



Fall 2019 Biannual All-Staff Town Hall Meeting

Location: 1738 E Elm St, Lower Level, Jefferson City, MO

Date: October 30, 2019

Looking Back - FY19 Recap of Accomplishments

- a) Licensing
 - (1) Total Primary Licensees – 16,980
 - (2) Total licenses – 34,028
 - (3) Average Agent to Licensee ratio 1:1,132
- b) Total Collections for State of Missouri - \$45,421,860
 - (1) Excise Tax Collections - \$39,727,271
 - (2) License Fees, Late Fees & Penalties – \$5,694,590
 - (3) Of that \$45,421,860, the breakdown of where that money is deposited follows:
 - (a) ATC Dedicated Fund - \$3,986,212 (70% license fees and late renewal fees)
 - (b) General Revenue - \$35,118,319 (Excise Taxes and 30% license fees)
 - (c) Department of Agriculture (Wine and Grape Board) - \$6,317,328 (wine excise taxes)
- c) Total Primary American Source (brand label applications and products approved) – 19,785
- d) Server Trainings Held and Individuals Training – 85 and 1,003
- e) Badges in Business – 183
- f) Investigations/Inspections
 - i) Tobacco
 - (1) 5,829 federal/@100 state inspections – which calculates to nearly 1,000 inspections per agent
 - ii) Alcohol
 - (1) Total audits/inventory counts/trade practice investigations -17
 - (2) Desk audits (this includes manufacturers, solicitors, domestic wineries, microbreweries, wine direct shippers and wholesalers) – 11,346
 - (3) Routine Inspections – 1,818
 - (4) Routine Investigations – 1,776
 - (5) Special Investigations - 98

- (6) Arrest Reports Issued – 316
- (7) Violation Reports Issued
 - (a) agent/auditor initiated – 276
 - (b) excise/brand label initiated – 26
- (8) ID's seized – 246
- (9) ID's checked – 5,410

- g) Informal Conferences Held
 - (1) 272 individual conferences
 - (2) 476 violations
 - (3) 278 fines (smallest \$100, largest \$50,000)
 - (4) 16 dismissals
 - (5) 5 revocations
 - (6) 44 suspensions (shortest 2 days, longest 15 days)
 - (7) 105 warnings
 - (8) 161 sale to minor
 - (9) 12 appeals to AHC (4%)

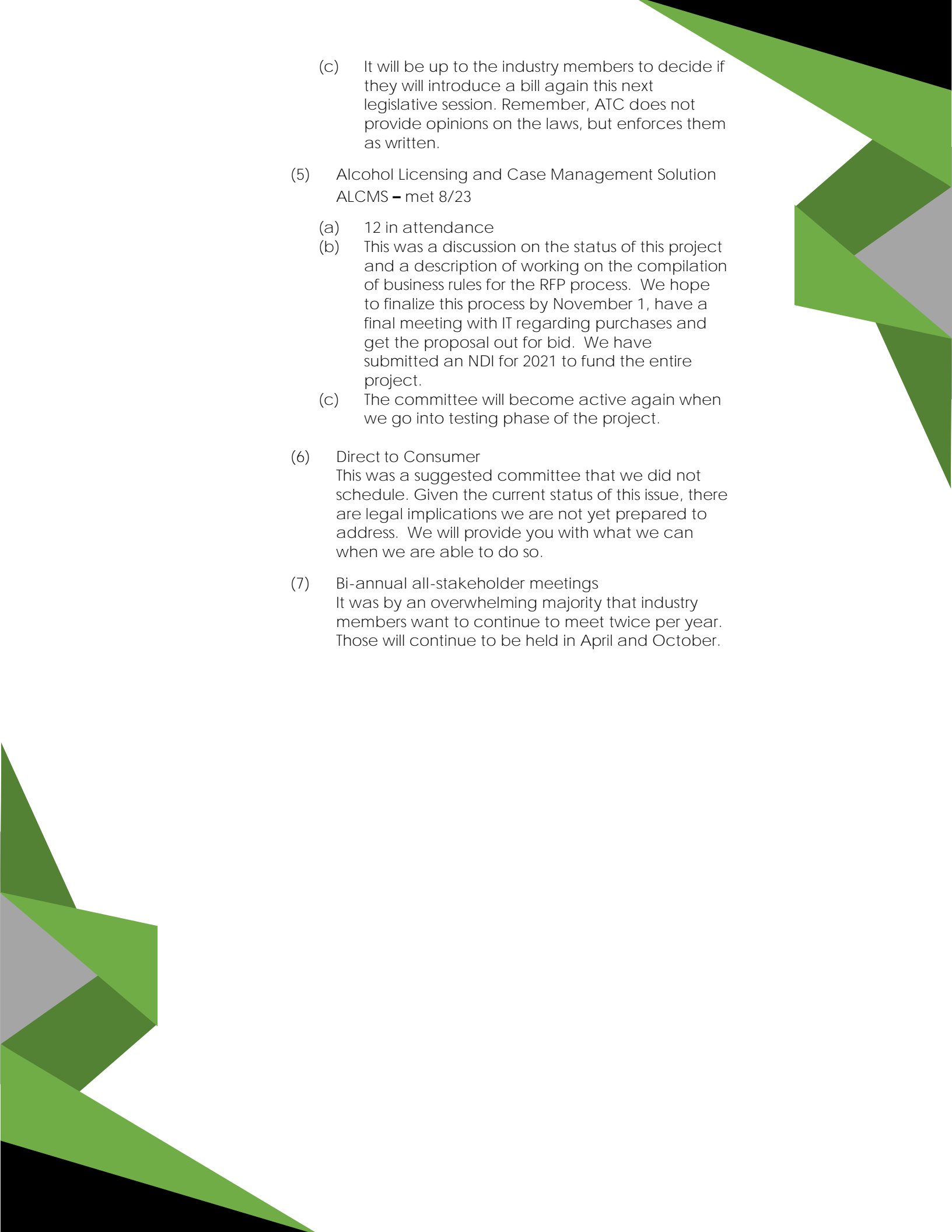
- h) Sunshine Requests
 - (1) 55 requests received
 - (2) 2,851 documents copied
 - (3) 46 hours, 45 minutes to prep, copy and respond to requests

