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# DISCLOSURE

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## **Florida Legislative Changes to Alcoholic Beverage Laws Make it Easier for Restaurants and Movie Theaters to Sell Liquor**



*Mark Bentley*

Recent changes to Florida's liquor laws and related policies have eased up restrictions for restaurants and

movie theaters to qualify and afford a full liquor license, especially for those businesses located in Hillsborough County, Florida.

Florida alcoholic beverage laws generally allowed restaurants meeting certain criteria to qualify for a state 4COP-SRX liquor license. These licenses authorized the sale of beer, wine and spirits (hard liquor) subject to what were often requirements that many small restaurants could not fulfill. In the event a restaurant could not meet certain requirements, it was either limited to the sale of beer and wine or were required to purchase a 4COP quota license. A quota license can be utilized by everything from a liquor store to a restaurant for both on and off premises consumption regardless of content. The quota license is also limited by law to one license per 7,500 residents per county which made these licenses a very valuable, and scarce commodity that in Hillsborough County, for example, presently sell for in the range of \$150,000.00. Obviously, the purchase of a license could be a make or break investment for a small business. Notably, even movie theaters that



opted to sell liquor were required to purchase a quota license.

Recognizing this, in 2016 the Florida Legislature amended state law and policy to increase the opportunity for small business to be created. Specifically, the House of Representatives bill analysis titled "Fiscal Impact of State Government" stated that "the Economic Impact Statement projects an increase in sales tax and licensing revenue for the DBPR (Department of Business and Professional Regulation)". Prior to these changes a restaurant needed to derive 51 percent of its gross revenue from the sale of food and

nonalcoholic beverages; be at least 2,500 square feet, with the square footage including the restaurant's building and other outside areas which are contiguous to the building; and be equipped to serve 150 persons full course meals at tables at one time (salad or vegetable, entree, beverage, and bread) and at all times that alcohol was being sold.

The new law significantly eases the above restrictions and now requires that a restaurant derive at least 51 percent of gross food and beverage revenue from the sale of food and nonalcoholic beverages;

*- Continued on reverse*



be at least 2,500 square feet, with the square footage to include the restaurant's building and other contiguous outside areas that are under the management and control of the licensed food service establishment; and be equipped to serve meals (no longer full course) to 150 persons at one time (tables and chairs no longer being required).

During the same legislative session, Hillsborough County enacted legislation easing up restrictions for restaurants. Hillsborough County was unique as it had enacted a law in 1970 that was more restrictive than general state law with respect to restaurant size. Specifically, although a restaurant was only required to

provide 100 seats, it had to consist of 4,000 square feet. Hillsborough County now only requires a business to have a minimum of 2,500 square feet.

The effects of these changes will provide additional opportunities for restaurants and movie theaters to now operate simply with a new state Special Food Service Establishment license ("SFS") which replaced the SRX class license. For example, a movie theater can include the sale of candy, popcorn and other non-full course meals as meals for purposes of the new law. These changes have also increased the availability of quota licenses and apparently have decreased their value as their

demand has decreased.

For more information how these changes may affect you and your business, please feel free to contact our firm.



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