

February 28, 2014

City of Spring Hill  
Mr. Jonathan Duda  
Alderman  
199 Town Center Parkway  
Spring Hill, Tennessee 37174

VIA ELECTRONIC MAIL

Dear Mr. Duda:

At the end of the 2013 session, the Tennessee General Assembly passed Public Chapter No. 445 which amended Tennessee Code Annotated, §§ 57-2-103 and 57-3-202 to make the manufacture of intoxicating liquors, intoxicating drinks (including high-alcohol content beer), or both, lawful in the following jurisdictions:

1. A city or county that has approved the manufacture of intoxicating liquors or intoxicating drinks, or both, via a public referendum;
2. A city or county that has approved both retail package sales and consumption of alcoholic beverages on the premises through a referendum;
3. A city or county with a premier tourist resort district in which it is lawful to sell alcoholic beverages for on premises consumption;
4. A city with a population of less than 1,000 that is located in a county in which any jurisdiction within the county has approved retail package sales through referendum and any jurisdiction within the county has approved consumption of alcoholic beverages on the premises through referendum;
5. A city with a population of less than 1,000 that is located in a county that is included in a Tennessee River Resort District and has approved retail package sales through referendum; or
6. A city or county where it is lawful to have manufacturing of intoxicating liquors or intoxicating drinks, or both, prior to the effective date of the act.

Since retail package sales and on premises consumption of alcoholic beverages are permitted in Spring Hill, distilleries and the manufacture of intoxicating liquors became lawful in Spring Hill by operation of law in August 2013 as the city took no action to opt out (prohibit manufacturing) as set forth in Public Chapter No. 445 before the effective date. Accordingly, Section 8-104 of your Code of Ordinances prohibiting manufacturing has been superseded by state law and is void and unenforceable.

However, please be advised that a city meeting one of the aforementioned criteria that desires to continue to prohibit the manufacture of alcohol is afforded the opportunity to do so by passage of a resolution to remove application of this law in that community. Such resolution must be passed before a person files an official notice with city of his intent to pursue all lawful avenues to manufacture alcohol within the city limits. Provided no person has filed such notice, this opt-out provision remains available to the City of Spring Hill if it is the will of the board of mayor and aldermen to prohibit the manufacturing of intoxicating beverages in the future.

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With respect to your second question on wholesaling of alcoholic beverages, the repeal of Section 8-105 by passage of an ordinance in the customary manner will make wholesaling lawful. Please be aware that unlike beer, the regulation of intoxicating beverages is primarily a state function and thus there are essentially no local regulations – outside of zoning and land use - that can be instituted by the city.

Please let me know if you have any questions or require any additional assistance on this or any matter.

Very truly yours,

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Jeffrey J. Broughton  
Municipal Management Consultant

Cc: Victor Lay, City Administrator