



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.

Bill Number:	H. 3772	Amended by the House of Representatives on March 11, 2021
Author:	Bernstein	
Subject:	Beer and Wine Deliveries	
Requestor:	Senate Judiciary	
RFA Analyst(s):	Payne	
Impact Date:	May 6, 2021	

Fiscal Impact Summary

This bill will not impact the General Fund expenditures of the Department of Revenue (DOR), as they will be able to accomplish the duties enumerated in this bill with existing personnel and appropriations.

This bill is estimated to result in an undetermined increase in General Fund revenues due to the creation of a new license with a \$400 application fee, authorizing DOR to issue monetary penalties in lieu of suspending or revoking licenses, and the potential impact of these changes on beer and wine sales.

Explanation of Fiscal Impact

Amended by the House of Representatives on March 11, 2021

State Expenditure

This bill establishes procedures and a new license that would permit an entity to deliver beer and wine to consumers who purchase beer and wine from a licensed retailer that has coordinated internally or through a third party to offer delivery. The delivery license is a biennial license that requires a \$400 application fee. It may only be granted to an applicant that is at least twenty-one years of age and requires that an applicant maintain a general liability insurance policy of at least \$1,000,000 for the biennial period of the license. This bill would give DOR the discretion to impose a monetary penalty upon a licensed retailer or licensed delivery service for violations of the provisions of this bill, as well as for violations of any other regulations pertaining to beer and wine, in lieu of suspension or revocation of licenses. The monetary penalties may be from \$25 to \$1,000.

Department of Revenue. DOR is responsible for administering alcohol sales licensing in this state. The department anticipates the provisions of this bill will not impact their expenditures, as they already have procedures in place for the development of new licenses. Therefore, this bill will not have a fiscal impact on the General Fund expenditures of the department, as they will be able to accomplish the responsibilities enumerated in the bill using existing personnel and appropriations.

State Revenue

The bill provides that applicants for the new beer and wine delivery licenses shall pay a nonrefundable application fee of \$400. DOR is unable to estimate the number of licenses that will be issued pursuant to this bill, and therefore the revenue impact to the General Fund is undetermined, contingent upon the number of licenses issued.

Additionally, the bill provides that DOR may issue monetary penalties of up to \$1,000 for any beer and wine regulation violations in lieu of suspending or revoking a license. The department anticipates this provision will have a minimal impact on fine revenues, but stated that the use of monetary penalties may increase.

Lastly, RFA anticipates that this bill will have a minimal impact on beer and wine sales and resulting sales and alcohol tax revenues, as it is anticipated the provisions of this bill may cause a shift in the manner consumers purchase beer and wine, but the provisions of the bill are not estimated to result in a material expansion of beer and wine purchases. Therefore, it is estimated that this bill may result in an undetermined increase in General Fund revenues due to the creation of a new license with a \$400 application fee, authorizing DOR to issue monetary penalties in lieu of suspending or revoking licenses, and the potential impact of these changes on beer and wine sales.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director