

An Overview of Changes to South Carolina Dram Shop Law



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Current Law Overview

Before diving into changes, let's establish the existing legal framework that governs dram shop liability in South Carolina until January 1, 2026

01

Joint & Several Liability

Under 15-38-15(F), alcohol sales create joint & several liability - 1% liability equals 100% responsibility

02

Mandatory Insurance

Section 61-2-145 requires \$1M total coverage for licensed establishments

03

Different Statutory Language for the Sale of Beer/Wine Versus Sale of Liquor to an Intoxicated Person

The word “knowingly” is absent from the liquor statute (61-6-2220), arguably creating strict liability when liquor is sold to an intoxicated person





H.3430 Goes Into Effect on
January 1, 2026, Fundamentally
Altering the Law



New Joint Liability Framework For Dram Shop Cases Under 61-2-147

Section 61-2-147 beings with “Notwithstanding 15-38-15...”

50% Liability for the Bar

If drunk driver and licensee are both found liable, licensee is responsible for 50% of Plaintiff's actual damages

Everyone on Verdict Form

Drunk driver, and any other settling tortfeasor, will be on the verdict form

Open Question

What happens when there are 2 or more licensees?



Liquor Liability Coverage Requirements & Reductions

South Carolina's new dram shop law introduces a system of credits that can reduce the mandatory aggregate liquor liability coverage limit of **\$1,000,000** (with a minimum of **\$500,000 per occurrence** for establishments operating after 5:00 p.m. and selling alcohol for on-premises consumption).

However, these credits are subject to specific conditions and a hard floor.

Early Closing Credit

Establishments that stop serving alcohol by 12:00 a.m. are eligible for a **\$250,000** reduction from their aggregate liability.

Server Training Credit

If all servers complete mandatory training within 60 days of hire, a **\$100,000** reduction applies to the aggregate limit.

Low Alcohol Sales Credit

Venues where alcohol sales constitute less than 40% of total sales (on a total sales basis) receive a **\$100,000** credit from the aggregate.

Forensic ID System Credit

Implementing a forensic ID system to validate patrons between 12 a.m. and 4 a.m. qualifies for a **\$100,000** aggregate reduction.

Non-Profit / Single Event Credit

Qualifying 501(c)(3) non-profit organizations or single-event permits benefit from a **\$500,000** aggregate reduction.

Important Coverage Floor

Regardless of any applicable credits, the liquor liability coverage cannot drop below a mandatory floor of **\$300,000** for any establishment.





Captive Insurance Restrictions

Section 38-90-20 prohibits captive insurers from issuing "eroding" liquor liability coverage to SC licensees.

Coverage limits cannot be reduced by defense costs or expenses, ensuring full policy limits remain available for claims.



Alcohol Server Training Requirements

The new law mandates specific requirements for alcohol server training, which is crucial for reducing liability and can also provide significant insurance credits.

1

Who Must Be Trained

All alcohol servers and managers at on-premises licensed or permitted locations must obtain an Alcohol Server Certificate.

2

Timing

Certificate required within 60 days of employment as an alcohol server or manager.

3

Approved Providers

Training must be provided by an SCDOR-approved entity, with input from DBHDD & SLED.

4

Format & Content

Online only; minimum 4 hours; interactive with a proctored test. Topics include SC alcohol laws, DUI/liquor liability, ID verification, recognizing intoxication, and effects of alcohol.

5

Recordkeeping

Employers must keep certificate copies on-site and provide them to regulators upon request.

6

Certificate Validity

Certificates are valid for 3 years, transferable, and renewal requires new or recertified training (no fee to applicant).

7

Insurance Credit Link

Licensees seeking liquor liability insurance reductions must ensure all servers and managers maintain valid certificates.

Alcohol Server Training Curriculum

South Carolina Alcohol Laws & Regulations

This module ensures servers understand key provisions of Title 61, including licensing, permitted hours, and penalties for violations, proving their awareness of legal boundaries.

DUI & Impaired Driving Laws

Servers are explicitly taught about civil and criminal liability for overservice and drunk driving, directly addressing dram shop liability and the consequences of their actions.

Liquor Liability / Civil Responsibility

This section outlines the legal exposure of servers, managers, and businesses for serving intoxicated or underage patrons, demonstrating a clear understanding of potential litigation.

Age Verification & ID Checking

Training covers acceptable forms of ID, methods for detecting fake IDs, and proper procedures for refusing service, providing a basis for proving negligence in underage service cases.

Recognizing Intoxication

Servers are trained to identify visible signs of intoxication, impairment, or "problem drinkers," establishing a foundational expectation for intervention.

Refusal of Service Techniques

This module equips servers with safe and effective methods to deny service, showing that establishments are trained on how to prevent overservice.

Effects of Alcohol on the Body & Behavior

The curriculum details how alcohol affects judgment, coordination, and reaction time, including interactions with medications, reinforcing the need for careful service.

Additional State-Designated Topics

Any extra content added by regulatory bodies like SCDOR, SLED, or DBHDD further defines the scope of required knowledge and serves as additional evidence of the standard of care.

“Knowingly” is Added to Liquor Statute

Section 61-6-2220 Amendment

The liquor statute now includes the word **"knowingly"** - ending strict liability for liquor sales.

This creates consistency across all alcohol types.



Special Provisions for Collegiate Venues

South Carolina H.3430 / §61-4-523 introduces specific regulations governing alcohol service at collegiate sporting events, aiming to reduce risks and ensure responsible service.



Mandatory Server Training

All sales personnel must complete mandatory alcohol server training approved by the Department of Revenue.



Internal Compliance Checks

Venues must implement internal, random checks of sales locations during events to ensure adherence to procedures and ID-verification protocols.



ID Verification Technology

Utilize a forensic digital identification system or other Department-approved method at the point of sale for robust ID verification.



Restrictions on Sales Locations

Alcohol sales are prohibited in student sections with designated concession areas.



Comprehensive Protocols

Maintain standardized procedures for ID checking and refusal of service to underage or intoxicated patrons; comply with all state alcohol licensing and permit rules.

Objective & Penalties

These measures are intended to significantly reduce risks associated with alcohol sales at collegiate sporting events. Non-compliance may result in substantial penalties or the loss of the venue's alcohol permit.

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