



FY 2015

Annual Report

July 1, 2014 - June 30, 2015

(Revised March 8, 2016)

STATE OF ARIZONA
DEPARTMENT OF LIQUOR LICENSES AND CONTROL

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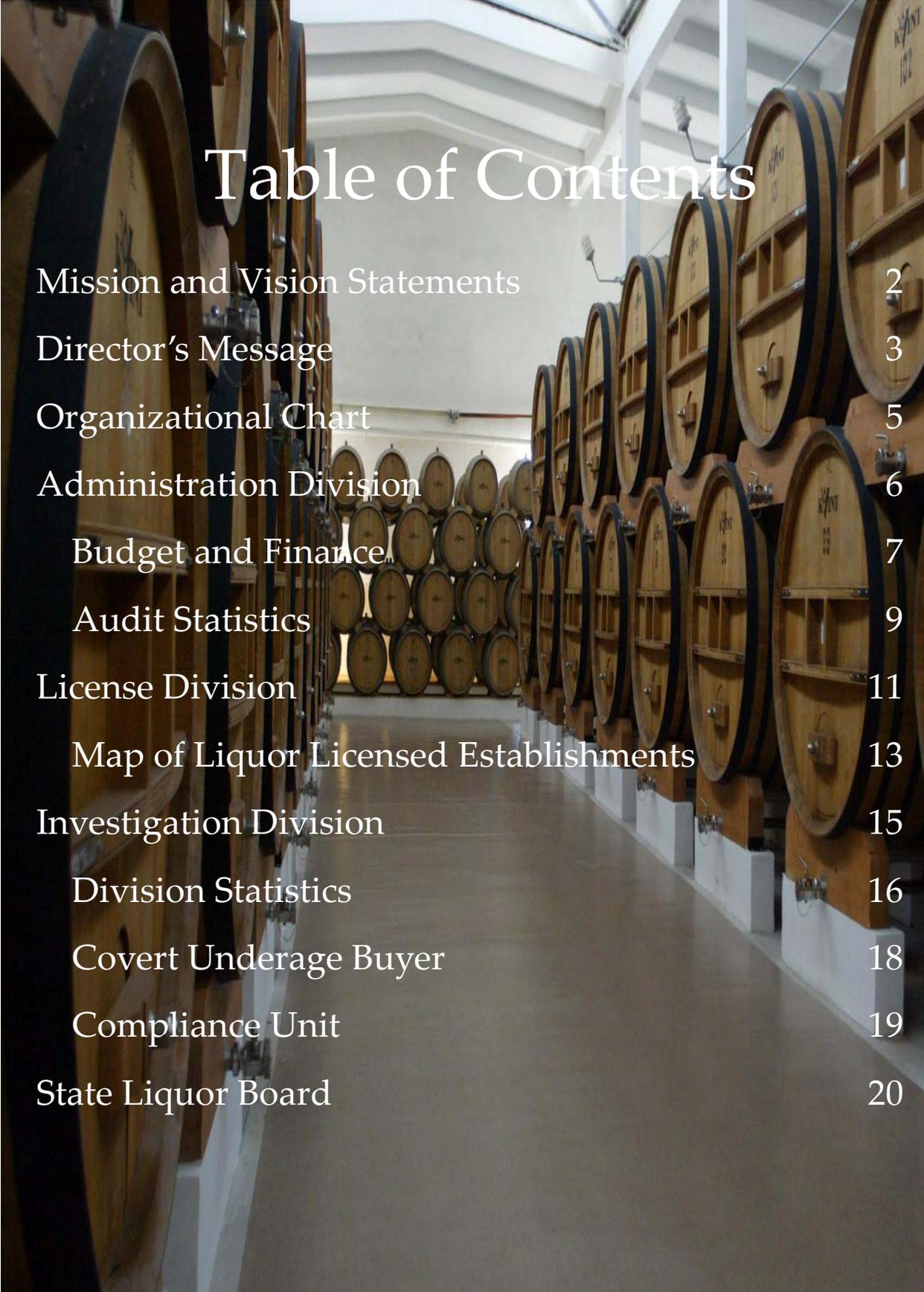


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Liquor laws for the State of Arizona are found in Arizona Revised Statutes, Title 4 and Arizona Administrative Code, Title 19. Liquor is regulated by the State of Arizona Department of Liquor Licenses and Control (DLLC). Focused primarily on liquor licensing and enforcement, DLLC staff is guided by the following mission and vision statements.

Mission Statement

To protect public safety and support economic growth through the responsible sale and consumption of liquor, and to efficiently license qualified applicants.

Vision Statement

Our agency continuously improves human resources, operations, and communications to achieve a level of public service and safety that exceeds expectations.



A Message from the Director

On behalf of the Arizona Department of Liquor Licenses and Control (“DLLC”), I am pleased to present the *2015 Annual Report*. Using the most recent 5-years of statistical data, this report will illustrate agency activities in fiscal year 2015 and, where possible, compare them to years previous.

