



Records Management Systems (RMS) of Alcohol Regulatory Enforcement Agencies

Version II

FUNCTIONAL SPECIFICATIONS
Prepared by the IJIS Institute

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Acknowledgments

This document is the result of a collaborative effort among the National Liquor Law Enforcement Association (NLLEA), the National Alcohol Beverage Control Association (NABCA), and the Integrated Justice Information Systems (IJIS) Institute. The initial report was published in 2024, with input from state and county alcohol beverage control organizations, including those from Alabama, Pennsylvania, Michigan, Mississippi, New Hampshire, and Vermont. The following public policy organizations also contributed to the 2024 report, including the Center for Advancing Alcohol Science to Practice, the Center for Substance Abuse Prevention, the Substance Abuse and Mental Health Services Administration, the National Highway Traffic Safety Administration, the National Institute of Health, the UNC-CH Injury Prevention Research Center, and the Public Health Institute. This revised report version incorporates feedback from the service provider community—special thanks to the team at Computronix for their feedback and input on this updated report.

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1 Executive Summary

1.1 Purpose

The purpose of this publication is to aid state and local agencies responsible for alcohol licensing and enforcement in assessing, upgrading, or replacing their Alcohol Regulatory Enforcement (ARE) and Licensing Records Management Systems (RMS) to monitor compliance. The intended audience for this document is any individual or agency involved in procuring, developing, implementing, or supporting a licensing and enforcement management system to support process, training, compliance, and violation management. The Executive Summary encapsulates business functions commonly supported by these systems and reviews the strategic value for day-to-day operations and the solutions' management. The following sections outline standard business functions across alcohol regulatory enforcement agencies, explaining these functions through the use case specifications.

This report does not cover two key areas: the process for managing distributors and manufacturers, and the law enforcement case management process. While the management of distributors and manufacturers is an integral part of the ARE process, this report focuses primarily on the core process of issuing licenses and permits. Processes for managing distributors and manufacturers may be covered in supplemental publications. The law enforcement case management process is addressed in the [Records Management Systems Standard Functional Specifications](#), published in May 2025.

1.2 How to Use the Document

The use cases and the associated workflows in this functional specification are intended to provide the reader with baseline information on the functional areas necessary for an effective alcohol regulatory enforcement records management system (RMS). *They are at the functional level in defining what is to be accomplished versus how it should be accomplished.* Users will need to consider variations in their state and local regulations when using this document. The specifications should be tailored to fit the users' specific needs. These use cases and workflows serve as a starting point for building a functional solution tailored to agency needs and open standards, enabling efficient interface and information sharing both internally and externally with other systems.

1.3 Business Function Overview

Seven functional areas are addressed in this publication. These include 1) New License Application, 2) License Renewal, 3) License Transfer, 4) Special Events License/Permit Request, 5) Complaint Reporting and Inspection, 6) Case Processing, and 7) License Revocation. Each

functional area provides a high-level overview of the function, along with supporting information, to define key automation considerations.

1.4 Chapter Organization

Each chapter is organized consistently to provide an overview of the primary functions necessary when considering an RMS. A description of each use case is provided, along with the required information, categories of data to be collected, a high-level process workflow, required functions, categories and groupings of data to be collected, and possible integrations. This document serves to provoke thought and consideration of alcohol licensing and enforcement needs and requirements for an RMS. Federal, state, and local laws, as well as agency-specific policies and national standards, should be considered when implementing a system. The impact of these laws and policies must be understood. However, it is essential to remember that each agency may have different needs based on size, functional responsibility, and the jurisdiction type.

Note that throughout this document, the term license is used. Licenses and permits are used synonymously throughout the document, as the terminology varies from state to state. While one state may issue a license, others use the term permits.

1.5 Next Steps

This publication outlines the primary functions performed by alcohol regulatory agencies, encompassing both licensing and enforcement. These functional specifications serve as the foundation for the next logical steps in this effort, which include establishing a data standard for alcohol regulatory agencies and piloting the developed standard with two or more agencies that conform to it. Data standards will ensure that data is collected consistently and reliably across agencies. At a minimum, reporting standards should be developed to provide a common language across ARE agencies. Aligning states on key performance indicators (KPIs) would facilitate the development of national metrics, leading to a comprehensive picture of ARE nationally.

Standards are crucial for enhancing data quality, interoperability, efficiency, and cost-effectiveness. Accurate and consistent data ensures informed enforcement and policy decisions, as well as the seamless exchange of information across multiple entities. As alcohol regulatory agencies transition from managing information via paper or spreadsheets, standards must be established to ensure consistency in the information collected and shared with other mission partners across states, informing national policy.

Once standards are documented, a pilot with two or more organizations should be conducted to test and ensure the efficacy of the standard. The results of the pilot will inform necessary modifications to the standard. They will result in the publication of a set of standards that alcohol regulatory agencies can implement to ensure interoperability across organizations.

Interoperability and consistency in data collection are essential to informing national policy decisions related to alcohol control.

Simultaneously with developing a set of data standards, a national dashboard should be initiated to collect a set of measures that can be reported consistently by all alcohol regulatory agencies. The dashboard would serve as a source of information for state and national policymakers, ensuring more efficient access to data related to alcohol licensing and enforcement.

2 Business Function Description

The following sections describe the primary business functions of Alcohol Regulatory Enforcement (ARE) agencies. ARE agencies are responsible for overseeing the manufacture, distribution, sale, and legal consumption of alcoholic beverages. Licensing responsibilities include screening applicants for new licenses, renewals of existing licenses, license transfers, revocation of licenses, and issuance of permits for special events. Enforcement responsibilities include monitoring and conducting inspections, processing license violations and revocations, and ensuring compliance with state and local laws and regulations through audits. Licensing agencies must also have the ability to provide general communications to permit holders. Communications may include announcements on new state licensing requirements, training requirements, or other topics that require communication with all licensees.

2.1 New License Application

2.1.1 Application Submittal

Use Case

Individuals or organizations must apply for a license when engaging in alcohol-related retail, manufacture, or wholesaler activity from a state or local alcohol regulatory division. ARE agencies process various licenses. Many of these agencies are state licensing agencies; however, some states have county-level licensing agencies, and others authorize municipalities to engage in licensing activities in the state.

Key Actors

License applicant (company, individual), state/local licensing staff, binding authority, state, and local governing authority.

Information Required

COMPANY INFORMATION	
Company Name	Name of the organization requesting the license
Company DBA	Include Doing Business As (DBA) name, if applicable
Street Address	Street address, city, state, and zip code. Address suggestions shall pop up when the user begins to input the address. City and State shall auto-generate when the user enters a zip code.
Telephone Number	Area code, telephone number, and extension
Email Address	Business Email (if any)
Website Address	Business Website (if any)

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Organization Applicants	Name, Address, Date of Birth, Social Security Number, and Arrest and Conviction information. Applicants must include all owners who are part of the corporate structure.
Supporting Document	The RMS shall allow the user to upload multiple documents and require the user to add the title of the document per upload (PDF, JPG format). Supporting documents may include proof of ownership, lease agreements, identification and proof of citizenship documents, background checks, incorporation documents (corporation or LLC paperwork), state and federal business license and tax identification documents, proof of liability insurance, and source of funds for the transactions, and approval letters from local governing authorities, where required.
POINT OF CONTACT (POC)	
Name	Company's contact person for questions / Contract negotiations
Title	Title the listed POC holds in the company
Address	OPTIONAL. (Entry of address if different than above)
Email Address	Text boxes for users to input email addresses
Telephone Number	Phone number of the POC. Area Code, Number, and Extension (if applicable)
AUTHORIZED BINDER/POWER of ATTORNEY	
Authorized Individual	Name of the individual authorized to submit the application
Address	Authorized individual's address
Terms and Conditions	Display the terms and conditions, including a check box for the user to agree to those terms and conditions
Signature	Digital signature functionality shall allow the user to input their full name and date of signature. The RMS shall generate a digital signature upon completion
PAYMENT PROCESSING	
Payment Type	Payment method (credit card, check, automated clearinghouse (ACH) payments, etc.)
Payment Amount	Filing Fee/Licensing Fee Amount
Credit Card Details	Credit Card Number
Credit Card Holder Name	Name of the Individual under whose name the credit card is issued
Credit Card Expiration Date	Credit card Month, Day, Year of expiration
Credit Card CV	Credit card security code
Receipt	Receipt documenting payment for tracking purposes

New License Application Process Flow

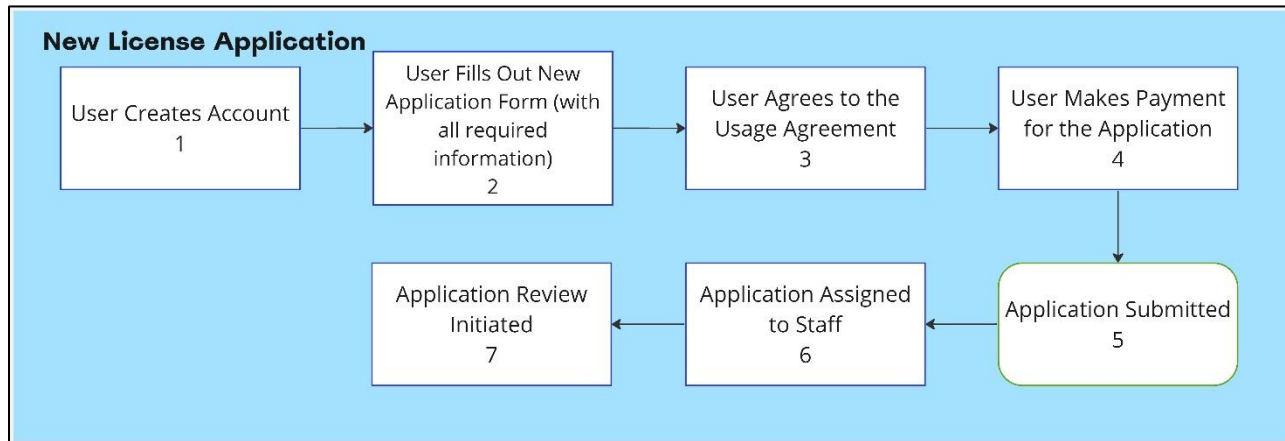


Figure 1: New License Application Process

The New License Application process flow is generally the same regardless of the type of license application requested. An individual will create an online user account to complete a license application. The user will review and agree to the licensing agency's usage agreement when the account is created. The application must include details on the corporate structure along with a complete listing of all individuals with an ownership stake in the business. This is an essential consideration in the review process to ensure that the application accommodates multiple owners and that all required background checks are completed. The application is not considered complete until all required supporting documents have been uploaded and the application payment processing fee has been submitted. Upon completion of the application process, the application is assigned to a staff member, and the review process is initiated.

The application may include secondary endorsement permits in addition to the primary alcohol license. These may consist of event permits, catering authorization, portable bar licenses, or other types of endorsements. This secondary endorsement or permit expands the scope of activities and privileges allowed under the primary alcohol license.

