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# **Business & Professional Regulation Subcommittee**

**Tuesday, September 24, 2013  
9:00 AM  
12 HOB**

# Committee Meeting Notice

## HOUSE OF REPRESENTATIVES

### Business & Professional Regulation Subcommittee

**Start Date and Time:** Tuesday, September 24, 2013 09:00 am  
**End Date and Time:** Tuesday, September 24, 2013 11:00 am  
**Location:** 12 HOB  
**Duration:** 2.00 hrs

**Workshop on the following:**

Craft Brewers Business Development Regulatory Issues

Presentations by Department of Business and Professional Regulation:

- Status of Homeowners' Association Registration System
- Florida State Boxing Commission-Finance & Operations Update

**NOTICE FINALIZED on 09/17/2013 12:31 by Ellinor.Martha**



# The Florida House of Representatives

## Regulatory Affairs Committee

### Business & Professional Regulation Subcommittee

Will Weatherford  
Speaker

Debbie Mayfield  
Chair

## AGENDA

September 24, 2013  
12 House Office Building  
9:00 AM – 1100 AM

- I. Call to Order & Roll Call
- II. Welcoming Remarks
- III. Workshop on the following:  
Craft Brewers Business Development Regulatory Issues
  - Speakers:
    - Rick Wolfe, Brewers' Tasting Room, St. Petersburg
    - Chris McCall, Cocoa Beach Brewing Company, Cocoa Beach
    - Matthew Cornelius, Darwins on 4th, Sarasota
    - Jim Massoni, Florida Beer Company, Cape Canaveral
    - Rob Whyte & Jennifer Gratz, Fort Myers Brewing Company, Fort Myers
    - Ben Davis, Intuition Ale Works, Jacksonville
- IV. Presentations by Department of Business and Professional Regulation:
  - a. Status of Homeowners' Association Registration System
  - b. Florida State Boxing Commission – Finance & Operations Update
- V. Adjournment



**Florida House of Representatives**  
**Business & Professional Regulation Subcommittee**  
**Representative Debbie Mayfield, Chair**  
**Workshop on Craft Brewers Business Development Regulatory Issues**  
**September 24, 2013, 9 am – 11 am, 12 HOB**

The Business & Professional Regulation Subcommittee is reviewing malt beverage regulations and seeking input from all affected parties. This initial workshop is focused on obtaining input from businesses holding both a malt beverage manufacturer's license and a vendor's license on the following issues and topics that may impact the business development of such businesses in Florida.

- **Growler Issues:**
  - Should a licensed manufacturer be permitted to fill growlers with:
    - Beer manufactured by the licensee at the manufacturing location where the growler is to be filled
    - Beer manufactured by the licensee at a licensee manufacturing location other than where the growler is to be filled
    - Beer manufactured under contract with another business entity
    - Beers not manufactured by the licensee (guest beers)
  - Who should be permitted to fill growlers:
    - An authorized licensee at the time of purchase by a consumer for off-site consumption
    - An authorized licensee at the time of purchase or in advance of purchase by a consumer for off-site consumption
      - Note: for general discussion purposes, growlers should be considered containers filled at time of sale. Federal law considers a growler that is filled at the time of sale to be a large glass (container) and when filled in advance of sale to be a bottle.
    - Licensees authorized to fill growlers could include: a manufacturer holding a vendor license (s. 561.221(2), F.S.), a vendor holding a manufacturer license (brewpub, s. 561.221(3), F.S.), a vendor holding a consumption on premises license, a vendor holding a consumption off premises only license (package sales), a vendor holding a quota license
  - Should container sizes be restricted to:
    - The existing statutorily authorized sizes
    - The existing statutorily authorized sizes as well as 64 ounce containers
    - Any size container
  - Should containers used as growlers be limited to:
    - The original manufacturer's branded/labeled growler
    - Other manufacturer's branded/labeled growler
    - Any container regardless of manufactured purpose or material, e.g., glass, stainless, plastic, other
  - Should there be any cleaning requirements for:
    - Quality control
    - Sanitation

