

Arizona Department of Liquor Licenses and Control



January 2021

REVISED 5/13/21

Governor's Monthly Report

STATE OF ARIZONA

DEPARTMENT OF LIQUOR LICENSES AND CONTROL

JOHN COCCA, DIRECTOR

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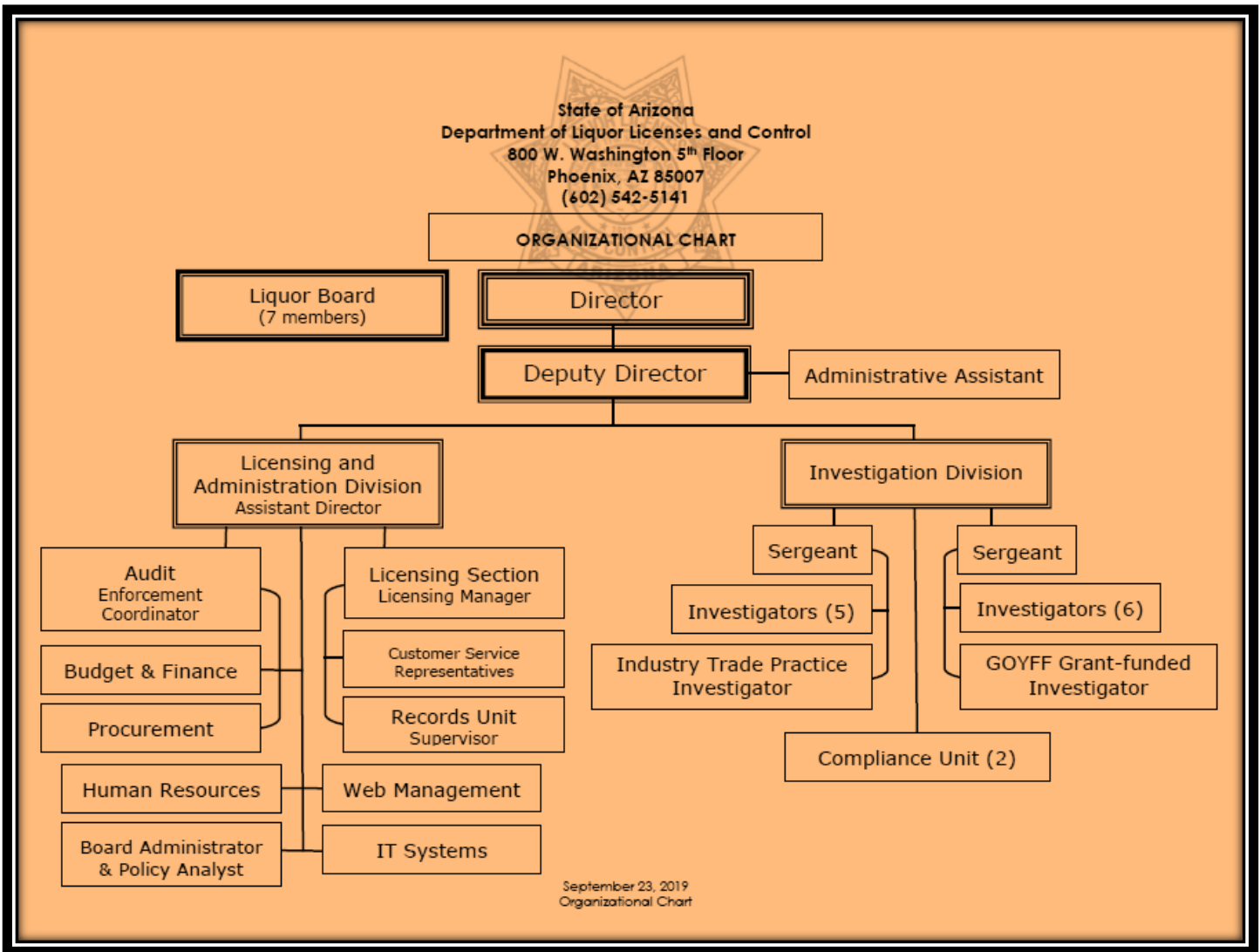


Mission Statement

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

Vision Statement

We envision being a leader in state liquor licensing and enforcement, focused entirely on delivering exceptional services that meet customers' needs and enrich the communities we serve.



