

STORAGE NAME: h3857.rs

DATE: March 12, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
REGULATED SERVICES
BILL RESEARCH & ECONOMIC IMPACT STATEMENT - LOCAL LEGISLATION**

BILL #: HB 3857

RELATING TO: City of Orlando & unincorporated Orange County; alcoholic beverage licenses

SPONSOR(S): Representatives Sindler, Constantine, Feeney, Trovillion and Reddick

COMPANION BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) REGULATED SERVICES
 - (2) COMMUNITY AFFAIRS
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill repeals a previous special act enacted in 1955 which set a limit on the number of alcoholic beverage licenses which could be issued in the City of Orlando and the unincorporated portion of Orange County which was, at that time, more stringent than the limitation set by general law.

This bill is expected to have a positive, but insignificant, impact on state revenue.

The bill will take effect upon becoming a law.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

General law limits the number of retail *liquor* licenses [also referred to as *quota* licenses] which may be issued. Section 561.20, F.S., provides for a quota of alcoholic beverage liquor licenses for each county based upon population: one license for each 5,000 residents in the *county*. The law provides for an annual lottery-type drawing to award quota licenses. Quota limitations were initially enacted in the interest of promoting temperance by limiting the number of outlets and, therefore, the availability of alcoholic beverages. By restricting competition, quota limitations also enhance the value of existing liquor licenses. Quota licenses often sell on the private market for thousands of dollars. Prior to 1992 the quota limitation established in general law was one license for each 2,500 residents in a county.

A special act was enacted in 1955, Chapter 31098, Laws of Florida, which established a limitation in the City of Orlando and the unincorporated areas of Orange County which was, at the time, more stringent than general law: one license for each 4,000 residents. The special act did not affect the other cities in the county whose quota limitation remained at one license for every 2,500 residents as provided in general law.

The establishment of two separate quotas prevent, for example, the movement of a license situated in the City of Orlando to a location in any one of the other cities in Orange County. These separate quotas also create the possibility that a license situated in the unincorporated portion of Orange County, which operates under a 1/4000 ratio, could be annexed into a city in Orange County [other than Orlando] which operates under the general law ratio of 1/5000.

According to industry representatives there are presently 186 quota licenses in Orange County. The vast majority of those licenses, 155, are for use in the City of Orlando and unincorporated Orange. The remaining 31 licenses are for use in the other incorporated cities. There are presently 12 licenses in escrow: six in Orlando and unincorporated Orange and six in other cities within the county.

B. EFFECT OF PROPOSED CHANGES:

This local bill repeals a previous special act, Chapter 55-31098, Laws of Florida, which established a limitation on the number of liquor licenses which could be issued in the City of Orlando and the unincorporated areas of Orange County which was, at that time, more stringent than the limitation established in general law.

The repeal of separate quotas for those two areas in Orange County will result in uniformity throughout the county and the ability to transfer or relocate licenses within the county. Licensees would, however, still be required to comply with all local ordinances and regulations concerning zoning and hours of operation. This new transferability may result in the ability of a licensee to activate a license which is presently in escrow. Overall, however, the possible number of alcoholic beverage licenses issued in Orange County will be diminished.

C. LAWS OF FLORIDA/FLORIDA STATUTES AFFECTED:

Chapter 55-31098, Laws of Florida.

D. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

- b. Does the bill require or authorize an increase in any fees?

N/A

- c. Does the bill reduce total taxes, both rates and revenues?

N/A

- d. Does the bill reduce total fees, both rates and revenues?

N/A

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

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(3) government employees/agencies?

N/A

E. SECTION-BY-SECTION RESEARCH:

Section 1. Repeals Chapter 55-31098, Laws of Florida.

Section 2. Provides that the repeal takes effect upon becoming a law.

III. NOTICE/REFERENDUM AND OTHER REQUIREMENTS:

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 31 - February 1, 1998

WHERE? The Orlando Sentinel, Orlando, Florida

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

IV. COMMENTS:

The original special act also addressed criteria for issuance of alcoholic beverage licenses for restaurants and hotels. The Division of Alcoholic Beverages and Tobacco reports that any license presently in existence, quota or non-quota, would not be affected by this repeal. However, in order to ensure that no existing license is inadvertently affected by repeal of this special act and to protect the standing of applicants who have made application for a quota license under the existing law, the committee may wish to consider language to grandfather existing situations.

V. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

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VI. SIGNATURES:

COMMITTEE ON REGULATED SERVICES:

Prepared by:

Legislative Research Director:

Janet Clark Morris

Paul Liepshutz