

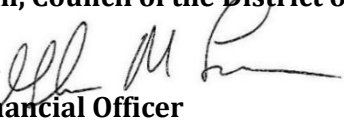
Government of the District of Columbia
Office of the Chief Financial Officer



Glen Lee
Chief Financial Officer

MEMORANDUM

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

FROM: Glen Lee 
Chief Financial Officer

DATE: October 14, 2026

SUBJECT: Fiscal Impact Statement – Nightlife Noise Balance Amendment Act of 2026

REFERENCE: Bill 26-369, Draft Committee Print as provided to the Office of Revenue Analysis on October 14, 2026

Conclusion

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The Alcoholic Beverage and Cannabis Administration (ABCA) can implement the bill within current resources.

Background

District law¹ requires the licensee of a manufacturer's Class A, B, or C license who holds an on-site consumption permit or an eligible on-premises license² to obtain a sidewalk café³ or summer garden⁴ endorsement from the ABCA in order to operate and serve alcohol in outdoor public or private spaces. The bill requires the licensee to specify in its summer garden endorsement application whether the summer garden will be located at ground level, on a rooftop, or both.

¹ D.C. Official Code § 25-113.01.

² Class C/R, D/R, C/H, D/H, C/T, D/T, C/N, D/N, C/X, D/X, C/B, and D/B.

³ The bill defines sidewalk café as the occupation of outdoor public space proximate to a restaurant, tavern, multipurpose facility, hotel, nightclub, or manufacturer for the sale, service, and consumption of alcoholic beverages pursuant to the issuance of a sidewalk café endorsement issued by ABCA.

⁴ The bill defines summer garden as the occupation of outdoor private space, at the ground level or the rooftop, proximate to a restaurant, tavern, multipurpose facility, hotel, nightclub, or manufacturer for the sale, service, and consumption of alcoholic beverages pursuant to the issuance of a summer garden endorsement issued by ABCA.

The bill updates statutory reference of the term citizens association to civic association, in regard to license application notice provisions and protests.

The bill makes the following changes to current law⁵ regarding the rights of certain parties to protest the issuance, renewal, substantial change, or relocation of a license.

- Current law⁶ allows for a group of at least five District residents or property owners to file a protest if they share common grounds for the protest; however, in a moratorium zone, only three residents or property owners are required. The bill amends eligibility to require a group of at least five District residents or property owners who share the same protest reasons, with each member residing or owning property within 1,800 feet of the establishment.
- Current law⁷ allows for a citizens association located in the affected area to receive notice if it is incorporated in the District, has open membership to all residents in its represented area, and has properly approved a resolution on the application at a duly noticed meeting held at least seven days after notifying both its voting body and the applicant. The bill amends eligibility to a civic association in the affected area if it is certified by ABCA, and has approved a resolution naming its representative at a properly noticed meeting with at least seven days' notice to both its voting members and the applicant. Under the bill, ABCA must certify civic associations annually, which entails the civic association submitting a boundary map, governing documents that ensure open membership, a membership list showing at least 30 percent of households within those boundaries, and records of all general-body meetings from the prior year. The bill authorizes ABCA to audit, suspend, or revoke certification, and requires ABCA to publish a list of all certified civic associations.
- The bill makes provisions to allow that if Advisory Neighborhood Commission (ANC) boundaries are redrawn and an establishment is moved into a new ANC's area, the new ANC may obtain standing⁸ to participate in any unresolved protest.

Current law⁹ authorizes an ANC or qualifying citizens association to request copies of contracts, incident logs, or similar documents obtained by ABCA involving a licensee. The bill adds a person who files a protest to those who may request such documents. It also adds that the ANC, civic association, or person who files a protest may request copies of noise¹⁰ violations in addition to the existing documents.

Current law¹¹ authorizes ABCA to limit the hours of sale and delivery for applicants at the time of initial application or renewal of any class of license.¹² The bill clarifies that ABCA may limit the

⁵ D.C. Official Code § 25-601.

⁶ D.C. Official Code § 25-601(a)(2).

⁷ D.C. Official Code § 25-601(a)(3).

⁸ Upon written request.

