

Wisconsin Legislative Council

Study Committee on Alcohol Beverages Enforcement

Alcohol Regulatory Resources

Prepared by

American Beverage Licensees



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PUBLICATIONS

There is no single publication or resource that routinely tracks or reports on state alcohol regulations. There are, however, a handful of publications, newsletters and other resources that include coverage of state alcohol regulation. These include:

- [ABL Weekly](#) – This is American Beverage Licensees’ weekly e-newsletter. It is a collection of the week’s news. There are often links to articles on alcohol regulation.
- [Alcohol and Tobacco Tax and Trade Bureau \(TTB\) Weekly Newsletter](#) – This newsletter is primarily federal in scope, but it gives updates on collaborations with state alcohol enforcement agencies.
- [National Alcohol Beverage Control Association \(NABCA\) Daily News Update](#) – This is a daily publication from the national association representing the Control State Systems - those jurisdictions that directly control the distribution and sale of beverage alcohol within their borders.
- [Campaign for a Healthy Alcohol Marketplace](#) – This website and its newsletter are written by a former Oregon alcohol regulator. It often addresses state alcohol regulation. This [“2017 Issue Briefs for States”](#) report is a summary of some key issues.
- [Center for Alcohol Policy](#) – This group provides materials and holds an annual conference to look at issues surrounding alcohol policy and regulation.
 - o [Alcohol Beverage Control: The Basics for New State Alcohol Regulators](#)
 - o [The Need for State Alcohol Regulatory Funding: Fighting Deregulation by Defunding](#)
- [“The Role of Alcohol Beverage Control Agencies in the Enforcement and Adjudication of Alcohol Laws”](#) is a federal report for the National Highway Traffic Safety Administration (NHTSA) that discusses alcohol law enforcement.
- The following Alcohol Legal blogs cover alcohol policy:
 - o <http://alcohollawreview.com/>
 - o <https://www.alcohollawadvisor.com/>
 - o <http://www.beveragelaw.com/booze-rules/>
 - o <http://bevlog.bevlaw.com/>
 - o <http://www.alcohol.law/digest>

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LICENSING

All states differentiate license types in different ways. Beer and wine retail licenses tend to be more common and available than full liquor licenses. The different licenses offered by states vary:

EXAMPLES:

- [Arizona](#): 21 different license types
- [District of Columbia](#): 9 license types and many more license classes
- [Georgia](#): 10 license types
- [Hawaii](#): 17 license types
- [Indiana](#): 90+ license types
- [Kansas](#): 15 license types for retailers
- [Michigan](#): 19 license types
- [Mississippi](#): 20 license types
- [Oregon](#): 27 license types
- [South Carolina](#): 21 license types

CONTROL STATES

From the National Alcohol Beverage Control Association (NABCA): "Seventeen states and jurisdictions in Alaska, Maryland, Minnesota and South Dakota have adopted forms of the "Control" model. They control the sale of distilled spirits and, in some cases, wine and beer, through government agencies at the wholesale level. Thirteen of those jurisdictions also exercise control over retail sales for off-premises consumption: either through government-operated package stores or designated agents. Currently, control jurisdictions represent approximately 25.2% of the nation's population and account for roughly 22% of distilled spirit sales and a significantly smaller percentage of beer and wine sales."

Breakdown for control states:

STATE-RUN SPIRITS STORES

- Alabama (Compete with independent, private liquor stores)
- Idaho
- Maryland (government-run stores in 4 counties only)
- New Hampshire
- North Carolina (stores are run by individual counties and cities)
- Pennsylvania
- Utah
- Virginia

OTHER CONTROL STATE OPERATIONS

- Iowa – Wholesale operations
- Maine – Agency liquor stores
- Michigan – Wholesale spirits operations
- Minnesota – Some municipalities run their own liquor stores
- Mississippi – Wholesale operations
- Montana – Wholesale operations for spirits & wine
- Ohio – Agency stores sell spirits
- Oregon – Independent contractor stores sell spirits
- South Dakota – some municipalities run their own liquor stores
- Vermont – contracted retail stores
- Wyoming – Wholesale operations
- West Virginia – Wholesale spirits ops

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STATE ALCOHOL CONTROL

- **Regulatory Agencies**
 - This links to a list of all the state-level alcohol regulatory bodies: <https://www.ttb.gov/wine/state-ABC.shtml>.
 - Included at the end of this report is a spreadsheet that breaks down how the regulatory agencies are positioned in state government.
- **Counties**
 - Maryland has a county-by-county regulatory system. There are still state laws, but those counties are the licensors and regulators. Maryland also has four control counties wherein the county is the distributor and liquor retailer. (There are private beer and wine stores that compete with county stores.)
- **Organization**
 - Here are a few examples of how some states organize divisions within their alcohol control agencies.

