



2019 APR 11 PM 1:02  
OFFICE OF THE  
SECRETARY

**MURIEL BOWSER**  
MAYOR

APR 11 2019

The Honorable Philip Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue, N.W., Suite 506  
Washington, D.C. 20004

Dear Chairman Mendelson:

I am transmitting to the Council of the District of Columbia, for its consideration and enactment, the "*Alcoholic Beverage Control Board License Categories, Endorsements, and Hourly and Percentage Rate Amendment Act of 2019.*" The proposed bill makes updates to Title 25 of the D.C. Official Code, including amendments to the District's alcohol licenses and pub permits. Additionally, the proposed bill would also give the Board the authority to update the Reimbursable Detail Subsidy Percentage administratively. Last, the proposed bill would increase the Board's hourly rate so that it is consistent with members of other District boards and commissions.

I urge the Council to take prompt and favorable action on the enclosed legislation.


Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser", written in a cursive style.

Muriel Bowser

enclosure

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Chairman Phil Mendelson  
at the request of the Mayor

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A BILL

\_\_\_\_\_  
IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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11 Chairman Phil Mendelson, at the request of the Mayor, introduced the following bill,  
12 which was referred to the Committee on \_\_\_\_\_.

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To amend Title 25 of the District of Columbia Official Code to amend the definitions for entertainment and legitimate theater; to define the term sports wagering; to allow multipurpose facility licenses to be issued to indoor parks, buildings, or facilities that primarily serve as recreational playgrounds or workspaces; to require caterers to possess or have reasonable access to a certified kitchen; to clarify that off-premises retailer's licenses, classes A and AI, are to be treated similarly for purposes of where caterers can purchase the alcoholic beverages for their events; to allow internet license holders to obtain tasting permits; to allow private collectors to exceed the 6 ounce wine tasting limit provided that no more than 2 ounces of wine are served to a person at one time; to allow pub crawl licenses to be valid for three years and eligible for renewal; to preclude holders of off-premises retailer's licenses, classes AI and BI, from holding another license; to clarify that the holder of an off-premises retailer's license, class B, that qualifies as a full-service grocery store is permitted to hold an on-premises retailer's license, class CR or DR; to allow a licensee to hold more than one off-premises retailer's license, class B, that is located in a hotel; to update the requirements for full-service grocery stores; to create an exception to the 400-foot restriction for the holder of an off-premises retailer's license, class A or B, that is seeking to change its license class; to remove the requirement that an applicant for an off-premises retailer's license, class B, that qualifies as a full-service grocery store must either have a certificate of occupancy that was issued after January 1, 2000, or have spent at least \$500,000 on renovations; to create an exception to the 400-foot requirement for off-premises retailers, classes A or B, if a license of the same class had operated at the proposed location within the previous 12 months or the licensee is an off-premises retailer's license, class AI or BI; to allow an applicant for an off-premises retailer's license, class B, that has received approval from the

1 Board of Zoning and will have alcohol sales of 15% or less to establish a location  
2 in a residential zone; to establish a fee for pub crawl licenses; to clarify the hours  
3 in which a wholesaler may deliver alcoholic beverages to customers; to allow a  
4 wholesaler to rent a retailer's premises when hosting an event; to allow off-  
5 premises retailer licenses, class B, and on-premises retailer's licenses, class C and  
6 D, to store alcoholic beverages at off-site storage facilities; to allow licensees to  
7 engage in other activities at the storage location besides storing alcoholic  
8 beverages with the approval of the Board; to allow the Board to update the  
9 reimbursable detail percentage as needed; and to increase the hourly rate paid to  
10 Board members.

11 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That  
12 this act may be cited as the "Alcoholic Beverage Control Board License Categories,  
13 Endorsements and Hourly and Percentage Rate Amendment Act of 2019".

14 Sec. 2. Title 25 of the District of Columbia Official Code is amended as follows:

15 (a) Chapter 1 is amended as follows:

16 (1) Amend the table of contents by inserting the following:

17 "§ 25-129. Pub Crawls."

18 (2) Section 25-101 is amended as follows:

19 (A) Subsection (21A) is amended by striking the phrase "and disc  
20 jockeys" and inserting the phrase "and disc jockeys, and sports wagering".

