~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

April 18, 2018

**H. 3138**

Introduced by Reps. Stavrinakis, McCoy and Erickson

S. Printed 4/18/18--S.

Read the first time May 11, 2017.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (H. 3138) to amend Section 61‑4‑550, as amended, Code of Laws of South Carolina, 1976, relating to special permits for use at fairs and special functions, 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 therein the following:

/ SECTION 1. Chapter 6, Title 61 of the 1976 Code is amended by adding:

“Section 61‑6‑1840. (A) This section authorizes the department to issue a festival liquor by the drink license, not to exceed a period of five days, to an applicant that meets the following requirements:

(1) the festival must have a total beneficial economic impact in an amount exceeding one million dollars to the immediate community in which the festival is held, which may be based on economic information from previous years;

(2) the festival, on a daily basis, as required by Section 61-6-1610 and the state constitution, must serve more meals than alcoholic beverages and must be able to serve meals to at least forty people at any time while the festival is open;

(3) the festival must have a projected attendance of at least fifty thousand people during the time the festival is held, and past attendance may be considered;

(4) the festival has engaged and continues to engage in tourism promotion;

(5) the festival is held in a defined premises that is separate and apart from other areas, and is enclosed by a fence or other type of enclosure of at least eight feet in height for the duration of the festival with a controlled, restricted access;

(6) the festival applicant shall establish a procedure, approved by the State Law Enforcement Division, that requires sufficient identification to determine that individuals purchasing alcoholic beverages meet the age requirements to consume alcohol and further requires those individuals purchasing alcoholic beverages maintain in their possession a personal identifier that is easily identified by a server of alcoholic beverages; and

(7) the festival shall employ a security service approved by the State Law Enforcement Division.

(B) Except as otherwise provided in this subsection, a festival liquor by the drink license shall be issued to a qualifying applicant only once a year. If, after a license has been issued, the festival is not held, the festival organizer or holder of the festival liquor by the drink license must notify the department within forty-eight hours of the decision to not hold the festival and return the license to the department and may apply for another festival liquor by the drink license in the same year.

(C) The department shall charge a nonrefundable filing fee of thirty‑five dollars for processing an application for a festival liquor by the drink license. The application must include a statement by the applicant as to the nature, acreage of location, information requested in subsection (A), and dates of the festival. All of the buildings and grounds of the defined festival location that are under the direct control of the festival liquor by the drink license holder are presumed to be the premises used by the licensee to conduct the festival, including, but not limited to, the areas designated within the festival for entertainment, cultural events, food and beverage services, and retail spaces. The department in its discretion may specify the terms and conditions of the license, pursuant to existing statutes and regulations governing these applications.

(D) The department shall require the applicant to complete the law enforcement notification contained in an application form and submit it with the application. The law enforcement notification provision shall be prepared by the department for inclusion in the application and, at a minimum, must contain sufficient information to inform the department that either the chief of police, if the event is located within the city limits, or the county sheriff has been notified of the temporary license application and given an opportunity to object.

(E) The department shall require the applicant obtain a criminal background check conducted by the State Law Enforcement Division within ninety days prior to an application. The department shall deny the application if the criminal records check is not submitted with the application and filing fee or if it is obtained more than ninety days before the date of the festival.

(F) This section does not prohibit an applicant for a festival liquor by the drink license to apply for a temporary beer and wine permit, pursuant to Section 61-4-550.

(G) The issuance of this license authorizes the festival liquor by the drink licensee to purchase alcoholic liquors from licensed retail dealers in the same manner that a person with a biennial license issued pursuant to subarticle 1 of this article purchases its alcoholic liquors.”

SECTION 2. This act takes effect upon the approval of the Governor. /

Renumber sections to conform.

Amend title to conform.

LUKE A. RANKIN for Committee.

**A** **BILL**

TO AMEND SECTION 61‑4‑550, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO SPECIAL PERMITS FOR USE AT FAIRS AND SPECIAL FUNCTIONS, SO AS TO PROVIDE THAT THE DEPARTMENT OF REVENUE MAY ISSUE PERMITS TO SELL BEER AND WINE AT MULTIPLE LOCATIONS ON MULTIPLE DAYS AT A FESTIVAL ON ONE APPLICATION, AND TO PROVIDE A DEFINITION FOR “FESTIVAL”; AND TO AMEND SECTION 61‑6‑2000, AS AMENDED, RELATING TO TEMPORARY PERMITS FOR NONPROFIT ORGANIZATIONS, SO AS TO PROVIDE THAT THE DEPARTMENT OF REVENUE MAY ISSUE LICENSES TO SELL ALCOHOLIC LIQUOR BY THE DRINK AT MULTIPLE LOCATIONS ON MULTIPLE DAYS AT A FESTIVAL ON ONE APPLICATION, AND TO PROVIDE A DEFINITION OF “FESTIVAL”.