⁹ D.C. Official Code § 25-601.01.

¹⁰ The bill defines noise as sound: (A) produced by: (i) mechanical device, machine, apparatus, or instrument for amplification of the human voice or music; or (ii) bell, horn, gong, whistle, drum, musical instrument, or other sound-making instrument or device; or (B) that includes bass and similar sounds that are audible or generate vibrations or shaking even if not audible.

¹¹ D.C. Official Code § 25-724.

¹² Based on ABCA findings of fact, conclusions of law, and order following a protest hearing; or under the terms of a settlement agreement.

operation, sale, service, consumption, and delivery, including the hours for an entertainment, a sidewalk café, or a summer garden endorsement (if applicable).

The bill establishes a new section of code which amends and recodifies a portion of a comparable current statute¹³ that the bill strikes concerning complaints about noise from licensed establishments. A resident may submit a noise complaint about an on-premises licensed establishment. The bill requires ABCA to accept these complaints online and by phone until at least one hour after legal alcohol sales end, an update from the existing receipt of complaints by phone, email, and fax.¹⁴ The bill requires ABCA to update its complaint system so noise complaints can be submitted through the District's 311 system, in alignment with the Amplified Sound Mitigation Regulation Amendment Act of 2024 (ASMRAA)¹⁵. That legislation remains subject to appropriation, but would require the Mayor¹⁶ to allow persons to submit noise complaints through the District's 311 system.¹⁷

The bill codifies existing ABCA practices regarding noise-related complaints from residents or against establishments subject to a noise-related provision in a settlement agreement. The bill requires ABCA to evaluate resident noise complaints under the agency's jurisdiction. For complaints under ABCA's jurisdiction, ABCA must determine whether the noise violates statutory¹⁸ noise allowances from licensed establishments. For complaints not under ABCA's jurisdiction, the bill requires ABCA work with other District agencies and taskforces¹⁹ to address the complaint collaboratively.

The bill requires ABCA to, every 30 days, identify the five licensed establishments receiving the most noise complaints which are not under ABCA's jurisdiction and work with District agencies and taskforces²⁰ to evaluate their noise impact. This engagement may include sound testing, consulting acoustical experts²¹, adjusting equipment²², and assessing eligibility for soundproofing grants²³. ABCA is required to maintain detailed records of all noise complaints under ABCA's jurisdiction, including the complaint's date and time; information about the establishment and the resident, if available; the nature of the complaint; whether the complaint was substantiated; any warning or fine issued; and related mitigation efforts²⁴. The bill requires ABCA to notify both the licensed establishment and the resident who filed a non-anonymous noise complaint that falls under ABCA's

¹³ The bill strikes and amends parts of D.C. Official Code § 25-725, which concern noise from licensed premises.

¹⁴ Pursuant to D.C. Official Code § 25-723.

¹⁵ Effective March 21, 2025 (D.C. Law 25-313, 72 DCR 1095) and remains subject to appropriations, so is not currently applicable law.

¹⁶ No later than one year after the applicability date of Section 2 of the law.

¹⁷ One year after the applicability date of § 202(d) of the Amplified Sound Mitigation Regulation Amendment Act of 2024, effective March 21, 2025 (D.C. Law 25-313, 72 DCR 1095).

¹⁸ D.C. Official Code § 25-725.

¹⁹ The Nightlife Taskforce and the Noise Taskforce reestablished pursuant to D.C. Official Code § 25-725(d)(2)(A).

²⁰ The Nightlife Taskforce and the Noise Taskforce reestablished pursuant to D.C. Official Code § 25-725(d)(2)(A).

²¹ To evaluate how loud sound can be played without producing a violation.

²² Hanging subwoofers; using a sound-limiting device to calibrate speakers to an appropriate level.

²³ Provided pursuant to the Harmonious Living Amendment Act of 2024, effective March 28, 2025 (D.C. Law 25-318; 72 DCR 1103).

