

**ALCOHOLIC BEVERAGE AND CANNABIS ADMINISTRATION
ALCOHOLIC BEVERAGE AND CANNABIS BOARD**

NOTICE OF PROPOSED RULEMAKING

The Alcoholic Beverage and Cannabis Board (Board), pursuant to the authority set forth in the Omnibus Alcoholic Beverage Amendment Act of 2004, effective September 30, 2004 (D.C. Law 15-187; D.C. Official Code § 25-211(b)) and Mayor’s Order 2001-96, dated June 28, 2001, as revised by Mayor’s Order 2001-102, dated July 23, 2001, hereby gives notice of a proposed rulemaking to amend Chapter 2 (License and Permit Categories) of Title 23 (Alcoholic Beverages) of the District of Columbia Municipal Regulations (DCMR).

Specifically, the proposed rulemaking would make conforming amendments to Chapter Two in accordance with recent changes made by the Reopen DC Alcoholic Beverage Regulations Amendment Act of 2021, effective June 30, 2022 (D.C. Law 24-127; 69 DCR 5071). Specifically, the proposed rules are intended to (1) create new licenses, (2) add corresponding licensing fees, and (3) update the licensing renewal period table. The rules also consolidate auction permits and strikes references to delicatessens.

On March 29, 2023, by a vote of five (5) to zero (0), the Board approved the proposed rules. The Board also gives notice of its intent to take final rulemaking action to adopt these rules on a permanent basis in not fewer than thirty (30) days after the date of publication of this notice in the *D.C. Register*. Further, the Board will transmit the proposed rulemaking to the Council of the District of Columbia for a ninety (90)-day period of review in accordance with D.C. Official Code § 25-211(b)(2), whereby Council approval of the rulemaking is required prior to adoption.

Chapter 2, LICENSE AND PERMIT CATEGORIES, of Title 23 DCMR, ALCOHOLIC BEVERAGES, is amended as follows:

Current Section 202, PUBLIC AUCTION PERMIT, is amended to read as follows:

202 AUCTION PERMITS

- 2021.1 An auction permit shall authorize the holder to auction off for sale the personal alcoholic beverage stock of the holder in accordance with this section.
- 202.2 The Board, in its discretion, may issue an auction permit to a:
- (a) Licensee that is going out of business or whose license was revoked, cancelled or not renewed;
 - (b) Licensee's successor, including an individual or entity that has obtained the license through a voluntary or involuntary transfer;
 - (c) Person or entity conducting an estate sale;

- (d) Licensed retailer or licensed wholesaler selling the personal private inventory of alcoholic beverages of an individual not related to an estate sale; or
- (e) Nonprofit corporation so long as the auction is held as part of a fundraising event to benefit the organization's tax exempt activities.

- 202.3 The auction permit shall authorize the sale of alcoholic beverages at a location approved by the Board to persons of legal age that may be removed from the premises by the purchaser for their own personal use and consumption.
- 202.4 Any purchased barrel, keg, sealed bottle, or other closed container purchased at auction shall not be opened, or the contents consumed, at the approved location, even if the consumption of alcohol is otherwise authorized at the approved location.
- 202.5 Any person or entity requesting an auction permit shall file a complete application on a form provided by the Board at least fourteen (14) days before the event.
- 202.6 An auction permit shall not be issued for more than two (2) consecutive days.
- 202.7 An auction permit shall not be issued more than once a calendar year to an individual or entity that does not hold an ABC license, and no more than two (2) times per calendar year to a nonprofit corporation.
- 202.8 A nonprofit corporation holding an auction permit shall only auction alcoholic beverages purchased or distributed by a licensed retailer or licensed wholesaler.

Section 203, PERSONAL AUCTION PERMIT, is repealed.

Section 204, PUBLIC AND PERSONAL AUCTION PERMIT RESTRICTIONS, is repealed.

Section 212, SPECIAL LICENSING PROVISIONS, is amended to read as follows:

212 SPECIAL LICENSING PROVISIONS

- 212.1 No holder of an on-premises retailer's license, class C or D, shall sell or serve alcoholic beverages in closed containers without a carry out and delivery endorsement, with the following exceptions:
- (a) Holders of class CH and DH Hotel licenses may sell and serve alcoholic beverages in closed containers in the private rooms of their registered guests; and

- (b) Holders of class CX and DX Club licenses may sell and serve alcoholic beverages in closed containers in any room or area available only to bona fide members of the club or their guests.

212.2 A restaurant located within a pavilion, shopping mall, or shopping center may be allowed to sell beer, wine or spirits to customers for on-premises consumption; provided that:

- (a) The restaurant holds the appropriate on-premises retailer's license;
- (b) Alcoholic beverages are consumed on the licensed premises or within the common areas of the pavilion, shopping mall, or shopping center approved by the Board, which shall be deemed part of the licensed establishment for purposes of D.C. Official Code § 25-113; and
- (c) The alcoholic beverage containers bear the licensed establishment's name.

Section 213, LICENSURE PERIODS, is amended by a) updating the licensure renewal periods and b) adding third-party delivery licenses and commercial lifestyle licenses, so that it reads follows:

213 LICENSURE PERIODS

213.1 Except as provided for in § 213.2, the following licenses or permits issued by the Board shall be valid for three (3) years:

- (a) Manufacturer's license;
- (b) Wholesaler's license;
- (c) Off-premises Retailer's license;
- (d) On-premises Retailer's license;
- (e) Caterer's license;
- (f) Third-party alcohol delivery license;
- (g) Commercial lifestyle center license;
- (h) Solicitor's license;
- (i) Farm winery retail licenses;
- (j) Pub crawl license;
- (k) Alcohol certification permit;

- (l) Tasting permit;
- (m) Storage facility permit; and
- (n) Off-premises storage permit.

