

# GOVERNOR'S MONTHLY REPORT

## May 2015

(Revised 9/18/15)



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 May 2015, DLLC conducted investigations of twenty-nine (29) liquor-licensed establishments in Phoenix, Cave Creek, Scottsdale, Peoria, Chandler, Tucson, and Casa Grande. Six (6) CUBs were used. Eight (8), or twenty-eight (27.6%) percent, of these establishments sold alcohol to a CUB resulting in eighteen (18) administrative violations and eleven (11) criminal citations. All twenty-nine (29) locations were investigated in response to complaints received by DLLC.

Since the inception of the program, three thousand seven hundred sixty-nine (3,769) establishments have been investigated and one thousand one hundred eighty-eight (1,188) or thirty-two (31.5%) percent have sold to CUB buyers resulting in two thousand eight hundred fifty-two (2,852) administrative violations and two thousand two hundred ninety-eight (2,298) criminal citations.

**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>	95	35	37	85	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:**

- Governor's Leadership Summit – director and deputy director attended
- Young's Market Rep meeting – director and deputy director attended
- Southern Wine & Spirits executives meeting – deputy director attended
- Alliance Beverage executives meeting – deputy director attended
- Arizona Wine Growers Association (AWGA) member meeting – director attended
- Lean Transformation meeting with local government – assistant director of licensing, assistant director of administration, and investigations sergeant attended

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

- CUB – Investigator Williams conducted two; Investigator Webb conducted two
- FTO for Investigator Swift – Investigator Webb
- Vehicle and RV maintenance – Investigator Trevizo
- Trade Practice Investigations, Title 4 Training management and Stats, and Taser Update training – Investigator Miller
- Completed 36 site inspections, Title 4 Training management and Complaint Hotline – Ms. Strickland
- Title 4 Training – Investigator Carruthers and Investigator Webb taught 2 classes for Phoenix PD: 27 Officers
- Title 4 and Fake ID Training – Investigator Carruthers and Investigator Webb taught 2 classes at Luke AFB: 17 attendees
- Youth Alcohol details Memorial Day Weekend – entire division
- Out-of-area complaints – entire division

## 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 two hundred eleven (211) routine liquor inspections (RLIs) at licensed establishments and events throughout Arizona resulting in thirty-one (31) criminal citations and eighty-five (85) administrative violations. The following success statistics were completed by a nonsupervisory staff of eleven (11) full time sworn officers who uphold a statewide officer-to-liquor license ratio of 1:1,092.

Total investigative actions taken this month were nine hundred ninety-eight (998), which is a decrease of twelve (12.3%) percent when compared to the one thousand one hundred thirty-eight (1,138) investigative actions taken in May 2014.

<b>Achievements:</b>	<b>Current Month</b>	<b>Total FY 2015</b>	<b>1 Year Ago This Month</b>	<b>Total FY 2014</b>
Routine Liquor Inspections Completed	211	2,446	241	3,434
Criminal Citations Issued	31	646	168	1,254
Criminal Counts Charged	53	1,279	NA	NA
Administrative Counts Charged	85	1,057	146	1,473
Hidden Ownerships Completed	1	16	3	24
Site Inspections Completed	14	243	26	297
Non-Actioned (criminal) Complaints	32	366	40	507
Actioned (administrative) Complaints	5	89	10	120
Compliance Case Reports Submitted	37	389	48	648
On-view Violation Case Reports	28	231	35	341
Law Enforcement Liaison Completed	65	698	66	836
Tax Deficiency Charges	13	357	8	277
MVD Affidavit/Suspension	7	138	6	132
<b>Underage Investigations Statistics:</b>				
Citations Issued to Underage	17	496	18	981
Total Violations	53	1,068	23	1,312
<b>Total Achievements:</b> (including police report reviews and completed protests not listed above)	998	12,371	1,138	15,794

Compared to May 2014, the number of citations DLLC investigators issued to underage persons decreased six (5.6%) percent and the total number of violations increased one hundred thirty (130.4%) percent.

**SUCCESS STATISTICS**  
Investigations (continued)

Current Month	Younger than Age 15	Age					
		15	16	17	18	19	20
Age of minor cited	0	0	1	0	2	6	7

Underage persons who are cited for consuming appear to be closer to the legal drinking age. Of the citations issued to underage persons, forty-four (43.8%) percent were within one year and thirty-eight (37.5%) percent were within two years of the legal drinking age.