Arizona’s liquor industry continues to be a significant contributor to the State’s economy. The sale of alcoholic beverages is one of our more highly regulated industries. Our agency is specifically trained to issue qualified business owners liquor licenses, enforce liquor law, and balance competing interests, which, collectively, maximize the number of people who are positively impacted by alcohol sales.

In FY 2015, the agency’s civilian and law enforcement staff of 40 issued, renewed and monitored compliance of more than 16,000 liquor licensees. Monthly, an average of 125 new and 833 temporary event licenses were issued.

We know government agencies are not all about data, legal and regulatory requirements. We’re here to serve the public, answer questions, listen to and address concerns. Ultimately, we’re here to help businesses be successful and make the interaction with DLLC easy, understandable and professional.

In FY 2015 with the implementation of Governor Ducey’s Lean Initiative, the Department of Liquor made State business better by:

- Simplifying or eliminating more than 30% of the agency’s 71 forms.
- Eliminating from State forms redundant application information which was also required on local government forms.
- Launched the online Annual Production Reporting option for Microbreweries, Farm Wineries and Craft Distilleries, the three Arizona liquor licenses required to verify specific production limits. In FY 2015, online reporting was used by 33% (734) of the 2,217 applicable licensees.



- Launched the online Sampling Event Request option, previously done with paper and fax machine. In FY 2015, the first year online sampling was in place, 7,385 event permits were instantaneously emailed to licensees.

To reduce liquor law violations, increase the understanding of liquor laws, and keep licensees in compliance.

- Staff conducted classroom training events on various liquor law compliance topics to 2,462 sworn officers, liquor industry professionals, and community leaders.

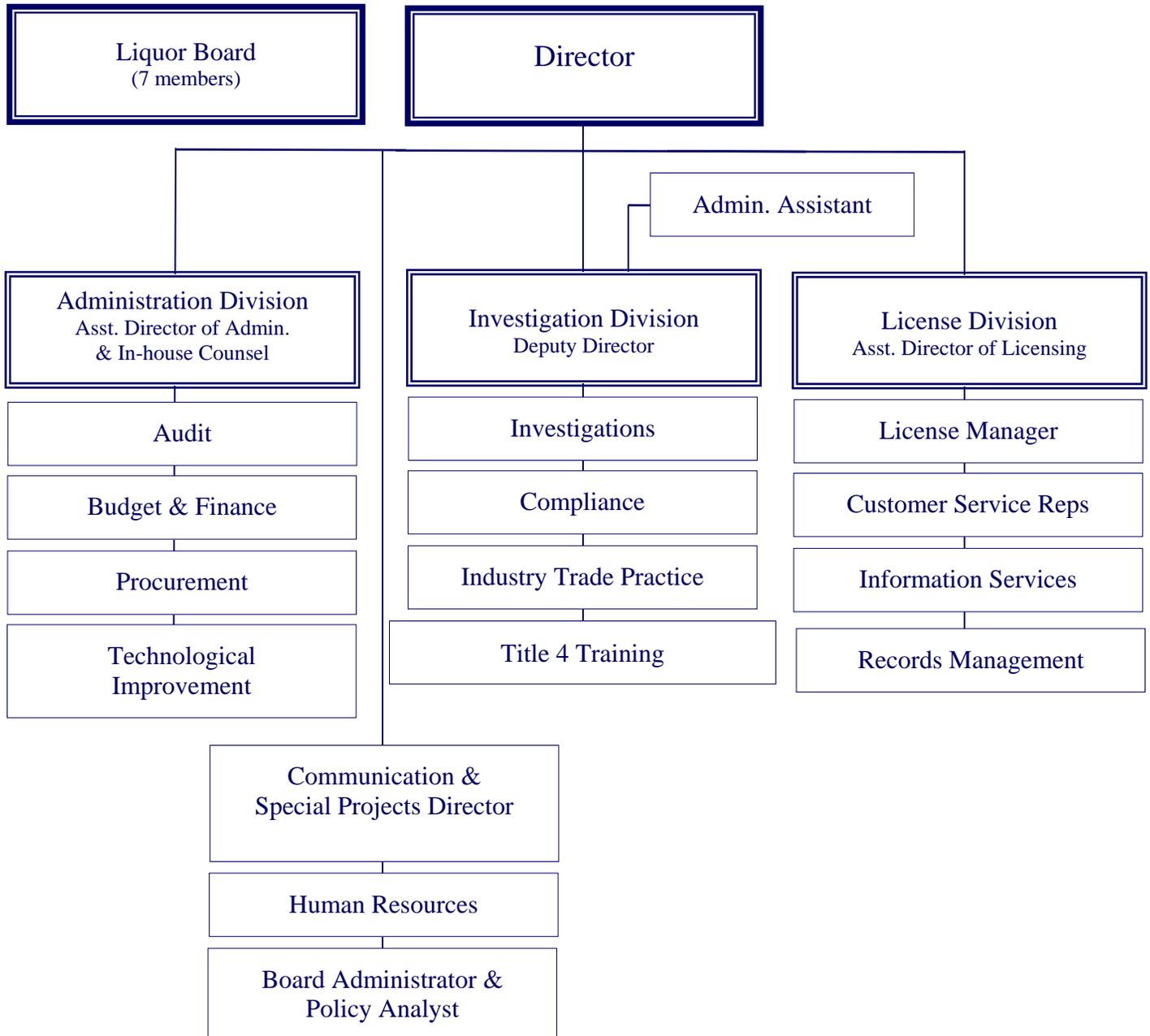
New laws implemented in FY 2015 allowed growth and expansion opportunities for licensees.

