

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Regulated Industries

BILL: SB 804

INTRODUCER: Senator Galvano

SUBJECT: Package Store Restrictions

DATE: April 3, 2014

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Oxamendi</u>	<u>Imhof</u>	<u>RI</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>CM</u>	_____

I. Summary:

SB 804 repeals the package store restriction in s. 565.02(1)(a), F.S. The bill repeals the restriction that prohibits package stores that are licensed to sell beer, wine, and distilled spirits (liquor) from having openings that permit direct access to any other building or room, except to a private office or storage room of the place of business from which patrons are excluded. The repeal permits package stores to sell, offer, or expose for sale other merchandise in addition to the beer, wine and distilled spirits authorized under their alcoholic beverage license. Current law permits package stores to only sell bitters, grenadine, nonalcoholic mixer-type beverages (not to include fruit juices produced outside this state), fruit juices produced in this state, home bar, and party supplies and equipment (including but not limited to glassware and party-type foods), miniatures of no alcoholic content, and tobacco products.

II. Present Situation:

Alcoholic beverages are regulated by the Beverage Law,¹ which regulates the manufacture, distribution, and sale of wine, beer, and liquor via manufacturers, distributors, and vendors.² The Division of Alcoholic Beverage and Tobacco (division) within the Department of Business and Professional Regulation (department) administers and enforces the Beverage Law.³

Quota Licenses

Section 561.20, F.S., limits, per county, the number of alcoholic beverage licenses that may be issued that permit the sale of liquor (distilled spirits) along with beer and wine. Section 561.20, F.S., limits the number of licenses in a county to one license per 7,500 residents within the county. These limited alcoholic beverage licenses are known as “quota” licenses. New quota licenses are created and issued when there is an increase in the population of a county. The

¹ The Beverage Law means chs. 561, 562, 563, 564, 565, 567, and 568, F.S. See s. 561.01(6), F.S.

² See s. 561.14, F.S.

³ Section 561.02, F.S.

licenses can also be issued when a county initially changes from a county which does not permit the sale of intoxicating liquor to one that does permit their sale. The quota license is the only alcoholic beverage license that is limited in number; all other types of alcoholic beverage licenses are available without limitation.

Section 565.02(1)(a)-(f), F.S., prescribes the license taxes for vendors who are permitted to sell any alcoholic beverages, including beer, wine, and distilled spirits, regardless of alcoholic content. This includes licensees who are authorized to sell:

- Any alcoholic beverages, where the beverages are sold only in sealed containers for consumption off the premises,
- Any alcoholic beverages, where the sale is limited to consumption on the premises; and
- Any alcoholic beverages for consumption on premises where off-premises sales are permitted.

Section 565.01, F.S., provides that “the words ‘liquor,’ ‘distilled spirits,’ ‘spirituous liquors,’ ‘spirituous beverages,’ or ‘distilled spirituous liquors’ mean that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced.”

Package Stores

Section 565.02(1)(a), F.S., permits the sale of alcoholic beverage (beer, wine, and distilled spirits) only in sealed containers for consumption off the premises. These type of licensees are known as “package stores.”

Section 565.04, F.S., provides sales restrictions for vendors licensed as a package store under s. 565.02(1)(a), F.S. Package stores may have no openings that permit direct access to any other building or room, except to a private office or storage room of the place of business from which patrons are excluded. Package stores are also prohibited from selling, offering, or exposing for sale any merchandise other than the alcoholic beverages authorized under their alcoholic beverage license. Package stores must be devoted exclusively to such sales. However, package stores may sell bitters, grenadine, nonalcoholic mixer-type beverages (not to include fruit juices produced outside this state), fruit juices produced in this state, home bar, and party supplies and equipment (including but not limited to glassware and party-type foods), miniatures of no alcoholic content, and tobacco products.

III. Effect of Proposed Changes:

The bill repeals the package store restriction in s. 564.04, F.S.

The bill repeals the restriction that prohibits package stores that are licensed to sell beer, wine, and distilled spirits (liquor) from having openings that permit direct access to any other building or room, except to a private office or storage room of the place of business from which patrons are excluded. The repeal permits package stores to sell, offer, or expose for sale other merchandise in addition to the beer, wine and distilled spirits authorized under their alcoholic beverage license. Current law permits package stores to only sell bitters, grenadine, nonalcoholic mixer-type beverages (not to include fruit juices produced outside this state), fruit juices

produced in this state, home bar, and party supplies and equipment (including but not limited to glassware and party-type foods), miniatures of no alcoholic content, and tobacco products.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the department, it anticipates that the bill would result in a reduction in the number of licenses and associated license fees, and that the state, cities, and counties could lose license fee revenue. The department estimates an annual reduction in state revenue of \$118,580.

Current law requires that 24 percent of the license tax collected for the license issued in the county under ss. 561.14(6), 563.02, 564.02, 565.02(1), (4), and (5), and 565.03, F.S., must be returned to the appropriate county tax collector.⁴ Thirty-eight percent of the license taxes imposed under these provisions and collected within an incorporated municipality must also be returned to the appropriate municipal officer.⁵ According to the department, a reduction in license taxes to counties of up to \$41,456 and to the municipalities of up to \$26,182 for a total annual loss of \$67,638.

VI. Technical Deficiencies:

None.

⁴ Section 561.342(1), F.S.

⁵ Section 561.342(2), F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill repeals section 565.04 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
