

PROGRAM DESCRIPTION

Department of Public Safety

HB Section(s): 8.150

Program Name: Regulatory Compliance

Program is found in the following core budget(s): ATC Core Budget

1a. What strategic priority does this program address?

Increase Liquor and Tobacco Law Compliance to Create a Safer State, by Reducing Problems Related to Alcohol Consumption

1b. What does this program do?

The regulatory compliance program regulates the Alcohol and Tobacco Control Industry relating to the manufacture, distribution and sale of alcoholic beverages. Duties include investigative licensing, Server Training, Tobacco Merchant Training, and undercover investigations. The liquor industry operates under a three tier system that governs the marketing, promotion and sale of alcohol. This three tier system ensures that the three major components of tax collection, product integrity and market stability are constantly reinforced. ATC teaches the liquor industry on liquor control and tobacco laws through constant interactions and training conducted in the industry. Investigations are conducted for any observed or reported violations to ensure compliance of liquor control and tobacco laws.

2a. Provide an activity measure(s) for the program.

STATEWIDE REGULATORY ACTIVITY

	FY'19 Actual	FY'20 Actual	FY'21 Projected
Server Training Presentations	85	58	70
# of People Trained	1,003	976	1,050
Routine Inspection	1,893	1,082	2,600
Assist Outside Agency in Law Enforcement	18	50	40
Badges in Business	183	49	150
Routine Investigation	1,711	1,646	1,800
Special Investigation	101	76	110
Violation Report (ATC)	321	447	360
Arrest Report	328	217	275

ATC had four Agent vacancies during FY'20 that continued to affect the regulatory activity efforts. COVID-19 also had a negative impact on regulatory activity efforts.

Vacancies impacted enforcement numbers to some extent. The Kansas City District Office operated two Agents short for the first 2 quarters of FY'20. The Springfield District Office operated one Agent short the entire FY'20 period. The St. Louis District Office operated two Agents short for the first quarter and part of the second quarter of FY'20, and was without an Agent for the fourth quarter for another vacant position. The Jefferson City Central Office operated one Agent short for part of the second quarter and the last 2 quarters of FY'20.

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2b. Provide a measure(s) of the program's quality.

Alcohol and Tobacco law enforcement officers (Agents, District Supervisors, Deputy and Chief) are Class A POST certified.

The regulatory compliance program performed 2,854 inspections and investigations to ensure compliance with alcohol and tobacco laws and regulations. During those inspections and investigations 447 violations were discovered, or 16% resulted in violation. As regulatory efforts increase, the violation rate will decrease.

2c. Provide a measure(s) of the program's impact.

A reduction in the ratio of number of violations as compared to investigations would show a positive result in increased compliance.

	FY'19 -	FY'20 -	FY'21 -
Violations/Arrest Reports	649	664	635
Investigations*	1,830	1,772	1,950
Ratio of Violations to Investigations	35%	37%	33%

* Investigations include routine investigations, special investigations and Law Enforcement assists.

The ratio of violations to investigations increased in FY'20 due to ATC working through a backlog of direct to consumer shipping reports during office closures and remote work in the last quarter. The wine direct shipper license allows an out-of-state or in-state wine manufacturer to ship up to two cases of wine per customer directly to consumers in Missouri each year. A large number of violation reports in FY'20 were due to wine direct shippers shipping over that limit.

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2d. Provide a measure(s) of the program's efficiency.

ATC increased staff in FY'17 and FY'19 to accommodate a new direction in regulatory efforts. In efforts to increase compliance and provide licensees with information, ATC provides regulatory compliance to approximately 15,000 liquor licensees throughout the state of Missouri. In addition, regulatory compliance affects all citizens in Missouri by providing a safer environment enhanced by licensees adherence to laws.

Efficiency Measures Continued:

Number of Badges in Business Investigations should reduce violations resulting in increased compliance.

Number of Public Relations Visits will increase public's awareness of agency activities.

Increased Number of Server Training Events and Number of People Trained will decrease violations.

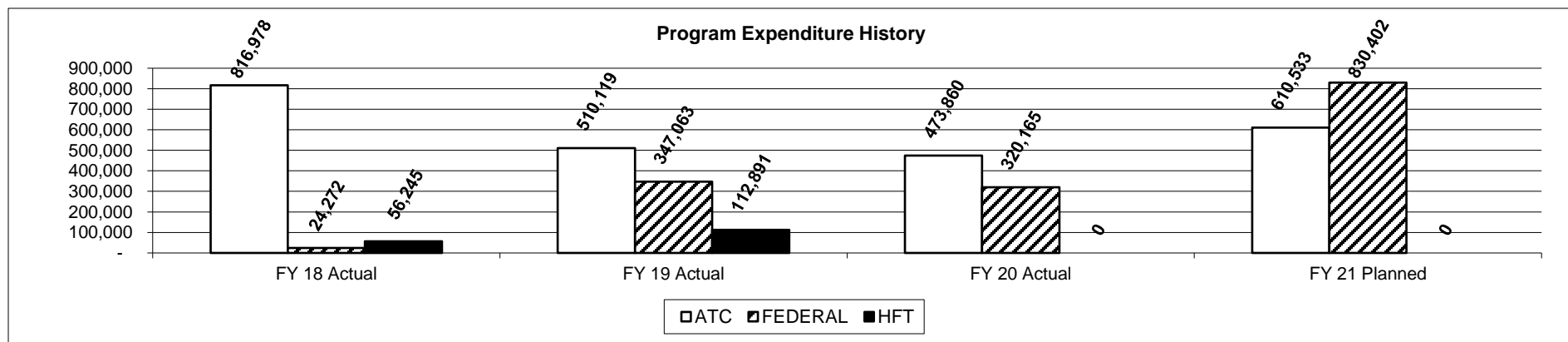
Reduced Number of Violation Reports shows increase in compliance.

Number of Alcohol and Tobacco Inspections should increase knowledge and result in increased compliance.

Number of Alcohol and Tobacco Investigations should reduce violations and result in increased compliance.

By tracking the above measures, ATC will be able to gauge the efficiency of the agents and their efforts. Through active and efficient enforcement, ATC should begin to see an increase in compliance to liquor control and tobacco laws and correspondingly a reduction in violations.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe



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4. What are the sources of the "Other " funds?

In FY'2018 and FY'2019, the source of ATC's Other funds came from the ATC Dedicated Fund and the Healthy Family Trust Funds (HFT). In FY'20, the HFT funds were eliminated, and the core funding was transferred to the ATC Dedicated Fund.

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Chapter 311, RSMo, Rules and Regulations of the State Supervisor, and Sections 407.924 through 407.934, RSMo. Alcohol and Tobacco Control is charged by Section 311.670, RSMo, with keeping the three tier alcohol beverage distribution in place.

6. Are there federal matching requirements? If yes, please explain.

No

7. Is this a federally mandated program? If yes, please explain.

No