- Newly created Craft Distillery and Remote Tasting Room licenses added exposure to the wine and distilled spirits industry segments. Because both wine and spirits are produced primarily in remote or industrial areas, the Remote Tasting Room allowed licensees the opportunity to offer their products in high-traffic retail locations.
- Wineries created facility-sharing arrangements called custom crush and alternating proprietorships. Both arrangements will reduce the cost of wine production for those who participate.

We thank you for the opportunity to serve the citizens of Arizona!



Organizational Chart



Administration Division

The Administration Division is responsible for Audit, Budget and Finance, Procurement and Technological Improvement.

Audit

The Audit Unit monitors and performs audits of two types of liquor-licensed establishments: hotel/motel with restaurant (series 11) and restaurants (series 12). Audits are conducted to ensure restaurants are not operating as bars and are maintaining a 40:60 food-to-liquor sales ratio which is required by Title 4.

Budget and Finance

The Budget and Finance Unit tracks incoming revenues which include funding allocated to DLLC, grants awarded to the Investigation Division, license fees, and fines. This unit coordinates revenue disbursement to the State, Arizona's fifteen (15) counties, and the agency's vendors. In addition, this unit coordinates accounts payable and payroll processing.

Procurement

The Procurement Unit coordinates with ADOA in obtaining and evaluating resources and supplies with a goal of improving the cost efficiency of DLLC operations.

Technological Improvement

The Technological Improvement Unit provides desktop support and expertise in maximizing the utility of DLLC's technology resources.

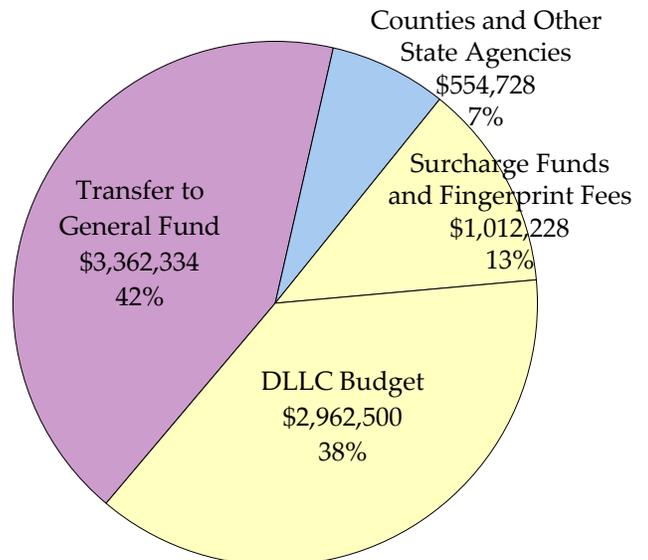
Budget and Finance

DISBURSEMENT OF REVENUE Five Year History*

Source of Revenue	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Licenses, Permits and Fees	5,441,629	5,354,472	5,363,802	5,812,750	5,698,767
Fair Market Value Fees (liquor license lottery)	2,588,647	99,166	349,950	3,300	1,547,625
Fines (liquor law violations)	576,600	417,920	649,760	448,335	472,490
Penalty Fees (late renewals)	153,750	118,050	113,100	111,600	107,700
Fingerprint Fees	68,256	69,702	59,906	66,396	65,208
TOTAL REVENUE COLLECTED	\$8,828,882	\$6,059,310	\$6,536,518	\$6,442,381	\$7,891,790
Disbursement of Revenue	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Fair Market Value (liquor license lottery)	2,588,647	99,166	349,950	3,300	1,547,625
Disbursements to Counties and Other State Agencies	515,295	531,277	565,725	561,533	554,728
Disbursements to DLLC: Surcharge Funds and Fingerprint Fees	994,896	994,744	994,496	1,019,380	1,012,228
License and Permit Fees	3,999,694	3,898,153	3,863,487	4,298,233	4,197,019
Fines (liquor law violations)	576,600	417,920	649,760	448,335	472,490
Penalty Fees (late renewals)	153,750	118,050	113,100	111,600	107,700
TOTAL TRANSFERS	\$8,828,882	\$6,059,310	\$6,536,518	\$6,442,381	\$7,891,790

DISBURSEMENT OF REVENUE

DLLC is an appropriated self-funded agency. In FY 2015, DLLC collected \$7,891,790 in revenue and its appropriated budget was \$2,962,500. Disbursement of revenue to Counties, other State agencies, and DLLC is required by Title 4 (see chart, right, and table on page 8).



