

STORAGE NAME: h1207a.br.doc
DATE: March 27, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
BUSINESS REGULATION
ANALYSIS**

BILL #: HB 1207
RELATING TO: Nonprofit Civic Organizations; alcoholic beverage license
SPONSOR(S): Representative(s) Carassas
TIED BILL(S): None

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

- (1) BUSINESS REGULATION [CSG] YEAS 8 NAYS 0
 - (2) FISCAL POLICY & RESOURCES [FRC]
 - (3) COUNCIL FOR SMARTER GOVERNMENT
 - (4)
 - (5)
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I. SUMMARY:

This bill clarifies the terms and conditions of temporary 3-day permits issued to nonprofit civic organizations for the sale of alcoholic beverages at the organization's fundraising events.

Specifically, the bill clarifies that:

- Each temporary license is valid for a period of time not to exceed three days for each event;
- Any nonprofit civic organization may receive up to three licenses per calendar year; and
- Each license authorizes the service of alcoholic beverages at as many locations [service bars] as are necessary at each event.

The bill will have no impact on state revenue collections or expenditures.

The bill will take effect upon becoming a law.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

The Beverage Law consists of Chapters 561-565 and 567-568, Florida Statutes, and requires a person to be licensed prior to engaging in the business of manufacturing, bottling, distributing, selling, or in any way dealing in the commerce of alcoholic beverages. The ability to engage in the commerce of alcoholic beverages is considered a privilege and is subject to strict licensure and operational standards. The Division of Alcoholic Beverages and Tobacco, Department of Business and Professional Regulation, is the state agency responsible for issuing alcoholic beverage licenses and ensuring licensee compliance with the Beverage Law.

The Beverage Law does not limit the number of beer or wine licenses that may be issued in a county. However, the Beverage Law does limit the number of retail *liquor* licenses [also referred to as quota licenses] that may be issued. Section 561.20, Florida Statutes, provides for a quota on alcoholic beverage liquor licenses for each county based upon population: one license for each 7,500 residents. Quota licenses allow the sale of all legal types of alcoholic beverages for either consumption on the premises or by the package. Both liquor package stores and lounge-type operations operate under the authority of a quota license.

Quota limitations were initially enacted in the interest of promoting temperance by limiting the number of outlets and, therefore, the availability of alcoholic beverages. License fees for quota licenses are also significantly higher than for other alcoholic beverage licenses. To avoid favoritism, the law provides for an annual lottery-type drawing to award quota licenses.

There are numerous exceptions in general law to the quota limitation which provide for the issuance of liquor licenses to certain groups under restricted conditions: restaurants, hotels, motels, golf clubs, bowling establishments, civic centers, historic American Legion Posts and other qualifying veterans and fraternal organizations, etc.

Section 561.422, Florida Statutes, creates one such exception and allows the issuance of a temporary alcoholic beverage retail vendor license to bona fide nonprofit civic organizations. The license is valid for up to three days and allows the sale of all types of alcoholic beverages for on-premises consumption. No organization may obtain more than three temporary [3-day] licenses per calendar year.

The license fee for a temporary 3-day license is \$25 and the organization is authorized to purchase alcoholic beverages from either a licensed wholesale distributor or a licensed retail vendor.

C. EFFECT OF PROPOSED CHANGES:

This bill clarifies the terms and conditions of temporary 3-day licenses issued to nonprofit civic organizations pursuant to s. 561.422, Florida Statutes. The bill clarifies that:

- Each temporary license is valid for a period of time not to exceed three days for each event;
- Any nonprofit civic organization may receive up to three licenses per calendar year; and
- Each license authorizes the service of alcoholic beverages at as many locations [service bars] as are necessary at each event.

This clarification should ensure uniform interpretation throughout the Division of Alcoholic Beverages and Tobacco's district offices.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Amends s. 561.422, Florida Statutes, to clarify the terms and conditions of temporary 3-day permits issued to nonprofit civic organizations for the sale of alcoholic beverages.

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

III. 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:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Clarification of the terms and conditions of temporary 3-day permits for nonprofit civic organizations will ensure consistent interpretation throughout the division's field offices thereby placing all similarly situated organizations on equal footing when approaching their fundraising activities.

D. FISCAL COMMENTS:

None.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON BUSINESS REGULATION:

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