

**Division of Alcoholic Beverages and Tobacco.** The DABT has a statutory duty to supervise and regulate the alcoholic beverage industry. That's why it conducts inspections, compliance audits, compliance checks, and tax audits. Express statutory jurisdiction and direction is provided as follows:

**561.02 Creation and duties of Division of Alcoholic Beverages and Tobacco.**--There is created within the Department of Business and Professional Regulation the Division of Alcoholic Beverages and Tobacco, which shall supervise the conduct, management, and operation of the manufacturing, packaging, distribution, and sale within the state of all alcoholic beverages and shall enforce the provisions of the Beverage Law...

**561.08 Enforcement of Beverage Law; division to prescribe forms.**—\_The division shall enforce the provisions of the Beverage Law and cigarette tax law and perform such other acts as may be necessary to carry out the provisions thereof, and the division shall prescribe forms of bonds, reports, and other papers, to be used under and in the execution and enforcement of the provisions of the Beverage Law and the cigarette tax law.

The ABT is comprised of three bureaus: auditing, licensing, and law enforcement. These three bureaus are inter-dependent and critical to the successful supervision of the alcoholic beverage industry.

**Bureau of Licensing.** The Bureau of Licensing serves the important function of investigating applicants, and processing and approving applications. Licensing is complicated because of the numerous kinds of licenses available. The Bureau of Licensing also performs brand registration, wine and spirits salespersons registration, issuance of cooperative pool-buying approvals, and the issuance of vehicle and warehouse permits.

**Bureau of Auditing.** The Bureau of Auditing examines records to determine compliance, including in the area of tax collection. Other audit functions include:

- Regulatory compliance reviews of price postings, distributor invoices, and other transactional records such as credit memos.
- 
- Maintenance of the delinquent list with an understanding for its purpose.
- 
- License qualification inspections for distributors (minimum inventory), SRX restaurants (minimum food sales and seating), smoking bars (maximum food sales), and other license types that have limits in the statutes.
-

- Review and final approval of bonds, insurance documents, and powers of attorney for dealing in pre-taxed beverages.

These functions are important to the integrity of the regulatory system.

**Bureau of Law Enforcement.** The Bureau of Enforcement is responsible for enforcing the Beverage Law through conducting compliance checks, investigating potential violations, and investigating complaints. Enforcement matters include underage sales, unlicensed activity, failure to keep and maintain records and Tied House Evil.

**Conclusion:** The DABT is responsible for supervising the alcoholic beverage industry. The three bureaus at DABT are inter-dependent. Each bureau enhances the effectiveness of the other two. The Bureau of Auditing & Tax Collection does a lot more than just audit for excise tax purposes. These functions will be lost if transferred to DOR—a tax collection agency. Worse, auditing at DOR will have to return to DABT for the enforcement of any Beverage Law matters, including excise tax collection. The transfer will require two agencies to enforce the Beverage Law, instead of one.