

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

400Q0229

SENATE APPROPRIATIONS ENGROSSED NO. **HB 1038** - 3/9/2009

Introduced by: The Committee on Appropriations at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to increase the license fees for coin-operated washers and
2 dryers, to increase the brand registration fees on certain alcoholic beverages, to increase the
3 fees for certain malt beverage and wine licenses, and to revise the distribution of certain
4 malt beverage and wine license fees.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

6 Section 1. That § 10-45-5.1 be amended to read as follows:

7 10-45-5.1. The annual license fee for each coin operated washer and dryer in this state is ~~ten~~
8 twenty dollars. However, in municipalities having a population of one thousand persons or less,
9 the annual license fee is ~~eight~~ sixteen dollars. The license fee is in lieu of any sales or gross
10 receipts taxes from the operation or ownership of coin operated washers and dryers. Any person
11 who fails to pay the fee is guilty of a Class 2 misdemeanor. Any person who fails to pay the fee
12 prescribed on or before December thirty-first of the year prior to the year for which the fee is
13 due is subject to an interest charge on the unpaid fee at the rate of two percent per month or part
14 thereof. The interest charge commences immediately after the date the fee becomes due and is



1 payable immediately. The secretary of revenue and regulation shall promulgate rules pursuant
2 to chapter 1-26 concerning:

- 3 (1) The procedure for license application;
- 4 (2) The collection of the license fee;
- 5 (3) The placement of the license or decalomania; and
- 6 (4) The transfer of a license to a new owner.

7 Section 2. That § 39-13-4 be amended to read as follows:

8 39-13-4. There shall be paid to the secretary of revenue and regulation a registration fee
9 according to the following schedule:

- 10 (1) On malt and cereal beverages of all descriptions, ~~and on wines, for one brand,~~
11 ~~twenty-five dollars and for each additional brand registered by the same person, ten~~
12 ~~dollars;~~
- 13 (2) On wines, for one brand, twenty-five dollars and for each additional brand registered
14 by the same person seventeen dollars and fifty cents;
- 15 ~~(2)(3) On alcoholic cordials, liqueurs, cocktails, and similar all other alcoholic beverages,~~
16 ~~for one brand, fifty dollars and for each additional brand registered by the same~~
17 ~~person, fifteen dollars;~~
- 18 ~~(3) On whiskeys, gins, and all other distilled liquors, for one brand, one hundred dollars~~
19 ~~and for each additional brand registered by the same person, twenty-five dollars.~~

20 ~~All fees received by the~~The secretary of revenue ~~as provided for in this chapter and~~
21 regulation shall be properly recorded by him and forwarded record all fees received pursuant
22 to this chapter and shall forward the fees monthly to the state treasurer, who. The state treasurer
23 shall deposit the same fees in the general fund.

24 Section 3. That § 35-4-2 be amended to read as follows:

1 35-4-2. Classes of licenses, with the fee of each class, follow:

2 (1) Distillers--four thousand dollars. However, no license fee is required for
3 manufacturers of alcohol for use in industry as a nonbeverage. If ~~such~~ the
4 manufacturer of industrial alcohol shall at any time manufacture, produce, distill, sell,
5 barter, or dispose of alcohol for any use other than an industrial use, the license fee
6 required by this section shall be allocated to and payable for the portion of the year
7 the manufacturer devoted to such other use for each calendar month or fraction
8 thereof while so engaged, but in no case less than one-twelfth of ~~said~~ the license fee;

9 (2) Wholesalers of alcoholic beverages--five thousand dollars;

10 (3) Off-sale--not less than five hundred dollars in municipalities of the first class, not
11 more than four hundred dollars in municipalities of the second class, and not more
12 than three hundred dollars in municipalities of the third class. The renewal fee for
13 such licenses may not exceed five hundred dollars in municipalities of the first class,
14 four hundred dollars in municipalities of the second class, and three hundred dollars
15 in municipalities of the third class;

16 (4) On-sale--in municipalities of various classes: municipalities of the first class, not less
17 than one dollar for each person residing within the municipality as measured by the
18 last preceding federal census, the renewal fee for such license is fifteen hundred
19 dollars; municipalities of the second class, no more than twelve hundred dollars;
20 municipalities of the third class, no more than nine hundred dollars;

