

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 1467 City of Kissimmee, Osceola County

SPONSOR(S): Arrington and others

TIED BILLS: **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 116 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 1467 passed the House on April 27, 2023, and subsequently passed the Senate on May 4, 2023.

Florida's Beverage Law limits the number of "quota licenses" that the Department of Business and Professional Regulation (DBPR) may issue per county. A quota license allows a business to serve any alcoholic beverage regardless of alcoholic content, including liquor. DBPR is not limited by the Beverage Law on the number of licenses it may issue for businesses that serve only malt beverages and wine.

The bill creates an overlay district in the City of Kissimmee known as the Vine Street Community Redevelopment District. The bill creates an exception to the quota limitation and authorizes DBPR to issue a special alcoholic beverage license to a bona fide restaurant in the Vine Street Community Redevelopment District that meets the following requirements: occupies at least 1,800 square feet of contiguous space, is equipped to serve meals to at least 80 persons at one time, and derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages.

The bill provides that failure of a licensee to meet the required percentage of food and nonalcoholic beverage gross revenue during the covered operating period will result in the revocation of the license or denial of the pending application for a permanent license of a licensee operating with a temporary license. A licensee whose license is revoked, an applicant whose pending application for a permanent license is denied, or any person required to qualify for the license application is ineligible to have any interest in a subsequent license application for a period of 120 days after the date of the final denial of revocation.

According to the Economic Impact Statement, the bill will result in an increase in sales tax revenue and licensing revenue to the extent special licenses are granted under the exception.

The bill was approved by the Governor on June 14, 2023, ch. 2023-341, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

The Division of Alcoholic Beverages and Tobacco (Division) within the Department of Business and Professional Regulation (DBPR) is responsible for regulating the conduct, management, and operation of the manufacturing, packaging, distribution, and sale of alcoholic beverages within the state.¹ Chapters 561-565 and 567-568, F.S., comprise Florida's Beverage Law.

Under the Beverage Law, DBPR is not limited on the number of licenses it issues to businesses selling malt beverages or wine. However, statute limits the number of licenses that may be issued under s. 565.02(1)(a)-(f), F.S., to one license per 7,500 residents per county with a minimum of three licenses per county that has approved the sale of intoxicating liquors.² This license, often referred to as a "quota license," allows a business to sell any alcoholic beverage regardless of alcoholic content, including liquor or distilled spirits.³

There are several exceptions to the quota license limitation,⁴ and businesses that meet the requirements set out in one of the exceptions may be issued a special license by DBPR allowing the business to serve any alcoholic beverages regardless of alcohol content. A food service establishment may qualify for an exemption if the building has at least 2,500 square feet of service area, is equipped to serve meals to 150 persons at one time, and derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages during the first 120-day operating period and the first 12-month operating period thereafter.⁵

Alcoholic beverages sold for consumption on premises must be consumed inside the licensed premises.⁶ DBPR may approve a temporary expansion of the licensed premises to include a sidewalk or other outdoor area for special events.⁷ The business must pay an application fee of \$100, stipulate the timeframe for the special event, submit a sketch outlining the expanded premises, and submit written approval from the county or municipality.

Effect of the Bill

The bill creates an overlay district in the City of Kissimmee known as the Vine Street Community Redevelopment District and provides a legal description of the area.

The bill permits DBPR to issue a special alcoholic beverage license to a bona fide restaurant in the Vine Street Community Redevelopment District that meets the following requirements: occupies at least 1,800 square feet of contiguous space, is equipped to serve meals to at least 80 persons at one time, and derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages.

The bill provides that failure of a licensee who is issued a special license to meet the gross revenue requirement during the covered operating period will result in the revocation of the license or denial of the pending application for a permanent license of a licensee operating with a temporary license. A licensee whose license is revoked, an applicant whose pending application for a permanent license is

¹ S. 561.02, F.S.

² S. 561.20(1), F.S.

³ S. 565.02, F.S.

⁴ S. 561.20(2), F.S.

⁵ S. 561.20(2)(a)4., F.S. See Rule 61A-3.0141, F.A.C.

⁶ See s. 561.01(11), F.S. (defining "licensed premises" and requiring written approval from the county or municipality to include a sidewalk or any other outside area as part of the licensed premise).

⁷ S. 561.01(11), F.S.

denied, or any person required to qualify for the special license application is ineligible to have any interest in a subsequent license application for a period of 120 days after the date of the final denial or revocation.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

According to the Economic Impact Statement, the bill will result in an increase in sales tax revenue and licensing revenue to the extent special licenses are granted under the exception.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

According to the Economic Impact Statement, the bill will result in an increase in sales tax revenue to the extent special licenses are granted under the exception.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 26, 2023

WHERE? *The Osceola News-Gazette*, a twice-weekly newspaper published in Osceola County.

E. REFERENDUM(S) REQUIRED? Yes No