License Application Functions

- User account creation with Multi-Factor Authentication (MFA)
- Unique identification number for application
- User agreement
- Terms and conditions for application submission
- Online checklist of required documents
- Applicant information
- Applicant organization information
- Entry of multiple applicants for the same organization with role definition

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- License request type (including secondary license types)
- Document upload functionality
- Payment processing
- Statement of application accuracy upon submission
- Designation/Validation of required fields before submission
- Digital signature capabilities
- Processing status notifications
- Saving of in-process applications before submittal

Integration with Other Systems

- Payment processing
- Document management system
- Email system
- Online ordering systems
- Secretary of State or other like agencies to validate incorporation
- Departments of Health and Taxation, etc.
- GIS mapping and address validation services

Standard Output

- Completed application form available in PDF format
- Log of applications in-progress
- Log of applications not completed
- Log of rejected applications
- Log of applications ready for renewal

2.1.2 Application Review and Decision

Use Case

Upon receipt of an application for a license, licensing staff will process the application to determine a decision. Multiple steps must be completed before a final decision can be made. The review process results in the approval or denial of a licensing application.

Key Actors

Licensing applicants, state/local regulatory and licensing staff, public, local governing authority, and law enforcement

Information Required

COMPLETED APPLICATION

APPLICATION COMPONENTS COVERED IN SECTION 2.1.1

APPLICATION REVIEW CHECKLIST (REQUIRED DOCUMENTS)

BACKGROUND CHECK RESULTS

INSPECTION RESULTS

PUBLIC NOTIFICATION

APPROVAL/DENIAL LETTER

New License Application Review and Decision Process Flow

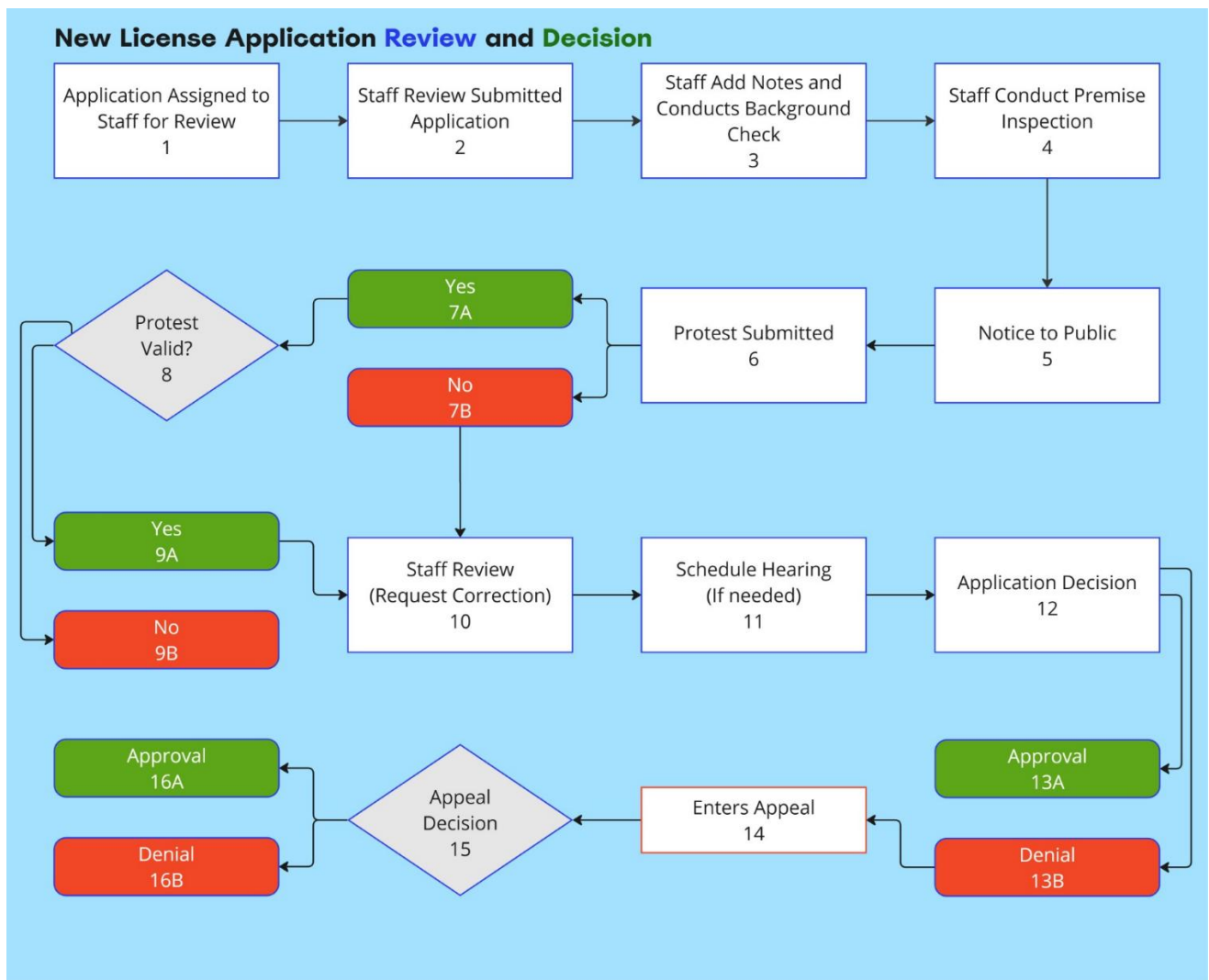


Figure 2: New License Application Review and Decision Process

The application review process requires a series of reviews and public notifications before approval. The licensing staff must confirm that the submitted application is complete and that the

applicant(s) is eligible to apply for the identified license type. Once these items are verified, the review begins with confirmation of submitted documentation and required background checks. The licensing staff may contact the applicant for clarification during this review process. The premises are inspected once all necessary documents have been reviewed and deemed complete. Inspection results are documented, and if the inspection is approved, a Public Notice is issued to allow public comment on the applicant's request to obtain a liquor license for the specified premise. Public protests may be submitted during the public notification period. If a protest is submitted, it is vetted by application review staff for its efficacy, and if valid, it is considered in the final application review and decision process. Local governing authorities may issue public notices, and a public hearing may ensue. Upon completion of the hearing, all information is weighed, and a decision is made to either approve or deny the license at the local level. If the license is approved at the local level, a state review is required. Should the license be denied at either the local or state level, the applicant has multiple avenues for appeal and may continue with this process until all options for appeal have been exhausted. When the RMS is managed at the state level, consideration should be given to granting access to local municipalities to facilitate a streamlined application process. The local governing authority could receive notifications when new applications are submitted for applications located within their jurisdiction.

New License Application Review and Decision Functions

- Unique identification number for application
- Preliminary Review Checklist
- Date and Time stamping for all review events
- Staff name who completed each review step
- Application status indicators
- Capability to generate automated messages/requests to the applicant
- Ability for the applicant to respond to messages/requests by email and by mail
- Field reports/inspections
- Notes/Comments sections
- Generate automated public notification letters/announcements
- Ability to save written comments/note comments received via telephone
- Schedule hearing
- Gather records/documents for hearings
- Issue notice of hearing
- Record application decision – Approved/Denied
- Document decision notes (if any)
- Letter requesting application corrections
- Issue approval or denial letter
- Request for appeal

- Document basis for appeal
- Ability to print license certificate and email to applicant

Integration with Other Systems

- Background check application
- Email application
- Secretary of State
- Local governing authority
- Department of Health and Taxation

Standard Output

- Background check results
- Notice of approval
- Notice of denial
- Notice to public
- Final approval or denial decision of application
- Log of approving or denying individual(s)
- Field reports, including deficiency letters
- PDF of license certificate to be printed by applicant

2.1.3 New License Issuance

Use Case

The license is issued upon completion of the background check, physical inspections, interviews, and review/approval of all information submitted by the applicant. When the license is issued, formal notification is provided to the appropriate parties. Newly licensed entities must undergo the required licensing training dictated by law or regulation.

Actors

License applicant organization and staff, state/local regulatory and licensing staff, law enforcement, wholesale organization, local governing authority

Information Required

LICENSE DOCUMENTATION

BACKGROUND CHECK REPORT

ENFORCEMENT NOTIFICATIONS

ORIENTATION SCHEDULING

TRAINING DOCUMENTATION

TRAINING RECORDS

New License Issuance Process Flow

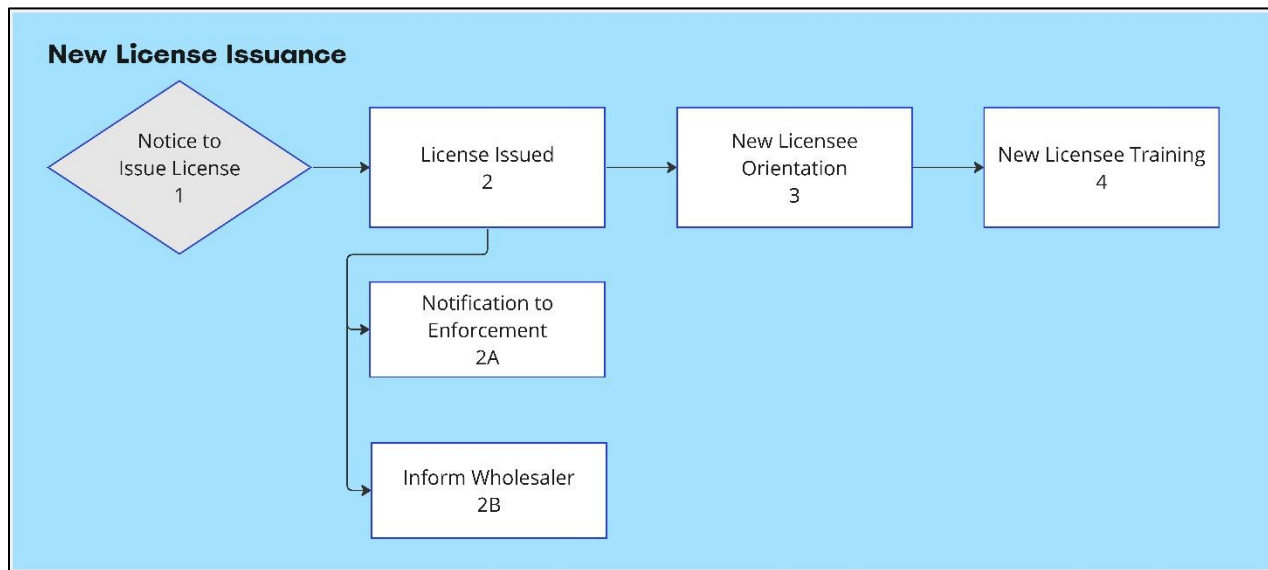


Figure 3: New License Issuance Process

The applicant is issued a notice of approval when the application is approved. The license has been issued, and the appropriate enforcement entities have been notified that the liquor license has been approved for the specified premises. Enforcement entities include state/county liquor license agents, state policy, and local law enforcement agencies. In most states, wholesalers are also notified that the application has been approved. When approved, the designated licensing entity representatives may be required to attend a new licensing orientation and training to ensure they clearly understand all the necessary regulations. Orientation and training may be a single event. In some states, training may be required before a permit is issued. The state may conduct the training, or an approved third-party organization may conduct it, in which case the state certifies both the provider and the training curriculum. Authorized sellers may be required to take an exam to confirm course completion and comprehension of the required curriculum. The solution will track authorized training providers and those individuals who have completed the training. Alternatively, instead of formal training, some states may require applicants to sign an acknowledgment stating that they will comply with state laws, rules, and regulations.