* FY 2011 – 2014 revenues and disbursements were recalculated.

DISBURSEMENT OF REVENUE
Disbursement Required by Title 4
Five Year History

Disbursement of DLLC Revenue					
Counties	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Apache	5,678	3,816	4,750	4,566	2,852
Cochise	28,317	25,341	24,678	23,667	28,374
Coconino	42,634	47,265	50,431	49,288	53,195
Gila	14,183	12,435	16,222	11,649	14,231
Graham	3,669	5,167	5,783	4,650	6,634
Greenlee	892	3,208	1,800	1,367	1,378
La Paz	7,544	8,167	9,100	11,458	6,299
Maricopa	42,000	51,000	60,000	51,000	57,000
Mohave	45,515	47,682	47,553	50,095	41,175
Navajo	14,683	17,333	14,716	15,983	13,646
Pima	57,000	60,000	81,000	57,000	63,000
Pinal	36,752	41,204	30,133	38,253	34,017
Santa Cruz	15,743	13,562	11,453	14,187	16,015
Yavapai	60,423	65,215	64,570	75,687	73,136
Yuma	29,937	26,482	26,711	33,408	29,276
Other Agencies	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Dept. of Health Services (Special Event Fees)	54,675	57,850	57,800	64,725	66,725
Dept. of Economic Security Division of Developmental Disabilities	55,650	45,550	59,025	54,550	47,775
DLLC	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Audit Surcharge	165,030	164,220	166,800	170,680	169,080
Enforcement Surcharge K	404,880	405,090	405,540	416,780	414,995
Enforcement Surcharge L	356,730	356,430	362,280	365,524	362,945
Fingerprint Fees	68,256	69,004	59,876	66,396	65,208
TOTAL DISBURSEMENT TO COUNTIES, OTHER AGENCIES AND DLLC	\$1,510,191	\$1,526,021	\$1,560,221	\$1,580,913	\$1,566,956

Audit Statistics

At year end, there were 166 active Series 11 (hotel/motel) licenses and 3,434 active Series 12 (restaurant) licenses statewide. DLLC employs two (2) full time auditors. With a total of 3,600 restaurant-type licenses combined, the statewide auditor-to-liquor license ratio is 1:1,800.

Five Year History

Number of Active Restaurant-Type Licenses <small>(Snapshot data on June 30)</small>	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Hotel/motel w/Restaurant (series 11)	160	163	164	166	166
Restaurant (series 12)	3,175	3,208	3,293	3,368	3,434
Total restaurant licenses	3,335	3,371	3,457	3,534	3,600
Total liquor licenses	11,832	11,619	11,930	11,939	12,052
Action <small>(Cumulative data)</small>	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total audits completed	82	90	84	92	91
Total audits passed	38	58	64	69	56
Total audits failed	40	23	17	17	25
Total audits inconclusive/audit not performed	3	9	3	6	10
Locations granted one year to continue operation	14	3	2	3	7
Cases Open for Audit <small>(Snapshot data on June 30)</small>	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Audits in progress	15	13	16	16	16
Open cases w/projected ratio of >37%	8	8	12	8	14
Open cases w/projected ratio between 30 to 37%	3	5	4	6	2
Open cases w/projected ratio of <30%	4	0	0	2	0
Locations being monitored	94	92	69	76	83
Source of Revenue <small>(Cumulative data)</small>	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Assessed fine revenue	\$99,900	\$72,730	\$55,425	\$50,300	\$71,350
Collected fine revenue	\$84,400	\$64,355	\$47,625	\$49,625	\$47,725

ONLINE AUDIT SERVICES

Sampling Requests

DLLC developed and instituted online sampling requests. After the requesting licensee enters the date, time and location, the system then verifies whether: (1) there are other sampling events at the same location on the same date, (2) the requestor has not exceeded twelve (12) allowed sampling events per location per year, and (3) the location meets the requirements of a sampling location. If the system determines the sampling request meets all of the requirements, the sampling event is booked, an email along with a "Notice of Sampling" credential is instantly emailed to the distributor, and a notification email is sent to the retail location.

During FY 2015, there were 7,385 online sampling requests. The new online automated sampling request system saved the department three hundred sixty nine (369) staff hours.



Annual Production Reporting

During January through March 2015, DLLC instituted new online annual production reporting for farm wineries (in-state and out-of-state), microbreweries (in-state and out-of-state), craft distilleries and limited out-of-state wineries. There were one thousand twelve (1,012) total licenses within these categories that were issued prior to December 31, 2014, and were required to report. In FY 2015, online reporting was used by 33% (734) of the 2,217 applicable licensees. Reminder emails/letters, generated by the new system, were sent to all licensees that had failed to report.

It is estimated the amount of time spent to generate the outstanding reports, review the reports for those licensees that were required to report, update email addresses, and send reminder emails/letters was approximately twenty-four (24) hours. If staff had to manually track the production reports, create an outstanding reports listing, and create reminder emails/letters it would have taken approximately one hundred thirty-one (131) hours. The online reporting system created an estimated time savings of one hundred seven (107) hours.

