

# FLORIDA HOUSE OF REPRESENTATIVES

## BILL ANALYSIS

*This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.*

**BILL #:** [HB 4039](#)

**TITLE:** Broward County

**SPONSOR(S):** LaMarca

**COMPANION BILL:** None

**LINKED BILLS:** None

**RELATED BILLS:** None

### Committee References

[Intergovernmental Affairs](#)

11 Y, 4 N



[Industries & Professional  
Activities](#)



[State Affairs](#)

## SUMMARY

### Effect of the Bill:

The bill provides an exception to the Tied House Evil provisions of the Beverage Law for any alcohol beverage license issued to any civic center or sports arena located within the Western Sunrise Entertainment District of City of Sunrise, Holiday Park in City of Fort Lauderdale, or within the City of Coral Springs and provides a corresponding exception for alcoholic beverage manufacturers, importers, distributors, and vendors for their activities in relation to those licensees.

### Fiscal or Economic Impact:

The Economic Impact Statement for the bill states the county is projected to see an increase in revenues of \$180,000 and \$195,000 in the first and second fiscal years after the effective date of the bill.

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## ANALYSIS

### EFFECT OF THE BILL:

The bill provides an exception to the [Tied House Evil](#) provisions of the [Beverage Law](#) for any alcohol beverage license issued to any civic center or sports arena located within the Western Sunrise Entertainment District of City of Sunrise, Holiday Park in City of Fort Lauderdale, or within the City of Coral Springs. The bill also provides that Tied House Evil provisions do not apply to any alcoholic beverage manufacturer, importer, distributor, primary American source of supply, brand owner or registrant, or vendor in relation to those licenses or the premises on which those licensees operate. (Sections [1](#) and [2](#))

The bill provides a boundary description of the Western Sunrise Entertainment District and Holiday Park. (Sections [3](#) and [4](#))

The bill provides an effective date of upon becoming a law. (Section [5](#))

### FISCAL OR ECONOMIC IMPACT:

#### LOCAL GOVERNMENT:

The Economic Impact Statement for the bill states the county is projected to see an increase in revenues of \$180,000 and \$195,000 in the first and second fiscal years after the effective date of the bill.

**STORAGE NAME:** h4039a.IAS

**DATE:** 3/26/2025

## RELEVANT INFORMATION

### SUBJECT OVERVIEW:

#### [Beverage Law](#)

In Florida, the Beverage Law<sup>1</sup> regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors.<sup>2</sup> The Division of Alcoholic Beverages and Tobacco (Division) in the Department of Business and Professional Regulation (DBPR) administers and enforces the Beverage Law.<sup>3</sup>

#### [Special Licenses](#)

Under the Beverage Law, there is not a limit on the number of licenses DBPR may issue to businesses selling malt beverages or wine. However, the law limits the number of licenses for selling distilled spirits to one license per 7,500 residents within the county with a minimum of three licenses per county for counties that have approved the sale of intoxicating liquors.<sup>4</sup> These licenses are known as quota licenses and are the only alcoholic beverage license type that is limited in number.

There are several exceptions to the quota license limitation.<sup>5</sup> DBPR may issue a special license to businesses that meet the requirements set out in one of the exceptions. The special license allows businesses to serve any alcoholic beverages regardless of alcohol content. One exception authorizes the Division to issue a special license for on-premises consumption to any civic center authority or sports arena authority created by state law or local ordinance or to any civic center or sports arena that is owned by a political subdivision of the state.<sup>6</sup> A license issued under this exception may be transferred to a qualified applicant who provides food services for the facility pursuant to a contract with the governmental entity that owns the facility.<sup>7</sup> The license is the exclusive property of the governmental entity and reverts to the government entity by operation of law in the event the contract between the governmental entity and the qualified applicant is terminated.<sup>8</sup>

#### [Three-Tier System and Tied House Evil](#)

Since the repeal of Prohibition, regulation of alcohol in the United States has traditionally been based upon what is termed the “three-tier system.” The system requires separation of the manufacture, distribution, and sale of alcoholic beverages. The manufacturer creates the beverages, and the distributor obtains the beverages from the manufacturer to deliver to the vendor. The vendor makes the ultimate sale to the consumer.<sup>9</sup> Generally, only licensed vendors are permitted to sell alcoholic beverages directly to consumers at retail.<sup>10</sup> A manufacturer, distributor, or exporter may not be licensed as a vendor to sell directly to consumers.<sup>11</sup> Manufacturers are also generally prohibited from having an interest in a vendor and from distributing directly to a vendor.<sup>12</sup>

The three-tier system is deeply rooted in the perceived evils of the “tied house” in which a bar is owned or operated by a manufacturer or the manufacturer exercises undue influence over the retail vendor.<sup>13</sup>

Florida’s Tied House Evil Law<sup>14</sup> prohibits a licensed manufacturer or distributor from having any direct or indirect financial interest in any vendor, from assisting any vendor through gifts, loans, money or property of any description, and from giving any rebates of any kind whatsoever.

