

Alcohol Licensing 101



Presenter



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Officer

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Agenda

1 ABCA Overview

2 Licensing

3 Legal

4 Compliance

5 Reminders and Resources

6 Q&A



The Alcoholic Beverage and Cannabis Administration (ABCA) is an independent agency within DC Government charged with supporting the public's health, safety and welfare through the control and regulation of the sale and distribution of alcoholic beverages and medical cannabis.

Director Fred Moosally has served as the Director since 2009. Prior to leading ABCA, Director Moosally helmed the agency's Legal Division as the General Counsel for seven years.

ABCA operates under the authority of the Alcoholic Beverage and Cannabis (ABC) Board, made up of seven (7) DC residents nominated by the Mayor and confirmed by the DC Council.

ABC Board Members:

- Donovan Anderson, Chairperson | Ward 7
- Silas Grant, Jr. | Ward 5
- Teri Janine Quinn | Ward 5
- Ryan L. Jones | Ward 5
- David Meadows | Ward 8



The ABC Board:

- Reviews and approves alcohol and medical cannabis facility license applications.
- Administers and enforces alcohol and medical cannabis laws and regulations.
- Issues new regulations and policies.
- Adjudicates cases related to violations and disputes.
- Refers violations to the Office of the Attorney General and other legal authorities for investigation and prosecution.
- Issues cease-and-desist orders to entities and persons; suspends and revokes licenses when appropriate.

All ABC licensees are required to comply with:

- DC Official Code Title 25: Alcoholic Beverage Regulation Administration
- DC Municipal Regulations Title 23: Alcoholic Beverages
- Mayor's Orders
- ABC Board Orders
- Settlement Agreements
- Terms of their license



Licensing

Class and Types, Endorsements, Renewals and Fees, and Substantial Changes



Off-Premises Retailer | A store where alcoholic beverages may be purchased for off-site consumption only or an e-commerce business with no physical location that sells alcohol online.

Class A

 Allows for the sale of spirits, beer and wine.

Class B

 Allows for the sale of beer and wine.

On-Premises Retailer | An establishment where alcoholic beverages may be purchased and consumed onsite, including Restaurants (R), Taverns (T), Nightclubs (N), Hotels (H), B&Bs (B), and Multipurpose Facilities (X).

Class C

 Allows for the sale of spirits, beer and wine.

Class D

 Allows for the sale of beer and wine.

Manufacturer | Operator of a plant that manufactures spirits, wine (includes cider), or beer.

- Class A—Permits the production of beer, wine, and spirits.
- Class B—Permits the production of wine and beer.
- Class C—Permits the production of baked goods with a maximum of five (5) percent of alcohol
 per volume.

Wholesaler | Sells alcohol to other DC ABC licensees for resale.

- Class A—Permits the distribution and sale of spirits, beer and wine.
- Class B—Permits the distribution and sale of beer and wine.



Temporary | Permits the sale and onsite consumption of alcohol for up to four (4) days at banquets, picnics, fairs or similar public gatherings.

- Class F—Beer and wine.
- Class G—Spirits, beer and wine.

Festival License | Permits the sale and consumption of alcohol at sporting or performing arts events for up to 15 days.

- Class H—Beer and wine.
- Class I—Spirits, beer and wine.



Farmers Markets | Allows manufacturers and wine, brew, and distillery pubs to operate as a vendor of the product it produces. The farmers market is the licensed entity.

- Farmers Market | Class J—Beer and wine.
- Farmers Market | Class K--Spirits, beer and wine.

Pub Crawl | Permits the organization of events featuring the sale and service of alcohol at multiple ABC-licensed establishments within walking distance for 200+persons.

Each event must be approved by the ABC Board. Applications must be submitted at least 60 days before the event date.

Solicitor | Person permitted to transport alcohol to ABC-licensed establishments, offer samples of said product, and take orders on behalf of the vendor that the individual represents.

ABC Manager | Individual certified to manage and superintend one or more ABC establishments.

