

# State of South Dakota

NINETY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2018

292Z0793

## SENATE BILL NO. 173

Introduced by: Senators Curd, Cronin, Ewing, Frerichs, Greenfield (Brock), Haverly, Heinert, Kolbeck, Maher, Otten (Ernie), Partridge, Peters, Solano, Stalzer, Tidemann, White, and Wiik and Representatives Steinhauer, Ahlers, Bartling, Beal, Chase, Clark, Conzet, Greenfield (Lana), Lake, Otten (Herman), Pischke, Rhoden, Rounds, Turbiville, and Willadsen

1 FOR AN ACT ENTITLED, An Act to authorize malt beverage manufacturers to transfer a  
2 certain amount of product to certain retail facilities.

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

4 Section 1. That § 35-5-3.2 be amended to read:

5 35-5-3.2. In addition to the provisions of § 35-4-49, a malt beverage manufacturer may sell  
6 the malt beverage ~~such~~ the manufacturer manufactures to the public for consumption on the  
7 licensed premises. A malt beverage manufacturer who manufactures ~~less~~ fewer than ~~five~~ twelve  
8 thousand barrels of malt beverage a year may hold on the premises where the malt beverage is  
9 manufactured an on-sale license issued pursuant to subdivision 35-4-2(4) ~~and~~, subject to the  
10 quota established in § 35-4-11, or a malt beverage retailer's license issued pursuant to  
11 subdivision 35-4-2(16), or an on-sale wine license issued pursuant to subdivision 35-4-2(12).  
12 The manufacturer shall pay the tax imposed under subdivision 35-5-3(1) on all malt beverages  
13 ~~so~~ sold. Any manufacturer who holds a malt beverage retailer's license as provided in this



1 section may also hold a malt beverage retailer's license at three other locations, but may sell the  
2 malt beverages it manufactures only at the location where the beverages are manufactured or  
3 to wholesalers licensed pursuant to this title.

4 Section 2. That chapter 35-5 be amended by adding a NEW SECTION to read:

5 Notwithstanding any other provision of this chapter, a malt beverage manufacturer licensed  
6 under subdivision 35-4-2(14) may transfer up to one thousand five hundred barrels of the  
7 manufacturer's malt beverage from its brewery to the retail facilities wholly owned by that  
8 manufacturer.