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

SECTION 1. Section 61‑4‑550 of the 1976 Code, as last amended by Act 259 of 2010, is further amended by adding subsections at the end to read:

“(E) The department may issue permits to sell beer and wine at multiple locations on multiple days at a festival on one application.

(F) For purposes of this section, ‘festival’ means a program of cultural events or entertainment.”

SECTION 2. Section 61‑6‑2000 of the 1976 Code, as last amended by Act 67 of 2011, is further amended by adding subsections at the end to read:

“(E) The department may issue licenses to sell alcoholic liquors by the drink at multiple locations on multiple days at a festival on one application.

(F) For purposes of this section, ‘festival’ means a program of cultural events or entertainment.”

SECTION 3. Section 61-4-1515(A), as last amended by Act 36 of 2013, is further amended to read:

(A) A brewery ~~licensed~~ permitted in this State is authorized to ~~offer samples of~~ sell beer to consumers on its ~~licensed~~ permitted premises, provided that the beer is brewed on the ~~licensed~~ permitted premises with an alcoholic content of twelve percent by weight, or less, subject to the following conditions:

(1) sales ~~to or samplings by~~ consumers must be held in conjunction with a tour by the consumer of the ~~licensed~~ permitted premises and the entire brewing process utilized at the ~~licensed~~ permitted premises;

(2) sales ~~or samplings~~ shall not be offered or made to, or allowed to be offered, made to, or consumed by an intoxicated person or a person who is under the age of twenty‑one;

(3)(a) no more than a total of forty‑eight ounces of beer brewed at the ~~licensed~~ permitted premises, ~~including amounts of samples offered and consumed with or without cost,~~ shall be sold to a consumer for on‑premises consumption within a twenty‑four hour period; and

(b) of that forty‑eight ounces of beer available to be sold to a consumer within a twenty‑four hour period, no more than sixteen ounces of beer with an alcoholic weight of above eight percent, including any samples offered and consumed with or without cost, shall be sold to a consumer for on‑premises consumption within a twenty‑four hour period;

(4) a brewery must develop and use a system to monitor the amounts and types of beer sampled or sold to a consumer for on‑premises consumption;

(5) a brewery must sell the beer at the ~~licensed~~ permitted premises at a price approximating retail prices generally charged for identical beverages in the county where the ~~licensed~~ permitted premises are located;

(6) a brewery must remit appropriate taxes to the Department of Revenue for beer sales in an amount equal to and in a manner required for excise taxes assessed by the department. A brewery also must remit appropriate sales and use taxes and local hospitality taxes;

(7) a brewery must post information that states the alcoholic content by weight of the various types of beer available in the brewery and the penalties for convictions for:

(a) driving under the influence;

(b) unlawful transport of an alcoholic container; and

(c) unlawful transfer of alcohol to minors.

And, the information shall be in signage that must be posted at each entrance, each exit, and in places in a brewery seen during a tour;

(8) a brewery must provide department or DAODAS approved alcohol enforcement training for the employees who serve beer on the ~~licensed~~ permitted premises to consumers for on‑premises consumption, so as to prevent and prohibit unlawful sales, transfer, transport, or consumption of beer by persons who are under the age of twenty‑one or who are intoxicated; and

(9) a brewery must maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement in the amount of at least one million dollars for the biennial period for which it is ~~licensed~~ permitted. Within ten days of receiving its biennial ~~license~~ permit, a brewery must send proof of this insurance to the State Law Enforcement Division and to the Department of Revenue, where the proof of insurance information shall be retained with the department’s alcohol beverage licensing section.

SECTION 4. Section 61-4-1515(B), as added by Act 223 of 2014, is amended to read:

(B) In addition to the ~~sampling and~~ sales provisions set forth in subsection (A), a brewery ~~licensed~~ permitted in this State is authorized to sell beer produced on its ~~licensed~~ permitted premises to consumers on site for on‑premises consumption within an area of its permitted and licensed premises approved by the rules and regulations of the Department of Health and Environmental Control governing eating and drinking establishments and other food service establishments. These establishments also may apply for a retail on‑premises consumption permit for the sale of beer and wine ~~of a producer~~ not produced on the licensed premises that has been purchased from a wholesaler through the three‑tier distribution chain set forth in Section 61‑4‑735 and Section 61‑4‑940.

SECTION 5. This act takes effect upon approval by the Governor.

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