That the Board of County Commissioners introduce an ordinance to repeal Title 6, Chapter 6.12, Section 6.12.966 of the Clark County Code, to eliminate the tobacco permit requirement for retailers of tobacco products; and to provide for other matters properly relating thereto; and set a public hearing.

FISCAL IMPACT:

Fund # 101000-1110810010-410200
Description: N/A
Fund Center: N/A
Fund Name: N/A
Amount: Approximately $43,500 annually

BACKGROUND:

Tobacco retailers are currently required to pay business license fees, calculated on the basis of gross revenues earned from the sale of tobacco products, in accordance with Clark County Code Title 6, Chapter 6.12, Section 6.12.969. Tobacco retailers are also required to pay a thirty dollar annual tobacco permit fee, in accordance with Clark County Code Title 6, Chapter 6.12, Section 6.12.966. This dual requirement has been identified as duplicative in nature and, as such, places an undue reporting requirement on licensed tobacco retailers.

Elimination of the tobacco permit will result in the loss of approximately $43,500 in tobacco permit revenue to the County annually. On an annual basis the Department processes a substantial number of tobacco permit applications, generates and mails approximately 1,450 permit renewals, processes permit fee payments, performs collection activities on unpaid permits, and addresses permit issues during Departmental audits. While the Department cannot separately quantify the actual expenditure related to the administration of tobacco permits, it is believed that elimination of these costs will at least partially offset the loss of tobacco permit revenue.

Staff recommends a public hearing be set for May 17, 2011, at 10 a.m.

Respectfully submitted,

Jacqueline R. Holloway, Director

5/3/2011