

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Kwame R. Brown
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: February 7, 2011

SUBJECT: Fiscal Impact Statement – “Daylight Savings Time Extension of Hours
Emergency Act of 2011”

REFERENCE: Draft Legislation—No Bill Number Available

Conclusion

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation.

Background

The proposed legislation would allow an alcoholic beverage licensee under an on-premises retailer’s license to sell and serve alcoholic beverages between 3:00 am and 4:00 a.m. on Sunday, March 13, 2011 (the beginning of Daylight Savings Time), as long as the licensee: 1) registered with the Alcoholic Beverage Control Board (ABRA); 2) paid a registration fee of \$50; and 3) provided written notification to ABRA and the Metropolitan Police Department (MPD) of its extended hours of operation. All fees collected under this Act would be deposited into the Alcoholic Beverage Regulation Administration Fund.¹ The proposed legislation also would allow the Chief of Police to

¹ The Alcoholic Beverage Regulation Administration Fund is separate from the General Fund of the District of Columbia and its funds do not revert to the General Fund at the end of any fiscal year or at any other time. The funds deposited in the ABRA Fund are to be used to fund the expenses of ABRA in the discharge of its administrative and regulatory duties. (See § 25-210 of the D.C. Official Code)

suspend a licensee's privilege to operate and sell or serve alcoholic beverage during the extended hour.

Financial Plan Impact

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the provisions of the proposed legislation. Neither ABRA nor MPD would require additional resources to implement this bill. In addition, allowing businesses to sell alcohol for an additional hour would likely increase sales tax revenue² for the General Fund by a small amount. However, as it not known how many licensees³ would register nor the total amount of alcohol sales they would make during this additional hour, it is not possible to reliably estimate this revenue increase.

² The sales tax rate for liquor for consumption on the premises is 10 percent.

³ According to ABRA, there are approximately 1,000 alcoholic beverage licensees that have an on-premises retailer's license.