21 (B) Subsection (30) is amended to read as follows:

22 "(30) "Legitimate theater" means the premises in which the  
23 principal business shall be the operation of live theatrical, operatic, or dance  
24 performances, the operation of recreational facilities, the viewing of motion picture films,  
25 or such other lawful adult entertainment as the Board, giving due regard to the  
26 convenience of the public and the strict avoidance of sales prohibited by this title, shall  
27 classify as a legitimate theater."

28 (C) A new subsection (49A) is added to read as follows:

1                   “(49A) “Sports wagering” shall have the same meaning as used in  
2 section 4 of the Sports Wagering Lottery Amendment Act of 2018, passed on 1<sup>st</sup> reading  
3 on December 4, 2018 (Engrossed Version of Bill 22-944)”.

4                   (2) Section 25-113 is amended as follows:

5                   (A) Subsection (g)(1) is amended to read as follows:

6                   “(g)(1) A multipurpose facility license shall be issued only to  
7 legitimate theaters, universities, museums, conference centers, art galleries, or facilities  
8 for the performance of sports, cultural, or tourism-related activities. Multipurpose facility  
9 licenses shall also be issued to indoor parks, buildings, or facilities that primarily serve as  
10 recreational playgrounds or work spaces.”.

11                  (B) Subsection (i) is amended as follows:

12                  (i) A new paragraph (1A) is added to read as follows:

13                  “(1A) A caterer licensed under this subsection shall possess or have  
14 reasonable and on-going access to a kitchen, licensed by the District of Columbia  
15 Department of Health or any other applicable state agency, for purposes of preparing  
16 food for the catered event.”.

17                  (ii) Paragraph (5) is amended by striking the phrase “off-premises  
18 retailer’s license, class A,” and inserting the phrase “off-premises retailer’s license, class  
19 A and AI” in its place.

20                  (3) Section 25-118 is amended as follows:

21                  (A) Subsection (c) is amended to read as follows:

22                  “(c) Except as provided for in subsection (g)(2), a licensee shall not  
23 provide a customer, in one day, samples greater than the following quantities:  
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25                                 (1) 3 ounces of spirits;  
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- (2) 6 ounces of wine; and
- (3) 12 ounces of beer.”.

(B) A new subsection (f-1) is added to read as follows:

“(f-1)(1) The holder of an off-premises retailer’s license, class AI, may utilize a portion of the licensed premises for the sampling of beer, wine, and spirits during its approved hours of operation, provided that the tastings are:

“(A) Not open to the public; and

“(B) Limited to temporary and festival license holders and caterers.

“(f-1)(2) The holder of an off-premises retailer’s license, class BI, may utilize a portion of the licensed premises for the sampling of beer and wine during its approved hours, provided that the tastings are:

“(A) Not open to the public; and

“(B) Limited to temporary and festival license holders.

“(f-1)(3) The Board may approve the holder of an off-premises retailer’s license, class AI or BI, that has obtained a tasting permit for its licensed premises to conduct tastings not open to the public at a designated common area of a storage facility where the licensee is a tenant.”.

(C) Subsection (g) is amended to read as follows:

“(g)(1) The Board may issue a tasting permit to a private collector to conduct tastings not open to the public at a designated common area of a storage facility where the private collector is a tenant.

(2) A private collector who holds a tasting permit may exceed the 6 ounce sampling limit for wine set forth in subsection (c)(2) provided that the private

1 collector does not serve customers more than 2 ounce servings of wine at a time.”.

2 (4) A new section 25-129 is added to read as follows:

3 “25-129. Pub Crawl License

4 “(a) A pub crawl license, as defined by regulation, shall authorize the  
5 licensee to host events featuring groups of licensed establishments within walking  
6 distance to one another featuring the sale or service of alcoholic beverages during a  
7 specified timeframe.”

8 “(b) The pub crawl license shall be valid for 3 years unless the license is  
9 suspended or revoked prior to its expiration.”.