License Division

The License Division is responsible for Customer Service, Information Services, and Records Management. License Division staff process new license applications, permits, renewals, and maintain up-to-date and accurate information on active licenses. Custom license searches provide access to the license database and may be viewed online.

LICENSE TRANSACTIONS Five Year History

Action	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
New liquor licenses issued	1,798	1,778	1,560	1,629	1,581
Special event permits issued	2,197	2,308	2,198	2,497	2,688
Liquor licenses renewed	11,483	11,582	11,104	11,645	11,952
Interim permits issued	516	543	509	525	619
Active licenses on June 30	11,832	11,619	11,930	11,939	12,066



TYPES OF LIQUOR LICENSES

Each license series has specific privileges. Privileges include liquor production, distribution, and/or retail sales. In addition, retail sales privileges may be permanent or temporary and may allow carry-out, on-site consumption, or residential delivery service.

Series	License Type
01	In-state producer
02	Out-of-state producer
2D	Out-of-state craft distillery
2L	Limited out-of-state winery
2M	Out-of-state microbrewery
2W	Out-of-state farm winery
03	Microbrewery
04	Wholesaler
05	Government
06	Bar (all spirituous liquor)
07	Beer and wine bar (beer and wine only)
08	Conveyance (airplanes, trains, boats)
09	Liquor store (all spirituous liquor)
09S	Liquor store with sampling
10	Beer and wine store (beer and wine only)
10S	Beer and wine store with sampling
11	Hotel/Motel (with restaurant)
12	Restaurant
13	Farm winery
14	Private club
17	Direct shipment
18	In-state craft distillery
19	Remote tasting room

County Name	County Code
Apache	01
Cochise	02
Coconino	03
Gila	04
Graham	05
Greenlee	06
Maricopa	07
Mohave	08
Navajo	09
Pima	10
Pinal	11
Santa Cruz	12
Yavapai	13
Yuma	14
La Paz	15

Licenses are issued by License Type and County. The license number indicates the license type, county, and sequence in which the license was issued, for example:

