

**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:** April 1, 2002

**SUBJECT:** Fiscal Impact Statement: “Lead-Based Paint Abatement and Control Amendment Act of 2002”

**REFERENCE:** Draft Legislation – No Bill Number Available

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**Conclusion**

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan because no additional staff or resources will be required to implement the proposed legislation. The proposed legislation may result in an increase to local General Fund revenue of \$24,000 to \$58,000 in the initial year of implementation resulting from the collection of civil fines. Over the four-year period of FY 2002 through FY 2005 the total local General Fund revenue collected as civil fines may be between \$96,000 to \$232,000.

**Background**

The proposed legislation amends the Lead-Based Paint Abatement and Control Amendment Act of 1996, the Housing Regulations of the District of Columbia, and 20 DCMR Chapter 8 to increase existing fines to match federal limits. In addition, the proposed legislation will make other amendments to conform District regulations to federal lead-based paint regulations. Currently the District’s fines and penalties for violation of the Lead-Based Paint Abatement and Control Amendment Act are \$1,000 for a first offense and \$5,000 for each subsequent offense and 6 months in prison. The proposed legislation will increase the penalties to \$25,000 and 1 year in prison with no distinction between first-time and subsequent offenses. The bill raises the civil penalties from the current \$500 per day of violation to \$25,000 per each day of violation.

Implementation of the proposed legislation will enable the District to obtain final delegation of enforcement of the lead-based paint provisions of the Toxic Substances

Control Act (Public Law 94-469, Oct. 11, 1976, 90 Statute 2003; 15 U.S.C. § 2601 et seq.). These regulations define the manner in which lead-based paint in occupied buildings must be treated to reduce the exposure of children to lead poisoning. Pursuant to § 404 of the Act (15 U.S.C. § 2684), approval of the delegation application requires a demonstration that the state program is at least as protective of human health as the federal program and provides adequate enforcement. The changes proposed in the attached legislation will increase penalties for violations to meet the federal enforcement requirements and match the federal requirements regarding the protection of human health.

Failure to implement the proposed rules may result in denial of the application to obtain final delegation of the federal lead-based paint regulations and the potential loss of approximately \$400,000 in federal grant funds that the District now receives.

### **Financial Plan Impact**

Funds are sufficient in the FY 2002 through FY 2005 budget and financial plan because the District is not expected to incur any additional expenditures as a result of the proposed legislation. The proposed legislation is expected to generate revenue from increased fines ranging between \$23,700 and \$57,500 in from FY 2002 through FY 2005. The exact amount of revenue is difficult to measure because the fine assessed may be anywhere from the proposed statutory minimums of \$250 and \$500 and as high as \$25,000.

<b>Projected Revenue from Civil Fines</b>				
(\$ in 000's)				
<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>4-Year Total</b>
<b>\$24 to \$58</b>	<b>\$24 to \$58</b>	<b>\$24 to \$58</b>	<b>\$24 to \$58</b>	<b>\$96 to \$232</b>

Projected local General Fund revenue will be from civil fines only. The Courts retains penalties fines and fees from judgements towards criminal violations.