10 (b) Chapter 3 is amended as follows:

11 (l) Section 25-303 is amended as follows:

12 (A) Subsection (a) is amended by adding a new paragraph (4) to read as  
13 follows:

14 “(4) No licensee under an off-premises retailer’s license, class AI or BI, shall  
15 hold an interest in any other license.”

16 (B) Subsection (c)(4) is repealed.

17 (C) A new subsection (c-1) is added to read as follows:

18 “(c-1) Notwithstanding subsection (a), the holder of an off-premises retailer’s  
19 license, class B, that qualifies as a full-service grocery store, pursuant to subsection (c)  
20 shall be authorized to apply for an on-premises retailer’s license, class CR or DR.”.

21 (D) Subsection (f)(2) is amended to read as follows:

22 “(f)(2) Other license held by the applicant is an on-premises retailer’s license,  
23 class CH, DH, CR, DR, CT, or DT, that is also located within the same hotel as the

1 establishment’s proposed location, or an off-premises retailer’s license, class B, that is  
2 located within another hotel and has no direct public access to the street or outside of the  
3 hotel is building.”.

4 (2) Section 25-314(b) is amended as follows:

5 (A) Paragraph (1) is amended by striking the phrase “paragraphs (2) through  
6 (9)” and inserting the phrase “paragraphs (2) through (10)”.

7 (B) Paragraph (4) is amended to read as follows:

8 “(b)(4) The 400-foot restriction shall not apply if:

9 “(A) The applicant applies for an off-premises retailer’s license, class  
10 B, that meets the definition of a full-service grocery store in accordance with § 25-  
11 101(22A);

12 “(B) The sale of alcoholic beverages constitutes no more than 15% of  
13 the total volume of gross receipts on an annual basis.

14 “(C) The establishment is not located in a residential-use district as  
15 defined in the zoning regulations and shown in the official atlases of the Zoning  
16 Commission for the District of Columbia, or if located within the Southeast Federal  
17 Center, in the SEFC-1 zone;

18 “(D) The opinion of the ANC, if any, is located has been given great;  
19 and

20 “(E) The applicant does not hold a manufacturer’s or wholesaler’s  
21 license.”.

22 (C) A new paragraph (10) is added to read as follows:

23 “(10) The 400-foot restriction shall not apply to an Applicant for a class

1 change of an off-premises retailer’s license, class A or B, provided that:

2 “(A) The licensed establishment is not located in a residential-use district  
3 as defined by the zoning regulations and shown in the official atlases of the Zoning  
4 Commission for the District of Columbia; and

5 “(B) Another off-premises retailer’s license of the same class is not located  
6 within 400 feet of the Applicant.”.

7 (3) Section 25-331(d) is amended to read as follows:

8 “(d) The quotas set forth in subsection (b) of this section shall not prohibit the  
9 issuance of a license for an off-premises retailer’s license, class B, for the sale of  
10 alcoholic beverages in an establishment if:

11 “(1) The applicant applies for an off-premises retailer’s license, class B, that  
12 meets the definition of a full-service grocery store in accordance with § 25-101(22A));

13 “(2) The sale of alcoholic beverages constitutes no more than 15% of the total  
14 volume of gross receipts on an annual basis;

15 “(3) The establishment is not located in a residential-use district as defined in the  
16 zoning regulations and shown in the official atlases of the Zoning Commission for the  
17 District of Columbia, or if located within the Southeast Federal Center, in the SEFC-1  
18 zone; and

19 “(4) The opinion of the ANC in which the establishment is located has been given  
20 great weight as specified in Chapter 4 of this title.”.

21 (3) Section 25-332 is amended as follows:

22 (A) Subsection (c) is amended to read as follows:

23 “(c) This moratorium shall not apply to an applicant for an off-premises



1 retailer’s license, class B, for the sale of alcoholic beverages in an establishment if:

2 “(1) The off-premises retailer’s license, class B, meets the definition of a  
3 full-service grocery store in accordance with § 25-101(22A);

4 “(2) The sale of alcoholic beverages constitutes no more than 15% of the  
5 total volume of gross receipts on an annual basis;

6 “(3) The establishment is not located in a residential-use district as  
7 defined in the zoning regulations and shown in the official atlases of the Zoning  
8 Commission for the District or, if located in the Southeast Federal Center, in SEFC-1;  
9 and

10 “(4) The opinion of the ANC, if any, has been given great weight as  
11 specified in Chapter 4 of this title.”.

