

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: May 13, 2003

SUBJECT: Fiscal Impact Statement: “Omnibus Animal Control
Amendment Act of 2003”

REFERENCE: Draft Legislation – Bill Number Not Available

Conclusion

Funds are sufficient in the proposed FY 2004 through FY 2007 budget and financial plan to implement the proposed legislation because anticipated revenues would more than offset any additional costs that would be required. This legislation would result in an estimated \$73,000 in additional revenue annually, and an estimated \$305,000 over the FY 2004 through FY 2007 period. The legislation would not be implemented until FY 2004, so no unbudgeted costs or revenues are associated with FY 2003.

The proposed legislation would direct additional revenue to an “O-type” fund account, thus dedicating revenues generated by the program to fund the program’s operations. It is the policy of the District government to limit this practice to cases where the program funding cannot be properly accommodated through the local fund budget process. Dedicated revenues, including O-type funds, do not promote sound budgeting and spending practices because they reduce the District’s flexibility to address current and future priorities, eroding the integrity of the General Fund.

Background

The proposed legislation would revise the animal control statutes to increase animal control and strengthen communicable disease provisions. For fiscal purposes it would: 1) require licensing for cats, 2) increase fines for violations of the Animal Control Act from \$100 to \$10,000, 3) allow the Mayor to issue rules setting fees for animal licenses and permits, 4) add new requirements and increased fines for owners of dangerous or

potentially dangerous dogs under the Dangerous Dog Amendment Act, and 5) make certain violations subject to civil infractions.

Financial Plan Impact

Funds are sufficient in the FY 2003 through FY 2006 budget and financial plan to implement the proposed legislation. It would result in an estimated \$73,000 in additional revenue annually, and an estimated \$305,000 over the FY 2004 through FY 2006 period.

The anticipated increase in administrative and supply costs, including animal tags and vaccines, is detailed in the table below.

Non-Personal Service (NPS) Costs					
	FY 2004	FY 2005	FY 2006	FY 2007	4-Year Total
Cat license tags	\$600	\$618	\$637	\$656	\$2,510
Dog license tags	750	773	796	820	3,138
Dangerous dog tags	300	309	318	328	1,255
Rabies tags	900	927	955	983	3,765
Forms	1,000	1,030	1,061	1,093	4,184
Printing	1,500	1,545	1,591	1,639	6,275
Vaccines	2,000	2,060	2,122	2,185	8,367
Spay/Neuter Assistance	5,000	5,150	5,305	5,464	20,918
Total	\$12,050	\$12,412	\$12,784	\$13,167	\$50,413

The additional animal licensing and fine revenue that would be collected as a result of the proposed legislation would more than offset these additional costs. These revenues are illustrated in the table below.

Revenue					
	FY 2004	FY 2005	FY 2006	FY 2007	4-Year Total
Dog license	\$30,000	\$30,900	\$31,827	\$32,782	\$125,509
Dangerous dog license	4,000	4,120	4,244	4,371	16,735
Cat license	21,000	21,630	22,279	22,947	87,856
Breeding Permit	30,000	30,900	31,827	32,782	125,509
Total	\$85,000	\$87,550	\$90,177	\$92,882	\$355,608

The result would be a net increase of nearly \$73,000 in additional revenue in FY 2004 and a total of over \$305,000 in additional revenue over the FY 2004 through FY 2007 period. Depending upon program activity both costs and revenues may increase, but revenues are expected to continue to more than offset costs.

Estimated Impact to the Financial Plan					
	FY 2004	FY 2005	FY 2006	FY 2007	4-Year Total
Revenue	\$85,000	\$87,550	\$90,177	\$92,882	\$355,608
NPS (Costs)	(\$12,050)	(\$12,412)	(\$12,784)	(\$13,167)	(\$50,413)
Total	\$72,950	\$75,139	\$77,393	\$79,714	\$305,196