

**RULES
OF
THE TENNESSEE ALCOHOLIC BEVERAGE COMMISSION**

**CHAPTER 0100-16
RULES FOR RETAIL SALE OF HEMP-DERIVED CANNABINOID PRODUCTS**

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0100-16-.01 SCOPE.

- (1) This chapter applies to any person who sells or offers to sell at retail any hemp-derived cannabinoid product (“HDCP”).
- (2) Persons that sell or offer to sell HDCPs are subject to all requirements and regulatory authority applicable to the type of product sold, including but not limited to regulation under the Act and this chapter, T.C.A. Title 57, Chapter 7, and Title 39, and Chapter 17, Part 15. HDCPs are excluded from all regulatory exemptions including but not limited to those afforded under the Food Freedom Act at T.C.A. § 53-1-118.
- (3) The Commission will not refund fees for early termination of any license issued under this chapter.
- (4) Licenses under this chapter are not transferable from person to person or location to location.

Authority: T.C.A. §§ 57-7-101, et seq., and Public Chapter 526, enacted 2025. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.

0100-16-.02 DEFINITIONS.

- (1) Terms in this chapter share those meanings of terms in T.C.A. Title 57, Chapter 7.
- (2) When used in this chapter, unless the context requires otherwise:
 - (a) “Act” means Public Chapter 526, enacted 2025.
 - (b) “Batch,” in addition to its definition under the Act, means an individual production lot of manufactured product.
 - (c) “Business for which entry is limited to individuals twenty-one (21) years of age or older” means a legal establishment that affirmatively restricts access to its buildings or facilities at all times to persons that are twenty-one (21) years of age or older by requiring each person, who attempts to gain entry to those buildings or facilities, to submit for inspection a valid government issued photo identification, which demonstrates by proof of age that the person is at least twenty-one (21) years of age.
 - (d) “Cannabis” means any plant or any part of a plant of the genera Cannabis and includes hemp.

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- (e) “Certificate of Analysis” (“COA”) means a written document from a laboratory approved by the Commission for testing samples under this chapter, and which communicates the results of those tests performed.
- (f) “Commerce” or similar words mean involving payment for an item or payment for services incident to production of the item.
- (g) “Commission” means the Tennessee Alcoholic Beverage Commission.
- (h) “Counter” is a physical barrier that necessitates the seller’s assistance to access product prior to its sale.
- (i) “Food” means articles used for food or drink for humans or other animals; chewing gum; and articles used for components of food or drink or chewing gum.
- (j) Hemp-Derived Cannabinoid Product (“HDCP”) means a product that contains or is labeled to reflect it contains a hemp-derived cannabinoid that is produced, marketed, or otherwise intended to be consumed orally (“ingestible”), inhaled (“inhalable”), or absorbed through the skin (“transdermal”). HDCPs also include intermediate products intended for subsequent use as a component in a later finished ingestible, inhalable, or transdermal HDC product.
- (k) “In a manner similarly reliable to post-decarboxylation” means a manner sufficient to quantify by percentage the resulting THC of a sample if carboxyl groups are removed from all molecules containing THC within the sample. A manner similarly reliable to post-decarboxylation is shown by a post-decarboxylation THC value equal to the sum of the sample’s THC percentage plus the product of its delta-9 tetrahydrocannabinolic acid (THCa) percentage and 0.877.
- (l) “Manufacture,” in addition to its definition under the Act, includes actions that physically or chemically transform cannabis beyond its principal form as a farm product or filters, cleans, or trims that product to isolate any of its particular parts or components.
- (m) “Move,” “transport,” or similar words mean to relocate in any manner an item from one location to another.
- (n) “Person” means an individual, partnership, corporation, or any other form of legal entity.
- (o) “Proof of age” means a valid driver’s license or other unexpired government issued identification that describes the individual, indicates his or her age, contains a photograph or other likeness of the individual, and appears on its face to be valid.
- (p) “Sample” means to take material or the material taken from a location where HDCPs are sold or offered for sale at retail.

Authority: T.C.A. §§ 57-7-102, 57-7-104(b)(2), 57-7-109, and 57-7-116. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.

0100-16-.03 LICENSE APPLICATIONS AND FEES.

- (1) Transitional Denial Authority for Prior Title 43 Violations
 - (a) For a period of two (2) years from the date of a violation, the Commission may deny a license application submitted by any person or entity that was previously licensed under Tennessee Code Annotated, Title 43 by the Department of Agriculture, if the applicant

(Rule 0100-16-.03, continued)

has committed a violation of Title 43 relating to the cultivation, manufacture, distribution, or retail sale of hemp or hemp-derived cannabinoid products.

