~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 7, 2018

**H. 4729**

Introduced by Reps. Delleney, Yow, McCravy, Finlay, Spires, Loftis, G.R. Smith, Norrell, Funderburk, Huggins, Magnuson, Hewitt, Cobb‑Hunter, Jordan, Clary, Johnson, Bennett, Martin, Bernstein, W. Newton, Fry, G.M. Smith, Caskey, Long, Burns, Chumley, Bannister, Trantham, Bryant, Duckworth, Elliott, Forrest, Hayes, Henderson, Henegan, Herbkersman, Hiott, McCoy, D.C. Moss, Pitts, Pope, Simrill, J.E. Smith, Tallon, Toole, Wheeler, White and Willis

S. Printed 2/7/18--H.

Read the first time January 30, 2018.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (H. 4729) to amend the Code of Laws of South Carolina, 1976, by adding Section 61‑6‑141 so as to prohibit the Department of Revenue from issuing more than three, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

F. GREGORY DELLENEY, JR. for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 61‑6‑141 SO AS TO PROHIBIT THE DEPARTMENT OF REVENUE FROM ISSUING MORE THAN THREE RETAIL DEALER LICENSES TO ONE LICENSEE; BY ADDING SECTION 61‑6‑151 SO AS TO PROHIBIT A LICENSEE FROM HAVING AN INTEREST IN A RETAIL LIQUOR STORE OTHER THAN THE THREE STORES COVERED BY HIS RETAIL DEALER’S LICENSE; AND TO AMEND SECTION 61‑6‑1636, RELATING TO THE SALE OF ALCOHOLIC LIQUOR BY THE DRINK, SO AS TO ALLOW A LICENSED WHOLESALER TO DELIVER NEW ALCOHOLIC LIQUOR TO A PERSON LICENSED TO SELL ALCOHOLIC LIQUORS FOR ON‑PREMISES CONSUMPTION UNDER CERTAIN CIRCUMSTANCES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The General Assembly affirms its police power to regulate the business of retail liquor sales in the manner and to the extent allowed by law including, but not limited to, Article VIII‑A, Section 1 of the South Carolina Constitution. This police power includes regulating the number and localities of retail dealer licenses that a person may be issued, a process that affects the health, safety, and morals of the State. Regulation of the number and localities of retail dealer licenses prevents monopolies and avoids problems associated with indiscriminate price cutting, excessive advertising of alcoholic products, and concentration of retail liquor stores in close proximity thereby affecting the health and morals of the State. Accordingly, the exercise of this police power allows the General Assembly to (1) protect the health, safety, and morals of this State and its residents; (2) prevent indiscriminate price cutting, excessive advertising of alcoholic products, and concentration of retail liquor stores in close proximity; (3) provide for the continuation of control and orderly processing by the State over the number and locations of retail liquor stores; and (4) ensure compliance with other laws governing the sales of alcoholic beverages.

SECTION 2. Article 3, Chapter 6, Title 61 of the 1976 Code is amended by adding:

“Section 61‑6‑141. To protect the health, safety, and morals of the residents of this State, the issuance of retail dealer licenses must be governed pursuant to the following requirements to promote adequate law enforcement, regulatory measures, health care costs, and associated impacts on the health, safety, and welfare of the state’s residents resulting from the anticipated sales of liquor, and to curb relationships and practices calculated to stimulate sales and impair the state’s policy favoring trade stability and the promotion of temperance, in determining whether a political subdivision is adequately served pursuant to Section 61‑6‑170, and to provide for an orderly provision of retail dealer licenses:

(1) The department shall not issue more than three retail dealer licenses to one licensee, and the licensee must be eligible for a license for each store pursuant to Section 61‑6‑110.

(2) The limitation of no more than three retail dealer licenses to one licensee does not apply to a person having an interest in retail liquor stores as of July 1, 1978.”

SECTION 3. Article 3, Chapter 6, Title 61 of the 1976 Code is amended by adding:

“Section 61‑6‑151. To protect the health, safety, and morals of the residents of this State, no person, directly or indirectly, individually or as a member of a partnership or an association, as a member or stockholder of a corporation, or as a relative to a person by blood or marriage within the second degree, may have any interest whatsoever in a retail liquor store licensed under this section except the three stores covered by his retail dealer’s licenses, as provided for in Section 61‑6‑141. The prohibitions in this section do not apply to a person having an interest in retail liquor stores on July 1, 1978.”

SECTION 4. Section 61‑6‑1636 of the 1976 Code is amended to read:

“Section 61‑6‑1636. (A) A person licensed by this article for sale and use for on‑premises consumption shall purchase alcoholic liquor for sale by the drink from a licensed retail dealer with a wholesaler’s basic permit issued pursuant to the Federal Alcohol Administration Act or from a licensed wholesaler, as provided in subsection (C) in any size bottle, except 1.75 liter size bottles.

(B) A licensed retail dealer with a wholesaler’s basic permit issued pursuant to the Federal Alcohol Administration Act may deliver, in sealed containers, alcoholic liquor in any size bottle, except 1.75 liter size bottles, to a person licensed by this article to sell alcoholic liquors for on‑premises consumption.

(C) A licensed wholesaler may deliver, in sealed containers, any new alcoholic liquor in any size bottle, except 1.75 liter size bottles, to a person licensed by this article to sell alcoholic liquors for on‑premises consumption. For the purposes of this subsection, alcoholic liquor must be considered new as of the day the licensed wholesaler first delivers the alcoholic liquor to a person licensed by this article. The right of a licensed wholesaler to deliver any new alcoholic liquor for on‑premises consumption is limited to the first one hundred and eighty days that the item is available to an on‑premise licensee.”

SECTION 5. The General Assembly finds that all the provisions contained in this act relate to one subject as required by Section 17, Article III of the South Carolina Constitution, 1895, in that each provision relates directly to or in conjunction with other sections relating to the subject of premises licensed to sell alcoholic liquors to consumers.

The General Assembly further finds that a common purpose or relationship exists among the sections, representing a potential plurality but not disunity of topics, notwithstanding that reasonable minds might differ in identifying more than one topic contained in the act.

SECTION 6. This act takes effect upon approval by the Governor.

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