- DC law requires that an ABC Manager, in the absence of the owner, be on duty and on-premises during business hours.
- ABC Manager licenses are valid for 3 years.



ABC Managers License Endorsement | Allows license owners to designate up to five (5) employees of their choosing as ABC Managers. Up to five (5) additional employees for a total of 10 may be designated ABC Managers for a per person registration fee.

- A licensee may substitute, add, and/or remove employees as needed.
- The endorsement is issued to and maintained by the licensee for the valid period of its alcohol license.



Sidewalk Café | Allows alcohol to be served and consumed outdoors on public space, such as a sidewalk. DDOT-approval is also required.

Summer Garden | Allows alcohol to be served and consumed outdoors, including rooftops and courtyards, located on private property. Locations must be included in the Certificate of Occupancy.



Entertainment | Allows licensees to provide live entertainment, such as a live band or singer, DJ, comedian, and trivia host; dancing; or to charge a cover. Licensees may apply for one or a combination of all three.

Extended Holiday Hours | Allows a hotel, multipurpose facility, nightclub, restaurant, or tavern to sell and serve alcohol until 4:00 a.m. and operate 24-hours a day during select holidays and events. Settlement Agreements apply.



Pub | Allows a hotel, multipurpose facility, nightclub, restaurant, or tavern to manufacture alcohol on or adjacent to its licensed premises and sell the product for on-site consumption and to wholesalers and patrons in sealed containers for off-premises consumption.

- Distillery | Spirits
- Brew | Beer
- Wine | Wine

On-Site Sales and Consumption | Allows manufacturers to sell and serve alcoholic products made at their facility for on-site consumption.

Games of Skill | Allows manufacturers with an on-site sales consumption permit, restaurants, nightclubs, taverns, hotels, and multipurpose facilities to add up to five (5) electronic games of skill to their establishment.

Commercial Bingo | Allows licensees to offer Bingo for gambling and commercial purposes to a portion of their on-premises facilities. All licensees must also secure a Commercial Bingo License through the Office of Lottery and Gaming.

Sports Wagering | Allows licensees to add sports wagering devices or kiosks to their establishment. All licensees must also secure a Sports Wagering Operator license through the Office of Lottery and Gaming.

Tasting | Allows manufacturers and off-premises retailers to provide customers alcohol samples on a portion of their licensed premises. Sample size maximums apply.

Alcohol Carryout and Delivery | Allows on-premises alcohol establishments to sell alcohol for carry-out and delivery to consumers located in the District between 6:00 a.m.-1:00 a.m., daily. All alcohol sales must be provided in closed or sealed containers and accompanied by at least one (1) prepared food item.



LICENSE RENEWALS

Licenses are valid for up to three (3) years and licenses of the same type expire on the same date regardless of the issuance date.

License fees can be paid annually or for the entire licensure period. No refunds are issued if the license is cancelled.

Licenses that are not renewed on time are subject to late fees--\$50 per business day, not to exceed the cost of the license—and/or suspension and revocation.

The renewal and fee schedule is available at abca.dc.gov/page/license-fee-and-renewal-schedule#gsc.tab=0.

LICENSE RENEWALS

Establishments seeking a renewal of their license will be placarded for 45 days.

Establishments whose renewal applications are protested may continue to operate as normal. Any Settlement Agreement remains in effect.



STIPULATED LICENSES

Stipulated Licenses allow an establishment to operate during the public comment period prior to being issued a/an:

- New license
- Transfer of a license to a new location
- Substantial change to an existing license

Stipulated licenses expire when a:

- Permanent license is issued.
- Protest is deemed valid at a Roll Call Hearing

STIPULATED LICENSES

Requires a written letter of support from the ANC where the establishment is located. A vote by the ANC must occur at a duly noticed meeting with a quorum present.

Submit your stipulated license request alongside the ANC support letter to abca.alcohollicensing@dc.gov.