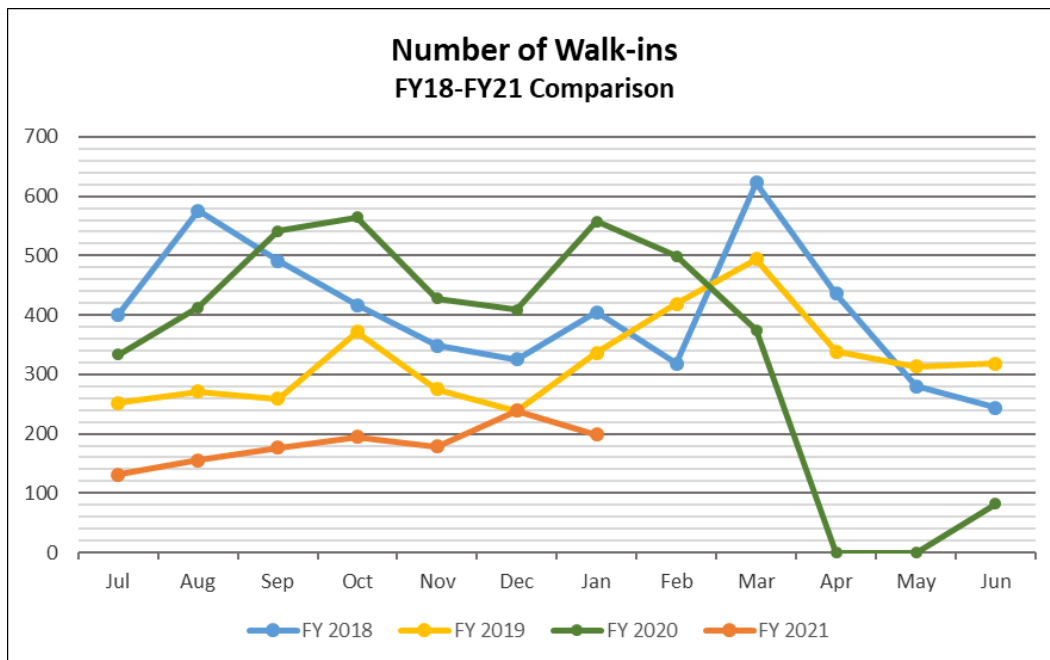
The organizational chart illustrates authorized full-time positions, not the Department's current staffing.

LICENSING AND ADMINISTRATION DIVISION

| Transaction | January 2021 | FY 2021 Year to Date | FY 2020 Year End |
|------------------------------|--------------|-------------------------|---------------------|
| New liquor licenses issued | 126 | 1,026 | 4,805 |
| Liquor licenses renewed | 1,097 | 8,649 | 13,356 |
| Special event permits issued | 43 | 44 | 2,407 |
| Interim permits issued | 27 | 237 | 452 |
| Exempt locations issued | 16 | 113 | 250 |
| Lottery licenses issued | 0 | 0 | 31 |
| Active liquor licenses* | 15,029 | 15,029 | 14,744 |

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

| License Type | Average Number of Days to Issue License January 2021 | | | |
|-------------------------------|---|-------------------------|-------------------------|--------------------------|
| | Number of Applications | Average Time to Process | FY 2021 Running Average | FY 2020 Year End Average |
| Series 6-Bar | 1 | 55 | 57 | 69 |
| Series 7-Beer and Wine Bar | 1 | 63 | 58 | 68 |
| Series 9-Liquor Store | 3 | 67 | 61 | 62 |
| Series 10-Beer and Wine Store | 7 | 61 | 61 | 68 |
| Series 12-Restaurant | 13 | 63 | 65 | 68 |



