIQUOR STORES AND
WINE SOLD AT RETAIL FOOD STORES**

- 8-301. Definitions
- 8-302. Selling and distributing generally
- 8-303. State laws to be complied with
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- 8-321. Nature of license; suspension or revocation
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8-301. Definitions. Whenever used in this chapter the following terms shall have the following meanings unless the context necessarily requires otherwise:

(1) “Alcoholic beverage” or “beverage” means and includes alcohol, spirits, liquor, wine, high alcohol content beer, and every liquid containing alcohol, spirits, wine, and high alcohol content beer and capable of being consumed by a human being, other than patent medicine or beer, as defined in Tennessee Code Annotated (TCA) § 57-5-101. Notwithstanding any provision to the contrary in this title, except for beer as defined in TCA § 57-5-101(b), “alcoholic beverage” or “beverage” also includes any liquid product containing distilled alcohol capable of being consumed by a human being, manufactured or made with distilled alcohol, regardless of alcohol content. Liquid products intended for beverage purposes containing alcohol that do not meet the definition of beer under TCA § 57-5-101(b) shall also be alcoholic beverages.

(2) “Applicant” means the party applying for or seeking renewal of, as the case may be, a certificate of compliance, a certificate of good moral character, or a permit or license as provided by Title 57, Tennessee Code Annotated, which shall include each person having any interest, direct or indirect, in the license as owner or partner or in the case of a corporation or other business entity, an officer, member, director, or shareholder.

(3) “Application” means the form or forms an applicant is required to file in order to obtain a certificate of good moral character, a certificate of compliance, or a license.

(4) “Bottle” means any container, vessel, bottle or other receptacle used for holding any alcoholic beverage. “Unsealed bottle” means a bottle with the original seal, cork, cap or other enclosing device either broken or removed, or on which the federal revenue strip stamp has been broken.

(5) “Certificate” or “Certificate of Compliance” means the certificate required pursuant to Title 57, chapter 3, as the same may be amended, supplemented or replaced, and subject to the provisions set forth in this article for issuance of such a certificate. Once signed by the city, must be submitted by the applicant to the Tennessee Alcoholic Beverage Commission.

(6) “City” means the City of East Ridge, Tennessee.

- (7) "City Recorder" means the City Recorder of the City.
- (8) "Corporate limits" means the corporate limits of the City as the same now exist or may hereafter be changed.
- (9) "Council" means the Council of the City of East Ridge.
- (10) "Distiller" means any person who owns, occupies, carries on, works, conducts or operates any distillery either by himself or by his agent.
- (11) "Distillery" means and includes any place or premises wherein any alcoholic beverage is manufactured for sale.
- (12) "Federal statutes" means the statutes of the United States now in effect or as they may hereafter be changed.
- (13) "Inspection fee" means the monthly fee a licensee is required by this ordinance to pay, the amount of which is determined by a percentage of the gross sales of a licensee.
- (14) "License" means a license issued herein or by the state or its commission under the provisions of this chapter for the purpose of authorizing the holder thereof to engage in the business of selling alcoholic beverages at retail in the City.
- (15) "Licensee" means the holder of a license.
- (16) "Liquor store" means the building or the part of a building where a licensee conducts any of the business authorized by his license.
- (17) "Manufacturer" means and includes a distiller, vintner and rectifier of alcoholic beverage. "Manufacture" means and includes distilling, rectifying and operating any winery or any device for the production of alcoholic beverages.
- (18) "Person" shall mean any private individual, partnership, joint venture, corporation, limited liability company, or any other business entity or association.
- (19) "Premises" means on the property owned, leased, or controlled by the licensee and so connected with the liquor business in which the licensee is engaged as to form a component or integral part of it, including, but not limited to, the building and the parking areas surrounding it. "Premises" includes 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 business identified in the permit. "Premises" does not include sidewalks as defined in chapter 3 of this title, unless a separate sidewalk dining permit for an outdoor cafe has been issued and the sidewalk dining permittee is in compliance with the terms therein.

