

# State of South Dakota

NINETY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2017

735Y0394

## HOUSE BILL NO. 1092

Introduced by: Representatives Rounds, Greenfield (Lana), Hawley, Reed, Tieszen, and Willadsen and Senators Netherton, Jensen (Phil), Novstrup, and Peters

1 FOR AN ACT ENTITLED, An Act to revise certain alcoholic beverage licensing provisions  
2 concerning the manufacturing and sale of cider.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 35-4-2 be amended to read:

5 35-4-2. Classes of licenses, with the fee of each class, follow:

- 6 (1) Distillers--four thousand dollars. However, no license fee is required for  
7 manufacturers of alcohol for use in industry as a nonbeverage. If the manufacturer  
8 of industrial alcohol shall at any time manufacture, produce, distill, sell, barter, or  
9 dispose of alcohol for any use other than an industrial use, the license fee required  
10 by this section shall be allocated to and payable for the portion of the year the  
11 manufacturer devoted to such other use for each calendar month or fraction thereof  
12 while so engaged, but in no case less than one-twelfth of the license fee;
- 13 (2) Wholesalers of alcoholic beverages--five thousand dollars;
- 14 (3) Off-sale--not less than five hundred dollars in municipalities of the first class, not  
15 more than four hundred dollars in municipalities of the second class, and not more



1 than three hundred dollars in municipalities of the third class. The renewal fee for  
2 such licenses may not exceed five hundred dollars in municipalities of the first class,  
3 four hundred dollars in municipalities of the second class, and three hundred dollars  
4 in municipalities of the third class;

5 (4) On-sale--in municipalities of various classes: municipalities of the first class, not less  
6 than one dollar for each person residing within the municipality as measured by the  
7 last preceding federal census, the renewal fee for such license is fifteen hundred  
8 dollars; municipalities of the second class, no more than twelve hundred dollars;  
9 municipalities of the third class, no more than nine hundred dollars;

10 (5) Off-sale licenses issued to municipalities under local option--not less than two  
11 hundred fifty dollars;

12 (6) On-sale licenses issued outside municipalities--except as provided in § 35-4-11.9, not  
13 less than the maximum that the municipality to which the applicant is nearest is  
14 charging for a like license in that municipality, the renewal fee shall be the same as  
15 is charged for a like license in the nearest municipality. However, if the nearest  
16 municipality is more than fifteen miles from the on-sale license, the fee shall be  
17 established pursuant to § 35-4-11.10. If the municipality to which the applicant is  
18 nearest holds an on-sale license, pursuant to § 35-3-13 and does not charge a  
19 specified fee, then the fee shall be the maximum amount that could be charged as if  
20 the municipality had not been authorized to obtain on-sale licenses pursuant to § 35-  
21 3-13. However, if the nearest municipality is a municipality of the first class and is  
22 authorized to hold an on-sale license pursuant to § 35-3-13, such fee may not be more  
23 than one hundred fifty percent of the minimum a municipality not so authorized may  
24 charge for a like license. The renewal fee shall be the same as could be charged for

- 1 a like license in the nearest municipality;
- 2 (7) Solicitors--twenty-five dollars;
- 3 (8) Transportation companies--twenty-five dollars;
- 4 (9) Carrier--one hundred dollars, which fee entitles the licensee to sell or serve alcoholic  
5 beverages on all conveyances the licensee operates within the state unless restricted  
6 by local ordinance;
- 7 (10) Dispensers--ten dollars;
- 8 (11) On-sale dealers at publicly operated airports--two hundred fifty dollars;
- 9 (12) Wine and cider retailers, being both package dealers and on-sale dealers--five  
10 hundred dollars;
- 11 (13) Convention facility on-sale--not less than one dollar for each person residing within  
12 the municipality as measured by the last preceding federal census, the renewal fee for  
13 such license, in municipalities of the first class, is fifteen hundred dollars; the  
14 renewal fee for such license, in municipalities of the second class, is no more than  
15 twelve hundred dollars; the renewal fee for such license, in municipalities of the third  
16 class, is no more than nine hundred dollars;
- 17 (14) Manufacturers of malt beverages--five hundred dollars;
- 18 (15) Wholesalers of malt beverages--four hundred dollars;
- 19 (16) Malt beverage retailers, being both package dealers and on-sale dealers--three  
20 hundred dollars;
- 21 (17) Malt beverage package dealers--two hundred dollars;
- 22 (17A) Malt beverage and wine produced pursuant to chapter 35-12 package dealers--two  
23 hundred twenty-five dollars;
- 24 (18) On-sale dealers in light wine containing not more than six percent alcohol by weight

1 for each day of the week between the hours of seven a.m. and two a.m. to nonprofit  
2 corporations established pursuant to chapter 7-7--two hundred dollars;

3 (19) Off-sale package wine dealers in table wines, sparkling wines, sacramental wine, and  
4 distilled spirits produced from product provided to an artisan distiller by the  
5 respective farm winery to be operated in conjunction with a farm winery established  
6 pursuant to chapter 35-12--one hundred fifty dollars;

7 (20) Malt beverage retailers, being both package dealers and on-sale dealers, and retailers  
8 of wine produced pursuant to chapter 35-12, being both package dealers and on-sale  
9 dealers--three hundred twenty-five dollars; ~~and~~

10 (21) Retail on premises manufacturer--two hundred fifty dollars; and

11 (22) Manufacturers of cider--five hundred dollars.

12 Section 2. That chapter 35-4 be amended by adding a NEW SECTION to read:

13 A manufacturer of cider licensed pursuant to subdivision 35-4-2(22) may only sell the  
14 manufacturer's cider to a wholesaler licensed under subdivision 35-4-2(2), to the public for  
15 consumption on or off the manufacturer's licensed premises, or for transportation in interstate  
16 commerce outside the state. A cider manufacturer who manufactures less than fifty thousand  
17 gallons of cider a year may hold on the premises where the cider is manufactured an on-sale  
18 license issued pursuant to subdivision 35-4-2(4) and subject to the quota established in § 35-4-  
19 11, a malt beverage retailer's license issued pursuant to subdivision 35-4-2(16), or a wine and  
20 cider retailers' license issued pursuant to subdivision 35-4-2(12).