

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: HB 741 Town of Hillsboro Beach, Broward County

SPONSOR(S): LaMarca

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

FINAL HOUSE FLOOR ACTION: 118 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

HB 741 passed the House on February 15, 2024, and subsequently passed the Senate on March 7, 2024.

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 ch. 561, F.S., permitting DBPR to issue a special alcoholic beverage license to any residential condominium in the Town of Hillsboro Beach, Broward County that meets the following requirements:

- Has no fewer than 50 condominium units in a single building or multiple buildings under the control and operation of the same association of condominium owners.
- Is owned by or rented to nontransients.
- Is licensed as a food service establishment under ch. 381, F.S., or ch. 509, F.S.

The bill provides that the special alcoholic beverage license may only be issued to the entity managing the food and beverage operations of the condominium. The bill limits sales under the license to residents or guests of the condominium for on-premises consumption during the hours where food is sold.

The bill provides that DBPR has the authority to regulate and supervise residential condominiums for which special alcoholic beverage licenses have been issued. The Division of Alcoholic Beverages and Tobacco within DBPR may revoke or suspend any license for violations of the beverage laws and rules and regulations of this state.

The bill was approved by the Governor on June 13, 2024, ch. 2024-282, 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 creates an exception to ch. 561, F.S., permitting DBPR to issue a special alcoholic beverage license to any residential condominium in the Town of Hillsboro Beach, Broward County, that meets the following requirements:

- Has no fewer than 50 condominium units in a single building or multiple buildings under the control and operation of the same association of condominium owners.
- Is owned by or rented to nontransients.⁸
- Is licensed as a food service establishment under ch. 381, F.S., or ch. 509, F.S.

The bill provides that the special alcoholic beverage license may only be issued to the person, company, or corporation that manages the food and beverage operations of the condominium, is limited to the provision of alcoholic beverages for consumption on the premises only to residents and their

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 Nontransient occupancy means "any public lodging establishment that is rented or leased to guests by an operator whose intention is that the dwelling unit occupied will be the sole residence of the guest." S. 509.013(14), F.S. "Nontransients" are guests in nontransient occupancy. S. 509.013(16), F.S. Essentially, nontransients are tenants.

nonresident guests, and does not authorize the condominium to sell alcoholic beverages by the package for off-premises consumption or to sell alcoholic beverages after the hours of serving or consumption of food have elapsed.

The bill provides that DBPR has the authority to regulate and supervise residential condominiums for which special alcoholic beverage licenses have been issued. The division may revoke or suspend any license for violations of the beverage laws and rules and regulations of this state.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. ECONOMIC IMPACT STATEMENT FILED? Yes No

D. NOTICE PUBLISHED? Yes No

IF YES, WHEN? November 5, 2023

WHERE? The *Sun-Sentinel*, a daily newspaper of general circulation published in Broward, Palm Beach, and Miami-Dade County.

E. REFERENDUM(S) REQUIRED? Yes No