

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 637 Citrus County
SPONSOR(S): Community & Military Affairs Subcommittee; Smith
TIED BILLS: **IDEN./SIM. BILLS:** SB 1034

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	14 Y, 1 N, As CS	Tait	Hoagland
2) Economic Affairs Committee	15 Y, 0 N	Tait	Tinker

SUMMARY ANALYSIS

Florida law limits the number of alcoholic beverage licenses that may be issued to one license for every 7,500 residents in a county¹. Special Restaurant Beverage (SRX) licenses may be issued in excess of the quota limitations, and are regulated under Rule 61A-3.0141, F.A.C.

The specific requirements regarding the issuance of SRX licenses in Citrus County are found in Special Acts, ch. 84-409, L.O.F., as amended by ch. 86-391, L.O.F. (Special Act). The Special Act specifies that SRX licenses may be issued to any restaurant occupying more than 2,500 square feet of service area, with equipment to serve 150 or more patrons full-course meals at tables at one time, and with at least 51% of its gross revenue derived from the sale of food and nonalcoholic beverages. It also prohibits cocktail lounges and open bars on the premises of licensees, with the exception of any restaurant that maintains a service area of at least 4,000 square feet, and in such a restaurant, alcoholic beverage consumption is not limited to table service with meals.

The bill amends the Special Act to remove the prohibition against cocktail lounges and open bars on the premises of restaurants. It modifies the authorization for a cocktail lounge or open bar in restaurant with a service area of 4,000 square feet or more to specify that alcoholic beverage consumption is not limited to table service with meals only within the cocktail lounge or open bar. It also permits a restaurant with a service area of at least 2,500 square feet, but less than 4,000 square feet, to provide a cocktail lounge or an open bar that serves up to ten percent of the restaurant's capacity, with alcoholic beverage consumption not limited to table service with meals within the cocktail lounge or open bar. The bill specifies that sales of alcoholic beverages for off-premises consumption are not permitted. It also removes the requirement that the restaurant have the equipment to serve 150 or more patrons at tables "at one time."

As qualifying restaurants may already obtain a special restaurant license if they choose to, the number of restaurants impacted by the bill is unknown, so the projected revenues from the license fees are indeterminate. The Division of Alcoholic Beverages and Tobacco with the Florida Department of Business and Professional Regulation has indicated that current staff and resources can be used to process any additional license requests allowed by this bill.

The bill provides an effective date of upon becoming law.

House Rule 5.5(b), states that a local bill that provides an exemption from general law may not be placed on the Special Order Calendar in any section reserved for the expedited consideration of local bills. This bill appears to provide an exemption to s. 561.20, F.S

¹ S. 561.20(1), F.S.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Florida law limits the number of alcoholic beverage licenses that may be issued to one license for every 7,500 residents in a county². Special Restaurant Beverage (SRX) licenses may be issued in excess of the quota limitations in s. 561.20(1), F.S., and are regulated under Rule 61A-3.0141, F.A.C. With the exception of specified counties or cities, SRX licenses may be issued to bona fide restaurants with a service area occupying 2,500 or more square feet of floor space and with accommodations for the service and seating of 150 or more patrons at tables at one time.³ All SRX licenses issued after January 1, 1958, have the suffix "SRX" as a part of the license number.

The specific requirements regarding the issuance of SRX licenses in Citrus County are found in Special Acts, ch. 84-409, L.O.F., as amended by ch. 86-391, L.O.F. (Special Act). The Special Act specifies that SRX licenses may be issued to any restaurant occupying more than 2,500 square feet of service area, with equipment to serve 150 or more patrons full-course meals at tables at one time, and with at least 51% of its gross revenue derived from the sale of food and nonalcoholic beverages. It also prohibits cocktail lounges and open bars on the premises of licensees, with the exception of restaurants that maintain a service area of at least 4,000 square feet, and in such restaurants, alcoholic beverage consumption is not limited to table service with meals.

Proposed Changes

The bill amends the Special Act to remove the prohibition against cocktail lounges and open bars on the premises of restaurants. It modifies the authorization for a cocktail lounge or open bar in restaurant with a service area of 4,000 square feet or more to specify that alcoholic beverage consumption is not limited to table service with meals only within the cocktail lounge or open bar. It also permits a restaurant with a service area of at least 2,500 square feet, but less than 4,000 square feet, to provide a cocktail lounge or an open bar that serves up to ten percent of the restaurant's capacity, with alcoholic beverage consumption not limited to table service with meals within the cocktail lounge or open bar. The bill specifies that sales of alcoholic beverages for off-premises consumption are not permitted. It also removes the requirement that the restaurant have the equipment to serve 150 or more patrons at tables "at one time."

The changes to the provisions relating to cocktail lounges and open bars may aid small business owners and operators, possibly resulting in increased jobs and restaurant revenues.

The State of Florida currently levies an annual fee of \$1,820 for a SRX license. As qualifying restaurants may already obtain a special restaurant license if they choose to, the number of restaurants impacted by the bill is unknown, so the projected revenues from the license fees are indeterminate.

The Division of Alcoholic Beverages and Tobacco with the Florida Department of Business and Professional Regulation has indicated that current staff and resources can be used to process any additional license requests allowed by this bill.

The bill provides an effective date of upon becoming law.

² S. 561.20(1), F.S.

³ The exceptions for the square footage rule are: the counties of Alachua, Brevard, Broward, Citrus (for premises with a cocktail lounge or open bar), Dade, Hendry, Highlands, Hillsborough, Martin, Nassau, Okeechobee, Orange County (with respect to Orlando, Winter Park, and Maitland), Osceola, St. Lucie, and Walton. The exception for the service and seating rule are: the counties of Alachua, Brevard, Broward, Dade, Hendry, Highlands, Hillsborough, Martin, Nassau, Orange County (with respect to Orlando, Winter Park, and Maitland), Osceola, St. Lucie, and Walton.

B. SECTION DIRECTORY:

Section 1: Amends ch. 84-409, L.O.F., as amended by ch. 86-391, L.O.F., relating to Special Restaurant License (SRX) requirements for Citrus County.

Section 2: Provides an effective date of upon becoming a law

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? October 18, 2011.

WHERE? *Citrus County Chronicle*, a daily paper of general circulation published in Crystal River, Citrus County, Florida and distributed in Citrus County, 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

The Economic Impact Statement says that the changes to the provisions relating to cocktail lounges and open bars may aid small business owners and operators, possibly resulting in increased jobs and restaurant revenues.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

House Rule 5.5(b), states that a local bill that provides an exemption from general law may not be placed on the Special Order Calendar in any section reserved for the expedited consideration of local bills. This bill appears to provide an exemption to s. 561.20, F.S.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 11, 2012, the Community & Military Affairs Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The amendment provided that alcoholic beverage consumption is not limited to table service with meals only within a cocktail lounge or open bar, while specifying that sales of alcoholic beverages for off-premises consumption are not permitted. This analysis has been updated to reflect those changes.