FLORIDA HOUSE OF REPRESENTATIVES FINAL BILL ANALYSIS

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

BILL #: <u>CS/HB 4067</u>
TITLE: Special Beverage Licenses for Equestrian Sport COMPANION BILL: None LINKED BILLS: None

Facilities in Marion County

SPONSOR(S): Chamberlin

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 92 Y's 16 N's GOVERNOR'S ACTION: Pending

SUMMARY

Effect of the Bill:

The bill provides an exception to the Beverage Law allowing the Division of Alcoholic Beverage and Tobacco within the Department of Business and Professional Regulation to issue a special alcoholic beverage license to equestrian sport facilities in Marion County that meet certain conditions. The special alcoholic beverage license would allow a facility to make package sales of malt beverages and wine for off-premises consumption, sell all types of alcoholic beverages for on-premises consumption, and to designate a venue as a stand-alone bar for the purpose of allowing indoor smoking.

Fiscal or Economic Impact:

The Economic Impact Statement for the bill states that the special beverage licenses could provide a \$15 million increase in state and local revenue for the full first fiscal year and a \$30 million increase for the full second fiscal year after the effective date of the bill.

JUMP TO <u>SUMMARY</u> <u>ANALYSIS</u> <u>RELEVANT INFORMATION</u>

ANALYSIS

EFFECT OF THE BILL:

The bill provides an exception to the Beverage Law to allow the Division of Alcoholic Beverages and Tobacco (Division) within the Department of Business and Professional to issue a <u>special alcoholic beverage license</u> to equestrian sport facilities authorizing the <u>package sale</u> of malt beverages and wine for off-premises consumption and the sale of all types of alcoholic beverages for <u>on-premises consumption</u>. (Section <u>1</u>)

The bill allows the holder of the special alcoholic beverage license to designate a venue within the licensed premises as a <u>stand-alone bar</u> for the purpose of allowing indoor smoking, provided the venue meets all other requirements for stand-alone bars provided by general law. (Section <u>1</u>)

The bill provides that the special alcoholic beverage license does not prohibit the operation of other licensed premises on the property working under separate licenses. The bill states that any <u>violation</u> of the Beverage Law that occurs within the equestrian sport facility does not impact those separate licenses unless the violation occurred on the premises of those licensees and that any violation by those separate licenses does not impact the special alcoholic beverage license. The special alcoholic beverage license is subject to all of the requirements and restrictions of the Beverage Law, except as otherwise provided in the bill. The bill authorizes the Division to adopt rules necessary to implement and administer the provisions of the bill. (Section <u>1</u>)

The bill defines an "equestrian sport facility" as any facility within Marion County which is at least 500 acres in size and which includes at least two transient public lodging establishments and at least three public food service establishments, the principal attraction of which is sport horse events such as show jumping, dressage, eventing, and other equestrian competitions. (Section 1)

Subject to the Governor's veto powers, the effective date of this bill is upon becoming a law. (Section 2)

STORAGE NAME: h4067z.IAS

DATE: 5/8/2025

RULEMAKING:

This bill provides that the Division may adopt rules necessary to implement and administer the provisions of the bill.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Economic Impact Statement for the bill states that the special beverage licenses could provide a \$15 million increase in state and local revenue for the full first fiscal year and a \$30 million increase for the full second fiscal year after the effective date of the bill.

LOCAL GOVERNMENT:

The Economic Impact Statement for the bill states that the special beverage licenses could provide a \$15 million increase in state and local revenue for the full first fiscal year and a \$30 million increase for the full second fiscal year after the effective date of the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Beverage Law

In Florida, the Beverage Law¹ regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors.² The Division of Alcoholic Beverages and Tobacco (Division) within the Department of Business and Professional Regulation (DBPR) administers and enforces the Beverage Law.³

Section <u>561.14</u>, <u>F.S.</u>, specifies the license and registration classifications used in the Beverage Law:

- "Manufacturers" are those licensed to manufacture alcoholic beverages and distribute the same at wholesale to licensed distributors and to no one else within the state, unless authorized by statute.
- "Distributors" are those licensed to sell and distribute alcoholic beverages at wholesale to persons who are licensed to sell alcoholic beverages.
- "Importers" are those licensed to sell, or to cause to be sold, shipped, and invoiced, alcoholic beverages to licensed manufacturers or licensed distributors, and to no one else in this state.
- "Vendors" are those licensed to sell alcoholic beverages at retail only and may not purchase or acquire in any manner for the purpose of resale any alcoholic beverages from any person not licensed as a vendor, manufacturer, bottler, or distributor under the Beverage Law.

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.⁴ These licenses are known as quota licenses and are the only alcoholic beverage license type that is limited in number.

