COMMITTEE REPORT

May 3, 2017

**S. 116**

Introduced by Senators Rankin and Malloy

S. Printed 5/3/17--H.

Read the first time March 22, 2017.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 116) to amend the Code of Laws of South Carolina, 1976, by adding Section 61‑2‑145, so as to require that a person permitted or licensed to sell, etc., respectfully

**REPORT:**

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

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Chapter 2, Title 61 of the 1976 Code is amended by adding:

“Section 61‑2‑145. (A) In addition to all other requirements, a person licensed or permitted to sell alcoholic beverages for on‑premises consumption is required to maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement for a total coverage of at least one million dollars during the period of the biennial permit or license. The policy providing this coverage must contain a provision insuring the named insured, the insured’s employees, and any other person defined as an insured against liability for death or injury sustained or loss or damage incurred within the coverage of the policy for liquor liability. Any endorsement, provision, or rider attached to or included in any policy of insurance which purports or seeks to limit or reduce the coverage afforded by the provisions required by this section is void. Failure to maintain this coverage constitutes grounds for suspension or revocation of the permit or license.

(B) The department shall add this requirement to all applications and renewals for biennial permits or licenses to sell alcoholic beverages for on‑premises consumption, and each applicant or person renewing its license or permit shall provide the department with documentation of a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement in the required amounts.

(C) Each insurer writing liquor liability insurance policies or general liability insurance policies with a liquor liability endorsement to a person licensed or permitted to sell alcoholic beverages for on‑premises consumption shall notify the department in a manner prescribed by department regulation of the lapse, expiration, cancellation, nonrenewal, or other termination of the liquor liability insurance policy or the general liability insurance policy with a liquor liability endorsement.

(D) For the purposes of this section:

(1) ‘Alcoholic beverages’ means beer, wine, alcoholic liquors, and alcoholic liquor by the drink as defined in Chapters 4 and 6, Title 61.

(2) ‘Liquor liability’ means liability for losses, damages, or other expenses arising from death or injury to a person or damage to property as a result of tortious conduct in the distribution, sale, or service of alcoholic beverages for consideration including, without limitation, liability for conduct in violation of Sections 61‑4‑580 and 61‑6‑2220.”

SECTION 2. This act takes effect on July 1, 2017, and any person applying for a new biennial permit or license for on‑premises consumption under Title 61 after this date must comply with the provisions of this act at the time of the application. A person renewing a biennial permit or license under Title 61 after this date must comply with the provision of this act at the time of the renewal./

Renumber sections to conform.

Amend title to conform.

F. GREGORY DELLENEY, JR. for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 61‑2‑145, SO AS TO REQUIRE THAT A PERSON PERMITTED OR LICENSED TO SELL BEER, WINE, OR ALCOHOLIC LIQUORS FOR ON‑PREMISES CONSUMPTION SHALL MAINTAIN LIABILITY INSURANCE WITH COVERAGE OF AT LEAST ONE MILLION DOLLARS DURING THE PERIOD OF THE PERMIT OR LICENSE.

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

SECTION 1. Chapter 2, Title 61 of the 1976 Code is amended by adding:

“Section 61‑2‑145. (A) In addition to all other requirements, a person licensed or permitted to sell alcoholic beverages for on‑premises consumption, which remains open after five o’clock p.m. to sell alcoholic beverages for on‑premises consumption, is required to maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement for a total coverage of at least one million dollars during the period of the biennial permit or license. Failure to maintain this coverage constitutes grounds for suspension or revocation of the permit or license.

(B) The department shall add this requirement to all applications and renewals for biennial permits or licenses to sell alcoholic beverages for on‑premises consumption, in which the permittees and licensees remain open and sell alcoholic beverages for on‑premises consumption after five o’clock p.m. Each applicant or person renewing its license or permit, to whom this requirement applies, shall provide the department with documentation of a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement in the required amounts.

(C) Each insurer writing liquor liability insurance policies or general liability insurance policies with a liquor liability endorsement to a person licensed or permitted to sell alcoholic beverages for on‑premises consumption, in which the person so licensed or permitted remains open to sell alcoholic beverages for on‑premises consumption after five o’clock p.m., must notify the department in a manner prescribed by department regulation of the lapse or termination of the liquor liability insurance policy or the general liability insurance policy with a liquor liability endorsement.

(D) For the purposes of this section, the term ‘alcoholic beverages’ means beer, wine, alcoholic liquors, and alcoholic liquor by the drink as defined in Chapter 4, Title 61, and Chapter 6, Title 61.”

SECTION 2. This act takes effect on July 1, 2017, and any person applying for a new biennial permit or license for on‑premises consumption under Title 61 after this date must comply with the provisions of this act at the time of the application. A person renewing a biennial permit or license under Title 61 after this date must comply with the provisions of this act at the time of the renewal.

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