

Quick Guide: Restaurants

A restaurant with a class C/R license is permitted to sell and serve beer, wine, and spirits. A restaurant with a class D/R license is permitted to sell and serve beer and wine. Both licensees are required to:

- Operate on a regular schedule;
- Be ready, willing, and able to prepare and serve food;
- Maintain a kitchen that is open at least two hours before closing;
- Offer a menu;
- Keep sufficient food on hand to serve patrons from the menu;
- Retain staff on the premises to prepare and serve the food;
- Be known by the public primarily as a food-service establishment; and
- Emphasize food rather than alcoholic beverages or entertainment in all advertisements and signs.

A class C/R licensee is required to have one of the following:

- Gross annual food sales of at least \$2,000 per occupant, which is determined by the establishment's Board-approved certificate of occupancy; or
- Food sales must account for at least 45 percent of the establishment's gross annual receipts.

A class D/R licensee is required to have one of the following:

- Gross annual food sales of \$1,500 per occupant, which is determined by the establishment's Board-approved certificate of occupancy; or
- Food sales must account for at least 45 percent of the establishment's gross annual receipts.

The Alcoholic Beverage Control Board (Board) may require a restaurant to submit and comply with the terms of a security plan. The plan would need to be approved by the Board at the time of licensing and renewal.

A restaurant licensee may only hold an on-premises retailer's license class C or D, or a caterer's license.

HOURS

A restaurant may not sell or serve alcoholic beverages between the following hours unless a Board order or a settlement agreement states otherwise:

- 2-8 a.m., Monday-Friday; and
- 3-8 a.m., Saturday-Sunday.

A licensee may register with the Alcoholic Beverage Regulation Administration (ABRA) to sell and serve alcoholic beverages until 4 a.m. and operate 24 hours a day during District and federal holidays as well as various holiday weekends. Find out more about extended hours at <u>ABRA.DC.Gov</u>.

OWNER, MANAGER REQUIREMENTS

An owner or manager must be on the premises at all times when alcoholic beverages are sold, delivered, or consumed. A manager must obtain and carry a manager's license upon his or her person. Upon request, a license must be shown to any:

- ABRA investigator; and
- Metropolitan Police Department (MPD) officer.

POSTING NOTICES

An alcoholic beverage license must be framed under glass and made visible to the public. A licensee must post on the front window or front door of the licensed premises:

- Correct name(s) of the licensee(s); and
- Class and number of the license in plain and legible lettering not less than 1 inch nor more than 1.25 inches in height.

The following sign must be posted on the licensed premises and made visible to the public. The sign may not be covered or obscured.



If a settlement agreement is part of the license, the licensee must have a copy of the settlement agreement accessible to any:

- Member of the public;
- ABRA investigator; or
- MPD officer.

ADVERTISEMENTS

Alcoholic beverage advertisements can only be displayed in the window of a licensed establishment if the total area covered by the advertisements does not exceed 25 percent of the window space. Advertisements may only be posted on the interior of a window. Advertisements cannot be posted on the following:

- Exterior of any window;
- Exterior of any door; or
- Interior of any door.

Illuminated signs advertising alcoholic beverages during approved hours of sale are permitted; however, signs cannot contain intermittent flashes of light.

Advertisements relating to the prices of alcoholic beverages may be displayed in an establishment's window as long as the total area does not exceed 25 percent of window space.

PERMITS

A permit is required to have the following:

- Sidewalk café;
- Summer garden;
- Brew pub, wine pub or distillery pub;
- Entertainment;
- Cover charge; or
- Dancing.

ALCOHOL PURCHASING

A licensee is required to purchase alcoholic beverages from a wholesaler in the District. Alcohol may be purchased outside of the District if the licensee applies for an import permit.

IMPORT PERMIT

If an alcoholic beverage cannot be provided by a District wholesaler, a retailer's import permit would be required to import the product. Complete the following form to apply for an import permit:

• Permit to Transport Alcoholic Beverages

Upon receipt of the alcoholic beverages, an import permit must immediately be marked "canceled" by the licensee.

OFF-PREMISES STORAGE

In order to store alcoholic beverages at a facility other than the licensed establishment, a licensee must submit a letter to ABRA requesting an offpremises storage permit.

INVOICES

The following documents must be maintained and filed by a licensee:

- Invoices;
- Delivery slips; and

• Canceled import permits.

All documents must show true, accurate, and complete statement of terms and conditions for each purchase made.