- Should there be any requirements related to sealing containers:
  - Shrink wrap; Note: a secondary seal may not be required to prevent "open container" issues, but a shrink wrap seal could be a prudent measure to avoid such issues
  - Other
- What labeling should be required:
  - Current "Florida" or "FL" requirement (s. 563.06, F.S.)
  - Label contents
    - Government warning
    - Brewer's name
    - Brand Name
    - Class and Type
    - Alcohol Content
    - Place of production
    - Net contents
    - Other
  - Label type
    - Preprinted
    - Preprinted but with areas for handwritten information
- Should taproom(s) be permitted:
  - At the brewery or not separated by more than one public street
  - At the brewery and with one or more additional locations per manufacturing location
  - Other
- Manufacturer self-distribution discussion topics:
  - Importance in creating demand for a new manufacturer's brand
  - Limits
    - Always permit self-distribution of a specified volume not tied to total annual production
    - Permit self-distribution annually of a specified volume, for manufacturers with total annual production less than a specified volume
    - Require the use of a licensee owned vehicle
    - By container type, e.g. kegs, growlers, bottles/cans
  - No limits
- Franchise agreement issues to discuss:
  - Difficulty contracting for adequate distribution
  - Statutory requirements related to changing distributors
- Should the malt beverage exceptions to the 3-Tier System be modified:
  - Background information on existing exceptions:
    - "Tourism" Brewery exception: malt beverage manufacturer holding a vendor license for sale of alcoholic beverages on the brewery property, see s.561.221(2), F.S., for specific requirements.
    - Brewpub exception: vendor licensee (a restaurant with an alcoholic beverages vendor license) holding a malt beverage manufacturer's license for sale of the vendor brewed beer for consumption on premises only, see s.561.221(3), F.S., for specific requirements.
    - Note: under the current implementation of the law there does not appear to be any requirements that would generally preclude a business from operating under either exception. For example, some licensees operating

- under the tourism brewery exception are setup like a brewpub without the brewpub limitations.
- Potential modifications for discussion:
  - Clarify requirements/limitations under tourism brewery exception
  - Permit brewpubs to fill growlers
  - Create one exception that permits an entity to hold malt beverage manufacturing and vendor licenses with appropriate requirements and limitations that would support the brewery/taproom or brewpub business model
  - Require entities holding a manufacturer's and vendor's license to manufacture the malt beverages onsite, i.e., may not contract out manufacturing
  - No change
  - Should malt beverage manufacturers be permitted to purchase any vendor license that fits their business model, e.g., beer only for consumption on or off premises; beer and wine for consumption on or off premises; beer, wine, or spirits for consumption on or off premises; or should a malt beverage manufacturer's license authorize the sale of the malt beverages manufactured under that license to be sold directly to consumers at the manufacturing location
- Brewpub Exception
  - Existing law appears to allow brewpub-type businesses (a restaurant with an onsite brewery) to operate under the brewpub or the tourism brewery exception; consequently, the statutory limitations that apply to a business licensed under the brewpub exception can generally be avoided by obtaining a manufacturer's license and a vendor's license under the tourism brewery exception. Nevertheless, input is requested on issues, if any, related to the regulatory limitations for businesses operating under the brewpub exception, such as:
    - On-premises consumption only
    - Production limits
    - No access to distribution channel

## Beverage Law Overview Related to Craft Brewery Issues

The Beverage Law regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors. The Division of Alcoholic Beverages and Tobacco within the Department of Business and Professional Regulation (DBPR) is the agency authorized to administer and enforce the Beverage Law.

