

**AGENCY SUMMARY**  
**DEPARTMENT OF LIQUOR LICENSES**  
**AND CONTROL**

Howard Adams, Director LLA  
 Contact: Sharon Miner, Administrative Services Manager  
 (602) 542-9021

**Agency Mission:**

*To protect the health, safety, and welfare of Arizona citizens by licensing the liquor industry and assuring compliance with state liquor laws through enforcement, training, and adjudication.*

**Agency Description:**

The Department of Liquor Licenses and Control (DLLC) regulates all businesses dealing with spirituous liquor. The DLLC also accepts complaints, police reports, and civil violations regarding licensees. The DLLC investigates all allegations against licensees, whether criminal or civil, and in collaboration with the Attorney General's Office prosecutes before civil and criminal courts within the State. The DLLC meets on a regular basis with the Arizona Liquor Beverage Association, the Arizona Wholesale Beverage & Wine Association, Arizona Grocers Association, Arizona Hotel & Motel Association, and Arizona Restaurant Association and appears in their chapter meetings and functions, statewide. Finally the DLLC is responsive to all Arizona citizens who are served and affected by the licenses.

**Agency Summary:**

	(\$ Thousands)		
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
➤ ADMINISTRATION	1,512.6	1,001.2	1,019.1
➤ INVESTIGATIONS	1,279.0	1,570.7	1,625.2
➤ LICENSING	369.8	378.1	385.8
Capital Funds	0.0	0.0	0.0
Agency Total	3,161.4	2,950.0	3,030.1

**Funding and FTE Summary:**

	(\$ Thousands)		
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
General Funds	2,810.8	2,384.8	2,411.9
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	350.6	565.2	618.2
Federal Funds	0.0	0.0	0.0
Operating Funds Subtotal	3,161.4	2,950.0	3,030.1
Capital Funds	0.0	0.0	0.0
Agency Total	3,161.4	2,950.0	3,030.1
FTE Positions	44.0	44.0	44.0

**Agency Goals and Key Performance Measures:**

- ◆ Goal 1 To conduct Routine Liquor Inspections and Investigations of as many licensed establishments as possible to ensure compliance with Arizona Liquor Laws, Rules and Regulations.

Key Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Actionable police reports received	593	616	642	664

- Investigations and routine liquor inspections completed 3,807 4,057 4,098 4,139
- Percent of investigations and routine liquor inspections resulting in violations 42 23 36 42
- Cost per investigation/routine liquor inspection (in dollars) 280 336 300 275

- ◆ Goal 2 To ensure that licensees holding a restaurant license derive at least forty percent of their gross revenue from the sale of food by auditing their operations.

Key Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Percent of licensees audited in non-compliance	47	54	60	65
● Cost per audit (in dollars)	2,682	3,161	2,600	2,500

- ◆ Goal 3 To efficiently process documents received by licensing.

Key Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● New applications and transfers received	1,620	1,573	1,600	1,600
● New licenses, transferred licenses, and renewals issued	10,021	10,202	10,383	10,564
● Special event licenses issued	1,100	1,130	1,157	1,184
● Percent of customers who responded to the survey reporting very good or excellent service	99	99	99	100

- ◆ Goal 4 To provide effective means of resolving contested cases and other disputed matters.

Key Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Licenses suspended	46	38	40	40
● Percent of licensees referred for a hearing	7	1	1	1
● Average dollar amount of fine consent agreements	879	850	850	850
● Board meetings during the year	15	16	18	16

- ◆ Goal 5 To provide computer accessibility for all employees of the Department.

Key Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Days computer network was down	0	0	0	0

LLA.1 **PROGRAM SUMMARY**  
**ADMINISTRATION**

Contact: Sharon Miner, Administrative Services Manager  
 Phone: (602) 542-9021  
 A.R.S. Title 4

**Program Mission:**

*To ensure all divisions in the Department of Liquor Licenses and Control operate in a cost-effective manner, all operational activities conform to statutory requirements and other guidelines, staffing is provided to the state liquor board, and alleged violations are resolved in a timely manner.*

**Program Description:**

Daily departmental operations include budget preparation, personnel, payroll, insurance, accounting for and distribution of revenues, accounts payable, accounts receivable, accounting for all

authorized non-reverting funds, purchasing, the operation of the Department's automated and electronic data banks, records retention, and information flow. The program also provides personnel for staffing the State Liquor Board, a separate quasi-judicial body appointed by the Governor. The Department insures immediate accessibility of records to the public through automated queries and responds to public inquiries and constantly monitors all aspects of customer service. The Compliance Section receives actionable reports of violations and attempts to resolve them informally.

