FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill analysis was prepared by nonpartisan committee staff and does not constitute an official statement of legislative intent.

BILL #: HB 4067

TITLE: Special Beverage Licenses for Equestrian Sport

Facilities in Marion County **SPONSOR(S):** Chamberlin

COMPANION BILL: None LINKED BILLS: None RELATED BILLS: None

Committee References

<u>Intergovernmental Affairs</u>

9 Y, 6 N

Industries & Professional Activities

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State Affairs

SUMMARY

Effect of the Bill:

The bill provides an exception to the Beverage Law allowing the Department of Business and Professional Regulation to issue a special alcoholic beverage license to equestrian sport facilities in Marion County that meet certain conditions. The special alcoholic beverage license would allow a facility to make package sales of alcoholic beverages for off-premises consumption, sell alcoholic beverages for on-premises consumption, and to designate a venue as a stand-alone bar for the purpose of allowing indoor smoking.

Fiscal or Economic Impact:

The Economic Impact Statement for the bill states that the special beverage licenses could provide a \$15,000,000 increase in state and local revenue for the full first fiscal year and \$30,000,000 for the full second fiscal year after the effective date of the bill.

JUMP TO

SUMMARY

ANALYSIS

RELEVANT INFORMATION

BILL HISTORY

ANALYSIS

EFFECT OF THE BILL:

The bill provides an exception to the Beverage Law to allow the Department of Business and Professional Regulation's Division of Alcoholic Beverages and Tobacco (Division) to issue a <u>special alcoholic beverage license</u> to equestrian sport facilities authorizing the <u>package sale</u> of alcoholic beverages for off-premises consumption and the sale of alcoholic beverages for on-premises consumption. (Section 1)

The bill allows the holder of the special alcoholic beverage license authorized by the bill to designate a venue within their licensed premises as a <u>stand-alone bar</u> for the purpose of allowing indoor smoking, provided the venue meets all other requirements for stand-alone bars provided by general law. (Section 1)

The bill provides that the special alcoholic beverage license authorized by the bill does not prohibit the operation of other licensed premises on the property working under separate licenses. The bill states that any <u>violation</u> of the Beverage Law that occurs with the equestrian sport facility does not impact those separate licenses unless the violation occurred on the premises of those licensees and that any violation by those separate licenses does not impact the special alcoholic beverage license. The special alcoholic beverage license is subject to all of the requirements and restrictions of the Beverage Law, except as otherwise provided in the bill. The bill authorizes the Division to adopt rules necessary to implement and administer the provisions of the bill. (Section 1)

The bill defines an "equestrian sport facility" as any facility within Marion County which is at least 500 acres in size and which includes at least two transient public lodging establishments and at least three public food service establishments whose principal attraction is sport horse events such as show jumping, dressage, eventing, and other equestrian competitions. (Section $\underline{1}$)

STORAGE NAME: h4067a.IAS

DATE: 3/26/2025

RULEMAKING:

This bill provides that the Division of Alcoholic Beverages and Tobacco of the Department of Business and Professional Regulation may adopt rules necessary to implement and administer the provisions of the bill.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:

LOCAL GOVERNMENT:

The Economic Impact Statement for the bill states that the special beverage licenses could provide a \$15,000,000 increase in state and local revenue for the full first fiscal year and \$30,000,000 for the full second fiscal year after the effective date of the bill.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Beverage Law

In Florida, the Beverage Law¹ regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors.² The Division of Alcoholic Beverages and Tobacco (Division) in the Department of Business and Professional Regulation (DBPR) administers and enforces the Beverage Law.³

Section 561.14, F.S., specifies the license and registration classifications used in the Beverage Law:

- "Manufacturers" are those licensed to manufacture alcoholic beverages and distribute the same at wholesale to licensed distributors and to no one else within the state, unless authorized by statute.
- "Distributors" are those licensed to sell and distribute alcoholic beverages at wholesale to persons who are licensed to sell alcoholic beverages.
- "Importers" are those licensed to sell, or to cause to be sold, shipped, and invoiced, alcoholic beverages to licensed manufacturers or licensed distributors, and to no one else in this state.
- "Vendors" are those licensed to sell alcoholic beverages at retail only and may not purchase or acquire in any manner for the purpose of resale any alcoholic beverages from any person not licensed as a vendor, manufacturer, bottler, or distributor under the Beverage Law.

Special Licenses

Under the Beverage Law, there is not a limit on the number of licenses DBPR may issue to businesses selling malt beverages or wine. However, the law limits the number of licenses for selling distilled spirits to one license per 7,500 residents within the county with a minimum of three licenses per county for counties that have approved the sale of intoxicating liquors. 4 These licenses are known as quota licenses and are the only alcoholic beverage license type that is limited in number.

A "special license" is an exception to the quota licensing scheme, which allows certain entities to serve liquor without a quota license.⁵ These exceptions apply to hotels, motor courts, condominiums, food service establishments, caterers, and culinary education programs that meet certain requirements.⁶

SUMMARY RELEVANT INFORMATION BILL HISTORY ANALYSIS

¹ Section 561.01(6), F.S., provides that the "The Beverage Law" means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

² See <u>s. 561.14, F.S.</u>

³ S. 561.02, F.S.

⁴ S. 561.20(1), F.S.

⁵ S. 561.20(2)(a), F.S.

