



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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**Bill Number:** S. 1001 Introduced on March 10, 2026  
**Subject:** Retail Alcoholic Beverage Caterer License  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Bryant  
**Impact Date:** March 23, 2026

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### Fiscal Impact Summary

This bill authorizes the Department of Revenue (DOR) to issue a retail alcoholic beverage caterer license, which allows the licensee to serve alcoholic beverages for on-premises consumption in conjunction with food service by the caterer of prepared meals. The bill also requires an applicant to notify the State Law Enforcement Division (SLED) that alcoholic beverages will be served at the site at least twenty-four hours before the off-site event. Additionally, the bill allows the holder of a valid retail alcoholic beverage caterer license or business liquor-by-the-drink license to contract with an event host to provide for the sale and on-premises consumption of beer, wine, and liquor at their licensed premises. The event host may charge an entry fee to raise money for charitable purposes and to cover the costs of the event and is not required to obtain a special temporary event permit. The bill also provides that a person who holds a biennial permit to sell beer or wine for on-premises consumption may sponsor twelve functions per year, instead of two per year, where beverages are dispensed for free, at a price less than one-half of the price regularly charged, or on a two or more for the price of one basis. Lastly, the bill requires the holder of a temporary special events alcoholic liquors permit to notify SLED and all local law enforcement that have jurisdiction over the site that alcoholic beverages will be served at the site at least twenty-four hours before the fair or special function.

DOR indicates that this bill will require the department to make updates to its system, forms, webpages, and training workshops, but reports that these changes will be handled with current processes. DOR further indicates that it will need to hire 1.0 FTE (ABL Analyst) at a cost of \$65,000 including salary and fringe benefits to implement the provisions of the bill but reports that the cost of the new FTE will be managed with existing appropriations.

This bill will have no expenditure impact on SLED. SLED indicates that any increase in workload will be managed with existing staff and appropriations.

This bill may result in an undetermined increase in General Fund revenue due to the creation of a new retail alcoholic beverage caterer license with a nonrefundable filing fee of \$300 and a biennial license fee of \$2,300. Additionally, the bill allows DOR to issue temporary special events alcoholic liquor permits to a caterer with a valid caterer license or a food establishment service for \$35, in addition to a nonprofit organization. However, the Revenue and Fiscal Affairs Office (RFA) is unable to estimate the number of new licenses and permits that will be issued

pursuant to this bill. Therefore, the impact to General Fund revenue is undetermined and will depend upon the number of licenses and permits issued.

The bill also provides that the holder of a retail alcoholic beverage caterer license may collect and remit liquor-by-the-drink excise tax and applicable sales and use tax on alcoholic beverages sold as part of an inclusive bar package, provided certain conditions are met. RFA anticipates that this bill will have a minimal impact on beer, wine, and liquor sales and resulting sales and alcohol tax revenues. Although RFA anticipates that the provisions of this bill may cause a shift in the manner in which consumers purchase beer, wine, or alcoholic liquors, the provisions of the bill are not expected to result in a material expansion of beer, wine, or alcoholic liquor purchases.

Additionally, this bill requires a retail alcoholic beverage caterer who serves alcoholic beverages for on premises consumption at off-site events that take place after five o'clock p.m. to maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement. The Department of Insurance (DOI) indicates that this bill may affect the number of insurance premiums written and, therefore, may impact insurance premium tax revenue. However, DOI reports that it is unable to estimate how or to what degree insurance premium tax revenue will be affected, as the number of caterers who will obtain this license and require insurance coverage is unknown.

This bill requires the applicant for a temporary special events alcoholic liquors permit, including a caterer with a valid caterer license or a food establishment service, in addition to a nonprofit organization, to obtain a criminal background check conducted by SLED within ninety days prior to an application. The bill does not authorize fingerprint-based federal background checks. The cost to run a name-based SLED Citizen Access to Criminal Histories (CATCH) check is \$25. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED. The current three-year average in fees collected for background checks totals approximately \$17,571,006, of which \$4,461,000 is deposited to the General Fund, and the remainder is retained by SLED. The potential increase in fee revenue for SLED will depend on the number of additional CATCH checks done as a result of this bill. Therefore, the impact to Other Funds revenue for the increase in criminal record checks fee is undetermined.

The bill also provides that unless otherwise specified, violations of Section 2 of the bill are subject to the penalties provided in Title 61, Chapter 4. Violations of the requirements of Title 61, Chapters 3, 4, and 6 are a violation of Section 2 of the bill but are subject to the respective penalties of those chapters. Depending on the violation, fines and fees will go to the General Fund, SLED, or local funds. There are no data to determine the number of additional violations that may occur due to this bill. Therefore, the revenue impact on the General Fund, SLED, and local governments is undetermined.

## Explanation of Fiscal Impact

**Introduced on March 10, 2026**

### **State Expenditure**

This bill authorizes DOR to issue a retail alcoholic beverage caterer license, which allows the licensee to serve alcoholic beverages for on-premises consumption in conjunction with food service by the caterer of prepared meals. A licensee may purchase beer and wine directly from a wholesaler and purchase alcoholic liquor directly from a retail liquor store dealer with a wholesaler's basic permit. The bill also allows for the transfer of alcoholic beverages from a wholesaler or retailer to the licensee's principal place of business, and from the licensee's principal place of business to an off-site event. The licensee may also store alcoholic beverages at their principal place of business and take delivery of and store alcoholic beverages at the location of the off-site event.