(20) "Rectifier" means and includes any person who rectifies, purifies or refines any alcoholic beverage by any process other than as provided for on distillery premises, and also any person who, without rectifying, purifying or refining an alcoholic beverage, shall, by mixing an alcoholic beverage with any other material, thereby manufacture any imitation thereof, or who compounds an alcoholic beverage for sale under the name of: whiskey, brandy, gin, rum, wine, spirits, cordials, bitters, or any other name.

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

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

(23) "Retail liquor store" means any business which is required to have a license for the retail sale of alcoholic spirituous beverages, including beer and malt beverages, under the provisions of Tennessee Code Annotated, title 57, chapter 3, part 2.

(24) "Sale, sell, Retail sale, or sale at retail" means and includes the exchange or barter of alcoholic beverage, and also any delivery made otherwise than gratuitously of alcoholic beverage; the soliciting or receiving of an order for alcoholic beverage; the keeping, offering or exposing alcoholic beverage for sale.

(25) "State alcoholic beverage commission" means the Tennessee Alcoholic Beverage Commission, provision for which is made in the state statutes, including without limitation the provisions of Tennessee Code Annotated, title 57.

(26) "State rules and regulations" means all applicable rules and regulations of the State of Tennessee applicable to alcoholic beverages, as now in effect or as they may hereafter be changed, including without limitation the local option liquor rules and regulations of the state.

(27) "State statutes" means the statutes of the State of Tennessee now in effect or as they may hereafter be changed.

(28) "Vintner" means any person who owns, occupies, carries on, works, conducts or operates any winery, either by himself or by his agent.

(29) "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 also 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 unless designated as an artificial or imitation wine.

(30) "Winery" means and includes any place or premises wherein wine is manufactured or brandies are distilled as the by-product of wine or where cordials are compounded.

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

(32) "Wholesaler" means any person who sells at wholesale any alcoholic beverage for the sale of which a license is required under the provisions of Tennessee Code Annotated, title 57, chapter 3.

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

8-302. Selling and distributing generally. It shall be unlawful for any person to engage in the business of selling, storing, possessing, transporting or distributing alcoholic beverages within the corporate limits of the City or to purchase or possess alcoholic beverages within the corporate limits of the City, except as provided by the state statutes, by the state rules and regulations, by the federal statutes and by this chapter.

8-303. State laws to be complied with. No person, firm, corporation, limited liability company, association, partnership, or other business entity shall engage in the retail liquor business unless all the necessary state licenses and permits have been obtained and all privilege taxes, inspection fees, and other such fees have been paid, including interest and penalties thereon which may lawfully be authorized.

8-304. Incorporation of state law. Tennessee Code Annotated, title 57, chapter 3, as may be amended from time to time, is hereby adopted so as to be applicable to all sales of alcoholic beverages conducted within the corporate limits of the City of East Ridge. It is the intent of the Council that Tennessee Code Annotated, title 57, chapter 3, as may be amended from time to time, shall be effective in East Ridge, Tennessee the same as if said code sections were copied herein verbatim.

8-305. Licenses required for sale of alcoholic beverages at retail. It shall be lawful for a licensee to sell alcoholic beverages at retail in a liquor store or wine in a retail food store provided that such sales are made in strict compliance with all federal statutes, all state laws, rules and regulations, and all provisions of this chapter, and provided that such licensee has a valid and duly issued state liquor retailer's license or a state retail food store wine license and a valid and duly issued local liquor store privilege license or a local retail food store wine privilege license from the City permitting him or her to sell alcoholic beverages at retail. Transfer of ownership or possession of any alcoholic beverage by a licensee in any manner other than by retail sale is prohibited.

8-306. Licensee responsible for officers and agents. Each licensee shall be responsible for all acts of such licensee as well as the acts of the licensee's officers, employees, agents and representatives so that any violation of this chapter by any officer,

employee, agent or representative of a licensee shall constitute a violation of this chapter by such licensee.