### Three-Tier System

In Florida, alcoholic beverages are generally regulated through what is termed the “three-tier system.” The system requires that the manufacture, distribution, and sale of alcoholic beverages be separated. Retailers must buy their products from distributors who in turn buy their products from the manufacturers. Manufacturers cannot sell directly to retailers or directly to consumers. The system originated after the repeal of Prohibition to prevent the pre-Prohibition practice of manufacturers having financial interests and other forms of undue influence over retailers. Such relationships between manufacturers and retailers were known as “tied-houses.” In general, state three-tier systems were intended to achieve the following goals:

- To avoid the overly aggressive marketing and sales practices of the pre-Prohibition era;
- To help ensure tax revenues can be collected efficiently;
- To facilitate state and local control of alcoholic beverages; and
- To encourage moderate consumption.

### Exceptions

Florida law provides limited exceptions to the three-tier system, including allowing craft liquor distillers to sell limited quantities of liquor directly to consumers, allowing Florida manufacturers of wine to own up to three vendor’s licenses, and providing two malt beverage related exceptions, which are explained below.

#### Malt Beverage Exceptions

- **Tourism Exception:** Section 561.221(2), Florida Statutes, authorizes DBPR to issue a vendor’s license to a manufacturer of malt beverages for the sale of alcoholic beverages on the brewery property. There is a requirement that the property promote the brewery and the tourist industry in the state. There are approximately 40 malt beverage manufacturers who have also been issued a vendor’s license under this exception. Over 50 percent of those vendor licenses have been issued in the last two years. Under the tourism exception, a brewery typically obtains a vendor’s license that allows the sale of alcoholic beverages for consumption on premises or for consumption off premises. Depending on the type of vendor’s license obtained, a brewery may sell the beer manufactured at the brewery, the beer of other manufacturers, or beer, wine, and spirits. Approximately 80 percent of these breweries have a vendor’s license that allows the sale of beer and wine for on premises or off premises consumption.
- **Brewpub Exception:** Section 561.221(3), Florida Statutes, authorizes a licensed vendor to be licensed as a malt beverages manufacturer. The beer brewed by the vendor may only be sold for consumption on premises and the brewery is subject to production limits. There are approximately 36 vendors who have been issued a manufacturer’s license under the brewpub exception.



- **Malt Beverage Exceptions Comparison**

	<b>Tourism Exception</b>	<b>Brewpub</b>
Production Limits	No	Yes (10,000 kegs [155,000 gallons per year])
Manufacturer's License Fee	\$3000 per year	\$500 per year
Manufacturer Distribution Through Three-Tier System	Yes, may contract with distributors	No, may only sell beer to consumers for on premises consumption
Manufacturer Self-Distribution	Limited in that they can sell directly to consumers at their premises	Limited in that they can sell directly to consumers at their premises
Growlers	Yes, may fill growlers with the beer manufactured at the brewery, from another brewery under the same ownership, or from another manufacturer for off premises consumption	No
Non-Growler Retail Sales	Yes, as allowed based on the type of vendor license, e.g., beer and wine for on premises or off premises consumption	Yes, as allowed based on the type of vendor license, but only for on premises consumption
Food sales	Yes, may hold a food service license	Yes, may hold a food service license
Examples	Cigar City Brewery, Cigar City Brew Pub, Green Room Brewing, Pegs Cantina and Brewpub, Swamp Head Brewery	Bear Brewing, McGuire's Irish Pub, River City Brewing Company, Seadog Brewpub

**Definitions:**

- Florida law provides that the terms "beer" and "malt beverage" mean all brewed beverages containing malt.
- The term "growler" is not defined in Florida law. The Alcohol and Tobacco Tax and Trade Bureau (TTB) Beer Industry FAQ defines "growler" as "a large container that we may consider as either a large glass or as a bottle." There are TTB tax and labeling implications depending upon whether the growler is treated as a bottle, if filled in advance of sale, or treated as a glass, if filled at time of purchase.





