

November 26, 2014

City Recorder Bill Lyons  
Town of Rogersville  
P.O. Box 788  
Rogersville, Tennessee 37857

Dear Mr. Lyons,

You have asked about the “Wholesale Liquor Inspection Fee” and the amounts levied by cities similar in size to Rogersville. I have researched this issue and want to show you what I have found.

First of all, please note the allowable amounts a city can levy for inspection fees are detailed in TCA 57-3-501 and are subject to population restrictions. Specifically, cities in counties of less than 60,000 in population can levy an inspection fee of up to 8% of the “wholesale price of alcoholic beverages supplied by a wholesaler...”, and cities in counties of greater than 60,000 can levy up to 5%.

You want to know how many cities have reduced their levy from 8% to 5%. I have no way of finding that data. However, I did find which of the eligible cities levy 5% versus 8%. To collect this data I looked at cities similar in size to Rogersville (population 4,420) which were eligible to levy up to 8%. This list does not include all cities, but instead includes those I could find by looking through their *Code of Ordinances*. In summary, 7 of the 12 cities I looked at levy the maximum of 8%. Here’s the detail of what I found:

<u>City</u>	<u>Population</u>	<u>Amount of Inspection Fee</u>
Alcoa	8,449	8%
Ashland City	4,541	8%
Fayetteville	6,827	8%
Gatlinburg	3,944	8%
Harriman	6,350	5%
Jasper	3,279	5%
Kingston	5,934	5%
Madisonville	4,577	8%
Pleasant View	4,419	0%
Signal Mountain	8,363	8%
Somerville	3,094	8%
Sweetwater	5,764	5%

I hope this information helps. If not, or if I can provide any further research, please feel free to call.

Sincerely,

Patrick Hardy  
Municipal Management Consultant