

Division of Alcoholic Beverages and Tobacco
District Auditing Offices

Pensacola

4900 Bayou Blvd, Ste 210
Bayou Corporate Center
Pensacola FL 32503
850.494.5958
*Escambia, Holmes, Okaloosa, Santa Rosa, Walton,
Washington*

Tallahassee

1940 North Monroe St
Northwood Centre
Tallahassee FL 32399
850.922.2288
*Bay, Calhoun, Dixie, Franklin, Gadsden, Gulf, Jackson,
Jefferson, Lafayette, Leon, Liberty, Madison, Taylor,
Wakulla*

Jacksonville

7960 Arlington Expwy, Ste 601
Jacksonville FL 32211
904.727.5554
*Alachua, Baker, Bradford, Clay, Columbia, Duval, Gil-
christ, Hamilton, Nassau, Putnam, St. Johns, Suwannee,
Union*

Orlando

400 West Robinson St, Rm 709
North Tower, Hurston Bldg
Orlando FL 32801
407.245.0765
*Brevard, Citrus, Flagler, Indian River, Lake, Levy, Mar-
ion, Orange, Osceola, Seminole, Sumter, Volusia*

Tampa

1313 Tampa St
Park Trammel Bldg, Ste 914
Tampa FL 33602
813.272.2613
*DeSoto, Charlotte, Glades, Hardee, Hernando, High-
lands, Hillsborough, Lee, Manatee, Pasco, Pinellas,
Polk, Sarasota*

Fort Lauderdale

5080 Coconut Creek Pkwy, Ste B
Margate FL 33063
954.917.1352
*Broward, Collier, Hendry, Martin, Okeechobee, Palm
Beach, St. Lucie*

Miami

8685 NW 53rd Terr, Ste 100
Augusta Bldg
Miami FL 33166
305.470.5044
Dade, Monroe

Section 561.411, Florida Statutes

561.411 **Qualifications for distributors.**--No distributor's license shall be issued to or held by any person or business which does not meet and maintain the following qualifications with respect to its warehouse inventory and sales.

(1) The distributor must maintain warehouse space which is either owned or leased by the distributor, or dedicated to the distributor's use in a public warehouse, which is sufficient to store at one time:

(a) An inventory of alcoholic beverages which is equal to at least 10 percent of the distributor's annual case sales to licensed vendors within this state or to licensed vendors within the malt beverage distributor's exclusive sales territory; or

(b) An inventory for which the cost of acquisition is not less than \$100,000.

(2) The distributor must maintain at all times, in a warehouse which is either owned or leased by the distributor or in public warehouse space dedicated to the distributor's use, an inventory of alcoholic beverages:

(a) Which consists of not less than 5 percent of the distributor's annual sales to licensed vendors within this state or within the malt beverage distributor's exclusive sales territory; or

(b) For which the cost of acquisition is not less than \$100,000. The inventory required herein shall be owned by the distributor, not held on consignment, and not acquired pursuant to a prior agreement to sell it to a specific licensee or licensees.

(c) For purposes of calculating inventory or percentage of annual sales as required by paragraphs (a) and (b), the calculation shall not include private label inventory whose label is owned by a vendor.

(3) The distributor must sell alcoholic beverages to licensed vendors generally rather than a selected few licensed vendors. For purposes of this section, a distributor shall be conclusively presumed to be selling to licensed vendors generally, if:

(a) The distributor sells to at least 25 percent of the licensed vendors in the county wherein the distributor's warehouse is located or sells to at least 25 percent of the licensed vendors in the malt beverage distributor's exclusive sales territory; or

(b) The distributor's total volume of sales to licensed vendors within the state or within the malt beverage distributor's exclusive sales territory during any ongoing 12-month period consists of at least 50 percent of individual sales which are in quantities of 10 cases or less.

History.--s. 6, ch. 96-419.

Department of
Business & Professional Regulation



Alcoholic Beverage
Distributor
Qualification
Requirements

Pursuant to

Florida Statutes

Section 561.411

Division of
Alcoholic Beverages & Tobacco

November 2004

Alcoholic Beverages Distributor Qualification Requirements

NEW LAW

The 1996 Florida Legislature passed legislation that made several changes to the alcoholic beverage statutes. One such change was to include qualifications for distributors by creating F.S. 561.411. To obtain and to hold an alcoholic beverage distributor's license within the state of Florida, the licensee must meet and maintain certain qualifying requirements.

Distributor qualification requirements are grouped into three categories: warehouse space, inventory, and sales. Within each of these three categories exist two qualifications. The distributor must meet one of the two qualifications for each category.

OVERVIEW

A general description of the requirements is as follows. You must meet (a) or (b) of each category.

1. **Warehouse space:** (*owned, leased, or dedicated*)
 - a. Square footage to hold no less than 10% of annual sales. **OR**
 - b. Square footage to hold \$100,000 worth of inventory.
2. **Inventory:** (*owned by distributor*)
 - a. A quantity of at least 5% annual sales. **OR**

- b. A quantity of at least \$100,000 cost.
- c. Calculations for (a) and (b) cannot be private label product.

3. **Sales:** (*generally versus selected few*)
 - a. Sales to at least 25% of licensed vendors in warehouse location county/territory. **OR**
 - b. 50% of all individual sales are for less than 10 cases each.

VERIFICATION

The Division of Alcoholic Beverages and Tobacco will audit all existing distributors annually to ascertain that the requirements are met and are being maintained throughout the calendar year. Generally, the (a) qualifications will apply to an existing distributor, although (b) qualifications can also be met to satisfy the requirements.

New licensees must meet the requirements in order to obtain a distributor license, and then must maintain the qualifications in order to continue holding the license. As a new licensee, sales information, or (a) qualifications, cannot be determined and must be estimated. The (b) qualifications can also relate to a new licensee when determining the status of meeting the qualifications.

Within a few months of beginning operation, a review of the new distributor's records will be conducted to determine the status of compliance with the qualifications. A full audit will then be conducted annually for verification that the requirements are being maintained throughout the calendar year.

As a licensed alcoholic beverage distributor,

you will periodically be asked to complete a survey as part of the annual review and audit of your license. Once the survey information is gathered, an initial analysis will be conducted to determine your status. Field auditors will then verify the review findings as they conduct the regularly scheduled annual audit at your place of business.

STATUS

Review and audit results will be discussed with the distributor. Any areas of non-compliance will be shown so that steps can be taken to bring the license back into compliance and remain active. However, the distributor is encouraged to monitor their status on an on-going basis to avoid being disqualified as a licensed alcoholic beverage distributor in the state of Florida.

INFORMATION

As an applicant for a new alcoholic beverage distributor's license, you must meet with an AB&T auditor in your field Auditing office of the Division of Alcoholic Beverages and Tobacco to discuss the qualifications as they pertain to you.

As an existing distributor, you may also contact your field Auditing office if you have any questions about Section 561.411 of the Florida Statutes and how these distributor qualifications apply to you.

These offices are listed on the back of this brochure.