

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 911	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Local & Federal Affairs Committee; Patronis	118 Y's	1 N's
COMPANION BILLS:	N/A	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 911 passed the House on April 25, 2014, and subsequently passed the Senate on April 29, 2014.

Panama City allows the sale, possession and consumption of alcoholic beverages (beverages) during designated special events held in its downtown centers. Properly licensed temporary vendors may sell beverages in the event areas. However, downtown restaurants are prohibited from allowing customers to carry beverages off-premises into the event areas, despite the presence of beverage vendors and the City's allowance of beverage possession and consumption.

CS/HB 911 defines two areas where the City typically holds special events during which the sale, possession and consumption of beverages is allowed. The bill requires the Department of Business and Professional Regulation (DBPR) to allow restaurants and other licensees in the event areas to let patrons exit the premises with open containers. The bill requires DBPR to grant allowances up to 15 times per year in each defined area.

The bill does not appear to have a fiscal impact on state or local governments.

The bill was approved by the Governor on May 12, 2014, and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Panama City Beverage Law

Throughout the year, the City of Panama City holds a number of festivals and special events in its urban cores. For example, the City's Downtown Improvement Board (DIB) hosts "Friday Fest," a monthly downtown street festival with live music and vendors set up along downtown streets adjacent to local shops and restaurants.

During these special events, the City allows individuals to possess, sell and consume open alcoholic beverages on public rights-of-way, provided they stay within the event area.¹ Under state law, non-profit civic organizations (vendors) are allowed to sell beverages in the event area,² but restaurants are prohibited by their licenses from selling beverages for customers to consume off-premises.³ Thus, if an individual desires to walk around the festival with a beverage, they must purchase it from a vendor.

City Ordinances

Panama City Ordinances prohibit the possession, consumption and sale of any open container containing an alcoholic beverage in or on any public way within the municipal limits.⁴ However, the city council may provide exceptions to this rule during designated times and in designated areas.⁵

State Beverage Law

The Division of Alcoholic Beverages and Tobacco (ABT) of Department of Business and Professional Regulation (DBPR) is responsible for enforcement of the state Beverage Law. DBPR may issue one alcoholic beverage license for every 7,500 residents in a county.⁶

One exception to this rule allows non-profit civic organizations to sell alcoholic beverages for consumption on-premises for a period not to exceed 3 days by obtaining an ABT 6003 permit.⁷ Each non-profit civic organization may receive only three such permits per calendar year. "On-premises" in this case may include a park or public street where an event is being held. In Panama City, DIB obtains this permit to allow the sale of alcoholic beverages by non-profit civic organizations.

A second exception to this rule is for restaurants, which may obtain a beverage license provided certain conditions are met.⁸ However, restaurants under this exception may not operate as a "package store," meaning they cannot sell alcohol for consumption off-premises. This limitation prevents restaurants from allowing customers from leaving the premises with open containers, even when the possession of said containers is allowed under local law.

Officials in Panama City know of at least one instance of DBPR citing a restaurant for allowing patrons to leave with open containers while an event allowing open containers was on going.⁹

Effect of the Bill

The bill creates two entertainment districts in Panama City: the Historic St. Andrews Entertainment District and the Historic Downtown Entertainment District. The St. Andrews Entertainment District is

¹ Section 3-3(c), Panama City Municipal Code.

² Section 561.422, F.S.

³ Section 561.20(2)(a)(4), F.S.

⁴ Section 3-3(b), Panama City Municipal Code.

⁵ Section 3-3(c), Panama City Municipal Code.

⁶ Section 561.20(1), F.S.

⁷ Section 561.422, F.S.

⁸ Section 561.20(2)(a)(4), F.S.

⁹ Per Nevin Zimmerman, Panama City Attorney.

centered around Bell Avenue and comprises approximately 10 city blocks located along St. Andrews Bay and adjacent to St. Andrews Marina. The Downtown Entertainment District is centered around Harrison Avenue and is comprised of over 30 city blocks. The Downtown District is bounded by 6th Avenue to the North, Massalina Bayou to the East and St. Andrews Bay to the South and West.

The bill requires DBPR to allow restaurants and other licensees located within the entertainment districts to let patrons exit the premises with open containers. DBPR may only grant the allowance for the duration of special events held within the entertainment districts. Only a holder of a valid alcoholic beverages license may qualify for the allowance. No special application or permit is required to receive the allowance; it will be conferred automatically upon the holding of a special event. The allowance applies only to special events when the city permits the open consumption of beverages. Once DBPR has granted allowances for 15 events in an entertainment district in a given year, it may not grant any more allowances for that district until the beginning of the next year.

The bill does not change the current operation of s. 561.422, F.S., or increase the number of temporary alcoholic beverage permits beyond 3 that a non-profit civic organization may receive in a calendar year.

II. FISCAL ANALYSIS, ECONOMIC IMPACT STATEMENT, & NOTICE/REFERENDUM

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. ECONOMIC IMPACT STATEMENT FILED? Yes [X] No []

D. NOTICE PUBLISHED? Yes [X] No []

IF YES, WHEN? December 27, 2013

WHERE? *The News Herald*, a daily newspaper published at Panama City, in Bay County, Florida.

E. REFERENDUM(S) REQUIRED? Yes [] No [X]