

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 1497 City of Jacksonville, Duval County

SPONSOR(S): Duggan and others

TIED BILLS: **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 105 Y's 1 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 1497 passed the House on February 25, 2022, and subsequently passed the Senate on March 10, 2022.

Florida's Beverage Law limits 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 and adds the Kings Avenue Commercial Corridor into the special zones created by special laws located in downtown Jacksonville. The bill creates an exception to the quota limitation and authorizes DBPR to issue a special food service license to a bona fide restaurant within Northside West, Northside East, and Kings Avenue Commercial Corridor in Jacksonville that meets the following requirements: occupies at least 1,000 square feet of contiguous space, is equipped to serve meals to at least 50 persons at one time, and derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages. Such licenses are subject to local zoning requirements and to any provision of the alcoholic beverage laws of the state and rules of the Division of Alcoholic Beverages and Tobacco not inconsistent within the bill.

According to the Economic Impact Statement, the bill is anticipated to increase annual sales tax, licensing, and ad valorem tax revenues if such special licenses are granted under the exception.

The bill was approved by the Governor on May 16, 2022, ch. 2022-259, L.O.F., and became effective on that date.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

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 of alcoholic beverages within the state.¹ 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 selling malt beverages or wine. However, statute 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.² 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.³

There are several exceptions to the quota license limitation,⁴ and businesses that meet the requirements set out in one of the exceptions may be issued a special license by DBPR allowing the business to serve any alcoholic beverages regardless of alcohol content. A food service establishment may qualify for an exemption if the building has at least 2,500 square feet of service area, is equipped to serve meals to 150 persons at one time, and derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages during the first 120-day operating period and the first 12-month operating period thereafter.⁵

Alcoholic beverages sold for consumption on premises must be consumed inside the licensed premises.⁶ DBPR may approve a temporary expansion of the licensed premises to include a sidewalk or other outdoor area for special events.⁷ 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 the Bill

The bill amends ch. 87-471, Laws of Florida,⁸ and creates and adds the Kings Avenue Commercial Corridor into the special zones located in downtown Jacksonville.

The bill permits DBPR to issue a special food service license to a bona fide restaurant within Northside West, Northside East, and Kings Avenue Commercial Corridor in Jacksonville that occupies at least 1,000 square feet of contiguous space, is equipped to serve meals to at least 50 persons at one time, and derives at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages. Licenses issued by DBPR are subject to local zoning requirements and to any provision of the alcoholic beverage laws of the state and rules of the Division not inconsistent within the bill.

¹ S. 561.02, F.S.

² S. 561.20(1), F.S.

³ S. 565.02, F.S.

⁴ S. 561.20(2), F.S.

⁵ S. 561.20(2)(a)4., F.S. See Rule 61A-3.0141, F.A.C.

⁶ 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).

⁷ S. 561.01(11), F.S.

⁸ As amended by chs. 2011-255, 2016-248, and 2017-213, Laws of Fla.

The bill includes a complete legal description of the Kings Avenue Commercial Corridor and the area in which the exemption to the quota license will apply.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Economic Impact Statement (EIS) projects increased annual sales tax and licensing revenues if such special licenses are granted under the exception.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The EIS projects increased annual sales tax and ad valorem tax revenues if such special licenses are granted under the exception.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 10, 2021.

WHERE? The *Jacksonville Daily Record*, a weekly newspaper published in Duval County, Florida.

E. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?