- (b) For purposes of this section, a “violation” means either:
 - 1. A finding of violation contained in a final order issued by the Department of Agriculture or another state agency under Title 43; or
 - 2. Conduct for which no adjudication has occurred, but which the Commission, after providing written notice of intent to deny and an opportunity for an evidentiary hearing, determines by a preponderance of the evidence to have constituted a violation of Title 43 or rules promulgated thereunder.
 - (c) The Commission’s authority under this section is discretionary. In determining whether to deny a license under this rule, the Commission may consider mitigating or aggravating circumstances, including, without limitation:
 - 1. The nature and seriousness of the violation;
 - 2. The applicant’s history of compliance with state law;
 - 3. Any corrective actions taken by the applicant; and
 - 4. The time elapsed since the violation occurred.
 - (d) Nothing in this section precludes an applicant from submitting a license application during the two-year period following a violation; however, the Commission may rely on such violation(s) as a basis for denial within that period.
 - (e) This section applies during the transitional period following the transfer of regulatory authority HDCPs from the Department of Agriculture to the Commission and remains in effect unless and until superseded by permanent Commission rules governing applicant eligibility.
- (2) An HDCP retail license is required per person per location for any person that sells or offers for sale an HDCP at retail. Licensed locations must be fixed address facilities, but may include temporary locations such as fairs, flea markets, and farmers markets, provided that license fees for temporary locations cannot be prorated on the basis of temporary use.
 - (3) HDCP retail license applications must be submitted in a manner specified by the Commission. In addition to submitting to a physical inspection of the address seeking licensure, applicants must provide the Commission with the following:
 - (a) Legal name and D/B/A for the business seeking licensure;
 - (b) Physical and mailing address for the business seeking licensure;
 - (c) Name, biographic information, and contact information of any person in a business seeking license;
 - (d) Valid government issued photo identification for any person in a business seeking licensure;
 - (e) Tennessee Bureau of Investigation or Federal Bureau of Investigation criminal background check that includes fingerprint checks for any person legally responsible for the management of applicant’s operations;

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- (f) Proof of registration in its state of incorporation for any applicant that is a formalized business entity;
 - (g) Sufficient information to establish that applicant is registered with the Tennessee Department of Revenue to pay applicable taxes;
 - (h) Identification of nearest school serving any grades K–12 and the distance from that school to the location to be licensed, in feet measured as a straight line along the shortest route;
 - (i) Architectural diagram of the physical space, which includes square footage and dimensions;
 - (j) Certificate of Occupancy permitting commercial activity;
 - (k) Verification that the applicant has a legal right to the premises seeking licensure;
 - (l) Business hours of applicant;
 - (m) Compliance with the Eligibility Verification for Entitlements Act as codified in T.C.A. §§ 4-58-101, et seq; and
 - (n) Any other information, required by the Commission to determine an applicant's eligibility for the licensure sought.
- (4) Licensees must notify the Commission in a manner approved by the Commission, of any changes to the contents of their approved application within thirty (30) days of the change, including any change in contact information.
- (5) Payment of an annual HDCP retail license fee is due upon approval of an application and must be paid in full prior to a license being issued. The license fee may be prorated in the initial year of licensure or following the business obtaining additional licenses, provided the total prorated fee does not exceed the annual license fee.
- (6) HDCP retail licenses expire one (1) year from the date of issuance, unless the HDCP retail licensee holds more than one (1) TABC issued retail license and the Commission prorated the license fee to permit the businesses to align license expiration dates.
- (7) It is the responsibility of HDCP retail licensees to submit to an annual inspection, provide a complete renewal application in a manner specified by the Commission, provide an updated criminal background check for each applicable individual at the time of application, and remit payment of the annual license fee prior to the expiration of the license. The expiration date printed on the permit serves as notice of the need to seek the renewal of the permit by the expiration date, and no additional notice is required. HDCP retail licenses will be closed on the business day after expiration if both an application and a license fee have not been received. If the Commission receives an application and license fee prior to the expiration date, closing of the permit will be tolled and the permit will remain valid until the Commission reviews the application. The applicant shall resolve any outstanding issues and submit any additional documentation to the Commission no later than 30 days after the expiration date. Licenses that the Commission does not renew, will be closed 45 days after the license expiration date. The renewal process is complete when the Commission issues an updated license.

(Rule 0100-16-.03, continued)

- (8) The Commission may deny any application for licensure that it deems incomplete because it lacks required documents or information or that is not completed in conformance with this section.

Authority: T.C.A. §§ 57-7-106 and 57-7-116. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.

0100-16-.04 MANNER OF SALE.

- (1) HDCP retail licensees must not sell any HDCP to a purchaser unless the purchaser has provided proof of age showing the purchaser is, at least, twenty-one (21) years of age.
- (2) HDCP retail licensees may not offer HDCPs for sale through use of vending machines or unstaffed kiosks or self-checkout.
- (3) HDCP retail licensees may offer HDCPs for sale only if the product is maintained behind the counter, except as authorized in T.C.A. § 57-7-104(d), in a location or manner that requires physical assistance from the licensee for the customer to access the product.
- (4) HDCP retail licensees must post, in a conspicuous location, a warning sign that informs customers that HDCPs may be intoxicating and cause impairment. The letters comprising the word "WARNING" shall be highlighted black lettering, and "WARNING" should be larger than all other lettering on the sign. The size of the sign shall be approximately thirteen inches (13") by nine and one-half inches (9½").
- (5) HDCP retailers are prohibited from purchasing HDCPs from any person that is not an HDCP licensed wholesaler.

