

# State of South Dakota

## EIGHTY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2007

339N0554

### HOUSE BILL NO. 1232

Introduced by: Representatives Dykstra, Brunner, Cutler, Deadrick, Dreyer, Feinstein, Gilson, Halverson, Hills, Juhnke, Kirkeby, Krebs, Lust, McLaughlin, Nygaard, Olson (Ryan), Peters, Pitts, Rausch, Rave, Tidemann, Turbiville, Wick, and Willadsen and Senators Dempster, Duenwald, Gant, Garnos, Hansen (Tom), Hanson (Gary), Heidepriem, Katus, Koetzle, McCracken, and Turbak

1 FOR AN ACT ENTITLED, An Act to provide for the establishment of special development  
2 districts and to authorize the issuance of certain restricted alcoholic beverage licenses in  
3 such districts.

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

5 Section 1. Terms as used in this Act mean:

6 (1) "Alcoholic beverage license," an on-sale issued pursuant subdivision 35-4-2(4);

7 (2) "District," any special development district created pursuant to this Act;

8 (3) "Record owner," the fee owner of real property as shown in the records of the office  
9 of the register of deeds in the county in which the business area is located. A contract  
10 purchaser of real property is the record owner for the purpose of this Act.

11 Section 2. A district may only be created as provided by the provisions of this Act. The  
12 district shall include a contiguous area within the boundaries of the municipality zoned for  
13 business, public, or commercial purposes. The area shall, at a minimum, include one acre of



land for each one thousand of population. However, in no case may the district contain less than five acres. For a municipality with a population of twenty-five thousand or more, the minimum size of the district shall be twenty-five acres. Each record owner within the proposed district shall consent in writing to the creation of the district.

Section 3. The governing body of the municipality shall, by resolution, designate the boundaries of the district and hold a hearing before the district is established. The fee charged by the municipality for the alcoholic beverage licenses shall be the same as other alcoholic beverage licenses issued by the municipality pursuant to subdivision 35-4-2(4). The governing body may only create more than one district in the municipality if each district that is established has a minimum size as provided in section 2 of this Act.

Section 4. Notwithstanding the provisions of § 35-4-11, any municipality may issue on-sale licenses within a district created pursuant to this Act, subject to the following conditions:

- (1) The licensee has facilities for the preparation and serving of food for consumption at the location where the license is held;
  - (2) The licensee derives more than fifty percent of the licensee's gross receipts from the sale of food at the location where the license is held;
  - (3) No license may be transferred to a location outside the boundaries of the district in which the license is issued;
  - (4) If the license is transferred to a new owner within the boundaries of the district, the cost of transfer may not exceed the original fee charged by the municipality for the license;
  - (5) No licensee may conduct video lottery upon the location where the license is held;
  - (6) The municipality may prohibit adult entertainment establishments within the district;
- and

- 1       (7)    The license may only be issued for a facility constructed after January 1, 2006, or for
- 2            the redevelopment of a blighted area as defined by chapter 11-9.