License Issuance Functions

- Unique identification number for application
- Generate license
- Provide automatic notification to the licensee
- Provide automatic notification to enforcement authority and other required agencies

- Document training requirements and issue notifications
- Document approved training providers
- Document training requirements fulfilled
- Send approval notification letters

Integration with Other Systems

- Other enforcement agencies' RMS
- Local governing authority
- Email system
- Training system
- Online ordering systems/state stores

Standard Output

- Approved license
- New license welcome notice
- Training notice
- Training criteria
- Notice to other entities

2.2 License Renewal Application Process

2.2.1 License Renewal Application Submittal

Use Case

Liquor licenses are typically issued for a one-to three-year period. The alcohol statutes and regulations dictate the frequency of the license renewal process and may send automated renewal notices via mail or electronically. The licensee must apply for renewal within the specified time and pay the required renewal fees. The renewal period provides an opportunity for the ARE agency, local governing authority, and the public to protest the renewal of a license. In some cases, license renewals may be automated.

Key Actors

State/local regulatory and licensing staff, taxation/revenue departments, applicant, public, local governing authority

Information Required

RENEWAL NOTICE

RENEWAL APPLICATION

VIOLATION HISTORY

RENEWAL DECISION

LOCAL APPROVAL/DENIAL

License Renewal Process Workflow

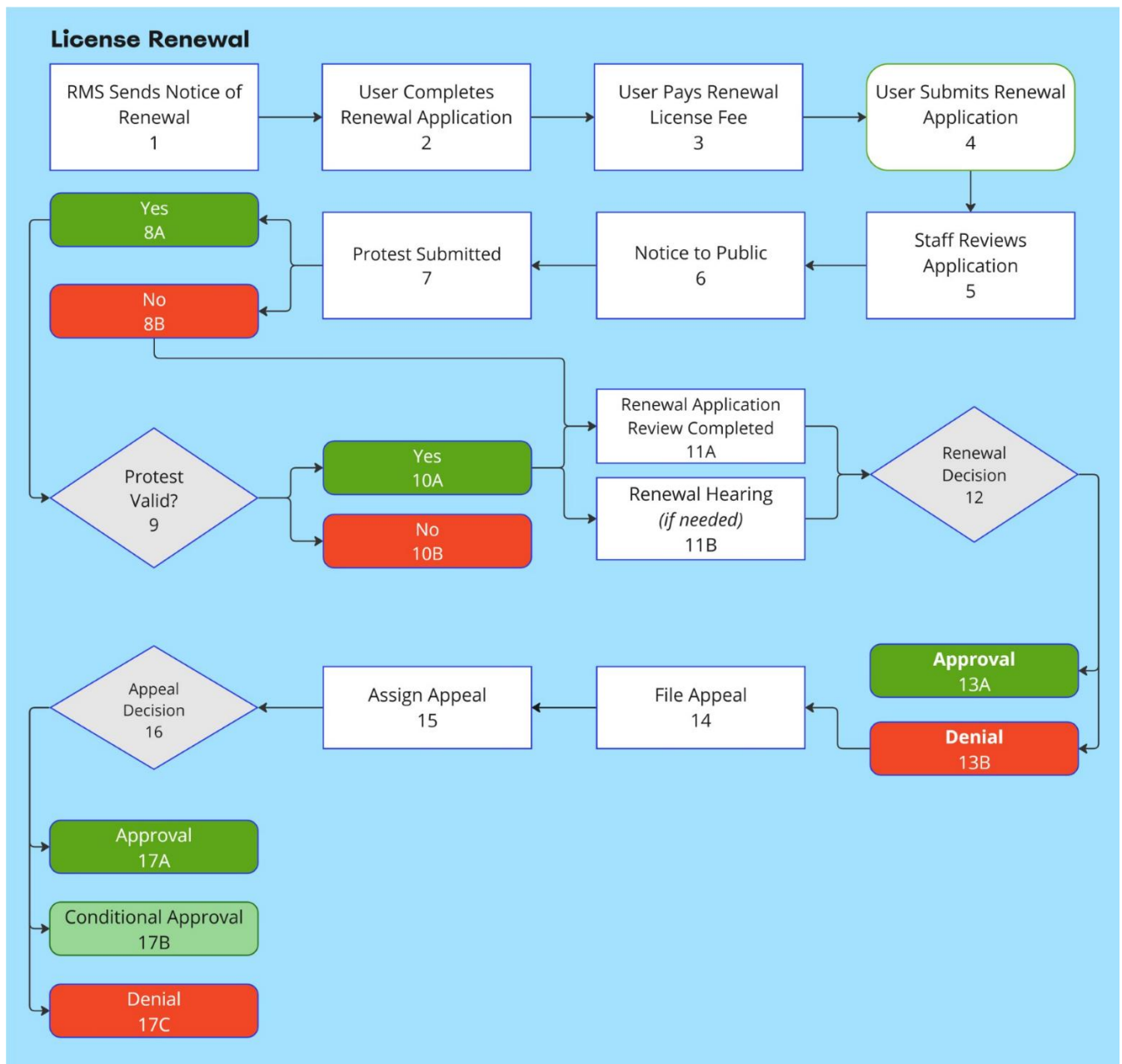


Figure 4: License Renewal Process

The ARE agency will issue a notice of renewal to the applicant within a specified timeframe before the expiration of the license. Upon receipt of the notification, the licensed entity will complete the renewal application, recording new/changed information from the prior

application submission. In some jurisdictions, a license renewal may be automated. The ARE agency reviews the application for completeness, reviews any recorded complaints or violations against the licensed establishment, and considers information contained in any filed protests. The ARE agency also determines if compliance is still being met by reviewing health permits, business tax status, and other key licensing requirements. The renewal application is reviewed, and in some instances, a hearing may be scheduled before a final decision is made regarding the renewal. Upon completion of the review or the hearing, the ARE agency approves or denies the application. A denial of the application may result in an appeal.

License Renewal Functions

- Unique identification number for application
- Generate automated renewal notifications
- Schedule of notifications – 90 days, 60 days, 30 days, etc.
- Letters to advise licensees of additional required documents
- Renewal application checklist for each review process
- Renewal application entry
- Application validation (required information)
- Document upload functionality
- Payment Processing
- Statement of application accuracy upon submission
- Designation/Validation of required fields before submission
- Digital signature capabilities
- Processing status notifications
- Saving of in-process applications before submittal
- Generate automated public notification letters/announcements
- Scheduling hearings
- Generating reports and documents for hearings

Integration with Other Systems

- Email system
- Payment processing
- Document management
- Other law enforcement agencies' RMS to review violations or complaints
- Online ordering systems/state stores
- Adjudicating authority for appeals

Standard Output

- Renewed license
- Renewal notice

- Final approval or denial decision of application
- Log of approving or denying individual(s)
- Payment receipt
- Discrepancy letters
- Appeal logs
- PDF of renewed license certificate

2.2.2 License Renewal Denial Process

Use Case

The license renewal denial process is invoked when an applicant's request for renewal is reviewed, and the determination is to deny the renewal for the license application.

Key Actors

State/local regulatory and licensing staff, applicant, legal counsel, courts, local governing authority

Required Information

DENIAL NOTICE

REASON FOR DENIAL

HEARING REQUEST DOCUMENTATION

CASE REPORT DOCUMENTING THE REASONS FOR DENIAL

DECISION/OUTCOME

NOTICE OF RIGHTS TO APPEAL

APPEAL DOCUMENTATION

APPEAL DECISION

CONDITIONAL APPROVAL FOR LISTING ALL THE CONDITIONS

License Renewal Denial Process Workflow

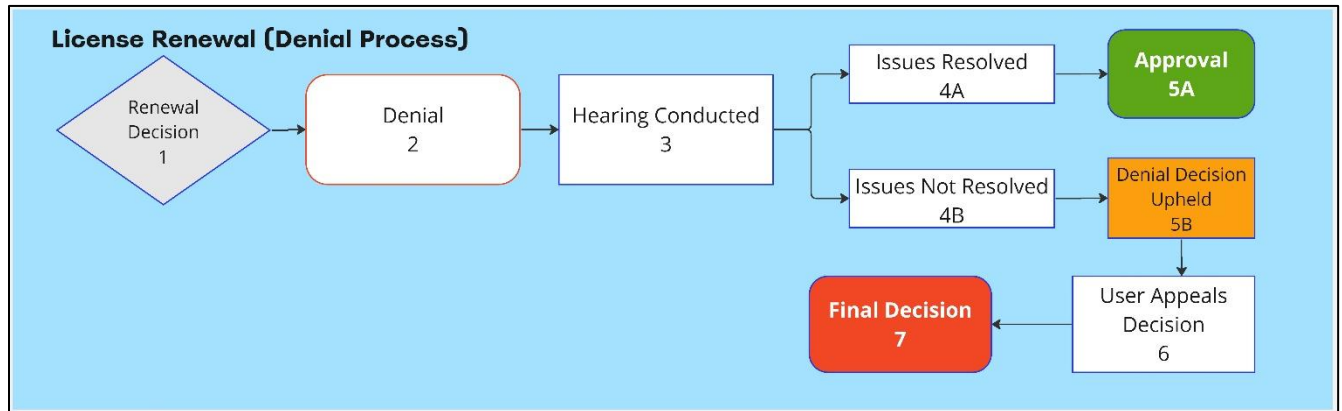


Figure 5: License Renewal Denial Process

When a license is denied, the applicant is notified of the denial, along with an explanation of the reasons for the denial. Denial reasons may include excessive complaints against the establishment, failure to comply with state/local liquor laws or regulations, protests, or failure to pay the renewal processing fees. The applicant may petition for an appeal to the authorized appeal entity for a hearing.

License Renewal Denial Functions

- Unique identification number for application
- Denial notification
- Law enforcement and wholesaler notification
- Documentation of reasons for denial
- Upload of supporting documentation
- Hearing schedule
- Hearing results report
- Generating reports and documents for hearings

Integration with Other Systems

- Email system
- Document management
- Online sales systems/state stores

Standard Output

- Notice of denial
- Notice of hearing
- Hearing schedule
- Final decision

2.2.3 License Renewal Incomplete Application

Use Case

The application process is fully automated with online submission. There are various reasons an applicant may begin the application and save it to finish later. Incomplete applications cannot be processed and would be considered a failure to renew if the renewal deadline passes before completion.