⁶ S. <u>561.20(2)(a)1.-6., F.S.</u>

Package Sales

A package store is a vendor operating a place of business where beverages are sold only in sealed containers for consumption off the premises. Package stores may not sell, offer, or expose for sale any merchandise other than alcoholic beverages, and such places of business must be devoted exclusively to such sales. In addition to alcoholic beverages, package stores may sell bitters, grenadine, non-alcoholic mixer-type beverages (not including juice from outside of Florida), fruit juice produced in Florida, home bar and party supplies and equipment, miniatures of no alcoholic content, nicotine products, and tobacco products.8

Premises

Under the Beverage Law, there are limited allowances for off-premises consumption of open containers of alcoholic beverages, Typically, alcoholic beverages must be consumed within the licensed premises, and DPBR has to approve temporary expansions of the licensed premises to include a sidewalk or other outdoor area for special events.¹⁰ The temporary expansions also require payment of a \$100 application fee, stipulation of the timeframe for the special event, and submission of a sketch outlining the expanded premises.¹¹ These fees are deposited into the Alcoholic Beverage and Tobacco Trust Fund.12

Stand-Alone Bar

A vendor may choose to operate their licensed premises as a "stand-alone bar" that allows tobacco smoking or vaping.¹³ To qualify as a stand-alone bar, the licensed premises:

- Must predominately or totally devoted to serving alcoholic beverages for on-premises consumption;
- Only serve food, if any, that is merely incidental to the consumption of alcohol;¹⁴ and
- Not be located within, or share any common entryway or common indoor area, with any enclosed indoor workspace.15

A vendor who elects to operate a stand-alone bar must post the notice of its intention to do so in the same location the vendor's current alcoholic beverage license is posted. 16 The vendor must also conspicuously post signs at each entrance to the establishment stating that smoking and vaping are authorized in the establishment.¹⁷

The licensed vendor operating a stand-alone bar must submit an annual affidavit to the Division that within the past 12 months:

- No more than 10 percent of the gross revenue of the business is from the sale of food consumed on the licensed premises;
- Other than customary bar snacks, the vendor only provides food to patrons at a separately stated charge that reasonably approximates the retail value of the food; and
- The vendor has complied with signage requirements. 18

Violations

A false entry of any record required under the Beverage Law or a violation of the excise tax provisions, when done intentionally, is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.19 For violations of the Beverage Law where no penalty is provided, first-time offenders are guilty of a misdemeanor of

SUMMARY ANALYSIS RELEVANT INFORMATION

⁷ S. 565.02(1)(a), F.S.

⁸ S. 565.04(1), F.S.

⁹ See S. <u>561.20, F.S.</u>

¹⁰ 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).

¹¹ *Id.*

¹² *Id.*

¹³ S. <u>561.695</u>, F.S.

¹⁴ The sale of food is considered incidental if the licensed premises receives no more than 10 percent of its gross revenue from the sale of food. S. 386.203(12), F.S.

¹⁵ Ss. <u>386.203(12)</u> and <u>561.695(5)(a), F.S.</u>

¹⁶ S. 561.695(2), F.S.

¹⁷ S. <u>561.695(4)</u>, F.S.

¹⁸ S. 561.695(5), F.S.

¹⁹ S. <u>562.45(1)</u>, F.S.

the second degree and a felony of the third degree for any subsequent offenses thereafter. The Division may issue civil penalties for violations of the Beverage Law and related rules.²⁰ Such penalties may not exceed \$1,000 per transaction. The Division may also suspend the license of a licensee that fails to pay a civil penalty.

Additionally, a vendor who violates any requirements for a stand-alone bar or the Florida Clear Air Act is subject to:

- For a first violation, a warning or fine of up to \$500.
- For a second violation within two years of the first violation, a fine of \$500 to \$2,000.
- For a third or subsequent violation within 2 years after the first violation, a suspension of the right to maintain a stand-alone bar for up to 30 days and a fine of \$500 to \$2,000.
- For a fourth or subsequent violation, a suspension of the right to maintain a stand-alone bar for up to 60 days and a fine of \$500 to \$2,000 or a revocation of the right to maintain a stand-alone bar.²¹

Local Bill Forms

The Florida Constitution prohibits the passage of any special act unless a notice of intention to seek enactment of the bill has been published as provided by general law or the act is conditioned to take effect only upon approval by referendum vote of the electors in the area affected.²² A legal advertisement of the proposed bill must be placed in a newspaper of general circulation or published on a publicly accessible website²³ at least 30 days prior to the introduction of the local bill in the House or Senate.²⁴ The bill was noticed in the Ocala Star Banner on January 28, 2025.

The House local bill policy requires a completed and signed Local Bill Certification Form and Economic Impact Statement be filed with the Clerk of the House at the time the local bill is filed or as soon thereafter as possible.²⁵ The following forms have been submitted for this bill:

- Local Bill Certification Form
- Economic Impact Statement

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Intergovernmental Affairs	9 Y, 6 N	3/26/2025	Darden	Darden
<u>Subcommittee</u>				
Industries & Professional Activities				
<u>Subcommittee</u>				
State Affairs Committee				

JUMP TO SUMMARY ANALYSIS RELEVANT INFORMATION BILL HISTORY

²⁰ S. <u>561.29</u>, F.S.

²¹ S. <u>561.695(7)</u>, F.S.

²² Art. III, s. 10, Fla. Const.

²³ S. <u>50.0311(2)</u>, F.S.

²⁴ S. <u>11.02, F.S.</u> If there is no newspaper circulated throughout or published in the county and no publicly accessible website has been designated, notice must be posted for at least 30 days in at least three public places in the county, one of which must be at the courthouse.

²⁵ Intergovernmental Affairs Subcommittee, *Local Bill Policies and Procedures Manual*, p. 11 (last visited Mar. 16, 2025).