

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

572I0727

HOUSE STATE AFFAIRS COMMITTEE ENGROSSED NO. **HB 1270** - 02/21/2003

Introduced by: Representative Peterson (Bill) and Senator Bogue

1 FOR AN ACT ENTITLED, An Act to increase the tax on alcoholic beverages, to revise the
2 distribution of revenue, and to declare an emergency.

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

4 Section 1. That § 35-5-3 be amended to read as follows:

5 35-5-3. The occupational tax based on the quantities of different kinds of alcoholic beverages
6 is:

- 7 (1) Malt beverages, ~~eight dollars and fifty~~ thirteen dollars and nine cents per barrel of
8 thirty-one gallons, or a prorata portion thereof in accordance with the size of the bulk
9 container;
- 10 (2) All light wines and diluted beverages (except sparkling wines and cider) containing
11 alcohol by weight to the extent of more than 3.2 percent and not more than fourteen
12 percent, ~~ninety-three~~ one dollar and forty-three cents per gallon;
- 13 (3) All wines (except sparkling wines) containing alcohol by weight to the extent of more
14 than fourteen percent and not more than twenty percent, ~~one dollar and forty-five~~ two
15 dollars and twenty-three cents per gallon;



1 (4) All wines (except sparkling wines) containing alcohol by weight to the extent of more
2 than twenty percent and not more than twenty-four percent, all natural sparkling
3 wines containing alcohol and all artificial sparkling wines containing alcohol, ~~two~~
4 ~~dollars and seven~~ three dollars and nineteen cents per gallon;

5 (4A) All cider containing alcohol by weight not more than ten percent, ~~twenty-eight~~ forty-
6 three cents per gallon;

7 (5) All other alcoholic beverages not otherwise specified, ~~three dollars and ninety-three~~
8 six dollars and five cents per gallon.

9 For the purposes of this section, diluted beverages are alcoholic beverages prepared from the
10 admixture of spirits or wine with water, dairy products, fruit juices, or vegetable juices, to which
11 may be added natural flavors, artificial flavors, sweetening agents, or food additives to produce
12 a beverage distinct and unique from the spirits or wine. In no case does the term, diluted
13 beverages, include beverages which contain in excess of twelve percent alcohol by weight.

14 Section 2. That chapter 35-5 be amended by adding thereto a NEW SECTION to read as
15 follows:

16 Sixteen percent of all of the revenues deposited in the alcoholic beverage fund shall revert
17 to the counties. Each county's share shall be determined by the ratio of the population that each
18 county has to the total population of all the counties sharing in the receipts from the occupational
19 tax. The Department of Revenue shall distribute the revenue by November first, February first,
20 May first, and August first, of each year to the county treasurer. The funds received by each
21 county pursuant to this section shall be deposited in a special law enforcement and criminal
22 justice fund. The funds shall be used only for alcohol abuse prevention and diversion programs,
23 domestic violence programs, jails, detoxification, law enforcement, juvenile justice programs,
24 attorney fees, court expenses, and other criminal justice expenses. The board of county

1 commissioners shall, by resolution, establish a means of distributing the revenue among the
2 county law enforcement, juvenile justice, and other qualifying agencies within the county.

3 Section 3. That § 35-5-22 be amended to read as follows:

4 35-5-22. ~~Twenty-five~~ Twenty percent of all of the revenues deposited in the alcoholic
5 beverage fund shall revert to the municipalities. The share of each municipality of ~~such~~ the fund
6 shall be determined by the ratio the population ~~of such~~ that each municipality has to the total
7 population of all the municipalities sharing in the receipts from ~~such~~ the occupational tax. The
8 Department of Revenue shall ~~make such reversion by remitting not later than~~ distribute the
9 revenue by November first, February first, May first, and August first, of each year to the finance
10 officer of each ~~such~~ municipality ~~its share of such fund, and the amount so received by such.~~ The
11 revenue received by each municipality pursuant to this section shall be deposited in its general
12 fund.

13 Section 4. That § 35-5-28 be amended to read as follows:

14 35-5-28. After determination is made of the necessary reserve to provide for the reversions
15 to municipalities and counties in § 35-5-22 and section 2 of this Act, the ~~balances~~ balance
16 remaining may be transferred to the general fund.

17 Section 5. Whereas, this Act is necessary for the support of the state government and its
18 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full
19 force and effect from and after its passage and approval.