SUBSTANTIAL CHANGES

Substantial Changes are modifications that would substantially change the nature of operations, as previously approved by the ABC Board, including:

- Alterations to the physical interior or exterior of the establishment.
- Increase in occupancy.
- Change in hours of operation, sales, service, and consumption.
- Adding any activity that requires an Endorsement or Permit, including dancing, live entertainment, cover charges, games of skill, sports wagering, tastings, or sidewalk café.



SUBSTANTIAL CHANGES

Before implementing any change in operations that could be considered a substantial change, complete and submit an application.

- Whenever in doubt, contact ABCA's licensing division at 202-442-4423 or <u>abca.alcohollicensing@dc.gov</u>.
- Implementing changes without approval may result in fines and/or license suspension or revocation.

If the ABC Board determines the requested change is substantial in nature, the establishment will be placarded and subject to the protest process. The ABC Board will consider:

- Licensee's investigative history
- Commercial or residential character of the neighborhood
- Precedence



SAFEKEEPING

Any licensee that opts to close their establishment for 21+ days must place their license in safekeeping. Failure to do so may result in fines and/or license suspension.

To place and maintain a license in safekeeping, licensees must:

- Complete and submit a Safekeeping Application with the required fee. Requests are subject to ABC Board approval.
- Stay current with safekeeping and annual license fees.
- Request an extension, as needed, by the deadlines of March 30 and September 30.

To reactivate a license in safekeeping, license holders must:

 Write a letter to the ABC Board requesting the removal of their license from safekeeping and receive approval.

LICENSE OWNERSHIP

Liquor licenses may be bought, sold, and transferred to new owners so long as the parties obtain prior approval from the ABC Board.

- Failure to receive Board approval can result in the cancellation of the license.
- Prospective licensees can apply for a Temporary Operating Retail Permit (TORP) which can allow them to operate prior to the license transfer approval.

All owners who hold at least a 10% stake in the company must be approved by the ABC Board.

- Change in ownership and adding owners to the license can be accomplished by submitting an ABC license application.
- A change in ownership between documented owners of 50% or less of the company does not require approval.

Transferred licenses carry all approved Settlement Agreements and Board Orders to the new owners.

APPLICATIONS

All applications are

abca.dc.gov/service/alcoholapplications



ABCA

Office Hours

DC 20002

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Ask the Director

Agency Performance

Spanish (Español)

French (Français)

Amharic (አማርኛ) Vietnamese (Tiếng Việt)

Korean (한국어) Chinese (中文)

Fred Moosally

Director, ABCA

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Alcohol License Applications and Forms

Complete an application for an ABC license, endorsement, permit or to make a change to a li notary public, which can be found using the map tool &.



Monday to Friday, 8:30am to 4pm

899 North Capitol Street, NE,

Phone: (202) 442-4423

TTY: (746) 777-7776

Medical Cannabis: Suite 4200-A.

Email: abca.director@dc.gov ₪

Alcohol: Suite 4200-B, Washington,

Applications and Information

- Alcohol License Application
- Alcohol License Cancellation Application
- Change Corporate Name
- · Change of Hours
- Change License Class
- Change of Location or Ownership (complete Alcohol License application)
- · Change of Officers, Directors, Partners
- Change Trade Name
- · Clean Hands Certificate
- Exception to Single Sales Ban
- · Extended Holiday Hours
- · Farmer's Market License
- Full-Service Grocery Stores Class B License Requirements
- . Gifts and Loans Disclosure Form
- One Day Substantial Change
- Safekeeping
- · Security Plan Form
- · Stipulated License
- Transfer Consent
- Update Licensee Contact Information
- Import-Transport Permit for Retailers

ABC Managers

- ABC Manager License
- ABC Manager Renewal

Festival License

Special Events



APPLICATIONS

To submit an application:

- Submit in person, by mail, place in our secure lobby drop box, or email <u>abca.alcohollicensing@dc.gov</u> (preferred).
- Sign documents using an electronic signature.
- Pay annual license fee by check or credit card.