The bill further allows a wholesaler of beer and wine and a liquor store retailer with a wholesaler's permit to offer credit or a refund for unused, unopened, and undamaged alcoholic beverages to a holder of a retail alcoholic beverage caterer license. Employees of a licensee may not serve or deliver alcohol unless the employee is eighteen years of age or older. Any licensee, employee, or agent of a caterer holding a retail alcoholic beverage catering license is prohibited from selling, making available for sale, or permitting the consumption of alcoholic liquor on the premises of the off-site event and their principal place of business between the hours of two o'clock a.m. and ten o'clock am and may not sell, serve, or permit the consumption of alcoholic beverages on Sunday unless the off-site event is located in a county or municipality that has conducted a favorable referendum allowing the sale and consumption of alcoholic liquors-by-the-drink on Sunday. The bill also requires an applicant to notify SLED that alcoholic beverages will be served at the site at least twenty-four hours before the off-site event.

The bill allows the holder of a valid retail alcoholic beverage caterer license or business liquor-by-the-drink license to contract with an event host to provide for the sale and on-premises consumption of beer, wine, and liquor at their licensed premises. The event host may charge an entry fee to raise money for charitable purposes and to cover the costs of the event and is not required to obtain a special temporary event permit. The bill also provides that a person who holds a biennial permit to sell beer or wine for on-premises consumption may sponsor twelve functions per year, instead of two per year, where beverages are dispensed for free, at a price less than one-half of the price regularly charged, or on a two or more for the price of one basis. Lastly, the bill requires the holder of a temporary special events alcoholic liquors permit to notify SLED and all local law enforcement that have jurisdiction over the site that alcoholic beverages will be served at the site at least twenty-four hours before the fair or special function.

**Department of Revenue.** DOR indicates that this bill will require the department to make updates to its system, forms, webpages, and training workshops, but reports that these changes will be handled with current processes. DOR further indicates that it will need to hire 1.0 FTE (ABL Analyst) at a cost of \$65,000 including salary and fringe benefits to implement the provisions of the bill but reports that the cost of the new FTE will be managed with existing appropriations.

**State Law Enforcement Division.** This bill will have no expenditure impact on SLED. SLED indicates that any increase in workload will be managed with existing staff and appropriations.

### **State Revenue**

This bill may result in an undetermined increase in General Fund revenue due to the creation of a new retail alcoholic beverage caterer license with a nonrefundable filing fee of \$300 and a biennial license fee of \$2,300. Additionally, the bill allows DOR to issue temporary special events alcoholic liquor permits to a caterer with a valid caterer license or a food establishment service for \$35, in addition to a nonprofit organization. However, RFA is unable to estimate the number of new licenses and permits that will be issued pursuant to this bill. Therefore, the impact to General Fund revenue is undetermined and will depend upon the number of licenses and permits issued.

The bill also provides that the holder of a retail alcoholic beverage caterer license may collect and remit liquor-by-the-drink excise tax and applicable sales and use tax on alcoholic beverages sold as part of an inclusive bar package, provided certain conditions are met. RFA anticipates that this bill will have a minimal impact on beer, wine, and liquor sales and resulting sales and alcohol tax revenues. Although RFA anticipates that the provisions of this bill may cause a shift in the manner in which consumers purchase beer, wine, or alcoholic liquors, the provisions of the bill are not expected to result in a material expansion of beer, wine, or alcoholic liquor purchases.

Additionally, this bill requires a retail alcoholic beverage caterer who serves alcoholic beverages for on premises consumption at off-site events that take place after five o'clock p.m. to maintain a liquor liability insurance policy or a general liability insurance policy with a liquor liability endorsement. DOI indicates that this bill may affect the number of insurance premiums written and, therefore, may impact insurance premium tax revenue. However, DOI reports that it is unable to estimate how or to what degree insurance premium tax revenue will be affected, as the number of caterers who will obtain this license and require insurance coverage is unknown.

This bill requires the applicant for a temporary special events alcoholic liquors permit, including a caterer with a valid caterer license or a food establishment service, in addition to a nonprofit organization, to obtain a criminal background check conducted by SLED within ninety days prior to an application. The bill does not authorize fingerprint-based federal background checks. The cost to run a name-based SLED CATCH check is \$25. Pursuant to Section 23-3-115(A), revenue generated by criminal records checks performed by SLED up to an amount of \$4,461,000 must be deposited in the General Fund. Any revenue over that amount is retained by SLED. The current three-year average in fees collected for background checks totals approximately \$17,571,006, of which \$4,461,000 is deposited to the General Fund, and the remainder is retained by SLED. The potential increase in fee revenue for SLED will depend on the number of additional CATCH checks done as a result of this bill. Therefore, the impact to Other Funds revenue for the increase in criminal record checks fee is undetermined.

The bill also provides that unless otherwise specified, violations of Section 2 of the bill are subject to the penalties provided in Title 61, Chapter 4. Violations of the requirements of Title

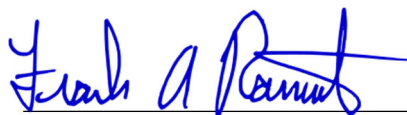
61, Chapters 3, 4, and 6 are a violation of Section 2 of the bill but are subject to the respective penalties of those chapters. Depending on the violation, fines and fees will go to the General Fund, SLED, or local funds. There are no data to determine the number of additional violations that may occur due to this bill. Therefore, the revenue impact on the General Fund and SLED is undetermined.

### **Local Expenditure**

N/A

### **Local Revenue**

The bill provides that unless otherwise specified, violations of Section 2 of the bill are subject to the penalties provided in Title 61, Chapter 4. Violations of the requirements of Title 61, Chapters 3, 4, and 6 are a violation of Section 2 of the bill but are subject to the respective penalties of those chapters. Depending on the violation, fines and fees will go to the General Fund, SLED, or local funds. There are no data to determine the number of additional violations that may occur due to this bill. Therefore, the impact on local funds revenue is undetermined.



Frank A. Rainwater, Executive Director