

Statement of Estimated State and Local Revenue Impact

Date: May 22, 2014 (As amended 5/21/14 by Senate Judiciary Committee)

Bill Number: H.B. 3626

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Committee Requesting Impact: Senate Judiciary Committee

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section 61-4-515 so as to provide that the owner of a "motorsports entertainment complex" located in this State or his designee may apply for and be issued an annual license which authorizes the purchase, sale, and consumption of beer and wine at any occasion held on the grounds of the complex year round on any day of the week, to provide for the terms and conditions for this annual license, including the fee, and to provide for other matters relating to the administration of this license and applicable alcoholic beverage control laws in connection with the use of this license; and by adding Section 61-6-2016 so as to provide that the owner of a "motorsports entertainment complex", or his designee, also may be issued, upon application, an annual license that authorizes the purchase, sale, and consumption of alcoholic liquors by the drink at any occasion held on the grounds of the complex under the same specified terms and conditions as provided for beer and wine permits.

REVENUE IMPACT ^{1/}

State: We expect this bill will increase General Fund Revenue by \$55,500 in FY 2014-15.

Local: We expect this bill will increase local revenue by \$8,200 in FY 2014-15.

Explanation of Amendment 5/21/14 (By Senate Judiciary Committee)

This amendment adds Section 61-4-515, which allows the Department of Revenue (DOR) to issue a biennial permit for the purchase and sale for on-premises consumption of beer and wine to the owner of a motorsports entertainment complex or tennis specific complex in the State. The permit includes any occasion held on the grounds of the complex year round and on any day of the week. The nonrefundable filing fee and fees for the biennial permit are the same as for other biennial permits for on-premises consumption of beer and wine, with the revenue used according to Section 61-4-510. Additionally, this bill adds Section 61-6-2016, which allows DOR to issue a biennial license that authorizes the purchase and sale for on-premises consumption of alcoholic liquors by the drink at any occasion held on the grounds of the motorsports entertainment complex or tennis specific complex. The nonrefundable filing fee and license fee are the same as for other biennial licenses. However, in the event that the owner applies for both a permit to purchase and sell for on-premises consumption of beer and wine and a license to purchase and sell for on-premises consumption of alcoholic liquors by the drink, only one fee is required, which is the same as the fee for the fifty-two week local option permit under Section 61-6-2010. This fee includes a \$100 nonrefundable filing fee and a \$3,000 license fee. Additionally, a Sunday sales permit is required. The license fee for this permit is \$700 with a \$300 filing fee. Assuming the owners of both the motorsports entertainment complex and the tennis specific complex will opt for the combined license stated above, as well as the Sunday sales permit, we estimate that local revenue will increase by \$8,200 in FY 2014-15. This revenue must be used according to Section 61-6-2010. Due to additional events being offered at each facility, we estimate year round admission of 165,000 at the motorsports entertainment complex and 20,000 at the tennis specific complex. Assuming each person will purchase one drink at an estimated \$6 per drink

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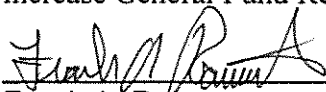
and taking the five percent excise tax in account, we estimate an additional \$55,500 in alcoholic liquor and beer and wine sales, which will increase General Fund Revenue in FY 2014-15. This act takes effect upon approval by the Governor.

Explanation of Amendment 4/9/14 (By House Judiciary Committee)

This amendment adds Section 61-4-515, which allows the Department of Revenue (DOR) to issue an annual license for the purchase, sale and consumption of beer and wine to the owner of a motorsports entertainment complex or tennis specific complex in the State. The license includes any occasion held on the grounds of the complex year round and on any day of the week. The fee for the license is \$1,000 with a \$200 filing fee. Additionally, this bill adds Section 61-6-2016, which would allow DOR to issue an annual license that authorizes the purchase, sale and consumption of alcoholic liquors by the drink at any occasion held on the grounds of the motorsports entertainment complex or tennis specific complex. The license fee is \$3,000 with a \$100 filing fee. However, a combined license allowing the sale of beer, wine and alcoholic liquor is available for one fee, which is the \$3,000 license fee and \$100 filing fee. Additionally, a Sunday sales permit will be required. The license fee for this permit is \$700 with a \$300 filing fee. Assuming the owners will opt for the combined license stated above, as well as the Sunday sales permit, we estimate that local revenue will increase by \$8,200 in FY 2014-15. This revenue must be used according to Section 61-6-2010. We estimate year round admission of 165,000 at the motorsports entertainment complex and 20,000 at the tennis specific complex. Assuming each person will purchase one drink at an estimated \$6 per drink and taking the five percent excise tax in account, we estimate an additional \$55,500 in alcoholic liquor and beer and wine sales, which will increase General Fund Revenue in FY 2014-15. This act takes effect upon approval by the Governor.

Explanation of Bill Filed 2/17/13

This bill adds Section 61-4-515, which allows the Department of Revenue (DOR) to issue an annual license for the purchase, sale and consumption of beer and wine to the owner of a motorsports entertainment complex in the State. The license would include any occasion held on the grounds of the complex year round and on any day of the week. The fee for the license is \$1,000 with a \$200 filing fee. Additionally, this bill adds Section 61-6-2016, which would allow DOR to issue an annual license that authorizes the purchase, sale and consumption of alcoholic liquors by the drink at any occasion held on the grounds of the motorsports entertainment complex. The license fee is \$3,000 with a \$100 filing fee. However, a combined license allowing the sale of beer, wine and alcoholic liquor is available for one fee, which is the \$3,000 license fee and \$100 filing fee. Additionally, a Sunday sales permit will be required. The license fee for this permit is \$700 with a \$300 filing fee. Assuming the owner will opt for the combined license stated above, as well as the Sunday sales permit, we estimate that local revenue will increase by \$4,100 in FY 2014-15. This revenue must be used according to Section 61-6-2010. We estimate year round admission of 165,000 at the complex. Assuming each person will purchase one drink at an estimated \$6 per drink and taking the five percent excise tax in account, we estimate an additional \$49,500 in alcoholic liquor and beer and wine sales, which will increase General Fund Revenue in FY 2014-15. This act takes effect upon approval by the Governor.



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¹¹ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.