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Indicates New Matter

COMMITTEE REPORT

March 14, 2018

**S. 777**

Introduced by Senator Senn

S. Printed 3/14/18--S.

Read the first time January 9, 2018.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 777) to amend Sections 61-4-515 and 61-6-2016 of the 1976 Code, relating to permits to purchase and sell beer and wine for on-premises, etc., respectfully

**REPORT:**

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

LUKE A. RANKIN for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Updated for Revised Agency Response**

**Introduced on January 9, 2018**

**State Expenditure**

This bill allows a soccer complex to apply for a permit to purchase and sell beer and wine for on-premises consumption. The bill also permits a soccer complex to apply for a biennial license to purchase and sell alcoholic liquors by the drink. A soccer complex is defined as a soccer stadium or other stadium used to host soccer games, along with its ancillary grounds and facilities that hosts a professional soccer team. Current law allows a motorsports entertainment complex, tennis specific complex, or baseball complex to apply for these permits. DOR currently issues the aforementioned permits and licenses to the owners of sports complexes.

DOR indicates that this bill will have no expenditure impact on the general fund, other funds, or federal funds, since the additional number of permits and licenses can be managed within existing appropriations.

**Local Revenue**

This bill permits DOR to issue a biennial permit for the purchase and sale of beer and wine for on-premises consumption and a biennial license for the purchase and sale of alcoholic liquors by the drink for on-premises consumption to the owner or designee of a soccer complex that hosts a professional soccer team. In the event that the owner or designee applies for both a license and a permit, only one fee is required, equal to the fee imposed pursuant to Section 61-6-2010. The revenue derived from the permit and license must be distributed to the municipality or county in which the retailer who paid the fee is located.

Based upon updated information provided by DOR, the professional soccer team in Charleston, South Carolina currently has a biennial permit for the purchase and sale of beer and wine for on-premises consumption and a biennial license for the purchase and sale of alcoholic liquors by the drink for on-premises consumption. Therefore, the bill will have no revenue impact to the general fund, other funds, or federal funds. This fiscal impact statement has been updated based on a revised response from DOR.

**Introduced on January 9, 2018**

**State Expenditure**

This bill allows a soccer complex to apply for a permit to purchase and sell beer and wine for on-premises consumption. The bill also permits a soccer complex to apply for a biennial license to purchase and sell alcoholic liquors by the drink. A soccer complex is defined as a soccer stadium or other stadium used to host soccer games, along with its ancillary grounds and facilities that hosts a professional soccer team. Current law allows a motorsports entertainment complex, tennis specific complex, or baseball complex to apply for these permits. The Department of Revenue (DOR) currently issues the aforementioned permits and licenses to the owners of sports complexes.

DOR indicates that this bill will have no expenditure impact on the general fund, other funds, or federal funds, since the additional number of permits and licenses can be managed within existing appropriations.

**State Reve**n**ue**

**Local Revenue**

This bill permits DOR to issue a biennial permit for the purchase and sale of beer and wine for on-premises consumption and a biennial license for the purchase and sale of alcoholic liquors by the drink for on-premises consumption to the owner or designee of a soccer complex that hosts a professional soccer team. In the event that the owner or designee applies for both a license and a permit, only one fee is required, equal to the fee imposed pursuant to Section 61-6-2010. The revenue derived from the permit and license must be distributed to the municipality or county in which the retailer who paid the fee is located.

Based upon information provided by DOR, the professional soccer team in Charleston, South Carolina does not currently have a biennial permit for the purchase and sale of beer and wine for on-premises consumption or a biennial license for the purchase and sale of alcoholic liquors by the drink for on-premises consumption. We anticipate the soccer complex will apply for the $3,000 permit and license as allocated in Section 61-6-2010. Therefore, local revenue for the City of Charleston will increase by $3,000 in FY 2018-19.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTIONS 61-4-515 AND 61-6-2016 OF THE 1976 CODE, RELATING TO PERMITS TO PURCHASE AND SELL BEER AND WINE FOR ON-PREMISES CONSUMPTION AND A BIENNIAL LICENSE TO PURCHASE ALCOHOLIC LIQUORS BY THE DRINK AT A MOTORSPORTS ENTERTAINMENT COMPLEX, TENNIS SPECIFIC COMPLEX, OR BASEBALL COMPLEX, TO INCLUDE SOCCER COMPLEX AND TO PROVIDE A DEFINITION FOR “SOCCER COMPLEX.”

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

SECTION 1. Section 61‑4‑515 of the 1976 Code is amended to read:

“Section 61‑4‑515. (A) In addition to the permits authorized pursuant to the provisions of this article, the department also may issue a biennial permit to the owner, or his designee, of a motorsports entertainment complex, tennis specific complex, ~~or~~ baseball complex, or soccer complex located in this State, which authorizes the purchase and sale for on‑premises consumption of beer and wine at any occasion held on the grounds of the complex year round on any day of the week. The nonrefundable filing fee and the fees for the motorsports, tennis complex, ~~or~~ baseball complex, or soccer complex biennial permit are the same as for other biennial permits for on‑premises consumption of beer and wine, with the revenue therefrom used for the purposes provided in Section 61‑4‑510. Notwithstanding another provision of this article, the issuance of this permit authorizes the permit holder to purchase beer and wine from licensed wholesalers in the same manner that a person with appropriate licenses issued pursuant to this title purchases beer and wine from licensed wholesalers. The department in its discretion may specify the terms and conditions of the permit, pursuant to the provisions of Chapter 4, Title 61, and other applicable provisions under Title 61.