Key Actors

State/local regulatory and licensing staff, applicant, local governing authority

Required Information

INFORMATION REQUIRED IN 2.2.1 APPLICATION RENEWAL

APPLICATION EXPIRATION NOTIFICATION

REASON FOR FLAGGING APPLICATION

NOTIFICATION OF EXPIRATION WITH LATE FEE NOTICE

License Renewal Incomplete Application Process Flow

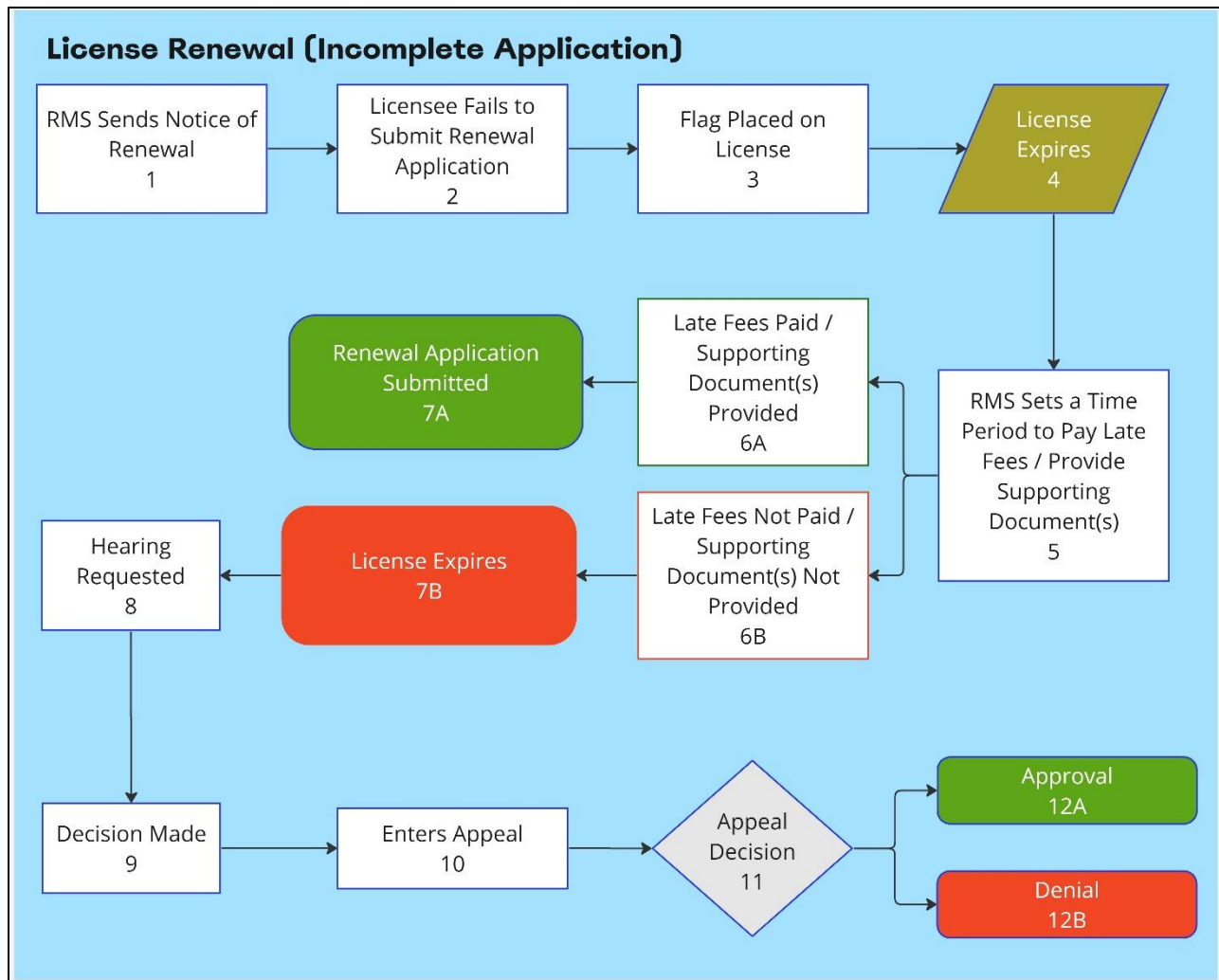


Figure 6: License Renewal Incomplete Application Process

When an applicant initiates and does not complete their application renewal, the application is considered incomplete. If the incomplete application is not completed before the renewal deadline, a flag is placed on the license, and the establishment is not authorized to operate. A remedy is available if the applicant completes the application, pays the application renewal fee, and the required late fees. In some instances, a hearing is requested after the license has expired.

License Renewal Incomplete Application Process Functions

- Unique identification number for application
- License expiration queue for licensing staff

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- Automated notification that license has expired
- License expiration letter generation capability
- Payment process

Integration with Other Systems

- Email system
- Payment processing
- Document management
- Departments of Taxation and Health

Standard Output

- Incomplete application report
- Notice to the applicant for incomplete application
- Hearing schedule
- Generating reports and documents for hearings
- Hearing results report

2.3 License Transfer

Use Case

A liquor license is typically transferred when a business establishment is bought and sold, or there is a need to change the licensee. A license transfer is used to differentiate between a new license and a transfer of an existing license from one person or entity to another. A license may also be transferred to a new location and a new owner.

Required Information

APPLICATION TO TRANSFER

AGREEMENTS TO TRANSFER OWNERSHIP

APPLICATION COMPONENTS COVERED IN SECTION 2.1.1

APPLICATION REVIEW CHECKLIST (REQUIRED DOCUMENTS)

BACKGROUND CHECK RESULTS

INSPECTION RESULTS

PUBLIC NOTIFICATION

APPROVAL/DENIAL LETTER

CASE MANAGEMENT

HEARING SCHEDULE

License Transfer Workflow Process

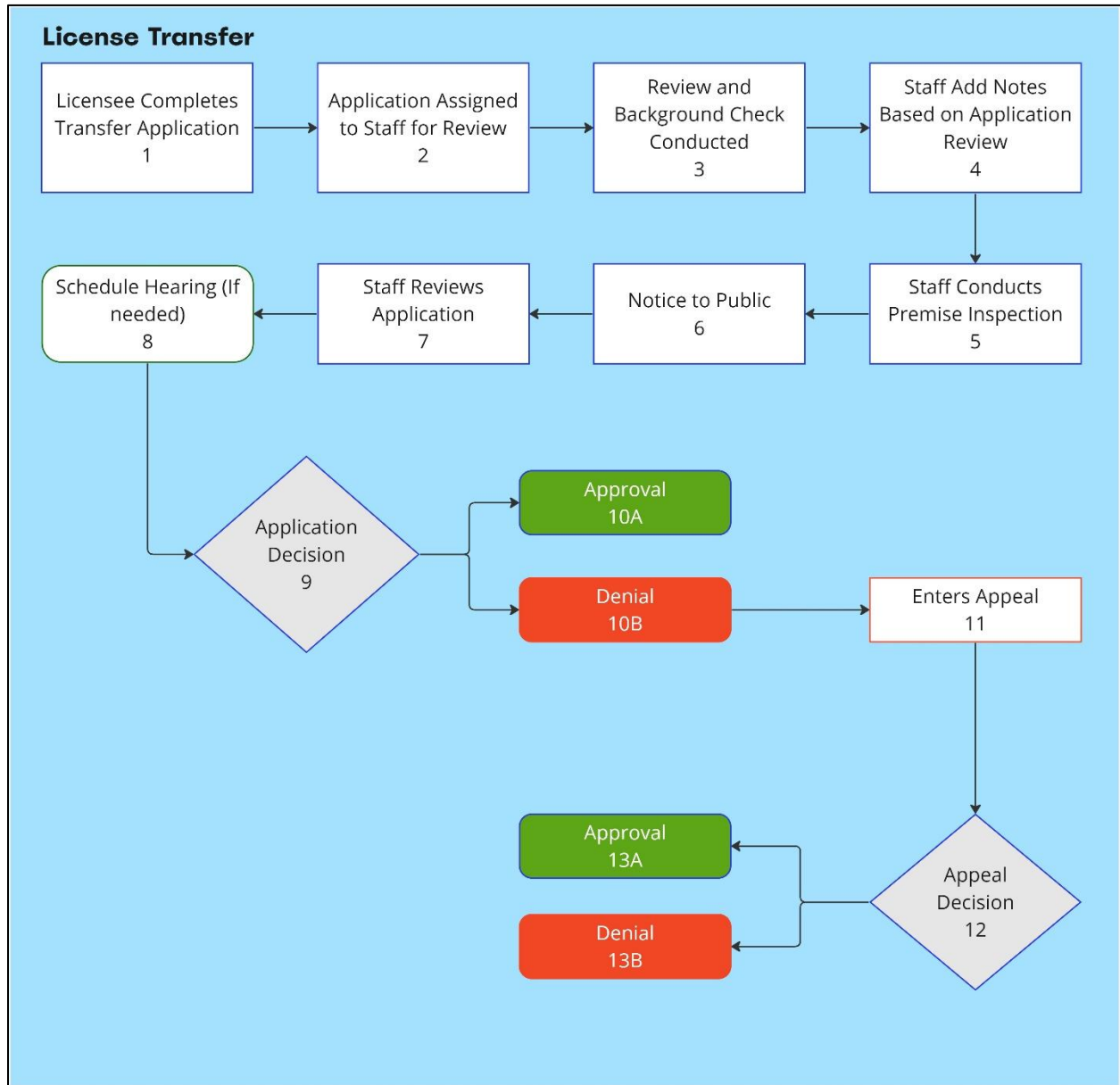


Figure 7: License Transfer Process

Licensees may transfer a license when an establishment is sold to another individual or organization, or a simple ownership transfer within the same organization. The transfer process follows the same steps as for a new license but is distinguished by the fact that the establishment is already operating under a license. This is done by applying for a License Transfer. The application for License Transfer requires a fee that the applicant must pay before

submission. After completing the application, a staff member will be assigned to review the application. This triggers the same process that would be followed for a new application license. The staff member adds notes based on the findings of the application review. The steps that follow would mirror those required when a new license is required. It should be noted that some states have a temporary operating permit that allows a licensee to operate under an existing license at a specific premise for a set period before their new license application is approved and issued.

