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Government of the District of Columbia



**Department of Consumer and Regulatory Affairs**

Testimony of

**Nicholas Majett**  
**Director**

on

***The Basic Business License Renewal  
Amendment Act of 2012 (Bill 19-825)***

Council of the District of Columbia  
Committee on Public Services and Consumer Affairs  
Yvette Alexander, Chair

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John A. Wilson Building  
1350 Pennsylvania Avenue, NW  
Room 120  
Washington, D.C. 20004

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Good morning, Chairperson Alexander, members, and staff of the Committee on Public Services and Consumer Affairs. I am Nicholas Majett, Director of the Department of Consumer and Regulatory Affairs. I'm here today to testify on Bill 19-825, the Basic Business License Renewal Amendment Act of 2012.

The bill seeks to extend the term of a basic business license from two years to four years by amending D.C. Official Code § 47-2851.09(a)(2) to delete the number "2" and replace it with the number "4."

Our major concern with this bill is the fiscal impact it would have on DCRA, as well as other agencies that receive portions of the business license fees to fund their operations.

#### **A. Business License Requirements**

Under District law, any business operating in the District must have a business license. DCRA issues some 30,000 business licenses in more than 150 license categories through our Business License Resource Center. Business licenses can be obtained in person at our Southwest Waterfront offices, by mail, or online at [dcra.dc.gov](http://dcra.dc.gov).

Business license fees are set out in Title 17, Chapter 5 of the District of Columbia Municipal Regulations. The fees are used to pay for the administrative costs of running the Business License Resource Center, including enforcement staff and technological upgrades.

For some business license categories, particularly food establishments, hotels, and waste management companies, a substantial portion of the business license fee is transferred from DCRA to other District government agencies, such as the Department of Health and the Department of the Environment, that review

the business license application and enforce health and environmental requirements.

For rental housing businesses, whether that is a single-family home that is rented out or an apartment building with hundreds of rental units, the cost of running the DCRA housing inspections program is added to the business license fee. This covers the proactive rental housing inspections program which has inspected approximately 8,000 rental units in almost 3,000 apartment buildings throughout the District. Our goal is to inspect every building with three or more rental units by the end of Fiscal Year 2013 and we are well on our way to meeting that goal. The fee also covers some of the costs of the DCRA housing inspections program, such as inspections and enforcement staff.

The long-standing two-year business license term allows our agency to accurately budget for both licensing and inspections staff.

### **B. Making the District Better for Business**

When I was appointed DCRA Director by Mayor Gray, I was tasked with making DCRA a faster, more effective agency by simplifying the processes for our customers to get their business up and running. I'd like to take a few moments to describe some of the accomplishments, as well as a few new initiatives we're launching.

Earlier this year, we launched the Online Business License Submission System which allows 12 categories of business license customers to apply for and receive their business licenses online. By the middle of next month, we will be expanding our online system so that all license categories will be available for online application submission and review. Additionally, all business license categories will be able to be renewed online. This will save our customers

significant time by allowing them to avoid having to come to our offices to submit business license applications.

In conducting our regulatory duties of ensuring District businesses are properly licensed, we have found that a number of businesses have been operating with expired licenses or no license at all. Rather than issuing \$2,000 fines to each of these business operating without a valid license, our practice has been to work proactively with them and bring them into compliance with District law. In order to expand voluntary compliance, we will be launching, on November 1, an amnesty program for unlicensed businesses to obtain a business license without paying any fines. Once the amnesty ends, we will be increasing our enforcement efforts. We strongly encourage any businesses operating without a valid license to work with us and avoid incurring thousands of dollars in fines.

Our Small Business Resource Center, which is online at [dcra.ecenterdirect.com](http://dcra.ecenterdirect.com), is a great resource for customers who want free, one-on-one sessions with DCRA staff who will walk them through the business licensing and building permitting process. This can be an invaluable source of information and advice for entrepreneurs and we encourage potential business owners to utilize this service.

Finally, as you may know, the Mayor has established a task force composed of private and public sector members to look at the simplification of the District's business regulatory environment. While the task force is looking at the issue comprehensively, this doesn't mean DCRA isn't engaged in simplifying business license requirements on an ongoing basis. Just last week, we issued new regulations on secondhand dealers that will make it far easier for the District's vintage stores to operate. In fact, our new license requirements give the District a

significant competitive advantage for vintage stores to open and operate here and we expect to see an increase in these types of small businesses.

### **C. Conclusion**

While we have concerns about the fiscal impact of this bill, I believe that our ongoing focus on simplifying the license application and renewal process – particularly putting the entire process online – will have a significant impact on making the District a great place to do business.

Chairperson Alexander, thank you for the opportunity to testify on Bill 19-825 and its impact on DCRA. I would be happy to answer any questions you may have.