

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

Natwar M. Gandhi
Chief Financial Officer



MEMORANDUM

(Corrected Copy)

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

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: January 23, 2001

SUBJECT: Fiscal Impact Statement: "Alcoholic Beverage Control
Restrictions on the Sales of Singles and Miniatures
Amendment Act of 2001"

REFERENCE: Draft Legislation - Bill Number Not Available

Conclusion

Funds are sufficient in the District's FY 2001 through FY 2004 budget and financial plan because no additional staff or resources will be required. Revenue estimates include a \$0.5 million loss annually.

Background

The purpose of the proposed legislation is to amend existing ABC Regulations to disallow the sales of singles and miniatures in the District of Columbia.

Financial Plan Impact

There are currently 650 ABC retail establishments in the District of Columbia. Assuming that the average number of retail sales of singles and miniatures is 15 per day, per establishment, there would be 9,750 sales per day. With 312 ABC retail sales days in a year, there are approximately 3 million sales annually of singles and miniatures. With an average sales price of \$2, total gross proceeds of the sale of singles and miniatures would be approximately \$6 million annually. The District's 8 percent ABC Sales Tax would yield less than \$0.5 million annually. Projected annual revenue for FY 2000 for District sales tax revenue is over \$575 million.

The Metropolitan Police Department (MPD) will not be impacted by the implementation of the proposed legislation as no additional staff or resources will be required. There will be no savings associated with the provisions of the proposed legislation as MPD resources will merely shift in priorities. The proposed legislation does not impact the scope and scale of MPD operations.