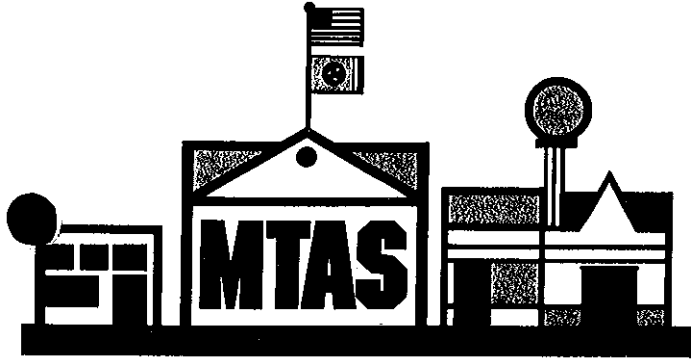


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Beer Application Fees

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For those cities in Tennessee exercising the authority granted by state law to issue beer permits or licenses, particular attention should be paid to the amendment of Tennessee Code Annotated Section 57-5-108, as made by the Tennessee State Legislature in 1983. The amendment added a new paragraph which reads as follows:

(c) In all incorporated cities and towns in the State of Tennessee, the governing body or beer board, prior to its consideration of an application to engage in the sale of beer under this section, shall collect an applicant fee of one hundred dollars (\$100) for use in offsetting the expenses of investigating the applicant. Regardless of whether an application is approved or denied, any portion of the fee collected in excess of that actually used in the investigation shall become the property of the incorporated city or town at the end of each calendar year to be used at the discretion of the governing body. The provisions of this section shall in no way be construed as granting incorporated cities and towns the authority to require the periodic renewal of beer permits or licenses.

Where the law had before been silent on the fees that cities could charge in issuing beer permits or licenses, this amendment requires cities to charge a non-returnable application fee of \$100. This fee is to be used to offset the expenses incurred during the investigation of the application. Any portion of the fee not actually used in the investigation shall be treated as a general revenue of the city.

This amendment does not authorize any other type of fee associated with the issuance of a beer permit or license. The application fee would not apply to the renewal of a beer permit or license since no investigation is involved. In fact, the last sentence of the amending paragraph states that T.C.A. Section 57-5-108 cannot be interpreted as granting incorporated cities and towns the authority to require the periodic renewal of beer permits or licenses. In brief, this means that cities will be issuing beer permits or licenses for an indefinite period of time, and such permits or licenses will not be subject to annual renewal.

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