

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 691 Town of Horseshoe Beach, Dixie County

SPONSOR(S): Shoaf

TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local Administration, Federal Affairs & Special Districts Subcommittee	16 Y, 0 N	Burgess	Darden
2) Regulatory Reform & Economic Development Subcommittee	13 Y, 0 N	Phelps	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 creates an exception to the quota limitation and requires DBPR to issue a special alcoholic beverage license to a bona fide restaurant within the jurisdictional boundaries of the Town of Horseshoe Beach that meets the following requirements:

- Licensed by the Division of Hotels and Restaurants;
- Occupies at least 1,700 square feet of contiguous space used as part of the food service establishment;
- Equipped to serve meals to 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 during the first 60-day operating period each 12-month operating period thereafter.

Such license is subject to revocation by the DBPR. If the DBPR revokes, or denies an application for a food service alcohol license, the applicant cannot reapply for 120 days.

The bill takes effect upon becoming law.

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 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, the 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>

There are several exceptions to the Beverage Law created by special laws, which are applicable to specific local areas. Many reduce certain licensing requirements for special zones in local jurisdictions. For example, ch. 2022-259, L.O.F., allows DBPR to issue an SFS license to restaurants within the Kings Avenue Commercial Corridor in Jacksonville that:

- Have 1,000 square feet;
- Are equipped to serve 50 persons at one time; and
- Derive at least 51 percent of its gross food and beverage revenue from the sale of food and nonalcoholic beverages.

#### Effect of the Bill

The bill permits DBPR to issue a special alcoholic beverage license to a bona fide restaurant within the jurisdictional boundaries of the Town of Horseshoe Beach if it:

- Is licensed by the Division of Hotels and Restaurants;
- Occupies at least 1,700 square feet of contiguous space used as part of the food service establishment;
- Equipped to serve meals to 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 during the first 60-day operating period each 12 -month operating period thereafter.

A failure to meet the required 51 percent requirement shall result in the:

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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. 561.20, 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.

- Revocation of the license; or
- Denial of the pending application of for a permanent license of a licensee operating with a temporary license.

Any person required to qualify on the special food service alcohol license application is ineligible to have any interest in a subsequent application for such license for 120 days after the date of the final denial or revocation.

The bill takes effect upon becoming law.

**B. SECTION DIRECTORY:**

**Section 1.** Creates an exception to general law, providing space, seating and minimum gross revenues requirements for special alcoholic beverage licenses for a bona fide restaurant within the Town of Horseshoe Beach, Dixie County.

**Section 2.** Provides an effective date.

**II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS**

A. NOTICE PUBLISHED? Yes  No

IF YES, WHEN? October 26, 2023 & November 2, 2023.

WHERE? The *Dixie County Advocate*, a newspaper published at Cross City in Dixie County.

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.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require

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.