

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi [signature]  
Chief Financial Officer

**DATE:** December 8, 2004

**SUBJECT:** Fiscal Impact Statement: “Nutritional Information at Restaurants Act of 2004”

**REFERENCE:** Bill 15-387 from the Draft Committee Print; November 15, 2004

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**Conclusion**

The proposed legislation will have no impact on the District's FY 2004 through FY 2008 budget and financial plan. However, the Department of Health (DOH), Food Protection Division will be required to incorporate the bill's provisions into existing inspection operations. DOH will be required to absorb any additional impacts associated with implementing the proposed legislation.

**Background**

The proposed legislation requires restaurants or similar retail food establishments, with 10 or more chain establishments nationally, provide nutritional information for all food and drink items they serve. The nutrition per serving disclosures<sup>1</sup> required are: calories; grams of saturated fat plus trans fats; grams of carbohydrates; and milligrams of sodium.

The proposed legislation requires that restaurants with a standard menu provide the information next to the food and drink items as they appear with similar size and type face. Chain restaurants that use a menu board may limit the total information disclosed to that of the calories per serving per item, but also with similar size and type as that of other information provided about the same menu item. Salad bars, buffets and similar

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<sup>1</sup> The proposed legislation regulates nutritional disclosures through conventional requirements such as: U.S. Food and Drug Administration 2,000 calorie per day basis; federal Uniform Food, Drug, and Cosmetic Act standards; and the use of independent nutrition testing laboratories.

self-serve arrangements will be allowed to have certain disclosures in abbreviated form as long as a full disclosure can be made available to anyone who asks for such detail.

The proposed legislation impacts not only conventional chain restaurant or fast-food establishment, but also convenience stores, delis, bakeries, cookie counters, ice cream shops, coffee shops and sidewalk vendors affiliated with a chain having ten or more locations nationally.

Violations of the provisions of the proposed legislation would be civil infractions subject to fines of \$100 for the first violation and \$500 for each subsequent violation.

### **Financial Plan Impact**

The proposed legislation will have no impact on the FY 2005 through FY 2008 budget and financial plan because no additional staff or resources will be required to implement the proposed legislation. The proposed legislation will have no impact on District operations or tax revenue.

The Food Protection Division of DOH will incorporate the bill's provisions into existing inspection operations. The inspectors will review the required nutritional disclosures as a part of their regular work. All operational impacts associated with the provisions of the proposed legislation will need to be absorbed by DOH's existing resources.

Federal and local anti-deficiency laws<sup>2</sup> prohibit District officers and employees from exceeding appropriations in any fiscal year. If funding were available to absorb any additional costs, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included in the budget and financial plan.

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<sup>2</sup> 31 USC § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).