Temporary Operating Permit Process

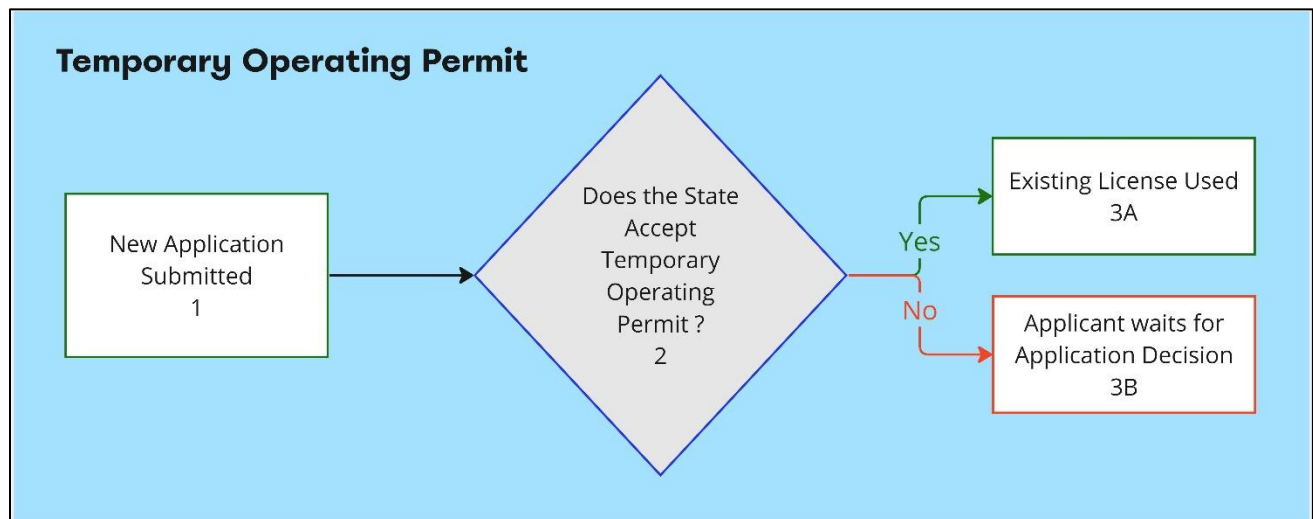


Figure 8: Temporary Operating Permit

License Transfer Process Functions

- User account creation with multi-factor authentication
- Unique identification number for application
- User agreement
- Terms and conditions for application submission
- Online checklist of required documents
- Applicant Information
- Applicant organization information
- Entry of multiple applicants for the same organization with role definition
- License request type
- Document upload functionality
- Payment processing
- Generating required letters
- Statement of application accuracy upon submission

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- Designation/Validation of required fields before submission
- Digital signature capabilities
- Processing status notifications
- Saving of in-process applications before submittal
- Generate license certificate
- Provide automatic notification to the licensee
- Provide automatic notification to enforcement authorities and wholesalers
- Document training requirements and issue notifications
- Document training requirements fulfilled

Integration with Other Systems

- Email system
- Payment processing
- Background check system
- Document management
- Other law enforcement RMS to review violations or complaints
- Online ordering systems/state stores
- Departments of Taxation and Health

Standard Output

- Approved license
- New licensee welcome notice
- Training notice
- Training criteria
- Notice to other entities
- Payment receipt
- Background check report
- Notice of approval
- Notice of denial
- Appeal notification
- Log of approving or denying individual(s)

2.4 Special Events License

Use Case

A Special Event License is typically required in situations where alcohol will be sold at a public event or private establishments for a short duration of time. Examples include community events and festivals. Licenses are typically required if alcohol is sold or served at the event, if alcohol is available, if donations for admission are solicited, or if payment is required to attend the event. Note that some states treat Special Events Licenses the same as a new license request. These licenses are usually temporary.

Key Actors

State/local regulatory and licensing staff, applicants, public, other law enforcement agencies, local governing authorities

Required Information

SPECIAL PERMIT LICENSE APPLICATION

APPLICATION CHECKLIST

PAYMENT PROCESSING

AUTOMATED NOTIFICATIONS REGARDING STATUS

REVIEW PROCESS NOTES

INSPECTION RESULTS

PUBLIC NOTIFICATION

APPROVAL/DENIAL LETTER

LOG OF APPEAL

Special Events License Process Workflow

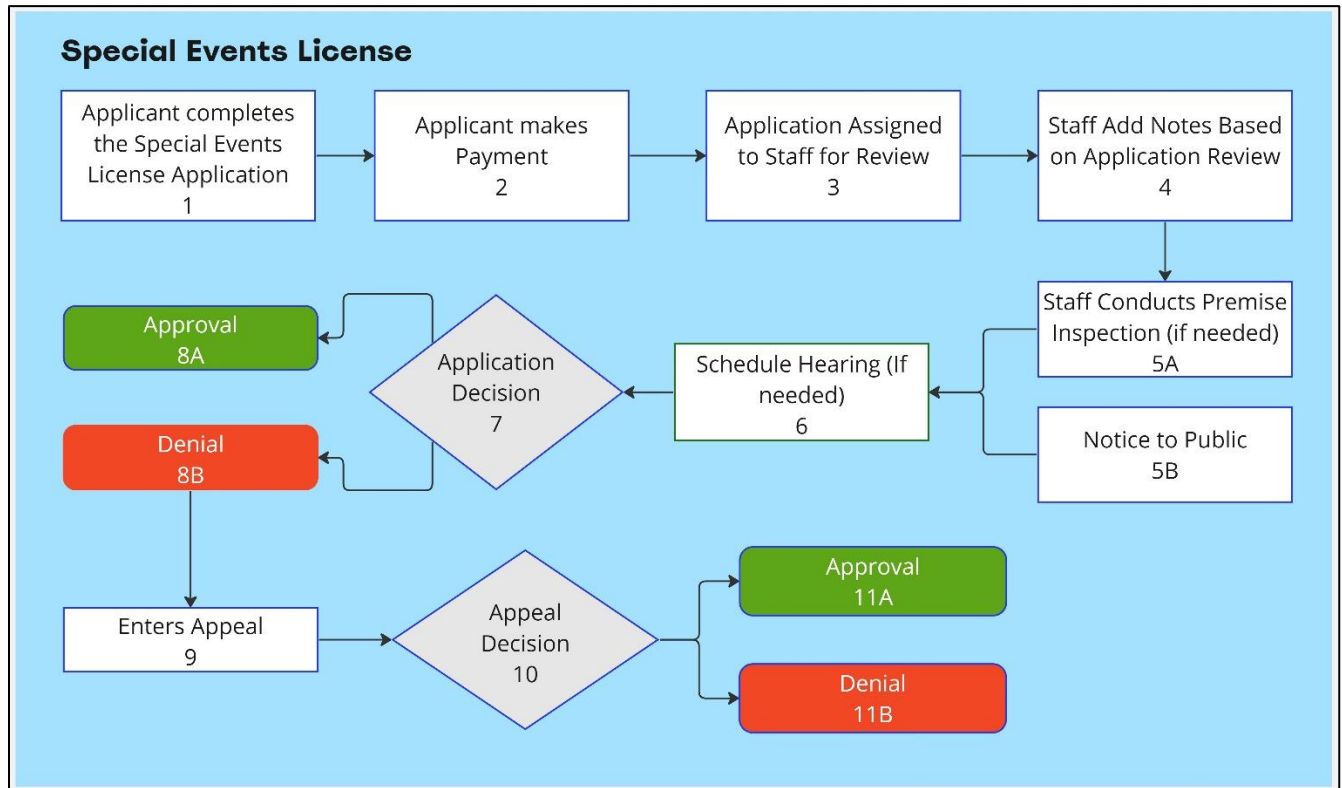


Figure 9: Special Events License

A Special Events license is required when alcohol is sold or distributed at a public event. A permit may be issued automatically based on an already vetted license. A Special Events application is submitted for review and approval. The application must be completed, along with payment processing, before the license application is reviewed. The license applicant may or may not be an existing licensee. The licensing staff reviews the application for completeness and conducts a site-premise inspection. The inspection results are documented, and a public notice may be issued. A notification may be issued to the local governing authority and local enforcement agencies. If feedback results from the public notice, a hearing may be scheduled. The application information, required documentation, and hearing feedback are considered, and a decision is rendered regarding the application. The Special Events license application is approved or denied. The applicant may appeal the decision.

In some instances, the application agency may consider a risk-based model that allows for the auto-issuance of special events permits. The solution should include key criteria to confirm that the applicant has the requisite business licenses and is in good standing at the time the permit is issued.

Special Events License Process Functions

- User account creation with multi-factor authentication
- Unique identification number for application
- User agreement
- Terms and conditions for application submission
- Online checklist of required documents
- Applicant information
- Applicant organization information
- Event details
- Entry of multiple applicants for the same organization with role definition
- License request type
- Document upload functionality
- Payment processing
- Notification letters
- Field inspection reports
- Statement of application accuracy upon submission
- Designation/Validation of required fields before submission
- Digital signature capabilities
- Processing status notifications
- Saving of in-process applications before submittal
- Generate license
- Provide automatic notification to the licensee
- Provide automatic notification to enforcement authorities and wholesalers
- Provide automatic notification to local governing authority
- Document training requirements and issue notifications
- Document training requirements fulfilled

Integration with Other Systems

- Email system
- Payment processing
- Background check system
- Document management
- Other law enforcement RMS to review violations or complaints
- Online ordering systems/state stores

Standard Output

- Approved license

- Special license welcome notice
- Notice to other entities
- Payment receipt
- Notice of approval
- Notice of denial
- Log of approving or denying individual/s
- Hearing scheduling
- Generating reports and documents for hearings

2.5 Complaint Reporting and Inspection

2.5.1 Complaint Reporting

Use Case

License complaints are reported from multiple sources, including the public, other licensees, law enforcement, regulatory inspectors, and social media and/or tip lines. When a complaint is reported, the ARE staff reviews the complaint and determines the next course of action.