8-307. Maximum number of licenses authorized.

(1) The number of state or local liquor retailer's licenses for the sale of alcoholic beverages at liquor stores issued under this chapter and outstanding within the City of East Ridge shall be limited to two (2) with one such license issued for District A and one such license issued for District B as established in Section 8-308.

(2) With respect to the issuance of the first two (2) state/local liquor retailer's licenses following the City's referendum approving the sale of alcoholic beverages at liquor stores, if more than one (1) properly completed application is submitted to the City for each respective district at the time the publicly announced deadline for applications has expired, the City will then have a lottery drawing for that respective district. In the event a district does not receive an application by the deadline mentioned above, the City will then accept properly completed applications for 30 days in that respective district with a lottery to follow. If no applications are received during the second advertisement for the district the license will then be awarded to the first qualified applicant. In the event of a termination or revocation as provided by law of an outstanding state or local liquor retailer's license, then the City will hold a lottery drawing for the vacant license with such lottery held not less than sixty (60) days from the effective date of such termination or revocation. With respect to such lottery, the City shall issue public notice for the submission of applications not less than thirty (30) days prior to the date of the lottery drawing. For purposes of this section, the effective date shall be the date upon which all appeals, if any, are no longer available or have otherwise been exhausted.

(3) Notwithstanding, if an applicant that is selected by lottery fails to complete the process required by the City and/or the State to obtain a license to operate a retail liquor store within the time limits set forth in section 8-317(2), then the City will select by lottery another applicant from the previous pool of properly submitted applications.

8-308. Location restrictions.

(1) There is hereby created within the City two (2) districts upon which only one (1) retail liquor store may operate per district.

(a) District A shall be designated as containing those eligible properties that have road frontage access directly from Ringgold Road between Belvoir Avenue and the Bachman Tunnels.

(b) District B shall be designated as containing those eligible properties that have road frontage access directly from Ringgold Road between Moore Road and Spring Creek Road.

(2) No liquor store shall be allowed on property which is contiguous to school property or a house of worship on property which it owns.

(3) A certificate issued under this article for a retail liquor store shall be valid only for the operation of a liquor store upon the property proposed in the application and any change of location of the business or change in ownership of the property shall be cause for immediate nullification of the certificate.

(4) No certificate of compliance shall be issued for the operation of a retail liquor store where such store would be a prohibited use under the city's zoning ordinance in effect at time of issuance.

(5) No certificate shall be issued for a retail liquor store where the proposed place of business is located on property the owner of which has any direct or indirect interest or association, including ownership, financial or governing, in any other property within the City of East Ridge that operates another liquor store. For purposes of this section, owner shall mean and include an individual, partner, corporation, company, association, or other business entity.

(6) The restrictions set forth herein as to locations apply to conditions existing as of the time the application for a certificate is filed, provided that proximity of a retail liquor store that is otherwise prohibited herein shall not be grounds for revocation of a license or denial of a certificate if a valid license had been issued to any business at that same location, and the business has been in continuing operation since issuance of that license.

(7) To assure that these requirements are satisfied, no original or renewal certificate of compliance for an applicant for a license shall be issued for any location until a majority of the members of the City Council have approved the proposed location as being suitable for liquor store after a consideration of this matter at a properly advertised public meeting of the City Council.

8-309. Limitations on structure containing liquor store.

(1) All liquor stores shall be required to operate in a newly constructed building. The front of the building must have a brick, stone or stucco facade. The remaining exterior elevations must meet applicable zoning and planning requirements, including the East Ridge Building and Design Standards. Material and design shall be approved by the City Council. No liquor store shall be located in or operated out of a manufactured or other movable or prefabricated type of building.

(2) The minimum square footage of the liquor store display area within a structure shall be four thousand five hundred (4,500 ft²) square feet in District A and seven thousand (7,000 ft²) square feet in District B. Excess storage, not including displays, must be within the structure but separate from the retail display floor. No separate modules or buildings are allowed, and no storage is permitted outside.

