

# HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

**BILL #:** HB 1561 Duval County

**SPONSOR(S):** Duggan

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

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Administration, Federal Affairs & Special Districts Subcommittee	15 Y, 0 N	Burgess	Darden
2) Regulatory Reform & Economic Development Subcommittee	11 Y, 0 N	Wright	Anstead
3) State Affairs Committee			

## SUMMARY ANALYSIS

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 adds a special zone in Northeast Jacksonville known as the North Florida Keys Corridor to an existing exception from the Beverage Law for certain zones in Jacksonville. The bill creates an exception to the quota limitation and requires DBPR to issue a special food service license to a bona fide restaurant within these areas 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 shall be 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. The bill provides a similar exemption for an area known as the Downtown Incentive Zone in the City of Jacksonville Beach, with a requirement that a bona fide restaurant located in that area have at least 1,200 square feet of contiguous space.

The bill defines an area known as the Dennis Street Commercial Corridor and provides an exemption to the quota limitation for "event centers" within the area that has an occupancy capacity between 2,100 to 2,900 people, has an overall floor capacity between 22,000 and 35,000 square feet, and derives at least 51 percent of its gross annual income from the sale of event tickets and food and nonalcoholic beverages.

**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**

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.<sup>1</sup> 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.<sup>2</sup> 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.<sup>3</sup>

There are several exceptions to the quota license limitation,<sup>4</sup> 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.<sup>5</sup>

Alcoholic beverages sold for consumption on premises must be consumed inside the licensed premises.<sup>6</sup> DBPR may approve a temporary expansion of the licensed premises to include a sidewalk or other outdoor area for special events.<sup>7</sup> 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 amends ch. 87-471, Laws of Florida,<sup>8</sup> to add three additional areas to the exemption from the quota license limitation: the Dennis Street Commercial Corridor, the Downtown Incentive Zone in the City of Jacksonville Beach, and the North Florida Keys Corridor.

The bill permits DBPR to issue a special food service license to a bona fide restaurant within the North Florida Keys Corridor, 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 shall be 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. The bill creates a similar exemption for the Downtown Incentive Zone in the City of Jacksonville Beach, except that it requires the bona fide restaurant to have at least 1,200 square feet of contiguous space.

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<sup>1</sup> S. 561.02, F.S.

<sup>2</sup> S. 561.20(1), F.S.

<sup>3</sup> S. 565.02, F.S.

<sup>4</sup> S. 561.20(2), F.S.

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

<sup>6</sup> 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).

<sup>7</sup> S. 561.01(11), F.S.

<sup>8</sup> As amended by chs. 2011-255, 2016-248, 2017-213, and 2022-259, Laws of Fla.

The bill permits DBPR to issue a special alcoholic beverage license to event centers located in the Dennis Street Commercial Corridor.<sup>9</sup> A qualifying event center must have an occupant capacity between 2,100 and 2,900 people, an overall floor capacity between 22,000 and 35,000 square feet, and derive at least 51 percent of annual gross income from the sale of event center tickets and food and nonalcoholic beverages.

According to the Economic Impact Statement, the bill is revenue positive due to the increase in sales tax revenue and licensing revenue if such special licenses are granted under the exception.

**B. SECTION DIRECTORY:**

- Section 1: Amends ch. 87-471, Laws of Fla., as amended, creating and adding Dennis Street Commercial Corridor into the special zones located in downtown Jacksonville, and a special zone in Northeast Jacksonville known as the North Florida Keys Corridor; provides a property description. Creates an exception to general law, providing space, seating and minimum gross revenues requirements for special alcoholic beverage licenses for restaurants within Dennis Street Commercial Corridor, and the North Florida Keys Commercial Corridor.
- Section 2: Amends ch. 87-471, Laws of Fla., as amended, creating and adding the Downtown Incentive Zone in the City of Jacksonville Beach; provides a property description. Creates an exception to general law, providing space, seating and minimum gross revenues requirements for special alcoholic beverage licenses for restaurants within the Downtown Incentive Zone.
- Section 3: 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, 2023 and February 4, 2023

WHERE? *Jacksonville Daily Record*, a weekly newspaper published in Duval County, Florida and *The Florida Times-Union*, a daily newspaper published in Duval County, Florida, respectively.

B. REFERENDUM(S) REQUIRED? Yes  No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes  No

D. ECONOMIC IMPACT STATEMENT FILED? Yes  No

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

None.

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<sup>9</sup> The bill defines an "event center" as "a facility that routinely hosts events for which entrance is by customers who have purchased tickets, including, but not limited to, musical concerts and art shows, hosts events sponsored or organized by nonprofit organizations, and otherwise does not market itself primarily as a food service establishment."

**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.