Statute/ Definition	# of Citations Issued This Month	# of Citations Issued in FY 2015	1 Year Ago This Month	# of Citations Issued in FY 2014
<b>A.R.S. § 4-241.A</b> Failure to Check ID	8	70	3	53
<b>A.R.S. § 4-241.L</b> Use of false ID to buy alcohol	5	127	0	62
<b>A.R.S. § 4-241.M</b> Underage solicits third party buyer	2	29	0	24
<b>A.R.S. § 4-241.N</b> Use of false ID to enter premises	1	12	0	54
<b>A.R.S. § 4-244.9</b> Furnishing alcohol to an underage, underage in possession/consumption	22	488	6	127
<b>A.R.S. § 4-244.41</b> Alcohol in system of underage	8	288	15	375
<b>A.R.S. § 13-2907.01</b> Providing false information to state	0	49	0	15
<b>A.R.S. § 28-3478.1</b> Unlawful use of driver's license	1	75	0	44
<b>A.R.S. § 28-3478.3</b> Using another person's driver's license	1	23	1	46

The number of underage citations issued in May 2015 decreased forty-seven (46.7%) percent compared with May 2014.

**SUCCESS STATISTICS**  
**Investigations (continued)**  
**TRACE (TARGET RESPONSIBILITY FOR ALCOHOL CONNECTED EMERGENCY)**

The TRACE (Target Responsibility for Alcohol Connected Emergency) program began in June 2004 to develop a system of effective and rapid communication between local law enforcement and emergency medical services (EMS), a service providing out-of-hospital acute care and transport, and personnel in high-profile cases which involve underage drinking. Each TRACE case is concluded only when the source of liquor is traced back to the supplier and the supplier is charged with a criminal and/or administrative violation.

TRACE is a statewide operation with one (1) full time investigator available for immediate response to alcohol-related emergencies which involve an underage person(s).

**TRACE Program Statistics**

<b>Calendar Year</b>	<b>Total # of New Cases</b>	<b>Administrative Violations</b>	<b>Criminal Violations</b>
<b>2005</b>	11	5	3
<b>2006</b>	11	24	12
<b>2007</b>	4	9	6
<b>2008</b>	6	6	3
<b>2009</b>	8	20	4
<b>2010</b>	5	13	4
<b>2011</b>	5	0	0
<b>2012</b>	8	9	0
<b>2013</b>	4	5	0
<b>2014</b>	7	3	5
<b>2015</b>	7	8	2

There were three (3) TRACE cases opened this month.

## SUCCESS STATISTICS LIQUOR LICENSE AUDITS

Currently there are one hundred sixty-eight (168) active Series 11 (hotel/motel) licenses and three thousand four hundred twenty-three (3,423) active Series 12 (restaurant) licenses statewide. Compared to May 2014, the number of hotel/motel with restaurant licenses increased by two (2) or one (1.2%) percent, and the number of restaurant licenses increased by fifty-four (54) or two (1.6%) percent.

DLLC employs two (2) full time auditors. With a total of three thousand five hundred ninety-one (3,591) restaurant-type licenses combined, the statewide auditor-to-liquor license ratio is: 1:1,796.

<b>Audit Status</b>	<b>Current Month</b>	<b>This Month Last Year</b>
<b>Audits closed</b>	10	8
<b>Audits initiated</b>	10	8
<b>Audits in progress</b>	16	16
<b>Open cases w/projected ratio of &gt;37%</b>	10	8
<b>Open cases w/projected ratio between 30 to 37%</b>	4	6
<b>Open cases w/projected ratio of &lt;30%</b>	2	2
<b>Locations granted 1 year to continue operation</b>	2	0
<b>Locations being monitored</b>	87	74

During May 2015, ten (10) audits were completed in Coconino, Maricopa, and Yavapai Counties, which resulted in actionable violations in five (5) cases. On May 31, 2015, there were sixteen (16) audits in progress and eighty-seven (87) locations being monitored.