(3) No liquor store shall be located in the City on any premises above the ground floor. Each such store shall have only one main entrance for use by the public as a means of ingress and egress for the purpose of purchasing alcoholic beverages at retail. Notwithstanding, when a retail store is located on the corner of two public streets such retail store may maintain a door opening on each of the public streets.

(4) All liquor stores shall have night lights surrounding the premises and shall be equipped with a functioning security system, which includes a burglar alarm system on the inside of the premises and at least one indoor and one outdoor camera with video storage capability. Security bars or other types of window or door obstructions are prohibited.

(5) 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 there sold or dispensed.

(6) No banner or temporary or permanent sign or other material shall be placed on or inside a liquor store so that it obstructs free and clear vision of the interior of the liquor store from outside of the liquor store including changeable message sign or readers board. In addition, all liquor store signage shall be subject to applicable zoning, building, and safety regulations, as adopted within the East Ridge Municipal Code, unless specifically stated otherwise.

(7) All existing detached signage and structures shall be removed and replaced with a monument sign in accordance with the City of East Ridge Sign Ordinance.

(8) All liquor stores shall be subject to applicable zoning, building, and City land development regulations unless specifically stated otherwise herein.

8-310. Restrictions generally.

(1) No form of entertainment, including pinball machines, music machines or similar devices, shall be permitted in any liquor store. No seating facilities, other than for employees of the liquor store, shall be permitted in any liquor store.

(2) A retail store shall be allowed to sell, give away, or otherwise dispense alcoholic beverages as per TCA 57-3-406(e), as amended. A retailer shall not sell or give away any alcoholic beverages on the holidays listed in TCA 57-3-406(h), as amended.

(3) It shall be unlawful for any licensee to sell, furnish or give away any alcoholic beverage to a person below the age of twenty-one (21) years or to sell, furnish or give away any alcoholic beverages to a person visibly intoxicated. Furthermore, it shall be unlawful for any licensee to sell, furnish or give away such alcoholic beverage to any person accompanied by a person who is visibly intoxicated.

(4) It shall be unlawful for any person under the age of twenty-one (21) to enter or remain in a liquor store (except that employees with appropriate employee permits issued pursuant to state law who are age eighteen (18) years and older are permitted in a liquor store for the purpose of engaging in paid employment only) or to loiter in the immediate vicinity of a liquor store. It shall be unlawful for a person below the age of twenty-one (21) years to misrepresent his or her age in an attempt to gain admission to a liquor store or in an attempt to buy any alcoholic beverage from a licensee.

(5) It shall be unlawful for any licensee to sell any alcoholic beverage for consumption in such licensee's liquor store or on the premises used by the licensee in connection therewith.

(6) It shall be unlawful for any person to consume any purchased alcoholic beverage in a liquor store or in the immediate vicinity of a liquor store. Notwithstanding, samples and tasting events shall be allowed.

(7) Advertising by a licensee, and signs, displays, posters, and designs intended to advertise any alcoholic beverages, shall be governed by the applicable rules of the Tennessee Alcoholic Beverage Commission and/or the sign provisions and restrictions of the underlying zoning district in which the licensee is located or the sign or advertising is proposed. Additionally, it shall be unlawful for a licensee to advertise by signs, window displays, posters, or any other designs intended to advertise any alcoholic beverage within the corporate limits of the City, except by signs approved by the Council in designating the premises as a liquor store with appropriate wording. The words "Liquor Store" do not have to be used. Only two (2) advertising signs shall be permitted for approval on the premises consisting of one (1) free standing and one (1) attached to the building; provided, however, that in the event a retail store is located on the corner of two public streets, such retail store may have an additional sign attached to the building advertising in the direction of each street. Nothing contained herein shall prohibit any manufacturer or wholesaler from advertising in news media.

