SB 698 – Alcoholic Beverages and Tobacco

Senate Bill 698 includes provisions of law impacting the following:

Tobacco Product Tax Returns:
• The tax process following a determination of a person’s failure to remit cigarette tax pursuant to Chapter 210, F.S., is broadened to include any other person required to remit cigarette tax, as well as the dealer.

Alcoholic Beverage Licenses for Railroad Transit Stations:
• A new license type for railroad transit stations and vendors operating within railroad transit stations is created, which will be issued and regulated by the Division beginning July 1, 2016. A railroad transit station is defined as a platform or a terminal facility where passenger trains operating on a guided rail system according to a fixed schedule between two or more cities regularly stop to load and unload passengers or goods, and authorizes the issuance of special alcoholic beverage licenses to vendors within railroad transit stations. The railroad transit station may include a passenger waiting lounge, dining facilities, retail facilities, entertainment facilities, or recreational facilities within the licensed premises owned or leased by the railroad operator or owner.

Food Service Establishments:
• Qualifications and operating requirements related to special alcoholic beverage licenses for restaurants are amended by the bill. Beginning July 1, 2016, the special license will be required to derive at least 51 percent of gross food and beverage revenue from sales of food and non-alcoholic beverages during the first 60 days of license operation and each 12-month operating period thereafter. Additionally, the bill sets the license impairment period at 120 days following denial or revocation of a special food service establishment license for failure to maintain the minimum percentage of gross revenue receipts from food and non-alcoholic beverages. The Division will begin applying the amended provisions of law to these licenses beginning July 1, 2016.

Quota Licenses – Operating Requirements and Extensions of Inactive Status:
• The bill amends the conditions under which the Division is authorized to extend the inactive status for quota licenses. Pursuant to the bill, the Division will grant a one-time written waiver or extension of the requirements for a period not to exceed 12 months when requested by the licensee in writing. Additionally, the Division may upon written request of the licensee grant a waiver or extension of the license operating requirements for a period not to exceed 12 months if the licensee demonstrates one or more of the following conditions: the licensed premises has been physically damaged to the extent that the active operation of the business at the premises is impracticable; construction or remodeling is underway to relocate the license to another location; or the licensed premises is prohibited from making sales as a result of an order of a court of competent jurisdiction, or the action or inaction of a governmental entity relating to the permitting, construction, or occupational capacity of the physical location of the licensed premises. The Division will begin applying the amended provisions of law to these licenses beginning July 1, 2016.

New Procedure for Keg Deposits:
• The bill requires distributors that sell alcoholic beverages in kegs to charge a keg deposit and requires distributors that sell alcoholic beverages in kegs to entertainment/resort complexes, large theme parks, and large marine exhibition park complexes to implement an inventory and reconciliation process for these vendors in which an accounting of kegs is completed and any loss or
variance in the number of kegs is paid for by the vendor on a per-keg basis equivalent to the required keg deposit. The Division will begin applying the amended provisions of law to the applicable licenses beginning July 1, 2016.

Temporary Alcoholic Beverage Permits:
• The bill expands the Division’s current authority to issue temporary alcoholic beverage permits to nonprofit civic organizations by authorizing the division to issue the same temporary alcoholic beverage permits to charitable organizations, municipalities, and counties. The temporary permits are valid for events up to three days and may be issued no more than 12 times per year to each nonprofit civic organization, charitable organization, municipality, or county. The bill specifies conditions under which municipalities and counties may be eligible for the permits and requires municipalities and counties to donate revenue generated from the temporary permits to nonprofit civic and charitable organizations. The Division will begin applying the amended provisions of law to issuance of the temporary permits beginning July 1, 2016.

Growlers:
• The bill authorizes certain vendors licensed for off-premises sales only to also sell growlers if the vendor proves to the Division that draft equipment and tapping accessories were installed and kegs of malt beverages had been purchased prior to June 30, 2015. The Division will begin applying the amended provisions of law to the applicable licenses immediately upon the bill becoming law.

Passenger Vessels:
• The bill establishes a "base rate" for excise taxes on sales of alcoholic beverages, cigarettes, and other tobacco products by passenger vessels in Florida ports and Florida jurisdictional waters. The bill also shifts the reporting and remitting of excise taxes by passenger vessels under the new tax structure from a monthly basis to a quarterly basis. The Division will begin applying the amended provisions of law to the applicable licenses beginning July 1, 2016.

Package Stores:
• The bill authorizes distributors when delivering alcoholic beverages to a licensed vendor to transport the beverages through an adjacent premises also owned by the vendor. The Division will begin applying the amended provisions of law to the applicable licenses beginning July 1, 2016.

The bill has an effective date of July 1, 2016 (except the growler portion which is effective upon becoming law).