Key Actors

Public, law enforcement, state/local licensing staff, regulatory inspector, applicant, liquor establishment management and staff, local governing authority

Required Information

COMPLAINT

DOCUMENTATION OF COMPLAINT REVIEW/INVESTIGATION

NOTIFICATION LETTER

COMPLAINT DISPOSITION

ACTION PLAN

ACTION PLAN FOLLOW-UP

RECORD OF COMPLAINT CLOSURE

REFER TO INSPECTION

REFER TO CASE INTERNALLY OR TO ANOTHER STATE AGENCY

Complaint Review Process Flow

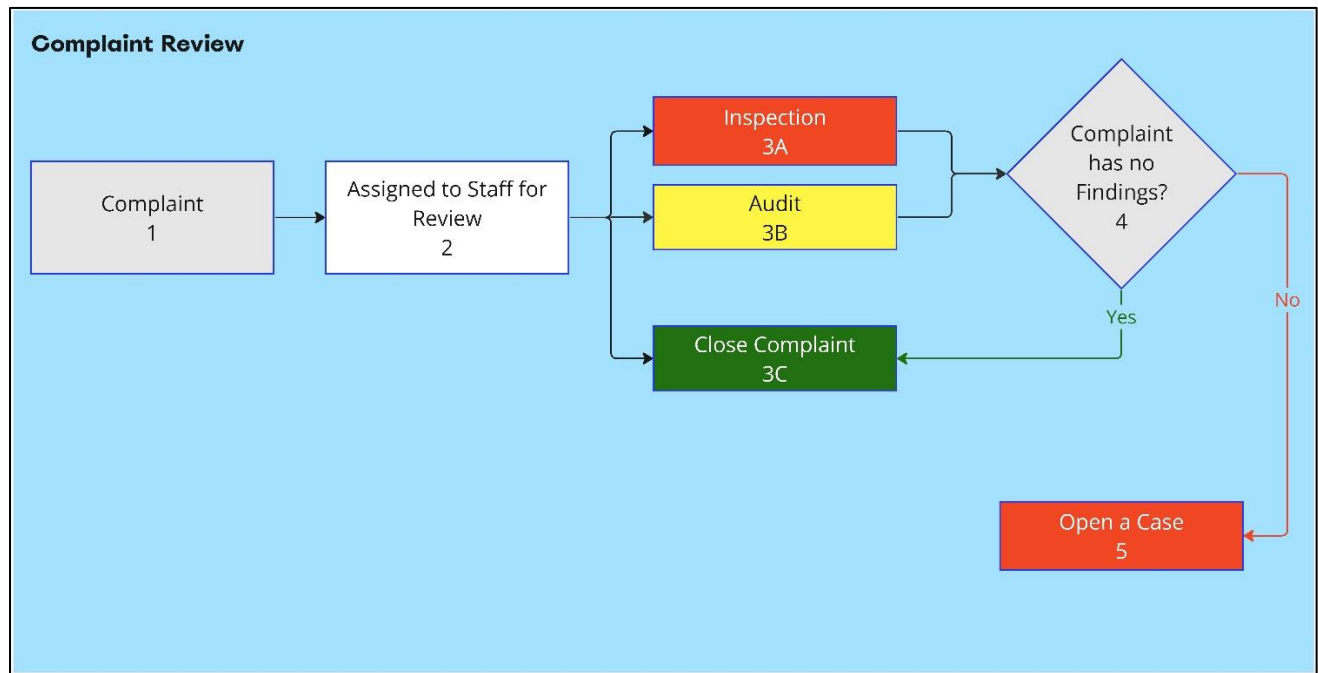


Figure 10: Complaint Review

There are multiple avenues for reporting a complaint. A complaint can be submitted via a tip from the public, other licensees, state/local law enforcement, or a local governing authority. Upon receipt of a complaint, it is assigned to staff for review. Facts of the complaint are reviewed and may result in an inspection, an audit, a case, or closure. ARE agency staff will review and process any violations that result from the complaint once a case is opened. While audits are a potential outcome of a complaint, they typically focus on regulatory reporting reviews. Regulatory reporting processes and flows will be considered in a future phase of the report.

Complaint Review Process Functions

- Create audit
- Create inspection
- Create case
- Close complaint no action

Integration with Other Systems

- Email system
- Citation system
- Regulatory/enforcement systems (state and local)

Standard Output

- Notice of complaint
- Complaint disposition (closure or violation notification)

2.5.2 Inspection Process Flow

Use Case

Inspections vary from state to state. Some states only assign inspections based on complaints that have been received. Other states provide the inspector with a list of establishments to inspect for the year, or assignments are based upon territory. Inspections may also be scheduled based on risk. Risk-based inspections may be determined based on location or the licensee's history. If the licensee is high-risk, an inspector may return to the establishment frequently for review. Once an inspection is assigned and conducted, it may result in a violation. If a violation occurs, the ARE staff will initiate a case. If no violation is found, the ARE staff will close out the complaint.

Key Actors

State/local regulatory staff, licensing inspector, applicant, licensee

Complaint Inspection Functions

- Inspector assignment (automatic)
- Inspector assignment override
- Reassign inspector
- Inspection reports
- Inspection status
- Licensee and applicant profile access
- Licensee report generation
- Report review comments
- Report approval
- Inspection data
- Follow-up dates and assignment
- Create case
- Create audit
- Issue violation
- Issue warning
- Inspection receipt with licensee signature

Inspection Process Workflow

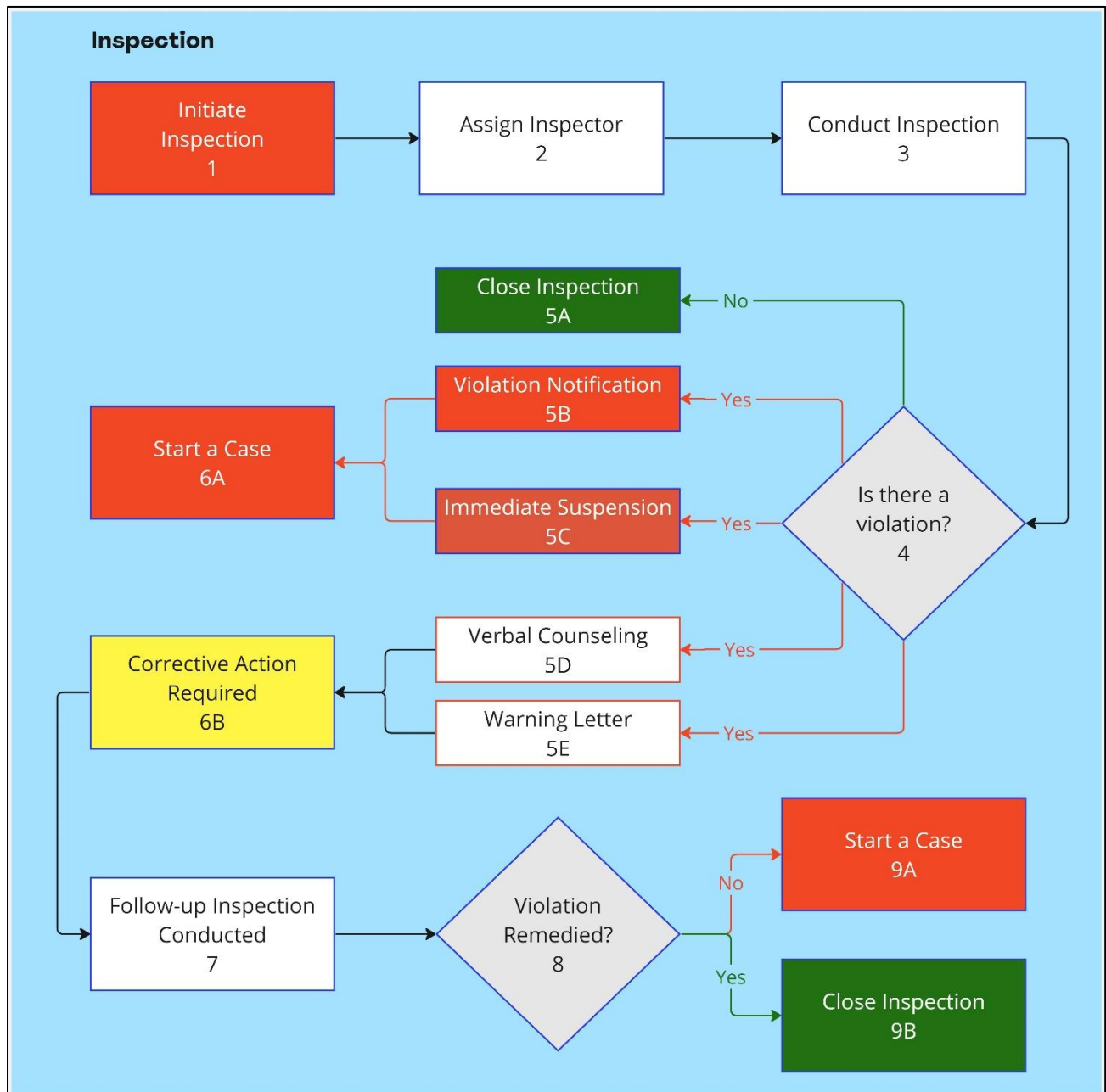


Figure 11 Inspection

When a complaint is confirmed and processed by ARE agency staff, it may be forwarded to an inspector for follow-up. The inspector will conduct an inspection of the establishment based on the complaint to assess its validity. The inspector will either issue a violation or close the complaint. When a violation occurs, the inspector may issue a warning letter, provide verbal counseling, issue a citation, or, in severe circumstances, immediately suspend the license. Upon remedy, the inspector will reinspect for compliance. If the licensee complies, the complaint is closed. Noncompliance results in a case being opened to continue monitoring for compliance

and addressing any necessary remedies. The inspection results are documented in the field and transferred to the central office.

Integration with Other Systems

- Email system
- Citation system
- Regulatory/enforcement systems (state and/or local)

Outputs

- Inspection report
- Violation notification

2.5.3 Violation Reporting/Case Creation

Use Case

Upon reviewing a complaint or completing an inspection, a notice of violation/citation may be issued. The notice results in the creation of a case.

Key Actors

Law enforcement, state/local ARE staff, regulatory inspector, applicant, liquor establishment management and staff, local governing authority

Required Information

VIOLATION REPORT COMPLAINT

DOCUMENTATION OF COMPLAINT REVIEW/INVESTIGATION

NOTIFICATION LETTER

COMPLAINT VIOLATION DISPOSITION

ACTION PLAN

ACTION PLAN FOLLOW-UP

RECORD OF COMPLAINT CLOSURE

REFER TO INSPECTION

REFER TO CASE

REFER TO AUDIT

2.6 Case Process Flow

Use Case

Upon reviewing a complaint or completing an inspection, a violation may be issued. The issuance of a violation results in the creation of a case. The case is either referred for criminal and/or administrative review. The case results in a hearing or penalty.