(8) All retail sales of alcoholic beverages shall be confined to the premises of the liquor store. No curb service is permitted nor shall there be permitted drive-in windows. No licensee shall employ any canvasser, agent, solicitor, or other representative 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 licensee receive or accept any such order which shall have been solicited and received at the residence or place of business of such consumer. This paragraph shall not be construed as to prohibit the solicitation by a state licensed wholesaler of any order from any licensed retailer at the licensed premises.

8-311. Fees. Amounts generally.

(1) There is hereby levied on each licensee in the City an inspection fee in the amount of five percent (5%), or the maximum amount allowed by T.C.A. §57-3-501, of the wholesale price of all alcoholic beverages supplied during each calendar month by a wholesaler to each licensee in the City. It shall be unlawful for any wholesaler to supply,

ship or otherwise deliver any alcoholic beverage to a licensee, and it shall be unlawful for any licensee to receive any alcoholic beverage, unless there shall be issued and delivered to the licensee by the wholesaler, concurrently with each such shipment or delivery, an invoice showing: (a) the date of the transaction; (b) the name and address of the wholesaler and of the licensee; (c) the brand name and quantity of alcoholic beverage covered by the invoice and (d) the unit wholesale price and the gross wholesale price for each item listed thereon. The wholesaler's invoice shall be issued and delivered to the licensee as hereinafter provided without regard to the terms of payment or on credit or partly for cash and partly for credit.

(2) Collection. The inspection fee, computed as hereinabove provided shall be collected by the wholesaler as provided for in T.C.A. § 57-3-502 and shall be paid to the City Recorder on or before the 15th day of each calendar month for the preceding calendar month.

(3) Failure to pay fees. The failure to pay the inspection fees and to make the required reports accurately and within the time required by this chapter shall, at the sole direction of the City Manager, be cause for suspension of the offending licensee's local liquor store privilege license for a much as thirty (30) days and, at the sole discretion of the Council, be cause for revocation of such local liquor store privilege license. Each such action may be taken by giving written notice thereof to the licensee, no hearing with respect to such an offense being required. If a licensee has his license revoked, suspended or otherwise removed and owes the city inspection fees at the time of such suspension, revocation, or removal, the City Attorney may timely file the necessary action in a court of appropriate jurisdiction for recovery of such inspection fees. Further, each licensee who fails to pay or have paid on his or her behalf the inspection fees imposed hereunder shall be liable to the City for a penalty on the delinquent amount due in an amount of ten percent (10%) of the inspection fee.

(4) Use of fees. All funds derived from inspection fees imposed herein shall be deposited into the general fund and used to defray expenses in connection with the enforcement of this chapter including, particularly, the payment and compensation of officers, employees, and other representatives of the City in investigating and inspecting licensees and applicants and in seeing that all provisions of this chapter are observed. The Council finds and declares that the amount of these inspection fees is reasonable and that the funds expected to be derived from these inspection fees will be reasonably required for such purposes.

8-312. Records kept by licensee. In addition to any records specified in the state laws, rules and regulations, each licensee shall keep on file, at such licensee's liquor store, the following records:

(1) The original invoices of all alcoholic beverages bought by the licensee;

(2) The original receipts for any alcoholic beverages returned by such licensee to any wholesaler;

(3) A current daily record of the gross sales by such licensee with evidence of cash register receipts for each day's sales; and,

(4) An accurate record of all alcoholic beverages lost, damaged, or disposed of other than by sale and showing for each such transaction the date thereof, the quantity and brands of alcoholic beverages involved, and the name of the person or persons receiving the same. All such records shall be preserved for a period of at least fifteen (15) months unless the City Recorder gives the licensee written permission to dispose of such records at an earlier time. In the event of co-licensees holding a single license, one set of records per liquor store satisfies the requirements of this part.

8-313. Inspections generally. The City Administrator, the City Recorder, the Chief of Police or the authorized representatives or agents of any of them are authorized to examine the premises, books, papers and records of any liquor store or retail food store at any time the store is open for business for the purpose of determining whether the provisions of this chapter are being observed. Refusal to permit such examination shall be a violation of this chapter and shall constitute sufficient reason for revocation of the local liquor store privilege license or local retail food store wine privilege license of the offending licensee or for the refusal to renew the local liquor store privilege license or local retail food store wine privilege license of the offending licensee.

