

**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: DEC -5 2007

SUBJECT: Fiscal Impact Statement: "District of Columbia Clean Cars Act of 2007"

REFERENCE: Bill Number 17-099

Conclusion

Funds are sufficient in the Mayor's proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation is likely to result in negligible administrative and regulatory costs.

Background

The proposed legislation would require the Mayor to establish by regulation a Low Emissions Vehicle (LEV) Program applicable to vehicles of the 2011 model year and each model year thereafter. The bill:

- requires the program to be authorized by Section 177 of the federal Clean Air Act (CAA);
- requires the Mayor to establish motor vehicle emissions standards and compliance requirements for each model year included in the program as authorized by CAA;
- authorizes the Mayor to (1) adopt California regulations, procedures, and certification data by reference; (2) adopt by regulation motor vehicle emissions inspection, recall, and warranty requirements; and (3) work in cooperation with and enter into contracts or agreements with other states to administer certification, in-use compliance, inspection, recall, and warranty requirements;

- requires the Mayor to work in conjunction with other states to promote and facilitate the regional adoption of LEV programs authorized by CAA;
- authorizes the Mayor to adopt regulations to exempt motor vehicles from the program under specified conditions; and
- prohibits the Mayor from titling or registering a motor vehicle not in compliance with the bill or its regulations.

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. It is estimated that the proposed legislation would have no fiscal impact. The cost of regulation revisions required by the Act are estimated to be negligible, as the Department of the Environment anticipates a revision to relevant DCMR sections regardless of whether B17-099 is passed. The Department of Motor Vehicles anticipates no increase in costs to administer the program, as it is anticipated that manufacturers' certificates, currently employed to ensure new vehicles meet other regulatory standards, will also be used to insure that new model-year 2011 and later vehicles comply with the LEV standards.

Although District of Columbia expenditures for the purchase of government fleet vehicles could increase beginning with model year 2011 vehicles, a reliable estimate of any such increase cannot be made at this time. Pricing will depend on manufacturers' design and production decisions, which cannot be reliably predicted.