Authority: T.C.A. §§ 39-17-1507(a), 39-17-1509, 57-7-103, 57-7-104, 57-7-106, and 57-7-116. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.

0100-16-.05 RECORDS.

- (1) For each HDCP offered for sale, HDCP retail licensees shall maintain for two (2) years and readily produce upon request:
 - (a) COAs received from their immediate upstream seller of the product; and,
 - (b) Invoices and bills of lading for the licensee's purchase or receipt of the product.
- (2) For any HDCP rendered unusable or disposed pursuant to this chapter, HDC retail licensees must maintain documentation of the following for two (2) years following disposal:
 - (a) Date(s) and manner(s) in which the product was rendered unusable or disposed;
 - (b) Batch number; and,
 - (c) Total volume of product that was disposed

Authority: T.C.A. § 57-7-101, 57-7-105, 57-7-106, and 57-7-116. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.

0100-16-.06 INSPECTIONS AND TESTING.

- (1) Scope. The Commission may enter any part of the licensed premises to inspect and sample any cannabis, HDCP, or other material, to examine and copy records, and to conduct random checks for manner of sale of HDCPs, as necessary to determine compliance with the Act and this chapter.
- (2) Frequency. The Commission may conduct inspections as often as necessary to determine compliance with the Act and this chapter.
- (3) Product testing:
 - (a) Upon purchase of HDCPs offered for retail sale, the Commission may sample and test or cause to be sampled and tested the product for compliance with the Act and the applicable Commission rules. Any test result exceeding allowable limits is grounds for embargo, recall, and remediation pursuant to provisions applicable under Tenn. Comp. R. & Regs. 0100-15-.06, and destruction of the batch of HDCP represented by the sample.
 - (b) A sample collected and tested according to Commission protocols is deemed representative of the HDCP batch from which the sample was obtained.

Authority: T.C.A. §§ 39-17-1509, 57-7-106, 57-7-107, 57-7-116, and 57-7-117. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.

0100-16-.07 VIOLATIONS.

- (1) In addition to other requirements of the Act and this chapter, persons subject to this chapter must:
 - (a) Maintain areas where HDCPs are sold, offered for sale, or held for inventory so as to be readily accessible for inspection;
 - (b) Provide adequate lighting necessary for inspection of all HDCPs offered or held for retail sale;
 - (c) Provide full access to facilities, inventory, records, and invoices necessary for Commission inspection without a warrant;
 - (d) Give full information as to the source of any cannabis or HDCP currently or previously held in their possession during the previous two (2) years;
 - (e) Consent to sampling of all HDCPs offered or held for retail sale by the licensee; and
 - (f) Consent to recall of all associated HDCP batches when testing of the product indicates a failure under Tenn. Comp. R. & Regs. 0100-15-.06 or a foodborne outbreak or other illness is causally linked by federal authorities or the Department of Health to particular HDCP batches.
 - (g) Maintain the licensed establishment in a decent, orderly, and respectable manner and in full compliance with federal statutes, Tennessee laws, Commission rules and regulations, and local ordinances in the municipality and county where licensed premises are located. Licensees remain responsible for complying with this rule if the licensed owner or operator rents, leases, or otherwise permits another to occupy the licensed premises.

(Rule 0100-16-.07, continued)

- (h) Permit the Commission full access to the premises, open or disclose records upon request, and furnish information that is not false or misleading information to an agent or representative of the Commission.
 - (i) Refrain from advertising products that are otherwise unlawful for sale under Tennessee law.
- (2) In addition to other requirements of the Act and this chapter, persons subject to this chapter must not:
- (a) Sell or offer for sale HDCPs at retail without first securing a license from the Commission;
 - (b) Sell or offer for sale HDCPs at retail, including raw products, unless they meet manufacturing, labeling, and testing requirements under Tenn. Comp. R. & Regs. 0100-15-.06 and 0100-15-.07.
 - (c) Interfere with an authorized representative of the Commission in performance of their duties
 - (d) Violate any federal or state quarantine of plants, regulated articles, or other material; or,
 - (e) Violate any Commission order issued under the Act or this chapter, including but not limited to orders to hold or dispose of HDCPs.
- (3) Violation of any workplace safety or environmental protection standard enforced by state or federal authorities is grounds for denial of program inspection and denial or revocation of any license issued by the Commission.
- (4) A person is responsible for violations of the Act or this chapter when committed by either the person, their agent, or their employee.
- (5) Each violation of the Act or this chapter is grounds for issuance of hold or destruction orders for any HDCP held by the violator or their agent, denial or revocation of any license or registration issued by the Commission, actions for injunction, imposition of civil penalties, and pursuit of criminal charges against the violator.

Authority: T.C.A. §§ 57-7-105, 57-7-106, 57-7-107, 57-7-116, and 57-7-117. **Administrative History:** Emergency rules filed December 26, 2025; effective through June 24, 2026. New rules filed March 11, 2026; effective June 9, 2026.