²⁴ Pursuant to D.C. Official Code § 25-830(1)(3)(A)(iii).

jurisdiction. For establishments, ABCA must promptly inform the manager on duty of the complaint details and later share²⁵ the results of any investigation that could lead to a show-cause hearing.²⁶ For residents, ABCA must provide a complaint number upon receipt and communicate the outcome within 72 hours of concluding the investigation. For complaints under ABCA's jurisdiction, the bill requires ABCA provide access to information to the licensed establishment that received the complaint, the resident who filed a non-anonymous complaint, and the affected ANC,, and this information must include written warnings of noise complaints²⁷.

The bill requires ABCA to annually publish data on nightlife noise.²⁸ The report must include the number of noise complaints under ABCA's jurisdiction, disaggregated by anonymity, complainants' ward and zone, establishment license type, and whether they resulted in violations. The report must also include the number of noise violations categorized by the establishment's ward and zone; whether the noise came from inside or outside the establishment; and the establishment's license type.

Current law²⁹ prohibits an on-premises licensee from producing amplified sound, noise, or music that can be heard in other premises, using any amplification device, noise-making instrument, or musical instrument, with exceptions for areas of the building not part of the licensed premises, an abutting building owned by the licensee, locations in commercial or mixed-use zones, normal door-opening sounds, and noise from HVAC systems. The bill adds a new definition of the term noise³⁰. Under the bill, a licensee may not produce noise loud enough to be heard inside a resident's noise-restricted area³¹ in a residential district. To determine whether a violation occurred, the bill requires ABCA conduct a preliminary assessment³² of all noise complaints and then perform a noise investigation of complaints under ABCA's jurisdiction to assess whether the establishment produced the noise that is the subject of the noise complaint, whether the noise is heard in the noise-restricted area, and whether the noise annoys or disturbs the peace, order, and quiet of a reasonable person.

²⁵ Within 90 days as required by D.C. Official Code § 25-832.

²⁶ D.C. Official Code § 25-725(d)(4).

²⁸ Within 60 days of the bill's effective date and each subsequent fiscal year.

²⁹ D.C. Official Code § 25-725.

³⁰ The bill defines noise as sound: (A) produced by: (i) mechanical device, machine, apparatus, or instrument for amplification of the human voice or music; or (ii) bell, horn, gong, whistle, drum, musical instrument, or other sound-making instrument or device; or (B) that includes bass and similar sounds that are audible or generate vibrations or shaking even if not audible. The language regarding bass and similar sounds that are audible or generate vibrations or shaking even if not audible is an addition to District law.

³¹ The bill defines noise-restricted area as the building in which the resident who submitted the noise complaint resides, including a lobby or hallway in the building; or any public or private outdoor space, including an alley, courtyard, plaza, street, or sidewalk, that is located within 15 feet of a building where the resident who made a noise complaint resides.

³² Including determining the licensed establishment's hours of operation, the zone of the resident and establishment, and whether the establishment is subject to an enforceable provision in a settlement agreement modifying its production of noise, hours of operation, or sale, service, or consumption of alcoholic beverages.

The bill requires the Mayor to create³³ a nightlife noise balance plan³⁴ in consultation with agencies and stakeholders. The Mayor must reestablish the Noise Taskforce within 60 days of the plan’s development and propose a rewrite of the Noise Control Act of 1977³⁵ within 18 months.

District law³⁶ requires ABCA to establish regulations, including a schedule of civil penalties, for violations of Title 25³⁷. The bill removes an expired and obsolete provision. The bill clarifies that ABCA may submit amendments to the schedule for a 90-day³⁸ review period by the Council. If the Council does not take action within that period, the amendments are automatically approved. The civil penalty schedule must align with Title 25 and replaces all other civil penalties, unless the title specifically provides otherwise. The purpose of this change would be applicability of penalties for noise violations by licensed establishments as outlined in the bill.