- i) Training Courses Attended by ATC Members & Staff Trained
 - (1) 51 & 202 (beyond employee count due to attendance of multiple courses)

- j) Build Relationships – External Partners
 - i) Local municipalities and LE – 18
 - ii) Industry Circulars and updates – 14
 - iii) Stakeholder Meetings Held & Attendees
 - (1) Industry-wide meeting attendance
 - (a) April – 25 in attendance
 - (b) October – 30 in attendance
 - (c) Four committees formed

 - (2) Review of Regulations – met 8/6 and 9/5
 - (a) 10 and 9 in attendance
 - (b) We discussed the recently undertaken task of updating/correcting/changing regulations that hadn't been changed in years. We also agreed that due to the complex process involved in getting regulations changed, that only those changes that provide for a material impact to improve industry practices would be tackled.
 - (c) The regulations were provided to all members and discussions were had on a few minor revisions that as a group, we decided would not really impact industry, and thus would not make sense to move on.

- (d) ATC provided a list of possible changes that we are considering:
 - (i) 70-2.030(1), adding a 15 day requirement for reporting changes of facts for licensees. It was originally a 10 day requirement, however it got inadvertently removed during the recent rules' revisions. Industry suggested 15 days would be better for them.
 - (ii) 70-2.120(1) and 70-2.060(3) which would implement health inspections for retailers who prepare and process food, and also for manufacturers.
 - (e) This group will meet each year in the late fall to determine if any changes need to be made.
- (3) Chapter 311 Overhaul – met 8/8 and 9/18
- (a) 19 and 17 in attendance
 - (b) We specifically targeted licensing type restructuring given the large number we have and that we have so many “special interest” licenses. Information including license types, names, statute references, fees and the number of licenses of each type issued in FY'19 was provided for industry review. We also included total license fee collections in FY'2019.
 - (c) Members did a bit of research for the committee and collected data from two other states on how they restructured their licenses. Another member provided a spreadsheet to use as we discuss possible changes.
 - (d) A sub-committee was selected who will meet to continue this agenda. Once they have recommendations, we will call another meeting of the committee.
- (4) Trade Practices – met 8/16 and 9/18
- (a) 19 and 19 in attendance
 - (b) These were by far the most controversial committee meetings. We focused on the changes the industry proposed in the trade practice bill last year, which revolved around changes to section 311.070. These changes involved updating language and terms to reflect current practices and verbiage and tweaking the allowed exceptions to the blanket prohibition against wholesalers and manufacturers providing things of value to a retailer. The controversies arose over what each considered to be fair limits on what manufacturers and wholesalers are allowed to provide to retailers. Though a consensus was not achieved, we believe there was valuable conversation about the impacts based on each of the three tiers of industry.

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- (c) It will be up to the industry members to decide if they will introduce a bill again this next legislative session. Remember, ATC does not provide opinions on the laws, but enforces them as written.
 - (5) Alcohol Licensing and Case Management Solution
ALCMS – met 8/23
 - (a) 12 in attendance
 - (b) This was a discussion on the status of this project and a description of working on the compilation of business rules for the RFP process. We hope to finalize this process by November 1, have a final meeting with IT regarding purchases and get the proposal out for bid. We have submitted an NDI for 2021 to fund the entire project.
 - (c) The committee will become active again when we go into testing phase of the project.
 - (6) Direct to Consumer
This was a suggested committee that we did not schedule. Given the current status of this issue, there are legal implications we are not yet prepared to address. We will provide you with what we can when we are able to do so.
 - (7) Bi-annual all-stakeholder meetings
It was by an overwhelming majority that industry members want to continue to meet twice per year. Those will continue to be held in April and October.