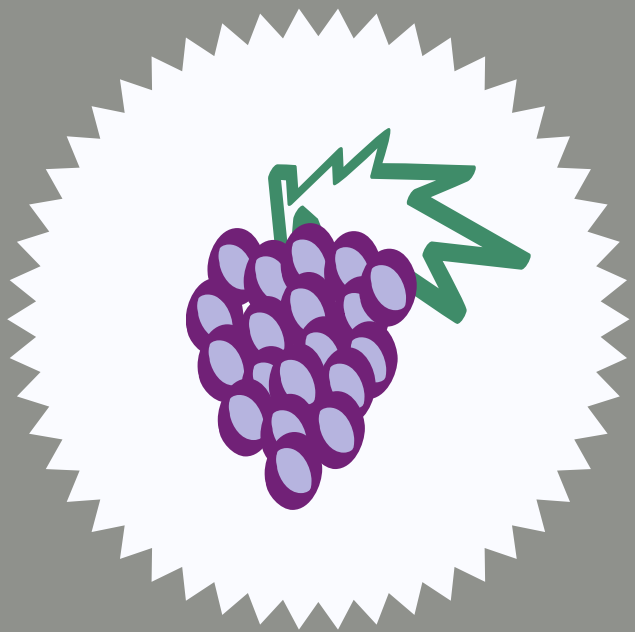


# Alcohol Bills

## Legislative Session 2018



### HB 1067

An Act to revise certain provisions regarding the licensing of wineries.

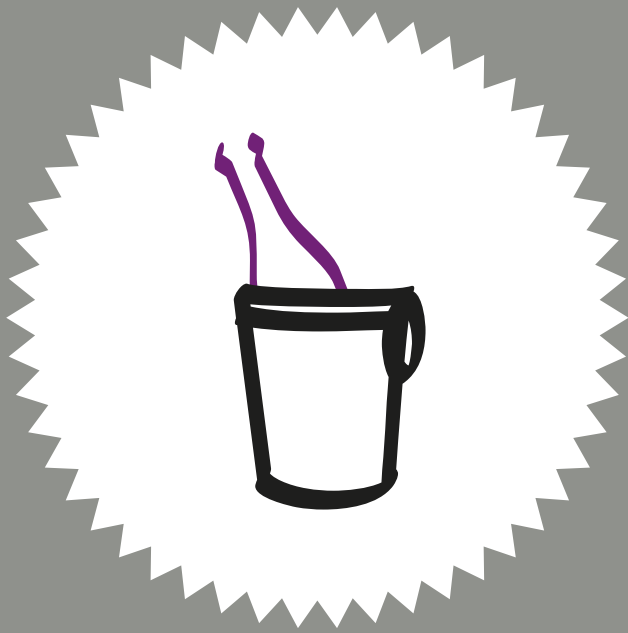
- Modernizes the farm winery laws and makes them consistent with other alcohol manufacturing bills.
- Gives farm wineries the ability to hold additional types of retail licenses.
- Allows farm wineries to operate additional manufacturing locations with the same privileges as the winery's original location.
- Clarifies that the farm wineries cannot use bulk wine in the manufacturing process.
- Streamlines the process for the farm wineries that use out of state agricultural products by eliminating the need to annually petition the Secretary of Revenue for approval to import products. Increases the license fee from \$100 to \$500 to be consistent with other manufacturing licenses.

### HB 1070

An Act to revise and repeal certain provisions regarding alcoholic beverages.

- Makes comprehensive form and style changes, updating the code.
- Repeals obsolete provisions and combines statutes to streamline the code. Makes several substantive changes including:
  - Creates consistent age of sale rules for all on-sale and off-sale licensees --- 18-20 year olds may sell or serve if less than 50% of the gross sales are from the sale of alcohol OR the licensee or somebody at least 21 years old is on the premises at the time of sale or service.
    - Maintains the current prohibition of anyone under 18 years old selling or serving alcohol.
  - Creates consistent days of operation rules for all on-sale and off-sale licensees --- alcohol may be sold, served, or consumed any day between the hours of 7:00 am and 2:00 am.
    - Permits municipalities and counties to be more restrictive by local ordinance.
    - Authorizes temporary special events licenses to be held on the same premises as a permanent on-sale licensee.
  - Repeals the requirement for solicitors and dispensers to obtain a license.
  - Repeals several different on-sale and off-sale malt beverage and SD farm wine licenses and combines them into one license that authorizes on-sale and off-sale malt beverage and SD farm wine sales.
  - Authorizes off-sale liquor licenses to be issued in community improvement districts (i.e. Dakota Dunes).
  - Repeals inconsistent statutes concerning how certain off-sale liquor licensees must display distilled spirits.





