

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 745 Alachua County
SPONSOR(S): Watson, Jr.
TIED BILLS: **IDEN./SIM. BILLS:**

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|-----------|----------|--|
| 1) Local, Federal & Veterans Affairs Subcommittee | 13 Y, 0 N | Darden | Miller |
| 2) Business & Professions Subcommittee | 13 Y, 0 N | Thompson | Anstead |
| 3) State Affairs 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 within Celebration Pointe 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, but still within Celebration Pointe as defined by the Alachua County Code of Ordinances.

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 the Department of Business and Professional Regulation (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.

Pursuant to s. 561.01(11), F.S., 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, submit a sketch outlining the expanded premises, and submit written approval from the county or municipality.

Effect of Proposed Changes

The bill creates an exception to s. 561.01(11), F.S., permitting businesses located within Celebration Pointe 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, but still within Celebration Pointe as defined by the Alachua County Code of Ordinances. The bill does not require such sales to occur during any special event or specified timeframe.

B. SECTION DIRECTORY:

Section 1: Creates an exception to general law, allowing businesses within Celebration Pointe authorized to sell alcoholic beverages for consumption on the licensed premises to sell alcoholic beverages for consumption off the licensed premises but still within Celebration Pointe.

Section 2: Provides an effective date of upon becoming a law.

¹ S. 561.20(1), F.S.

² S. 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 S. 561.01(11), F.S.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 9, 2019.

WHERE? The *Gainesville Sun*, a daily newspaper of general circulation published in Alachua 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:

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.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

HOUSE OF REPRESENTATIVES
2019 - 2020 LOCAL BILL CERTIFICATION FORM

BILL #: HB 745
SPONSOR(S): Representative Clovis Watson, Jr.
RELATING TO: Alachua County
[Indicate Area Affected (City, County, or Special District) and Subject]
NAME OF DELEGATION: Alachua County Delegation
CONTACT PERSON: Michelle Sherfield
PHONE NO.: 850-717-5020 **E-Mail:** michelle.sherfield@myfloridahouse.gov

- I. House local bill policy requires the following steps must occur before a committee or subcommittee of the House considers a local bill:**
- (1) The members of the local legislative delegation must certify that the purpose of the bill cannot be accomplished at the local level;
 - (2) The legislative delegation must hold a public hearing in the area affected for the purpose of considering the local bill issue(s);
 - (3) The bill must be approved by a majority of the legislative delegation, or a higher threshold if so required by the rules of the delegation, at the public hearing or at a subsequent delegation meeting; and
 - (4) An Economic Impact Statement for local bills must be prepared at the local level and filed with the Clerk of the House. Under House policy, a local bill will not be considered by a committee or subcommittee without an Economic Impact Statement.

(1) Does the delegation certify the purpose of the bill cannot be accomplished by ordinance of a local governing body without the legal need for a referendum?

YES NO

Brief Explanation as to why the purpose of the bill cannot be accomplished at the local level:

State laws specific to liquor license.

(2) Did the delegation conduct a public hearing on the subject of the bill?

YES NO

Date hearing held: 12/17/2018

Location: Gainesville, FL - Santa Fe College

(3) Was this bill formally approved by a majority of the delegation members?

YES NO UNANIMOUSLY APPROVED

(4) Was an Economic Impact Statement prepared at the local level and filed with the Clerk of the House?

YES NO

II. Article III, Section 10 of the State Constitution prohibits passage of any special act unless notice of intention to seek enactment of the bill has been published as provided by general law (s. 11.02, F. S.) or

the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.

Has this constitutional notice requirement been met?

Notice published: YES NO DATE 1/9/19

Where? Gainesville County Alachua

Referendum in lieu of publication: YES NO

Date of Referendum

III. Article VII, section 9(b) of the State Constitution prohibits passage of any bill creating a special taxing district, or changing the authorized millage rate for an existing special taxing district, unless the bill subjects the taxing provision to approval by referendum vote of the electors in the area affected.

(1) Does the bill create a special district and authorize the district to impose an ad valorem tax?

YES NO

(2) Does this bill change the authorized ad valorem millage rate for an existing special district?

YES NO

If the answer to question (1) or (2) is YES, does the bill require voter approval of the ad valorem tax provision(s)?

YES NO

Please file this completed, original form with the Clerk of the House.

Keith Perry
Delegation Chair (Original Signature)

2/11/19
Date

Senator Keith Perry
Printed Name of Delegation Chair

**HOUSE OF REPRESENTATIVES
2019 ECONOMIC IMPACT STATEMENT FORM**

Read all instructions carefully.

House local bill policy requires that no local bill will be considered by a committee or a subcommittee without an Economic Impact Statement. This form must be prepared by an individual who is qualified to establish fiscal data and impacts and has personal knowledge of the information given (for example, a chief financial officer of a particular local government). Please file this completed, original form with the Clerk of the House as soon as possible after a bill is filed. Additional pages may be attached as necessary.

| | |
|---------------------|--------------------------|
| BILL #: | HR 745 |
| SPONSOR(S): | Representative C. Watson |
| RELATING TO: | Alachua County |

[Indicate Area Affected (City, County or Special District) and Subject]

Check if this is a revised Economic Impact Statement

I. REVENUES:

These figures are new revenues that would not exist but for the passage of the bill. The term "revenue" contemplates, but is not limited to, taxes, fees and special assessments. For example, license plate fees may be a revenue source. If the bill will add or remove property or individuals from the tax base, include this information as well.

| | FY 19-20 | FY 20-21 |
|-------------------------------|------------|------------|
| Revenue decrease due to bill: | \$ minimal | \$ minimal |
| Revenue increase due to bill: | \$ minimal | \$ minimal |

II. COST:

Include all costs, both direct and indirect, including start-up costs. If the bill repeals the existence of a certain entity, state the related costs, such as satisfying liabilities and distributing assets.