12 (B) Subsection (e)(2) is amended to read as follows:

13 “(e)(2) Establishment is not located in a residential-use district as defined  
14 in the zoning regulations and shown in the official atlases of the Zoning Commission for  
15 the District or, if located within Southeast Federal Center, in the SEFC-1;”.

16 (4) Section 25-333 is amended as follows:

17 (A) New subsections (a-1) and (a-2) are added to read as follows:

18 “(a-1) The 400-foot requirement in subsection (a) shall not apply to a new  
19 off-premises retailer’s license, class A, if another off-premises retailer’s license, class A,  
20 operated at the proposed location within the past 12 months.

21 “(a-2) The 400-foot restriction in subsection (a) shall not apply to an off-  
22 premises retailer’s license, class AI, that is located within 400 feet of an off-premises  
23 retailer’s license, class A.”.

1 (B) New subsections (b-1) and (b-2) are added to read as follows:

2 “(b-1) The 400-foot requirement in subsection (b) shall not apply to a new  
3 off-premises retailer’s license, class B, if another off-premises retailer’s license, class B,  
4 operated at the proposed location within the past 12 months.

5 “(b-2) The 400-foot restriction in subsection (b) does not apply if an off-  
6 premises retailer’s license, class BI, is located within 400 feet of an off-premises  
7 retailer’s license, class B.”.

8 (C) Subsection (c) is amended to read as follows:

9 “(c) This section shall not prohibit the issuance of a license for an off-  
10 premises retailer’s license, class B, for the sale of alcoholic beverages in an establishment  
11 if:

12 “(1) The off-premises retailer’s license, class B, meets the definition of a  
13 full-service grocery store in accordance with § 25-101(22A);

14 “(2) The sale of alcoholic beverages constitutes no more than 15% of the  
15 total volume of gross receipts on an annual basis;

16 “(3) The establishment is not located in a residential-use district as defined  
17 in the zoning regulations and shown in the official atlases of the Zoning Commission for  
18 the District of Columbia or, if located in the Southeast Federal Center, in SEFC-1; and

19 “(4) The opinion of the ANC, if any, has been given great weight as  
20 specified in Chapter 4 of this title.”.

21 (5) Section 25-336(g) is added to read as follows:

22 “(g) Notwithstanding the restriction in subsection (a), an applicant may apply  
23 for and be issued to an off-premises retailer’s license, class B, for premises located in a

1 residential zone if:

2 “(1) The applicant has received approval from the Board of Zoning; and

3 “(2) Alcohol sales are no more than 15% total volume of gross receipts on an  
4 annual basis.”.

5 (c) Chapter 5 is amended as follows:

6 (1) Amend the table of contents to add the following:

7 “25-512 – Minimum fee for pub crawl licenses”.

8 (2) A new § 25-512 is added to read as follows:

9 “§ 25-512 Minimum fee for pub crawl licenses

10 “The minimum annual fee for a pub crawl license shall be \$500.”.

11 (d) Chapter 7 is amended as follows:

12 (1) Section 25-721 is amended as follows:

13 (A) Adding a new subsection (a-1) to read as follows:

14 “(a-1) Notwithstanding subsection (a), a licensed wholesaler may sell  
15 and deliver alcoholic beverages to customers only between the hours of 7:00 a.m. and  
16 12:00 a.m., Monday through Sunday.”.

17 (B) Subsection (b) is amended to read as follows:

18 “(b) In addition to the provisions in subsection (a) of this section, a  
19 licensed wholesaler, class A or B, may deliver alcoholic beverages between the hours of  
20 9:00 a.m. and 9:00 p.m. on Sunday.”.

21 (3)Section 25-736 is amended by adding a new subsection (a-1) to read as  
22 follows:

23 “(a-1)(1) Notwithstanding paragraph (a)(3), with the Board’s prior

1 approval, a licensed wholesaler may rent a retailer's licensed premises to host a one-day  
2 or a one-time event.

3           “(2) The Board shall not grant a wholesaler's request pursuant to  
4 paragraph (1) of this subsection more than one time in a calendar year.”.