## HB 1121

An Act to revise the fees for certain on-sale and off-sale retail liquor licenses.

- Makes the fee structure for on-sale and off-sale retail liquor licenses the same for all classes of municipalities.
- The impacted licenses and new fees are:
  - Off-sale retail liquor license - not less than \$300 for all classes of municipalities (renewal fee not more than \$500).
  - On-sale retail liquor license (within a municipality) and Convention Facility on-sale license - not less than \$1 per person residing in the municipality per the last census for all classes of municipalities (renewal fee not more than \$1500).
  - On-sale retail liquor license (outside a municipality) - not less than the amount charged by the nearest municipality (renewal fee same as nearest municipality).

## HB 1146

An Act to revise certain provisions regarding the consumption of alcoholic beverages by passengers aboard vehicles operated by licensed carriers.

- Authorizes licensed carriers to permit passengers to bring their own alcohol aboard a conveyance for consumption if the alcoholic beverage is unopened and was purchased from a South Dakota retailer.



## HB 1157

An Act to authorize certain alcohol manufacturers and wholesalers to enter into sponsorship agreements with certain alcohol retail licensees.

- Authorizes manufacturers and wholesalers to enter into sponsorship or advertising agreements with civic, charitable, educational, fraternal, or veterans organizations who have obtained a temporary alcohol license.
- Authorizes manufacturers and wholesalers to enter into sponsorship or advertising agreements with a public entity as defined by SDCL 3-21-1 or an operator of property owned by the public entity.

## HB 1173

An Act to provide for inactive status of airport liquor licenses.

- Exempts on-sale liquor licenses issued at municipal airports from the population quotas.
- Exempts on-sale liquor licenses issued at municipal airports from the active use requirements.
- Prohibits on-sale liquor licenses issued at municipal airports from being sold or transferred to any location other than the municipal airport.



## HB 1185

An Act to establish provisions regarding the storage of wine at certain licensed premises.

- Authorizes a consumer to store unconsumed bottles of wine on the licensed premises of a licensee that is licensed to sell wine on-sale.
- Allows the licensee to charge a fee for the storage.
- Requires that wine brought onto the licensed premises follow the “corkage” provisions of SDCL 35-1-5.7:
  - Licensee must be licensed to sell wine on-sale.
  - Wine brought onto the licensed premises must be sealed and unopened.
  - Wine brought onto the licensed premises must be for the purpose of consumption while eating a meal prepared by the licensee and served at a table on the licensed premises.

## HB 1273

An Act to revise certain provisions regarding convention facility on-sale licenses to sell alcoholic beverages.

- Changes the population threshold from 5,000 to 20,000 before a convention facility must have at least 100 suitable lodging rooms and convention facilities with seating for at least 400 people in order to obtain a convention facility on-sale liquor license.



## HB 1313

An Act to revise certain provisions regarding the licensing of certain alcoholic beverage manufacturers.

- Modernizes the artisan distiller and distiller laws, making them consistent with other alcohol manufacturing bills.
  - Artisan distillers:
    - May manufacture up to 50,000 gallons of spirits annually.
    - Gives artisan distillers the ability to hold additional types of retail licenses.
    - Allows artisan distillers to operate additional manufacturing locations with the same privileges as the artisan distiller's original location.
    - Streamlines the process for the artisan distillers that use out of state agricultural products by eliminating the need to annually petition the Secretary of Revenue for approval to import products.
  - Distillers:
    - May manufacture distilled spirits in unlimited quantities.
    - May sell their products to wholesalers.
    - May sell their products to consumers for on-sale and off-sale consumption from their licensed premises.
    - Reduces the license fee from \$4,000 to \$2,500 to be consistent with other manufacturing licenses.
- Modernizes the microcidery and cider manufacturer laws, making them consistent with other alcohol manufacturing bills.
  - Microcideries:
    - May manufacture up to 12,000 barrels of cider annually.
    - May sell their products to consumers for on-sale and off-sale consumption from their licensed premises.
    - May sell their products to wholesalers. Authorizes up to 600 barrels annually to be sold to retailers (self-distribution).
    - Allows other small manufacturing licenses and on-sale licenses to be held on their licensed premises.
    - Permits up to five additional manufacturing locations.
  - Cider manufacturers:
    - May manufacture cider in unlimited quantities.
    - May sell their products to wholesalers.
    - May sell their products to consumers for on-sale and off-sale consumption from their licensed premises.
    - Establishes a \$2,500 license for cideries who do not meet the requirements to be a microcidery.