Do NOT include credit card information in any email.

Do NOT include cash with any mailed or dropped off paper application. Cash is not an accepted form of payment.

Questions about filing an application should be sent to abca.alcohollicensing@dc.gov.





Legal

Protests, Settlement Agreements, and Additional Hearings



PROTESTS

License applications for new, renewals, location transfers, and substantial changes, may be protested by:

- Abutting property owners
- Groups of five or more DC residents
- Incorporated community associations
- Any ANC located within 600 feet of the establishment.
- District Mayor, if property owned by the District is located within 600 feet of the establishment
- A designated custodian, if a property owned by the U.S. is located within 600 feet of the establishment
- Metropolitan Police Department.



PROTESTS

Protest letters must be submitted to ABCA by the public comment period deadline provided on the placard and include:

- At least one appropriateness standard.
- A designated representative who will represent the party in all hearings if granted standing.
- Printed first and last names, addresses, emails, and signatures for all party members.

Applicants will be notified if a protest is filed against their application. The protest letter(s) and information about the Roll Call Hearing will be provided.



PROTESTS

Protest stages:

- Roll Call Hearing | Proceeding where the ABC Board's agent grants standing to the parties and states the ground(s) for the protest.
- Mediation | The ABC Board's mediator works with parties to settle the case if a middle ground is found.
- Status Hearing | Proceeding held by the ABC Board where the parties provide an update on their progress towards reaching a resolution.
- Protest Hearing | Adjudicatory proceeding where the ABC Board receives evidence and testimony on the appropriateness of the licensing action.

Failure to attend one of the stages may result in the cancellation of your application.

Please notify abca.legal@dc.gov if you cannot attend your hearing.

SETTLEMENT AGREEMENTS

A Settlement Agreement is a contract between a licensee and other parties that include terms and conditions aimed at addressing concerns of the neighborhood.

- Settlement Agreements:
- Are voluntary.
- May be entered into at any time.
- Are subject to ABC Board approval.
- Must conform with DC laws and regulations.
- Run for the term of the license, unless amended or terminated.
- Can be amended or terminated at any point with agreement of all signatories.



SETTLEMENT AGREEMENTS

Licensees may request an amendment or the termination of a Settlement Agreement—without the consent of the other party—if the agreement has been in effect for at least four (4) years from the date it was approved by the ABC Board during the renewal period of the license.



ADDITIONAL HEARINGS

In addition to Status Hearings and Protest Hearings, Licensees may be required to appear before the ABC Board for:

- Show Cause | Originates from a violation at an establishment. Requested by the ABC Board when there is reasonable cause to believe that a licensee should be fined, revoked, or suspended. May be held ex parté if the licensee fails to appear.
- Fact Finding | Non-adversarial meeting that allows the ABC Board to obtain more information about an application or an event that may have occurred at an establishment. A fact finding hearing on its own does not result in fines or penalties.
- Qualifications | Evidentiary hearing to allow the ABC Board to make a finding of fitness to hold a license.





Compliance

Inspections, Violations, Sales to Minor, Reports and Statements, Noise, and Security Plans and Cameras



VIOLATIONS

All licensees are subject to fines and possible license suspension and revocation for failure to be in a compliance.

Penalties are broken up into Primary Tier (larger impact on the public's health, safety, and welfare) and Secondary Tier.



