DEPARTMENT OF REVENUE

https://dor.sd.gov/ 1-800-829-9188

Special Alcoholic Beverage Licenses

The purpose of this Tax Fact is to explain how South Dakota state law and rules apply to Special Alcoholic Beverage Licenses. It is not intended to answer all questions that may arise. The information contained in this fact sheet is current as of the date of publication.

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License Eligibility

State law (SDCL 35-4-124) allows specific organizations the ability to sell and serve alcoholic beverages during special events.

- Special alcoholic beverage licenses can be issued to the following organization types:
  - ⇒ Civic
  - ⇒ Charitable
  - ⇒ Educational
  - ⇒ Fraternal
  - ⇒ Veterans
  - ⇒ Certain businesses with a permanent alcoholic beverage license

General alcoholic beverage laws which apply to special events:

- **Hours of Serving and Selling*:** Allowed between 7 a.m. and 2 a.m.
- **Days of Sale*:** Licensees can sell and serve alcohol any day of the year.
- **Age to Purchase and Consume:** Legal age to purchase and consume alcohol in South Dakota is 21 years of age.

*Note: Some cities and counties may have more restrictive ordinances. Contact the city or county where the event is held to ensure compliance.

Examples:

1. *A local volunteer fire department wants to obtain a special alcoholic beverage license for its annual fireman's ball.*
   - As a civic organization the volunteer fire department is an eligible organization to apply for a special alcoholic beverage license.
2. *A car dealership wants to obtain a special alcoholic beverage license for its 100th anniversary sale.*
   - A car dealership is not an eligible organization to apply for a special alcoholic beverage license.

Application and Licensing

Special alcoholic beverage licenses are issued by the city or county where the event is held. An eligible organization interested in holding a special event and selling or serving alcohol should contact the local governing body where the event is to be held.

The local governing body:

- Establishes rules to follow, including rules limiting the number of licenses that can be issued to any person within any calendar year.
- Determines the fee for a special alcoholic beverage license. Each application should be accompanied by the fee at the time of submission. The city or county retains the fee.

License Types

The following table provides a list of special alcoholic beverage license types and the privileges for each:

License Type	Who is Eligible	Privileges

Special Malt Beverage Retailers
SDCL 35-4-124 (1)
	• Civic, charitable, educational, fraternal or veterans organizations
	• Any permanent:
	  • On-sale liquor licensee or
	  • On or off sale malt beverage licensee
		• This license allows the eligible organization to sell and serve malt beverages for consumption on the special event premises only.

Special On-sale Wine Retailers
SDCL 35-4-124 (2)
	• Civic, charitable, educational, fraternal or veterans organizations
	• Any permanent:
	  • On-sale liquor licensee or
	  • On or off sale wine licensee
		• This license allows the eligible organization to sell and serve wine for consumption on the special event premises only.

Special On-sale SDCL 35-4-124 (3)	• Civic, charitable, educational, fraternal or veterans organizations • Any permanent: • On-sale liquor licensee	• This license allows the eligible organization to sell and serve all types of alcoholic beverages for consumption on the special event premises only.

Special Off-sale Package Wine Dealers
SDCL 35-4-124 (4)
	• Civic, charitable, educational, fraternal or veterans organizations
	• Any permanent:
	  • Off-sale liquor licensee
	  • On or off sale wine licensee
	  • Farm winery licensee
		• This license allows the eligible organization to sell wine manufactured by a South Dakota farm winery licensee for off premises consumption only.

Special Off-sale Package Wine Dealers SDCL 35-4-124 (5)	• Civic, charitable, educational, fraternal or veterans organizations	• This license only allows the eligible organization to sell wine that has been donated by members of the public to be sold at the special event for off premises consumption only. • Donors must purchase any wine to be donated from a licensed South Dakota retailer.
Special Off-sale Package Malt Beverage Dealers SDCL 35-4-124 (6)	• Civic, charitable, educational, fraternal or veterans organizations	• This license only allows the eligible organization to sell malt beverages that have been donated by members of the public to be sold at the special event for off premises consumption only. • Donors must purchase any malt beverages to be donated from a licensed South Dakota retailer.
Special Off-sale Package Dealers SDCL 35-4-124 (7)	• Civic, charitable, educational, fraternal or veterans organizations	• This license only allows the eligible organization to sell all types of alcoholic beverages that have been donated by members of the public to be sold at the special event for off premises consumption only. • Donors must purchase the alcoholic beverages to be donated from a licensed South Dakota retailer.

Special Privileges

Additional privileges for special events are also granted to alcoholic beverage manufacturers, wholesalers and certain special alcoholic beverage licensees.

Donating Alcohol (SDCL 35-2-6.10)

- Alcoholic beverages may be donated by manufacturers and wholesalers to civic, charitable, educational, fraternal, or veterans organizations who hold a special alcoholic beverage license.

Example:

A local winery wants to donate a case of wine to be auctioned at a charitable fundraiser.

- This donation is allowable as long as the charitable organization holds a special alcoholic beverage license.

Sponsorship or Advertising Agreements (SDCL 35-2-6.9)

- Manufacturers and wholesalers are allowed to have a sponsorship or advertising agreement with certain retailers. This includes:
  - * Civic, charitable, educational, fraternal, or veterans organizations who hold a special alcoholic beverage license;
  - * Public entities defined by SDCL 3-21-1; or
  - * Operators of property owned by a public entity.

Pour and Serve (SDCL 35-2-6.8)

- A licensed manufacturer or wholesaler can pour or serve alcoholic beverages at a special event conducted by a civic, charitable, educational, fraternal, or veterans organization who holds a special alcoholic beverage license.

Purchasing Alcohol (SDCL 35-4-60.3)

- Civic, charitable, educational, fraternal, or veterans organizations who hold a special alcoholic beverage license can purchase alcoholic beverages from any licensed wholesaler or retailer with off-sale privileges.

Example:

A restaurant and bar runs out of whiskey and wants to purchase two bottles from the big box store to get them through the weekend.

- The restaurant and bar is not allowed to do this as they must purchase from a licensed wholesaler. Only civic, charitable, educational, fraternal, or veterans organizations who hold a special alcoholic beverage license can purchase alcoholic beverages from any licensed wholesaler or retailer with off-sale privileges.

Contact Us

If you have any questions, please contact the **South Dakota Department of Revenue.**

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