



Audit, Finance and Enterprise Committee Report

Date: March 6, 2017
To: Audit, Finance, and Enterprise Committee
Through: Mike Kennington, Chief Financial Officer
From: Ed Quedens, Business Services Department Director
Tim Meyer, Business License and Revenue Collections Administrator
Subject: Prorating Liquor License Fees

Purpose and Recommendation

The purpose of this report is to propose prorating City Liquor License Fees for the first year of a business liquor license.

The Business Services Department recommends approval to forward the proposal to Council for consideration with the annual Fees and Charges process for a July 1, 2017 effective date.

Background and Discussion

The Revenue Collections Division works with the Arizona State Department of Liquor Licenses and Control to review and oversee liquor licenses within the City. Currently when a business applies for a liquor license in the City, a \$100.00 Application Fee is charged. Upon approval, a \$2,000 Issuance Fee is assessed along with the Annual License Fee of either \$500.00 or \$550.00 depending on the license type. Series 1 through 4, 8 and 11 through 13 licenses are \$500.00 annually; Series 6, 7, 9, 10 and 14 are \$550.00 annually.

Councilmember Glover asked staff to research prorating the Annual License fee for the first year as follows:

Month	Prorated	Series 1-4,8 & 11-13	Series 6,7,9,10 & 14
January – March	100%	\$500.00	\$550.00
April – June	75%	\$375.00	\$412.50
July – September	50%	\$250.00	\$275.00
October - December	25%	\$125.00	\$137.50

For subsequent years, the business would pay the full annual fee due on December 31 each year. No changes are proposed to the Application or the Issuance Fees.

Alternatives

An alternative to prorating the Annual Liquor License Fee would be to continue charging the full annual fee to the business regardless of time of year the liquor license is approved.

Fiscal Impact

Total estimated FY 17/18 Fiscal Impact for proration is a reduction in Alcoholic Beverage License Revenue of about \$14,400.00 from a total of about \$32,600.00 to about \$18,200.00.