8-314. Certificate of Compliance. As a condition precedent to the issuance of a state liquor retailer's license or a state retail food store wine license by the State Alcoholic Beverage Commission, the City Council shall authorize the issuance of certificates of compliance by the City according to the terms contained herein. Section 8-315 refers to the original and subsequent applications required in order to obtain a Certificate of Compliance for consideration of the opening of package stores. The certificate shall be signed by the Mayor or a majority of the City Council at a regularly scheduled and publicly noticed City Council meeting.

8-315. Application.

(1) Filing content. Before any certificate as required by Tennessee Code Annotated, § 57-3-208 is considered for approval by the City Council, an applicant for a liquor store shall file with the City Recorder a completed written application on a form to be provided by the City Recorder which shall contain all of the following information and whatever additional information the Council or City Manager may require:

(a) The name and street address of each person to have an interest, direct or indirect, in the liquor store as an owner, partner, stockholder or otherwise. In the event that a corporation, partnership, limited liability company or other legally recognized entity is an applicant, each person with an interest therein must be disclosed and must provide the information on the application provided by the City. The word indirect, as used in this section, shall include and mean any kind of interest in the liquor store whatsoever, including by way of stock, membership, ownership, loan, partnership, joint venture, financial interest, governance interest, or otherwise;

(b) The name of the liquor store proposed;

(c) The address of the liquor store proposed and the zoning designation;

(d) A statement that the persons receiving the requested license, to the best of his or her knowledge, if awarded the Certificate of Compliance, could comply with all the requirements for obtaining the required licenses under state law and the provisions of this chapter for the operation of a liquor store in the City;

(e) The agreement of each applicant or each member of an applicant group, as appropriate, to comply with all applicable laws and ordinances and with the Rules and Regulations of the Tennessee Alcoholic Beverage Commission with reference to the sale of alcoholic beverages and the agreement of each applicant as to the validity and the reasonableness of these regulations, inspection fees, and taxes provided in this chapter with reference to the sale of alcoholic beverages; and

(f) The name(s) and address(es) of the owner of the property for which the certificate is sought, together with written evidence that the owner has agreed to allow the proposed retail store to be operated on the property upon issuance of a license.

(2) Further documentation. The application form shall be accompanied by a copy of each questionnaire form and other material to be filled out by the applicant with the Tennessee Alcoholic Beverage Commission in connection with the same application and shall be accompanied by eight (8) copies of a scale plan drawn to a scale of not less than one inch equals twenty feet giving the following information:

(a) The shape, size and location of the lot on which the liquor store is to be operated under the license;

(b) The shape, size, height and location of all buildings whether they are to be erected, altered, moved or existing upon the lot;

(c) The off-street parking space and off-street loading and unloading space to be provided, including the vehicular access to be provided from these areas to a public street.

(3) Signature. The application form shall be signed and verified by each person to have any interest in the liquor store either as an owner, partner, stockholder or otherwise.

(4) Misrepresentation. If any applicant or licensee misrepresents or conceals any material fact in any application form, or as to any other information required to be disclosed by this chapter, such applicant or licensee shall be deemed to have violated the provisions of this chapter and his or her application may be disregarded or his or her license restricted or revoked as deemed appropriate by Council.

(5) Submitting Application and Maximum Number of Submittals.

(a) Subsequent to the submission of an application to the City Recorder, no amendments to the application are permitted. All such submitted applications are considered final.