PRIMARY TIER VIOLATIONS

Common Primary Tier Violations

- Operating after ABC Board-approved hours
- Sale to minor
- Substantial change in operation without ABC Board approval
- Failure to keep books and records on premises

Penalty Schedule

- First | \$1,000-\$2,000
- Second within Two Years |\$2,000-\$4,000
- Third within Three Years | \$4,000-\$6,000
- Fourth within Four Years | License suspension or revocation for up to 30 consecutive days and fined \$30,000 or more
- Fifth within Five Years | Mandatory license revocation

SECONDARY TIER VIOLATIONS

Common Secondary Tier Violations

- No owner or ABC Manager on duty
- Failure to post ABC license and warning signs
- Failure to obtain an endorsement
- Failure to file a quarterly report (hotels and restaurants)
- Failure to meet food sales requirements (restaurants and hotels)
- Failure to serve food for up to two (2) hours prior to closing (restaurants and hotels)

Penalty Schedule

- First | Written warning or \$250-\$500
- Second within Two Years | \$500-\$750
- Third within Three Years | \$750-\$1,000
- Fourth within Four Years | \$1,000-\$2,000
- Fifth within Five Years | \$2,000 minimum



INSPECTIONS

Final | Conducted by appointment at newly licensed establishments within 30-days of license issuance to:

- Confirm required signage and documentation are correct and posted as required.
- Provide a complimentary ID compliance guide.
- Confirm seat count matches alcohol license, CofO, and DDOT permits.
- Ensure the establishment is ready to open for business.
- Answer any questions.



INSPECTIONS

Regulatory | Conducted a minimum of twice annually to confirm ongoing compliance. Inspections:

- May take place anytime during operating hours and are unannounced.
- Occur any time an ABCA investigator responds to a complaint.

Access to an establishment must be provided to ABCA investigators upon request.



SALE TO MINOR PROGRAM

The Sale to Minor program is focused on preventing the purchase and consumption of alcohol by persons under the age of 21.

Compliance checks are conducted year-round using minors under the age of 21. During checks, the minor attempts to purchase alcohol. If asked, the minor always provides their real DC-issued photo ID and states their true age and birthdate.

ABC licensees and their staff are encouraged to:

- Complete ABCA's free ID Compliance training.
- Consult a photo ID guidebook that ABCA makes available at no cost to licensees for pick up.
- Not sell or serve anyone alcohol when in doubt or they are not able to furnish a photo ID that verifies they are 21 years+.

STATEMENTS AND REPORTS

Select license class and types are required by law to submit statements and reports. Failure to file timely is a Secondary Tier Violation.

Quarterly Reports for Hotels and Restaurants

- April 30 | January–March (Q1)
- July 30 | April–June (Q2)
- October 30 | July–September (Q3)
- January 30 | October–December (Q4)

Semiannual Caterer Statement

- July 30 | January-June
- January 30 | July December

Annual Wine Pub Report

January 15 | January 1-December 31 of preceding year



NOISE

ABCA enforces noise compliance from licensed premises pursuant to DC Official Code § 25-725.

Investigators respond to complaints submitted by the public, and routinely monitor establishments with repeat noise violations and complaints. Additionally, ABCA participates in the Noise Task Force with DOB and MPD.

Current law requires ABCA investigators to enter a complainant's residence to substantiate a noise violation in residentially zoned areas.

Some Settlement Agreements extend noise protections into other types of zones.

SECURITY PLANS AND CAMERAS

A Security Plan is a document that details security procedures for an establishment. All included stipulations must be adhered to.

- All nightclub applicants must submit a security plan with their application.
- The ABC Board may require restaurant, tavern, or multipurpose facility applicants/licensees to submit a security plan.

Security cameras are routinely incorporated into security plans and added independently to establishments. If added:

- Cameras must be kept operational at all times.
- Footage capturing a crime of violence or a crime involving a gun must be preserved for a minimum of 30 days.
- Copies of any footage requested by ABCA or MPD must be provided within 48 hours.



REMINDERS AND RESOURCES

Resources, Stay Connected



RESOURCES

Info by Business | Curated content by license type.