EXAMPLES

IL	Licensing	Legal	Investigations	Education
MI	Licensing	Executive Services	Enforcement	Financial Mgt
MA	Licensing	Legal	Investigation	Administration

- **Education & Industry Resources**
 - Most members of the beverage alcohol industry are committed to knowing the laws and regulations of the state they operate in because they have reliance interests in those systems and the licenses that those systems issue (or they have purchased). States offer various means for getting in touch with regulators, whether through online forms or phone lines. Some provide FAQ pages on their websites. There does not appear to be a standard template or “best practice” amongst states for how this is handled.
 - Here are some examples of materials that some states make available to assist licensees.
 - HI: [Informational Handout](#)
 - IN: [Alcohol and Tobacco Commission: Local Board Handbook](#)
[Formal Procedure for Presenting Questions & Receiving Answers](#)
 - KS: [Licensee Handbooks](#)
[Licensee Brochure](#)
 - KY: [License Renewal User Guide](#)
[Application Tips](#)
 - NH: [License Guides](#)
 - NJ: [ABC Handbook for Retail Licensees](#)
 - OH: [How to Apply for a Liquor Permit](#)
 - TN: [FAQS](#)
 - VT: [What kind of license do I need to...](#)
 - WY: [ELIQUOR 2.0 Portal](#)
[Wyoming Liquor Division Video Tutorials](#)

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INDUSTRY RELATIONS

Most beverage licensees have an understanding and working relationship with those who regulate them. The clear majority of bars, taverns and package liquor stores seek to abide by the laws and be responsible purveyors of beer, wine and spirits.

While licensees and regulators maintaining a positive relationship is a goal, a handful of states have recently stepped-up their enforcement activities, especially surrounding trade practices. The TTB has also increased its collaboration with states over the past year engaging in [multiple joint investigations](#) with state alcohol regulatory and enforcement agencies.

Lack of alcohol law enforcement can lead to pay-to-play situations, sometimes by new market entrants seeking to gain market share, and sometimes by established market participants seeking to preserve market share. Changes to laws that have weakened clear, three-tier system delineations have also invited questions when it comes to trade practice laws. While some chafe at the notion that alcohol laws actually be enforced as they are written, most industry participants understand the need for proper regulation.

If there is a common refrain amongst retailers, it is a call for a level-playing field amongst retail operators – especially those who have invested into the system and played by the rules – and maintaining a well-defined three-tier market structure that has served consumers and the public well for eight decades and created a never-before-see golden age of beverage alcohol choice and variety.

WISCONSIN BORDER-STATE ALCOHOL CONTROL AGENCIES

[Illinois Liquor Control Commission](#)

The Illinois Liquor Control Commission (ILCC) protects the health and safety of the public through careful oversight of the manufacture, distribution and sale of alcoholic beverages. We also work to develop strategies to reduce youth access to tobacco.

As a regulatory agency, we handle all licensing, compliance and enforcement issues. However, we also focus on public health and safety concerns, particularly preventing underage drinking. We provide industry education, guidelines on responsible selling and serving of alcohol, public service announcements and materials, teen awareness campaigns about tobacco and alcohol use, and parental responsibility initiatives. All stem from our mission to build a safer, healthier Illinois.

The Chairman and Commissioners are appointed to a six-year term by the Governor and require confirmation by the Illinois Senate. They hold formal hearings to weigh violations resulting from state liquor inspections or hear appeals challenging local liquor commissioner orders. In addition, the Chairman and one Commissioner serve on the City of Chicago's Liquor License Appeal Commission.

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The ILCC consists of four (4) separate divisions:

- **Licensing Division**
 - The Licensing Division is responsible for reviewing state liquor applications and issuing more than 200 new and 2,000 renewal state liquor licenses every month. There are 29 different license categories - including airplanes, trains, liquor stores, non-beverage users, out-of-state distributors, special events, non-resident dealers, national and foreign licensing, and brand registration. This Division has staff in both the Chicago and Springfield offices and provides assistance to licensees to facilitate the license issuance process.

