


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



**Jeffrey S. DeWitt**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** October 15, 2019

**SUBJECT:** Fiscal Impact Statement – Alcoholic Beverage Procedural and Technical Amendment Act of 2019

**REFERENCE:** Bill 23-255, Draft Committee Print as shared with the Office of Revenue Analysis on October 15, 2019

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**Conclusion**

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill.

**Background**

The Alcoholic Beverage Regulation Administration (ABRA) and the Alcoholic Beverage Control Board (Board) control, regulate, enforce, and adjudicate alcoholic beverages, laws governing alcoholic beverages, and violations of those laws. The bill changes and clarifies licensing, protest, and settlement procedures.

The bill clarifies that an applicant cannot reapply for the same class license, permit, endorsement, or change if a previously filed application was denied in the prior five years. An applicant can reapply if the previous application was denied for good cause or on technical grounds. The bill establishes that any licensee that closes or ceases to operate at the licensed establishment for fourteen or more calendar days must notify the Board and surrender the license for safekeeping until operations are resumed or the license is transferred. Current law<sup>1</sup> requires the Board to review any license kept in

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<sup>1</sup> Title 25, D.C. Code Enactment and Related Amendments Act of 2001, effective May 3, 2001 (D.C. Law 13-298; D.C. Official Code § 25-791(c)).

The Honorable Phil Mendelson

FIS: Bill 23-255, "Alcoholic Beverage Procedural and Technical Amendment Act of 2019," Draft Committee Print as shared with the Office of Revenue Analysis on October 15, 2019

safekeeping longer than sixty days to ensure the licensee is making reasonable progress<sup>2</sup> toward resuming operations. The bill also expands the information that must be included in a manufacturer's, wholesaler's, or retailer's application to include a telephone number and email address for the receipt of ABRA correspondence. These applicants must notify ABRA of any contact information changes.<sup>3</sup>

The bill amends provisions related to mediation, protests, and settlement agreements. The bill clarifies the definition of an abutting property to include one where the property has a boundary line or boundary point in common with the licensed property in order to prove standing for filing a protest.<sup>4</sup> The bill prohibits a current license holder from protesting another license holder or seeker unless the current license holder resides in the neighborhood where the applicant is seeking licensure and is otherwise lawfully eligible to protest.<sup>5</sup> The bill no longer requires the Board to deem an application withdrawn if a party to the mediation refuses to make herself or himself available to attend. The bill allows an applicant and any other person who could file a protest, but has not filed a protest, to enter into a written settlement agreement. The bill also expands what can be included in a settlement agreement to include a security plan, including whether the establishment will participate in the Metropolitan Police Department reimbursable detail program, thus authorizing the Board to enforce the security plan as part of the agreement.

Establishments located in commercial and manufacturing zones are currently exempt from on-premises retailer's noise restrictions.<sup>6</sup> The bill updates this provision to conform to recent zoning changes by more broadly defining the restricted areas as commercial and manufacturing zones.

The bill also repeals an outdated exemption to Ward 4 class A and B off-premises retailer's licensing restrictions that applied to any license applications pending on September 30, 2004.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. ABRA and the Board can implement the clarifications and changes to the licensing, protest, and settlement procedures within its existing budgeted resources.

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<sup>2</sup> The bill defines reasonable progress as taking deliberate steps to resume operations, such as seeking approvals from the Department of Consumer and Regulatory Affairs, the Office of Zoning, the Historic Preservation Board, or executing contractual agreements or leases.

<sup>3</sup> The bill requires ABRA to issue a written warning prior to issuing any fines or suspending the license of a licensee that fails to notify ABRA of any changes.

<sup>4</sup> D.C. Official Code § 25-601(1).

<sup>5</sup> D.C. Official Code § 25-601.

<sup>6</sup> D.C. Official Code § 25-725.