

**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 
Chief Financial Officer

DATE: SEP - 6 2005

SUBJECT: Fiscal Impact Statement: "Dishonored Check Act of 2005"

REFERENCE: B16-0055

Conclusion

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation because no additional staff or resources would be required.

Background

The proposed legislation would:

- (1) provide for a cause of action against persons who fraudulently negotiate or wrongfully stop payment on a check, draft, or other negotiable instrument;
- (2) provide for liquidated damages, court costs and reasonable attorney's fees from a drawer who fails to pay the face amount of the instrument within thirty days liable;
- (3) require prior written demand for payment with specified language in both English and Spanish that notifies the drawer that liquidated damages may result from failure to pay; and
- (4) outline limited exceptions for which liquidated damages would not be available.

Financial Plan Impact

Funds are sufficient in the proposed FY 2006 through FY 2009 budget and financial plan to implement the proposed legislation because no additional staff or resources would be required. The proposed legislation would provide a cause of action against persons who fraudulently

negotiate or subsequently dishonor bank drafts, but would not affect the District's budget and financial plan.