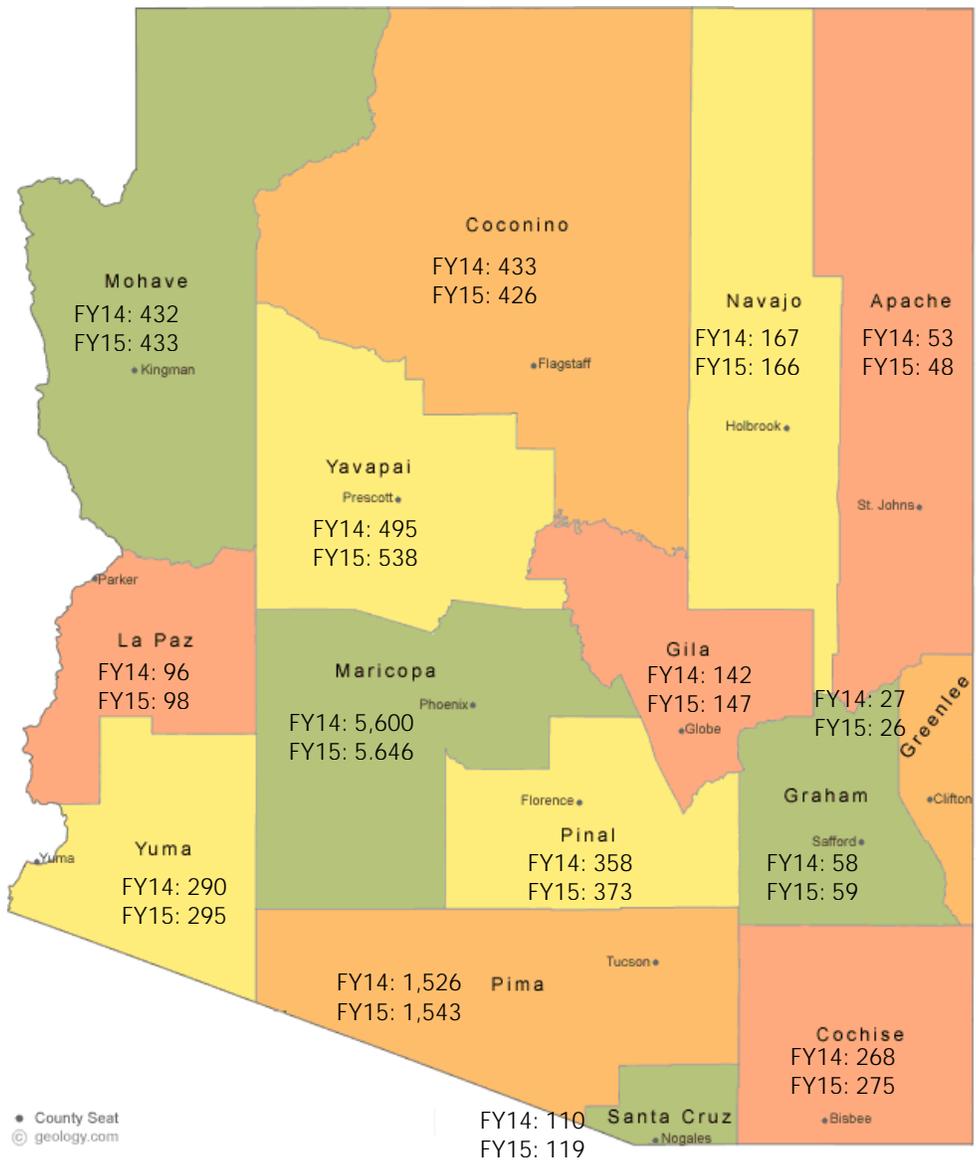
Sample License Number: 06031050

06 = Series 6 Bar License

03 = Coconino County

1050 = Sequential numbering

Liquor Licensed Establishments Regulated by DLLC



**Total Active Licenses
at Year End FY 2015:
12,066***

Although the number of total active licenses varies little from year to year, the types and locations of in-state licenses may vary considerably. Compared to FY 14, the number of in-state producer (series 01) licenses decreased 33.3%; the number of microbrewery (series 03) licenses increased 17.8%; the number of conveyance (series 08) licenses decreased 8.7%; and the number of wholesaler (series 04) licenses increased 7.8% (see county map, left, and license count chart on page 14).

*There were 12,066 active licenses on June 30, 2015. This number fluctuates daily depending on renewals, new applications, suspensions and revocations.

LICENSE COUNT

By County and Type

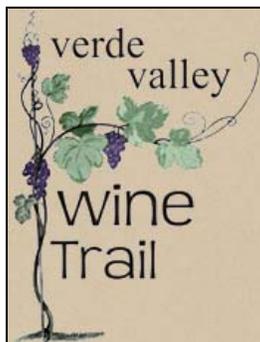
June 30, 2015*

Revised March 8, 2016

	Counties	Apache	Cochise	Coconino	Gila	Graham	Greenlee	La Paz	Maricopa	Mohave	Navajo	Pima	Pinal	Santa Cruz	Yavapai	Yuma	Out-of-State	TOTALS
Series	Type	01	02	03	04	05	06	15	07	08	09	10	11	12	13	14	17	
01	In-State Producer			1					7									8
02	Out-of-State Producer																1,874	1,874
03	Microbrewery		2	9	1				42	6	2	13			10	1		86
04	Wholesaler		1	6	3	1			74	4	2	10	1	2	3	3		110
05	Government		3	7		1	1	1	47	5		13	2	1	2	4		87
06	Bar	16	56	52	40	15	7	15	596	45	35	203	65	19	66	46		1,276
07	Beer and Wine Bar	2	27	56	13	4	1	10	388	41	17	165	33	7	42	26		832
08	Conveyance			3					12	1		4			1			21
09	Liquor Store	14	40	53	26	13	6	17	758	50	40	258	73	15	55	55		1,473
10	Beer and Wine Store	7	55	84	22	16	5	28	1,323	129	27	297	101	27	108	74		2,303
11	Hotel/Motel		4	21	1				92	3	1	27	1	2	9	5		166
12	Restaurant	6	48	122	27	7	3	19	2,195	117	31	498	79	32	185	66		3,435
13	Farm Winery		24	1	3				6	2	1	7	1	13	35	1		94
14	Private Club	3	13	11	9	2	3	8	101	29	10	44	17	1	21	14		286
17	Direct Shipment				1													1
18	Craft Distillery		2						2	1		4						9
19	Remote Tasting Room				1				3						1			5
TOTALS		48	275	426	147	59	26	98	5,646	433	166	1,543	373	119	538	295	1,874	12,066

*There were 12,066 active licenses on June 30, 2015. This number fluctuates daily depending on renewals, new applications, suspensions and revocations.

Out-of-State Licenses	FY 2014	FY 2015
Producer, Microbrewery, Farm Winery	1,591	1,632
Limited Winery	242	193
Direct Shipment	51	49
Total out-of-state licenses	1,884	1,874
Percentage of total active licenses	15.8%	15.5%



Investigation Division

It is the responsibility of the Investigation Division to ensure licensees statewide comply with Arizona Revised Statutes Title 4 (Arizona liquor law) and Arizona Administrative Code Rules established by the DLLC. The division includes Investigations, Compliance, Industry Trade Practice, and Title 4 Training.