<b>Audit Action</b>	<b>Current Month</b>	<b>Total FY 2015</b>	<b>This Month Last Year</b>	<b>Total FY 2014</b>	<b>Total 2003 To Present</b>
<b>Audits completed</b>	10	84	8	92	803
<b>Audits passed</b>	7	51	5	69	434
<b>Audits failed</b>	3	24	2	17	288
<b>Inconclusive</b>	0	9	1	6	75
<b>Other charges only</b>	0	0	0	0	6

In May 2015, audit fines assessed from violations totaled ten thousand four hundred fifty (\$10,450) dollars. Compared to May 2014, total audit fines assessed from violations increased by four thousand two hundred fifty (\$4,250) dollars.

The Audit Unit is now conducting audit training/workshops. Licensees may gain information on how to prepare for an audit by using this link to the DLLC website [http://www.azliquor.gov/contact\\_audit.cfm](http://www.azliquor.gov/contact_audit.cfm).

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

**Audit Revenue 2-year Comparison**

<b>Audit Action</b>	<b>Current Month</b>	<b>Total FY 2015</b>	<b>1 Year Ago This Month</b>	<b>Total FY 2014</b>
<b>Fines Assessed</b>	\$10,450	\$67,975	\$6,200	\$50,300
<b>Continuation License (Grill Bill) Revenue</b>	\$0	\$0	\$0	\$120,000

**Audit statistics since FY 2007 are noted below:**

<b>Year</b>	<b>Audits Completed</b>	<b>Revenues Collected</b>	<b>Average Fine per Audit</b> (does not include continuation license fees)
<b>FY 2007</b>	27 audits	\$13,000	\$481
<b>FY 2008</b>	61 audits	\$36,500	\$598
<b>FY 2009</b>	103 audits	\$81,275	\$789
<b>FY 2010</b>	87 audits	\$81,750	\$940
<b>FY 2011</b>	82 audits	\$84,400	\$1,029
<b>FY 2012</b>	90 audits	\$64,355	\$715
<b>FY 2013</b>	84 audits	\$47,625	\$567
<b>FY 2014</b>	92 audits	\$49,625	\$539
<b>FY 2015</b>	84 audits	\$43,850	\$522

**Online Sampling Requests:**

During the month of May 2015, there were seven hundred seventy-seven (777) sampling requests entered into and approved by the new on-line system. Of these sampling requests, twenty-five (25) were cancelled.

Since the beginning of FY 2015, six thousand eight hundred eighty-four (6,884) sampling requests were entered into the online system saving the department three hundred forty-four (344) hours. Of these sampling requests, two hundred thirty-nine (239) were cancelled.

## 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.

<b>Achievements</b>	<b>Current Month</b>	<b>Total FY 2015</b>	<b>1 Year Ago This Month</b>	<b>Total FY 2014</b>
<b>Revocations</b>	0	0	1	1
<b>Suspensions</b>	0	1	0	1
<b>Surrenders</b>	1	10	2	6
<b>Divestitures</b>	0	6	0	2
<b>Administrative Complaints</b>	0	2	1	5
<b>Decisions &amp; Orders</b>	0	1	0	6
<b>Cases Received</b>	47	802	61	856
<b>Cases Completed</b>	7	190	12	183
<b>Cases in Progress</b>	40	612	49	672
<b>Warning Letter Issued</b>	0	20	3	41
<b>Cases Sent to OAH</b>	1	7	1	7

### **Economic Impact:**

Fines collected during the month totaled thirty-four thousand one hundred twenty-five (\$34,125) dollars from thirty-six (36) adjudicated compliance actions. Compared to last month, April 2015, this represents a fifty-four (53.9%) percent decrease in collected revenues and a forty-six (45.5%) percent decrease in the number of compliance actions processed. Compared to May 2014, this represents a fourteen (14.1%) percent increase in collected revenues and a twenty (20.0%) percent increase 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.

<b>Fiscal Year</b>	<b>Compliance Actions</b>	<b>Revenues Collected</b>	<b>Average Fine Per Action</b>
<b>2003-2004</b>	388	\$518,800	\$1,337
<b>2004-2005</b>	431	\$557,725	\$1,294
<b>2005-2006</b>	500	\$689,475	\$1,379
<b>2006-2007</b>	429	\$627,975	\$1,464
<b>2007-2008</b>	334	\$582,350	\$1,744
<b>2008-2009</b>	584	\$886,440	\$1,518
<b>2009-2010</b>	415	\$705,725	\$1,701
<b>2010-2011</b>	425	\$598,509	\$1,408
<b>2011-2012</b>	479	\$428,445	\$894
<b>2012-2013</b>	440	\$673,710	\$1,531
<b>2013-2014</b>	500	\$473,910	\$948
<b>2014-2015</b>	525	\$487,990	\$930