5           (4) Section 25-754 is amended as follows:

6           (A) Subsection (a) is amended as follows:

7           (i) By striking the phrase “other than the licensed establishment under  
8 the following classes” and inserting the phrase “other than the licensed establishment in  
9 the District under the following classes of license” in its place.

10           (ii) Amending paragraph (3) to read as follows:

11           “(3) Off-premises retailer's license, class A or B”.

12           (iii) Amending paragraph (4) by striking the phrase “Common carrier  
13 license” and inserting the phrase “On-premises retailer's license” in its place.

14           (B) A new subsection (c) is added to read as follows:

15           “The Board may permit a licensee to conduct other activities at an  
16 approved storage location; provided that the licensee shall not be permitted to sell,  
17 service, or allow the consumption of alcoholic beverages at the storage location.”.

18           (4) Section 25-798 is amended by adding a new subsection (c-1) to read as  
19 follows:

20           “(c-1)(1) The Board shall have the authority to change the percentage by  
21 which ABRA will reimburse MPD for its reimbursable detail services as needed.

22           “(2) The Board shall publish changes to the reimbursable detail percentage in  
23 the *D.C. Register*.

1           “(3) The reimbursable detail percentage change shall take effect no less than  
2 30 days after publication in the *D.C. Register*.”.

3       Sec. 3. Section 1108(c) of the District of Columbia Government Comprehensive Merit  
4 Personnel Act of 1978, effective March 3, 19179 (D.C. Law 2-139; D.C. Official Code §  
5 1-611.08(c-1)(8) is amended by striking the phrase “at the hourly rate of \$40” and  
6 inserting the phrase “at the hourly rate of “\$50”.

7       Sec. 4 Title 23 of the District of Columbia Municipal Regulations is amended as follows:

8           (a)Chapter 7 is amended as follows:

9           (1) Sections 718.2 and 718.3 are amended to read as follows:

10           “718.2 ABRA will reimburse MPD for a percentage, as published in the *D.C.*  
11 *Register*, of the total cost of invoices submitted by MPD to cover the costs incurred by  
12 licensees for MPD officers working reimbursable details on Sunday through Saturday  
13 nights. The hours eligible for reimbursement for on-premises retailer licensees shall be  
14 11:30 p.m. to 5:00 a.m. ABRA will also reimburse MPD a percentage, as published in  
15 the *D.C. Register*, of the total costs of invoices submitted by MPD to cover the costs  
16 incurred for outdoor special events where the licensee has been approved for a one-day  
17 substantial change license or temporary license. The hours eligible for an outdoor special  
18 event operating under a one-day substantial change license, a temporary license, or a pub  
19 crawl event operating under a pub crawl license shall be twenty-four (24) hours a day.

20           “718.3 MPD shall submit to ABRA on a monthly basis, invoices  
21 documenting the percentage owed by each licensee. Invoices will be paid by ABRA to  
22 MPD within thirty (30) days of receipt in the order that they are received until the subsidy  
23 program’s funds are depleted.”.

1   **Sec. 5. Fiscal impact.**

2           **The Council adopts the fiscal impact statement in the committee report as the**  
3   **fiscal impact statement required by section 602(c)(3) of the District of Columbia Home**  
4   **Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-**  
5   **206.02(c)(3)).**

6   **Sec. 6. Effective Date.**

7           **This act shall take effect following approval by the Mayor (or in the event of veto**  
8   **by the Mayor, action by the Council to override the veto), a 30-day period of**  
9   **Congressional review as provided in section 602(c)(1) of the District of Columbia Home**  
10   **Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-**  
11   **206.02(c)(1)), and publication in the District of Columbia Register.**

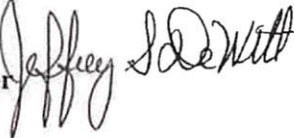
Government of the District of Columbia  
Office of the Chief Financial Officer



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:** March 15, 2019

**SUBJECT:** Fiscal Impact Statement – Alcoholic Beverage Control Board License  
Categories, Endorsements and Hourly and Percentage Rate  
Amendment Act of 2019

**REFERENCE:** Draft Bill as shared with the Office of Revenue Analysis on February 26,  
2019

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**Conclusion**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 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 amends laws concerning on-premises and off-premises license conditions, including those related to hotels, full-service grocery stores, and other special activities. The bill creates a new license for pub crawls. The bill also amends the reimbursable detail program, which is a partnership among ABRA, licensed establishments, and the Metropolitan Police Department (MPD).

