

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 472

INTRODUCER: Senator Grimsley

SUBJECT: Charlotte County

DATE: March 27, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Oxamendi</u>	<u>McSwain</u>	<u>RI</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>CA</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 472 authorizes the Division of Alcoholic Beverages and Tobacco (division) in the Department of Business and Professional Regulation to issue a special alcoholic beverage license to event centers in Charlotte County which have a seating capacity of no more than 800 seats, overall floor space of no more than 10,000 square feet, and derive no less than 51 percent of gross income from the sale of event center tickets and food and nonalcoholic beverages that are prepared, served, and consumed on such premises. A special alcoholic beverage license permits the sale of beer, wine, and liquor, and is an exception to the quota license limitation on the number of such license that the division may issue in a county.

The bill defines an “event center” to mean a facility that routinely hosts events for which entrance is granted to customers who have purchased tickets, including, but not limited to, musical concerts and art shows; hosts events sponsored or organized by nonprofit organizations; and which otherwise does not market itself primarily as a food service establishment.

The bill authorizes the division to revoke or suspend any special license for an event center for violations of the Beverage Law and regulations of this state not inconsistent with this act.

SB 472 likely will have a small, positive impact on state government. *See* Fiscal Impact Statement, Section V.

The bill would take effect upon becoming law.

II. Present Situation:

In Florida, alcoholic beverages are regulated by the Beverage Law,¹ which regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors.² The division administers and enforces the Beverage Law.³

Quota Licenses

Section 561.20, F.S., limits, by county, the number of alcoholic beverage licenses that may be issued that permit the sale of liquor (distilled spirits) 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 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. A person, firm, or corporation may not have an interest, directly or indirectly, in more than 30 percent of the number of quota licenses in a county.⁴

However, there are several exceptions to the number of quota licenses that may be issued in a county. Licenses issued under a quota license exception are referred to “special licenses.”⁵ For example, the Beverage Law provides special licenses for consumption on the premises of a:

- Civic center authority or sports arena authority which is authorized by state law or by a local government ordinance, or which is owned by a political subdivision of this state;⁶ and
- Performing arts center, provided that any consumption of alcoholic beverages under this license must occur as part of food and beverage service for banquets or receptions, and is in conjunction with an artistic, educational, cultural, promotional, civic, or charitable event occurring on the premises under the authorization of, or offered directly by, the performing arts center.⁷

There are also special licenses for other types of establishments, including hotels and motels,⁸ condominiums licensed under ch. 509, F.S.,⁹ restaurants that derive at least 51 percent of gross revenue from the sale of food and nonalcoholic beverages,¹⁰ specialty centers built on government-owned land,¹¹ bowling establishments,¹² and airports.¹³

¹ Section 561.01(6), F.S., provides that the “Beverage Law” means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

² See s. 561.14, F.S.

³ Section 561.02, F.S.

⁴ Section 561.20(6), F.S.

⁵ See s. 561.20, F.S.

⁶ Section 561.20(2)(h), F.S.

⁷ Section 561.20(2)(j), F.S.

⁸ Section 561.20(2)(a)1., F.S.

⁹ Sections 561.20(2)(a)2. and 3., F.S.

¹⁰ Section 561.20(2)(a)4., F.S.

¹¹ Section 561.20(2)(b), F.S.

¹² Section 561.20(2)(c), F.S.

¹³ Section 561.20(2)(f), F.S.

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 the premises where off-premises sales are permitted.

The annual fee for a quota license to sell beer, wine, and liquor varies based on county population and ranges from \$624 to \$1,820.¹⁴ Upon the approval of a new license by the division, the licensee must pay a one-time fee of \$10,750.¹⁵ For the purchase and transfer of an existing license, a licensee must pay a transfer fee (not to exceed \$5,000).

III. Effect of Proposed Changes:

Notwithstanding the quota license limitation in s. 561.20, F.S., the bill authorizes the division to issue a special license to event centers in Charlotte County which have a seating capacity of no more than 800 seats, overall floor space of no more than 10,000 square feet, and derive no less than 51 percent of gross income from the sale of event center tickets and food and nonalcoholic beverages that are prepared, served, and consumed on such premises.

The bill defines an “event center” to mean a facility that routinely hosts events for which entrance is granted to customers who have purchased tickets, including, but not limited to, musical concerts and art shows; hosts events sponsored or organized by nonprofit organizations; and which otherwise does not market itself primarily as a food service establishment.

The division may revoke or suspend any such license for violations of the Beverage Law and regulations of this state not inconsistent with this act.

The bill would take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

¹⁴ See s. 565.02(1), F.S.

¹⁵ Section 561.19(5), F.S.

D. Other Constitutional Issues:

The Florida Constitution provides that a Notice of Intent to seek enactment of a special law must be published in the manner provided by general law before a special law may be passed.¹⁶ The publication requirement does not apply if the special law is conditioned upon approval by vote of the electors of the area affected.

Section 11.02, F.S., requires that an identical notice of intent to seek a special enactment of a special law must be published in each affected county or counties in a newspaper published in or circulated throughout the county or counties. The notice of intent must be published at least 30 days before introduction of the proposed law into the Legislature or, if there is no newspaper circulated throughout or published in the county, by posting for at least 30 days at not less than three public places in the county or each of the counties, one of which places shall be at the courthouse in the county or counties where the matter or thing to be affected by such legislation shall be situated. The notice of intent must state the substance of the contemplated law.

The Notice of Intent for SB 472 was published in the January 24, 2017 issue of the Charlotte Sun and Englewood Sun, newspapers published in Charlotte County, Florida.¹⁷ SB 472 was introduced on March 7, 2017.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

An applicant for an alcoholic beverage license for an event center in Charlotte County, for renewal of such license, would pay an annual license tax of \$1,820.

C. Government Sector Impact:

The number of location that would qualify as an event center under the bill is not known. An applicant for an alcoholic beverage license for an event center in Charlotte County, for renewal of such license, would pay an annual license tax of \$1,820.¹⁸

Current law requires that 24 percent of the license tax collected for a license issued in a county under ss. 561.14(6), 563.02, 564.02, 565.02(1), (4), and (5), and 565.03, F.S., be

¹⁶ FLA. CONST. art. III, s. 10.

¹⁷ A copy of the Affidavit evidencing the publication of the Notice of Intent is on file with the Senate Regulated Industries Committee. Section 11.03, F.S., provides the form for the proof of publication of the Notice of Intent.

¹⁸ Section 565.02(1), F.S., provides the applicable license tax for alcoholic beverage licenses for the sale of beer, wine and liquor. The amount of the license tax varies on the population of the county. The population estimate for Charlotte County, as of April 1, 2016, is 170,450. See Bureau of Economic and Business Research, University of Florida, *Florida Estimates of Population 2016*, April 1, 2016. The applicable license tax is \$1,820 for a license issued in a county with a population over 100,000.

returned to the appropriate county tax collector.¹⁹ Thirty-eight percent of the license taxes collected within an incorporated municipality pursuant to these provisions must be returned to the appropriate municipal officer.²⁰

As a result, net state revenues from alcoholic beverage license fees may increase by approximately \$691 for each license issued to an event center in Charlotte County during State Fiscal Year 2017-2018; counties likely will receive \$437 in additional revenue and municipalities will receive \$692 in additional revenue, per license during the same period.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates an undesignated section of Florida law.

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.

¹⁹ Section 561.342(1), F.S.

²⁰ Section 561.342(2), F.S.