The bill adds that first-time noise violations by licensed establishments cannot be penalized unless the licensee previously received a written warning, in addition to the existing language in the law regarding receipt of a citation or an enforcement action within the past four years, except for egregious violations as defined by ABCA. The bill establishes a new fine structure for noise violations with the minimum fines for repeated noise violations, increasing from at least \$1,000 for a first violation³⁹, up to⁴⁰ at least \$10,000 for a sixth or subsequent violation within four years. The following chart outlines the fine schedule:

Violation Occurrence	Minimum Fine Amount
First violation in a two-year period	\$1,000
Second violation in a two-year period	\$2,000
Third violation in a three-year period	\$4,000
Fourth violation in a four-year period	\$6,000
Fifth violation in a four-year period	\$8,000
Sixth Violation in a four-year period	\$10,000

The bill stipulates that a first noise violation results in a written warning instead of a fine; and within 90 days, requires the establishment to complete orientation⁴¹ and engage with ABCA to address noise issues, including sound testing, consulting acoustical experts, adjusting equipment, and assessing eligibility for soundproofing grants⁴². For a fourth or later violation occurring within two years, the

³³ No later than 6 months after the effective date of the relevant section of the bill.

³⁴ Through measures including utilization of ABCA to enforce nightlife noise, utilization of the Nightlife Taskforce, reestablishment of the Noise Taskforce pursuant to the bill, rewriting the District of Columbia Noise Control Act of 1977, effective March 16, 1978 (D.C. Law 2-53; 20 DCMR passim), pursuant to paragraph (2)(B) of the bill, and the utilization of sound readers pursuant to § 202(b) of The Amplified Sound Mitigation Regulation Amendment Act of 2024, effective March 21, 2025 (D.C. Law 25-313, 72 DCR 1095).

³⁵ Effective March 16, 1978 (D.C. Law 2-53; 20 DCMR passim).

³⁶ D.C. Official Code § 25-830.

³⁷ Alcoholic Beverages.

³⁸ Including weekends, holidays, and periods of Council recess.

³⁹ Or a violation occurring more than two years after the last one.

⁴⁰ For a second violation that occurs within a 2-year period, no less than \$2,000; a third violation that occurs within a 3-year period, no less than \$4,000; a fourth violation that occurs within a 4-year period, no less than \$6,000; and a fifth violation that occurs within a 4-year period, no less than \$8,000.

⁴¹ Pursuant to D.C. Official Code § 25-212.

⁴² Provided pursuant to the Harmonious Living Amendment Act of 2024, effective March 28, 2025 (D.C. Law 25-318; 72 DCR 1103).

bill authorizes ABCA to suspend any alcoholic beverage license for up to ten days or restrict the hours for the licensee's entertainment, summer garden, or sidewalk café endorsements. The bill requires ABCA notify non-anonymous complainants when a warning is issued, and noise violations must be classified as secondary tier violations under ABCA's civil fine schedule.

Financial Plan Impact

Funds are sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. ABCA can implement the bill using current resources.

The bill shifts the timing in the application process whereby ABCA can impose restrictions on hours of operation, service, or consumption of beverages from the protest stage to the initial application or renewal stage. There are no costs associated with giving ABCA this authority earlier in the process.

The bill's fine schedule for noise violations establishes higher fine amounts than the schedule currently used for noise enforcement. ABCA has averaged less than ten violation issuances annually and received five in fiscal year 2026. While the fine scale is higher, any increased revenues are expected to be de minimis given the volume of violations issued.⁴³

ABCA can administer the changes to the tracking and resolution of complaints using current resources. to. The ASMRAA requires the Office of Unified Communications (OUC) to accept requests via the District's 311 system regarding noise complaints. The 311 system must provide categories for noise complaints and route the complaint to appropriate agencies for enforcement. OUC uses Salesforce⁴⁴ to collect and forward 311 requests to the responsible agencies. The ASMRAA remains subject to appropriations. Should the ASMRAA be funded, the bill requires ABCA to update its complaint system so noise complaints can be submitted through the District's 311 system, and this FIS will be updated to include ABCA's costs for accepting noise complaints through the 311 system.

The bill requires the reestablishment of the Noise Taskforce. There is currently a joint initiative between ABCA, the Department of Buildings, and the Metropolitan Police Department to combat and prevent noise in the District. No additional resources are necessary to reestablish the taskforce.

⁴³ The large exemption for commercially zoned property excludes most residents from coverage under D.C. Officia Code § 25-725.

⁴⁴ Salesforce is a cloud-based 311 system that allows the agency to manage non-emergency service requests.