



Audit, Finance & 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: Revenue Collections Operations Liquor License Fees 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.

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	Prorated	Series 1-4,8 & 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 entire annual fee to the business regardless of time of year the liquor license is approved.

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 16/17 Fee/Charge	FY 17/18 Change	Date Last Revised	FY 17/18 Fiscal Impact	Notes
		Fee/Charge (Effective 7/1/17)			
FIRST YEAR (PRO-RATED)					
SERIES 1-4, 8, 11-13			07/01/17		If proposed change is not enacted, 1st year applicants are charged the entire annual fee
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			