



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to approve an Ordinance Amending Title 3 "Revenue and Finance", Chapter 3.42 "Alcohol Tax", Section 3.42.020 "Definitions", and Section 3.42.030 "Imposition of Tax" of the St. Charles Municipal Code
Presenter:	Chris Minick, Finance Director

Please check appropriate box:

	Government Operations		Government Services
	Planning & Development		City Council
	Public Hearing	X	Liquor Commission (5/16/2016)

Estimated Cost:	N/A	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Executive Summary:

Recently, the City has had several requests for fundraising events, dinners, meetings, etc. for which tickets are sold and at which alcoholic beverages are served. Typically, there is one price for a ticket and the price of the ticket includes admission, entertainment, food, and also alcoholic beverages if they are to be served at the event. The City currently levies the alcoholic beverage tax of 2% on the price of the ticket when these events occur. The City does not ask applicants to split out the individual components of the ticket charge and attempt to evaluate the reasonableness of the allocation of charges.

The attached ordinance would codify the City's current practice of charging the 2% alcohol tax to the entire ticket price for the event. The bolded sections of the attached ordinance are proposed to be added to the City's Revenue Code Chapter to codify the current practice. All other sections of the Code would remain unchanged.

Attachments: *(please list)*

Ordinance

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve an Ordinance Amending Title 3 "Revenue and Finance", Chapter 3.42 "Alcohol Tax", Section 3.42.020 "Definitions", and Section 3.42.030 "Imposition of Tax" of the St. Charles Municipal Code.

<i>For office use only:</i>	<i>Agenda Item Number: 4</i>
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City of St. Charles, Illinois
Ordinance No. 2016-M-__

An Ordinance Amending an Ordinance Amending Title 3 “Revenue and Finance”, Chapter 3.42 “Alcohol Tax”, Section 3.42.020 “Definitions”, and Section 3.42.030 “Imposition of Tax” of the St. Charles Municipal Code.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ST. CHARLES, KANE AND DUPAGE COUNTIES, ILLINOIS AS FOLLOWS:

Section 1. That Title 3, “Revenue and Finance”, Chapter 3.42 “Alcohol Tax”, of the St. Charles Municipal Code be and is hereby amended to Section 3.42.020 “Definitions” be deleted in its entirety and replace with the following language:

- A. Alcoholic liquor is defined in the same manner as the term is defined in section 5.08.010 of this code.
- B. Event means any occurrence or gathering of people which is convened for social, professional, fund raising, fellowship, product sampling, discussion of common interest, performance, picnic, cookout, barbeque, food tasting, etc. which is convened and at which alcoholic liquor is served. Events can be regularly scheduled or one-time in occurrence and this definition shall be broadly construed for the purposes of this section.**
- C. Liquor Establishment means any premises required to obtain a retail liquor license pursuant to chapter 5.08 of this code.
- D. Owner means any person having a sufficient proprietary interest in conducting the operation of a restaurant or liquor establishment so as to entitle such a person to all or a portion of the net receipts thereof.
- E. Person means any natural person, receiver, administrator, executor, conservator, assignee, trust in perpetuity, trust, estate, firm, co-partnership, joint venture, club, company, business trust, domestic or foreign corporation, association, syndicate, society or any group of individuals acting as a unit, whether mutual, cooperative, fraternal, nonprofit or otherwise; whenever the term "person" is used in any clause prescribing and imposing a penalty, the term as applied to associations means the owners or part-owners thereof, and as applied to corporations, the officers thereof.

Section 2. That Title 3, “Revenue and Finance”, Chapter 3.42 “Alcohol Tax”, of the St. Charles Municipal Code be and is hereby amended to Section 3.42.030 “Imposition of Tax” be deleted in its entirety and replaced with the following language:

- A. There is levied and imposed upon the privilege of purchasing alcoholic liquor served or prepared at a liquor establishment in the city, a tax of two percent (2%) of the purchase price, exclusive of any other tax imposed on such alcoholic liquor.

- B. There is levied and imposed upon the privilege of purchasing alcoholic liquor in original packages only for consumption off the premises at retail at any liquor establishment in the city, a tax of two percent (2%) of the purchase price, exclusive of any other tax imposed on such alcoholic liquor at retail.
- C. **There is levied and imposed a tax of two percent (2%) upon the admission price or ticket price to any Event at which alcoholic liquor is served and the price of said alcoholic liquor is included in the admission and/or ticket price to the event, exclusive of any other tax imposed on such alcoholic liquor. In the event that tickets, punch cards, or similar methods are utilized to allow or to limit purchase of alcoholic beverages, the tax of two percent (2%) shall apply to the price of the ticket(s) or punch card(s) issued. The Finance Director of the City shall make the determination of the applicability of the tax imposed by this section.**

Section 3. That after the adoption and approval hereof, this Ordinance shall (i) be printed or published in book or pamphlet form, published by the authority of the City Council of the City of St. Charles, or (ii) within thirty (30) days after the adoption and approval hereof, be published in a newspaper published in and with general circulation within the City of St. Charles.

Section 3. That this Ordinance shall be in full force and effect ten (10) days from and after its passage, approval and publication as provided by law.

PRESENTED to the City Council of the City of St. Charles, Illinois this _____ day of _____, 2016.

PASSED by the City Council of the City of St. Charles, Illinois the _____ day of _____, 2016.

APPROVED by the Mayor of the City of St. Charles, Illinois this _____ day of _____, 2016.

Mayor Raymond P. Rogina

ATTEST:

City Clerk

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COUNCIL VOTE:

Ayes:

Nays:

Abstain:

Absent:

APPROVED AS TO FORM:

City Attorney

DATE:_____