

# ABC 101

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# PRESENTER



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# AGENDA

- ABCA Overview
- Licensing
- Legal
- Compliance
- Reminders and Resources
- Q&A

# ABCA OVERVIEW

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 OVERVIEW

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.

## The ABC Board:

- Reviews and approves alcohol license and medical cannabis facility registration 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 and registrations when appropriate.

# ABCA OVERVIEW

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 |  
SUBSTANTIAL CHANGES



# LICENSE TYPES & CLASSES

- **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.
  - **Off-Premises Retailer**
    - **Class A**—Spirits, beer, and wine
    - **Class B**—Beer and wine
  - **Internet Retailer**
    - **Class A**—Spirits, beer and wine
    - **Class B**—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).
  - **On-Premises Retailer | Class C**—Spirits, beer, and wine
  - **On-Premises Retailer | Class D**—Beer and wine



# LICENSE TYPES & CLASSES

- **Manufacturer** | Operator of a plant that manufactures spirits, wine (includes cider), or beer.
  - **Manufacturer | Class A**—Permits the production of beer, wine, and spirits.
  - **Manufacturer | Class B**—Permits the production of wine and beer.
  - **Manufacturer | 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.
  - **Wholesaler | Class A**—Permits the distribution and sale of spirits, beer and wine.
  - **Wholesaler | Class B**—Permits the distribution and sale of beer and wine.

# LICENSE TYPES & CLASSES

- **Temporary** | Permits the sale and onsite consumption of alcohol for up to four (4) days at banquets, picnics, fairs or similar public gatherings.
  - **Temporary | Class F**—Beer and wine.
  - **Temporary | 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.
  - **Festival | Class H**—Beer and wine.
  - **Festival | 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.

# LICENSE TYPES & CLASS

- **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.
- **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.
- **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.

# ENDORSEMENTS & PERMITS

- **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.

# ENDORSEMENTS

- **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
- **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.

# ENDORSEMENTS

- **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.
- **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 OGL.
- **On-Site Sales and Consumption** | Allows manufacturers to sell and serve alcoholic products made at their facility for on-site consumption.
- **Tasting** | Allows manufacturers and off-premises retailers to provide customers alcohol samples on a portion of their licensed premises. Sample size maximums apply.

# ENDORSEMENTS

- **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.

# STIPULATED LICENSE

- **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
- 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.
- Stipulated licenses expire when a:
  - Permanent license is issued
  - Protest is deemed valid at a Roll Call Hearing



# 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.
  - 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 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.

# LICENSE RENEWALS

- Recent renewal deadlines:
  - **Various** | ABC Manager (Every three (3) years from issuance date) | Farmers Market Class J (Annually from issuance date) | Farmers Market Class K (Every six (6) months from issuance date)
- The renewal and fee schedule is available at [abra.dc.gov/page/license-fees-and-renewal-schedule](https://abra.dc.gov/page/license-fees-and-renewal-schedule).

# LICENSE RENEWALS

- For upcoming renewals:
  - Submit invoices in person, by mail, or place in our secure lobby drop box.
  - Sign documents using an electronic signature.
  - Pay annual license fee by check or credit card.
    - Checks (no starter checks), cashier's check, and money order, made payable to the D.C. Treasurer, may be included with mailed and dropped off renewals.
    - Credit card payments can be arranged by emailing [abc@dc.gov](mailto:abc@dc.gov). Provide your alcohol license number, trade name, first and last name, and daytime phone number. A licensing specialist will contact you on the provided number to process your payment.
- 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.
- 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. The application must be submitted with renewal paperwork by the renewal deadline.

# 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.

# 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.



# LEGAL

PROTESTS | SETTLEMENT AGREEMENTS | ADDITIONAL HEARINGS



# PROTESTS

License applications—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.
- Additional 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.

# 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.
- 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 parte 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 | SECURITY PLANS AND CAMERAS



# VIOLATIONS

- Primary Tier violations:
  - 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:
  - 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

# VIOLATIONS

- Most common violations by ABC licensees:
  - No owner or ABC Manager on duty | **Secondary**
  - Operating after ABC Board-approved hours | **Primary**
  - Failure to post ABC license and warning signs | **Secondary**
  - Sale to minor | **Primary**
  - Substantial change in operation without ABC Board approval | **Primary**
  - Failure to obtain an endorsement | **Secondary**
  - Failure to keep books and records on premises | **Primary**
  - Failure to file a quarterly report (hotels and restaurants) | **Secondary**
  - Failure to meet food sales requirements (restaurants and hotels) | **Secondary**
  - Failure to serve food for up to two (2) hours prior to closing (restaurants and hotels) | **Secondary**



# 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 and Quick Guide.
  - Confirm seat count matches alcohol license, CofO, and DDOT permits
  - Ensure the establishment is ready to open for business.
  - Answer any questions.
- **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 & RESOURCES

RESOURCES | STAY CONNECTED



# RESOURCES

- **Quick Guides** | Brief synopsis of applicable laws and regulations by establishment type and other helpful content, such as alcoholic beverage classifications, security plans, and foreign identifications.
  - [abca.dc.gov/page/abc-quick-guides](https://abca.dc.gov/page/abc-quick-guides)
- **Info by Business** | Curated content by license type.
  - [abca.dc.gov/page/abc-licensing-info-and-forms-establishment-type](https://abca.dc.gov/page/abc-licensing-info-and-forms-establishment-type)
- **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.
  - [abca.dc.gov/page/abc-neighborhood-moratorium-zones](https://abca.dc.gov/page/abc-neighborhood-moratorium-zones)

# STAY CONNECTED

- **Staff** | ABCA's physical office is open to the public Monday-Friday, 8:30 a.m. - 4:00 p.m.
  - **Licensing** | [abca.alcohollicensing@dc.gov](mailto:abca.alcohollicensing@dc.gov) or (202) 442-4423
  - **ANC or community group concerns** | [sarah.weniger@dc.gov](mailto:sarah.weniger@dc.gov) or (202) 397-3971
- **Social** |
  - **Facebook** | [facebook.com/ABRADC](https://facebook.com/ABRADC)
  - **Twitter** | @DCGov\_ABCA
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