 <u>abca.dc.gov/page/licensin</u> g#gsc.tab=0



Alcoholic Beverage and Cannabis Administration



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Alcoholic Beverage and Cannabis Administration -ABCA



Office Hours

Monday to Friday, 8:30am to 4pm

Connect With Us

899 North Capitol Street, NE, Medical Cannabis: Suite 4200-A, Alcohol: Suite 4200-B, Washington, DC 20002

Phone: (202) 442-4423 TTY: (746) 777-7776

Licensing

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Alcohol Licensing

ABCA issues and renews licenses that enable qualified businesses to sell and serve alco

- License Types and Classes
- · License Endorsements and Permits
- License Fees and Renewal Schedule
- Renewal Checklist
- . Steps to Getting an Alcohol License Training Recording
- Training Providers
- <u>License Application Library</u>
- Forms by Business Type
- · Statement and Report Compliance Filing
- License Protest Resources
- Current License Holders
- Moratorium Zones
- Licensing Quick Guides
- Extended Holiday Hours and Daylight Savings
- · Reimbursable Detail Officer (RDO) Subsidy Program
- Underage Drinking Prevention
- Statement on Naloxone Possession and Use

Medical Cannabis Business Licensing

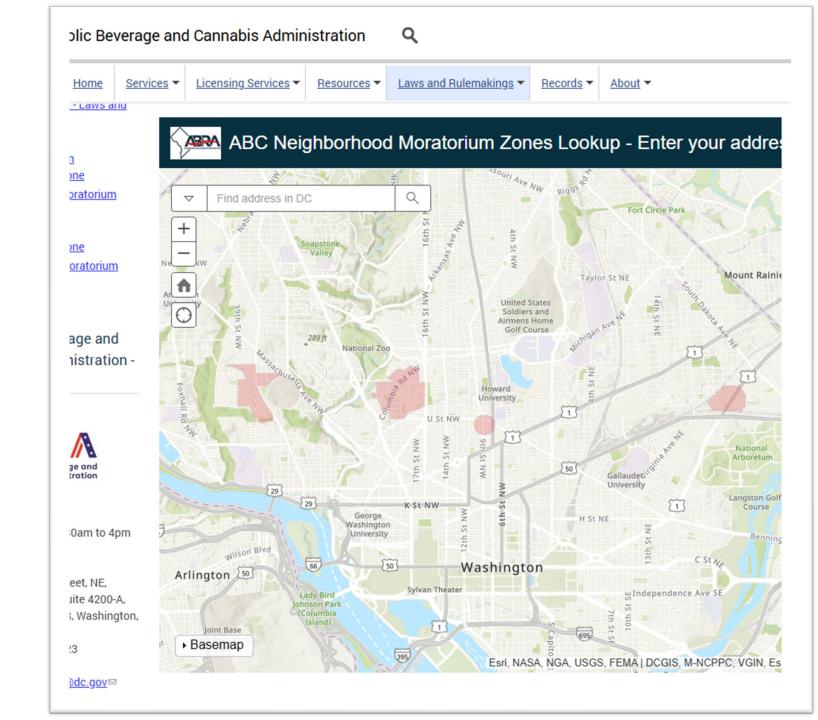
Medical cannabis in the District, legalized by the passage of the <u>Legalization of Marijuan Amendment Act of 2010</u> , allows DC residents, including minors, to be prescribed, purch to treat a diagnosed qualifying medical condition or related side effect. Signed into law o <u>Cannabis Amendment Act of 2022</u> expands access and creates business opportunities

Unlicenced Establishment Quidence

RESOURCES

Moratorium Zone Look Up | Before securing a location for an ABC establishment or submitting an alcohol license application, determine if the street address falls within an existing neighborhood moratorium.

 ABC Neighborhood Moratorium Zones | abca



STAY CONNECTED

Staff | ABCA's physical office is open to the public Monday-Friday, 8:30 a.m. - 4:00 p.m.

- Licensing | <u>abca.alcohollicensing@dc.gov</u> or (202) 442-4423
- ANC or community group concerns | <u>sarah.weniger@dc.gov</u> or (202) 397-3971

Social |

- Facebook | facebook.com/ABRADC
- Twitter | @DCGov_ABCA

Last Call e-Newsletter and Email Alerts | Subscribe to receive.

Sign Up for Email Updates | abca





Questions?





