



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0428
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Subject: Alli’s Law-Responsible Alcoholic Beverage Server Training Act
Requestor: Senate Judiciary
RFA Analyst(s): Kokolis, Gardner, and Wren
Impact Date: April 13, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$458,512	\$360,380
Full-Time Equivalent Position(s)	3.20	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	Up to \$550,000	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will increase Other Funds expenditures by \$458,512 in FY 2016-17 and recurring expenditures by \$360,380 in FY 2017-18 and each year thereafter. This bill requires 3.20 additional FTEs for the Department of Alcohol and Other Drug Abuse Services (DAODAS) and would have no expenditure impact on the General Fund or Federal Funds. However, the expenditure impact on the State Law Enforcement Division (SLED) is pending, contingent upon a response from the agency. This bill would increase Other Funds revenue by up to \$550,000 in FY 2016-17. There would be no revenue impact to the General Fund or Federal Funds.

Explanation of Fiscal Impact

State Expenditure

This bill amends Title 61 to state that no individual shall be employed as a manager or server on an alcoholic beverage permitted or licensed premise unless they obtain a server permit and complete alcoholic beverage education training approved by DAODAS. Training providers are prohibited from charging more than fifty dollars per person for a training program and shall pay a maximum fee of \$500 that will be deposited into the South Carolina Responsible Alcoholic Beverage Server Training Program Fund to assist with program implementation costs. DAODAS shall provide an annual report on the income and expenditures made from the fund. Server permits shall be valid for three years and DAODAS may charge a maximum fee of fifteen dollars for the issuance of a server permit. Fines will be assessed by DAODAS, SCDOR, or SLED if there is a failure to produce a copy of a server’s permit, and a maximum fine of \$1,000 may be imposed by DAODAS against any person that intentionally violates the chapter’s provisions and

regulations. DAODAS may suspend or revoke the server's permit if this chapter's provisions have been violated. This bill also amends Sections 61-4-50(A) and 61-6-4080 to require a person selling alcohol to a person under twenty-one years of age. Upon conviction, a violator is now required to complete training and to obtain a new server permit pursuant to the chapter's provisions.

Department of Alcohol and Drug Abuse. The department indicates this bill will increase Other Fund expenditures by \$458,512 in FY 2016-17 and recurring expenditures by \$360,380 in FY 2017-18 and each year thereafter. The bill will require 3.20 FTEs at a cost of \$180,585 for program coordination and data entry. Operations and training supplies will be \$142,627 to start the new program, and web-application development and evaluation will cost \$135,300. The department indicates this bill will have no expenditure impact on the General Fund or Federal Funds.

Department of Revenue. The department indicates this bill will have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

State Law Enforcement Division. SLED was contacted and the expenditure impact on the agency is pending, contingent upon a response.

State Revenue

This bill adds Section 61-3-140 to provide that a certified provider of an alcoholic beverage server education course must pay a fee not to exceed \$500. The director of DAODAS must determine the amount of the fee. This bill also adds Section 61-3-150 to provide that the director may charge a fee, not to exceed fifteen dollars, for the issuance of a server permit. The revenue generated from the fee must be deposited into the South Carolina Responsible Alcoholic Beverage Server Training Program Fund and used to assist in the costs associated with the implementation and enforcement of the provisions of this chapter.

Based upon information provided by DAODAS, there are currently thirty-three certified county providers and five other recognized training programs. Assuming a similar number of providers and accounting for the maximum \$500, we estimate an additional \$19,000 in Other Funds revenue for DAODAS in FY 2016-17.

Based upon data obtained from the May 2015 Occupational Employment Statistics report from the U.S. Bureau of Labor Statistics, there are approximately 35,400 servers in the state. Assuming DAODAS will charge the maximum fifteen-dollar permit fee per server and assuming all servers will comply with the provisions of this bill, we expect Other Funds revenue for DAODAS to increase up to \$531,000 in FY 2016-17. Although the bill does not state where the revenue from the server permit fee must be allocated, we assume that since the director sets the fee, DAODAS will be allowed to utilize the revenue for the implementation of the provisions of this chapter.

Local Expenditure and Revenue

N/A



Frank A. Rainwater, Executive Director