

# 168 Liquor License Lottery Drawing Application Period Opens for Florida

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If you're looking for a reason to spend a hundred dollars, consider entering **Florida's annual liquor license lottery**. In Florida, for every increase in the population by 7,500 residents of a county which permits the sale of intoxication beverages, a new quota license is created. A quota liquor license is among the various types of licenses available in the State, except that it is a full liquor license allowing the sale of beer, wine and alcohol for package sales or on-premises consumption. Such license is specific to a county and may not be moved to another county.

This year the following counties have quota licenses, in the amounts indicated, that lottery contestants can test their luck and try to win: Brevard (1), Broward (2), Collier (1), Dade (5), Duval (2), Hardee (1), Highlands (2), Hillsborough (5), Jackson (2), Jefferson (1), Lake (1), Marion (2), Okaloosa (1), Orange (4), Osceola (1), Palm Beach (2), Pasco (1), Polk (3), St. Johns (2), Seminole (1), Sumter (1), and Taylor (1).

There are two ways to obtain a quota license to sell liquor:

1. Buy an existing license

Quota licenses in each county can be found for sale through brokers, private sellers, and the like. The State does not set the price for the cost of such license, so the price is usually determined by supply and demand in that area and is therefore dictated by the seller of the license. In addition to the cost, there are transfer fees that will also apply based on a calculation involving the average annual value of gross sales of alcoholic beverages.

2. Enter the annual Quota License Lottery Drawing to win the right to apply for a quota license.

The Quota License Lottery Drawing opens the 3rd Monday in August of each year and runs for 45 days. This year entry forms will be accepted from August 18, 2014 until 5:00 p.m. on October 1, 2014. The lottery is open to the public and the cost to enter is a \$100 non-refundable fee. As set forth in Florida Statutes Section 561.19, the State uses a double random selection drawing method to allow qualifying applicants an equal opportunity of obtaining an available license. If you win, you may then apply for the issuance of a new license by filing out the forms provided by the Division of Alcoholic Beverages and Tobacco (“DABT”) within 45 days from the date DABT mails the notice of selection. If you are found by DABT to be qualified, a license will be issued.

If you ultimately are issued a new quota license, you are required to pay an annual license fee (which varies by county) and a one-time fee of \$10,750.00 which is used for alcohol and drug abuse education, treatment, and prevention programs. Thereafter, you can either place the license in escrow or sell it.

A license must be placed in escrow through DABT if the license is not at a permanent location. Under Florida Statutes, the failure to maintain a licensed premises in an active manner with the premises open for the bona fide sale of authorized alcoholic beverages during regular business hours of at least eight hours a day for a period of 210 days or more during any 12-month period in a manner so as to maximize sales and tax revenues thereon, may result in the license being revoked or suspended.

Thus, a license can be placed into escrow for up to two years. However, if the license cannot be sold or placed at a location within twelve months of receipt, the applicant can submit a letter of hardship to the DABT to extend the holding period for another twelve months. The license will stay in escrow until the licensee can find a location to utilize the license or until the license is sold.

If the license is not placed in escrow, it can be sold. Licenses can be found for sale in amounts from the tens to hundreds of thousands of dollars, meaning winners of quota licenses can potentially make a large profit on the sale of such

license. Note, however, that if a newly issued license is sold within three years of obtaining such license, there is a transfer penalty of \$27,300.00.

If you're feeling lucky, try your odds at this year's liquor license lottery. You won't find out until next year whether you win, but for many winners, it is well worth the wait.

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