

STORAGE NAME: h3669b.tu

DATE: March 27, 1998

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
TOURISM**

BILL RESEARCH & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION

BILL #: HB 3669

RELATING TO: Orange County; alcoholic beverage licenses

SPONSOR(S): Representatives Sindler and others

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) REGULATED SERVICES YEAS 12 NAYS 0
- (2) TOURISM
- (3) COMMUNITY AFFAIRS
- (4)
- (5)

I. SUMMARY:

This bill amends chapter 96-521, Laws of Florida, a special act which authorized the issuance of alcoholic beverage licenses to vendors in an entertainment/resort complex in Orange County as an exception to general law, to expand the boundaries thereof and to redefine the term "entertainment/resort complex."

The economic impact of the proposed expansion by Universal Studios is anticipated to have a substantial positive impact on state revenues due to the creation of a significant number of new jobs and new construction.

The bill will take effect upon becoming a law.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Chapter 96-521, Laws of Florida, created an exception to the prohibitions found in general law concerning the financial relationship between a manufacturer of alcoholic beverages and a retail vendor of alcoholic beverages and the licensure of same.

The 1995 acquisition of MCA, Inc., an entertainment conglomerate which owns half interest in Universal Studios Theme Park in Orlando, by The Seagrams Company, Ltd., a global producer and marketer of distilled spirits, resulted in an affiliation between a manufacturer and a retail vendor in violation of ss. 561.22 and 561.42, Florida Statutes.

The practical effect of the exemption from general law provided by Chapter 96-521, Laws of Florida, was twofold. First, to relieve Seagrams from an otherwise required divestiture of financial interest in Universal Studios. Second, the act allows the issuance of various alcoholic beverage licenses to retailers which have a financial relationship with a manufacturer and allows the issuance of alcoholic beverage licenses to entities which otherwise might be required to purchase a quota liquor license on the open market. Unlike a quota liquor license, however, these special alcoholic beverage licenses are restricted to sales for consumption on the licensed premises.

B. EFFECT OF PROPOSED CHANGES:

The bill continues the exemption from general law from the prohibited financial relationship between a manufacturer and a vendor of alcoholic beverages [s.561.42(1),F.S.] and from the prohibition of licensure as both a manufacturer of alcoholic beverages and as a retail vendor of alcoholic beverages [s. 561.22, F.S.] created by Chapter 96-521, Laws of Florida.

This bill expands the boundaries set forth in Chapter 96-521, Laws of Florida, to encompass approximately 2,000 additional acres of land which is being considered for a future expansion of the entertainment/resort complex. The proposed expansion by Universal may include everything from retail and hotel space to new theme parks and golf courses. The Division of Alcoholic Beverages and Tobacco is authorized to issue separate alcoholic beverage licenses for each retail outlet within that expanded boundary according to the type of service offered, i.e., restaurant, golf club, bar. Each alcoholic beverage licensee is required to pay a license fee for consumption on premises establishments as set forth in s. 565.02(1)(b)-(f), Florida Statutes, except that a new theme park shall be issued a master license and pay license fees as provided in s. 565.02(6), Florida Statutes.

The bill deletes the definition of an "entertainment/resort complex" found in the original special act, and references the definition found in s. 561.01(18), Florida Statutes. The new language defines "close proximity" to be within a five mile radius of the theme park. The new definition continues to require that either the owner/operator of the theme park, a parent company or a subsidiary thereof, be required to have an equity interest in the entertainment/resort complex properties.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 96-521, Laws of Florida.

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

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a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

E. SECTION-BY-SECTION RESEARCH:

Section 1. Amends Chapter 96-521, Laws of Florida, to expand the boundaries of the entertainment/resort complex; to delete the definition for an entertainment/resort complex found in the special act; and, to reference a definition for an entertainment/resort complex found in general law.

Section 2. Provides that the act shall take effect upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 15-16, 1998

WHERE? The Orlando Sentinel, Orlando, Florida.

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

IV. COMMENTS:

The economic impact of Universal's proposed Phase II expansion is expected to generate 25,000 additional direct jobs and, according to an industry economic statement, over \$1 billion in new tax revenue due directly to new construction and associated operational support costs between now and the year 2015.

Constitutional Concerns

Article III, Section 11, subsection 12 of the Florida Constitution prohibits the Legislature from passing a special law or general law of local application pertaining to a grant or privilege to a private corporation. Arguably, the exceptions to general law contained in this bill could be considered unconstitutional.

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V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VI. SIGNATURES:

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