

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

TO: The Honorable Linda W. Cropp
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: September 23, 2003

SUBJECT: Fiscal Impact Statement: “Restaurant Amendment Act of 2003”

REFERENCE: Draft – No Bill Number

Conclusion

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to implement the “Restaurant Amendment Act of 2003.”

Background

The “Restaurant Amendment Act of 2003” revises a number of definitions, including differentiating between “establishment” and “entertainment” and between “gross annual receipts” and “gross annual food sales” and explaining what qualifies a restaurant and what a Class “CR” restaurant is versus a Class “DR” restaurant.

The proposed legislation also places limitations on the size of the dance floor in a tavern that does not have an entertainment endorsement; adds requirements for holders of hotel licenses; expands the definition of multipurpose facilities to include universities, museums, conference facilities, and art galleries; requires that an entertainment endorsement be obtained by a restaurant, tavern or hotel prior to having entertainment, a cover charge, or dancing; and requires that establishments licensed to sell alcoholic beverages for on-premises consumption obtain a sidewalk café or summer garden endorsement to be eligible to occupy or sell, serve, or deliver alcoholic beverages on outdoor public or private space.

In addition, the proposed legislation exempts establishments licensed to sell alcoholic beverages from the licensing requirements in DC Official Code § 47-2820.

Financial Plan Impact

The "Restaurant Amendment Act of 2003" will have an impact on the number of entities that must obtain either entertainment endorsements or sidewalk café or summer garden endorsements. The Alcoholic Beverage Regulation Administration (ABRA) estimates that approximately 125 on-premises retailer's Class C and Class D licensees will seek to obtain either summer garden and/or sidewalk café endorsements. ABRA cannot determine the number of on-premises retailer's Class C and Class D licensees that will seek to obtain entertainment endorsements.

The fees for these endorsements are included in an accompanying rulemaking proposed by ABRA, the "Alcoholic Beverage Regulations Approval Resolution of 2003," and are included in the revenue totals of the fiscal impact statement on that Resolution.