The primary functions of the Investigation Division are to:

- ★ Enforce Title 4 and Title 13 criminal laws to ensure compliance with statutes.
- ★ Investigate complaints regarding liquor-licensed establishments received from community members and local law enforcement personnel.
- ★ Conduct background investigations of liquor license applicants to determine if they have met Title 4 qualifications to possess a liquor license.
- ★ Conduct routine liquor-licensed business inspections to educate and prevent future violations.
- ★ Conduct Covert Underage Buyer (CUB) details to determine if a licensed establishment is in compliance with Title 4 regarding the sale and service of liquor only to persons age 21 or older.
- ★ Review police reports submitted by local law enforcement agencies to assess compliance and when one or more violations are found, submit reports to DLLC's Compliance Unit for accountability.
- ★ Work with community members to ensure that licensed establishments positively impact neighborhoods.
- ★ Work with licensees and their staff regarding Fake IDs and changes to Title 4 and A.A.C. Title 19 to ensure compliance.
- ★ Track industry trade practices to ensure compliance with Title 4 and A.A.C. Title 19.
- ★ Collaborate with law enforcement agencies statewide on the application of Title 4, with emphasis on the Administrative Law process.
- ★ Develop and implement enforcement plans for the sale and service of liquor at large scale, public "special events" where attendance of more than 1,000 people is expected.
- ★ Educate students about legal, physical, and emotional outcomes that can occur when alcohol is consumed by persons under the age of 21.

INVESTIGATION DIVISION ACTIVITY

Five Year History

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Officer-to-liquor license ratio:	1:1,076	1:830	1:782	1:851	1:1,095 [‡]
Citations	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Total Citations Issued (Number of citations issued by an investigator for administrative, criminal and underage violations)	1,602	1,809	1,279	735*	660
Citations Issued to Underage (Number of citations written to underage persons who were found in violation of Title 4)	580	918	458	981	505
Violations	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Criminal Counts Charged (Number of counts charged by an investigator when person is in violation of Title 4, Title 13 or Title 28)	NA [†]	NA [†]	NA [†]	1,244*	1,300
Administrative Counts Charged (Number of administrative counts charged by an investigator when a liquor law violation was found at a liquor-licensed establishment)	1,425	1,666	1,996	1,473	1,140
Underage Violations (Number of counts charged by an investigator for a liquor law violation involving an underage person)	914	1,715	845	1,312	1,087
Compliance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Routine Liquor Inspections (Number of establishments randomly inspected to ensure they are operating in compliance with Title 4)	2,459	2,503	2,900	3,434	2,710
Actioned (Administrative) Complaints (Number of administrative citations issued and scheduled for an administrative hearing)	102	72	118	120	96
Compliance Case Reports Submitted	752	888	705	648	423
Non-Actioned (Criminal) Complaints (Number of incoming complaints to the Investigation Division reporting a liquor law violation)	459	454	531	507	423
Investigation	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Hidden Ownerships Completed	18	25	22	24	16
Site Inspections Completed	698	760	343	297	272
Law Enforcement Liaison Completed	632	985	497	836	786
On-View Violation Case Reports	528	758	498	341	256
Training	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Law Enforcement Training Events	36	33	11	21	71
Community Training Events	4	9	10	65	12

[‡] Ratio based on staff of eleven (11) nonsupervisory full time sworn officers

[†] Not reported in FY 2011, FY 2012 and FY 2013 Annual Reports

* Redefined and corrected data reported in FY 2014 Annual Report

EDUCATION • COMMUNICATION • ENFORCEMENT

After receiving the *NLLEA Liquor Law Enforcement Agency of the Year* award from the National Liquor Law Enforcement Association (NLLEA), DLLC broadened its educational reach within Arizona and tribal nations, and to liquor regulators and law enforcement professionals throughout the United States. DLLC's "education, communication and enforcement" model of regulation ensures liquor industry trade practice compliance. The table below illustrates the variety of education topics and audiences.

Law Enforcement Training Events	Number of Events	Number of Attendees
Title 4	45	831
Fake ID	18	371
Title 4/Fake ID	2	84
Routine Liquor Inspection (RLI)	2	9
Community Training Events	Number of Events	Number of Attendees
Title 4	3	56
Fake ID	2	51
Title 4/Fake ID	1	20
Parent and Teen Fake ID/Awareness	2	70
Industry Training Events	Number of Events	Number of Attendees
New Liquor Law and Rule Review	3	252
Online Sampling Request	3	141
Online Annual Production Reporting	2	11
Title 4	1	11
Government Training Events	Number of Events	Number of Attendees
Fake ID for Arizona Health Care Cost Containment Systems (AHCCCS), Office of the Inspector General	1	50
Out-of-State Training Events	Number of Events	Number of Attendees
Trade Practice Investigation, Event Management, Fake ID and Fraud Documents for National Liquor Law Enforcement Association (NLLEA) in Idaho	3	125
National Alcohol Beverage Control Association (NABCA) Administrators Conference in Idaho	3	150
Responsible Retailing Forum for National Alcohol Beverage Control Association (NABCA) Administrators Conference in Oklahoma	1	100
National Conference of State Liquor Administrators (NCSLA) National Conference in Iowa	2	130
TOTAL TRAINING EVENTS	94	2,462

Covert Underage Buyer Program

In an effort to curb the sale of liquor to underage persons, the Covert Underage Buyer (CUB) program was instituted in May of 2003. This program provides the resources necessary for DLLC to investigate reported complaints of liquor-licensed businesses suspected of underage liquor law violations. When DLLC has reasonable suspicion a liquor-licensed establishment is selling liquor to underage customers, the agency will send in a CUB to attempt to purchase liquor. CUB's are between the ages of sixteen (16) and nineteen (19) and are carefully trained by DLLC, including investigations guidelines, and personal and public safety measures. Currently there are two (2) officers and a total of seven (7) trained CUB's performing CUB operations for the department. DLLC provides CUB program training to all Arizona law enforcement agencies, allowing the program to operate statewide. During FY 2015, DLLC collaborated with local law enforcement agencies in six (6) counties.