- **Legal Division**
 - The Legal Division is responsible for counseling the Commissioners and the Executive Director on interpretations of the Illinois Liquor Control Act and its Rules and Regulations. The Division reviews all violations to weigh the severity of the offenses. Minor offenses are handled quickly through an administrative review process, similar to paying parking tickets. When necessary, the Division holds predisciplinary conferences with licensees. More serious violations are reviewed by a staff attorney and a citation is prepared for formal hearing before the Commissioners. The Legal Division continuously communicates with the public regarding explanations and interpretations of the provisional rules and regulations of the Illinois Liquor Control Act, including Happy Hour prohibitions, advertising, liquor storage, licensing and purchasing.

- **Investigations Division**
 - Special agents from the Investigations Division conduct liquor inspections at Illinois Liquor Control Commission (ILCC) licensed entities throughout Illinois. Using laptop computers to ensure standardized reporting and consistent application of enforcement, these agents visit liquor establishments on a regular basis and respond to complaints received from the general public regarding violations. ILCC agents also conduct periodic compliance sweeps in conjunction with other state and local enforcement agencies. During these sweeps, the combined forces check for violations above and beyond Illinois liquor laws.

- **Education Division**
 - The Education Division is responsible for educating the liquor industry regarding the laws that govern liquor and tobacco sales throughout the state. This Division also promotes the Illinois Liquor Control Commission's (ILCC) Kids Can't Buy 'Em Here Tobacco Program, the Beverage Alcohol Sellers and Servers Education and Training (BASSET) Program, the Don't Be Sorry Under 21 Program, the YOUR ACTIONS MATTER! Prevention Campaign, and Parental Responsibility Program.

 - The Education Division makes available to licensees a variety of educational publications including newsletters, booklets, fliers, news releases, and signs. Many of the above materials are included in the Commission's Licensee Information Packet. The educational staff also distributes materials to the general public regarding alcohol/tobacco education and conducts presentations in cities across the state tailored to meet the needs of all audiences and ages.

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Iowa Alcoholic Beverages Commission

The Iowa Alcoholic Beverages Commission is created under Iowa Code section 123.5 and is comprised of five members appointed by the governor subject to confirmation by the senate. Commissioners are appointed for 5-year staggered terms and are chosen on the basis of managerial ability and experience as business executives. Commissioners are eligible for one 5-year reappointment.

The Commission is required by law to meet by July 1 of each year at the call of the commission chairman or chairwoman or when any three members file a written request for hearing with the chairman or chairwoman.

The Commission acts as a policy-making body and serves in an advisory capacity to the Division administrator. Commissioners may review, affirm, reverse or amend all actions of the administrator in the wholesaling of liquor and in the licensing and regulating of Iowa's alcoholic beverages industry.

Iowa law requires all alcoholic beverages retailers, wholesalers, manufacturers, importers and brokers to apply for and obtain a license or permit before doing business in the state.

The licensing process for Iowa liquor license and beer, spirits, and wine permit holders is entirely online.

The Alcohol Beverages Division (Division) enforces state and federal laws and regulations related to the sale and use of alcohol and tobacco products. The Division works closely with business owners and law enforcement officials. Compliance, regulation and enforcement of Iowa's alcoholic beverages laws depends on their joint efforts.

The Division has created an Electronic Licensing User Guide which can be downloaded as a PDF file. The Division's electronic licensing application has a Help feature built directly into the system. The Division's licensing staff is available Monday through Friday, 8:00AM to 4:30PM.

Michigan Liquor Control Commission

The Michigan Liquor Control Commission was created upon the repeal of Prohibition by the legislature acting in special session in December of 1933. The act empowered the Commission to control all alcoholic beverage traffic within this state. Today, the Commission is a Type I agency housed within the Department of Licensing and Regulatory Affairs (LARA). The mission of the Liquor Control Commission is to make alcoholic beverages available for consumption while protecting the consumer and the general public through regulation of those involved in the sale and distribution of these alcohol beverage products.

The Michigan Liquor Control Commission falls under the purview of the Department of Licensing and Regulatory Affairs (LARA), which is responsible for the state's regulatory environment and makes the delivery of services more efficient for consumers and business customers. LARA oversees the licensing and regulation of more than 1.2 million individuals and entities on an annual basis. Through the oversight of the department's diverse agencies, bureaus and commissions, LARA safeguards Michigan citizens and supports business growth and job creation.

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The Commission consists of five members appointed by the Governor. No more than three of these members may be of the same political party. Three administrative Commissioners are responsible for all matters pertaining to licensing, purchasing, merchandising and enforcement and act as an appeal board for decisions rendered by the hearing commissioners. The remaining two Commissioners are designated as hearing commissioners who preside over violation matters. The full five-member board promulgates rules and establishes bureau policy, such as the issuance of declaratory rulings. The Governor designates one of the five members as the Chairperson.