**SUCCESS STATISTICS**  
Compliance (continued)

**Adjudicated Underage Violations:**

<b>Statute</b>	<b>Definition</b>	<b>Adjudicated This Month</b>	<b>TOTAL FY 2015</b>	<b>1 Year Ago This Month</b>	<b>TOTAL FY 2014</b>
<b>A.R.S. § 4-241.A</b>	Failure to Check ID	1	76	11	58
<b>A.R.S. § 4-244.1</b>	Unlicensed Resale	1	15	1	5
<b>A.R.S. § 4-244.9</b>	Furnish alcohol to an underage	1	61	11	65
<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>	Consume w/o permission of premises owner	1	5	0	5

To date during FY 2015, fines from adjudicated underage violations total seventy-eight thousand six hundred twenty-five (\$78,625) dollars.

**Compliance Statistics Resulting From Underage Violations:**

<b>Fiscal Year</b>	<b>Fines Collected</b>	<b>Licenses Suspended</b>	<b>Licenses Revoked</b>
<b>2010</b>	\$365,875	4	1
<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>	\$78,625	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 2015</b>	<b>1 Year Ago This Month</b>	<b>Total FY 2014</b>
<b>Hearings Scheduled</b>	11	52	5	42
<b>Licenses Granted</b>	3	17	1	13
<b>Licenses Denied</b>	1	10	2	9
<b>Continuances Granted</b>	2	11	1	11
<b>Continuances Denied</b>	0	1	0	1
<b>Licenses Withdrawn</b>	5	13	0	5
<b>Appeals Heard</b>	0	0	0	2
<b>Rehearings Requested</b>	0	1	1	1
<b>Hearings Cancelled by Director</b>	0	2	0	1

There were eleven (11) hearings scheduled before the State Liquor Board in May. Five (5) applications were withdrawn. Two (2) applications were continued to the June meeting. One (1) Series 6 Bar license was granted. One (1) Series 12 Restaurant license was granted. Of the two (2) applications for a Series 7 Beer and Wine Bar license, one (1) was granted and one (1) was denied.

### 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

## 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, May 2014, the number of new liquor licenses issued in Arizona increased nine (8.6%) percent and the number of active licenses increased one (1.2%) percent. Also, compared with May 2014, monthly licensing revenues have decreased five (4.9%) percent from four hundred five thousand seven hundred thirty-nine (\$405,739) dollars during this time last year to three hundred eighty-five thousand nine hundred seventy-four (\$385,974) dollars during the current month.

In May 2015, five (5) exempt locations were approved which brings the total active exempt locations in Arizona to eighty-three (83). 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 2015	1 Year Ago This Month	Total FY 2014
<b>New licenses issued</b>	126	1,407	116	1,629
<b>Renewed licenses</b>	556	11,265	586	11,645
<b>Lottery licenses issued</b>	2	16	0	1
<b>Collected Lottery Revenues</b>	\$5,725	\$1,208,300	\$0	\$3,300
<b>Number of Active Liquor Licenses</b>	12,021	12,021*	11,882	11,919*
<b>Exempt Locations Issued</b>	5	79	9	91
<b>Number of Exempt Locations</b>	83	83**	95	102**
<b>Collected Licensing Revenues</b> (including lottery revenues)	\$385,974	\$7,563,029	\$405,739	\$6,448,750

\*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 May 2015

Fair Market Value	5,725
Applications	15,425
License Fees	244,654
Out-of-State	0
Agent Change	12,550
Fines	24,400
Special Event	3,500
Club	3,925
Penalties	3,900
Copy Fees	5,031
Non-Use Surcharge	16,900
Audit Surcharge	8,520
Enforcement K Surcharge	19,145
Enforcement L Surcharge	17,075
Miscellaneous	10

**TOTAL REVENUES COLLECTED**     **\$380,760**  
**(fingerprints)**                     **5,214**  
**TOTAL REPORT**                     **\$385,974**

**LEAN TRANSFORMATION  
STATEWIDE LICENSING INITIATIVE**

DLLC staff has been working with ADOA staff to finalize an implementation statement, engage customers in the continuous improvement process, reduce Series 12 application errors, and develop consistent Licensing policies and procedures.