Collected Revenue by Fee Type

| Source of Revenue | January 2021 | FY 2021 Year to Date | FY 2020 Year End |
|--------------------------------|--------------------|-------------------------|---------------------|
| FMV (Liquor License Lottery) | 713,852 | 1,714,319 | 4,383,866 |
| Applications | 13,700 | 106,115 | 223,190 |
| Licenses Issuances Fees | 87,600 | 630,175 | 1,421,563 |
| Licenses Renewals Fees | 117,750 | 1,290,585 | 2,995,570 |
| Interim Permit Fees | 5,400 | 29,000 | 44,300 |
| Agent Change | 2,150 | 15,850 | 35,700 |
| Fines (Liquor Law Violations) | 45,317 | 283,517 | 570,499 |
| Special Event (DHS) | 350 | 375 | 62,615 |
| Club (DES) | 10,525 | 37,675 | 45,625 |
| Penalty Fees (Late Renewals) | 11,550 | 61,050 | 76,950 |
| Copy Fees | 454 | 1,554 | 2,135 |
| Non-Use Surcharge | 4,800 | 96,000 | 227,800 |
| Audit Surcharge (J Fund) | 18,450 | 80,280 | 187,710 |
| Enforcement K Surcharge | 28,000 | 290,290 | 439,425 |
| Enforcement L Surcharge | 27,925 | 272,260 | 378,345 |
| Miscellaneous* | 6,650 | 48,806 | 112,362 |
| 17W Direct Shipment License | 2,125 | 19,375 | 57,950 |
| 17W Direct Shipment Renewal | 51,450 | 53,900 | 154,100 |
| Growlers | 900 | 15,425 | 35,925 |
| Samplings | 280 | 27,400 | 29,980 |
| Fingerprints Fees | 2,640 | 25,322 | 55,576 |
| Total Revenue Collected | \$1,151,868 | \$5,099,272 | \$11,541,180 |

* Acquisition of Control, Site Inspection, Extension of Premises, Co-Op, Person Transfer, BYOB, Location Transfer, Sampling

State Liquor Board

| Action | January 2021 | FY 2021 Year to Date | FY 2020 Year End |
|------------------------|-----------------|-------------------------|---------------------|
| Hearings Scheduled | 2 | 20 | 22 |
| Licenses Granted | 1 | 7 | 6 |
| Licenses Denied | 0 | 3 | 3 |
| Continuances Granted | 1 | 5 | 3 |
| Continuances Denied | 0 | 0 | 0 |
| Applications Withdrawn | 0 | 4 | 6 |
| Appeals Heard | 0 | 0 | 3 |
| Rehearings Requested | 0 | 1 | 0 |
| Hearings Cancelled | 0 | 0 | 1 |

Audit Statistics

| Active Restaurant-Type Licenses | January 2021 | FY 2021 Year to Date Average | FY 2020 Year End |
|--|---------------------|-------------------------------------|-------------------------|
| Hotel/Motel w/Restaurant (Series 11) | 207 | 201 | 196 |
| Restaurant (Series 12) | 4,104 | 4,048 | 4,035 |
| Total Restaurant-Type Licenses | 4,311 | 4,249 | 4,231 |
| Auditor-to-Liquor License Ratio | 4,311 | 2,124 | 1:2,116 |
| Audit Action | | Year to Date Total | FY 2020 Year End |
| Audits Completed | 7 | 59 | 42 |
| Audits Passed | 6 | 36 | 27 |
| Audits Failed | 1 | 16 | 14 |
| Audits Inconclusive/Audit Not Performed | 0 | 7 | 1 |
| Open Audit Cases | | Year to Date Average | FY 2020 Year End |
| Audits Closed | 7 | 8 | 4 |
| Audits Initiated | 5 | 8 | 4 |
| Audits in Progress | 8 | 10 | 9 |
| Open Cases w/projected ratio of >37% | 6 | 8 | 6 |
| Open Cases w/projected ratio between 30 to 37% | 2 | 2 | 3 |
| Open Cases w/projected ratio of <30% | 0 | 0 | 0 |
| Locations granted one year to continue operation | 0 | 1 | 0 |
| Locations being monitored | 80 | 92 | 95 |
| Source of Revenue | | Year to Date Total | FY 2020 Year End |
| Assessed Fine Revenue | \$500 | \$19,000 | \$33,500 |
| Collected Fine Revenue | \$2,000 | \$40,750 | \$101,000 |

INVESTIGATION DIVISION

Division Statistics

| Achievements | January 2021 | FY 2021 Year to Date | FY 2020 Year End |
|------------------------------------|--------------|----------------------|------------------|
| Officer-to-Liquor License Ratio | 1:1,503 | 1:1,503 | 1:1,474 |
| Citations | | | |
| Total Citations Issued | 4 | 84 | 321 |
| Citations Issued to Underage | 2 | 69 | 276 |
| Violations | | | |
| Criminal Counts Charged | 6 | 161 | 568 |
| Administrative Counts Charged | 55 | 393 | 2,650 |
| Underage Violations | 4 | 153 | 517 |
| Compliance | | | |
| Routine Liquor Inspections | 3 | 94 | 178 |
| Compliance Case Reports Submitted | 6 | 25 | 29 |
| Non-Actioned (Criminal) Complaints | 50 | 816 | 496 |
| Investigation | | | |
| Site Inspections Completed | 44 | 296 | 421 |
| On-View Violation Case Reports | 14 | 76 | 163 |
| Total Achievements* | 584 | 5,526 | 11,986 |