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**Secretary**

# HB 7119 Implementation

- Community Association Manager (CAM) discipline
- Homeowners Association (HOA) Board Member Certification
- HOA Online Registration

# Community Association Manager discipline

- HB 7119 provides that CAMs may be disciplined for violating any provision of Chs. 718, 719 or 720, F.S.
- Regulatory Council of Community Association Managers proposed rules to specify the basis for discipline
- Anticipated rule adoption is November 28, 2013

# HOA Board Member Certification

- HB 7119 requires the Division of Florida Condominiums, Timeshares and Mobile Homes (FCTMH) to approve the educational curriculums for HOA board member certification
- HOA board members can complete a division-approved educational curriculum or certify in writing to having read and pledge to uphold the association's covenants, articles of incorporation, bylaws, rules and policies
- Failure to certify in writing or complete an educational curriculum within 90 days of an election or appointment results in suspension from the board

# HOA Registration

- HB 7119 requires DBPR to establish an online registration website by October 1, 2013
- DBPR online services website was modified to include HOA registration
- HOA registration website:  
[www.myfloridalicense.com/hoa](http://www.myfloridalicense.com/hoa) (the anticipated go live date: 9/26/13)

# HOA Registration cont.

Media campaign to publicize the registration requirement / website:

- Featured on DBPR's Bottom Line, distributed to all licensees (weekly newsletter)
- DBPR press release to various media outlets
- Posted on the DBPR main website, CAMs web page and the FCTMH HOA web page
- Email blast to CAMs and incorporated in CAM educational seminars

Provided for posting to:

- Florida Bar Real Property Probate Trust Law listserve
- FICPA listserve
- Space Coast Community Association website
- Condo Craze and HOA website and radio show
- Cyber Citizens for Justice website





**Name and Personal/Organization Details**

Contact Details

Parcel/Budget

Developer

Community Association Manager

Contact

Application Summary

**Homeowner Association Reporting - Name and Organizational Details**

**Please fill out each section completely.**

Please enter or confirm your organizational details and press "Next" to continue.

Press "Previous" to return to the previous section.

Press "Cancel" to cancel this application and return to the main menu.

Legal Name of Homeowner Association:

Federal Employer Identification Number (numeric only):

[Previous](#)

[Next](#)

[Cancel](#)



Name and Personal/Organization Details

Contact Details

**Parcel/Budget**

Developer

Community Association Manager

Contact

Application Summary

**Homeowner Association Reporting - Parcel/Budget - Information**

**Please provide the requested information below**

Press "Previous" to return to the previous section.

Press "Next" after appropriate details have been entered.

Press "Cancel" to cancel this application and return to the main menu.

\* Total number of Parcels:

\* Total amount of revenues from the association annual budget:

\* Budget Year:

\* Total amount of expenses from the association annual budget:

\* Budget Year:

[Previous](#)

[Next](#)

[Cancel](#)



**DBPR ONLINE SERVICES**

**Homeowner Association Reporting - Developer - Add**

**For associations in which control of the association has not been transitioned to non-developer members, the information requested below must be reported. To add additional developers, select "Add"**

Press "Next" to save this record and continue.

Press "Cancel" if you do not want to save your changes and return to the previous screen.

Name and Personal/Organization Details

Contact Details

Parcel/Budget

**Developer**

Community Association Manager

Contact

Application Summary

Legal Name of Developer:

Address:

City:

State:

Zip Code:

County:

Total number of parcels owned at the time of reporting: **20**

**ABC Development Company**

**123 Florida Way**

**Tampa**

**Florida**

**33647**

**Hillsborough**

**Next**

**Cancel**



- Name and Personal/Organization Details
- Contact Details
- Parcel/Budget
- Developer
- Community Association Manager
- Contact

**Homeowner Association Reporting - Application Summary**

Please review your information for completeness and accuracy. If errors are identified, click on the "previous" button to make your corrections. If the information is correct then click on the "Next" button to submit this information.

Review the data and press "Next" to continue this application.

Press "Previous" to return to the previous section.

Press "Cancel" to cancel this application and return to the main menu.