Key Actors

State/local ARE staff, commission/board, administrative law judge, law enforcement, courts, licensee

Case Process Workflow

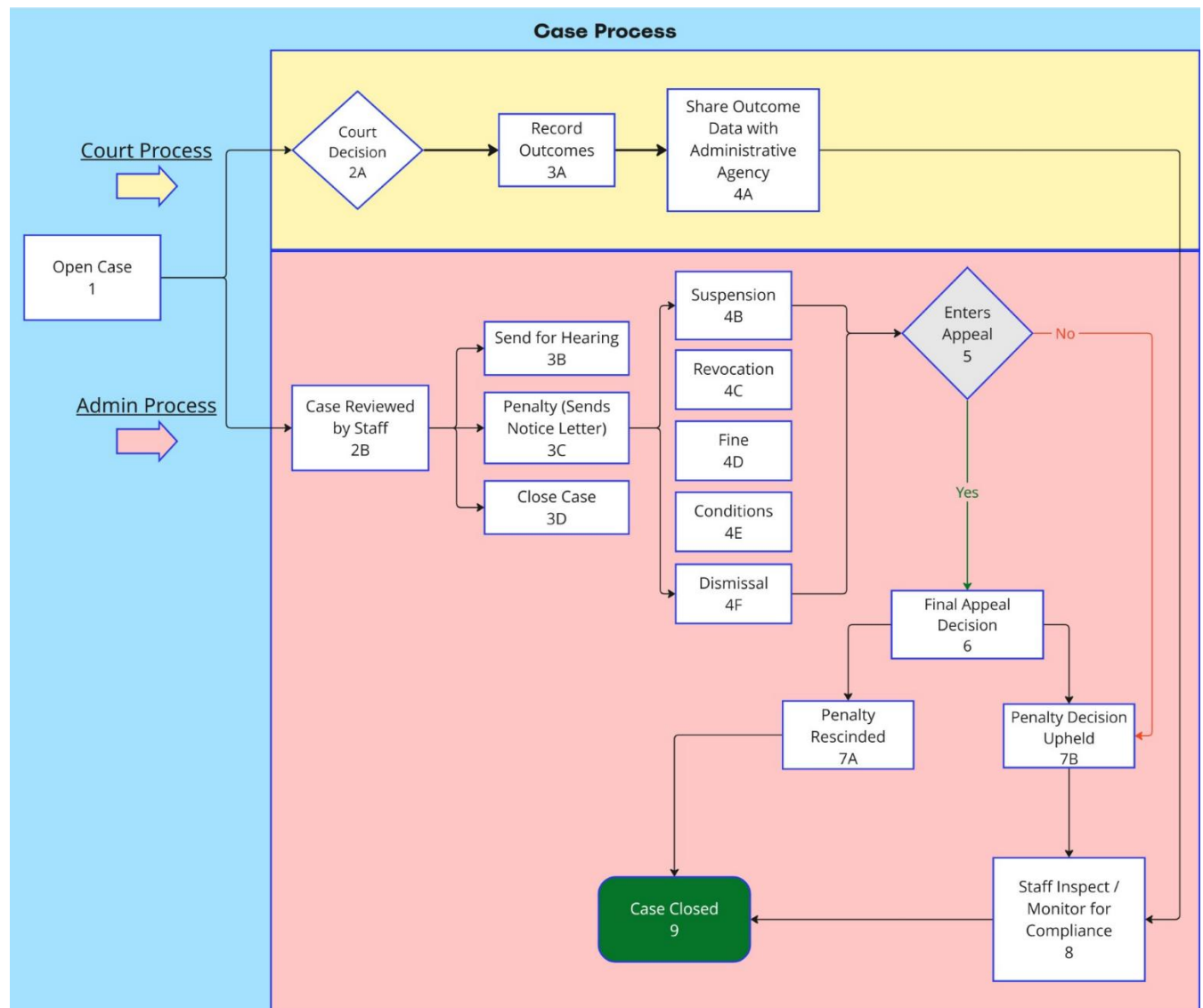


Figure 12 Case Process

A case is either referred for criminal and/or administrative review. When the violation is administrative, legal staff review the case to determine whether it should be sent for a hearing, a penalty issued, or the case closed. Penalties may include suspension, revocation, fines, or conditions. A criminal adjudication is referred to the court for disposition, with the final disposition reported to ARE staff to record case outcomes. Administrative adjudications may result in verbal counseling, a warning, or a penalty. The range of penalties may include suspension, revocation, fine, and/or license conditions. If it is determined that there is no violation, the case is dismissed. The hearing outcome may be appealed, with the decision being upheld or rescinded. When there is a penalty either from the initial decision or appeal, ARE staff inspect/monitor for compliance.

Case Processing Functions

- Open case
- Assign case
- Hearing schedule and processing
- Adjudication issued
- Referral processing and routing
- Adjudication report
- Follow-up notes
- Follow-up report
- Compliance report
- Criminal complaint
- Criminal disposition report
- Penalty notification
- Payment processing
- Case management
- Inspection follow-up

Integration with Other Systems

- State stores/sales systems
- Court case management systems
- Email system
- Citation system

Standard Output

- Case report
- Investigation report
- Disposition

- Log of individual/s investigating the case

2.7 License Revocation

Use Case

Multiple situations may result in a petition to revoke an alcohol license. Revocation of the license may occur for various reasons, including improper identification checks, underage staff serving alcohol, alcohol being served outside of permitted areas, overserving patrons, maintaining improper documentation, an unsatisfactory operational history, insufficient tax payments, and non-compliance with local, state, or federal laws.

Key Actors

Public, state/local regulatory staff, liquor establishment stakeholders and staff, licensing enforcement staff, and law enforcement.

Revocation Review Process Workflow

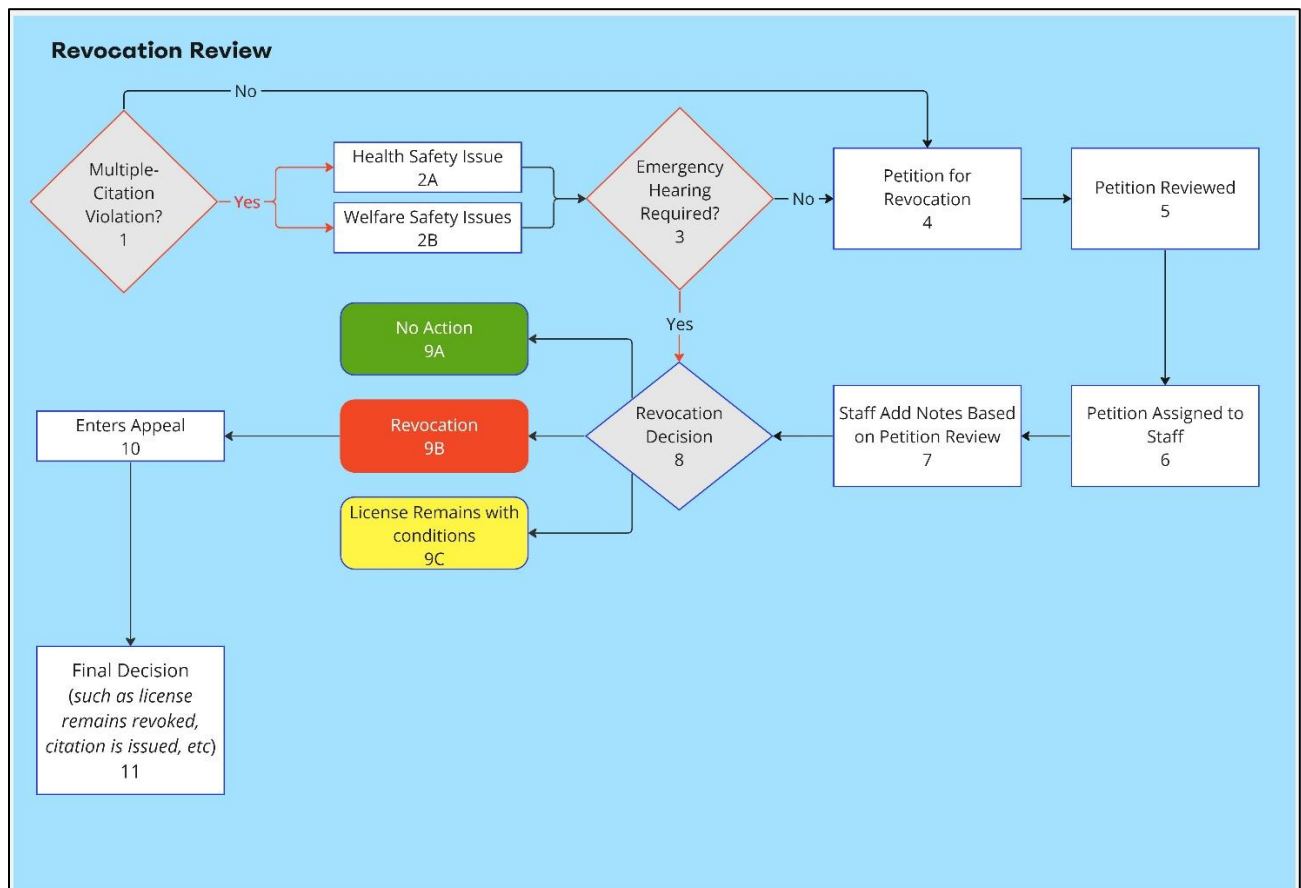


Figure 13 License Revocation Process

The hearing outcome may result in a revocation of the license. Upon submission of the petition to revoke the license, it is assigned to staff for review. Staff review the petition and research pertinent components to revoke and document findings. The findings are reviewed and utilized to make a revocation decision. The decision may include no action, a formal notification of revocation, or notification that the license will remain with conditions that must be met, adhered to, and monitored. If the license is revoked, an appeal may be entered and a request for appeal processed.

Revocation Review Process Functions

- Petition entry or upload
- Petition review notes
- Decision
- Decision notice
- Revocation order
- Schedule for follow-up on conditions
- Appeals notice

Integration with Other Systems

- Other law enforcement RMS
- Online ordering systems/state stores

Standard Output

- Petition of revocation report
- Review notes
- Revocation decision
- Appeals
- Log of individual/s involved in the revocation process

3 Other Areas of Consideration

3.1 Remote Access

The RMS shall enable the viewing of licensee information on mobile devices when no internet connection is available. The RMS should enable the ability to enter data associated with an inspection on mobile devices when no internet connection is available.

The RMS shall enable the retrieval of information necessary to complete the inspection, including, but not limited to, license status, renewal status, previous inspection results, last inspection date, and most recent sanction, from the database before entering the field. Field inspections, etc., which may be created in an offline mode, should automatically be uploaded once internet connectivity is available.

The RMS should support a mobile application that enables field staff to access RMS data remotely during inspections. The inspection results should be documented on the mobile application and sent to the RMS. The mobile application should support printing and emailing of inspection reports.

The RMS shall allow printing of inspection reports and associated files when not connected to the internet. The RMS shall enable the collection of required signatures on a mobile device with no network connection.

The RMS shall allow for automatic synchronization with the database after remote entry and submission from the field. The RMS will support the ability to view the map and the location of licensed premises. The RMS shall also support the display of school locations and buffers on the map.

3.2 Cyber Security

Any developed or procured ARE RMS should have security and privacy controls to ensure data protection and compliance with Federal and State Privacy laws and regulations. At a minimum, the RMS solution should address:

- **Access Management** - Access control is a necessary component of data security that prescribes which RMS functions users can access. Protecting data from unauthorized access ensures the integrity and confidentiality of both the data and underlying system.
- **Logging and Monitoring** - The purpose of an application and system log is to capture user activities and events. Log monitoring reviews system and application logs to help identify attempts or the success of unauthorized activities. It is nearly impossible to confirm a system's security without having a trail of what, when, and how a system was accessed.
- **Patch Management** - Patch Management is the process of updating operating systems, third-party Commercial Off-the-Shelf (COTS) applications, middleware, and firmware. Vendors publish known vulnerability fixes in patch updates. Patches should be applied as

soon as they are issued to help secure the system, application, and environment. This should also include regular Penetration testing of the application and the environment in which it is hosted.

- **Software Development and Testing** - Secure software development is a methodology for creating software that incorporates security into each phase of the software development life cycle (SDLC). This is accomplished by implementing secure coding standards from the outset of the development process. Identifying and remediating application code vulnerabilities once an application has gone into production requires additional time, resources, cost, and risk exposure until the remediation is complete.
- **Data Encryption** - Data encryption is a security method where information is encoded and can only be accessed or decrypted by a user with the correct encryption key.

