

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
Chair, Council of the District of Columbia

FROM: Natwar M. Gandhi 
Chief Financial Officer

DATE: NOV 20 2007

SUBJECT: Fiscal Impact Statement (Revised¹): "Non-Resident Taxi Drivers Registration Amendment Act of 2007"

REFERENCE: Bill Number 17-113 – Committee Print

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation would generate an estimated \$1.34 million in revenue over the FY 2008 through FY 2011 period, which would be deposited into the Out-Of-State Vehicle Registration Special Fund.

Background

After the passage of a 2001 law² that required one to be a resident in order to register a vehicle in the District—and before the passage of the Non-Resident Taxi Drivers Registration Emergency Amendment Act of 2007-- non-resident taxi drivers were still being allowed to register a taxicab in the District, in violation of the District's own law.

On March 1, 2006, the District of Columbia Department of Motor Vehicles (DMV) announced a grandfather clause to address this issue, permitting a non-resident taxicab driver who was registered in good faith to continue to be registered in D.C. However, the DMV did not have legal authority to do so. The proposed legislation would make permanent the Non-Resident Taxi Drivers Registration Temporary Amendment Act of

¹ Revision reflects changes made to the legislation by the Committee on Public Works and the Environment

² Codified in D.C. Official Code § 50-1501.02(c)(5)

2007³ to give the DMV legal authority to continue this practice so long as 1- the driver was registered before March 1, 2006, 2- the driver was licensed to operate a taxicab or limousine within the District within the previous five years, and 3- the driver pays an additional \$100 annual registration fee to the DMV.⁴

The proposed legislation also establishes a special purpose fund, designated as the Out-Of-State Vehicle Registration Special Fund, to be administered by the Office of the Director of the Department of Motor Vehicles. All funds collected by the DMV from the registration of out-of-state taxicab drivers in excess of funds that would otherwise be collected from in-state drivers would be deposited into the Fund. The first \$25 of each registration fee deposited into the Fund would be used for programs encouraging residents of the District of Columbia to pursue careers as a driver of a limousine or taxicab; or, if the Chairperson of the District of Columbia Taxicab Commission (DCTC) deems another use to be in the best interests of the proper regulation of the taxicab and limousine industries of the District, to such other use. Revenues in the Fund over and above this amount would be used to manage the Fund, and would also be used for the operational or capital needs of DCTC. The new Fund would be non-lapsing and non-reverting. Funds would remain available until fully expended, without fiscal year limitation.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation would generate an estimated \$1.34 million in revenue over the FY 2008 through FY 2011 period, which would be deposited into the Out-Of-State Vehicle Registration Special Fund. However, if the proposed bill is not enacted and non-resident taxicab drivers who are currently registered in the District are no longer permitted to register a vehicle in the District, the District would lose approximately \$2.68 million in revenues over the FY 2008 through FY 2011 period. These revenues are currently included in the FY 2008 through FY 2011 budget and financial plan.

The DMV has estimated that the total number of non-resident taxicab registrants in the District is in the range of 3,300 to 3,400. For the purposes of this fiscal impact statement, the Office of the Chief Financial Officer (OCFO) estimates that number to be 3,350. Taxicab drivers are currently subject to an annual vehicle registration fee of \$115,⁵ collected by DMV and paid into the General Fund; an annual vehicle license tax of \$35, collected by DCTC and paid into the General Fund; an annual \$50 assessment of taxicab

³ Effective October 18, 2007.

⁴ The proposed legislation would make permanent the Non-Resident Taxi Drivers Registration Emergency Amendment Act of 2007, which amended the District of Columbia Revenue Act of 1937 (50 Stat. 680; D.C. Official Code § 50-1501.02 *et seq.*)

⁵ Assuming a Class II weight class (3,500 – 4,999 pounds).

drivers, collected by DCTC and paid into the Taxicab Commission Fund;⁶ and under the provisions of the proposed legislation, non-resident taxicab registrants would be subject to an additional \$100 fee, to be paid annually and deposited into the Out-Of-State Vehicle Registration Special Fund.

As this legislation only applies to those who registered their taxicab prior to March 1, 2006, revenues from the enactment of this legislation would eventually diminish, though the proposed legislation would remain revenue enhancing. However, the timing and fiscal impact of this cannot be estimated by the OCFO at this time.

The tables below display in detail the revenue impact that the enactment or rejection of the proposed legislation would have on the FY 2008 through FY 2011 budget and financial plan.

Estimated Revenue Impact to the Financial Plan					
<i>If the proposed bill is enacted</i>					
	FY 2008	FY 2009	FY 2010	FY 2011	4 Year Total
Non-Resident Taxicab Fee	\$335,000	\$335,000	\$335,000	\$335,000	\$1.34m

Estimated Revenue Impact to the Financial Plan					
<i>If the proposed bill is not enacted</i>					
	FY 2008	FY 2009	FY 2010	FY 2011	4 Year Total
Annual Vehicle Registration Fee ⁷	(\$385,250)	(\$385,250)	(\$385,250)	(\$385,250)	(\$1.54m)
Annual Taxicab License Tax ⁸	(\$117,250)	(\$117,250)	(\$117,250)	(\$117,250)	(\$469,000)
Annual Assessment of Taxicab Drivers ⁹	(\$167,500)	(\$167,500)	(\$167,500)	(\$167,500)	(\$670,000)
Net Loss	(\$670,000)	(\$670,000)	(\$670,000)	(\$670,000)	(\$2.68m)

⁶ D.C. Code § 50-320. Expenditures from the Fund are subject to Council approval of an annual plan submitted to Council by DCTC.

⁷ Per D.C. Code § 50-1501.03. This fee is collected by DMV and paid into the General Fund.

⁸ Per D.C. Code § 47-2829(d). This fee is collected by DCTC and paid into the General Fund

⁹ Per D.C. Code § 50-320. This fee is collected by DCTC and paid into the Taxicab Commission Fund