(b) No person shall submit more than one (1) application or have an interest in more than one (1) application for any lottery, irrespective of which district such application seeks to operate a business that sells alcoholic beverages at retail in the City. For purposes of this section, a person shall be deemed to have an interest in more than one (1) application if such person has or shares any ownership or association, directly or indirectly, with any other application, including either proprietary or by means of any ownership, shareholder, partnership, membership, loan, agreement, or is entitled to participate in the profits generated from such other application. Additionally, for purposes of this section, a person shall be deemed to have submitted multiple applications if such person has or shares any interest, ownership, or association, directly or indirectly, with any other person identified as an applicant or owner on any other application, including either proprietary or by means of any ownership, shareholder, partnership, membership, loan, agreement, or is entitled to participate in the profits of such applicant or owner.

(c) If it is determined a person has violated this section, then any and all applications with respect to such person will be disqualified for consideration of the lottery.

(6) License Transfer. A licensee shall not sell, assign, give, pledge, or otherwise transfer the licensee's license or any interest therein to any other person. No license shall be transferred from the licensee by operation of law through any proceedings in bankruptcy, insolvency, or receivership, or by execution, garnishment or other similar proceedings. No license shall be transferred from one location to another location without the prior written approval of the Council.

(7) Property Transfer. The ownership of the property upon which a liquor store is located may not be transferred, conveyed, or sold, whether in part or in whole, without the prior written approval of the Council.

(8) Fees. An applicant for a liquor store shall remit a non-refundable license fee of five hundred dollars (\$500.00), which is due at the time of application for a license. The annual license fees are set out in § 8-318(3). The initial license shall remain in effect for the remainder of the calendar year when it is first issued so that the first year may not be a full year period. The license fee shall be paid to the City Recorder before any license shall issue. Each applicant, and each additional person listed on the application shall be accompanied by a non-refundable one hundred-dollar (\$100.00) investigation fee.

8-316. Consideration of application for Certificate of Compliance. In issuing a Certificate of Compliance sufficient for the licensing of the liquor stores in the City

permitted by this chapter, the Council will consider applications filed pursuant to section 8-307. All renewals will also be considered by the Council. After the application selection process, and before any certificate, as required by Tennessee Code Annotated, § 57-3-208 or a renewal as required by § 57-3-213 shall be signed by the mayor, or by any Councilmember, a request in writing shall be filed with the recorder, giving the following information:

- (1) Name, age and address of the applicant.
- (2) Whether or not the applicant has been convicted of a felony in the past ten (10) years.
- (3) The location of the proposed store for the sale of alcoholic beverages.
- (4) The name and address of the owner of the store.
- (5) 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. The Council will determine if the applicants have the qualifications required by state law. All renewals shall require a background check to be paid at the applicant's expense. Applications and all matters submitted with or as a part of such applications become, at the time they are submitted, the sole and exclusive property of the City and constitute public records open to public inspection.

8-317. Restrictions upon issuance of Certificate of Compliance.

(1) No violation of chapter. No Certificate of Compliance shall be issued unless a license issued on the basis thereof can be exercised without violating any provisions of this chapter.

(2) Time period for action. The Certificate of Compliance issued herein shall be valid for a period of six (6) months from the date of issuance and thereafter shall become void and of no effect whatsoever if the store is not open. If requested in writing by the applicant and approved by the City Manager, up to two (2) three (3) month extensions may be granted by the City Manager when necessary to avoid undue hardship on the applicant. In any event, the written request must be both received and approved prior to the expiration of the initial six (6) month period or prior to the expiration of the first three (3) month extension. In the event the store is not open within the period prescribed by this provision, then the Certificate of Compliance will be automatically void and of no further effect, the application will be deemed void and of no further effect and a certification thereof will be sent to the Alcoholic Beverage Commission of the State of Tennessee and the local liquor

store privilege license issued pursuant to such application shall be considered canceled and revoked.

8- 318. Local liquor store privilege license or local retail food store wine privilege license from City to operate liquor store or sell wine in a retail food store.

(1) Local Liquor Store Privilege License. After an applicant receives a license from the State of Tennessee to operate a retail liquor store pursuant to Tennessee Code Annotated, Title 57 Chapter 3, he or she shall apply to the City Recorder for a local liquor store privilege license to operate a retail liquor store pursuant to the following terms, conditions and restrictions set out in §§ 8-319 and 8-320 hereof.