3.3 Reports and Dashboards

The ARE RMS should provide out-of-the-box reporting and analytics capabilities, as well as a dashboard to publish reports in an organized manner. In addition to out-of-the-box reporting, the ARE RMS should provide the agency with the ability to generate custom reports that meet their specific needs. As new Artificial Intelligence tools become available that can consume schema-based data structures and respond to language-based queries from users, the requirements for complex queries will be reduced. The reporting capability should:

- Produce management and statistical reports specific to cases and staff workload as monitored by the ARE agency.
- Give the user the ability to create parameter-driven statistical reports.
- Provide the ability to complete daily/weekly/monthly/quarterly/annual statistical and analytical reports on new license applications, renewals, special events, complaints, active investigations, violations, penalty outcomes, etc.
- Produce canned reports for staff to customize on a needed basis.
- Enable a customizable dashboard to link to the various reports to be viewed by the staff, executives, and other partner organizations.

The Licensee's dashboard shall provide the licensee's information and license status (current or not). The dashboard shall have the following capabilities.

- Create new report for submission
- Apply for a license
- Document business structure changes
- Extend license premises
- Add a permit to an existing license
- Submit reports to the agency, such as direct shippers, common carriers, wholesalers, producers, etc.
- View license expiration date

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- Update contact information
- Upload documents into the application, save draft documents, e-sign documents, preview and edit entries before completion, print draft and completed documents, and submit online payments at the time of application with automatic receipt generation
- Review violations/citations
- Review existing agreements between the licensee and the governing body

4 General Recommendations

The RMS is one of the core systems used to manage and enforce liquor laws, as well as to process permitting and licensing for alcohol establishments. RMS serves as the record-keeping and workflow processing system for licensing and enforcement agencies, enabling them to document, manage, and retrieve data for operational activities. This NLLEA RMS functional specification document provides the baseline for the functional areas required for agencies to implement and configure their agency-specific RMS. It recognizes that each agency will have unique requirements based on its laws, policies, and operational needs that an RMS must support.

In addition to some of the capabilities and processes listed in this functional specification, ARE agencies should consider the following recommendations in implementing an RMS:

Open Standards-based Architecture – When implementing an RMS, the agency should consider requiring an open standards-based architecture to ensure the system is interoperable, allowing for cost-effective interfacing with other systems. Open standards, such as the National Information Exchange Model (NIEM), will provide the data taxonomy for standardizing data definitions across various RMS systems offered by different solution providers. The Application Programming Interfaces (APIs) should follow either Service-Oriented Architecture (SOA) or RESTful web services that support total client-server separation and ensure that each component of the application can be operated independently without impacting other functionality or features. To support the web-based application, ensure that the RMS supports standards like JavaScript Object Notation (JSON) to display data in a structured format within web forms correctly.

Data Security Privacy– Since the RMS will store Personally Identifiable Information (PII), privacy and security features must be enabled as soon as the system is operational. Privacy and security constraints need to be implemented and managed to address data collection, accessibility, and dissemination among authorized users. Each agency should develop a policy to address data privacy and security compliance. In addition, RMS should provide the ability to restrict access to specific data sets based on users or user groups. The RMS should support compliance with laws such as the Data Privacy Act (DPA), the Payment Card Industry Data Security Standard (PCI DSS), and the FBI's Criminal Justice Information Services (CJIS) security policy.

Data Quality – Ensuring data quality within RMS is essential as multiple stakeholders manage and capture data. The RMS should have a workflow in place to ensure that each process step includes built-in validations to reduce data entry and collection errors. The errors and warnings should be clearly defined if the entered data does not meet the quality controls.

Data Reusability - Once the data is entered or ingested within one of the RMS modules, the solution should provide functionality to ensure that the data is not reentered. Entering data

once will reduce the potential for data entry errors and ensure that information is consistent across all modules.

Printing – The RMS should provide the capability to print all available reports (canned or customized) so agencies can produce printable copies of the official and unofficial reports. The RMS should allow the addition of watermarks and tags to identify copies for official use only or public versions. The print capability should also include the feature to redact data based on agency-specific policies and other applicable laws.

Document Management – The RMS should provide the capability to handle large file sizes, as applications may include hundreds of pages of supporting materials. File compression capabilities should be included.

Audit Logs – The RMS should log every transaction within the system. It should provide the agency administrator with audit logs that include user actions, data, time, and a detailed record of specific actions taken. Audit alert features should give the system administrator information to identify potential data misuse or lists of users not meeting certain system thresholds. The audit logs should be stored in a database and only accessible to authorized users. Most importantly, users should not be able to delete the log files without multi-user validation.

Data Migration – The scope of data migration should be carefully considered when implementing a new RMS. Data migration can be costly and time-consuming, yielding a low return on investment (ROI). Migration paths may include detailed field mapping or provision of a summary of prior licensing history. The ARE agency should evaluate data migration needs and consider migrating only the minimum amount of data required for the new system to be functional.

Change Management – Change management is crucial to a successful implementation. The organization should assign an experienced project manager, define key stakeholders, and effectively communicate with all stakeholders at all levels throughout the key project phases, including requirements definition, solution design, development, testing, and implementation. Documenting requirements early helps establish a clear project vision and ensures continuity throughout the project's lifecycle. It is also critical to involve end-users early in the process to ensure their buy-in and proper system testing and implementation. These are all components of a clear project governance structure necessary to ensure success.

5 Next Steps

This publication documents the primary functions performed by alcohol regulatory agencies for both licensing and enforcement. These functional specifications serve as the foundation for the next logical steps in this effort, which include establishing a data standard for alcohol regulatory agencies and piloting the developed standard with two or more agencies that conform to it. Data standards will ensure that data is collected consistently and reliably across agencies.

Standards are crucial for enhancing data quality, interoperability, efficiency, and cost-effectiveness. Accurate and consistent data are essential to ensure informed enforcement and policy decisions, as well as to exchange information across multiple entities consistently. As alcohol regulatory agencies transition from managing information via paper or spreadsheets, it is critical that standards are in place to ensure consistency in the information collected and shared with other mission partners from state to state to inform national policy. At a minimum, reporting standards should be developed to ensure a common language across ARE agencies. Aligning states on key performance indicators (KPIs) would facilitate the development of national metrics, leading to a comprehensive picture of ARE nationally.

Once standards are documented, a pilot with two or more organizations should be conducted to test and ensure the efficacy of the standard. The results of the pilot will inform necessary modifications to the standard. They will result in the publication of a set of standards that alcohol regulatory agencies can implement to ensure interoperability across organizations. Interoperability and consistency in data collection are essential to informing national policy decisions related to alcohol control.

Simultaneously with developing a set of data standards, a national dashboard should be initiated to collect a set of measures or key performance indicators that can be reported consistently by all alcohol regulatory agencies. The dashboard would serve as a source of information for state and national policymakers, ensuring more efficient access to data related to alcohol licensing and enforcement.

6 Resources

CJIS Security Policy Resource Center:

<https://le.fbi.gov/cjis-division/cjis-security-policy-resource-center>

The Criminal Justice Information Systems (CJIS) Security Policy contains information security requirements, guidelines, and agreements reflecting the will of law enforcement and criminal justice agencies for protecting the sources, transmission, storage, and generation of Criminal Justice Information (CJI)

Cloud Fundamentals Whitepaper:

<https://ijis.org/community-resources/cloud-fundamentals>

This paper describes the basics of cloud computing and the role that the cloud can play in public safety. It also provides a brief introduction to critical security and compliance considerations.

The Federal Information Processing Standards (FIPS):

<https://www.nist.gov/federal-information-processing-standards-fips>

FIPS are a series of publicly announced standards developed by the National Institute of Standards and Technology (NIST) for use in computer systems by non-military U.S. government agencies and contractors. These standards establish requirements for ensuring computer security and interoperability, particularly in cases where suitable industry standards do not exist.

IJIS Institute RMS Standards Development:

<https://ijis.org/ijis-key-initiatives/rms-standards-development/>

The IJIS Institute partnered with the IACP to develop RMS Standards. This site includes information on this effort as well as updates.

ISO/IEC 27001:

<https://www.iso.org/standard/88435.html>

The ISO/IEC 27001:2022 standard, titled "Information security, cybersecurity and privacy protection — Information security management systems — Requirements," is a globally recognized framework for establishing, implementing, maintaining, and continually improving an Information Security Management System (ISMS). It provides organizations with a systematic approach to managing sensitive information, ensuring its confidentiality, integrity, and availability.

National Information Exchange Model (NIEMOpen):

<https://niemopen.org/>

NIEMOpen is a data interoperability framework (formerly known as NIEM) that provides semantic and syntactic standards for data components to enable improved information sharing within and across communities of interest in a variety of domains. Under the auspices of OASIS, the authoritative collaborative that develops standards for data management, NIEMOpen engages federal, state, local, tribal, territorial, and international organizations from the public and private sectors to use standards that

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enable higher levels of interoperability and less costly exchanges of digital information to improve mission effectiveness. Newer versions of NIEMOpen support the creation of ontologies for knowledge graph technologies as well as exchanges between and among conventional structured databases. The NIEMOpen framework includes tools and methodologies for the development of information exchange standards and ontologies, all available at no cost.

NIST 800-53 Security Controls:

<https://csrc.nist.gov/pubs/sp/800/53/r5/upd1/final>

The National Institute of Standards and Technology publishes best practice security and privacy controls for information systems and organizations.

NIST Policy Templates:

<https://ijis.org/nist-policy-templates-a-resource-for-cjis-security-policy-compliance-and-modernization/>

IJIS has highlighted a series of sample policy templates developed by the National Institute of Standards and Technology (NIST). These templates serve as invaluable tools for agencies striving to align with the FBI's Criminal Justice Information Services (CJIS) Security Policy and the FBI's broader modernization initiatives.

Privacy Act of 1974:

<https://www.justice.gov/opcl/overview-privacy-act-1974-2020-edition>

The Privacy Act of 1974 is a pivotal U.S. federal law that governs how federal agencies collect, maintain, use, and disseminate personally identifiable information (PII) about individuals. Enacted in the aftermath of the Watergate scandal, the Act was designed to protect citizens from unwarranted invasions of privacy by establishing a code of fair information practices.

Privacy Impact Assessments:

Resources that might be useful to ARE Agencies in determining how to conduct a Privacy Impact Assessment.

<https://www.dhs.gov/privacy-impact-assessments>

The Department of Homeland Security, Privacy Office, includes resources for LEAs to help identify and mitigate privacy risks.

<https://www.justice.gov/opcl/doj-privacy-impact-assessments>

The Department of Justice, Office of Privacy and Civil Liberties, provides Privacy Impact Assessments Official Guidance.

<https://www.govinfo.gov/app/details/PLAW-107publ347>

The E-Government Act of 2002, Pub. L. No 107-347, § 208, 116 Stat. 2899, 2921 (2002).