**Homeowner Association Reporting Summary**

**License Type:** Homeowner Association Reporting  
**Application Date:** 09/16/2013 (mm/dd/yyyy)

**Organization Detail:**

**Organization Name:** Example Homeowner Association  
**Tax Number:** \*\*\*\*\*9999  
**Entity Type:**

**Addresses**

**General Addresses**

**Main Address**

**Address:** 999 Executive Drive  
Clearwater, FL  
Pinellas  
33762  
US

**Phone Number:**  
**E-mail:**

**License Specific Addresses**

**Physical Location**

Address:

999 Tampa Palms Blvd.  
Tampa , FL  
Hillsborough  
33647  
US

Phone Number:

E-mail:

**Parcel/Budget**

Total number of Parcels: 56

Total amount of revenues from the association annual budget: 47357

Budget Year: 2013

Total amount of expenses from the association annual budget: 47357

Budget Year: 2013

**Developer**

**Legal Name of Developer**

Address

City

State

County

Zip Code

Total number of parcels owned at the time of reporting

ABC Development Company

123 Florida Way

Tampa

Florida

33647

Hillsborough

20

**Community Association Manager**

License Number:

12345

**Contact**

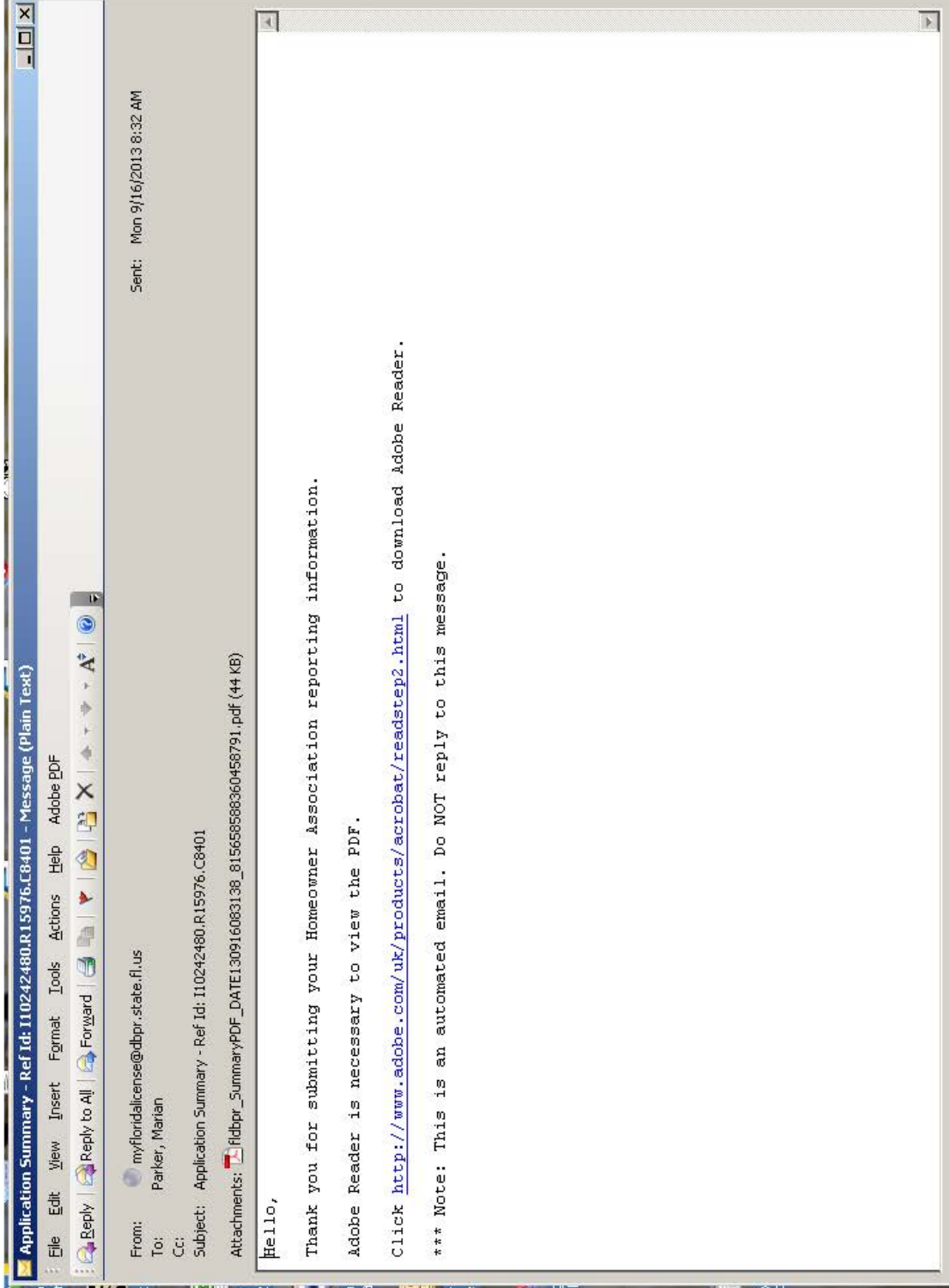
Name:

