

MEMORANDUM

TO: County Clerk Tena O'Brien, Quorum Court Finance Committee
CC: County Judge Bob Clinard
FROM: George Spence
DATE: March 28, 2013
RE: alcohol permits and taxes

This is provided to provide information about the County's options/status regarding liquor permits:

ACA 3-4-202: This applies to sale of liquor only. It allows only for a permit – no tax. The County can charge up to ½ what the State charges, which would be \$425 (1/2 of two fees of \$400 and \$450). This applies only to operations outside of municipalities. We have nothing on this currently as liquor sales have not been allowed in the past. This would require an ordinance

ACA 3-5-212: This applies to beer and light wine only. The permit encompasses a tax of \$5 per \$1000 gross sales. This is already in effect under State law and no ordinance is required. This applies only to operations outside of municipalities. We will need to come up with a permit and reporting system, but there is no need for the Quorum Court to be involved in that.

ACA 3-9-223: This applies to liquor by the drink (private clubs). It allows for an annual permit and a tax. The County can charge up to ½ of what State charges, which would be \$750 annually, plus 5% of gross sales (State is \$1500 plus 14%, but 4% is a tax that goes solely to UAMS and it doesn't count for us, so we only get ½ of 10%). This applies only to operations outside of municipalities. We have had private clubs for years and we are currently charging \$250 plus 6% of sales based on O-85-22 which was passed under old law. We may need to make a correction, though this may already be covered by adoption of the Code of Ordinances. This will likely require an ordinance.

It appears to me that a liquor store in the County would be required to pay both the liquor permit fee under ACA 3-4-202 (assuming we impose it) and the beer permit/fee under ACA 3-5-212 since they would have both.