* Including police report reviews and completed protests not listed above

Covert Underage Buyer Program

In an effort to curb the sale of liquor to underage persons, the Department utilizes the Covert Underage Buyer (CUB) program, which was instituted in May 2003. This program provides the resources necessary for investigating reported complaints of licensed businesses suspected of underage liquor law violations. When the Department has reasonable suspicion a licensed establishment is selling liquor to underage customers, a CUB will be sent in to attempt to purchase liquor. CUBs are between the ages of 16 and 19 and are carefully trained by Detectives. The Department also provides CUB program training to all Arizona law enforcement agencies.

| Action | January 2021 | FY 2021 Year to Date | FY 2020 Year End |
|---|--------------|----------------------|------------------|
| Locations Investigated* | 0 | 0 | 52 |
| Number That Sold to CUB | 0 | 0 | 10 |
| Percentage of Establishments That Sold to CUB | 0 | 0 | 19% |
| Administrative Citations Issued | 0 | 0 | 25 |
| Criminal Citations Issued | 0 | 0 | 24 |

* Due to the COVID-19 public health emergency

Underage Violations

| Statute and Violation | Number of Counts Charged in January 2021 | Number of Counts Charged in FY 2021 | Number of Counts Charged in FY 2020 |
|--|--|-------------------------------------|-------------------------------------|
| A.R.S. § 4-241(A) Failure to request ID from underage; accepting unauthorized forms of ID | 0 | 3 | 19 |
| A.R.S. § 4-241(K) Accepting unauthorized IDs | 0 | 0 | 0 |
| A.R.S. § 4-241(L) Underage who uses false ID to buy alcohol | 2 | 52 | 85 |
| A.R.S. § 4-241(M) Underage who solicits another person for alcohol | 0 | 0 | 0 |
| A.R.S. § 4-241(N) Underage who uses of false ID to gain entry to a liquor business | 0 | 0 | 16 |
| A.R.S. § 4-241(P) Person purchasing alcohol for underage | 0 | 0 | 4 |
| A.R.S. § 4-244(9) Furnishing alcohol to an underage; underage in possession/consumption | 2 | 77 | 218 |
| A.R.S. § 4-244(41) Underage with alcohol in system | 0 | 2 | 92 |
| A.R.S. § 13-3613 Contributing to delinquency and dependency of a child | 0 | 0 | 2 |
| A.R.S. § 28-3478.1 Unlawful use of driver license | 0 | 19 | 71 |
| A.R.S. § 28-3478.2 Lend ID to another person | 0 | 0 | 0 |
| A.R.S. § 28-3478.3 Using another person's driver license | 0 | 0 | 8 |
| Total Violations | 4 | 153 | 517 |

| Ages of Underaged Cited This Month | <15 | 15 | 16 | 17 | 18 | 19 | 20 |
|------------------------------------|-----|----|----|----|----|----|----|
| | 0 | 0 | 0 | 0 | 0 | 1 | 1 |

Law Enforcement Special Detail

- Youth alcohol detail on 1/29 — Detective Barchak and Detective Allard
- Alcohol Awareness training (4 classes) for Show Low High School (92 teens) — Detective Webb
- Title 4 training for Mesa PD Academy (43 students) — Detective Webb

Compliance Statistics

| Action | January 2021 | FY 2021 Year to Date | FY 2020 Year End |
|---|--------------|----------------------|------------------|
| Revocations | 0 | 2 | 1 |
| Suspensions | 3 | 21 | 8 |
| Surrenders | 2 | 5 | 35 |
| Divestitures | 0 | 3 | 2 |
| Administrative Complaints | 3 | 19 | 3 |
| Decisions and Orders | 0 | 2 | 2 |
| Cases Received | 35 | 140 | 453 |
| Cases Completed | 7 | 16 | 57 |
| Cases in Progress | 28 | 124 | 407 |
| Warning Letter Issued | 3 | 13 | 45 |
| Cases Sent to the Office of Administrative Hearings | 0 | 13 | 4 |
| Fines Collected | \$60,500 | \$252,600 | \$472,800 |
| Cases Adjudicated | 0 | 36 | 262 |
| Action Resulting From Underage Violations | | | |
| Fines Collected | \$0 | \$10,750 | \$34,500 |

END OF JANUARY 2021 REPORT TO THE GOVERNOR