



City Council Report

Date: May 22, 2017
To: City Council
Through: Mike Kennington, Chief Financial Officer
From: Ed Quedens, Business Services Department Director
Tim Meyer, Business License and Revenue Collections Administrator
Subject: Revenue Collections Operations Fees and Charges for the Business Services Department (Citywide)

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 requests approval of this change to liquor license fees, effective July 1, 2017.

The Business Services Department also recommends removing the Escort Runner license fee from the Fees and Charges schedule. Escort Runners were not included in Ordinance 5367, which established the license requirement for escort services in the City Code.

Background and Discussion

The Business Services Department works with the Arizona State Department of Liquor Licenses and Control to review and oversee liquor licenses within the City of Mesa. Currently when a business applies for a liquor license in the City of Mesa, 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 13 licenses are \$500.00 annually; Series 6, 7, 9, 10 and 14 are \$550.00 annually.

The Department is proposing prorating the Annual License fee for the first year as follows:

Month	Series 1-4,8 & 13	Series 6,7,9,10 & 14
January – March	\$500.00	\$550.00
April – June	\$375.00	\$412.50
July – September	\$250.00	\$275.00
October - December	\$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.

Business Services also recommends removing the Escort Runner Fee from the Fees and Charges schedule. Escort Runners were not included in Ordinance 5367, which established the license requirement for escort services.

Alternatives

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

An alternative would be to keep the Escort Runner license fee on the Fees and Charges Schedule. The City would not be able to collect this fee, as licensing requirements are not included in the City Code.

Fiscal Impact

Total estimated FY 17/18 Fiscal Impact is a reduction in Alcoholic Beverage License Revenue of \$14,400 from a total of \$445,000 to \$430,600.

SCHEDULE OF FEES AND CHARGES

Department: Business Services
Revenue Collection Operations

Date Last Reviewed: **December 2015**
Contact: **Edward Quedens, (480) 644-4677**

Edward Quedens, Business Svcs Dept. Director

Description of Services	FY 17/18 Change			FY 17/18 Fiscal Impact	Notes
	FY 16/17 Fee/Charge	Fee/Charge (Effective 7/1/17)	Date Last Revised		
FIRST YEAR (PRO-RATED)					If proposed change is not enacted, 1st year applicants are charged the entire annual fee
SERIES 1-4, 8, 11-13			07/01/17		
JANUARY - MARCH (100%)	\$500	\$500		Total Impact: (\$14,400)	
APRIL - JUNE (75%)	\$500	\$375			
JULY - SEPTEMBER (50%)	\$500	\$250			
OCTOBER - DECEMBER (25%)	\$500	\$125			
SERIES 6-7, 9-10 AND 14			07/01/17		
JANUARY -MARCH (100%)	\$550	\$550			
APRIL - JUNE (75%)	\$550	\$413			
JULY - SEPTEMBER (50%)	\$550	\$275			
OCTOBER - DECEMBER (25%)	\$550	\$138			
Escort Runner			04/01/17	No fiscal impact	Not included in Ordinance
Application Fee+	\$400				
License Fee	\$400				
Annual Renewal+	\$400				