**Funding and FTE Amounts:** (\$ Thousands)

	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
General Funds	1,512.6	1,001.2	1,019.1
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0
Program Total	<u>1,512.6</u>	<u>1,001.2</u>	<u>1,019.1</u>
FTE Positions	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>

**Program Goals and Performance Measures:**

- ◆ Goal 1 To ensure that all financial transactions for the Department are completed accurately.

Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Daily deposits referred to the Department by the Treasurer's Office for any type of correction	2	1	0	0
● Transactions that did not balance with AFIS Reports	5	3	1	0
● Percent of claims and transfers with one or more corrections	8.3	5.5	2.5	.1

LLA.2 PROGRAM SUMMARY  
**INVESTIGATIONS**

Contact: Myron Musfeldt, Chief of Investigations  
Phone: (602) 542-9041  
A.R.S. 4-112, 4-113, 4-213

**Program Mission:**

*To foster a working relationship with both the licensees and the law enforcement community to obtain maximum compliance with State Statutes and Rules.*

**Program Description:**

Investigations conducts Routine Liquor Inspections to ensure licensees are complying with A.R.S. Title 4 and all Departmental Rules and Regulations; provides training and assistance to the local law enforcement agencies thereby enhancing their ability to enforce liquor laws; investigates and processes all civil complaints received concerning liquor-related violations; provides criminal background checks of all individuals associated to liquor licenses in Arizona; provides leadership with respect to liquor establishments to the Department of Public Safety, City and Town Police Departments, Sheriff's Offices, and other local law enforcement agencies; conducts covert operations alone and in collaboration with Police Agencies investigating for hidden ownerships; maintains an investigative data bank which is accessible to Police Agencies; the department meets with United States Attorney's Office, Secret Service, Indian Gaming, FBI, and State Attorney General's Office.

**Funding and FTE Amounts:** (\$ Thousands)

	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
General Funds	928.4	1,005.5	1,007.0
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	350.6	565.2	618.2
Federal Funds	0.0	0.0	0.0
Program Total	<u>1,279.0</u>	<u>1,570.7</u>	<u>1,625.2</u>
FTE Positions	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>

**Program Goals and Performance Measures:**

- ◆ Goal 1 To ensure that licensees holding a restaurant license derive at least forty percent of their gross revenue from the sale of food by auditing their operations.

Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Percent of licensees audited and found in non-compliance	47	54	60	65
● Cost per audit (in dollars)	2,682	3,161	2,600	2,500

- ◆ Goal 2 To conduct routine liquor inspections and investigations of as many licensed establishments as possible to ensure compliance with Arizona Liquor Laws, Rules and Regulations.

Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● Actionable police reports received	593	616	642	670
● Investigations and routine liquor inspections completed	3,807	4,057	4,098	4,139
● Percent of investigations and routine liquor inspections resulting in violations	42	23	33	42
● Cost per investigation/routine liquor inspection (in dollars)	280	336	300	275

LLA.3 PROGRAM SUMMARY  
**LICENSING**

Contact: Connie Wagner, Licensing Division Manager  
Phone: (602) 542-9055  
A.R.S. Title 4

**Program Mission:**

*To serve applicants, licensees and the public by processing and maintaining all documents associated with the licensing process.*

**Program Description:**

Assist applicants and licensees in the preparation and submission of required documentation for the purpose of obtaining a liquor license; create a data base capable of responding to public, corporate and law enforcement inquiries and routes filed documents to appropriate entities; maintain licensing records as required by law; analyze and correlate corporate and individual materials to determine corporate structure, Limited Liability Companies, partnerships, sole proprietorships, and the controlling individual of each; assure hearings held by local governing boards (cities, towns, counties) on each new application which is proposing to be licensed.

Funding and FTE Amounts:	(\$ Thousands)		
	FY 1999 Actual	FY 2000 Estimate	FY 2001 Estimate
General Funds	369.8	378.1	385.8
Other Appropriated Funds	0.0	0.0	0.0
Other Non Appropriated Funds	0.0	0.0	0.0
Federal Funds	0.0	0.0	0.0
Program Total	<u>369.8</u>	<u>378.1</u>	<u>385.8</u>
FTE Positions	<u>11.0</u>	<u>11.0</u>	<u>11.0</u>

**Program Goals and Performance Measures:**

- ◆ Goal 1 To efficiently process documents received by licensing.

Performance Measures	FY 1998 Actual	FY 1999 Actual	FY 2000 Expected	FY 2001 Expected
● New applications and transfers received	1,620	1,573	1,600	1,600
● New licenses, transferred licenses, and renewals issued	10,021	10,202	10,383	10,564
● Special event licenses issued	1,103	1,130	1,157	1,184
● Percent of customers who responded to the survey reporting very good or excellent service	98.93	99.05	99.25	99.50

