

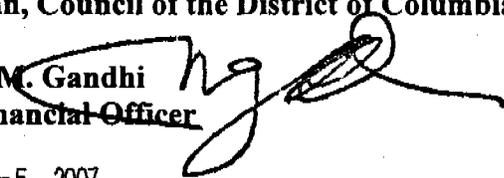
GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: APR -5 2007

SUBJECT: Fiscal Impact Statement: "Smoking and Tobacco Control Regulations Approval Resolution of 2007"

REFERENCE: Draft Legislation – Resolution Number Not Available

Conclusion

Funds are sufficient in the FY 2008 budget and the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed resolution.

Background

The proposed resolution would approve the proposed rules to amend Chapter 21 of Title 20 of the District of Columbia Municipal Regulations. The proposed rules would establish criteria and procedures to implement Department of Health Functions Clarification Amendment Act of 2006 (D.C. Law 16-90), which bans smoking in all enclosed public places and places of employment. The law went into effect on April 3, 2006 for workplaces and on January 1, 2007 for the bar areas of restaurants, taverns, clubs, brew pubs, and nightclubs.

The resolution provides guidelines and authorization for the District Department of Health (DOH) to implement District Law 16-90 ("Law"). Specifically, the resolution:

- Specifies requirements for "no smoking" signs in establishments subject to the Law;
- Specifies requirements for signage for places licensed to sell tobacco products;

- Enumerates requirements for exemption and economic hardship waiver; and
- Provides description and amounts for penalties and fines for violation of the Law's provisions.

The revised proposed rules add authority for a special event waiver and make the threshold for qualifying for an economic hardship waiver higher by requiring a decrease in receipts of 15% instead of 5%. The rule also includes technical corrections that would likely decrease the number of applications for exemptions and simplify the review process.

The DOH has the authority to conduct inspections of all establishments subject to the Law to verify compliance with the smoking ban and to impose fines for violations. The maximum penalty for a violation is \$1,000. It is expected that some revenue will be generated from imposing penalties but it is not possible to determine the amount at this time. Any increase in the number of inspections beyond the current projected workload may require additional resources.

Financial Plan Impact

Funds are sufficient in the FY 2007 through FY 2010 budget and financial plan to implement the proposed resolution. Costs associated with implementing the legislation will be absorbed by existing agency resources.