

[Time to Pay the Piper](#)

What's Good for the Goose is Good for the Gander. Not for Tennessee Bars, Restaurants and Hotels.

By [William T. Cheek III](#) – April 23, 2014 | [Alcoholic Beverage Law](#) | [Email Will Cheek](#)

Bar, restaurant and hotel owners and managers are going to be shocked to learn that state law will require them to pay liquor wholesalers at delivery. The new law takes effect upon signing by Governor, which is any day now. You can see the new law here. [HA1223\(1\)](#) .

No, we are not smoking crack. Within the next few days, you are going to have to pay for your liquor when it is delivered, unless the governor vetoes the legislation.

The new law is almost undoubtedly the work of fabled lobbyist Tom Hensley, known as the Golden Goose or simply the "Goose." The new law certainly is good for the Goose and his "flock," the liquor wholesalers.

But the new law is going to require quick scrambling by thousands of Tennessee restaurants and bars. We suspect the phones at payment services like [Fintech](#) will be ringing off the hook. Implementing the change in a matter of days is going to be a rude awakening.

The new law limits payment to EFT, credit cards, debit cards or other methods approved by the ABC. Fortunately, the ABC authorized ABC Director Keith Bell to specify acceptable methods of payment. As of now, we understand you may pay by:

1. EFT
2. ACH
3. Credit card (swipe fee can justify a higher fee to the retail account)
4. Debit card (swipe fee can justify a higher fee to the retail account)
5. Certified Funds
6. Cash
7. Fintech system

8. Check

There is discussion about allowing payment by check. Wholesalers can hold checks and essentially bank unusually large orders for a few days. Think Memphis in May and CMA Fest in Nashville.

Adding insult to injury, retail liquor stores still operate under the 10 day credit rule.

In all fairness, the prevailing practice for beer has been COD for as long as anyone can remember. The change helps equalize the playing field between beer and liquor wholesalers.