

Big-box liquor stores may soon be on the way in Tennessee

Jan 22, 2019

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On the heels of 2014's wine-in-grocery-stores bill, and 2018's bill to allow wine sales on Sundays, there may soon be additional competition for local liquor store owners.

The U.S. Supreme Court recently held argument on January 16, 2019, in *Tennessee Wine and Spirits Retailers Association v. Blair*. At issue is Tennessee's two-year residency requirement for a retailer-alcoholic-beverages license and ten-year residency requirement for license renewals under Tenn. Code Ann. § 57-3-204(b). In February 2018, the sixth circuit upheld the district court's determination that the state's durational-residency requirement was an unconstitutional violation of the Dormant Commerce Clause.

At oral argument before the Supreme Court, several justices expressed skepticism over the state's law, suggesting that it served as nothing more than "economic protectionism" for local businesses. Justices appeared to be grappling with the broader implications of striking down the law, including whether doing so could lead to the rapid deregulation of the industry.

If the Court were to uphold the lower courts' determinations, the residency requirements would be stricken from the statute, but other restrictive licensing provisions would remain. For instance, a controversial provision from a 2016 bill still limits holders to a maximum of two retail licenses. The two-license limit is not at issue in this case, and for the time being, this should prevent the rapid proliferation of big-box liquor stores in Tennessee.

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