

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 691 Town of Horseshoe Beach, Dixie County

SPONSOR(S): Shoaf

TIED BILLS: IDEN./SIM. BILLS:

FINAL HOUSE FLOOR ACTION: 118 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 691 passed the House on February 15, 2024, and subsequently passed the Senate on March 7, 2024.

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 exception to the quota limitation and requires DBPR to issue a special alcoholic beverage license to any bona fide restaurant within the jurisdictional boundaries of the Town of Horseshoe Beach that meets the following requirements:

- Licensed by the Division of Hotels and Restaurants within DBPR.
- Occupies at least 1,700 square feet of contiguous space used as part of the food service establishment.
- Equipped to serve meals to 50 persons at one time.
- Derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages during the first 60-day operating period and each 12-month operating period thereafter.

The bill provides that failure of a licensee who is issued a special license to meet the food and nonalcoholic beverage 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 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.

According to the Economic Impact Statement, the bill will result in an increase to revenues for local businesses, and will have an indeterminate positive impact on the local government's revenues due to increased sales tax and licensing revenues associated with the issuance of special licenses granted under the exception.

The bill was approved by the Governor on May 17, 2024, ch. 2024-281, 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, the 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

There are several exceptions to the Beverage Law created by special act reducing certain licensing requirements for special zones in local jurisdictions.⁶

Effect of the Bill

The bill creates an exception to the quota limitation and requires DBPR to issue a special alcoholic beverage license to a bona fide restaurant within the jurisdictional boundaries of the Town of Horseshoe Beach if the restaurant:

- Is licensed by the Division of Hotels and Restaurants within DBPR;
- Occupies at least 1,700 square feet of contiguous space used as part of the food service establishment;
- Is equipped to serve meals to 50 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 60-day operating period and each 12 -month operating period thereafter.

The bill provides that failure of a licensee, who is issued a special license, to meet the food and nonalcoholic beverage 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 denied, or any person required to qualify for the special license

¹ S. 561.02, F.S.

² S. 561.20(1), F.S.

³ S. 561.20, 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, e.g., chs. 2021-265, Laws of Fla. (Orlando Main Street Small Restaurant Incentive Area) and 2023-342 (Dennis Street Commercial Corridor, Downtown Incentive Zone in the City of Jacksonville Beach, and the North Florida Keys Corridor in Duval County).

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.

According to the Economic Impact Statement, the bill will result in an increase to revenues for local businesses, and will have an indeterminate positive impact on the local government's revenues due to increased sales tax and licensing revenues associated with the issuance of special licenses granted under the exception.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

According to the Economic Impact Statement, the bill will result in an increase to revenues for local businesses and will have an indeterminate positive impact on the local government's revenues due to increased sales tax and licensing revenues associated with the issuance of special licenses granted under the exception.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? October 26, 2023 & November 2, 2023.

WHERE? The *Dixie County Advocate*, a weekly newspaper of general circulation published in Dixie County, Florida.

E. REFERENDUM(S) REQUIRED? Yes No