~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 11, 2015

**S. 179**

Introduced by Senators L. Martin and Hembree

S. Printed 2/11/15--S.

Read the first time January 13, 2015.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 179) to amend Section 61‑6‑20, Code of Laws of South Carolina, 1976, relating to the definition of alcoholic liquors, so as to include powdered or crystalline, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

GERALD MALLOY for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

Senate Bill 0179 is not expected to significantly impact state expenditures or revenues. All agencies surveyed indicated that either the costs associated with the bill would be minimal and could be absorbed, or there would be no cost to the agency.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill changes the definition of “alcoholic liquors” so as to include powdered or crystalline alcohols that have been hydrolyzed and to prohibit the possession, use, sale or purchase of powdered or crystalline alcohol that has been hydrolyzed and to provide for exceptions.

**Judicial Department.**

The department reports that this bill will have a minimal impact on the state’s general fund, which the agency can absorb at their current level of funding.

**Department of Corrections.**

The department reports that this bill will have a minimal impact on the state’s general fund, which the agency can absorb at their current level of funding.

**Department of Revenue.**

The Department of Revenue indicates this bill will have no expenditure impact on the general fund, federal, or other funds.

**State Revenue**

This bill amends Section 61-6-20 by defining powdered and crystalline alcohol. Additionally, Section 61-6-4157 is amended by adding crystalline alcohol as an illegal form of alcohol. Violations related to this Section are unchanged. The Department of Revenue (DOR) reports they do not provide licensing for crystalline alcohol. Therefore, DOR states there will be no revenue impact on the State’s general fund, federal, or other funds.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 61‑6‑20, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DEFINITION OF ALCOHOLIC LIQUORS, SO AS TO INCLUDE POWDERED OR CRYSTALLINE ALCOHOLS WHEN HYDROLYZED IN THE DEFINITION OF ALCOHOLIC LIQUORS AND TO AMEND SECTION 61‑6‑4157, RELATING TO THE PROHIBITION TO POSSESS, USE, SELL, OR PURCHASE POWDERED ALCOHOL, SO AS TO INCLUDE BOTH POWDERED AND CRYSTALLINE ALCOHOL WHEN HYDROLYZED.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 61‑6‑20(1) of the 1976 Code is amended to read:

“Section 61‑6‑20. As used in the ABC Act, unless the context clearly requires otherwise:

(1)(a) ‘Alcoholic liquors’ or ‘alcoholic beverages’ means any spirituous malt, vinous, fermented, brewed (whether lager or rice beer), or other liquors or a compound or mixture of them, including but not limited to, a powdered or crystalline alcohol, by whatever name called or known, which contains alcohol and is used as a beverage for human consumption, but does not include:

(i) wine when manufactured or made for home consumption and which is not sold by the maker of the wine or by another person; or

(ii) a beverage declared by statute to be nonalcoholic or nonintoxicating.

(b) ‘Alcoholic liquor by the drink’ or ‘alcoholic beverage by the drink’ means a drink poured from a container of alcoholic liquor, without regard to the size of the container for consumption on the premises of a business licensed pursuant to Article 5 of this chapter.

(c) ‘Powdered or crystalline alcohol’ means a powdered or crystalline product prepared or sold for either direct use or reconstitution for human consumption that contains any amount of alcohol when hydrolyzed.”

SECTION 2. Section 61‑6‑4157, as added to the 1976 Code by Act 253 of 2014, is amended to read:

“Section 61‑6‑4157. (A) As used in this section, ‘powdered or crystalline alcohol’ is alcohol prepared or sold in a powdered or crystalline form that contains any amount of alcohol when hydrolyzed for either direct use or reconstitution for human consumption.

(B)(1) It is unlawful for a person to use, offer for use, purchase, offer to purchase, sell, offer to sell, or possess powdered or crystalline alcohol.

(2) It is unlawful for a holder of a license pursuant to the provisions of this chapter for on‑premises or off‑premises consumption of alcoholic liquors to use powdered or crystalline alcohol as an alcoholic beverage.

(3) Any person or license holder that violates this section is guilty of a misdemeanor and, upon conviction, must be punished as follows:

(a) for a first offense, by a fine of not more than three hundred dollars or imprisonment for not more than thirty days, or both;

(b) for a second offense, by a fine of not more than seven hundred fifty dollars or imprisonment for not more than six months, or both;

(c) for a third or subsequent offense, by a fine of not more than three thousand dollars or imprisonment for not more than two years, or both.

(C) This section does not apply to the use of powdered or crystalline alcohol for commercial uses specifically approved by state law, or for bona fide research purposes by a:

(1) health care provider that operates primarily for the purpose of conducting scientific research;

(2) state institution;

(3) private college or university; or

(4) pharmaceutical or biotechnology company.”

SECTION 3. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