

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: April 12, 2004

SUBJECT: Fiscal Impact Statement: “Telemarketing Sales Practices Act of 2004”

REFERENCE: Draft Legislation as Introduced - No Bill Number Available

Conclusion

Funds are sufficient in the FY 2004 budget or the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. The proposed legislation will not require any additional staff or resources.

Background

The Consumer Protection Procedures Act is enforced by the Office of Corporation Counsel (OCC), Civil Division. Operational costs are funded by the District of Columbia Consumer Protection Fund¹. The Fund is a non-lapsing, non-reverting, non-tax proprietary fund established to support operations in OCC for investigation, preparation, filing, and maintenance of actions specified in the Consumer Protection Procedures Act. In addition, the Fund supports operations associated with receiving and responding to consumer complaints, and in consumer education activities.

The Fund balance is statutorily limited to \$1.49 million and, while subject to appropriation and authorization by Congress, is the repository of funds collected as the result of Court-ordered judgments, settlements, and other recoveries made by OCC during consumer protection activities. All funds exceeding the \$1.49 million limitation are deposited into the District's local General Fund.

¹ The Fund's authority was established in the D.C. Official Code Title 28 § 3911 (2000).

The proposed legislation will add several items to the District's list of unlawful trade practices² including: violations of the National 'Do Not Call Registry'; engaging in deceptive or abusive telemarketing practices; and using telemarketing programs to induce the purchase of goods or services.

Financial Plan Impact

Funds are sufficient in the FY 2004 budget or the FY 2005 through FY 2008 budget and financial plan to implement the provisions of the proposed legislation. No additional staff or resources will be required. If there are any additional impacts caused by implementing the provisions of the proposed legislation they will need to be absorbed by the resources of the Civil Division of OCC.

² D.C. Official Code Title 28 § 3904.