CUB PROGRAM STATISTICS

	FY 2015	May 2003 to June 2015
Locations Investigated	195	3,791
Number That Sold to CUB	72	1,193
Percentage of Establishments That Sold to CUB	36.9%	31.5%
Administrative Citations Issued	173*	2,863
Criminal Citations Issued	120*	2,305

*Sometimes DLLC will issue one type of citation and the collaborating agency will issue the other.



Compliance Unit

The Compliance Unit governs the dispute-resolution process and imposes disciplinary action against licensees for violations of State liquor laws. The Compliance Unit is responsible for determining an appropriate course of disciplinary action that may consist of verbal or written warnings, consent agreements, or referral for a full administrative hearing.

COMPLIANCE UNIT ACTIVITY Five Year History

Case Type	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Revocations	2	0	1	1	0
Suspensions	7	4	4	1	2
Surrenders	13	2	18	6	10
Divestitures	4	3	9	2	7
Administrative Complaints	9	5	7	5	2
Decisions and Orders	8	3	3	6	1
Cases Received	752	888	708	856	843
Cases Completed	280	199	151	183	198
Cases in Progress at Year End	478	688	557	672	645
Warning Letter Issued	45	17	25	41	22
Cases Sent to the Office of Administrative Hearings	6	7	7	7	7

DLLC's Compliance Unit collected fines of \$516,365 from 561 compliance actions processed and adjudicated during FY 2015.

Compliance Statistics Resulting From Underage Violations

Fiscal Year	Fines Collected	Licenses Suspended	Licenses Revoked
2011	\$214,500	2	0
2012	\$82,265	1	0
2013	\$125,500	4	1
2014	\$80,625	1	2
2015	\$82,375	0	0

State Liquor Board

The State Liquor Board ("Board") operates independently from the Director of DLLC. However, the Board is housed within the department and is provided one staff member who prepares and maintains hearing notices, agendas, orders, minutes, and records. Board members are responsible for hearing liquor license applications that have received a public protest or recommendation of disapproval from the local governing body or the DLLC Director. Additionally, the Board may hear appeals and overturn or amend decisions of the Director.

LIQUOR BOARD ACTIONS Five Year History

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Hearings Scheduled (Number of cases scheduled to be heard before the Board)	89	60	51	42	57
Licenses Granted	23	18	21	13	20
Licenses Denied	13	8	9	9	11
Continuances Granted (Number of times the hearing or the Board's decision was postponed to a subsequent hearing)	33	20	10	11	11
Applications Withdrawn (Applicants may withdraw their applications.)	16	11	7	5	11
Appeals Heard (Applicants and licensees have the right to appeal a decision made by the Director or the Board.)	3	0	0	2	0
Rehearings Requested (A rehearing of a case may be requested by the Board, the applicant, or an interested party.)	1	2	2	1	1
Hearings Cancelled (If the reason for the protest is clearly removed or satisfied, the Director may request the Board to cancel the hearing.)	NA	4	1	1	3



The Board consists of seven members who are appointed by the governor pursuant to A.R.S. § 4-111(A)-(F) and A.R.S. § 38-211. Five of the Board members shall not be financially interested directly or indirectly in a business licensed to deal with spirituous liquors. Two members shall be engaged in business in the spirituous liquor industry, at least one of whom shall currently be a retail licensee or employee of a retail licensee. One member shall be a member of neighborhood association recognized by a county, city or town. No more than four members may be of the same political party. No more than two members may be appointed from the same county.

Members serve for three year terms which expire on the third Monday in January of the third year of service. The governor may remove any member of the Board for cause. No member may represent a licensee before the Board or DLLC for a period of one year after the conclusion of the member's service on the Board.

STATE LIQUOR BOARD MEMBERS AND TERMS

J.D. Ghelfi (R)	Chairman Maricopa County No Financial Interest	Term Expired January 19, 2015
Cyndy Valdez (R)	Vice Chairman Pima County Wholesaler	Term Expires January 16, 2017
Bill Du Pont (D)	Pima County Neighborhood Association	Term Expires January 18, 2016
Vikki Scarafiotti (D)	Maricopa County No Financial Interest	Term Expires January 16, 2017
Robin Cantrell (I)	Graham County Retailer	Term Expired January 19, 2015
Jim Carruthers (R)	Yuma County No Financial Interest	Term Expired January 19, 2015
Vacant		Term Expires January 18, 2016