213.3 The three (3)-year renewal period for each license listed below shall occur sequentially every three (3) years starting with the following dates:

License Class	Licensure Period	Ending Year
Manufacturer A	Apr. 1 to Mar. 31	2024
Wholesaler A	Apr. 1 to Mar. 31	2024
Retailer A	Apr. 1 to Mar. 31	2024
Manufacturer B	Oct. 1 to Sept. 30	2023
Wholesaler B	Oct. 1 to Sept. 30	2023
Retailer B	Oct. 1 to Sept. 30	2023
Retailer CR	Apr. 1 to Mar. 31	2025
Retailer CT	Oct. 1 to Sept. 30	2025
Retailer CN	Oct. 1 to Sept. 30	2025
Retailer CH	Apr. 1 to Mar. 31	2025
Multipurpose facility CX	Apr. 1 to Mar. 31	2025
Club CX	Apr. 1 to Mar 31	2025
Common Carrier CX	Apr. 1 to Mar 31	2025
Retailer Arena CX	Apr. 1 to Mar 31	2025
Retailer DR	Apr. 1 to Mar. 31	2025
Retailer DT	Oct. 1 to Sept. 30	2025
Retailer DN	Oct. 1 to Sept. 30	2025
Retailer DH	Apr. 1 to Mar. 31	2025
Multipurpose facility DX	Apr. 1 to Mar. 31	2025
Club DX	Apr. 1 to Mar 31	2025
Common carrier DX	Apr. 1 to Mar 31	2025
Caterer	Apr. 1 to Mar 31	2025
Third-party alcohol delivery license	Oct. 1 to Sept. 30	2025
Commercial lifestyle center license C/L	Oct. 1 to Sept. 30	2025
Commercial lifestyle center license D/L	Oct. 1 to Sept. 30	2025
Solicitor	July 1 to June 30	2023
Farm winery retail	Oct. 1 to Sept. 30	2024

Alcohol certification provider permit	July 1 to June 30	2023
Pub Crawl license	Oct. 1 to Sept. 30	2023

Section 214, LICENSE FEES, is amended by adding new licenses and corresponding fees to read as follows:

Subsection 214.6 is amended to read as follows:

Class	Fee
Retailer's class A	\$ 2,600
Retailer's class B	\$ 1,300
Internet retailer's class AI	\$ 2,600
Internet retailer's class BI	\$ 1,300
Farmer's market class J	\$ 300
Farmer's market class K	\$ 500

Section 214, PERMIT AND ENDORSEMENT FEES, is amended by adding new licenses and corresponding fees to read as follows:

Subsection 214.15 is amended to read as follows:

214.15 The annual fee for a Farm Winery license, a Pub Crawl license, a festival license, a commercial lifestyle center license, and a third-party delivery license shall be as follows:

Type/Class	Fee
Farm winery retailer's license	\$ 2,500
Pub crawl license	\$ 500
Festival license class H	\$ 1,000
Festival license class I	\$ 2,000
Commercial license class C/L	\$1,000
Commercial license class D/L	\$750
Third-party delivery license	\$200

Section 215, PERMIT AND ENDORSEMENT FEES, is amended by adding new permits and endorsements and corresponding fees to read as follows:

Subsection 215.1 is amended to read as follows:

215.1 The fee for permits and endorsements shall be as follows:

Permit/Endorsement	Fee
Importation permit	\$ 5
Pool buying group agent importation permit	\$ 1,000/year
Tasting permit for off-premises retailers, wholesalers, manufacturers, and private collectors	\$ 130/year
Brew pub permit	\$ 3,900/year
Storage facility permit	\$ 300/year
Off-premises storage permit	\$ 25/year
Alcohol certification provider permit	\$ 100
Public auction permit	\$30
Personal auction permit	\$ 30
Nonprofit corporation auction permit	\$ 30
Wine pub permit	\$ 5,000/year
Distillery pub permit	\$7,500/year
Retailer purchasing permit	\$ 35
On-site sales and consumption permit	\$ 1,000/year
Sidewalk café or summer garden endorsement	\$ 75/year
Entertainment endorsement (twenty percent (20%) of the base license fee)	20%
Amendment to a license which results in an inspection	\$ 50
Manufacturer carry-out permit	\$ 50
Sports wagering endorsement	\$ 100/year
Games of skill endorsement	\$ 200/year
1 Pub endorsement	\$ 5,000/year
2 Pub endorsements	\$ 7,500/year
3 Pub endorsements	\$ 9,000/year

Copies of the proposed rulemaking can be obtained by contacting Martha Jenkins, General Counsel, Alcoholic Beverage and Cannabis Administration, 2000 14th Street, N.W., Suite 400, Washington, D.C. 20009. Persons with questions concerning the rulemaking should contact Martha Jenkins at 202-442-4456 or email martha.jenkins@dc.gov. All persons desiring to comment on the proposed rulemaking must submit their written comments, no later than thirty (30) days after the date of publication of this notice in the *D.C. Register*, to the above address.