In May 2015, DLLC staff met most of the Implementation Plan objectives. Forms for License Application, Questionnaire, and License Application Requirements were updated and simplified. Customer Service Representatives (CSRs) received step-by-step guidelines for processing various applications. A new Corporation Commission website resolved the wait time to access the Commission's website. The date stamp process was streamlined and as a result, wait time at the copier was reduced. The continuous improvement process is reducing CSR errors on all applications.

**DLLC Implementation Plan**

<b>Objectives</b>	<b>Owner*</b>	<b>Deadline</b>
Improve the License Application Format	Licensing Manager	May 1, 2015
Update the Website with Accurate and Current Information	Communications Director	May 1, 2015
Standardize Processes for All Customer Service Representatives (CSRs)	Licensing Manager	May 1, 2015
New Licensing System	Assistant Director of Administration	December 31, 2016
Reduce Wait Time to Access the Corporation Commission Website	Lean Coach	May 1, 2015
Reduce Wait Time at the Copier	Licensing Manager	May 31, 2015
Improve Date Stamp Process	Licensing Manager	May 15, 2015
Reduce CSR Errors	Licensing Manager	May 31, 2015

\*Subject Matter Experts from all divisions are contributing to the implementation of Lean Transformation.

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

### **Appointment of DLLC Deputy Director**

Director John Cocca appointed Michael Rosenberger to be Deputy Director of DLLC in May 2015. As Deputy Director, he serves at the pleasure of the Director as second in command of DLLC with primary responsibility over the Investigations Division to ensure compliance with State liquor law through training, enforcement and adjudication (A.R.S. Title 4 and A.A.C. Title 19).

Prior to this appointment, Deputy Director Rosenberger served for 27 years as a police officer with the City of Scottsdale, retiring in 2013 at the rank of Commander. His last assignment was as Patrol Commander of the Foothills Patrol District. He has experience in virtually every facet of law enforcement including, patrol operations, criminal investigations, training, internal affairs, and undercover operations. In addition, he has experience with the Arizona Peace Officer Standards and Training Board (AZPOST) in the compliance division.

Deputy Director Rosenberger is a member of the Arizona Association of Chiefs of Police, Police Executive Research Forum, FBI National Academy Associates, and the International Association of Chiefs of Police.

### **Governor's Office of Highway Safety (GOHS) Grant Award**

DLLC was recently awarded a \$25,000 grant from GOHS to fund officer's participation in statewide DUI-underage drinking task force operations. Grant funds allow scheduled overtime for Covert Underage Buyer (CUB) details and multi-agency presence at world class events such as Super Bowl, Waste Management Open, and Barrett-Jackson, and annual events like Spring Break, Prom, Cinco de Mayo, and Fiesta Bowl.

Overtime is also scheduled for officers to educate liquor business owners, their staff, and law enforcement liaisons. DLLC has provided free liquor law and fake ID training to approximately 800 people in the past 12-months. The challenge is in understanding and applying liquor laws which change every year. Training creates an opportunity for interaction between liquor officers and licensees. Officers explain new laws, answer specific questions, and explain how laws will be enforced. During these conversations, officers learn about industry trade practices and licensee's challenges.

Grant funding requires DLLC to take an "aggressive" approach to enforcement as it applies not only to individuals, but to businesses - bars and restaurants that serve liquor to underage patrons. Based on circumstances, licensees may face stiff administrative fines, suspensions, or revocations.

### **2015 Arizona Liquor License Lottery**

Of the 19 types of liquor licenses available in Arizona, bar, beer and wine bar, and liquor store licenses are transferrable. 24 new licenses have been created for the 2015 liquor license lottery. Maricopa, Pima, and Yuma Counties are the only counties that meet the requirement of population growth of 10,000 or more in FY 2014.

Fair market values range from a low of \$10,500 for a beer and wine bar license in Pima County to a high of \$226,500 for a liquor store license in Maricopa County. Liquor license values are established by independent appraisers. Much like real estate, previous sale prices in a specific geographic area determine the fair market values.

When the number of applications exceeds the available licenses in a series, a random selection drawing is held to determine which entrants may participate in the application process. The drawing will be held at 10 a.m. Monday, June 22, 2015.

END OF DLLC MAY 2015 REPORT TO THE GOVERNOR