CAM Example

Previous

Next

Cancel







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# Florida State Boxing Commission

Cynthia Hefren,  
Executive Director  
September 24, 2013

# Mission

To provide customer-focused services to the combat sports industry in order to protect the health and safety of participants and maintain the integrity of combat sports.

# Statutory Authority and Rules

- Chapter 548, Florida Statutes
- Rule Chapter 61K1, Florida Administrative Code

# Duties and Responsibilities

- License and regulate professional boxing, kickboxing and mixed martial arts participants and activities.
- Approve and monitor amateur sanctioning organizations.

# Florida State Boxing Commission

- Five members
- Appointed by the Governor, confirmed by the Senate
- Responsibilities include:
  - Disciplinary matters
  - Informal hearings
  - Rulemaking
  - Approval of Amateur Sanctioning Organizations

# Commission Structure

- **Headquarters (Tallahassee)**
  - Three FTE
  - Perform day-to-day operations
    - Licensing, approval and issuance of live event permits, compiling event data, collection of revenue and facilitation of Commission meetings
- **Field Staff**
  - One FTE and 30+ OPS
  - Oversee professional weigh-ins and events
    - Approval of bout cards, assignment of officials and inspectors, venue inspection, direct supervision of participants

# Historical Information

- Repeal of s. 548.061, Florida Statutes
- Workgroup
- OIG Audit
  - Requested by Deputy Secretary to closely examine business processes.
  - Findings:
    - Collection of Revenue, particularly post event taxes
    - Licensing
    - Policies and Procedures

# Improvements and Initiatives

- Compliance with post event tax requirements
- Controls over licensing process strengthened through greater oversight and implementation of on-line applications (expected rollout in late 2013)
- Policies and procedures refined to address re-engineered business processes



# FY 2013-14 Budget

- FY 2012-13 ended with a fund deficit of (\$392,924)
  - Contributing Factors
    - Cumulative impact of under-reported post event taxes
    - Reduced number of sanctioned events

# FY 2013-14

## Appropriations

- The Commission was appropriated a total operating budget of \$1,094,526
  - \$578,702 in the Professional Regulation Trust Fund
  - \$515,824 in General Revenue (\$200,000 recurring/\$315,824 non-recurring)

# Assumptions

- FY 2013-14 post event taxes projected at \$250,000
- License fee collections remain consistent with FY 2012-13 collections
- Forty-one sanctioned events in FY 2013-14

# Budget Projection

The Commission is projected to end  
FY 2013-14 with a fund deficit of  
(\$92,627).

# Moving Forward

- Refinement of Business Processes
  - On-line application deployment in late 2013
  - More efficient weigh-in activities
- Continued reduction of expenses
  - Hire Panhandle OPS employees
  - Broaden overall pool of OPS staff to reduce travel costs

# Questions

Cynthia B. Hefren,  
Executive Director

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