

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 922

INTRODUCER: Senator Bean

SUBJECT: Sale of Alcoholic Beverages

DATE: February 9, 2018

REVISED: _____

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

I. Summary:

SB 922 exempts liquor sold by an alcoholic beverage-licensed operator of *intrastate* railroads or sleeping cars from the limitation in current law that permits the licensee to only purchase and sell liquor in miniature bottles of not more than two ounces.

An alcoholic beverage license issued to an operator of railroads and sleeping cars is good throughout the state for the sale of beer, wine, liquor for consumption on any dining, club, parlor, buffet, or observation car of a passenger train operated by the licensee.

An operator of *interstate* railroads or sleeping cars remains subject to the limitation in current law that liquor may only be purchased and sold in miniature bottles of not more than two ounces.

The effective date of the bill is July 1, 2018.

II. Present Situation:

Division of Alcoholic Beverages and Tobacco

The Division of Alcoholic Beverages and Tobacco (division)¹ within the Department of Business and Professional Regulation (DBPR) administers and enforces the Beverage Law,² which regulates the manufacture, distribution, and sale of wine, beer, and liquor.³ The division is also responsible for the administration and enforcement of tobacco products under ch. 569, F.S.

¹ Section 561.02, F.S. 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.

³³ Section 565.01, F.S., defines the terms "liquor," "distilled spirits," "spirituous liquors," "spirituous beverages," or "distilled spirituous liquors" to 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."

Quota Licenses

The term “quota license” refers to the type of license authorized under s. 561.20, F.S., which limits the number of alcoholic beverage licenses that permit the sale of liquor along with beer and wine that may be issued per county. The number of licenses is limited to one license per 7,500 residents within the county. New quota licenses are created and issued when there is an increase in the population of a county, or when a county initially changes from a county which does not permit the sale of intoxicating liquors to one that does permit their sale. The quota license is the only type of alcoholic beverage license that is limited in number.

Quota License Exceptions

Section 561.20(2), F.S., provides several exceptions to the number of licenses that permit the sale of beer, wine, and distilled spirits. The exceptions include restaurants, caterers, hotels and motels, specialty centers built on government-owned land, bowling establishments, and airports. Quota license exceptions are known as “special licenses.”

Alcoholic Beverage Licenses for Railroad Transit Stations

The Beverage Law provides a limited exception to the quota license limitation to permit the division to issue an alcoholic beverage license (for the sale of beer, wine, and liquor) to an operator of railroads or sleeping cars and a vendor in railroad transit stations.

A “railroad transit station” is a platform or terminal facility where passenger trains operating on a guided rail system according to a fixed schedule between two or more cities regularly stop to load and unload passengers or goods. The term includes the passenger waiting lounge or dining, retail, entertainment, or recreational facilities within the premises owned or leased by the railroad operator or owner.⁴

Section 565.02(2), F.S., permits the division to issue a license for the sale of beer, wine, and liquor to:

- The operator of railroads or sleeping cars; and
- A vendor in a railroad transit station.⁵

The annual license tax for these licenses is \$2,500. These licenses are an exception to the quota license limitation. A municipality or county may not require an additional license or levy a tax for the privilege of selling alcoholic beverages for consumption in such cars.⁶

The license issued to the operator of railroads and sleeping cars is good throughout the state for the sale of beer, wine, liquor for consumption on any dining, club, parlor, buffet, or observation car of a passenger train operated by the licensee. Alcoholic beverages can be sold only on cars in which certified copies of the licenses are posted.⁷

⁴ See s. 561.01(22), F.S.

⁵ Section 565.02(2), F.S.

⁶ *Id.*

⁷ Section 565.02(2)(a), F.S.

Operators of railroads and sleeping cars may only purchase and sell liquor in miniature bottles of not more than two ounces. However, alcoholic beverages sold within the licensed premises of a railroad transit station are not subject to the limitation on the size of the container.⁸

All Aboard Florida

All Aboard Florida is the operator of “Brightline,” the under-construction, express passenger rail service between Miami and Orlando that uses the existing Florida East Coast Railway corridor between Miami and Cocoa. It is also building a new track along State Road 528 between Cocoa and Orlando. In 2018, the route is anticipated to open for service between Miami and West Palm Beach. A full-service route from Miami to Orlando will also open later that year. All Aboard Florida is constructing railroad stations in Miami, Fort Lauderdale, and West Palm Beach. The Orlando station is under construction at the Intermodal Transportation Center at Orlando International Airport.⁹

III. Effect of Proposed Changes:

The bill amends s. 565.02(a), F.S., to exempt liquor sold by the operator of *intrastate* railroads or sleeping cars from the limitation that liquor may only be purchased and sold in miniature bottles of not more than two ounces.

An operator of *interstate* railroads or sleeping cars would remain subject to the limitation that liquor may only be purchased and sold in miniature bottles of not more than two ounces.

The effective date of the bill is July 1, 2018.

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.

⁸ *Id.*

⁹ See All Aboard Florida at: <http://www.allaboardflorida.com/> (Last visited January 16, 2018).

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 565.02 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.