

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 959 City of Jacksonville, Duval County

SPONSOR(S): Fant

TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Government Affairs Subcommittee	12 Y, 0 N	Darden	Miller
2) Business & Professions Subcommittee			
3) Local & Federal Affairs Committee			

SUMMARY ANALYSIS

Chapter 561, F.S. places a limit of one alcoholic beverage permit for every 7,500 residents of a county. DBPR is authorized, however, to issue Special Restaurant Beverage (SRX) licenses in excess of the quota limitation. SRX licenses allow restaurants meeting certain criteria to sell alcoholic beverages. Restaurants in a designated area of Jacksonville may be issued SRX licenses if they are larger than 1,800 square feet and can serve at least 100 full-service customers, as long as a majority of the restaurant's sales come from food and non-alcoholic beverages.

This bill expands the designated area of Jacksonville where the reduced square foot and occupancy requirements for a SRX license apply.

The Economic Impact statement filed for the bill states the bill will bolster local businesses by increasing sales, therefore also generating additional employment opportunities and tax revenue.

This bill takes effect upon becoming law.

According to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since this bill creates an exemption to general law, the provisions of House Rule 5.5(b) apply.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Alcoholic Beverage Licensing

Current law places a cap on one alcoholic beverage license for every 7,500 residents of a county.¹ The Department of Business and Professional Regulation (DBPR), however, may issue Special Restaurant Beverage (SRX) licenses in excess of the quota limitation set forth in s. 561.20(1), F.S.² SRX licenses may only be issued to restaurants with 2,500 or more square feet of floor space and accommodations for the service and seating of at least 150 full-service customers.³ Most restaurants must receive at least fifty-one percent of their total gross revenue from the sale of food and non-alcoholic beverages to qualify for a SRX license, but some older restaurants may qualify at a lower total gross revenue threshold.⁴ A restaurant must offer full course meal service at any time alcohol beverages are being served to qualify for a license.⁵ A full course meal must contain a salad or vegetable, entrée, beverage, and bread.⁶

Jacksonville Special Zone

In 1987, the Legislature created more lenient requirements for the issuance of SRX licenses in a special zone in Jacksonville.⁷ At the time, the zone included three areas: Northside West, Northside East, and Southbank.⁸ The zone was expanded in 2011 to include the Urban Transition area.⁹

A restaurant in the zone must still derive at least fifty-one percent of its total gross revenue from the sale of food and non-alcoholic beverages to qualify for a SRX license, but is only required to have 1,800 or more square feet of floor space and accommodations for the service and seating of at least 100 full-service customers.¹⁰ The issuance of the license is also subject to any zoning requirement establishing a minimum distance between liquor-serving establishments and schools or churches, as well as any state alcoholic beverage law not otherwise inconsistent with the special act.¹¹

Effect of Proposed Changes

The bill expands the special zone created by Chapter 87-471, Laws of Florida to include the areas known as East Avondale Transition and West Avondale Transition. The Economic Impact Statement projects the bill would increase revenue for local restaurants, providing for increased employment opportunities.¹² Increased economic activity could also result in additional sales tax revenue for local governments.¹³ The exact value of the increased activity is indeterminate, however, since it not clear how many restaurants are positioned to benefit from the change in law.

¹ S. 561.20(1), F.S.

² Rule 61A-3.0141, F.A.C.

³ *Id.*

⁴ *Id.* This provision applies to all licenses issued after April 18, 1972. For licenses issued between September 1, 1969 and April 18, 1972, at least thirty percent of the restaurant's total gross revenue must be derived from the sale of food and non-alcoholic beverages; for licenses issued prior to September 1, 1969, there is no minimum gross revenue threshold, but the restaurant must be "bona fide" and meet the other requirements of the rule.

⁵ *Id.*

⁶ *Id.*

⁷ Ch. 87-471, Laws of Fla.

⁸ *Id.*

⁹ Ch. 2011-255, Laws of Fla.

¹⁰ Ch. 87-471, Laws of Fla.

¹¹ *Id.*

¹² Economic Impact Statement for HB 959 (2015).

¹³ *Id.*

According to House Rule 5.5(b), a local bill providing an exemption from general law may not be placed on the Special Order Calendar for expedited consideration. Since this bill creates an exemption to general law, the provisions of House Rule 5.5(b) apply.

B. SECTION DIRECTORY:

Section 1: Amends Chapter 87-471, Laws of Florida, to add additional areas to a special zone in downtown Jacksonville in which DPBR can grant a liquor license to restaurant notwithstanding the provisions of s. 561.20(1), F.S.

Section 2: Provides that the bill shall take effect upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 18, 2014

WHERE? *Financial News & Daily Record*, a daily (except Saturday and Sunday) newspaper published in Duval 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

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES