

# GOVERNOR'S MONTHLY REPORT

## August 2016

(Revised 7/13/17)



### STATE OF ARIZONA DEPARTMENT OF LIQUOR LICENSES AND CONTROL

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The information reported in this document is used to keep the Governor and staff apprised of accomplishments, key issues, and upcoming events as they relate to the Department of Liquor Licenses and Control, and its three divisions (Licensing, Administration, and Investigations) on a monthly basis.

**GRANTS & FUNDING**  
**LIQUOR ENFORCEMENT & EDUCATION OUTREACH GRANT**  
**CUB (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 the department to investigate reported complaints of liquor licensed businesses suspected of one or more underage liquor law violations. When there is reasonable suspicion to believe that a liquor-licensed establishment is selling liquor to underage customers, the department will send in a CUB to attempt to purchase liquor. CUBs are between the ages of sixteen (16) and nineteen (19) who are carefully trained by DLLC investigators to understand and follow state laws, including DLLC's CUB investigations guidelines and personal and public safety measures. Currently there are two (2) officers and a total of seven (7) trained CUBs performing CUB operations for the department. DLLC provides CUB program training to all Arizona law enforcement agencies, allowing the program to operate statewide.

In August 2016, DLLC conducted investigations of seventeen (17) liquor-licensed establishments in Scottsdale, Phoenix, Avondale, Chandler, Mesa, Glendale, New River, and Kingman. Six (6) CUBs were used. Four (4), or twenty-four (23.5%) percent, of these establishments sold alcohol to a CUB resulting in fourteen (14) administrative violations and eight (8) criminal violations. All seventeen (17) locations were investigated in response to complaints received by DLLC.

Since the inception of the program, three thousand nine hundred forty (3,940) establishments have been investigated and one thousand two hundred fifty-one (1,251) or thirty-two (31.8%) percent have sold to CUB buyers resulting in three thousand seventeen (3,017) administrative violations and two thousand four hundred five (2,405) criminal violations.

**CUB Program Statistics**

<b>Calendar Year</b>	<b>Locations Investigated</b>	<b># Sold to CUB</b>	<b>% of Locations that Sold to CUB</b>	<b>Administrative Violations</b>	<b>Criminal Violations</b>
<b>2003</b>	122	33	29	70	71
<b>2004</b>	217	55	25	122	136
<b>2005</b>	337	108	32	342	283
<b>2006</b>	475	148	31	409	317
<b>2007</b>	450	108	24	200	201
<b>2008</b>	572	172	30	416	349
<b>2009</b>	392	115	29	234	229
<b>2010</b>	169	96	57	207	129
<b>2011</b>	234	62	26	143	69
<b>2012</b>	215	82	38	225	193
<b>2013</b>	310	98	32	220	143
<b>2014</b>	181	76	42	179	122
<b>2015</b>	186	68	37	168	107
<b>2016</b>	80	30	38	82	56

An Underage Drinking Hotline is in operation for concerned citizens to call when underage drinking, service, or sales are suspected. With each complaint DLLC launches an investigation. The Underage Drinking Hotline number is 1-877-NOT-LEGL or 1-877-668-5345.

## OUTREACH

### Community & Agency Outreach

Community and agency outreach meetings and presentations create opportunities to increase DLLC's efficiency and relevancy, encourage agency collaborative efforts, and promote safe and legal alcohol distribution, sales, and consumption.

#### **Community and agency outreach during the month:**

- Meeting with Macerich Properties – director
- Meeting with Wine Institute – director
- Meeting with Casa Sunba Tempe – director
- Meeting with Kimmyz Place – director
- Meeting with Grand Canyon University – director
- Meeting with CVS Pharmacy – director
- Meeting with West Valley Chiefs of Police – director
- Liquor license forms revision stakeholder workgroup – investigation sergeant and assistant director of licensing facilitated
- Legislative Research Analyst of the Senate Commerce & Workforce Development Committee meet and greet – director and assistant director of licensing

#### **Law Enforcement Special Detail:**

- CUB – Investigator Williams conducted two, Investigator Parris assisted with one
- CUB – Investigator Palubeskie and Investigator Turner conducted one
- Grand Canyon University Open House for Students – Investigator Williams
- Back-to-School details in Northern Arizona – Investigator Carruthers
- Title 4 Liquor Law Update for State-approved Title 4 Training Providers, 27 Attendees – Investigator Williams
- Community Coalition meeting in Lake Havasu, 10 Attendees – Investigator Williams
- Community Coalition meeting for Arizona Youth Project, 8 Attendees – Investigator Williams
- Community Coalition meeting for Coolidge Youth Council, 15 Attendees – Investigator Williams
- Community Coalition meeting for Arizona Youth Partnership, 25 Attendees – Investigator Williams
- Police Liaison Training for Phoenix Police Department, Liquor Hot Spot Meeting, 12 Officers – Investigator Williams
- Flagstaff Police Department (two trainings), 18 Officers – Investigator Carruthers
- Title 4 Liquor Law Update for Flagstaff Police Department (two trainings), 18 Officers – Investigator Carruthers
- Title 4 Liquor Law Update for Paradise Valley Police Department (four trainings), 22 Officers – Investigator Webb
- Fake IDs Commonly Used in Bars for Paradise Valley Police Department (four trainings), 25 Officers – Investigator Webb
- Title 4 Liquor Law Update for Superior Police Department, 8 Officers – Investigator Webb
- Fake IDs Commonly Used in Bars for Superior Police Department, 7 Officers – Investigator Webb
- Fake IDs Commonly Used in Bars for Phoenix Police Department, 4 Officers – Investigator Webb
- Title 4 at Maricopa County Sheriff's Office Academy, 33 Cadets – Investigator Webb
- Governor's Office of Youth, Faith & Family for Winslow High School (three trainings), 72 Students – Investigator Carruthers
- Weapons/Decision-shoot qualifications – all Officers completed
- Youth Alcohol details – all Officers
- Out-of-area complaints – all Officers

## SUCCESS STATISTICS INVESTIGATIONS

It is the responsibility of the Investigations Division to ensure that all licensees adhere to A.R.S. Title 4 (Arizona liquor law) and all Arizona Administrative Code Rules established by the DLLC.

Investigators completed seventy-one (71) routine liquor inspections (RLIs) at licensed establishments and events throughout Arizona resulting in forty-eight (48) criminal charges and sixty (60) administrative violations. The following success statistics were completed by a nonsupervisory staff of ten (10) full time sworn officers who uphold a statewide officer-to-liquor license ratio of 1:1,227.

Total investigative actions taken this month were eight hundred seventy-two (872), which is a decrease of twenty-eight (27.6%) percent when compared to the one thousand two hundred four (1,204) investigative actions taken in August 2015.

<b>Achievements:</b>	<b>Current Month</b>	<b>Total FY 2017</b>	<b>1 Year Ago This Month</b>	<b>Total FY 2016</b>
Routine Liquor Inspections Completed	71	71	240	2,386
Criminal Citations Issued	29	44	25	435
Criminal Counts Charged	48	74	44	729
Administrative Counts Charged	60	60	78	852
Hidden Ownerships Completed	0	0	0	16
Site Inspections Completed	39	39	31	346
Non-Actioned (Criminal) Complaints	46	46	43	421
Actioned (Administrative) Complaints	12	12	8	87
Compliance Case Reports Submitted	23	23	41	345
On-view Violation Case Reports	11	11	32	218
Law Enforcement Liaison Completed	32	32	49	747
Tax Deficiency Charges	5	5	5	213
MVD Affidavit/Suspension	6	6	1	53
<b>Underage Investigations Statistics:</b>				
Citations Issued to Underage Persons	24	34	12	350
Total Underage Violations	47	71	37	690
<b>Total Achievements:</b> (including police report reviews and completed protests not listed above)	872	872	1,204	13,759

Compared to August 2015, the number of citations DLLC investigators issued to underage persons increased one hundred (100.0%) percent and the total number of underage violations increased twenty-seven (27.0%) percent.

**SUCCESS STATISTICS**  
Investigations (continued)

Current Month	Younger than Age 15	Age					
		15	16	17	18	19	20
Age of minor cited	0	0	0	2	1	11	10

Of the citations issued to underage persons, forty-two (41.7%) percent were within one year and forty-six (45.8%) percent were within two years of the legal drinking age.

Statute/ Definition	Number of Counts Charged This Month	Number of Counts Charged in FY 2017	1 Year Ago This Month	Number of Counts Charged in FY 2016
<b>A.R.S. § 4-241(A)</b> Failure to request ID from underage; accepting unauthorized forms of ID	4	7	6	77
<b>A.R.S. § 4-241(L)</b> Underage who uses false ID to buy alcohol	6	6	2	128
<b>A.R.S. § 4-241(M)</b> Underage who solicits another person for alcohol	1	1	3	30
<b>A.R.S. § 4-241(N)</b> Underage who uses of false ID to gain entry to a liquor business	4	6	0	12
<b>A.R.S. § 4-241(P)</b> Person purchasing alcohol for underage	0	0	0	6
<b>A.R.S. § 4-244(9)</b> Furnishing alcohol to an underage; underage in possession/consumption	15	26	16	499
<b>A.R.S. § 4-244(20)</b> Consuming spirituous liquor in public place, thoroughfare or gathering	0	1	2	24
<b>A.R.S. § 4-244(41)</b> Underage with alcohol in system	10	18	7	291
<b>A.R.S. § 13-2907.01</b> False reporting to law enforcement agencies	1	1	0	5
<b>A.R.S. § 13-3613</b> Contributing to delinquency and dependency of a child	0	0	0	4
<b>A.R.S. § 28-3478.1</b> Unlawful use of driver license	4	4	2	75
<b>A.R.S. § 28-3478.3</b> Using another person's driver license	2	3	1	24

## SUCCESS STATISTICS LIQUOR LICENSE AUDITS

Currently there are one hundred seventy-five (175) active Series 11 (hotel/motel) licenses and three thousand five hundred sixty-seven (3,567) active Series 12 (restaurant) licenses statewide. Compared to August 2015, the number of hotel/motel with restaurant licenses increased by eight (8) or five (4.8%) percent, and the number of restaurant licenses increased by one hundred twenty-six (126) or four (3.7%) percent.

DLLC employs two (2) full time auditors. With a total of three thousand seven hundred forty-two (3,742) restaurant-type licenses combined, the statewide auditor-to-liquor license ratio is: 1:1,871.

<b>Audit Status</b>	<b>Current Month</b>	<b>This Month Last Year</b>
<b>Audits closed</b>	9	8
<b>Audits initiated</b>	9	8
<b>Audits in progress</b>	16	16
<b>Open cases w/projected ratio of &gt;37%</b>	11	11
<b>Open cases w/projected ratio between 30 to 37%</b>	5	3
<b>Open cases w/projected ratio of &lt;30%</b>	0	2
<b>Locations granted 1 year to continue operation</b>	1	0
<b>Locations being monitored</b>	85	100

During August 2016, nine (9) audits were completed in Cochise, Maricopa, Pima, and Yavapai Counties, which resulted in actionable violations in seven (7) of those cases. On August 31, 2016, there were sixteen (16) audits in progress and eighty-five (85) locations being monitored.

<b>Audit Action</b>	<b>Current Month</b>	<b>Total FY 2017</b>	<b>This Month Last Year</b>	<b>Total FY 2016</b>	<b>Total 2003 To Present</b>
<b>Audits completed</b>	9	16	8	98	924
<b>Audits passed</b>	8	12	7	74	525
<b>Audits failed</b>	1	4	1	16	309
<b>Inconclusive</b>	0	0	0	7	83
<b>Other charges only</b>	0	0	0	1	7

In August 2016, audit fines assessed from violations totaled nine thousand three hundred seventy-five (\$9,375) dollars. Compared to August 2015, total audit fines assessed from violations increased by six thousand seven hundred fifty (\$6,750) dollars.

**SUCCESS STATISTICS**  
Liquor License Audits (continued)

**Audit Revenue 2-year Comparison**

Audit Action	Current Month	Total FY 2017	1 Year Ago This Month	Total FY 2016
Fines Assessed	\$9,375	\$14,575	\$2,625	\$45,525

Audit statistics since FY 2007 are noted below:

Year	Audits Completed	Revenues Collected	Average Fine per Audit
FY 2007	27 audits	\$13,000	\$481
FY 2008	61 audits	\$36,500	\$598
FY 2009	103 audits	\$81,275	\$789
FY 2010	87 audits	\$81,750	\$940
FY 2011	82 audits	\$84,400	\$1,029
FY 2012	90 audits	\$64,355	\$715
FY 2013	84 audits	\$47,625	\$567
FY 2014	92 audits	\$49,625	\$539
FY 2015	91 audits	\$47,725	\$524
FY 2016	98 audits	\$73,700	\$752
FY 2017	16 audits	\$4,875	\$305

**Online 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 the month of August 2016, there were nine hundred eighty-eight (988) sampling requests entered into and approved by the online system. Of these sampling requests, ninety-nine (99) were cancelled. In FY 2017, the online system has saved over one hundred forty-two (142.80) staff hours.

## SUCCESS STATISTICS COMPLIANCE

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

Achievements	Current Month	Total FY 2017	1 Year Ago This Month	Total FY 2016
Revocations	0	0	0	2
Suspensions	0	0	0	0
Surrenders	1	6	2	20
Divestitures	0	0	0	6
Administrative Complaints	0	0	1	8
Decisions & Orders	0	0	0	2
Cases Received	65	145	57	985
Cases Completed	29	55	6	281
Cases in Progress	36	90	51	704
Warning Letter Issued	1	4	0	28
Cases Sent to OAH	0	0	0	5

### Economic Impact:

Fines collected during the month totaled thirty-five thousand eight hundred twenty-five (\$35,825) dollars from thirty-eight (38) adjudicated compliance actions. Compared to last month, July 2016, this represents a sixty-four (63.6%) percent increase in collected revenues and a twenty-seven (26.7%) percent increase in the number of compliance actions processed. Compared to August 2015, this represents a seventeen (17.1%) percent decrease in collected revenues and a twenty-six (25.5%) percent decrease in the number of compliance actions processed.

A penalty payment plan gives licensees the option to pay fines in installments rather than in one lump sum. DLLC and the licensee agree to the terms of the payment plan during the negotiation process. Although the payment plan may reduce DLLC's monthly collection of fine revenues in the short term, the long term outcome is intended to keep establishments in business by easing the financial burden of fines.

Fiscal Year	Compliance Actions	Revenues Collected	Average Fine Per Action
2006	500	\$689,475	\$1,379
2007	429	\$627,975	\$1,464
2008	334	\$582,350	\$1,744
2009	584	\$886,440	\$1,518
2010	415	\$705,725	\$1,701
2011	425	\$598,509	\$1,408
2012	479	\$428,445	\$894
2013	440	\$673,710	\$1,531
2014	500	\$473,910	\$948
2015	561	\$516,365	\$920
2016	482	\$506,325	\$1,050
2017	68	\$57,725	\$849

**SUCCESS STATISTICS**  
Compliance (continued)

**Adjudicated Underage Violations:**

Statute	Adjudicated This Month	TOTAL FY 2017	1 Year Ago This Month	TOTAL FY 2016
<b>A.R.S. § 4-241(A)</b> Failure to request ID from underage; accepting unauthorized forms of ID; failure to follow the identification procedure prescribed by statutes	9	12	5	65
<b>A.R.S. § 4-241(L)</b> Underage who uses false ID to buy alcohol	0	0	0	0
<b>A.R.S. § 4-241(M)</b> Underage who solicits another person for alcohol	0	0	0	0
<b>A.R.S. § 4-241(N)</b> Underage who uses of false ID to gain entry to a liquor business	0	0	0	0
<b>A.R.S. § 4-241(P)</b> Person purchasing alcohol for underage	0	0	0	0
<b>A.R.S. § 4-244(1)</b> Unlicensed Resale	4	6	1	9
<b>A.R.S. § 4-244(9)</b> Furnishing alcohol to an underage; underage in possession/consumption	9	12	4	64
<b>A.R.S. § 4-244(16)</b> Knowingly allow furnishing liquor to underage	0	0	0	0
<b>A.R.S. § 4-244(22)</b> Underage on premises without parent (on-sale); consume without permission of premises owner	2	3	0	8
<b>A.R.S. § 4-244(41)</b> Underage with alcohol in system	0	0	0	0
<b>A.R.S. § 4-244(42)</b> Employee of licensee to accept gratuity to allow underage inside of bar/sell alcohol	0	0	0	1
<b>A.R.S. § 13-2907(01)</b> False reporting to law enforcement agencies	0	0	0	0
<b>A.R.S. § 28-3478(1)</b> Unlawful use of driver license	0	0	0	0
<b>A.R.S. § 28-3478(3)</b> Using another person's driver license	0	0	0	0

During FY 2017, fines from adjudicated underage violations total fourteen thousand eight hundred seventy-five (\$14,875) dollars.

**Compliance Statistics Resulting From Underage Violations:**

Fiscal Year	Fines Collected	Licenses Suspended	Licenses Revoked
<b>2011</b>	\$214,500	2	0
<b>2012</b>	\$82,265	1	0
<b>2013</b>	\$125,500	4	1
<b>2014</b>	\$80,625	1	2
<b>2015</b>	\$82,375	0	0
<b>2016</b>	\$99,000	0	0
<b>2017</b>	\$14,875	0	0

## SUCCESS STATISTICS STATE LIQUOR BOARD

The State Liquor Board operates independently from the Director of the Department of Liquor Licenses and Control and is responsible for hearing liquor license applications that have been protested by the public, the governing body of a city, town or county, or the Department Director. Additionally, the Board may hear appeals and overturn or amend decisions of the Director.

<b>Achievements:</b>	<b>Current Month</b>	<b>Total FY 2017</b>	<b>1 Year Ago This Month</b>	<b>Total FY 2016</b>
<b>Hearings Scheduled</b>	4	4	0	25
<b>Licenses Granted</b>	2	2	0	1
<b>Licenses Denied</b>	1	1	0	4
<b>Continuances Granted</b>	0	0	0	4
<b>Continuances Denied</b>	0	0	0	0
<b>Licenses Withdrawn</b>	1	1	0	8
<b>Appeals Heard</b>	0	0	0	3
<b>Rehearings Requested</b>	0	0	0	1
<b>Hearings Cancelled by Director</b>	0	0	0	3

There were four (4) hearings scheduled before the State Liquor Board in August. Two (2) liquor license applications were granted to one (1) Series 10 Beer and Wine Store and one (1) Series 9 Liquor Store. One (1) Series 12 Restaurant application was denied. One (1) application withdrawal of a Series 7 Beer and Wine Bar was granted.

### STATE LIQUOR BOARD MEMBERS AND TERMS

Cyndy A. Valdez (R)	Chair Pima County Wholesaler	Term Expires January 16, 2017
Michael J. Troyan (I)	Vice Chair Maricopa County Retailer	Term Expires January 15, 2018
Vikki R. Scarafiotti (D)	Maricopa County No Financial Interest	Term Expires January 16, 2017
Troy Campbell (R)	Coconino County No Financial Interest	Term Expires January 15, 2018
Sergio A. Arellano (R)	Pima County No Financial Interest	Term Expires January 21, 2019
Vacant	Neighborhood Association	Term Expired January 18, 2016
Vacant	No Financial Interest	Term Expires January 15, 2018

## SUCCESS STATISTICS LICENSING DIVISION

The Licensing Division is responsible for processing new license applications, permits, renewals, and maintaining up-to-date and accurate information on active licenses. Compared to this month last year, August 2015, the number of new liquor licenses issued in Arizona decreased two (1.8%) percent and the number of active licenses increased two (1.8%) percent. Also, compared with August 2015, monthly licensing revenues have increased fourteen (13.7%) percent from four hundred thirty-five thousand six hundred thirty-two (\$435,632) dollars during this time last year to four hundred ninety-five thousand two hundred twenty-three (\$495,223) dollars during the current month.

In August 2016, ten (10) exempt locations were approved which brings the total active exempt locations in Arizona to one hundred six (106). An exempt location is an establishment that has: (1) met the criteria established in A.R.S. § 4-244.05 and A.A.C. R19-1-324; (2) made application for the exemption; (3) been inspected by a DLLC investigator; and (4) been issued a one-year exemption which allows patrons to bring and consume beer and wine on the premises.

Licensing	Current Month	Total FY 2017	1 Year Ago This Month	Total FY 2016
<b>New Licenses Issued</b>	110	238	112	1,473
<b>Renewed Licenses</b>	814	1,668	744	11,977
<b>Lottery Licenses Issued</b>	0	0	0	14
<b>Collected Lottery Revenues</b>	\$0	\$0	\$6,850	\$2,207,600
<b>Number of Active Liquor Licenses</b>	12,273*	12,273*	12,052*	12,203*
<b>Exempt Locations Issued</b>	10	19	13	57
<b>Number of Exempt Locations</b>	106**	106**	90**	98**
<b>Collected Licensing Revenues</b> (including lottery revenues)	\$495,223	\$934,706	\$435,632	\$12,347,940

\*This number fluctuates daily depending on renewals, new applications, suspensions and revocations.

\*\*This number fluctuates daily depending on renewals and new applications.

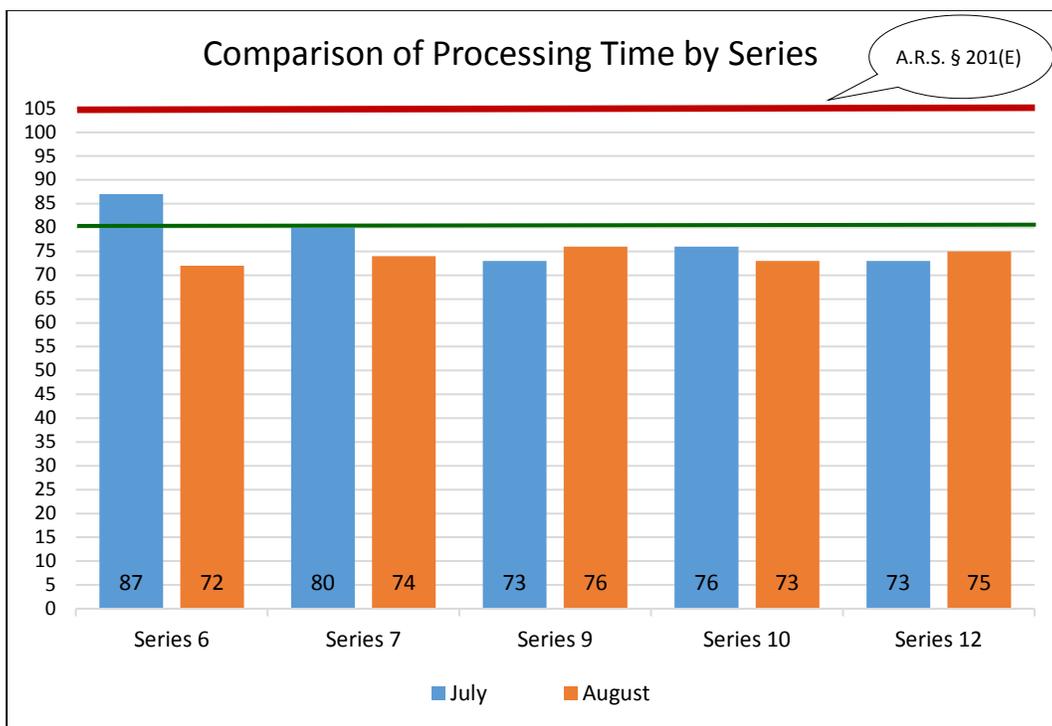
### Collected Revenue by Fee Type in August 2016

Fair Market Value	0
Applications	14,300
License Fees	322,413
Out-of-State	0
Agent Change	2,850
Fines	35,825
Special Event	5,075
Club	6,000
Penalties	6,750
Copy Fees	17,350
Non-Use Surcharge	9,700
Audit Surcharge	14,290
Enforcement K Surcharge	29,435
Enforcement L Surcharge	25,555
Miscellaneous	5
<b>TOTAL REVENUES COLLECTED</b>	<b>\$489,547</b>
<b>(fingerprints)</b>	<b>5,676</b>
<b>TOTAL REPORT</b>	<b><u>\$495,223</u></b>

## LEAN TRANSFORMATION STATEWIDE LICENSING INITIATIVE

In FY 2016, DLLC issued one thousand four hundred seventy-six (1,476) new licenses. Customer service representatives (CSRs) have received training and resource materials to ensure that consistent licensing policies and procedures are used when processing new applications. A standardized process will help reduce CSR errors, improve processing time, and improve customer satisfaction rates. DLLC reports its monthly "scorecard" to the Arizona Government Transformation Office (GTO).

In August 2016, one hundred ten (110) new licenses were issued for Series 6 Bar, Series 7 Beer and Wine Bar, Series 9 Liquor Store, Series 10 Beer and Wine Store, and Series 12 Restaurant. The target time to process a license application from Date Accepted to Date Approved/Ready to Issue is eighty (80) days. "An application shall be approved or disapproved within one hundred five days after filing of the application" (A.R.S. § 4-201(E)).



## WHAT'S NEXT AT DLLC? Upcoming Events and Milestones

### Retirement

Sergeant Craig Miller will retire after 19 years with the agency.

### Direct-to-Consumer Wine Shipment (Series 17W) Application

This application must be completed online. For fast, easy online completion, the Arizona Department of Liquor highly recommends reading through the instructions before beginning the application process.

#### **Application Instructions: IMPORTANT: This license renews in February 2017.**

1. The applicant must own a winery that is currently licensed (state government), permitted (federal government), and in good standing with both jurisdictions.
2. Applicants convicted of a felony in the most recent five (5) year period will not be issued a license (A.R.S. § 4-202(D)).
3. Applicants charged with misdemeanors in the most recent five (5) year period must provide details that include:
  - o the arresting agency,
  - o the city/state in which the charges occurred,
  - o the date the charges were made, and
  - o a brief description of the charges.

Misdemeanors require an investigative review of the application resulting in processing delays.

4. Information to have available when completing the online application:
  - o Your Arizona Transaction Privilege Tax (TPT) number, (If you don't have one, visit this application link from the Arizona Department of Revenue website <https://www.aztaxes.gov/Home>. Go to the **Businesses** section and click on "License a New Business." For additional tax-related questions, visit Arizona liquor tax FAQs: [http://www.azliquor.gov/forms/adm\\_DOR\\_FAQ.pdf](http://www.azliquor.gov/forms/adm_DOR_FAQ.pdf).)
  - o Federal TTB permit number,
  - o Your liquor license number issued by the state where your business is located,
  - o When applicable, your Arizona liquor license number, and
  - o When applicable, details of misdemeanor charges.
5. The State of Arizona will need a paper or PDF copy of:
  - o Your federal TTB permit, and
  - o The liquor license issued by the state where your business is located.

You have two options for submitting these documents:

- o via the electronic upload option on the application, or
  - o via mail (address provided on the application).
6. Be prepared to complete the application in one sitting. The estimated time to complete it is 15 minutes.
  7. Please print out the invoice when prompted.
  8. The application cannot be processed without a payment of \$225. The payment must be mailed to the address provided on the application. Upon approval and after payment is received and processed (payments made via mail only), the Arizona Department of Liquor will issue your new Direct-to-Consumer Wine Shipment (series 17W) liquor license. The license will be issued electronically to the email address provided on the application.

## WHAT'S NEXT AT DLLC? Upcoming Events and Milestones

9. Please send the invoice (generated after your application is complete) with the payment via mail. If you elect to send documents via mail rather than upload them electronically, please include them with the payment.
10. Direct-to-Consumer Wine Shipment licensees are required to submit an Annual Shipment Report no later than January 31 of each year. The 2017 report will be due on or before January 31, 2018. Failure to submit the Annual Shipment Report will prevent renewal of your Direct-to-Consumer Wine Shipment license. Instructions will be emailed to the address provided on the application.
11. Direct-to-Consumer Wine Shipment (series 17W) licenses renew annually in February. The deadline for the Arizona Department of Liquor to receive your 2017 renewal and payment is February 28, 2017. The cost to renew is \$175. Fees are submitted by mail only. The renewal application cannot be processed without a payment. Instructions will be emailed to the address provided on the application.

**Link to the application:** <http://www.azliquor.gov/DirectShipment/index.cfm>

If you have questions or difficulty, please contact Lee Hill, Assistant Director of Licensing at [lee.hill@azliquor.gov](mailto:lee.hill@azliquor.gov).

END OF DLLC AUGUST 2016 REPORT TO THE GOVERNOR