Expenditures for Implementation, Administration and Enforcement:

| | FY 19-20 | FY 20-21 |
|--|------------|------------|
| | \$ minimal | \$ minimal |

Please include explanations and calculations regarding how each dollar figure was determined in reaching total cost.

There is minimal cost to the entity that controls Celebration Pointe associated with the passage of the local bill. In addition, if it becomes law, the entity that controls Celebration Pointe will incur minimal additional costs associated with security as required by Alachua County.

III. FUNDING SOURCE(S):

State the specific sources from which funding will be received, for example, license plate fees, state funds, borrowed funds, or special assessments.

If certain funding changes are anticipated to occur beyond the following two fiscal years, explain the change and at what rate taxes, fees or assessments will be collected in those years.

| | <u>FY 19-20</u> | <u>FY 20-21</u> |
|----------|-----------------|-----------------|
| Local: | \$ 0 | \$ 0 |
| State: | \$ 0 | \$ 0 |
| Federal: | \$ 0 | \$ 0 |

IV. ECONOMIC IMPACT:

Potential Advantages:

Include all possible outcomes linked to the bill, such as increased efficiencies, and positive or negative changes to tax revenue. If an act is being repealed or an entity dissolved, include the increased or decreased efficiencies caused thereby.

Include specific figures for anticipated job growth.

1. Advantages to Individuals:

Individuals are benefited in that they will be able to carry alcoholic beverages off-premises from a licensed premises and partake in the shopping and activities being provided at Celebration Pointe. Currently, individuals are either required to finish their alcoholic beverages prior to leaving the licensed premises or to leave them unfinished.

2. Advantages to Businesses:

Although properly licensed temporary vendors can sell beverages within Celebration Pointe, the licensed premises within Celebration Pointe are prohibited by state law from allowing patrons to carry beverages off-premises. Licensed premises within Celebration Pointe will benefit as they will be able to sell alcohol to patrons that are not required to be consumed on-site. These businesses have invested in Celebration Pointe and Alachua County by entering into long term leases. This local bill will allow them to avoid a burdensome requirement and allow them to continue to positively contribute to their community. Successful events at Celebration Pointe helps all businesses within the community as well as increases sales tax revenues. Businesses also will avoid having to seek permission from DPBR, avoiding a small fee and application process, each time Celebration Pointe is having a special event.

3. Advantages to Government:

The Department of Business and Professional Regulation may see a minimal reduction of workload associated with having to process a temporary extension of premises applications. There is a potential that more revenues will be generated for Alachua County as Celebration Pointe holds events within its boundaries.

Potential Disadvantages:

Include all possible outcomes linked to the bill, such as inefficiencies, shortages, or market changes anticipated.

Include reduced business opportunities, such as reduced access to capital or training.

State any decreases in tax revenue as a result of the bill.

- | | |
|----------------------------------|---|
| 1. Disadvantages to Individuals: | Individuals may be disadvantaged as they may consume more alcoholic beverages than they otherwise would if they were required to leave their beverages within the licensed premises when they were departing the premises. |
| 2. Disadvantages to Businesses: | Although properly licensed temporary vendors can sell beverages within Celebration Pointe, the restaurants within Celebration Pointe are prohibited by state law from allowing patrons to carry beverages off-premises. Licensed temporary vendors may be disadvantaged as they are the sole vendors of beverages that may be consumed outside of a licensed premises within Celebration Pointe. There would be more competition between vendors and licensed premises. |
| 3. Disadvantages to Government: | The Department of Business and Professional Regulation may see a minimal reduction in fees as licensed premises within Celebration Pointe will no longer be required to apply for a temporary permit, which has a \$100 application fee. The moneys collected from the special event fees are deposited into the Alcoholic Beverage and Tobacco Trust Fund. |

V. DESCRIBE THE POTENTIAL IMPACT OF THE BILL ON PRESENT GOVERNMENTAL SERVICES:

No impact is expected as the entity that controls Celebration Pointe is required by Alachua County to provide increased security to ensure safe surroundings for its patrons.

VI. SPECIFIC DATA USED IN REACHING ESTIMATES:

Include the type(s) and source(s) of data used, percentages, dollar figures, all assumptions made, history of the industry/issue affected by the bill, and any audits.

None.

VII. CERTIFICATION BY PREPARER

I hereby certify I am qualified to establish fiscal data and impacts and have personal knowledge of the information given. I have reviewed all available financial information applicable to the substance of the above-stated local bill and confirm the foregoing Economic Impact Statement is a true and accurate estimate of the economic impact of the bill.

PREPARED BY:


[Must be signed by Preparer]

Print preparer's name:

Svein Dyrkolbotn

1/29/19
Date

TITLE (such as Executive Director, Actuary, Chief Accountant, or Budget Director):

President

REPRESENTING:

Celebration Pointe Association, Inc.

PHONE:

352.333.9333

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