 JUMP TO
 SUMMARY
 ANALYSIS
 RELEVANT INFORMATION

¹ Section <u>561.01(6)</u>, F.S., provides that the "Beverage Law" means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

² See <u>s. 561.14, F.S.</u>

³ S. 561.02, F.S.

⁴ S. <u>561.20(1)</u>, F.S.

A "special license" is an exception to the quota licensing scheme, which allows certain entities to serve liquor without a quota license.⁵ These exceptions apply to hotels, motor courts, condominiums, food service establishments, caterers, and culinary education programs that meet certain requirements.

Package Sales

A package store is a vendor operating a place of business where beverages are sold only in sealed containers for consumption off the premises.7

Premises

Under the Beverage Law, there are limited allowances for off-premises consumption of open containers of alcoholic beverages, Typically, alcoholic beverages must be consumed within the licensed premises, and DPBR has to approve temporary expansions of the licensed premises to include a sidewalk or other outdoor area for special events. The temporary expansions also require payment of a \$100 application fee, stipulation of the timeframe for the special event, and submission of a sketch outlining the expanded premises. ¹⁰ These fees are deposited into the Alcoholic Beverage and Tobacco Trust Fund.11

Stand-alone Bar

A vendor may choose to operate its licensed premises as a "stand-alone bar" that allows tobacco smoking or vaping.¹² To qualify as a stand-alone bar, the licensed premises:

- Must be predominately or totally devoted to serving alcoholic beverages for on-premises consumption;
- Only serve food, if any, that is merely incidental to the consumption of alcohol; 13 and
- Not be located within, or share any common entryway or common indoor area, with any enclosed indoor workspace.14

A vendor who elects to operate a stand-alone bar must post the notice of its intention to do so in the same location the vendor's current alcoholic beverage license is posted.¹⁵ The vendor must also conspicuously post signs at each entrance to the establishment stating that smoking and vaping are authorized in the establishment.¹⁶

The licensed vendor operating a stand-alone bar must submit an annual affidavit to the Division that within the past 12 months:

- No more than 10 percent of the gross revenue of the business is from the sale of food consumed on the licensed premises;
- Other than customary bar snacks, the vendor only provides food to patrons at a separately stated charge that reasonably approximates the retail value of the food; and
- The vendor has complied with signage requirements.¹⁷

Violations

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 ss. 775.082, 775.083, or 775.084, F.S. 18 For violations of the Beverage Law where no penalty is provided, first-time offenders are guilty of a misdemeanor of

SUMMARY RELEVANT INFORMATION ANALYSIS

⁵ S. <u>561.20(2)(a)</u>, F.S.

⁶ S. 561.20(2)(a)1.-6., F.S.

⁷ Valerie L. Haber, Westlaw Practical Law, *Alcohol Regulation (FL): Overview* (last visited April 9, 2025).

⁸ See s. 561.20, F.S.

⁹ 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).

¹⁰ *Id.*

¹¹ *Id.*

¹² S. <u>561.695, F.S.</u>

¹³ The sale of food is considered incidental if the licensed premises receives no more than 10 percent of its gross revenue from the sale of food. S. 386.203(12), F.S.

¹⁴ Ss. <u>386.203(12)</u> and <u>561.695(5)(a), F.S.</u>

¹⁵ S. 561.695(2), F.S.

¹⁶ S. <u>561.695(4)</u>, F.S.

¹⁷ S. 561.695(5), F.S.

¹⁸ S. <u>562.45(1), F.S.</u>

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.¹⁹ 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.

Additionally, a vendor who violates any requirements for a stand-alone bar or the Florida Clear Air Act is subject to:

- For a first violation, a warning or fine of up to \$500.
- For a second violation within two years of the first violation, a fine of \$500 to \$2,000.
- For a third or subsequent violation within two years after the first violation, a suspension of the right to maintain a stand-alone bar for up to 30 days and a fine of \$500 to \$2,000.
- For a fourth or subsequent violation, a suspension of the right to maintain a stand-alone bar for up to 60 days and a fine of \$500 to \$2,000 or a revocation of the right to maintain a stand-alone bar.²⁰

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.²¹ A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website²² at least 30 days prior to the introduction of the local bill in the House or Senate.²³ The bill was noticed in the Ocala Star Banner on January 28, 2025.

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.²⁴ The following forms have been submitted for this bill:

- Local Bill Certification Form
- <u>Economic Impact Statement</u>

 UMP TO
 SUMMARY
 ANALYSIS
 RELEVANT INFORMATION

¹⁹ S. <u>561.29</u>, F.S.

²⁰ S. <u>561.695(7)</u>, F.S.

²¹ Art. III, s. 10, Fla. Const.

²² S. <u>50.0311(2)</u>, F.S.

²³ S. <u>11.02</u>, 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.

²⁴ Intergovernmental Affairs Subcommittee, *Local Bill Policies and Procedures Manual*, p. 11 (last visited Mar. 16, 2025).