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Indicates New Matter

COMMITTEE REPORT

September 15, 2020

**S. 993**

Introduced by Senator Hembree

S. Printed 9/15/20--H.

Read the first time June 24, 2020.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (S. 993) to amend the Code of Laws of South Carolina, 1976, by adding Section 61-4-555, so as to provide for a permit allowing licensed wineries, breweries, etc., respectfully

**REPORT:**

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

G. MURRELL SMITH, JR. for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 61-4-555, SO AS TO PROVIDE FOR A PERMIT ALLOWING LICENSED WINERIES, BREWERIES, AND MICRO-DISTILLERIES TO SELL THEIR WINE, BEER, AND ALCOHOLIC LIQUORS AT FESTIVALS AND TO PROVIDE SAMPLES OF THESE PRODUCTS AT FESTIVALS; BY ADDING SECTION 61-4-721, SO AS TO PERMIT LICENSED WINERIES TO OBTAIN WINERY FESTIVAL PERMITS IN ACCORDANCE WITH SECTION 61-4-555; BY ADDING SECTION 61-4-970, SO AS TO PERMIT LICENSED BREWERIES TO OBTAIN BREWERY FESTIVAL PERMITS IN ACCORDANCE WITH SECTION 61-4-555; AND BY ADDING SECTION 61-6-1155, SO AS TO PERMIT LICENSED MICRO-DISTILLERIES TO OBTAIN MICRO-DISTILLERY FESTIVAL PERMITS IN ACCORDANCE WITH SECTION 61-4-555.

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

SECTION 1. Section 61-4-730 of the 1976 Code is amended to read:

“Section 61-4-730. (A) Permitted wineries that produce and sell wine produced on its premises with at least sixty percent of the juice from fruit and berries that are grown in this State may sell the wine at retail, wholesale, or both, and deliver or ship the wine to licensed retailers in this State or to consumer homes in and outside the State, and are eligible for a special permit pursuant to Section 61-4-550. Wine must be delivered between 7:00 a.m. and 7:00 p.m. Gross income from wine sold at events for which a special permit has been issued must not exceed ten percent of a permitted winery’s gross income per year from wine sales and that income must be derived from sales at events that are promotional in nature.

(B) Permitted wineries that produce and sell wine produced on their premises with less than sixty percent of the juice from fruit and berries that are grown in this State may retail from the winery and ship the wine directly to consumer homes in and outside the State, but these wineries are not wholesalers of the wine. These wineries shall use a licensed South Carolina wholesaler to deliver or ship the wine to licensed retailers in this State.

(C) The South Carolina Department of Agriculture shall periodically inspect the records of permitted wineries for verification of the percentage of juice from fruit and berries grown in this State used in the manufacturing of the wineries' products. Within ten days of conducting an inspection, the South Carolina Department of Agriculture shall report its findings to the South Carolina Department of Revenue. If a winery is found to be in violation of this statute, the owner of the winery is subject to penalties pursuant to Section 61-4-780.”

SECTION 2. A. Section 61-4-1515(E) of the 1976 Code is amended to read:

“(E) A brewery located in this State is authorized to sell beer on its permitted premises for off‑premises consumption, provided that the sealed beer was brewed on the brewery's permitted premises with an alcohol content of fourteen percent by weight or less, subject to the following conditions:

(1) the maximum amount of beer that may be sold to an individual per day for off‑premises consumption shall be equivalent to ~~two hundred eighty‑eight~~ five hundred seventy-six ounces in total;

(2) ~~the beer only shall be sold in conjunction with a tour by the consumer of the permitted premises and the entire brewing process utilized at the permitted premises;~~

~~(3)~~ the beer sold is for personal use only and must not be resold;

~~(4)~~(3) the beer must not be sold to anyone holding a retail beer and wine license for the purpose of resale in their establishment;

~~(5)~~(4) the brewery must sell the beer at the permitted premises at a price approximating retail prices generally charged for identical beverages in the county where the permitted premises are located; and

~~(6)~~(5) the brewery must remit taxes to the Department of Revenue for beer sales in an amount equal to and in a manner required for taxes assessed by Section 12‑21‑1020 and Section 12‑21‑1030. The brewery also must remit appropriate sales and use taxes and local hospitality taxes.”

B. This SECTION is effective upon approval by the Governor and expires on May 31, 2021.

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

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