The MLCC is comprised of four (4) separate divisions:

- **Enforcement Division**

- The Enforcement Division operates from district offices in Southfield, Lansing, Grand Rapids, and Escanaba. Enforcement staff investigates applicants for new licenses and transfers of ownership or location of existing licenses, as well as investigating complaints against licensees. Additionally, Enforcement inspects licensed establishments to ensure compliance with the Liquor Control Code and Commission rules and also advises and assists law enforcement agencies in liquor law enforcement at the local level and conducts training of law enforcement officers.

- **Executive Services Division**

- The Executive Services Division provides staff support services to the Michigan Liquor Control Commission. Staff within this division assist in writing Commission orders, process administrative rules, analyze proposed legislation, draft declaratory rulings, and respond to inquiries from the Governor and Director of the Department of Licensing and Regulatory Affairs. The Hearings and Appeals Section within the Executive Services Division processes all violation reports, schedules all violation hearings, and aids in the enforcement of orders.

- **Financial Management Division**

- This division provides support for the Commission in all areas of financial management and accounting. Financial Management collects in excess of half a billion dollars annually in sales dollars, taxes, fees and other monies for the State of Michigan; properly accounts for and provides reports on these monies; transfers these monies to the appropriate agencies and manages the Liquor Purchase Revolving Fund for the State of Michigan. Other functions include revenue collection, budgeting, general, legislative and policy financial analysis, expenditure payments verifying beer and wine tax reports, assisting licensees with liquor delivery problems through provision of a toll free telephone Help Line, processing all of the bureau's mail and financial statement production.

- **Licensing Division**

- The MLCC Licensing Division processes requests for Retail licenses, such as restaurants, bars, hotels, convenience stores, and grocery stores, Manufacturer and Wholesaler licenses, such as breweries, distilleries, wineries, brokers, and salespersons, and Special licenses for nonprofit organizations. The Licensing Division administers the annual license renewal process for all licensees, verifies licensee insurance, and processes Special License applications, requests for new and temporary permits and permissions.

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Minnesota Department of Public Safety

The Minnesota Department of Public Safety is a large and complex agency dedicated to prevention, preparedness, response, recovery, enforcement and education. Within the DPS, the Division of Alcohol & Gambling Enforcement (AGED) is responsible for regulating and enforcing state and federal laws related to alcohol and gambling.

In 1985, the Liquor Control Act, MN Statute 340, was recodified by the Minnesota Legislature, creating the laws in force today. In 1992, the division was modernized through the introduction of improved communications with the alcohol beverage industry by keeping them aware of statutory and policy changes. Two examples are through the use of industry circulars and a paperback version of the liquor laws and rules handed out by agents during routine inspections. In October 1996, the Liquor Control Division was merged with the Gambling Enforcement Division to create the Division of Alcohol and Gambling Enforcement.

AGED currently has a staff of 19 full-time positions, including: seven sworn agents (director, senior special agent, and five special agents); three (non-sworn) special (liquor) investigators; one law enforcement liaison and six administrative personnel. Alcohol and Gambling Enforcement (AGED) has regulatory authority for the issuance of alcohol licenses and permits, including:

- Manufacturer
- Wholesaler
- Importer
- Farm winery
- Retail licenses
- Retailers/buyers card
- Alcohol beverage caterer
- 2 a.m. permits
- Temporary on-sale permits
- Consumption and display permits
- Brand label registration

AGED special investigators conduct inspection and compliance visits to licensed liquor establishments to ensure compliance with the state liquor laws and rules, which include promotion and trade practice violations, and illegal advertising promotions. AGED also has a staff of sworn special agents who conduct criminal and gaming license background investigations in the areas of legalized gaming, including:

- Lawful/charitable gambling (e.g., pull-tabs, bingo, raffles, paddlewheels and tip boards)
- Gambling devices (e.g., slots, roulette, craps tables, electronic simulated gaming devices)
- Minnesota Lottery
- Pari-mutuel horse racing
- Pari-mutuel card rooms

Additional criminal investigations include illegal activities such as:

- Sports betting
- Illegal lotteries
- Lottery fraud scams

AGED also has regulatory gaming authority under Minn. Statute 299L to issue and regulate gaming device licenses. In addition, under the State-Tribal Compacts, AGED is the primary state agency granted authority to monitor and conduct inspections of Class III games (e.g., Black Jack tables and gaming devices) at the 18 tribal casinos in the state.