Permission must be requested from the Board to store original invoices outside of the District of Columbia. Duplicate invoices must be stored in the District on either the licensed premises or at a location approved by the Board.

Books and records may be stored electronically as long as the records are made immediately available to ABRA upon request.

A Keg Declaration of Receipt Form must be kept on the premises for two years following the date of purchase.

QUARTERLY FILINGS

A licensee is required to file quarterly statements on the dates assigned by the Board for the preceding quarter and must include the following items:

- Gross receipts for the sale of alcoholic beverages;
- Gross receipts for the sale of food;
- Gross receipts for the establishment;
- Expenses for the purchase of alcoholic beverages;
- Expenses for the purchase of food; and
- Total expenses for the purchases of food and alcoholic beverages.

Quarterly statements are made available to the public for the purpose of allowing a protestant of a license to determine the gross annual receipts of a licensee.

CORKING FEE

A restaurant may permit a patron to bring and consume an alcoholic beverage that the licensee is permitted to sell provided that the alcoholic beverage is opened by an employee of the establishment.

The patron is not permitted to leave the establishment with the alcoholic beverage that was brought and opened on the licensed premises.

A licensee is permitted to charge a corking fee. The fee must be disclosed to a patron before the alcoholic beverage is opened.

DOGGIE BAGS

A patron is permitted to remove one partially consumed bottle of wine for consumption off premises.

This bottle must be securely resealed by the licensee or an employee and must be placed in a bag or other container.

A dated receipt must be attached to the bag or container before the patron removes the bottle from the premises.

ONE-DAY SUBSTANTIAL CHANGE

The following one-day substantial changes require Board approval:

- Extending operating, service, or entertainment hours;
- Extending a service area for a specific event; or
- Temporarily allowing entertainment without an entertainment endorsement.

A total of six, one-day substantial changes can be made in a calendar year.

Applications for a one-day substantial change must be filed at least seven days prior to the event. Requests are subject to a fact-finding hearing before the Board.

BOARD APPROVAL

Board approval is required for the following:

- Transfer of licenses;
- Change of corporate officer(s) or corporate structure;
- Trade name;
- Hours of operation or service for premises;
- Increase use of space;
- Storage facility; and
- Substantial change to an establishment.

EVENTS

A licensed establishment may be rented or provided for use by a third party or promoter for a specific event as long as the licensee maintains ownership and control of the establishment for the duration of the event. Licensees must maintain control over all:

- Modes of ingress and egress; and
- Staff, including bar and security.

A third party or promoter is not permitted to be responsible for providing security or maintaining control over the establishment's existing security personnel.

COMPLIANCE CHECKS

The law prohibits the sale of alcoholic beverages to individuals under the age of 21. In order to enforce this law, ABRA conducts compliance checks using underage individuals as decoys.

ABRA and the Metropolitan Police Department also have the right to check the IDs of customers both before and after purchases are made at an establishment.

Therefore, licensees and their staff must take reasonable steps to prevent the sale of alcoholic beverages to underage individuals.

BARTENDERS AND SERVERS

Bartenders must be at least 21 years of age and servers must be at least 18 years of age.

BACK-UP DRINKS

If a customer has a partially consumed alcoholic beverage in front of them, another alcoholic beverage—or back-up drink—should not be served.

Serving wine with a meal when a patron has not finished a previously served cocktail does not constitute a back-up drink.

REGULATORY INSPECTIONS

A regulatory inspection is generally conducted a minimum of three times per year at each licensed establishment to ensure that a licensee is compliant with alcoholic beverage laws. A regulatory inspection may be conducted at any time during an establishment's hours of operation. If a licensed establishment is open, ABRA investigators must be allowed entry and provided with all requested information. Failure to comply may result in the revocation or suspension of a license.

COMMON VIOLATIONS

- Sale to minors;
- Failure to post warning and other required notices;
- Failure to post and carry license(s) on premises;
- Failure to maintain or store invoices and required records on the licensed premises;
- No ABC manager on duty;
- Operating after Board-approved hours;
- Transfer of ownership without Board approval;
- Violation of a settlement agreement (formerly known as a voluntary agreement);
- Violation of a Board order; and
- Trade name change without Board approval; and
- Permitting a patron to leave the licensed premises with an open container of an alcoholic beverage.

CONTACT ABRA

For more information, visit <u>ABRA.DC.Gov</u> or contact ABRA at 202-442-4423 or <u>ABRA@DC.Gov</u>.