(2) Local Retail Food Store Wine Privilege License. After an applicant receives a license from the State of Tennessee to sell wine in a retail food store pursuant to Tennessee Code Annotated, Title 57 Chapter 3, he or she shall apply to the City Recorder for a local retail food store wine privilege license to sell wine in a retail food store pursuant to the following terms, conditions and restrictions set out in §§ 8-319 and 8-320 hereof.

(3) Fees. A license fee of two hundred dollars (\$200.00) for a local liquor store privilege license or a local retail food store wine privilege license is due annually, prior to January 1 of each calendar year, thereafter. The license fee shall be paid to the City Recorder before any license shall issue.

8-319. Restrictions on local liquor store privilege licenses and local retail food store wine privilege licenses.

(1) Term renewal. Each license shall expire on December 31 of each year. A license shall be subject to renewal each year by compliance with all applicable federal statutes, state statutes, state laws, rules and regulations and the provisions of this chapter.

(2) Display. A licensee shall display and post and keep displayed and posted his or her license in a conspicuous place in the licensee's liquor store or retail food store at all times when any activity or business authorized thereunder is being done by the licensee.

(3) Transfer. A licensee or co-licensee shall not sell, assign or transfer his license or any interest therein to any other person.

(4) Fees. All fees due are non-refundable.

8-320. Restrictions upon licensees and employees.

(1) Initial qualifications. To be eligible to apply for or to receive a license, an applicant must satisfy all of the requirements of the state statutes and of the state laws, rules and regulations for the holder of a state liquor retailer's license or a state retail food store wine license.

(2) Restrictions. Restrictions upon licensees and employees shall be subject to the provisions of Tennessee Code Annotated, Title 57 Chapter 3.

(3) Interest in only one liquor store. A person shall have an interest, either direct or indirect, in no more than one (1) liquor store licensed under this chapter in the City of East Ridge.

8-321. Nature of license; suspension or revocation. The issuance of a license does not vest a property right in the licensee but is a privilege subject to revocation or suspension. Whenever the City Council finds that a licensee has been, or is, in violation of the provisions of Tennessee Code Annotated, title 57, chapters 1 through 4, or the provisions of this chapter, the Council shall certify such violation to the state alcoholic beverage commission, in such form as the commission requires, which shall have the responsibility for determining whether the offender's license shall be revoked.

8-322. Violations--penalties. Any violation of the provisions of this chapter shall constitute a misdemeanor and shall, upon conviction, be punishable by a fine of not less than fifty dollars (\$50.00). Upon conviction of any person under this chapter, it shall be mandatory for the City Judge to immediately certify said conviction, whether on appeal or not, directly to the Tennessee Alcoholic Beverage Commission, together with petition that all licenses be revoked, pursuant to the provisions Tennessee Code Annotated, chapter 3, title 57, and the rules and regulations of said commission.

BE IT FURTHER ORDAINED, that this ordinance shall take effect immediately after its passage, the public welfare of the City requiring it.

Passed on First Reading

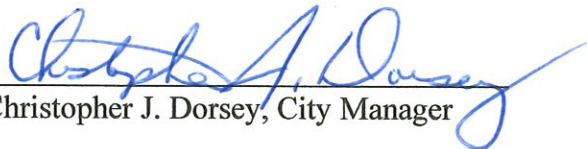
January 14, 2021

Passed on Second Reading

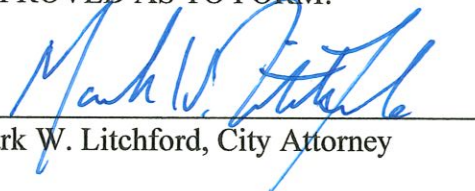
January 28, 2021


Brian W. Williams, Mayor

ATTEST:


Christopher J. Dorsey, City Manager

APPROVED AS TO FORM:


Mark W. Litchford, City Attorney