

ORDINANCE NO. #-10-03

AN ORDINANCE ENTITLED, Ordinance NO#10-03 “An Ordinance providing for the process and requirements of an interested party to apply and compete for a Liquor License in Clay County as defined in said Ordinance.”

Clay County, as authorized by state statute, may issue on-sale liquor licenses. As the ownership of a liquor license has evolved into a valuable commodity, the Clay County Commission has elected to institute a process whereby the taxpayers of the county shall receive the benefit of that value as a license fee. When a liquor license becomes available the Commissioners shall designate a special session whereby all interested parties will be allowed to submit a deposit and a business plan for the right to apply and bid for the license. The bids will be received in an open bid auction format conducted by the Chair of the Commission. The bid amount shall include the amount statutorily authorized as the fee amount the commission may impose. To qualify as a bidder, interested parties shall submit the following to the County Auditor:

1. Certified funds in the amount of \$5,000.00;
2. A letter of intent identifying the party bidding and an affidavit stating the owner(s) and/or management plan. The plan shall show that the applicant acknowledges and accepts the following:
  - a. An affidavit identifying the owner(s) and/or officers of a business or corporation applying for the license.
  - b. The affidavit shall list all persons having an interest in the license and must include a statement of compliance with SDCL § 35-2-6.2;
  - c. An awareness of contractual obligations set forth in SDCL 35-2-2.1.
  - d. An awareness and understanding of the obligations and risks stated by SDCL § 35-2-5.3.
  - e. An awareness and understanding that SDCL § 35-2-5.3 does not entitle the license holder to a refund of the license fee.
  - f. An awareness and understanding that an immediate and/or subsequent transfer request of a license pursuant to SDCL § 35-2-5.2, is subject to independent reviews by the Board of County Commissioners and the Secretary of Revenue, and therefore is not guaranteed.
  - g. An awareness and understanding that the owner(s) or business that receives the license shall be subject to a public hearing pursuant to SDCL § 35-2-5.
  - h. An awareness and understanding that this application process shall be complete upon a majority vote of the County Commissioners in open session following the discussion at the public hearing on this matter.
  - i. An awareness and understanding of SDCL § 35-2-5.1 will preclude a denied applicant (person’s / business / corporations with interest identified in the original application) from participating for a license for one year.
  - j. An awareness and understanding of SDCL § 35-2-6.6.
  - k. A business plan listing:
    - i. Location of establishment;
    - ii. Statement of zoning compliance;
    - iii. Statement of compliance with an applicable covenant;
    - iv. Square footage / planned square footage;
    - v. Cursory or primary activities associated with planned establishment;
1. A completed Uniform Alcoholic Beverage License Application.