21 (5) Off-sale licenses issued to municipalities under local option--not less than two
22 hundred fifty dollars;

23 (6) On-sale licenses issued outside municipalities--except as provided in § 35-4-11.9, not
24 less than the maximum that the municipality to which the applicant is nearest is

1 charging for a like license in that municipality, the renewal fee shall be the same as
2 is charged for a like license in the nearest municipality. However, if the nearest
3 municipality is more than fifteen miles from the on-sale license, the fee shall be
4 established pursuant to § 35-4-11.10. If the municipality to which the applicant is
5 nearest holds an on-sale license, pursuant to § 35-3-13 and does not charge a
6 specified fee, then the fee shall be the maximum amount that could be charged as if
7 the municipality had not been authorized to obtain on-sale licenses pursuant to § 35-
8 3-13. However, if the nearest municipality is a municipality of the first class and is
9 authorized to hold an on-sale license pursuant to § 35-3-13, such fee may not be more
10 than one hundred fifty percent of the minimum a municipality not so authorized may
11 charge for a like license. The renewal fee shall be the same as could be charged for
12 a like license in the nearest municipality;

- 13 (7) Solicitors--twenty-five dollars;
- 14 (8) Transportation companies--twenty-five dollars;
- 15 (9) Carrier--one hundred dollars, which fee entitles the licensee to sell or serve alcoholic
16 beverages on all conveyances the licensee operates within the state;
- 17 (10) Dispensers--ten dollars;
- 18 (11) On-sale dealers at publicly operated airports--two hundred fifty dollars;
- 19 (12) Wine retailers, being both package dealers and on-sale dealers--five hundred dollars;
- 20 (13) Convention facility on-sale--not less than one dollar for each person residing within
21 the municipality as measured by the last preceding federal census, the renewal fee for
22 such license, in municipalities of the first class, is fifteen hundred dollars; the
23 renewal fee for such license, in municipalities of the second class, is no more than
24 twelve hundred dollars; the renewal fee for such license, in municipalities of the third

1 class, is no more than nine hundred dollars;

2 (14) Manufacturers of malt beverages--five hundred dollars;

3 (15) Wholesalers of malt beverages--four hundred dollars;

4 (16) Malt beverage retailers, being both package dealers and on-sale dealers--~~two hundred~~
5 fiftythree hundred dollars;

6 (17) Malt beverage package dealers--~~one hundred fifty~~two hundred dollars;

7 (17A) Malt beverage and wine produced pursuant to chapter 35-12 package dealers--~~one~~
8 hundred seventy-fivetwo hundred twenty-five dollars;

9 (18) On-sale dealers in light wine containing not more than six percent alcohol by weight
10 for each day of the week between the hours of seven a.m. and two a.m. to nonprofit
11 corporations established pursuant to chapter 7-27--two hundred dollars; and

12 (19) Off-sale package wine dealers in table wines, sparkling wines, sacramental wine, and
13 distilled spirits produced from product provided to an artisan distiller by the
14 respective farm winery to be operated in conjunction with a farm winery established
15 pursuant to chapter 35-2--one hundred fifty dollars.

16 Section 4. That § 35-5-21.1 be amended to read as follows:

17 35-5-21.1. Fifty percent of all license and transfer fees received under the provisions of
18 subdivisions ~~35-4-2(16) and (17)~~ 35-4-2(16), (17), and (17A) shall remain in the municipality
19 in which the licensee paying the fee is located, or if outside the corporate limits of a
20 municipality, then in the county in which the licensee is located. In addition, fifty percent of
21 wholesaler license fees received under subdivision 35-4-2(15) shall revert to the municipality
22 ~~where in which~~ where in which the licensee is located, or if outside the corporate limits of a municipality, then
23 to the county in which the licensee is located. The remainder of all license and transfer fees and
24 penalties received shall be credited to the state general fund. All revenue received from the levy

1 in carrying out § 35-5-3 shall be credited to the alcoholic beverage fund.