

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 1421	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Regulatory Affairs Committee; Beshears	114 Y's	1 N's
COMPANION BILLS:	N/A	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 1421 passed the House on April 29, 2013, and subsequently passed the Senate on May 1, 2013.

CS/HB 1421 provides that the Division of Alcoholic Beverages and Tobacco of the Florida Department of Business and Professional Regulation is authorized to issue a special alcoholic beverage license to a motel or hotel having at least 45 guest rooms in Madison County. According to the Economic Impact Statement, the bill does not have a significant fiscal impact on state or local government.

The bill was approved by the Governor on June 28, 2013, ch. 2013-269, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Alcoholic Beverage Licenses

The Division of Alcoholic Beverages and Tobacco of the Florida Department of Business and Professional Regulation licenses the alcoholic beverage industry, collects and audits taxes and fees paid by the licensees, and enforces the state's Beverage Law, chs. 561-565 and 567-569, F.S.

Although there is no limit on the number of licenses that may be issued to sell malt beverages and wine, s. 561.20(1), F.S., restricts the number of liquor licenses issued in any county to one license per 7,500 residents. Licenses issued pursuant to s. 561.20(1), F.S., are referred to as quota licenses. In order to obtain a quota license, a party must either buy an existing license or enter a drawing to win the right to apply for the license (if the number of applicants exceeds the available licenses). The annual fees for the license vary from \$624 to \$1820, depending on the population of a county. Additionally, there is a one-time (Hughes Act) fee of \$10,750, which is used for alcohol and drug abuse education, treatment and prevention programs.¹

Subsection (2) of s. 561.20, F.S., provides numerous exemptions to the quota limitation, providing for issuance of special licenses to specified types of businesses, including three categories of hotels, motels, or motor courts:²

- any bona fide hotel, motel, or motor court of not fewer than 80 guest rooms in any county having a population of less than 50,000 residents;
- any bona fide hotel, motel, or motor court of not fewer than 100 guest rooms in any county having a population of 50,000 residents or greater; and
- any bona fide hotel or motel located in a historic structure with fewer than 100 guest rooms which derives at least 51 percent of its gross revenue from the rental of hotel or motel rooms, which is licensed as a public lodging establishment; and a bona fide hotel or motel that is a historic structure with no fewer than 10 and no more than 25 rooms in a municipality with a 1998 population between 25,000 and 35,000, which is in a charter county.

This special license allows the sale and consumption of alcoholic beverages on the licensed premises of a hotel or motel that derives at least 60 percent of its gross revenue from the rental of rooms and the sale of food and nonalcoholic beverages. See, s. 561.20(2)(a)1., F.S. The annual fees for this license are similar to those for a quota license.³

No local laws may require a greater number of hotel rooms within these categories.

Madison County, Florida

Madison County has three municipalities: Madison, Greenville and Lee. In 2012, the county had an estimated population of 19,227, according to the University of Florida's Bureau of Economic and Business Research.⁴

¹ Section 561.19, F.S.

² This exemption is known as a "Special Motel/Hotel" license, or Series "S."

³ <http://www.myfloridalicense.com/dbpr/abt/faq.html>.

⁴ <http://www.bebr.ufl.edu/data/county/Madison>.

Until last year, Madison County was one of four “dry” counties in Florida.⁵ A “dry” county in this state has not passed a referendum allowing the sale of beverages with an alcohol content exceeding 6.243 percent.⁶ On August 28, 2012, Madison County electors voted to permit the sale of intoxicating liquors.⁷

One impetus for this change was economic. The expectation is that a county with a low population density can increase job opportunities and experience other pecuniary benefits by offering services that are not currently available. Some major restaurant chains will not locate in a dry county, and a county may lose business to surrounding areas because a motel/hotel facility is not licensed to serve alcoholic beverages.

Based on its population, Madison County now is entitled to three new quota liquor licenses. The Division of Alcoholic Beverages and Tobacco accepted entry forms for 45 days beginning January 7, 2013, for inclusion in a double random drawing.⁸ An applicant has another 45 days from the date the Division mails the notice of selection to file an application. A license is then issued, if the applicant is found to be qualified. Any portion of the drawing results of a particular county which reveals the rank order of persons not receiving notice of selection is confidential and exempt from the provisions of s. 119.07(1), F.S.,⁹ until such time as all of the licenses from that county’s drawing have been distributed.¹⁰ The Division is required to process a completed application within 90 days of receipt and acceptance.¹¹

Effect of Changes

CS/HB 1421 provides that, notwithstanding the room quota requirements of s. 561.20(2)(a)1., F.S., the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation is authorized, upon application, to issue a special alcoholic beverage license to a motel or hotel having at least 45 guest rooms in Madison County.

Currently, no motel or hotel in Madison County qualifies for the “Special Motel/Hotel” license, as none of these facilities has 80 or more guest rooms. There are less than 10 licensed motels and hotels in the county,¹² and three of these motels/hotels appear to meet the criteria for the issuance of a special alcoholic beverage license pursuant to this bill.¹³

The bill has an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes ☒ No ☐

IF YES, WHEN? January 25, 2013

WHERE? *The Madison Enterprise Recorder*, a weekly newspaper of general circulation published in Madison County, Florida.

⁵ Lafayette, Liberty, Madison and Washington counties.

⁶ *See*, ch. 567, F.S., “Local Option Elections.”

⁷ <http://www.votemadison.com/index.php?op=F&ss=252935&nomenu=Y&spanish=N>.

⁸ <http://www.myfloridalicense.com/dbpr/abt/archives.html#madisonapplicationperiod>.

⁹ This provision requires every person who has custody of a public record to permit the record to be inspected and copied by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public records.

¹⁰ *See, supra*, note 1.

¹¹ *See*, s. 120.60, F.S.

¹² <https://www.myfloridalicense.com>.

¹³ Honey Lake Plantation Resort and Spa in Greenville, Best Western Plus Madison Inn and Madison Days Inn.

B. REFERENDUM(S) REQUIRED? Yes ☐ No ☒

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached ☒ No ☐

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached ☒ No ☐