

PUBLIC HEARING

**COMMITTEE ON CONSUMER & REGULATORY
AFFAIRS**

**COUNCILMEMBER SHARON AMBROSE
CHAIRMAN**

TESTIMONY

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Good Morning Chairperson Ambrose, Members and Staff of the Committee on Consumer and Regulatory Affairs. My name is Andrew Kline. I am counsel to the Restaurant Association of Metropolitan Washington. In addition, in my private law practice, I represent a great number of small businesses in the District of Columbia which are subject to the Master Business License law.

The concept of the Master Business license law is a good one. Requiring businesses to obtain only one license for all of their business activities reduces costs, both for government and for businesses, and should result in an economic development friendly environment. Unfortunately, my office's experience has led me to frequently refer to the "failed promise of the master business license" in describing the new system.

Roll out of the program has been a disaster. Businesses whose business license had expired were sent master business license packages with no clear explanation that the MBL was replacing their regular business license. In many cases, the business owner, believing that the MBL did not apply because they had not previously had one and had been otherwise properly licensed, tossed the MBL package in the trash. Only months later, after the business had perhaps been cited or had accumulated months of late fees, did the business owner realize that this new program applied to them.

In reality, there currently is no master business license system. Businesses with more than one licensed business activity have frequently been issued multiple licenses and been required to pay multiple MBL fees in addition to the regular licensing fees. Thus, the MBL system has had the effect of imposing higher

license fees simply for having licenses printed on a different color paper than previously used.

As the program has been implemented, it has been learned that many licensed activities cannot, or will not, be included in the program. ABC and ABRA, perhaps concerned about reports of difficulty with the new system, have apparently decided that alcoholic beverage licenses will continue to be issued separately. Likewise, I am advised that certificates of use, the annual approvals required to operate a sidewalk café, will not be included as part of the master business license. These licenses are of course critical to the members of our association. Failure to include them as part of any “master” business licensing system is, indeed, a failed promise to our members as they will continue to make multiple trips to DCRA and related agencies to keep their businesses licensed.

We support the concept of streamlining regulatory approvals by the issuance of a single master business license. If, however, the concept cannot become reality because of interagency turf battles, poorly planned implementation and the limits of computer software which was perhaps prematurely acquired, then the system should be scrapped and the higher license fees related to the system repealed.

RAMW was established in 1920 as a non-profit trade Association and currently represents approximately 500 restaurants and related industries in the District of Columbia metropolitan area. The commitment of our organization is to respect, protect, promote, represent and educate our members. Our membership runs the gamut from the small to the large, from gastronomic heights to great burgers, from the sublime to the relaxed, from restaurant to tavern to nightclub licensees. We proudly represent a cross section of the area’s great, good places that provide safe havens and centers of camaraderie for our community.

In 2001, District of Columbia restaurants paid approximately \$191 Million in restaurant sales taxes and employed over 28,000 workers. We are the first industry touted for any new or redevelopment and we are frequently taxed and regulated to the max. It was restaurateurs that helped to spark the revitalization of our now vibrant Downtown East End and it was restaurateurs that stepped up to the table with the 1% sales tax addition to our already high restaurant sales tax for the city's job-producing and excitingly eminent, beautiful new convention center.

As RAMW Executive Director, I have had many members express their frustration with District regulatory agencies in general and with the Master Business Licensing process specifically. To paraphrase an epigraph, "It is often the best intentions that achieve the worst results." The stories I am hearing portend of a major, worsening inefficiency within an agency that was intended to improve the licensing process. We do understand that change is difficult and that transitioning time is often needed to implement changes.

However, here a just a few of the comments from members:

1. "If computers are to be used by the city, they must be standardized and must have access to correct information."
2. "Upon requesting that a business is required to obtain information prior to license issuance, ensure that all that is needed is requested."
3. "In Maryland and Virginia, if something is amiss, the unsuspecting business is notified immediately, not after the fact and not after massive penalties."
4. "Restaurants pay a tremendous amount of taxes and licensing fees and help the vitality of the city, we deserve respect from city employees whose salaries we help to pay. All too often basic cordial interaction is missing from dealings with District agency personnel."
5. "Our business provided its MBL in June of 2002 by physically going to 941 North Capital St, NE. It was not unlike other permit experiences with the city, in that, the

procedure took approximately four hours, we had to supply all supporting documentation (the city was unable to retrieve its own through the system), interface with five different persons/counters was required, the process was not friendly or easy. We eventually received our MBL but just received another MBL form requesting compliance!”

6. “MBL equals a nightmare.” This from many members.

I have also included a statement from Capital Restaurant Concepts, expressing their time-consuming MBL compliance efforts, to be submitted with copies of our testimony. Thank you again for giving RAMW the opportunity to appear before your committee and for all your efforts on behalf of the business community.