## SB 70

An Act to define the term, serve, for the purposes of regulating the sale and use of alcoholic beverages.

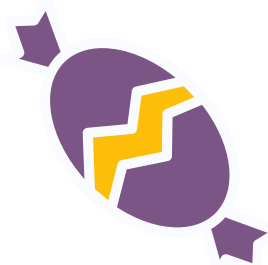
- Defines the term “serve” to require:
  - Taking an order for an alcoholic beverage;
  - Intentionally delivering the alcoholic beverage to a customer for the purpose of consumption on the licensed premises; and
  - The customer takes physical possession of the alcoholic beverage.



## SB 169

An Act to revise certain provisions regarding confections that contain alcohol and to declare an emergency.

- Allows any person to produce and/or sell candy or confections containing less than one-half of one percent alcohol by weight.
- Allows certain retail alcohol licensees to produce and/or sell candy or confections containing more than one-half of one percent alcohol by weight.
- Authorizes off-sale delivery licensees to deliver candy or confections containing more than one-half of one percent alcohol by weight.
- An emergency clause made the bill effective on March 9, 2018.



## SB 173

An Act to establish certain provisions regarding microbreweries and malt beverage manufacturers.

- **Modernizes the microbrewery and malt beverage manufacturer laws, making them consistent with other alcohol manufacturing bills.**
  - **Microbreweries:**
    - May manufacture up to 30,000 barrels of malt beverage annually.
    - May sell their products to consumers for on-sale and off-sale consumption from their licensed premises.
    - May sell their products to wholesalers. Authorizes up to 1,500 barrels annually to be sold to retailers (self-distribution).
    - Allows other small manufacturing licenses and on-sale licenses to be held on their licensed premises.
    - Permits up to five additional manufacturing locations.
  - **Malt beverage manufacturers:**
    - May manufacture malt beverages in unlimited quantities.
    - May sell their products to wholesalers.
    - May sell their products to consumers for on-sale and off-sale consumption from their licensed premises.
    - Establishes a \$2,500 license for breweries who do not meet the requirements of a microbrewery



## SB 178

An Act to provide certain exceptions from alcoholic beverage provisions regarding events conducted by certain civic, charitable, educational, fraternal, or veterans organizations.

- Permits both manufacturers and wholesalers to pour or serve any alcoholic beverages at special events conducted by civic, charitable, educational, fraternal, or veterans organizations who have obtained a temporary alcohol license.
- Permits manufacturers and wholesalers to donate alcoholic beverages to civic, charitable, educational, fraternal, or veterans organizations who have obtained a temporary alcohol license.
- Permits civic, charitable, educational, fraternal, or veterans organizations who have obtained a temporary alcohol license to purchase alcohol from either wholesalers or off-sale retailers.



## SB 187

An Act to establish certain provisions regarding the licensing of wine manufacturers.

- **Establishes a \$2,500 wine manufacturer license for wine manufacturers who do not meet the requirements to be a farm winery.**
- **Wine manufacturers are not limited in total production quantity.**
- **The quantity of bulk wine used may not exceed 50% of the wine manufacturer's annual production and the bulk wine must be blended and not bottled.**
- **Wine manufacturers may only sell wine produced by the licensee to a wholesaler or to a consumer for on-sale or off-sale consumption.**
- **Wine manufacturers may not hold other retail licenses.**
- **Wine manufacturer licenses may not be renewed after July 1, 2019**