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<sup>1</sup> Section [561.01\(6\), F.S.](#), provides that the “Beverage Law” means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

<sup>2</sup> See s. [561.14, F.S.](#)

<sup>3</sup> S. [561.02, F.S.](#)

<sup>4</sup> S. [561.20\(1\), F.S.](#)

<sup>5</sup> S. [561.20\(2\), F.S.](#)

<sup>6</sup> S. [561.20\(2\)\(h\), F.S.](#)

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> S. [561.14, F.S.](#)

<sup>10</sup> S. [561.14\(3\), F.S.](#), but see ss. [561.221](#) (exception for manufacturers of wine to sell to consumers at licensed premise on property contiguous to the manufacturing premises) and [565.03, F.S.](#)

<sup>11</sup> S. [561.22\(1\), F.S.](#)

<sup>12</sup> Ss. [563.022\(14\)](#) and [561.14\(1\), F.S.](#)

<sup>13</sup> See Andrew Tamayo, [What’s Brewing in the Old North State: An Analysis of the Beer Distribution Laws Regulating North Carolina’s Craft Breweries](#), 88 N.C. L. Rev. 2198 (2010).

<sup>14</sup> S. [561.42\(1\), F.S.](#)

A manufacturer or distributor is also prohibited from:

- Engaging in cooperative advertising with a vendor;
- Naming a vendor in any advertisement for a malt beverage tasting; or
- Paying for particular placement, signage, or other brand promotion within a vendor premises for malt beverages produced by the manufacturer.<sup>15</sup>

However, the Tied House Evil Law authorizes a manufacturer, distributor, importer or registrant of malt beverage to sell expendable retailer advertising specialties (such as trays, coasters, mats, menu cards, napkins, cups, glasses, thermometers, and the like), to a vendor at a price not less than the actual cost to the industry member who initially purchased them.<sup>16</sup> Vendors may accept glassware from a distributor at no charge, subject to certain limitations and conditions.<sup>17</sup>

### Penalties

A false entry of any record required under the Beverage Law or a violation of the excise tax provisions, when done intentionally, is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or [s. 775.084, F.S.](#)<sup>18</sup> For violations of the Beverage Law where no penalty is provided, first-time offenders are guilty of a misdemeanor of the second degree and a felony of the third degree for any subsequent offenses thereafter. The Division may issue civil penalties for violations of the Beverage Law and related rules;<sup>19</sup> Such penalties may not exceed \$1,000 per transaction. The Division may also suspend the license of a licensee that fails to pay a civil penalty.

### **Local Bill Forms**

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.<sup>20</sup> A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website<sup>21</sup> at least 30 days prior to the introduction of the local bill in the House or Senate.<sup>22</sup> The bill was noticed in the [Sun-Sentinel on January 19, 2025](#).

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement Form be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.<sup>23</sup> Under the policy, a committee or subcommittee may not consider a local bill unless these forms have been filed. The following forms have been submitted for the bill:

- [Local Bill Certification Form](#)
- [Economic Impact Statement Form](#)

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<sup>15</sup> S. [561.42, F.S.](#)

<sup>16</sup> S. [561.42\(14\), F.S.](#)

<sup>17</sup> *Id.*

<sup>18</sup> S. [562.45\(1\), F.S.](#)

<sup>19</sup> S. [561.29, F.S.](#)

<sup>20</sup> [Art. III, s. 10, Fla. Const.](#)

<sup>21</sup> S. [50.0311\(2\), F.S.](#)

<sup>22</sup> S. [11.02, F.S.](#) If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

<sup>23</sup> Intergovernmental Affairs Subcommittee, [Local Bill Policies and Procedures Manual](#), p. 11 (last visited Mar. 15, 2025).

## BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
<a href="#">Intergovernmental Affairs Subcommittee</a>	11 Y, 4 N	3/26/2025	Darden	Darden
<a href="#">Industries &amp; Professional Activities Subcommittee</a>				
<a href="#">State Affairs Committee</a>				