The bill enhances and clarifies permit types and conditions for some on-premises licensed establishments or events. The bill enhances the definition of entertainment<sup>1</sup> to include sports

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<sup>1</sup> Title 25, D.C. Official Code Enactment and Related Amendments Act of 2001, effective May 3, 2001 (D.C. Law 13-298; D.C. Official Code § 25-101(21A)).

The Honorable Phil Mendelson

FIS: "Alcoholic Beverage Control Board License Categories, Endorsements and Hourly and Percentage Rate Amendment Act of 2019," Draft Bill as shared with the Office of Revenue Analysis on February 26, 2019

wagering<sup>2</sup> so that any sports wagering establishment that wishes to serve alcohol must be licensed with ABRA. The bill expands the eligibility for a multipurpose facility on-premises retailer's license to include movie theaters, indoor parks, or other facilities serving as recreational playgrounds or work spaces. The bill exempts from a general restriction on retailer's licenses in a residential zone<sup>3</sup> any establishment that has received approval from the Board of Zoning or where its annual alcohol sales are no more than 15 percent of its annual gross receipts. The bill enhances an exception<sup>4</sup> for licensed operators within a hotel by allowing the current holder of a class CH, DH, CR, DR, CT, or DT<sup>5</sup> license to apply for a class B off-premises retailer's license within the same hotel or, if the holder is already a class B off-premises retailer license holder within a hotel, a class B license within another hotel.

The bill establishes a new three-year pub crawl license whereby a licensee can host events featuring a group of licensed establishments within walking distance of one another during a specified time period. The bill sets a minimum annual fee of \$500 for a pub crawl license.

The bill also enhances and clarifies license conditions for some off-premises retailers. The bill prohibits an internet retailer from holding an interest in any other ABRA license. The bill exempts a class A or class B off-premises retailer from changing its class of license even if it is located within 400-feet of a school, university, or a Department of Parks and Recreation (DPR) facility.<sup>6</sup> This exemption only applies if the establishment is not located in a residential zone and no other off-premises retailer of the same class is located within 400-feet of the applicant. The bill exempts any off-premises internet retailer from an existing restriction prohibiting any class A or class B off-premises retailer from operating within 400 feet of a licensee of the same class.<sup>7</sup> The bill also exempts any class A or class B retailer from the same restriction if another off-premises retailer of the same class operated at the same location within the prior twelve months. The bill establishes delivery times for a wholesaler to deliver directly to customers between the hours of 7:00 AM and 12:00 AM, Monday through Sunday. The bill also expands the recipients to which a class A or class B wholesaler can deliver alcohol on Sundays to include any licensed recipient. Currently, Sunday deliveries are restricted to class F or class G temporary licensees.<sup>8</sup>

The bill amends some restrictions related to full-service grocery stores. The bill allows a store to apply for an on-premises retailer's license class CR or class DR.<sup>9</sup> The bill also eliminates a construction date and minimum renovation cost requirement for these stores, thus broadening the applicability of various alcohol regulation exemptions. These include exemptions for a class B licensee holding an interest in another ABRA license;<sup>10</sup> operating within 400-feet of a school,

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<sup>2</sup> As defined in the Sports Wagering Lottery Amendment Act of 2018, enacted January 23, 2019 (D.C. Act 22-594; 66 DCR 1402).

<sup>3</sup> D.C. Official Code § 25-336.

<sup>4</sup> D.C. Official Code § 25-303(f).

<sup>5</sup> D.C. Official Code § 25-113.

<sup>6</sup> D.C. Official Code § 25-314(b).

<sup>7</sup> D.C. Official Code § 25-333.

<sup>8</sup> D.C. Official Code § 25-721(b).

<sup>9</sup> D.C. Official Code § 25-113(b)(3).