(B) The department may require such proof of qualifications for the issuance of these permits as it considers necessary, pursuant to the provisions of Chapter 4, Title 61, and these permits may be issued whether or not the motorsports entertainment complex, tennis specific complex, ~~or~~ baseball complex, or soccer complex is located in a county or municipality which pursuant to Section 61‑6‑2010 successfully has held a referendum allowing the possession, sale, and consumption of beer or wine or alcoholic liquors by the drink for a period not to exceed twenty‑four hours.

(C) The owner or designee of the motorsports entertainment complex, the tennis specific complex, ~~or~~ the baseball complex, or the soccer complex may designate particular areas within the complex where patrons of events who have paid an admission price to attend or guests who are attending private functions at the complex, whether or not a charge for attendance is made, may possess and consume beer and wine provided at their own expense or at the expense of the sponsor of the private function.

(D) For purposes of this section:

(1) ‘Motorsports entertainment complex’ has the same meaning as provided in Section 12‑21‑2425.

(2) ‘Tennis specific complex’ means a tennis facility, and its ancillary grounds and facilities, which satisfies all of the following:

(a) has at least ten thousand fixed seats for tennis patrons;

(b) hosted one Women’s Tennis Association Premier tournament in 2013 and continues to host at least one Women’s Tennis Association Premier tournament in each year, or any successor Women’s Tennis Association tournament; and

(c) engages in tourism promotion.

(3) ‘Baseball complex’ means a baseball stadium, along with its ancillary grounds and facilities, that hosts a professional minor league baseball team.

(4) ‘Soccer complex’ means a soccer stadium or other stadium used to host soccer games, along with its ancillary grounds and facilities, that hosts a professional soccer team.”

SECTION 2. Section 61‑6‑2016 of the 1976 Code is amended to read:

“Section 61‑6‑2016. (A) In addition to the other provisions of this chapter, the owner, or his designee, of a motorsports entertainment complex, tennis specific complex, ~~or~~ baseball complex, or soccer complex that is located in this State may be issued, upon application, a biennial license that authorizes the purchase and sale for on‑premises consumption of alcoholic liquors by the drink at any occasion held on the grounds of the complex under the same terms and conditions provided in Section 61‑4‑515, and the nonrefundable filing fee and license fee are the same as for other biennial licenses issued by the department for on‑premises consumption of alcoholic liquors by the drink. In the event that the owner or his designee applies for both a permit to purchase and sell for on‑premises consumption beer and wine and a license to purchase and sell for on‑premises consumption alcoholic liquors by the drink, only one fee is required, which is the same as the fee for the fifty‑two week local option permit under Section 61‑6‑2010 with the revenue therefrom used for the same purposes as provided in Section 61‑6‑2010.

(B) The department may require such proof of qualifications for the issuance of these licenses as it considers necessary, pursuant to the provisions of Chapter 6, Title 61, and these licenses may be issued whether or not the motorsports entertainment complex, tennis specific complex, ~~or~~ baseball complex, or soccer complex is located in a county or municipality, which pursuant to Section 61‑6‑2010 has successfully held a referendum allowing the possession, sale, and consumption of beer or wine or alcoholic liquors by the drink for a period not to exceed twenty‑four hours.

(C) The owner or designee of the motorsports entertainment complex, the tennis specific complex, ~~or~~ the baseball complex, or the soccer complex may designate particular areas within the complex where patrons of events who have paid an admission price to attend or guests who are attending private functions at the complex, whether or not a charge for attendance is made, may possess and consume alcoholic liquors by the drink provided at their own expense or at the expense of the sponsor of the private function.

(D) For purposes of this section:

(1) ‘Motorsports entertainment complex’ has the same meaning as provided in Section 12‑21‑2425.

(2) ‘Tennis specific complex’ means a tennis facility, and its ancillary grounds and facilities, that satisfies all of the following:

(a) has at least ten thousand fixed seats for tennis patrons;

(b) hosted one Women’s Tennis Association Premier tournament in 2013 and continues to host at least one Women’s Tennis Association Premier tournament in each year, or any successor Women’s Tennis Association tournament; and

(c) engages in tourism promotion.

(3) ‘Baseball complex’ means a baseball stadium, along with its ancillary grounds and facilities, that hosts a professional minor league baseball team.

(4) ‘Soccer complex’ means a soccer stadium or other stadium used to host soccer games, along with its ancillary grounds and facilities, that hosts a professional soccer team.”

SECTION 3. This act takes effect upon approval by the Governor.

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