

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: CS/HB 1291 City of Jacksonville, Duval County
SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee, Davis
TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|------------------|---------|---------------------------------------|
| 1) Local, Federal & Veterans Affairs Subcommittee | 11 Y, 0 N, As CS | Darden | Miller |
| 2) Commerce Committee | 25 Y, 0 N | Willson | Hamon |
| 3) Government Accountability Committee | 23 Y, 0 N | Darden | Williamson |

SUMMARY ANALYSIS

Florida's Beverage Law places a limit on the number of "quota licenses" that the Department of Business and Professional Regulation (DBPR) may issue per county. A quota license allows a business to serve any alcoholic beverage regardless of alcoholic content, including liquor. DBPR is not limited by the Beverage Law on the number of licenses it may issue for businesses that serve only malt beverages and wine.

The bill creates an exception to s. 561.01(11), F.S., permitting businesses located in the Stadium District that are licensed to sell alcoholic beverages to patrons for consumption on the licensed premises to sell beverages to patrons for consumption off of the licensed premises during a special event. The bill provides a definition for special events, authorizes the Jacksonville City Council to define a time frame for special events, and requires businesses to pay a \$100 annual application fee to the Department of Business and Professional Regulation.

The Economic Impact Statement submitted with the bill states that it is projected to have a positive fiscal impact due to increased sales tax and licensing revenue from businesses within the district.

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

Beverage Law

The Division of Alcoholic Beverages and Tobacco (Division) within DBPR is responsible for regulating the conduct, management, and operation of the manufacturing, packaging, distribution, and sale within the state of alcoholic beverages. Chapters 561-565 and 567-568, F.S., comprise Florida's Beverage Law.

Under the Beverage Law, DBPR is not limited on the number of licenses it issues to businesses that sell malt beverages or wine; however s. 561.20, F.S., limits the number of licenses that may be issued under s. 565.02(1)(a)-(f), F.S., to one license per 7,500 residents per county with a minimum of three licenses per county that has approved the sale of intoxicating liquors.¹ This license, often referred to as a "quota license," allows a business to sell any alcoholic beverage regardless of alcoholic content, including liquor or distilled spirits.²

There are several exceptions to the quota license limitation, and businesses that meet the requirements set out in one of the exceptions pursuant to s. 561.20(2), F.S., may be issued a special license by DBPR that allows the business to serve any alcoholic beverages regardless of alcoholic content.

Generally, alcoholic beverages sold for consumption on premises must be consumed inside the licensed premises.³ DBPR may approve a temporary expansion of the licensed premises to include a sidewalk or other outdoor area for special events.⁴ The business must pay an application fee of \$100, stipulate the timeframe for the special event, and submit a sketch outlining the expanded premises, and submit written approval from the county or municipality.

Effect of Proposed Changes

The bill would create an exception to s. 561.01(11), F.S., permitting businesses located in the Stadium District that are licensed to sell alcoholic beverages to patrons for consumption on the licensed premises to sell beverages to patrons for consumption off of the licensed premises during a special event. The bill requires a business selling alcoholic beverages to patrons for consumption off the licensed premises to pay a \$100 annual application fee to the Department of Business and Professional Regulation.

The bill requires the Jacksonville City Council to adopt a resolution that specifies a period of up to three days for each special event, beginning no earlier than noon on the first day of the special event and ending no later than midnight on the third day of the special event. The bill defines a special event as:

- Ticketed events held at the Baseball Grounds of Jacksonville;
- Ticketed events held at EverBank Field;
- Ticketed events held at the Amphitheater and Covered Flex Field;
- Ticketed events held at the Jacksonville Veterans Memorial Arena;
- Ticketed events held at the Jacksonville Fairgrounds;

¹ Section 561.20(1), F.S.

² Section 565.02, F.S.

³ See s. 561.01(11), F.S. (defining "licensed premises" and requiring written approval from the county or municipality to include a sidewalk or any other outside area as part of the licensed premise).

⁴ Section 561.01(11), F.S.

- New Year's Eve events held within the Stadium District;
- Gate River Run events held within the Stadium District; and
- Up to 10 additional events annually declared as special events by the Jacksonville City Council by resolution.

The Economic Impact Statement submitted with the bill states that it is projected to have a positive fiscal impact due to increased sales tax and licensing revenue from businesses within the district.

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: Creates an exception to general law, allowing businesses in the Stadium District authorized to sell alcoholic beverages for consumption on the licensed premises to sell alcoholic beverages for consumption off of the licensed premises during certain events.

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? February 2, 2017

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

On March 28, 2017, the Local, Federal & Veterans Affairs Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The amendment:

- Specified the bill provides an exemption to s. 561.01(11), F.S.;

- Required businesses to pay a \$100 annual application fee to the Department of Business and Professional Regulation;
- Authorized the Jacksonville City Council to define a time frame for special events; and
- Revised the definition of special events and the boundaries of the district.

This analysis is drafted to the committee substitute as passed by the Local, Federal & Veterans Affairs Subcommittee.