<sup>10</sup> D.C. Official Code § 25-303.



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FIS: "Alcoholic Beverage Control Board License Categories, Endorsements and Hourly and Percentage Rate Amendment Act of 2019," Draft Bill as shared with the Office of Revenue Analysis on February 26, 2019

university, or DPR site; a moratorium on the issuance of class B licenses;<sup>11</sup> a 275 class B license quota;<sup>12</sup> and locating within 400-feet of another class B off-premises retailer's licensee.<sup>13</sup>

The bill amends license conditions associated with catering and special activities. The bill requires caterers to have reasonable and ongoing access to a kitchen licensed by the Department of Health and authorizes a caterer to purchase its alcohol from an internet retailer (off-premises retailer's license, class A1). The bill authorizes ABRA to issue a tasting permit to an internet retailer to host tastings at its licensed location if they are not open to the public and limited to temporary license holders, festival license holders, and caterers.<sup>14</sup> The bill also authorizes ABRA to issue a tasting permit to a private collector for tastings held in a common area of the private collector's storage facility. The permit would authorize a private collector to exceed the six-ounce sample limit that other licensees are restricted to for offering samples. The private collector would be restricted to pours of no more than two ounces per serving. The bill also allows a wholesaler to rent a licensed retail establishment for a one-day or one-time event, no more than once per calendar year. Wholesalers are otherwise prohibited from engaging in certain financial transactions with licensed retailers.<sup>15</sup>

The bill clarifies that a licensed business or establishment located in the District must store its alcoholic beverages at the licensed location unless it meets one of the prescribed exemptions.<sup>16</sup> The bill expands the off-premises retailer's license exemption to include class B licenses where only class A is exempt currently. The bill also authorizes a licensee to conduct other activities at the storage location, except the selling, serving, or consuming of alcoholic beverages.

ABRA supports a reimbursable detail program whereby a licensed on-premises establishment, pub crawl event, or special event can get MPD officers to police the outside of the establishment during certain hours of the day. Currently, ABRA pays 65 percent of the cost of the detail and the licensed establishment pays 35 percent. ABRA alters these shares from time-to-time via the rulemaking process. The bill eliminates the statutorily prescribed shares and gives ABRA the ability to set rates through publication in the D.C. Register.

The bill also increases the hourly pay-rate for a Board member performing official duties from \$40 to \$50, but does not change the maximum annual compensation level of \$18,000.

The bill makes conforming amendments to align laws governing alcohol in the District with recent zoning changes.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2019 through fiscal year 2022 budget and financial plan to implement the bill. ABRA and the Board can implement the bill's enhancements and clarifications related to on-premises retailers, off-premises retailers, and special events within their existing

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<sup>11</sup> D.C. Official Code § 25-332.

<sup>12</sup> D.C. Official Code § 25-331(b).

<sup>13</sup> D.C. Official Code § 25-333(b).

<sup>14</sup> Class B1 (beer and wine only) license holders are limited to temporary and festival license holders only.

<sup>15</sup> D.C. Official Code § 25-736(a).

<sup>16</sup> D.C. Official Code § 25-754.

**The Honorable Phil Mendelson**

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**budgeted resources. ABRA expects to maintain the existing cost-sharing structure for the reimbursable detail program. Also, the hourly compensation changes for the Board members has no impact on the budget because the maximum compensation amount remains unchanged.**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Attorney General



ATTORNEY GENERAL  
KARL A. RACINE

Legal Counsel Division

**MEMORANDUM**

**TO:** Alana Intrieri  
Executive Director  
Office of Policy & Legislative Affairs

**FROM:** Arthur J. Parker  
Acting Deputy Attorney General  
Legal Counsel Division

**DATE:** February 14, 2019

**SUBJECT:** Legal Sufficiency Review of Proposed Bill "Alcoholic Beverage Control Board License Categories, Endorsements and Hourly and Percentage Rate Amendment Act of 2019"

(AE-19-060)

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**This is to Certify that** this Office has reviewed the above-referenced proposed bill and found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-5565.

A handwritten signature in black ink that reads "Arthur J. Parker". The signature is written in a cursive style with a horizontal line underneath the name.

Arthur J. Parker