

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

456J0187

HOUSE BILL NO. 1169

Introduced by: Representatives Adelstein, Begalka, Frost, Hennies, LaRue, McLaughlin, Van Etten, and Van Gerpen and Senators Kooistra, Brown, de Hueck, Dempster, Ham-Burr, Kleven, Koskan, and Symens

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

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
6 beverages is:

7 (1) Malt beverages, ~~eight dollars and fifty cents per barrel of thirty-one gallons, or a~~
8 ~~prorata portion thereof in accordance with the size of the bulk container~~ eighty cents
9 per gallon;

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~~ two dollars and seventy-six cents per gallon;

13 (3) All wines (except sparkling wines) containing alcohol by weight to the extent of
14 more than fourteen percent and not more than twenty percent, ~~one dollar and~~
15 ~~forty-five~~ three dollars and twenty-eight cents per gallon;



1 (4) All wines (except sparkling wines) containing alcohol by weight to the extent of
2 more 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 ninety cents per gallon;

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

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

9 For the purposes of this section, diluted beverages are alcoholic beverages prepared from
10 the admixture of spirits or wine with water, dairy products, fruit juices, or vegetable juices, to
11 which may be added natural flavors, artificial flavors, sweetening agents, or food additives to
12 produce 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 Sixty percent of all of the revenues deposited in the alcoholic beverage fund shall revert to
17 the counties. Each county's share shall be computed using the following factors:

18 (1) The percent of the total population of the state that resides in each county based on
19 the most recent United States census; and

20 (2) The percent of the true and full assessed value of the state associated with each
21 county as determined by the Department of Revenue and Regulation.

22 Each county's share shall be calculated by multiplying the average of the two factors by the
23 available receipts from the occupational tax. The Department of Revenue and Regulation shall
24 distribute the revenue by November first, February first, May first, and August first, of each year

1 to the county treasurer. The funds received by each county pursuant to this section shall be
2 deposited in a special law enforcement and criminal justice fund. The funds shall be used only
3 for alcohol abuse prevention, treatment, and diversion programs, domestic violence programs,
4 jails, detoxification, law enforcement, juvenile justice programs, attorney fees, court expenses,
5 and other criminal justice expenses. The board of county commissioners shall, by resolution,
6 establish a means of distributing the revenue among the county law enforcement, juvenile
7 justice, domestic abuse shelters, and other qualifying agencies within the county.

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

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

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

18 35-5-28. After determination is made of the necessary reserve to provide for the reversions
19 to municipalities and counties in § 35-5-22 and section 2 of this Act, the ~~balances~~ balance
20 remaining may be transferred to the general fund.