


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: December 4, 2019

SUBJECT: Fiscal Impact Statement – Revised ABRA Civil Penalty Schedule
Resolution of 2019

REFERENCE: Draft Proposed Resolution as shared with the Office of Revenue
Analysis on November 20, 2019

Conclusion

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

Background

The Alcoholic Beverage Regulation Administration (ABRA) enforces the District's alcoholic beverage laws and regulations and issues warnings, citations, and fines to businesses for civil violations. ABRA investigators or the Alcoholic Beverage Control Board (Board) enforce primary and secondary violations through the issuance of citations¹ and show cause hearings, respectively. ABRA issues primary citations carrying fines ranging from \$1,000 for a first violation up to \$4,000 for a third violation within three years.² The Board issues penalties at a show cause hearing ranging from \$1,000 to \$2,000 for a first primary violation and no less than \$30,000 for a fourth primary violation within four years.³ The Board can also suspend or revoke a license for four or more primary violations.

¹ The Metropolitan Police Department can also issue primary and secondary citations.

² Citations for Primary Tier Violations, effective September 20, 2013 (23 DCMR § 803; 60 DCR 13,044).

³ Primary Tier Violations, effective September 20, 2013 (23 DCMR § 801; 60 DCR 13,044).

The Honorable Phil Mendelson

FIS: "Revised ABRA Civil Penalty Schedule Resolution of 2019," Draft Proposed Resolution as shared with the Office of Revenue Analysis on November 20, 2019

The proposed resolution approves rules that add two new primary violations. These violations are for the failure to obtain a retailer purchasing permit⁴ and the failure to obtain an off-premises storage permit.⁵ Both violations allow ABRA to enforce with a warning first. The proposed rules also delete two duplicate fines and amend the names of nine others to provide enforcement clarity.

Financial Plan Impact

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the proposed resolution. ABRA and the Board can issue citations and fines against the two new primary violations with enforcement resources in the agencies' existing budgets. There are no costs associated with the technical changes to the other civil violations. ABRA collected approximately \$550,000 in civil fines in fiscal year 2019 and any revenue from these two new violations is expected to be minimal.

⁴ Wine and Beer Purchasing Permit, effective August 9, 2013 (23 DCMR § 203; 60 DCR 11,580).

⁵ Storage Facility Permit and Off-Premises Storage Permit, effective February 8, 2019 (23 DCMR § 205.3; 66 DCR 1,822).