



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 0115    Introduced on January 10, 2017  
**Author:** Rankin  
**Subject:** Alli's Law - Mandatory Alcohol Server Training Act  
**Requestor:** Senate Judiciary  
**RFA Analyst(s):** Kokolis and Wren  
**Impact Date:** February 6, 2017

**Estimate of Fiscal Impact**

	<b>FY 2017-18</b>	<b>FY 2018-19</b>
<b>State Expenditure</b>		
General Fund	Pending	\$0
Other and Federal	Pending	\$0
Full-Time Equivalent Position(s)	3.00	0.00
<b>State Revenue</b>		
General Fund	Undetermined	\$0
Other and Federal	\$20,000	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This bill will have an expenditure impact of \$225,000 in FY 2017-18 and each fiscal year thereafter for the Department of Revenue (DOR) to employ three FTEs and five temporary employees to administer the new alcohol server training program requirements. The expenditure impact is divided between the General Fund and Other Funds. DOR is authorized to defray its costs with fees charged for approving training providers, which is estimated to generate \$20,000. The remaining \$205,000 would be an expenditure impact on the General Fund. The expenditure impact for the State Law Enforcement Division is pending, contingent upon a response from the agency. This bill will have no expenditure impact on Federal Funds.

The revenue impact on the General Fund is undetermined. This bill will increase Other Funds revenue by \$20,000.

**Explanation of Fiscal Impact**

**Introduced on January 10, 2017**

**State Expenditure**

This bill prohibits an individual from being employed as a manager or alcohol server on a premises licensed or permitted for the sale of alcohol on-premises unless and until the individual obtains an alcohol server permit. If a permittee or licensee is a manager or server on the permitted or licensed premises, then the permittee or licensee must also complete an approved training program on responsible alcohol service and obtain a server permit. Each permittee or licensee shall maintain on its premises copies of the server permits of the permittee or licensee,

each manager, and each server then employed by the permittee or licensee. Failure to produce a permit shall subject the permittee or licensee to fines and penalties. Administrative fines, not to exceed \$1,000, may be imposed by DOR against any person that violates the permitting requirements. DOR is authorized to approve training programs offered by providers. An authorized provider shall pay a fee not to exceed \$500 that will go to the South Carolina Mandatory Alcohol Server Training Program Fund to assist with the cost of implementation and enforcement of this bill's provisions. The department shall issue a server permit to each applicant that completes an approved responsible alcohol server education program. The department may charge a fee, not to exceed \$15 for the issuance of the server permit.

**Department of Revenue.** The department indicates this bill will have an expenditure impact of \$225,000 to the General Fund to hire three FTEs and five temporary employees to administer the new requirements. This bill will have no expenditure impact on Other Funds or Federal Funds.

**South Carolina Law Enforcement Division.** The expenditure impact is undetermined, pending a response from the agency.

### **State Revenue**

This bill authorizes DOR to charge providers of alcohol server training programs a fee in an amount not to exceed \$500. The revenue generated from the fee must be deposited into the South Carolina Mandatory Alcohol Server Training Program Fund to assist in the costs associated with implementation and enforcement of alcohol server training. DOR may also charge a fee for the issuance of alcohol server certificates in an amount not to exceed \$15. The alcohol server certificates are valid for a period of 3 years. DOR may impose administrative fines, not to exceed \$1,000, against any person that violates the provisions of Chapter 3.

Based upon data provided by DOR, we estimate 40 approved providers will offer alcohol server training programs. For this analysis, we assume that DOR will charge the full \$500 fee for providers. Therefore, revenue of the South Carolina Mandatory Alcohol Server Training Program will increase by \$20,000.

Based upon data obtained from the Occupational Employment Statistics report from the U.S. Bureau of Labor Statistics, there are approximately 35,000 servers in South Carolina. For this analysis, we assume that DOR will charge the maximum \$15 fee per server. Therefore, revenue would increase by \$525,000. Since the bill does not state the allocation of the revenue generated from the \$15 fee, Proviso 117.1 of the FY 2016-17 Appropriations Act, directs the \$525,000 to the General Fund.

Since the bill creates a new administrative fine for which there is no historical data, the revenue impact is undetermined. The bill does not state the allocation of the revenue generated from the administrative fine. However, based on Proviso 117.1 of the FY 2016-17 Appropriations Act, any revenue generated from the administrative fine would be allocated to the General Fund.

### **Local Expenditure**

N/A

**Local Revenue**

N/A

A handwritten signature in blue ink that reads "Frank A. Rainwater". The signature is fluid and cursive, with a long horizontal stroke at the end.

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Frank A. Rainwater, Executive Director